



SAN MIGUEL COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
December 22, 2016 SPECIAL AND REGULAR MEETING MINUTES

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

- I. Meeting Called to Order by President Green—6:00 pm
- II. Pledge of Allegiance: lead by Director Buckman
- III. Roll Call: Directors Present: Buckman, Green, Dawes, Kalvans, and Reuck.  
  
District Staff in attendance: General Manager Gentry, District General Counsel Schweikert (participating via Skype video conference call), Utility Supervisor Dodds, District Engineer Tanaka
- IV. Adoption of Special Meeting Agendas:  
Motion by Director Kalvans to adopt Special and Regular Meeting Agenda as presented. Seconded by Director Reuck. Motion was approved by vote of 5 AYES and 0 NOES.
- V. Public Comment and Communications:  
Laverne Buckman spoke about her concerns on financial reports and need to assure that District financial accounts are in order and reflect accuracy. District is 6 months into the current Fiscal Year and confidence level is not good.  
  
There were no other public requests to speak.
- VI. **Swearing In & Oath of Office:**  
Administering the Oath of Office to newly elected Board members: John Green, Anthony Kalvans and Joe Parent to fill the terms of office ending December 2020.  
  
General Manager Gentry announced now is the time for Swearing in and Oath of Office to be administered into incoming elected Directors. General Manager asked for Directors Green, Kalvans and Parent to stand for Oath to be given by District General Counsel Schweikert.  
  
District General Counsel administered the Oath of Office and newly elected Directors took their seats.

**VII. Election of Board Officers and Board Appointments:**

General Manager Gentry announced that now is the time for the election of Board Officers to serve throughout the calendar year 2017 as set forth in Board Rules and Handbook procedures.

There was brief discussion about the procedures to use, since last election, it was determined to nominate and vote on Board of Director President, who would then conduct the remaining election of Officers and recommend Board appointments subject to Director consent. Board members agreed to follow this procedure and accepted nominations from the floor. Director Kalvans nominated himself for office of President, seconded by Director Parent. Roll call vote was 3 AYES, 2 NOES and 0 ABSENT.

Director Kalvans assumed the chair and position of Board President and conducted the remainder of the agenda and election process. President Kalvans announced that he would use Roberts Rule of Order to conduct this and all other meeting matters. He also announced that now is the time to consider nominations for Vice-President.

Director Buckman nominated Director Reuck as Vice-President, seconded by Director Green. Roll call vote was 4 AYES, 1 NO and 0 ABSENT.

President Kalvans made appointments, with Board member unanimous consent, to District Standing Committees:

Organization & Personnel Committee appointees are: Directors Green and Parent.

Finance & Budget Committee appointees are: Directors Buckman and Reuck

Equipment & Facilities Committee appointees are: Directors Parent and Reuck

The Water Conservation Ad Hoc Committee was discussed briefly by Board with unanimous agreement to convert this committee to a Groundwater Sustainability Advisory Committee with appointees: Directors Green and Kalvans

Board members indicated that this Advisory Committee may need to be converted to Standing Committee status in the future, especially with the formation of the District's Groundwater Sustainability Agency.

**VIII. ADJOURN TO CLOSED SESSION:**

President Kalvans announced now is the time for a Closed Session. Director Parent announced his intent to recuse himself due to a potential conflict of interest involving the matters in Closed Session. Director Parent left the room at 6:09 PM.

Remaining Board members convened in Closed Session at 6:09pm. President Kalvans announced the following Closed Session items to be discussed:

**IX. CLOSED SESSION AGENDA:**

**1. CONFERENCE WITH DISTRICT GENERAL COUNSEL—Anticipated Litigation**

Pursuant to Government Code Section 54956.7 (2) (d) (2 cases)

**RECONVENE TO OPEN SESSION**

President Kalvans reconvene to Open Session at 6:49pm and immediately announced a recess until 7pm.

**Call to Order for Regular Board Meeting**

President Kalvans reconvene from recess at 7pm and requested District General Counsel to report out of Closed Session.

