

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
January 28, 2021, REGULAR MEETING MINUTES

MEETING HELD AT DISTRICT
1150 MISSION STREET
SAN MIGUEL, CA 93451

- I. Call to Order:** Meeting Called to Order by President Sangster – 6:30 P.M.
- II. Pledge of Allegiance:** Pledge of Allegiance lead by Director Kalvans
- III. Roll Call:** Directors Present: Sangster, Kalvans, Palafox, Roney, Gregory (Arrived @ 6:34 P.M)
- IV. Approval of Regular Meeting Agenda:**
Motion by Director Sangster to approve agenda for January 28, 2021
- Seconded by Director Palafox. Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSENT and 0 ABSTAINED.
- V. ADJOURN TO CLOSED SESSION: 6:32 P.M.**
- A. CLOSED SESSION AGENDA:**
- 1. CONFERENCE WITH DISTRICT GENERAL COUNSEL-ANTICIPATED LITIGATION** Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:
- VI. Call to Order for Regular Board Meeting/Report out of Closed Session: 7:02 P.M.** Report out of closed session by District General Counsel Doug White, the direction was given to staff, no reportable action
- VII. Public Comment and Communications for items not on the Agenda:** None.
- VIII. Special Presentations/Public Hearings/Other:**
- 1. Project information on the Machado Wastewater Facility Expansion** report given by District Engineer Dr. Blaine Reely. District Engineer Dr. Blaine Reely gave an overall summary regarding the Wastewater Treatment Plant and the recycled water purple pipe distribution. He discussed how the sewer system in San Miguel works with the Salinas River. The east side is currently hooked up with the Wastewater Treatment Plant and the west side of the river is completely hooked up with the sewer. During the dry weather when it is not raining approximately 190,000 gallons per day are used. When it rains, you have some places where approximately one-half million gallons per day are used. With our population, we have 780 sewer connections right now. Per connection/per business that is about 192 gallons per day and that equates to about an average of around 65 gallons per day which is really low. Our

pumps at ponds 1 and 2 breaks down biological matter. Ponds 3 and 4 are basically settling ponds and they eventually find their way into the Salinas River and find their way to the sub-surface.

District Engineer Dr. Blaine Reely discussed the treatment plant, which was built in the 1980s and upgraded in the 2000s. There is a bit of fluctuation and with every kind of case there is a cost and on average how many gallons are used per day. There are days where we exceed the capacity of the plant. I wouldn't be surprised with the wet weather we are having if we spike over the projection. When the master plan was updated this year we looked at the potential population growth for the year. Again, based on our analysis of how it could be developed within the District boundaries, and urban renewal lines it is possible and even probable that we could be finished by 2050. By 2025 the maximum dry weather flow would probably be a little bit over three-hundred thousand gallons per day. By 2035 we could be at four-hundred and fifty thousand gallons per day and in 2040 four-hundred and sixty-thousand gallons per day and by 2050 over half a million gallons per day. That is our projection. It is impossible to see in the scale presented. We are going to keep going and keep reusing what we have. We will remove a lot of things going into the plant right now and especially removing grit. Primary treatment is what is called Membrane Bioreactor Treatment. The tertiary treatment level process will be able to take all wastewater to a point where we can recycle, reclaim, and use it for a number of different purposes but primarily making it an available resource to vineyards for an irrigation supply in their pump and groundwater. Actually two things, also in reducing the groundwater basin in our area. There is a lot to that and can provide information if needed That was the plant component of the presentation and the other component is recycled water and the purple pipe system. We want to provide water for landscape areas including the schools, parks, homes, and other associations. Dr. Reely explained that the District received notice from The Water Board in June 2018 that 75% of our treatment capacity and that we needed to start planning for the plant expansion. We submitted applications for grant funding and now we are in the process of doing the environmental work and they will want the final design and we are anticipating getting that done and permits secured and ready to go to construction late this year or sometime between June of this year but might be a month or so later. I am hoping by late summer we could go to construction. We are hoping that Phase I would be completed by the end of this year. Director Ashley Sangster inquired if you complete Phase I what kind of capacity would you be talking about? District Engineer Dr. Blaine Reely advised we would have about three-hundred and twenty-five thousand gallons per day. District Engineer Dr. Blaine Reely This is the painful part of the presentation, the cost estimate. Mr. Reely explained that he has put the project, in three phases, because we do not know for sure how much time it will take or whether or not we will get funding. Phase I, Phase II, and Phase III and explained that he did not go into detail about what is included in each one, in sequence but we need our permit requirements to do the things we want and can. Some of the projects in Phase I, II, and III will be done by District Staff (soft cost), and the capital cost of the project does not include the soft costs which are really about \$15.5 Million. Dr. Reely explained This is the cost estimate that includes everything and some of these things have already been paid for, referring to his presentation slides. These include the soft costs, the legal cost, the engineering, the environmental, the cost associated during construction for Phase I and II only, not including Phase III, the total cost is about \$10,764. Million Dollars. So, we are looking at

a total project cost of Phase I and II of \$11.8 Million and I think that is the number you should have in your mind that you may write a check for someday.

Director Ashley Sangster stated there was a big difference in the overall total here, Director Sangster explained that the normal contingency is 7% and we are at 10%? District Engineer Dr. Blaine Reely stated that he thinks at this point there is still funding up in the air and feels that 10% is appropriate.

Dr. Reely Explained that in the next portion of the presentation will explain the things we are doing to try to pay for this. We have already been awarded and used the PROP 1 IRWM DAC Involvement grant and we have been also awarded a Clean Water State Revolving Fund Planning Grant of \$250,000. We have a pre-application for the DWR Small Community Wastewater Program Grant for \$14,500,000 and that application is in. We have submitted just last month the Prop 68 Grant and we should hear about that in late spring or early summer. We have been in contact and submitted loan documents to the USDA Rural Utilities Services Grant and Loan program but the amount is still to be determined. We have the engineering report and we are waiting for the environmental report before they make a decision. We applied twice for the 2020/2021 Community Development Block Grant though we were unsuccessful in that funding cycle. We are pushing to find ways to pay for this.

