



BOARD OF DIRECTORS

Ward Roney, President Raynette Gregory, Vice-President
Anthony Kalvans, Director Owen Davis, Director Rod Smiley, Director

REGULAR MEETING MINUTES 6:00 P.M. Opened Session 2-23-2023 601 12th Street

1. Call to Order:

Time: 6:03 PM

2. Roll Call: *Raynette Gregory, Owen Davis, Anthony Kalvans, Rod Smiley*
ABSENT: *Ward Roney*

3. Approval of Regular Meeting Agenda:

Motion By: Anthony Kalvans

Second By: Rod Smiley

Motion: To Approve Regular Meeting Agenda

Board Members	Ayes	Noes	Abstain	Absent
Rod Smiley	X			
Owen Davis	X			
Anthony Kalvans	X			
Raynette Gregory	X			
Ward Roney				X

4. Pledge of Allegiance:

Lead by Director Smiley

5. Public Comment and Communications for items not on the agenda: Public Comment:

None

6. Special Presentations/Public Hearings/Other: None

7. Non- District Reports:

1. San Luis Obispo County Organizations

Listen to Verbal Report

Sheriff, Kevin Norris Gave current call statistics for January. Year to date calls are down 24% total from last year.

Board Comment: None

Public Comment: None

2. Community Service Organizations

Listen to Verbal Report

President of the Firefighters Association, Scott Young updated the Board of Directors that the next Sagebrush Days will be held on April 22nd. A small group of Firefighters met with the after-school program at Virginia Peterson, and the Association participated in this year's annual Buzz Run. Next Firefighters Association meeting will be held at 1150 Mission Street on March 28th, 2023, at 6:00 P.M all are welcome.

Anthony Kalvans voiced that the Advisory Council meeting was held last night and heard that a lot was discussed. Mr. Kalvans asked if any staff members attended. Discussion ensued about parks, and developments that were discussed at the Advisory Council meeting.

Board Comment: None

Director Gregory asked for any public comment for all Non-District Reports

Public Comment: None

3. Camp Roberts—Army National Guard

Listen to verbal report

None

8. Staff & Committee Reports - Receive & File:

1. General Manager

Receive verbal report

Item Presented by General Manager Kelly Dodds, updating the Board of Directors on the continuing storm recovery efforts (recoverslo.org) and that staff is working on a FEMA application to recoup cost from damages to the Mission Garden Lift Station as well as potential funding for a flood wall around the lift station. Mr. Dodds explained that the Machado WWTF Office Trailer was installed and signed off on by the County inspectors. The new SMCS D District Utilities Office was opened to the public on February 22nd. The Groundwater Sustainability and the General District Meetings will be combined moving forward. The District received \$1,268.00 dollars back for participating in the PG&E Emergency Load Reduction Program in 2022, this program is a voluntary load reduction program where we reduce our energy loads during identified times to prevent Brown Outs. General Manager Kelly Dodds updated the Directors on new banking powers for the District bank accounts.

Board Comment: Director Gregory asked about any flooding in Mission Gardens Lift Station and how high the water got, Discussion ensued.

Director Kalvans voiced that he noticed that some of the houses are up for sale.

Director Smiley voiced that this was not even that big of a storm, and explained the history of past rain fall in 1959 & 1969. General Manager Kelly Dodds explained that it was classified as a 30-year flood event and Director Kalvans discussed storm drains that flood the street to prevent structure damage.

Public Comment: None

2. District Counsel

Receive verbal report

Douglas L White reported that he had nothing to report.

Board Comment: None

Public Comment: None

3. District Utilities

Receive and File

Kelly Dodds voiced that report is submitted as written.

Board Comment: None

Public Comment: None

4. Fire Chief Report

Receive and File

Fire Chief Scott Young voiced that report submitted as written.

Board Comment: Director Smiley thanked Chief Young for the report, very enlightening.

Public Comment:

9. Consent Calendar:

Director Davis asked to pull Consent Agenda Item 2 for discussion. Discussion on process ensued.

