

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
DECEMBER 20, 2018 SPECIAL MEETING MINUTES

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

- I. Meeting Called to Order by President Green – 6:30 p.m.
- II. Pledge of Allegiance lead by Director Buckman.
- III. **Roll Call:** Directors Present: Green, Buckman, Sangster
Directors Absent: Parent, Kalvans
Director Palafox in attendance
Director Kalvans arrived during closed session
District Staff in attendance: Rob Roberson, Tamara Parent, Kelly Dodds, Paola Freeman and District General Counsel Seikaly
District Staff Absent: District Engineer Dr. Blaine Reely
- IV. **Adoption of Regular Meeting Agenda:**

Motion by Director Sangster to adopt Regular Meeting Agenda.
Seconded by Director Buckman Motion was approved by Vote of 3 AYES and 0 NOES and 2 ABSENT
- V. **ADJOURN TO CLOSED SESSION:**
Closed Session convened at 6:33 p.m.
 - A. **CLOSED SESSION AGENDA:**
 - 1. **CONFERENCE WITH DISTRICT GENERAL COUNSEL – Existing Litigation**
Pursuant to Government Code Section 54956.9 (d)(1) Case: *Steinbeck v. City of Paso Robles, Santa Clara County Superior Court Case No. 1-14-CV-265039* and Case: *Eidemiller v. City of Paso Robles, Santa Clara County Superior Court Case No. 1-14-CV-269212*
 - 2. **CONFERENCE WITH LABOR NEGOTIATORS** (Pursuant to Government Code Section 54954.5(f) and Government Code Section 54957.6)
Unrepresented Bargaining Units: Non-Management Non-Confidential Unit and Non-Management Confidential Unit

VI. Call to Order for Regular Board Meeting/Report out of Closed Session: 7:05 P.M.
Report out of closed session by Director Green. Nothing to report, direction was given to staff.

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

VIII. Special Presentations/Public Hearings/Other:

1. Presentation of Certificate of Appreciation for Public Service to Gib Buckman, Retiring Board of Director, by County Supervisor John Peschong, San Luis Obispo County Board of Supervisors and Resolution 2018-36 San Miguel Community Services District.

2. **Swearing in & Oath of Office:**

Administering the Oath of Office to newly elected Board members: Ashley Sangster, Hector Palafox

Recess @ 7:15pm

Session back at call order @7:40

3. **Election of Board Officers and Board Appointments:** Interim General Manager Rob Roberson opened meeting to nominations.

A. Nominate and Elect Board of Director Officers:

A.1. President

Director Kalvans nominated Director Green to be President.

Seconded by Director Palafox

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

A.2. Vice-President

Director Kalvans Nominated himself for Vice-President

Seconded by Director Palafox

Motion failed by Vote of 2 AYES and 2 NOES

Motion to table by Director Sangster for the appointment of Vice-President to next regular Board Meeting January 24th, 2019 with a full board present.

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

IX. STAFF & COMMITTEE REPORTS:

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| 1. San Luis Obispo County Sheriff | No Report |
| 2. San Luis Obispo County Board of Supervisors | No Report |
| 3. San Luis Obispo County Planning and/or Public Works | No Report |
| 4. San Miguel Area Advisory Council | No Report |
| 5. Camp Roberts—Army National Guard (LTC Kevin Bender) | No Report |
| 6. Interim General Manager: Interim General Manager/ Fire Chief Rob Roberson, presented the Board of Directors with the FY 16-17 Management Response Letter. Interim General Manager explained that the District Auditor will be at the District Office around January 24 th & 25 th to start the findings process for the FY 17-18 District Audit. Mr. | |

Roberson explained that the Financial Meeting that he would like to have looks like February. Interim General Manager/ Fire Chief Rob Roberson asked District counsel about the embezzlement case against K. Johnson. Counsel Seikaly explained that she would get more information and relay any update.

Board Comment: Director Green asked about item two in the FY 16-17 Management Response Letter and voiced that he would like the General Manager to reviewing funding items and it was explained that Paola makes the changes after receiving the District General Manager's direction.

Director Sangster agreed with Director Green about having it read and, not and/or. Director Sangster asked about the delegation of authority for coding and staff procedures for purchases. It was explained that Interim General Manager, Rob Roberson doesn't see every purchase but has department heads keeping him informed and is reviewing all funding. Interim General Manager/ Fire Chief Rob Roberson explained that it was written in this way because the CPA and Auditor saw a discrepancy and wanted a checks and balance. Mr. Roberson explained that the Action item for financials will continue to be an Action item at each Board Meeting and would like every Board member to review and knowledge the information and can always see what has been purchased and from where in the Claims Detail Report.

Public Comments: Laverne Buckman, San Miguel Resident reminded the Board of Directors that the District has policies in place that need to be revisited and used for the financials.

7. **District General Counsel:** Presented by District Counsel Seikaly. ChurchwellWhite, LLC. Nothing to report.

Board Comments: None.