Director Raynette Gregory asked about the purple pipe and she asked District Engineer Dr. Blaine Reely if he was talking about selling access to the Vinyards and would the District be selling that? District Engineer Dr. Blaine Reely replied yes, we see that as a sufficient revenue source. Director Raynette Gregory asked how that would work, and if people are pumping treated water would it be metered? District Engineer Dr. Blaine Reely replied yes, it would be metered at the point of connection. Director Raynette Gregory asked if the meter would be directly metered to the vineyards? District Engineer Dr. Blaine Reely stated that the way we see it working is they are working is that for example J.Lohr would put into a reservoir and the way it would work best would be to blend our water with their groundwater. They would use a blended source of groundwater and recycled water. Director Raynette Gregory asked what kind of blend would they use? District Engineer Dr. Blaine Reely stated that it would probably be 80/20; 80% groundwater and 20% recycled water. That seems to be suitable for vineyards. Director Raynette Gregory asked District Engineer Dr. Blaine Reely if this would be cost-effective. District Engineer Dr. Blaine Reely said that it would be best. The GSAs are going to have pumping restrictions and when that happens they will be able to use recycled water in lieu of as much groundwater to make up that difference. There is a backbone there something like 11 large vineyards that are looking into a supply line and could use that blended supply exclusively. They could then use something that we propose which is the development of the groundwater replenishment program, for credits. The idea would be for the backside users, curtail their groundwater use. Dr. Reely explained that he thinks it's about 4,000 acres a year and says they were asked by the GSA to curtail their groundwater per year by 20% and they curtailed 100%. They could curtail that percent per year. They could then make it available for sale and we could do the same. They could purchase those replenish credits and offset the percentage. Director Raynette Gregory stated that before that comes into play this purple pipe, purple water, however you say that; it needs to be cheaper than the groundwater. Discussion ensued about the cost-effectiveness for the vineyards. . Dr. Reely explained that the purple pipe is in Phase III. The District would not build it until curtailment requirements by the GSA's are in place.

Director Anthony Kalvans asked did you hear what happened a few days ago at The Board of Supervisors? So to keep everyone up to speed the Board of Supervisors land use ordinance that will affect the unincorporated GSA's with a whole new tier system, new everything. Director Raynette Gregory asked Director Anthony Kalvans to please translate. Director of Utilities Kelly Dodds stated that basically there is a neutrality ordinance the county has and basically, you must offset any new planting. The current plan expires next year in January. They are working at a feverish pace to come up with in their words to fix the problem. It becomes under their current direction and their staff as a tier system and I will not go into it all because I do not know all of it that well. Basically, it is going to become better for some and worse for some, just like everything else. The benefit is that the worse for some is better for us and better for recycled water. Director of Utilities Kelly Dodds explained that at any rate that creates another option for people to buy into recycled water. The new ordinance suggests that it is going to allow for more water use for personal than the current one does which should allow some to use but in the long run it is still going to be some sort of an offset and people are going to want to see some way to get around that.

Director Raynette Gregory asked offset meaning water offset that you are concerned with? Director of Utilities Kelly Dodds said if your offset is a 1 to 1 then you could use one part of recycled water to offset your groundwater. In the curtailment aspect across the basin, there is curtailed percent of 20%. If it is 20% curtailment it would have to be surface water of some sort, and those options are severely limited. The example that District Engineer Dr. Blaine Reely gave is offsetting 100% of the usage and could sell 80% to other vineyards that don't have access to recycled water or surface water. Dr. Reely stated housing developments in the District then those credits become valuable.

Director Anthony Kalvans stated that correct me if I'm wrong but isn't there is a \$5,000 offset fee? We are looking at 100 homes that were built in the last two years. Where is that money going? District Engineer Dr. Blaine Reely stated that the money is going into an account with the County and it is the same account that the county has the "Cash for Grass" program and it has accumulated thousands of dollars. We have tried to find projects that meet their requirements but they have never given us the money. We have not found projects that fit those criteria. They have this program, and they are collecting a lot of money, and they do not have anything right now that makes sense to use that money. Director of Utilities Kelly Dodds stated that it has been a year since we have had a meaningful discussion with them. We know what our plans are with the District and part of that is that the District's GSA is going to have to come up with a water conservation ordinance and our own water offset. If that comes around then the county, at least on the staff level, was interested in helping to fund that; the water offsets that were already paid in San Miguel. Because there are not enough houses in the basin to use all of that money they have got. Potentially is that if that comes around as far as our GSA is concerned with providing seed money to the programs then the District itself would collect some offset fee to use that kind of water or if we couldn't provide enough reduction to cover their offset. Director Anthony Kalvans stated that he did not want to keep going down off the subject but asked if recycled water is considered wastewater its own enterprise function. Director of Utilities Kelly Dodds stated that it is wastewater. To go off into the weeds El Pomar Creston District. Out of our boundaries. Director of Utilities Kelly Dodds stated that in most cases recycled water or surface water is not the same as groundwater. We cannot legally provide groundwater as a District on a regular basis you have more flexibility basically when it is a byproduct. Director Anthony Kalvans inquired if there may be a fee. Director of

Utilities Kelly Dodds stated that there may be a fee. The purple pipe system will likely have some sort of connection fee, like water and wastewater. Director Anthony Kalvans if IWMA would still be helping with funding for the recycling station? The Director of Utilities stated they are still interested in funding the recycling Station, not related to the purple pipe. Director Kalvans asked why the District missed the CBDG funding for the last couple of years? District Engineer Dr. Blaine Reely explained that the County Board of supervisors prioritized housing. The one thing they did say though is that they are interested in helping with funding. Their initial hang-up was we didn't have the funding or the majority of the purple pipe funding. Discussion ensued regarding Randolph Road and fence line, and if Gallo would help fund improvement of that road. Director of utilities Kelly Dodds explained that Gallo has a legal easement on the property and on the new property. Discussion about phase III, and a District rate study ensued.