Board Comment: None

Public Comment: Ashley Sangster, San Miguel Resident, voiced that he feels that having Resolutions on the Consent Calendar does not provide public input. Mr. Sangster voiced that Item 2 has liability issues for the District under the "Indemnification" section of the MOU.

Fire Chief Scott Young explained that this was an MOU between the County of San Luis Obispo and San Miguel C.S.D and not a Resolution. But is needed for the Fire Departments emergency radio repeater, and has the same language as the last few times this has been presented over the years.

Board Comment: Director Smiley asked District Counsel for their opinion. District General Counsel Doug White voiced that the nature of the MOU and indemnification portion does not provide a high risk to the District.

Public Comment: Ashley Sangster, San Miguel Resident, spoke his opinion on the Fire Chief comments.

Fire Chief Scott Young explained the nature of the equipment for the Board of Directors understanding. It was explained that it is two small pieces of equipment that resides in a server rack behind multi gates, in a building on district property.

General Manager Kelly Dodds read aloud the "Indemnification" section of the MOU. District General Counsel Doug White voiced his approval of the MOU, and recommended the Board approve as written.

Board Comment: Director Kalvans asked for clarification that this equipment is to enhance communications during emergencies between San Luis Obispo County and San Miguel. Chief Young voiced it is the hub for emergency communication between the County and neighboring agencies and San Miguel. Director Kalvans voiced that he would like to prioritize the Districts Emergency Services.

Motion By: Rod Smiley

Second By: Raynette Gregory

Motion: To Approve pull item #2 for Discussion

Board Members	Ayes	Noes	Abstain	Absent
Rod Smiley	X			
Owen Davis	X			
Anthony Kalvans	X			
Raynette Gregory	X			
Ward Roney				X

Motion By: Anthony Kalvans

Second By: Raynette Gregory

Motion: To Approve Item #2 of the Consent Calendar

Board Members	Ayes	Noes	Abstain	Absent
Rod Smiley	X			
Owen Davis	X			
Anthony Kalvans	X			
Raynette Gregory	X			
Ward Roney				X

Motion By: Anthony Kalvans

Second By: Rod Smiley

Motion: To Approve Items #1,3,4 of the Consent Calendar

Board Members	Ayes	Noes	Abstain	Absent
Rod Smiley	X			
Owen Davis	X			
Anthony Kalvans	X			
Raynette Gregory	X			
Ward Roney				X

1. 01-26-2023 Draft Special Meeting Minutes (Parent)

Receive and File

2. County Communications MOU (Young)

Review and approve the Fire Chief as the authorized signer for the County Communications MOU.

3. Authorize the General Manager to act as authorized representative for Drinking Water State Revolving Fund Grants for the San Miguel Water System Improvement Project Planning Funding (Dodds)

Approve RESOLUTION 2022-12 authorizing the General Manager, Kelly Dodds to act as authorized representative for Drinking Water State Revolving Fund Grants for the San Miguel Water System Improvement Project Planning Funding.

4. Surplus equipment designation (Dodds)

Approve RESOLUTION 2023-11 designating listed property as surplus and authorize the General Manager to dispose of that property in accordance with District policy.

10. Board Action Items:

1. Resolution of appreciation in the search for Kyle Doan (Dodds)

Approve Resolution 2023-13 showing appreciation for those who aided in and continue to search for Kyle Doan.

Board Comment: None

Public Comment: None

Motion By: Rod Smiley

Second By: Anthony Kalvans

Motion: To Approve as Amended Resolution 2023-13

Board Members	Ayes	Noes	Abstain	Absent
Rod Smiley	X			
Owen Davis	X			
Anthony Kalvans	X			
Raynette Gregory	X			
Ward Roney				X

2. Financial Reports - January 2023 (Hido)

Review, Discuss and Receive the Enumeration of Financial Reports for January 2023. The Financial Reports are for review and information at this time. After the Audit, a final Financial Report will be presented.

Financial Officer Michelle Hido presented the Financial Report submitted as written. Mrs. Hido discussed the status of the Audit's draft review, the added graphs to the Financial Reports, and mentioned the savings the CSD receives from its insurance company for completing CIP points like Director Kalvan's certification. Last year the CSD saved \$3,000 and could save more.