Public Comments: None

8. **District Engineer:** Written report submitted as is. Blaine Reely is absent

Board Comments: None

Public Comment: None

9. **Director of Utilities:** Written report submitted as is. Director of Utilities Kelly Dodds informed the Board of Directors that the new Utilities Worker is moving along with his certifications. Mr. Dodds reminded the Board that the updates on the wastewater facility are in his Utilities Report and informed the Board that the Prop1 monies are being finalized. The CBDG funds for 10th & 11th Street lines will be going in front of the SLO County Board of Supervisors at the February meeting.

Board Comment: Director Green asked that fees for doorhangers be brought to the Board in February. Discussion ensued.

Director Kalvans asked about the San Miguel Garbage company following the new recycling regulations. District General Counsel voiced that they would investigate it but had no knowledge of the Assembly Bills that Director Kalvans was referring to.

Director Kalvans asked about the "miscommunication" with lighting. Director of Utilities Kelly Dodds explained that they have a new application online and he is in the process of working through the program.

Public Comments: None

10. **Fire Chief:** Fire Chief Rob Roberson, updates the Board of Directors about the LAFCO study that the SLO County Board of Supervisors asked for. The presentation will be on January 15 in San Luis Obispo. Mr. Roberson informed the Board that the Assistant Fire

Chief Kelly Dodds resigned do to other commitments, effective December 31st, 2018. Chief Roberson introduced Scott Young as the new Fire Prevention Officer. The SMCSO Fire calls are at 322 for end of year 2018.

Board Comments: Director Kalvans asked about the National Fire standards 1710. Mr. Kalvans explained that he did not want the County to take over the San Miguel Fire Department and expressed that the 1/3 of calls outside District boundaries is unrepresented and would like to look into getting the tax monies for the area outside the District boundaries and would like to audit the taxes received from the County. Director Kalvans voiced that he would like staff to make sure each new house is being taxed correctly. Kalvans also asked about staffing and would like it discussed in the future.

Public Comment: Scott Young voiced that he will be working towards providing service to the community that is needed.

Board Comment: Director Sangster voiced his congratulations to Scott Young. Director Sangster asked to be a part of the meeting with the SLO County Board of Supervisors. Director Kalvans asked to have Fire report sent to him.

X. CONSENT ITEMS:

Director Kalvans asked that each item be voted on separately.

1. Approve **Resolution No. 2018-37** establishing Regular Board of Director Meeting Dates for 2019

Public Comment: None

Motion by Director Sangster to approve Resolution 2018-37, 2019 Board Meeting Dates.

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

2. **Review and Approve Board Meeting Minutes**

- a) 11-15-2018 Special Board Meeting

Board Clerk amended minutes to read 2019

Public Comment: None

Motion by Director Sangster to approve amended 11-15-2019 Special Board Meeting minutes

Seconded by Director Kalvans. Motion was approved by Vote of 3 AYES and 0 NOES and 1 ABSENT 1 ABSTAINED.

XI. BOARD ACTION ITEMS:

1. **Review and approve Resolution 2018-38 authorizing proposed Midyear Budget adjustments to the approved FY 2018-19 budget.**

Item was presented by Interim General Manager/ Fire Chief Rob Roberson asking if the Board of Directors understood the presented document. Discussion ensued.

Interim General Manager/ Fire Chief Rob explained that the budget was approved and then the District needs to either add or subtract from that approved budget. Proposed changes are noted with reasons for adjustments.

Board Comment: Director Sangster asked about the net and the deficit 300k for water and asked with the changes proposed what is the net number for all funds.

Director Green asked what the estimate is for the rest of the Fiscal year for the Steinbeck litigation. 250k for legal services was added to the budget.

Director Kalvans asked what percentage of the deficit is from water conservation.

Director of Utilities Kelly Dodds explained that we have not seen much of a reduction in water usage and just using the usage from last year to this year will not give an accurate reading because new houses have been added to the District water service. Discussion ensued about the District and when it might see a decrease in water usage due to the rate increase. Director Kalvans asked how many miles of water and sewer lines does the district service. Mr. Kalvans also asked about getting information on what revenue we get from different parts of town within the District. District staff explained that we do have that information but would take time to get the information calculated. Discussion ensued about river zone. Director Kalvans asked about the increase of 20k for electricity and asked why such a large adjustment. It was explained that the cost was based on previous years, and the cost of electricity has gone up. The Utilities Department has tried to pump in the night hours to conserve electricity. Director Kalvans asked about the lighting and what properties taxes are being assessed. Discussion ensued about the difference in the assessed allocation.

Hector Palafox asked for clarification, and if a portion of the water deficit is due to delay in the rate increase. Director Palafox asked when the study recommended that the rate increase to start. Director of Utilities Kelly Dodds explained that the study recommended the rate increase start July 1st, 2018.

Director Green explained that the District staff had to base the budget with the rate increase, and with the delay in the increase, it did cause a deficit. Discussion ensued.

