

SAN MIGUEL COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
MAY 2, 2019 SPECIAL FINANCIAL MEETING MINUTES

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

- I. Meeting Called to Order by Vice President Sangster – 6:00 p.m.
- II. Pledge of Allegiance led by Director Kalvans.
- III. **Roll Call:** Directors Present: Sangster, Parent, Kalvans, and Palafox  
Directors Absent: Green  
District Staff in attendance: Interim General Manager Rob Roberson, Board Clerk Tamara Parent, Director of Utilities Kelly Dodds, Bookkeeper Paola Freeman, District General Counsel Seikaly, and District CPA Cramer  
District Staff Absent: District Engineer Dr. Blaine Reely
- IV. **Adoption of Regular Meeting Agenda:** *Consensus of the Board is to approve Agenda after closed session.*
- V. **ADJOURN TO CLOSED SESSION:**  
Closed Session convened at 6:31 p.m.
  - A. **CLOSED SESSION AGENDA:**
    1. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**  
(Pursuant to Government Code section 54957(b)(1)  
Title: General Manager
    2. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**  
(Pursuant to Government Code §54957)  
Title: Fire Chief
    3. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**  
(Pursuant to Government Code §54957)  
Title: Assistant Fire Chief
- VI. **Call to Order for Regular Board Meeting/Report out of Closed Session:**

Vice-President Sangster voiced that direction to staff is to re-convene closed session at the end of the regular meeting and Table items 4 and 5 until after closed session, then go back into opened session to vote on items.

Motion by Director Parent to Table items #4 & #5 and bring back out of closes session to hear items in opened session.

Seconded by Director Kalvans. Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSENT.

**VII. Public Comment and Communications for matters not on the Agenda:** None

**VIII. Special Presentations/Public Hearings/Other:** None

**IX. STAFF & COMMITTEE REPORTS:** None

**X. CONSENT ITEMS:** None

**XI. BOARD ACTION ITEMS:**

**1. Review, Discuss, Receive and File the Enumeration of Financial Report for March 2019.**

Item was presented by Paola Freeman and asked for any questions.

**Board Comment:** Director Sangster asked about the revenues, seeing that Fire is almost 75% through the fiscal year and report shows that they have only received 55% year to date. Bookkeeper Paola Freeman introduced Darcia Cramer, CPA that has been working with the District. Mrs. Cramer informed Director Sangster that the funds come in with the Tax cycle and the District should be receiving tax fund checks from SLO County Assessor soon.

Director Sangster asked about Claims Detail report 4701 page 9-14 and asked what the parameters were used for the purchase of the two Touchpads. At \$3,300 included purchase through authorized dealer for warranty and docking stations. Director Sangster and Director of Utilities Kelly Dodds discussed benchmarking and Director Sangster asked to help with those kinds of purchases because of his knowledge in that area.

Director Kalvans asked if the purchase was done through our purchasing policy, Director of Utilities Kelly Dodds expressed that, yes.

Director Parent asked about CBDG funds and asked if any of the 10<sup>th</sup> & 11<sup>th</sup> Street design work could be reimbursed. Director of Utilities Kelly Dodds explained that the design was with our old engineering firm and it really is a cost of doing business.

Director Parent asked that Paola Freeman could have Legal Counsel charges on her staff report each month. Consensus of the board was to have that on Financial Staff report each month.

**Public Comment:** Laverne Buckman San Miguel Resident asked about the Firefighter Association fee on the CPA bill. It was explained that the Firefighters Association reimbursed the District and it was a mix up on where to bill. Mrs. Buckman also thanked Mrs. Freeman for the Excel sheet but wanted to make sure that the numbers matched Black

Mountain reports and looks forward to seeing the Excel report in the future. Mrs. Buckman's also asked about Claims Detail report page 3-14 and asked what the GASB meaning was. Mrs. Cramer voiced that it is "Governmental Accounting Standards Board". The District had to have an analysis done for the Audit and it is on unfunded liabilities. Laverne Buckman is concerned with the IT services being over budget and voiced her concern with District Engineer cost. It was explained that a lot of the engineering cost are being reimbursed by grant funds.

Motion by Director Parent to Receive and File the Enumeration of Financial Report for March 2019.

Seconded by Director Kalvans. Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSENT.

**2. Receive and discuss presentation on current financial status of the San Miguel Community Services District.**

Item was presented by Director of Utilities, Kelly Dodds went over PowerPoint: <https://www.sanmiguelcsd.org/files/ee22abe1d/XI+-+2+-+1+-+FINANCIAL+MEETING+presentation+5-2-19.pdf>

**Board Comment:** Director Sangster asked about the investments, CD's and discussion ensued about Lighting investment. CPA Darcia Cramer reminded the Board that the Water fund has assets that are listed in the Audit Water 1.4 Million, and Wastewater 3 Million. Director Sangster asked if Steinbeck Lawsuit always been attributed to Water Fund, it was explained by the DOU Kelly Dodds that it was split between funds at one time but was killing all funds; by Board decision the water lawsuit is funded by water. Discussion ensued about rate study and proof of monies spent.

Director Kalvans asked if the monies are restricted that are received for sewer? The funds are not restricted funds. Discussion ensued about Bond monies.