**REPORT OUT OF CLOSED SESSION**

Report out of Closed Session by District General Counsel

**X. Public Comment and Communication (for agenda items):**

Travis Dawes, resident and former Board member spoke to Board questioned the Board about his belief that prior Board members would be eligible to serve as Board members for at least half of this meeting, instead of oath of office and swearing in of new officers done at the start of meeting.

There were no other persons requesting to speak.

**XI. Staff & Committee Reports – Receive & File:  
Non-District Reports:**

**San Luis Obispo County Sheriff**

There was no report submitted or person representing the Sheriff's Department in attendance.

**San Luis Obispo County Board of Supervisors**

There was no report submitted or person representing the Supervisor in attendance.

**San Luis Obispo County Planning and/or Public Works**

There was no report submitted or person representing the County Departments in attendance.

**San Miguel Area Advisory Council**

There was no report submitted or given.

**Camp Roberts—Army National Guard**

There was no report submitted or person representing the Sheriff's Department in attendance.

**District Staff & Committee Reports:**

**General Manager Report (Mr. Gentry)**

GM provided a verbal report on CalPERS assessment and reporting on unfunded liabilities. He also announced that he would be taking 3 days of vacation time the last week of the month.

**District General Counsel Report (Attorney Schweikert)**

General Counsel stated that there was nothing to report.

**Utility Supervisor Report (Mr. Dodds)**

GM advised the Board that Utility Supervisor was ill and indicated that a written report is submitted with agenda packet and asked if there were any questions by the Board.

There were no questions by Board.

**Fire Chief Report (Chief Roberson)**

GM advised the Board that Fire Chief was not able to attend meeting due to work conflict and indicated that a written report is submitted with agenda packet. GM asked if there were any questions by the Board that would need to be followed up with further reporting.

There were no questions by Board.

**District Engineer Report (Mr. Tanaka)**

GM advised the Board that Mr. Tanaka was not able to attend meeting and indicated that a written report is submitted with agenda packet. GM asked if there were any questions by the Board that would need to be followed up with further reporting.

There were no questions by Board.

**PUBLIC COMMENT:**

Laverne Buckman, a resident, asked to speak on this report as presented. She wanted to know if the Board when the Salt & Nutrient Management Plan was done and is it due for an update. GM answered that the Management Plan was done in 2015 and should have been audited for performance in 2016. He also indicated that with a pending change in District Engineer services that the new engineer will be assigned the task of evaluating and preparing a recommendation.

**Finance/Budget Committee (Chair Reuck)**

Chair stated a written report of for 2 meeting summaries is in agenda packet. Asked if there were any questions.

**Organization/Personnel Committee (Chair Green)**

Chair reported that there had been no meeting of Committee, but a meeting is scheduled. There was nothing additional to report.

**Equipment & Facilities Committee (Chair Parent)**

Chair reported that there had been no meeting of Committee, but a meeting is scheduled. There was nothing additional to report.

**GSA Advisory Committee (Chair - Vacant)**

There has been no scheduled meeting of this advisory committee.

**XII. CONSENT ITEMS:**

President Kalvans announced that now is the time to consider all items listed under Consent. He asked the Board had any items to be pulled for discussion but if there were none then a motion to approve the Consent Items would be in order.

General Manager Gentry asked the Board to pull Item # 17 since the Finance Committee had not finished its review and requested added details and work by staff. Item would need to be brought back when ready or as recommended by Finance Committee.

There was a motion by Director Buckman to approve Consent Items #15 a, 15b, 16 and 18 as presented, seconded by Director Green. Motion was approved by roll call of 4 AYES, 0 NOES 1 ABSTENTION.

Director Buckman asked for reconsideration on his vote and discussed how to do this with General Counsel. General Counsel advised there would need to be a new motion to reconsider whatever Consent Item was involved then there would need to be a vote on that motion before reconsidering the Consent Items again.

**PUBLIC COMMENT:**

Travis Dawes, resident and former Board member, asked about procedures. He wondered if this was an “oversight” by staff or someone that was prohibiting the District in getting its reimbursement of funds.

GM answered that County advised District earlier this month (December) about the need for the Notice of Completion after concluding its mandatory auditing procedures with the District. There was no prior notification.

There were no other questions or comments.