Public Comment: Laverne Buckman San Miguel Resident asked about the overage and what would be done with that. Mrs. Buckman also asked about the (*) marks items that did not have a line item that shows on the monthly budget Vs. actual reports and how that was dealt with for these budget adjustments. Interim General Manager/ Fire Chief Rob Roberson explained that the District did have some items that did not have a line item, and staff with the districts contracted CPA became aware of these line/codes that had no place and each was made as directed by the District CPA. Interim General Manager/ Fire Chief Rob Roberson explained that ongoing litigation influences these budget adjustments.

Board Comment: Director Kalvans commended staff and the fiscal responsibility the District is moving toward. Mr. Kalvans would like to discuss the services that we could provide to the Wellsona area. Mr. Kalvans voiced that he asked two years ago and would

like to have staff investigate funding with AB2. Director Kalvans voiced that he would like to motion to approve the Budget adjustments if the board would discuss AB2.

Motion by Director Kalvans to approve Resolution 2018-38 authorizing proposed Midyear Budget adjustments to approved FY 2018-19 budget with the stipulation staff bring back AB2 for discussion.

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

- 2. Review, Discuss, Receive and File the Enumeration of Financial Report for November 2018** Item presented by Paola Freeman, Bookkeeper informing the Board of Directors that the reports have been presented and asks for any questions. Interim General Manager/ Fire Chief Rob Roberson explained that staff has been working on an Excel spreadsheet for Capital Project monies and asked the Board for their impute.
Board Comment: Director Green asked to have his financials on paper because it too hard to read on the computer. Discussion ensued.
 Director Kalvans asked about the “Gann” limit for the District is. Discussion ensued.
 Director Kalvans asked that staff research and talk to the CPA and get an answer for the “Gann” limits.
Public Comment: None

Motion by Director Sangster to Receive and File the Enumeration of Financial Report for November 2018

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

- 3. Review and Discuss using a Payroll service.** Item presented by Interim General Manager Rob Roberson and informed the Board of Director that the District CPA has asked that we get a payroll service. Bookkeeper Paola Freeman explained that the liability for tax payment and forms will be on the payroll service and giving an example that the district has been paying FUTA and never needed to. District staff has met with Paychex and feel that it will work well with our District payroll. Discussion ensued about clocking in and out with the phone app.
Board Comment: Director Green asked if the service will intergrade with Black Mountain, Discussion ensued, and information is needed.
 Director Sangster asked if he was correct that staff would like to test the service out. It was explained that yes staff feels that it would be a great benefit to the district.
 Director Green feels that this a good service and will be a cost savings. Mr. Green voiced that he has been asking for a service like this for years. Discussion ensued.
 Director Palafox asked if Paychex the best company to go with? Mrs. Freeman explained that the service was recommended by the District CPA. Director Palafox voiced that he has been looking at reviews and Paychex has great reviews then their reviews have gone down.
 Director Green directed staff to research other payroll services.

Discussion only.

Public Comments: None

- 4. Discuss and Approve the Formation of Ad-Hoc Committee for the District Personnel Guidelines by Resolution 2018-39.** Item was presented by District General Counsel Seikaly and Interim General Manager Rob Roberson informing the Board that this item was direction from the Board to discuss the Personnel Guidelines and Policies manual.

Public Comments: Diane Sangster asked how long will this committee be for?

District General Counsel Seikaly voiced that the Personnel Committee was drafted to be as narrow as possible and feels that having more committees would put too much of a strain on the District staff. The Personnel Committee will bring a red line version to the whole Board.

Board Comment: Director Kalvans voiced that he would like to have committees for the future items giving examples of upcoming ordinances. Interim General Manager Rob Roberson explained that the direction the staff would like to go is keeping the whole Board informed and that these issues are important to not only two board members in a committee but all the elected officials.

Director Green voiced that he feels we could have one committee at a time but feels that the Personnel Committee will not take much time but feels the whole Personnel Guidelines need to be reviewed.

Board Clerk voiced that having committees are too much for the staff that we currently have.

Director Kalvans voiced that he would like the big documents to come to committees.

Motion by Director Kalvans to Approve the Formation of Ad-Hoc Committee for the District Personnel Guidelines by Resolution 2018-39.

Seconded by Director Green. Motion was approved by Vote of 3 AYES and 1 NOES and 1 ABSENT.

Motion by Director Green to nominate himself to be the first member of the Personnel Committee

Seconded by Director Kalvans. Motion was approved by Vote of 3 AYES and 1 NOES and 1 ABSENT.

Motion by Director Green to nominate Director Kalvans to be the second member of the Personnel Committee.

Seconded by Director Kalvans. Motion was approved by Vote of 3 AYES and 1 NOES and 1 ABSENT.

XII. BOARD COMMENT: Director Kalvans voice that he was happy that the Board will be discussing AB2 soon.

XIII. ADJOURNMENT TO NEXT MEETING JANUARY 24, 2019: 9:57 P.M.