Board Comment: Director Smiley voiced that the Audit should have been done months ago and is very worried. Discussion ensued.

General Manager Kelly Dodds voiced that he has spoken with the Auditor, and they provided a draft, but the draft Audit had multiple mistakes, and voiced his displeasure of it also being three months late. Discussion ensued.

Director Kalvans voiced that he wanted the rest of the Board to understand that changing the Auditor every three years is best practice.

Public Comment: None

Board Comment: Director's thanked Mrs. Hido for her detail in the monthly reports and her graphs.

Director Kalvans asked if her training through GFOA and CSDA have helped her. Financial Officer Michelle Hido voiced that it has been a good resource and how to "narrate" financials to the Board. Director Kalvans asked that Mrs. Hido incorporate what she has learned in the upcoming Budget process.

3. Revisions to District Reserve Policy (Dodds)

Review and approve Resolution 2023-10 adopting revisions to the Districts Reserve Policy

General Manager Kelly Dodds voiced that the update has minor changes, and explained that in 2019 the Board of Directors adopted a new Reserve Policy. The 2023 revisions of the Reserve Policy again align the reserve goals with the direction and operation of the District. The updates from the 2019 to 2023 version of the Reserve Policy are; updating percentages, account names, clarification on reserve purpose, and adding the funds that were initially excluded. Additionally, a statement on the funding of the Fire Department was added for reference. The District is updating this policy as part of an ongoing practice of keeping policies up to date with the current position of the District

Board Comment: Director Kalvans voiced that in addition to the said policy there are additional financial warnings in the Board Handbook.

Director Davis voiced that he has questions about a typo on the agenda resolution typed 2022 and resolution should be 2023. Typo will be amended, discussion with District Counsel about procedure ensued, and the Board will continue with item on the table; the Reserve Policy.

Director Davis voiced that the District is going to be paying retirement, and high salary for employees, and he feels that any reserves will be going toward retirement and salary, and would like to see cost cuts.

General Manager Kelly Dodds explained that what Director Davis was talking about was called "Unfunded Liabilities" and with this policy, we are setting up a Reserve fund that was never set up before. Discussion ensued. Mr. Dodds explained that the future post-employment benefit will need to have a Reserve set up that will grow; this policy provides an avenue for this, and the Board should be seeing this fund on the financial report in the future. Discussion ensued.

Director Kalvans voiced those Unfunded Liabilities are in the Audit and have legal requirements to be reviewed yearly.

Director Gregory asked if she was correct that the goal is to have 100% reserves. General Manager Kelly Dodds explained that, yes, a 100% in operational reserve of a normal year. Director Gregory asked what the District was at now? Mr. Dodds explained that the goal now is 50%, and that Wastewater is close to 50%, Water is around 10%-15%, discussion on other funds ensued.

Director Gregory asked how soon would you expect to reach your goal? General Manager Kelly Dodds explained that he is not stuck on a timeline, but that it's more that every year we conserve as much as possible and put that money aside to build up the Districts reserves.

Director Gregory asked what other small District's reserve goals are, it was explained that industry standard is around 15%-25%, with District Counsel concurring. General Manager Dodds explained that to get a loan from USDA the minimum reserve is 25% with a debt service account, and understands that 100% is a lofty goal but feels over time it can be met.

Director Davis asked if the goal of 100% reserves, is why you are wanting to go through the Prop 218 to increase the rate? General Manager Kelly Dodds reiterated to Director Davis that the District cannot raise rates for the sole purpose of increasing our Reserves. Discussion ensued.

Public Comment: Ashley Sangster, San Miguel Resident spoke about Unfunded Liabilities, and if they are fully funded by only the District? Mr. Sangster also asked which CalPERS retirement the District participate in, and if the funds are held in an interest bearing account? After asking for any other public comments, General Manager Kelly Dodds voiced that the District Unfunded Liabilities are not solely funded by the District, both the employees and the District pay into a account held by CalPERS. The fund account that is being discussed for the Reserves is for the District, and will be in an interest bearing account, and is currently looking at the best yield accounts. The District at this time participates in three different retirement plans with CalPERS.