Director Buckman made a motion to reconsider Consent Item No. 18 as Director Buckman had reason to reconsider and rescind his previous vote, seconded by Director Reuck. Motion was approved by roll call vote, 5 AYES and 0 NOES.

There was brief discussion by Director Buckman about his changing of vote on Item # 18, Notice of Completion for Fire Hydrant Replacement project because he believed that this action had already been done by Board. He questioned GM about the status. GM replied that the Board had not taken any formal action for a Notice of Completion that is recorded with County Clerk and required by County Planning for CDBG funded projects.

There was no further discussion or questions. Director Green made a motion to approve Item No 18 as presented, seconded by Director Buckman. Motion was approved 5 AYES, 0 NOES.

President Kalvans announced now is the time to consider Board Action Items and asked GM to introduce the first item.

GM stated that the first action item is:

**19.** Discuss and Approve **Resolution No. 2016-39** awarding a bid contract to Bartle Wells Associates to perform a utility rate study analysis.

GM indicated that this Item had been reviewed by Finance & Budget Committee, which gave a recommendation to award a bid contract to Bartle Wells Associates to perform a utility rate study analysis and to appropriate funding from capital reserves.

GM stated that a written staff report summarizing the need for this study is included for this discussion. Also there was brief summary of the competitive bidding process and the Finance & Budget Committee recommendation to the Board. Bartle Wells Associates was determined to be the lowest, qualified bidder meeting the District's specification in the RFP document.

GM re-stated the Staff Report recommendation to the Board and asked if there were questions by the Board. He also pointed out that a Bartle Wells representative, Alison Lechowicz, was present to answer any questions and introduced her to Board.

Alison Lechowicz, Bartle Wells representative, gave a brief overview of the firm's experience with preparing rate studies including local and regional special districts and public agencies. She briefly described the firm's approach to this project and the intent to assist the District all the way through a 218 public hearing process. She further indicated that the firm had done this type of work throughout the state for which Alison had been assigned as principal project manager.

She stated that the deliverables for the District are in accordance with the RFP requirements which included a 5-year term and a 10-year financial plan for cost allocation. She reminded everyone that rates must be based on actual and projected needs.

President Kalvans asked her about tier rate structure because San Miguel has one. Alison replied that it is possible to have and maintain a tier rate structure but actual costs must be identified for each tier by use of peaking factors. President Kalvans also asked if Bartle Wells will be looking at poverty levels or rate zones.

Alison Lechowicz replied that the firm will assess and evaluate, working with District staff, all reasonable, feasible and legal methods of "smoothing out" rate increases, if the study shows the need. She stated that she has done some homework about the District and how long since rates were last adjusted. She believed that there has been no adjustment for approximately 10 years or more. She re-stated the need to tie rate increases into actual costs, even for planned but not constructed projects, operating costs, debt, maintain reserves, population growth rates and other factors.

Director Green asked why the study would be evaluating street lighting costs. He believes that the street lighting funds are more than sufficient.

President Kalvans remarked that there has been a long standing discussion, sometimes dispute, about the Mission Street decorative lighting and related landscaping in terms of who maintains and who pays for it. He believed that this study should include some analysis which make assist the District in getting a final answer to this lingering question. He also believes that there may be additional decorative street lights in the future.

Alison replied that the District had requested some evaluation but if the Board wants to do more or less than the firm can adjust its scope of work accordingly.

President Kalvans asked if there were any further Board questions. There were none. President Kalvans asked if there were any public comments or questions.

**PUBLIC COMMENT:**

Laverne Buckman, a resident, asked the Board about how mitigation fees and other adjustments, specifically how such mitigation or impact fees, affect a rate study. Board asked GM to respond. GM answered that the rate study does not include restricted funds, such as impact or mitigation fees received by the District. The study must be based on the actual and planned needs of the District as well as the other factors outlined by Ms. Lechowicz in her answers.

Travis Dawes, a resident and former Board member, asked the Board if there would be pricing adjustment by Bartle Wells if street lighting component is removed. Board asked GM to reply.

GM answered if the scope of work is reduced for street lighting and related landscaping costs then a potential reduction of \$15,000 might be achieved. District would have to refine this costs with BW as a part of reduced scope of work to be done.