**Staff Comment:** Scott Young asked what happened to the monies that where spent from other funds due to the Steinbeck litigation. DOU, Kelly Dodds explained that the funds were paid back by water. The full burden of the Steinbeck Litigation is water fund monies. Mr. Young asked about recouping the funds from Litigation, it was explained that the only way to stop the cost is end the litigation. Mr. Young asked if any of the old ponds at the treatment facility will be reused at the new facility? DOU, explained that not all the ponds are going to go away but the liner in the current facility is not a membrane. Mr. young asked what the current amount owed on the Water Tank, it was explained by the District CPA that the District owes 1.675 Million on the USDA BOND 30 years left. Discussion ensued. Mr. Young voiced that the numbers are missing, balances are not adding up, and asked Kelly Dodds why his numbers are so off. Discussion ensued with Mr. Young explaining that if he adds reserves numbers and adds them up the numbers are not adding up. Mr. Dodds explained that he would go back and look through the numbers. Mr. Young thanked Mr. Dodds for the information.

**Public Comment:** Laverne Buckman San Miguel Resident voiced that she had concerns with funds and loans to and from other District Funds. Discussion ensued about Budget and Black Mountain reports. Mrs. Buckman asked about separate bank accounts for each fund. Laverne Buckman asked about Long-Term Maintenance and what that was, it was explained that it is for the membranes that need replacement every ten years for the new

Treatment at the Sewer facility. Mrs. Buckman asked about Vehicle reserves, it was explained that the monies were put back to each funds Reserve Account. Discussion ensued.

Mrs. Buckman thanked Mr. Dodds for the information and likes seeing the Board have financial information to discuss.

*Information Item only*

**3. Receive and discuss presentation on proposed Fiscal Year 2019-2020 Operation and Maintenance Budget for San Miguel Community Services District.**

Item Presented by Item was presented by Director of Utilities, Kelly Dodds went over PowerPoint:<https://www.sanmiguelcsd.org/files/8cb2a64cd/XI+-+3+-+1+-+FY19-20+Budget+Presentation.pdf>

**Board Comment:** Director Kalvans asked about a water tender or replacement of a fire engine 8687 for the Fire Department? Fire Chief Rob Roberson explained that there are a lot of changes and that item will be brought when appropriate. Focus for the Fire department is to restructure the facilities and coverage. Director Kalvans read aloud a statement: [https://www.sanmiguelcsd.org/files/327d351ab/ak\\_05162019\\_100502.pdf](https://www.sanmiguelcsd.org/files/327d351ab/ak_05162019_100502.pdf) and asked to have a future board item for discussion about Lighting and Landscaping.

Director Kalvans asked about CBDG grants and discussion ensued about applying for CBDG grants. Mr. Kalvans voiced that the facility funding is in the SLO County Budget.

**Staff Comment:** Scott Young voiced that they have separated the Will Serves and are hoping that some monies are generated from construction projects. Discussion ensued about new construction development.

**Public Comment:** Laverne Buckman, San Miguel Resident asked what the intent of the presentation was, and she did not see details from the Budget, it was explained that the O&M Budget for FY 19-20, and the “Budget” paperwork is in the Board packet. Laverne explained that she had not seen that far.

*Information Item only*

*Vice President Sangster asked for a Five-Minute Recess before going back into Closed Session.*

*Back from Recess at 10:00 P.M.*

*Board adjourned to closed session.*

*Back Out of Closed session at 10:47 P.M.*

**Report out of Closed Session:** Vice-President Sangster voiced that no reportable action was taken.

Consensus of Board is to *Table Item #5* until May 23<sup>rd</sup> Regular Board Meeting

**4. Adopt a Resolution approving an employment agreement of the Assistant Fire Chief/Fire Prevention Officer Scott Young and authorizing the General Manager to execute and enter into the agreement on behalf of the District and approve a FY2018-19 Budget Adjustment.**

Item presented by Fire Chief Rob Roberson explaining Asst Fire Chief /FPO job description. Asking for questions.

**Board Comment:** None

**Public Comment:** Liliana Rojas, San Miguel Resident and San Miguel Firefighter for the last eight years, voiced that Scott Young has been a mentor and Mr. Young has safety first priority and is/and would be a great asset to the District.

District Counsel Helane Seikaly voiced that the Motion would need to be:

Motion by Director Parent to approve contract employment agreement of the Assistant Fire Chief/Fire Prevention Officer Scott Young and authorizing the General Manager to execute and enter into the agreement on behalf of the District and approve a FY2018-19 Budget Adjustment with amendment to section 3.5- indicating interim GM can amend agreement with Board approval, Section 5.1 salary being effective in the first pay period in March 2019, and Section 9 District address to 1150 Mission Street.

Seconded by Director Kalvans. Motion Passes by Vote of 4 AYES and 0 NOES and 1 ABSENT.

5. *Item Tabled to next Regular Board Meeting- **Adopt a Resolution 2019-20 approving an employment agreement of the General Manager/Fire Chief Robert Roberson and authorizing the Board President to execute and enter into the agreement on behalf of the District and approve a FY2018-19 Budget Adjustment.***

**Public Comment:** None

## **XII. BOARD COMMENT:**

Director Sangster voiced that he is grateful for Mr. Young and what he has done in the District.

Director Parent voiced that he was thankful for the Fire Department and looks forward to the future of the Fire Department.

Director Kalvans voiced that the Fire Department has come a long way and is very proud of the Fire Department.

Director Palafox thanked Mr. Young for stepping up into this position.

## **XIII. ADJOURNMENT TO NEXT MEETING May 23, 2019: 10:25 P.M.**