Director Raynette Gregory asked District Engineer Dr. Blaine Reely if water was going to be used for vineyards or for landscaping? Dr. Blaine Reely stated there are a lot of cities that use recycled water for golf courses, parks, and schools. Director Raynette Gregory asked about the DWR Grant and when District Engineer Dr. Blaine Reely would know about the outcome of the grant. District Engineer Dr. Blaine Reely replied that in late spring they are supposed to announce an Award and the final Award would be in early summer. Director Raynette Gregory asked District Engineer Dr. Blaine Reely if having the purple pipe wouldn't make us pretty eligible? District Engineer Dr. Blaine Reely stated that he believes we have a pretty good shot and that we are the only applicant in the Paso Robles groundwater basin. No other GSAs wanted to put in an application. I think we are a high-profile basin. We have a really good project and I think we have a good shot.

Director Anthony Kalvans asked District Engineer Dr. Blaine Reely if we are talking about the entire Paso Robles ground basin or the Atascadero and SLO County basin? District Engineer Dr. Blaine Reely stated that the boundary as far as our Paso Robles boundary is county line, and as far as Monterey that portion includes in their GSA. Director Anthony Kalvans stated I just didn't know if they looked at our entire county.

Board Comments: Director Ashley Sangster inquired to District Engineer Dr. Blaine Reely regarding if the cost estimates included the solar project and about if it could be done at the same time as the Treatment Facility upgrade. However, Dr. Reely stated that the projected cost is not with the Solar and he cannot answer the grant question at this time but that they can run the project concurrently and that is exactly what Cayucos is doing. Discussion ensued.

Public Comment: None

Staff Comment: Director of Utilities Kelly Dodds stated that he is trying to work with PG&E for grants and with the solar he is trying to offset and there is potential with all our other sites and in the future, we can be at zero energy cost.

Director Anthony Kalvans inquired how much of a cost are we talking about? Director of Utilities Kelly Dodds stated that he did not want to misquote. Director Anthony Kalvans asked if he could assume that we are talking more than \$500,000. He further asked if he could throw one more monkey wrench in this and ask what is the cost comparison from the solar update to the original master plan update? Director of Utilities Kelly Dodds began to explain the aspects of the cost of solar power. Director Anthony Kalvans asked can I get a blurb? You are supposed to have it in writing. Director of Utilities Kelly Dodds stated that the solar itself would have its own in-house and that you might initially have the same investment, but it would be a much, much higher element in cost as opposed to just the solar needs. At least

initially in manpower, the manpower aspects drive up the element of costs. Direct Anthony Kalvans asked if the master plan would be bigger. Director of Utilities Kelly Dodds replied yes. Director Ashley Sangster asked if there were any further comments from the Board. There were no further comments.

Board Comments: None.

IX. Staff & Committee Reports:

1. San Luis Obispo County - No Report.
2. Camp Roberts-Army National Guard - No Report or Email.
3. Community Service Organizations.

The report was given by Secretary/Treasurer of the San Miguel Fire Fighter's Association, Michelle Hido. Ms. Hido stated that rather than going over the new projects for the year she would like to go over an article that was published in the Paso Robles Daily News, by Director Sangster and Director Kalvans. No response was received to an email sent to the CSD taking credit for the article. Secretary/Treasurer Michelle Hido wanted to know why the article had not been corrected. Director Ashley Sangster replied that he feels that the CSD actually did not take credit and that actually the "Firefighters" took credit for the article the word Association was left out. Director Ashley Sangster asked Director Anthony Kalvans if he would like to comment. Director Anthony Kalvans stated that this matter was simply an accident that happened, he apologized for it, and he did see Ms. Hido's email. Secretary/Treasurer Michelle Hido stated that the Fire Department is a service of the Community Service District. The Firefighter Association is primarily used for accomplishing projects that the CSD is limited from doing, due to funding. By crediting the Firefighter you are crediting that service under the umbrella. That is where the problem comes in. You guys are saying that you are funding the projects that you have done. Director Ashley Sangster stated that it was not intentional; the article was read by Director Kalvans and no one from inside the organization was trying to do something to an outside entity. Secretary/Treasurer Michelle Hido asked why the article has not been corrected in the last two weeks. She has published with the Paso Robles Press in the past. A lot of information is given and a timeline is given. It is not a hardship to make a change to an article and like she said, in order to close this situation a correction needs to be made. Director Ashley Sangster stated that he appreciates how Secretary/Treasurer Michelle Hido has advised the Board regarding the article. He asked if Director Anthony Kalvans had anything to add. Director Anthony Kalvans stated that he is happy to correct the error. He stated that he is not sure if anyone else saw the article and there was a one-word error. He did not want the issue to get blown up or for anyone's feelings to get hurt. Secretary/Treasurer Michelle Hido stated that feelings are not the issue, rather than the article having misleading information between the CSD and the San Miguel Firefighter's Association. The article is misleading with regards to who is funding programs. Specifically keeping separate the funding we have so that we do not have the CSD funding confused legally and financially. Director Ashley Sangster stated that Ms. Hido has brought up the issue and perhaps she should move on. Secretary/Treasurer Michelle Hido stated that the issue is the correction and asked if a correction was going to be made. Director Anthony Kalvans stated that perhaps the matter could be discussed after the meeting because now was not the time. Director Ashley Sangster stated that the issue was for Secretary/Treasurer Michelle Hido to give the Board a community service report but she did not want to do that. Instead, there was

a email sent to the board and the tone of the email sent by two represented officials who represent this community was inappropriate.

Director Ashley Sangster went on to say again, your concerns were addressed and if you would like to discuss it further you may do so.

4. Interim General Manager/ Fire Chief -

Interim General Manager/Fire Chief Rob Roberson gave a Covid 19 update. Currently, there have been 420 cases reported in San Miguel. At this time there are only 33 hospitalized. 16 people are in ICU. In San Miguel 3 were added to the list in the last 24 hours. No deaths have been reported in San Miguel. The city of Arroyo Grande claims to have no beds available. The stay-at-home order has been released. The stay-at-home order lifted Monday. You can go wine tasting in the rain. You can go to hair salons and nail salons.