Public comment was closed by President Kalvans, who requested that if there are any other questions by Board then now is the time. If not, then he would welcome a motion. There was a short discussion about re-opening the public comment. Board members agreed to re-open for purposes of hearing 1 additional comment or question.

Travis Dawes was concerned about clarity on reducing costs for modifying pricing cost associated with the street lighting analysis. He believes that those pricing costs should be reduced and lower the overall costs.

There were no further public questions or comments.

President Kalvans asked each Board member if they had any further questions or comments. Several Board members stated that they realize this study is important even with the related costs for getting it done. Also expressed thoughts that rates are likely to be increased but want to see what can be done.

There was a motion by Director Green to approve **Resolution No. 2016-39** awarding a bid contract not -to-exceed \$64,880 to Bartle Wells Associates for preparing a utility rate study and financial plan as recommended but wants the consultant and GM to reduce scope of work on street lighting analysis with appropriate and related lower pricing costs to the District, seconded by Director Buckman. Motion was approved by a roll call vote, 4 AYES, 1 NO and 0 ABSTENTION.

President Kalvans asked GM to introduce the next agenda item.

**20.** GM Gentry stated that this Item is: Discuss and Approve **Resolution No 2016-38** granting a Sole Source Award for Engineering Design Work related to SLT Blending Well Line at a not-to-exceed cost of \$18,123.

GM introduced the request and Staff Recommendation to award a sole source contract to Wallace Group, District Engineer, to prepare engineering design plans related to SLT Blending Well line, a 2016-17 CDBG grant funded project. GM indicated that Mr. Tanaka was available to answer any Board questions.

The Equipment & Facilities Committee reviewed this request at its October and November meetings. Committee made a recommendation to Board for approving the award as presented after getting its questions fully answered.

GM pointed out that the District will front-end these costs until reimbursed by CDBG after project is completed. This project will need a Notice of Completion approved by the Board after construction is complete and accepted by the District. The appropriation of funding will be from Water Capital Reserves.

Director Reuck stated that he believed this project is needed.

Director Parent questioned whether or not the District would receive “AS BUILT” drawings. Mr. Tanaka replied that the work being done now is simply the engineering design work needed for public advertisement and competitive, construction bidding process. The District will make its specifications and requirements for the construction docs. That is where the District would need to specify “as built” drawings.

There were no further Board questions or comments.

President Kalvans asked if there were any public requests to speak or make comment to the Board about this project. There were no requests to speak or persons asking to be heard.

Director Green made a motion to approve **Resolution No. 2016-38** to Wallace Group as sole source contract award pursuant to District Purchasing Policies as described in Staff Report, seconded by Director Buckman. Motion was approved by a roll call vote of 5 AYES, 0 NOES and 0 ABSTENTION.

President Kalvans asked GM to introduce the next Item.

**21.** GM stated that this item is to Discuss and Approve **Resolution No. 2016-35** authorizing General Manager to make a salary adjustment for 1 employee eligible.

GM stated that a written staff report had been presented to the Board in the agenda packet detailing the reason for this item to be discussed. GM gave a brief verbal report supplementing the written report in packet and re-stated the recommendation to approve the attached resolution authorizing



a salary adjustment in accordance with District Compensation Schedule. The recommended adjustment is to correct a step one level placement for the affected position. GM stated that an annual performance evaluation for the eligible employees is satisfactory and specific goals were met.

GM also stated that 2 Standing Committees, O & P and F & B, had reviewed the proposed adjustment and made a recommendation to the Board to approve as presented.

President Kalvans asked if there were any Board questions of GM. Director Parent asked about “what is missing” and wondered why this matter was in front of the Board when GM should be authorized to grant merit increase when budgeted and approved by Board. He also commented that he hadn’t completed his review of Personnel Policies.

Director Green stated he understood the compensation schedule for merit or step increases but wanted to know when it applied in this case. GM replied that the revised compensation schedule occurred after the eligible employee began working as a District employee. This adjustment will align the step 1 pay to this position.

President Kalvans asked if there were any public questions or comments.

Travis Dawes, resident and former Board member, questioned the Board where in the Personnel Policy does it apply to full time versus part time employees. GM replied, on behalf of Board, that full and part time positions fall in alignment with the Compensation Schedule step levels. There is no distinction between full or part time positions related to compensation levels.