Motion By: Rod Smiley

Second By: Anthony Kalvans

Motion: To Approve Resolution 2023-10

Board Members	Ayes	Noes	Abstain	Absent
Rod Smiley	X			
Anthony Kalvans	X			
Raynette Gregory	X			
Owen Davis		X		
Ward Roney				X

4. Review and approve changes to the Board Handbook. (Dodds, White)

Review and approve resolution 2023-09 adopting changes to the Board Handbook. Item was tabled to next meeting after discussion on documentation.

Public Comment: Ashley Sangster, San Miguel Resident spoke.

Motion By: Raynette Gregory

Second By: Anthony Kalvans

Motion: To Table with full consensus of the Board

Board Members	Ayes	Noes	Abstain	Absent
Rod Smiley	X			
Owen Davis	X			
Anthony Kalvans	X			
Raynette Gregory	X			
Ward Roney				X

5. 2022 California Fire Code, 2022 California Building Code, and Local Ordinance 01-2023 (Young)

First reading of the 2022 California Fire Code, 2022 California Building Code, and Local ORDINANCE 01-2023.

Fire Chief Scott Young presented item, and explained that this is re-approved on a three year cycle. Board consensus to waive the full reading of the proposed Ordinance, and has a 30 day review period.

Board Comment: Director Kalvans thanked Chief Young, and discussed Fireworks sales, Weed Abatement, alley access, and propane tanks.

Fire Chief Young voiced that this process includes taking on the authority of Trailer Parks from the State.

Director Gregory voiced that she is in favor of keeping regulations/government local. Chief Young voiced that in Section 4, amendment needs to read 01-2023 not 01-2022, and will be amended.

Public Comment: None

Motion By: Raynette Gregory

Second By: Anthony Kalvans

Motion: To Confirm

Board consensus to waive the full reading of the proposed Ordinance 01 - 2023

Board Members	Ayes	Noes	Abstain	Absent
Rod Smiley	X			
Owen Davis	X			
Anthony Kalvans	X			
Raynette Gregory	X			
Ward Roney				X

6. Fire Department Temporary Housing Unit (Young)

Continue discussion on the process required to provide a Temporary Fire Department Staffing Housing Unit including space for a Sheriff's Beat Station

Fire Chief Scott Young presented item and updated the Board of Directors that he is contacting Supervisor Peschong because this has been in planning for ten months. The District is not the only entity frustrated with the County Planning. Discussion ensued.

Board Comment: None

Public Comment: None

7. Fire Department Code Enforcement Violation (Young)

Proceed with the correctional measures to resolve the Code Enforcement Notice of Violation for the existing conditions at the San Miguel Fire Station.

Item presented by Fire Chief Young updating the Board of Director that Baldwin Electric has finished moving electrical items and that Chief Young has also found a local contractor to finish the drywall patching. The Server Rack relocation will be done this coming weekend.

Board Comment: Director Davis asked if any materials where able to be salvaged? Fire Chief explained that he salvaged the doors and hinges, and will be used for Fire training. Director Gregory asked who the contractor that he was using? Chief Young explained that he is using Jeff Hoffert Construction. Discussion ensued about contractors not doing small jobs.

Director Gregory asked about who will be at the 1150 Mission Street location, Chief Young said that it will only be Fire Department staff. All District Utilities will be located at the 1765 Bonita location.

Public Comment: None

11. Board Comment:

General Manager Kelly Dodds asked if Director Davis wanted to discuss the "State Revolving Fund Grant".

Director Davis asked about the new tank that is proposed on Power Road, and wanted to look at a topographical map. Discussion ensued.

Director Smiley asked about the signage for service organizations in San Miguel at the North and

South Gateway signs. General Manager Kelly Dodds explained that he will need to contact Cal-Trans and get permitting information.

Director Kalvans voiced that would still like to see a lighting and landscaping Master Plan.

Director Kalvans asked to discuss Parks, and Quimby fees in the future.

12. Adjourn to Closed Session/Closed Session Agenda:

Adjournment at 8:04 P.M, with no closed session.

13. Report out of Closed Session:

None

14. Adjournment to Next Regular Meeting: March 23rd 2023 at 6:00 P.M.