Public Comment: Citizen Mr. Owen Davis stated that you have a 99.9% chance of survival if you get Covid-19.

Interim General Manager/Fire Chief Rob Roberson stated ok, let's move on. The staff has been working on reports for our items this evening, for our budget adjustment, and we are also in our final steps of finding someone for the position for the front office. I want to thank Tamara Parent for all the work she has put in and Paola Freeman for picking up the slack. She has had to do a lot with the workload. We have completed our second strategic planning informal work session and our schedule for tentatively March 4th. . W2s have been sent out to all employees. Information for LAFCO is still being put together and we will have reports to them by February. Tamara Parent Board Clerk has been working on that. San Luis Obispo County tax-delinquent properties are going up for auction on March 19th. We have filed the paperwork expressing our interest. The properties are \$11,500.00 cost to the District. We will be moving forward with that and then we will be coming back to discuss this with the Board of Directors. Board Clerk/Accounts Manager Tamara Parent stated that the date for the auction is June 1st 2021. Interim General Manager/Fire Chief Rob Roberson stated now that we have our sworn in new members we need to do our bank signatures cards again. Board Clerk/Accounts Manager Tamara Parent stated that we need the Board Members to sign the resolutions tonight. Director Ashley Sangster asked if the bank could send the new signature cards to the District. Board Clerk/Account Manager Tamara Parent stated she did not know. It will depend on Covid.

Board Comment: Director Anthony Kalvans asked about delinquent taxes and if there were more from delinquent taxes or if that was on pause? General Interim Manager/Fire Chief Rob Roberson stated that it was not on pause. Board Clerk/Accounts Manager Tamara Parent stated we will bring any other properties to them. General Manager/Fire Chief Rob Roberson stated there is the Mission Street property on 9th and 10th as well as 11th and 12th Streets. Director Ashley Sangster said thank you.

Public Comments: None.

5. Report of District General Counsel Doug White –

District General Counsel Doug White stated that he had no report to give.

6. Report of District Engineer Dr. Blaine Reely –

Director Anthony Kalvans stated that he had a question. He wanted to know if the Board will see a copy of the proposed offset ordinance from the County. District Engineer Dr. Blaine Reely stated that he can certainly send one to the Board. Director Anthony Kalvans stated I

would like to see it and have the Board review it. The Director of Utilities Kelly Dodds explained that the District can see it but will have no say in the Ordinance. District Engineer Dr. Blaine Reely stated that he will send one tomorrow. Director Anthony Kalvans said thank you so much. Discussion ensued regarding water purveyors and managing the water basin, and questions why the District would not have a say. Director Anthony Kalvans stated that he would send District Engineer Dr. Blaine Reely a Memo on the matter but he would like to see what we can do before we shake the tree too much.

Board Comment: None

Director Ashley Sangster asked if there were any public comments or questions.

Public Comment: Mary Szlavik asked District Engineer Dr. Blaine Reely his first name and he spelled it for her.

7. Report of Director of Utilities Kelly Dodds-

Mr. Dodds stated that we had a main break in the Dollar General right before Christmas. Some planters were removed from the CHC. Some nice individuals decided to take out some irrigation and destroyed some picnic benches. The benches were not the property of the District so they will not be replaced but the irrigation has been replaced. The 10th Street waterline project is moving along, and we are making progress with the railroad. They are under the tracks and next week I will make a connection on the other side of the tracks and will test it and start the process of re-paving. Everything is going pretty well. Luckily we were able to get almost everything done before the rain. Nothing was found by our Archaeologist and Native American monitors.

Board Comment: Director Anthony Kalvans asked are you ready to move with the steel culvert now? Director of Utilities Kelly Dodds stated we put in a new casing. Director Anthony Kalvans stated I know the picnic benches were there and they were really nice. Are we not putting them back because they are just a liability? Director of Utilities Kelly Dodds stated the apartment put them in and the people at CHC us them. It is really not a good spot, especially with parking.

Director Raynette Gregory asked so they have been destroyed because somebody took them out? Director of Utilities Kelly Dodds stated someone was screwing around and took them out. Director Raynette Gregory asked in a vehicle? Director of Utilities Kelly Dodds stated yes, in a vehicle. They destroyed the two benches. Director Raynette Gregory stated obviously, they caused a lot of damage to their vehicle. Director of Utilities Kelly Dodds stated they lost a lot of oil and I'm assuming they have a problem with their car now. They went as far as they could. Director Raynette Gregory asked do we know who they are? Director of Utilities Kelly Dodds stated that he does not know who they are except for reports on Facebook about the type of car it was. He was told about it on Sunday and it happened on a Saturday night. One of the people that live in the apartment cleaned up the mess. Director Anthony Kalvans asked did we file a report with the Sheriff or what is going on with that? Director of Utilities Kelly Dodds stated that we did not file a report. Director Anthony Kalvans asked if there was any news about our damaged streetlight? Director of Utilities Kelly Dodds stated we are not going to get anything out of that. There is not enough video evidence to bring anything. Director Ashley Sangster asked if we know what the Sheriff has on his video and if Director of Utilities Kelly Dodds saw the vehicle on the camera down to where it stopped? Director of Utilities Kelly Dodds stated that he did not go through the camera to

look. Discussion ensued regarding the camera, who the camera belongs to, and the fact the vehicle could not be seen well enough to identify the vehicle.

Public Comment: Citizen Owen Davis asked who paid for the electric car charging station for someone to hit? Director of Utilities Kelly Dodds replied that it belongs to a solar power company. Citizen Owen Davidson stated that someone is going to hit it. Director of Utilities Kelly Dodds stated that to use it you have to pay with a credit card. Citizen Owen Davis stated, ok, you answered my question we didn't have to pay anything right? But in order to use one of those you have to pay someone. Discussion ensued regarding the electric car charging station.