Mr. Dawes stated that he did not believe that was correct and wanted the Board to answer where in the Personnel Policy such provisions were to be found.

Director Green commented that he agreed with Mr. Dawes and believes they are true. He is concerned about salaries and wages, which already comprise 40% of the total budget are out of line and excessive. He hopes that the upcoming rate study provides more factual information for the Board to consider. He stated that is not his intent to stand in opposition to this request but wants to be consistent about his concerns.

General Counsel Schweikert replied with a citation found in the District Personnel Policies that specifically applies to no distinction between full and part time employees as it relates to merit or step increase and/or the compensation schedule. Full and part time employees are treated the same for specific job classes and positions as described on that schedule.

Director Green made a motion to approve Resolution No. 2016-35 to authorize General Manager to make a salary adjustment for 1 eligible employee as presented, seconded by Director Parent. Motion was approved by roll call vote of 5 AYES, 0 NOES and 0 ABSENTIONS.

President Kalvans asked GM to introduce the next Item.

**22.** GM stated that this request is to Discuss and Approve **Resolution No. 2016-40** authorizing an application for new credit card account with CSDA affiliate, Bank of West.

GM stated that a written staff report had been presented to the Board in the agenda packet detailing the reason for considering this item. GM gave a brief verbal report supplementing the written report in packet and re-stated the recommendation to approve the attached resolution.

GM also stated that Finance & Budget Committee had reviewed this request and made a recommendation to the Board to approve as presented. Committee expressed concern about the use of the Chevron commercial card and concluded that there were fees which could be reduced or eliminated.

The recommendation is to authorize an application for a new commercial credit card with a CSDA affiliate, Bank of West. This account would offer access to combined or pooled purchasing opportunities and commodities needed by the District, fraud protection/alerts, low fees and detailed statement for each purchase.

GM asked if there were any questions by the Board.

Director Green asked about the cards having the CSD name on the cards. GM replied that it is possible and is planned to be a part of the application. Director Green also asked about access during weekend and overnight time periods. He believed that it might be important to purchase a key coded safe for such access by firefighter crews needing to re-fuel or use for out-of-town calls. Access should be limited to Captains and Chief.

President Kalvans asked if there were any public comments or requests to speak.

Travis Dawes, a resident and former Board member, spoke about the Chevron account being terminated. F & B Committee had recommended account be ended some time ago. He wants the Board to verify the account is closed. He also spoke about being in favor of fleet card versus commercial cards and wanted to know if the Union card was a fleet card.

GM replied to the Board that the Union card is a fleet card. These cards are the ones that would be used for vehicle fueling. Access would be provided through a key coded safe with access by Fire Chief and Captains.

There were no more public comments or Board questions.

President Kalvans asked if there was a motion to be made. Director Green made a motion to approve Resolution No. 2016-40 as presented with an amendment to purchase a key code safe for fire fighter access to cards, seconded by Director Buckman. Motion was approved by roll call vote, 5AYES, 0 NOES and 0 ABSENTION.

**XIV. BOARD COMMENT:**

President Kalvans asked if there were any Board comments.

Director Buckman commented that he is willing to trade Committee assignments, F & B for E & F, if anyone is interested.

Director Green commented about the news given about CalPERS costs increasing and knows there is nothing District can do about. He expressed concern about how the existing rates could support these ongoing and increasing costs. He also asked if a report on Union card be brought to the Board by GM.

President Kalvans asked General Counsel to speak about the recent Little Hoover Commission findings. General Counsel Schweikert commented that the Commission findings will have little or no effect on special districts.

He also commented about the approved design and community plans for San Miguel. He commented that now is the time to work with County on putting together an AB 2 district for San Miguel and would like the Board to support fast tracking such an effort.

President Kalvans also commented about the need for SMCSD to rebuild its reputation with CSDA by taking advantage of training opportunities and participation. Lastly, he spoke about the need to schedule a GSA Advisory Committee as soon as possible.

There were no other Board comments.

**XV. ADJOURNMENT:**

President Kalvans adjourned the meeting at 9:02 pm.

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