Director Kalvans thanked Director Sangster for his time helping with the clean-up in the flower beds.

Director Ashley Sangster asked if there were any other public comments.

Public Comment: Mary Szlavik asked for Owen Davis's name and he provided it to her and spelled his name for her.

8. Report of Fire Chief Rob Roberson –

Submitted as written. The changes in the vehicles Milage are as close as I could get them. I started a whole new log beginning January first.

Director Ashley Sangster asked if there were any Board comments or questions on the Fire Chief's Report?

Board Comment: None

Public Comment: None

X. CONSENT CALENDAR

1. Review and Approve Board Meeting Minutes

- a) 12-17-2020 Special Board Meeting.
- b) 01-07-2021 GSA Board Meeting
- c) 01-07-2021 2nd Strategic Planning Informal Work Session Minutes

Board Comment: Director Ashley Sangster discussed with Board Clerk/Accounts Manager Tamara Parent the grammatical errors he found in the above listed Board Meeting Minutes typed by Mary C. Szlavik.

Public Comment: None

Motion by Director Sangster to approve consent item 1. (a) and (c) as amended.

Seconded by Director Roney. Motion was approved by Vote of 5 AYES and 0 NOES and 0 ABSENT and 0 ABSTAINED

2. Approving RESOLUTION 2021-01, assignment of banking powers for Anthony Kalvans, Ashley Sangster, Hector Palafox, Raynette Gregory, and Ward Roney for District Bank accounts.

Board Clerk/Accounts Manager Tamara Parent stated that the above is pretty simple.

Board Comment: None

Public Comments: Citizen Owen Davis asked what happens if someone comes up and says that they need a \$5,000 check. Can anyone ask why you need a \$5,000 check? What is this for? Who decides what is necessary? Interim General Manager/Fire Chief Rob Roberson stated yes, he signs the check. Citizen Owen Davis said ok, so for any expenses, they have to go through you? Interim General Manager/Fire Chief Rob Roberson explained that the check goes through him, and it goes through another person as well. Citizen Owen Davis stated ok, that is fine. General Manager/Fire Chief Rob Roberson stated that the check comes to him and he authorizes it. District Financial Officer Paola Freeman stated that she gets invoices prepared, makes sure everything balances, and prepares a report. Citizen Owen Davis asked so we aren't going to buy any more \$25 digging bars? Mary Szlavik stated that it would be helpful if she could receive the Board packet so that she could better prepare her Minutes of Meetings.

Motion by Director Sangster to approve Resolution 2021-01, assignment of banking powers for Anthony Kalvans, Ashley Sangster, Hector Palafox, Raynette Gregory, and Ward Roney for District Bank accounts.

Seconded by Director Kalvans. Motion was approved by Vote of 5 AYES and 0 NOES and 0 ABSENT and 0 ABSTAINED.

XI. BOARD ACTION ITEMS:

1. Review, Discuss, Receive and File the Enumeration of Financial Report for November 2020 (Tabled from December 2020)

Director Ashley Sangster asked if there were any board comments or questions on the item. He stated that he had a question about the first page of the expenditures. In November 2020 we have a payment for District Legal Counsel Churchwellwhite for Nineteen thousand and I thought I saw somewhere in December 2020 report that we had another fairly significant payment. District Financial Officer Paola Freeman stated that this is correct, and they have brought it to our attention. It was in June and July 2020, so I went back to check our records and in fact, we had to work to catch up. Basically, the bill was overlooked. We are now all caught up. Director Ashley Sangster stated ok, so it wasn't for the previous three months? District Financial Officer Paola Freeman stated that there were a lot of things going on and they are getting caught up. Director Ashley Sangster stated ok, it just didn't make sense. District Financial Officer Paola Freeman stated that we are still waiting for December though. Director Ashley Sangster stated he had a general question for all staff. Do we know if we have a contract with JB Dewar? Director of Utilities Kelly Dodds stated that we just buy from them and they have been the cheapest so far. Director Ashley Sangster asked do we know what they are charging us for as far as transportation mark up? Director of Utilities Kelly Dodds stated that he did not know.

Director Raynette Gregory asked do you buy diesel down there? Do they have water in their diesel? Director of Utilities Kelly Dodds stated that it has not been a problem for them. Director Raynette Gregory advised that she has had a problem with that and it has been going

on for a while. She has an account with them, she always fills there when she buys red diesel and she has a problem when running tractors. Director of Utilities Kelly Dodds explained that the District does not use Red Diesel.

Director Ashley Sangster asked Director of Utilities Kelly Dodds if he would find out who we have our contract with at JB Dewar.

Public Comment: Citizen Owen Davison stated that he deals with fuel deliveries and he would see if he could get the CSD a better price. He asked how many gallons were purchased per month. Discussion ensued regarding Golden Eagle's rates in Santa Margarita, California vs. JB Dewar's rates in Paso Robles, California. Director Ashley Sangster asked if the board had any comments. **Board Comment:** Director Raynette Gregory made a comment about the Financial Report for December, and it was explained that that is the next item.

Motion by Director Sangster to Receive and File the Enumeration of Financial Report for November 2020

Seconded by Director Roney. Motion was approved by Vote of 5 AYES and 0 NOES and 0 ABSENT and 0 ABSTAINED.

2. Review, Discuss, Receive and File the Enumeration of Financial Report for December 2020.

Item presented by District Financial Officer Paola Freeman.

Board Comment: Director Raynette Gregory asked if an item on the December 2020 report is for a truck or a Jeep? It says truck but it looks like a Jeep. Director of Utilities Kelly Dodds stated that at the end of the report it states utility vehicle. Director Raynette Gregory stated that for appearances it should say Jeep or something instead of "MY". Director of Utilities Kelly Dodds stated that MY means Mullahey for Mullahey Jeep Chrysler Dodge. Director Raynette Gregory asked if we can at least add the word truck, pickup, or something like that in there? Her other question concerned "general counsel" is that from the meetings? Interim General Manager/Fire Chief Rob Roberson stated this is for any district meetings and for clarifications. District Counsel White explained that this is for basic day-to-day legal questions.

Director Ashley Sangster asked if there were any other board comments or questions.

Public Comment: Citizen Owen Davis said that he had a question. On that truck, didn't we already have a utility truck? Director of Utilities Kelly Dodds stated that we have three utility trucks. Citizen Owen Davis asked why do we need another truck? Director of Utilities Kelly Dodds stated that we have a handful of activities that are going on and we have workers going out to handle the jobs. Citizen Owen Davis stated that you can only drive one truck at a time. Director of Utilities Kelly Dodds stated that we are hiring another employee. Citizen Owen Davis stated that he cannot see why we want to purchase another utility truck or why we need three utility trucks. Director of Utilities Kelly Dodds stated that there will be four utility trucks and that with the Utility Department there will be a different well site. Citizen Owen Davis interrupted and said normally if you are going to go out on a job you will have three people go out on a job. Anytime I have seen any work done out here there are usually three or four guys working where one guy is shoveling and three guys are watching. Why does each guy need a truck? I could understand maybe two trucks, but to me, with the area, we have here I just can't see the cost of buying new trucks.

Director Ashley Sangster stated that there are different equipment operations. Citizen Owen Davis stated that he believes it is a waste of a lot of money. We should not do this right now, especially with the coronavirus pandemic and businesses are shutting down. Businesses all over the county are hurting. Restaurants are hurting and are open at only 25% capacity and you guys are up here spending our money like it's a normal day. Citizen Owen Davidson went on to say that we are going to lose, that Governor Gavin Newsome cut over 11,000 jobs just the other day on the Keystone pipeline, and that he is going to cut fracking. He further went on to say that there will no longer be any oil in California and what he is trying to say is that you have to have a little bit of mercy and watch your spending. If you have two utility trucks, you do not need the third one.

Director Ashley Sangster stated that the purchase of the utility truck came from an identified need from the Utility Department, it was reviewed by the board, and speaking for himself he reviews all the financials. Director Ashley Sangster further stated that the board collectively reviews the budget. The Board of Directors is more than careful, they are really conscientious, and they made sure that the truck is essential.

Director Raynette Gregory stated that purchasing a new utility vehicle was voted on months ago. Citizen Owen Davis stated that the board should take the current situation into consideration and that things are going to change. Your fuel and gas bill will skyrocket to about \$5 to \$6 per gallon. He further stated that you really have to take into consideration of the people. Director Ashley Sangster asked if there were any public or board comments or questions.

Board Comment: Director Anthony Kalvans asked for clarification if Core and Main expense is for the new housing development? Director of Utilities Kelly Dodds advised that was for the new development.

Director Sangster asked about the RCD- License. Director of Utilities Kelly Dodds explained that the property license was up and that was for our annual license, for the treatment facility.

Motion by Director Sangster to Receive and File the Enumeration of Financial Report for December 2020

Seconded by Director Kalvans. Motion was approved by Vote of 5 AYES and 0 NOES and 0 ABSENT and 0 ABSTAINED.

3. **Review and approve Resolution 2021-02 approving budget adjustments to the Fiscal year 2020-2021 approved budget.** The report was given by Interim General Manager/Fire Chief Rob Roberson – If you have a chance to read it there is an explanation for each fund and I will open up to questions.

Board Comment: Director Ashley Sangster stated that some things seem to be unsubstantial items. Item 315 was \$300 and now it is \$600 so that has gone up 100%. The accounting services have gone up 50%. There is an increase in liability insurance, so what is that all about? Interim General Manager/Fire Chief Rob Roberson explained that the increase in liability insurance came about because of the new rates when the first budget was prepared. Those increases were given to us based on previous performances and those rates were considerably higher. We reviewed our liability and were given our insurance rate regarding workers' compensation and our vehicle insurance. Overall, some of the things did come down a little bit. The Firefighters Association pulled the 1937, and 1940, and the ladder fire

equipment that was on there; off because it was cheaper and because they were charging us for the everyday equipment we roll every day on the street. I also think as far as how many volunteers you have on the truck and the workers' compensation portions of it. We had sixteen members and we get so much per year per member. We discussed it with them and basically, per operation, it breaks down to how many respond per call. We end up paying on average for the full body. Director Ashley Sangster asked so we are only paying when they are responding to a call? Interim General Manager/Fire Chief Rob Roberson stated yes does that make sense? It is good for us because we have that breakdown of how many we get per call. We are paying more per person but we are paying only for the person who responds. If there are only twenty-five responders we are paying the rate for people who responded. It is weird how it works out. Assistant Fire Chief Scott Young is the one helping me break this down. We were looking everywhere and then when we presented the budget these rates came out. Director Ashley Sangster asked if we have shopped for insurance? Interim General Manager/Fire Chief Rob Roberson said this is where we are right now and the problem is that they are all going up. Director Ashley Sangster stated that the 80% increase is ludicrous. Director Anthony Kalvans asked who is the insurance company the District used, it was explained that the District uses SDRMA.

Director Ashley Sangster stated that the listings are "under review", and wanted to know if they have been reviewed. Interim General Manager Rob Roberson stated that under legal have a percentage of breakdown because everyone has a percentage of liability like general counsel. Discussion ensued. Also, some items may for instance be logged under fire. Some things may seem a little high and that would have to do with our breakdown but that would not really be the cost of it, so it would be more specific probably more for what it is about. How it is broken down in a percentage. It does not mean that it is wrong. There is an adjustment there that was not originally budgeted. Director Ashley Sangster stated that with our ever-changing legal needs I can certainly see the increase in those services and in the accounting services. Interim General Manager/Fire Chief Rob Roberson stated that while looking at the report you can see the permit fee and it's 100% what we budgeted for it. We paid 100% of our dues and our membership. Then we have our monthly ongoing expenses and then you base the percentages on the years, what you spent, and what you budgeted for. Then you have the rate increases. When we looked at everything and where we were at, what we budgeted for, we made adjustments where needed. We saw where we were at and some of these costs you will not see again throughout the year. We had some revenue and our revenue had to go into our adjustment. Our expenses went up, there was a stipend and there was a considerable amount spent there but again our stipend was there. Some of that was sent to the operational reserve.

Director Raynette Gregory asked do you have a blank page on pages 121 and 122. Another question she had was in regard to wastewater and utilities. Director Ashley Sangster had the same questions.

Director of Utilities Kelly Dodds stated that is a projection of where we are currently and we are going to change the rate structure yet again. Director Raynette Gregory asked so that has nothing to do with solar? Director of Utilities Kelly Dodds stated that we are not using solar. Interim General Manager/Fire Chief Rob Roberson stated that overall all of our funds are performing within our reserves and at the end of the year there is nothing over. Some of these adjustments are being made within the original proposed budget. Director of Utilities Kelly Dodds stated that the waterline replacement was added just to show it in the budget.

Director Anthony Kalvans asked for balancing purposes if the funding that will come will be this fiscal year or the next fiscal year? Director of Utilities Kelly Dodds answered with the county you can never really tell but the fiscal year we will most likely have it by this fiscal year. The county has to approve it and then they can send it off to the county treasurer to pay us.

Director Ashley Sangster asked if there were any board comments or public comments.

Public Comment: None

Motion by Director Sangster approve Resolution 2021-02 approving budget adjustments to the Fiscal year 2020-2021 approved budget.

Seconded by Director Kalvans. Motion was approved by Vote of 5 AYES and 0 NOES and 0 ABSENT and 0 ABSTAINED

4. Review and approve the hiring of a Field Operator at step 2 of the approved pay scale.

Director of Utilities Kelly Dodds stated as we discussed a little bit previously we have had the desire to hire a person for the better part of a year. We had two qualified applicants. The leading applicant was offered a position at the step 1 range but unfortunately, because he is coming from another agency, and he is making considerably more he cannot really swing a drastic pay cut. We had a discussion with this candidate and he is willing to start at step 2 which overall amounts to a \$2,400 increase in their base pay so it is not a drastic amount. They are willing to start at step 2 and starting the process of building back up from there. He would be taking a \$7 an hour pay cut to come here even at step 2. They are willing to do that for the opportunity, but they still have to make ends meet at home. Basically, what we are asking you is to authorize me to make the offer of step two formally so we can start the process of hiring.

Public Comment: Citizen Owen Davidson interrupted and asked how much money are we talking about because the steps mean nothing to him?

Director of Utilities Kelly Dodds replied step 2 is \$25 per hour.

Board Comment: Director Anthony Kalvans asked so why is the person is willing to take a massive pay cut to come work for us? Director of Utilities Kelly Dodds replied some people would think it is surprising but yes, it is possible.

Interim General Manager/Fire Chief Rob Roberson stated that this person is coming in with 10 years of experience in the field and that is considerably different than hiring someone who has no experience.

Director Ashley Sangster said absolutely and asked what the step 1 rate is. Director of Utilities Kelly Dodds replied \$23.32. It is not a drastic difference, but it is enough to make a difference. Director Ashley Sangster asked when would the person be starting? Director of Utilities Kelly Dodds replied if we were to offer it to them, they would like to start by the end of February. Director Ashley Sangster asked does that fit in with the timeline for the treatment plant? I'm assuming this is what is generating the need? Director of Utilities Kelly Dodds replied this is the other position for the water site. We would still be waiting for the wastewater operator which most likely would be next year. Discussion ensued regarding the position for a utility worker. Director of Utilities Kelly Dodds stated that there is a 12-month probationary period. The person would be at step 2 for one year and then they would be

eligible for an increase but that would be subject to a satisfactory review of their performance. Director Ashley Sangster asked about the pay difference between a utility operator and what we budgeted for. Director of Utilities Kelly Dodds replied that originally we budgeted for an operator and the current budget allows for a full year at the step 1 position for several months this year but we are asking for the step 2 position. Director Ashley Sangster asked if there were any board comments or questions. There were none.

Director of Utilities Kelly Dodds stated we are just looking for a consensus.

Public Comment: Citizen Owen Davis stated that he has a comment. Discussion ensued about what he feels the District should do.

Board Comment: Director Gregory asked about the other candidate, Discussion ensued.

Public Comment: Mr. Davis voiced that he was ok, I will go along with this you know hiring this guy but I think we should put a freeze on the hiring of anybody except for the Fire Department for the C.S.D until we get out of this mess that we are in because you can't spend it if you don't got it. Where is it going to come from? California doesn't have any money. There are 12,000 to 15,000 immigrants coming up here right now seeing as how Biden opened the border up. They are going to be guaranteed welfare, housing, and medical.

San Miguel resident Michelle Hido asked Mr. Davidson if he could get to the point.

Citizen Owen Davis said the point I am trying to make is that we have to watch how much money we spend young lady.

Director Anthony Kalvans called Point of Order.

Citizen Owen Davis said that he was just trying to explain and hopefully everybody already knows and that is my point. We need to cut down on our expenses. "That is my point fat girl". Eruption ensued.

Interim General Manager/Fire Chief Rob Roberson said that was uncalled for.

Citizen Owen Davis said it was uncalled for when she tried to shut me up.

Director Anthony Kalvans said "Point of Order".

Director Ashley Sangster said thank you to everybody for your comments. Does anybody care to make a motion? Director Anthony Kalvans said that he believes we need to approve the item as recommended. Director Raynette Gregory seconded the motion. Board Clerk/Account Manager Tamara Parent said that she is going to call this out which she did to all of the Board of Directors and they approved.

Consensus of the Board Approved as Written.

5. Continued discussion on the Fire Department Temporary Housing Unit –

Interim General Manager/Fire Chief Rob Roberson stated that Assistant Fire Chief Scott Young put a lot of time into this and prepared his report.

Assistant Fire Chief Scott Young stated that he was having difficulty with his computer at the time but that Mr. Keller sent us a draft Lease with a bunch of redline marks on it so he wanted to get more of his comments. He is the landowner, and I was hoping to have it and send it to legal for review before anything was forwarded. The terms got pushed out. I was looking for the Lease to start this month but getting the lease to start in March sounds more feasible. I will ask that an easement be included in the Lease Agreement. Director of Utilities Dr. Blaine Reely did provide some drawings for us for conversation which can be brought forward to the County of San Luis Obispo. Those are attached to the staff report. If you scroll down you will see the red line of the Lease Agreement which will be consolidated into something very

manageable, tolerable, and legible. That is basically where the structure would sit and that is the parking area. You can kind of see what is out there now. We are going to have some soils from the 11th Street boring project and potentially those could be spread from the low points to give it a better pouring under the temporary structure. As we discussed it is a 3 bedroom and the master unit will be available to the Sheriff. It is nothing elaborate. As far as the walk-in closet they will probably utilize that for their equipment and servers. It is very plain Jane, very basic, but it has to conform to the building standards that we use so it is really compliant. The building specifications will include thicker exterior walls for good quality against the railroad tracks and the street because there is quite a bit of noise. The thick walls will raise the price slightly but not by much. The extra insulation will help as well and it will be a durable structure. The hope is that it is a stock unit but if you agree to the concept then we can put that together and out there to different manufacturers and obtain a stock unit. We are looking at energy efficiency and fire protection. The reason that there is a kitchen is so that we can be a housing unit. It looks just like an office building that we try to convert and that is due to the HUD process. The HUD process mandates that you have a kitchen facility in a housing unit so it just made more sense to get a housing unit rather than a modification of something else. The original projected cost of the structure along with the drop on-site and an attachment that goes to the frame on a concrete pad that sits on the ground actually embedded into the soil is kind of a misnomer. If there is a seismic event the foundation tiers prevent the sides from splitting.

Board Comment: Director Ashley Sangster asked if the home would go on a concrete pad. Assistant Fire Chief Scott Young said no, it goes straight on the ground. When we vacate the space and when we surplus the building we turn it back to as we found it condition. There will be no extreme obligations to the property. What this means is that you bring in the building, you bring in the waterline. The utilities and sewer are very simple. The electricity would come from the Fire Station. We would have to get a conduit to provide a connection to the building.

Director Raynette Gregory asked what kind of skirt would you get? Assistant Fire Chief Scott Young said that it comes with a skirt and the goal is to present it to the county that it is an essential needs housing. Director Raynette Gregory asked if it comes with a landing and that on that drawing there does not show much of an overhang. Assistant Fire Chief Scott Young stated for cost savings, where we are at the time I think it is a building requirement that we have rain gutters. I hope it is an attractive option. I am waiting for the landowner as to the terms and conditions. Director Ashley Sangster stated that he has some concerns regarding payments made no later than 5 days? The other question Director Ashley Sangster had related to taxes and costs in taxes. Discussion ensued.

Director Raynette Gregory asked when the target date would be. Assistant Fire Chief Scott Young stated that we have some bid documents ready to go by February so probably April or May. It could take six months to get the building delivered but to have him wait on us for six months does not seem very fair. We have to reach an agreement. The trees are a county issue. We will have occupancy by 2021.

Director Ashley Sangster said what I will also do Mr. Young is that I will provide you with a list of sources for providing a dealer. Assistant Fire Chief Scott Young advised that the lease should be back this week. Director Ashley Sangster asked if there were any public comments and there were none.

Public Comment: None

6. Review and provide direction to staff on question proposed at the strategic planning session.

Board Comment: Director Anthony Kalvans asked Director Raynette Gregory to draw some questions back. He further asked what “Quality of Life means”. Director Ashley Sangster asked Director Anthony Kalvans if he wants to ask about 5786 of the Public Resource Code. Director Anthony Kalvans inquired of General Counsel Doug White. District General Counsel Doug White explained 5786(a) of the Public Resource Code regarding a community’s quality of life. The first restriction on that is that it has to be in the scope of the CSD. It could be considered a gift of public funds. It has to be a nexus of the public community. The Board as a whole would have to make that determination. Those bindings are what makes that an example from just giving someone money versus the district giving money such as \$1,000 to the homeless or the needy that would be potentially improving the quality of life. Director Anthony Kalvans inquired if the money could be used for the CSD website since it benefits the community and we are advertising businesses? General Counsel Doug White answered that the CSD has a broader impact and there are some inherent limitations there. Discussion ensued. There are some prominent businesses and cultural items there. The Board should make a list of what they would like to accomplish I will let the Board know if they could get there. Director Ashley Sangster asked if there were any public comments.

Public Comment: Citizen Owen Davis stated that people could vote to recall Governor Newsome.

XII. BOARD COMMENT:

Director Raynette Gregory stated that it was nice to be in this particular room because it was warmer.

Director Anthony Kalvans stated that he has thoughts regarding “Way Finding” signs and that he will send a memo to the Board Members.

Staff Comment: Interim General Manager/Fire Chief Rob Roberson discussed the five things we provide for the District and that one of those things is to try and save the District money. We are for growth, making this place a better place, expanding what the CSD does, letting the right person perform those duties, and not neglecting the five things we do to provide the services that we do. It is a very narrow thing. With the way things are going, we work really hard. Just because we are doing good doesn’t mean we can take on the world.

Board Comment: Director Raynette Gregory stated that she does not think we had Doug White at the time, but we had our last meeting where we discussed our wish list of the five things we want to do and we have to keep it really tight. She went on to further say that perhaps what we need is a poster board where we list those five items, and we check them off as we achieve a goal.

Director Anthony Kalvans said that he completely agreed with Director Raynette Gregory on this idea and this way we can stay focused.

XIII. ADJOURNMENT TO NEXT REGULAR MEETING 9:46 p.m.