

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
AUGUST 22, 2019 REGULAR MEETING MINUTES

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

- I.** Meeting Called to Order by Vice President Green – 6:30 P.M.
- II.** Pledge of Allegiance lead by Director Kalvans.
- III. Roll Call:** Directors Present: Green, Sangster, Palafox, and Kalvans
Directors Absent: Parent
District Staff in attendance: Rob Roberson, Tamara Parent, Kelly Dodds, Paola Freeman, Scott Young, and District General Counsel Seikaly
District Staff Absent: District Engineer Blaine Reely
- IV. Adoption of Regular Meeting Agenda:**
- Motion by Director Sangster to adopt Regular Meeting Agenda
Seconded by Director Kalvans Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSENT
- V. ADJOURN TO CLOSED SESSION:**
Closed Session convened at 6:32 p.m.
- A. CLOSED SESSION AGENDA:**
- 1. 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
 - 2. CONFERENCE WITH DISTRICT GENERAL COUNSEL-ANTICIPATED LITIGATION**
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:(1 case)WO
- 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 Seikaly, informed the public

that action was, entering into a tolling agreement by Board consensus. The Board will go back into closed session after Board Comment.

VII. Public Comment and Communications for matters not on the Agenda: Tracy

Johnson, San Miguel resident informed the Board of Directors that she and her partner had lost a significant amount of fish when they last cleaned their fish tank. She explained that they had done the same process as every other time they cleaned their 40 gal. and 60 gal. tanks, explaining that she smelled a lot of chlorine in the public water. Mrs. Johnson asked the Board for compensation for the loss of their fish.

Director Green asked the Director of Utilities to speak on this matter. Director of Utilities Kelly Dodds explained that he did look into the amount of Chlorine in the system at that time, and the levels are legally between 1-4 PPM (Parts Per Million). The District runs between 1.75PPM and 2.1 PPM.

Discussion ensued, and Director Green gave his condolences, but the district could not give out compensation due to the many variables.

Laverne Buckman, San Miguel resident explained to the Board that she received an email amending Title 22 and that it was different than the "San Miguel Community Plan" that was approved by The County Of San Luis Obispo Board Of Supervisors on (*December 6, 2016 by Resolution 2016-306*). Discuss ensued, about tiny houses and address needed, that have been identified by the Assistant Fire Chief, Young.

VIII. Special Presentations/Public Hearings/Other: Public Hearing to consider approving an Ordinance 03-2019 of the San Miguel Community Services District board of directors adopting the San Miguel Community Service District (“District”) Wastewater Code. Director of Utilities introduced Ordinance 03-2019 District Wastewater Code, and read staff report aloud and informing the public that this was the second reading of the proposed Ordinance. Director Green asked for any public comment or protest and explained the adoption of the Ordinance will be in the action items coming up.

Board Comment: None

Public Comment: None

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 | Mike Sanders voiced |
| he spoke about the Cannabis resolution previously and the Advisory Council meeting is on August 28 th , 7:00 P.M. | |
| Board Comment: None | |
| Public Comment: None | |
| 5. Camp Roberts—Army National Guard (LTC Horvath) | LT. Lindsey |
| Rancadore gave a verbal update that the next 30-day Nevada will be having their annual training, 143 fields and live fire, 400 on base over the weekend until Labor Day. Oregon’s National Guard will be here in the next 3 weeks. California marksmanship will be at | |

Camp Roberts in September. Three planned hunts will take place in Sept and if anyone is interested in hunts please see: https://calguard.ca.gov/wp-content/uploads/sites/62/Camp_Roberts_Hunting/CampRobertsHuntingEvent2019.pdf
Lt. Rancadore reminded everyone that Camp Robert's drones are in a no-fly zone and would like to have SMCSO help put out the word. Discussion ensued about technology that is being acquired to down unauthorized drones.

Board Comment: Director Kalvans thanked Lt. Rancadore.

Public Comment: None

6. **Interim General Manager:** Interim General Manager/ Fire Chief Rob Roberson, gave a verbal report. Mr. Roberson updated the Board of Directors the District Auditor will be at the office on September 9th to start the FY 18-19 Audit. Mr. Roberson also informed the Board that the Public Hearing in San Luis for the Hilo Daysprings Cannabis project was postponed to the 26th of September and reminded the Directors that all required ethics and Sexual Harassment must be finished. Interim General Manager/ Fire Chief Rob Roberson explained that Directors of the Board are going to be receiving W-2 for their stipends.

Board Comment: Director Green asked for clarification from District General Counsel about the W-2. District General Counsel Seikaly informed Director Green that she would have to look into it and get back to him.

Public Comments: None

7. **District General Counsel:** Presented by Counsel Seikaly. ChurchwellWhite, LLC. District General Counsel Seikaly informed the Board that she had sent an email to the SLO County District Attorney's office about the K. Johnson embezzlement case and hopes to have an update to the Directors.

Board Comments: Director Green asked for an update on the previous question about Directors being treated as Employees and receiving W-2. District General Counsel Seikaly voiced that she would have to look into it and doesn't recall the question from the last meeting. Discussion ensued about board stipends.

Director Kalvans voiced that he thought that it was an insurance issue.

Public Comments: None

8. **District Engineer:** Written report submitted as-is. Dr. Blaine Reely was absent from the Board Meeting and Director of Utilities asked if anyone had any questions that he could get them to Dr. Reely.

Board Comments: None

Public Comment: None

9. **Director of Utilities:** Written report submitted as-is. Director of Utilities Kelly Dodds updated the Board that the District is now capable of receiving mattresses to recycle at the Machado Wastewater Plant. That he has been working with IWMA (Integrated Waste Management) to get the Mattress and E-waste programs going in San Miguel.

Board Comment: Director Kalvans asked if any of the recycling programs had any cost to the District. Director of Utilities Kelly Dodds explained that all the District is doing is paying for a Utility Worker to open the gate and help unload the mattresses into the trailer provided and is by appointment only.

Public Comments: Laverne Buckman San Miguel resident asked about E-waste for electronics and feels that people need more education on recycling programs. Director of Utilities Kelly Dodds explained that the district will start sending out the information in

English and Spanish. Discussion ensued about the new Recycling programs through Cal-Recycle.

- 10. Fire Chief:** Fire Chief Rob Roberson, submitted the report as written. Chief Roberson updates the Board of Directors that the fire department responded to 16 calls in July and asked for any questions on his report.

Board Comments: Director Green asked about the repairs done on 8668. Fire Chief Rob Roberson explained that DEF pump went out, a discussion ensued about regulation being required by 2025.

Director Kalvans asked about the roads on the Terrace and wanted to make sure they are all compliant for fire response and wanted to make sure the Hilo Daysprings Cannabis farm will be held to the highest standards for fire access. Assistant Fire Chief Scott Young explained that they have been very receptive to all requirements and he has been to a preliminary site visit.

Public Comment: None

X. CONSENT ITEMS:

1. Review and Approve Board Meeting Minutes

- a) 7-25-2019 Regular Meeting Minutes
- b) 08-01-2019 Special Meeting Minutes

Board Comment: None

Public Comment: None

Motion by Director Sangster to approve Consent items 1.a & b

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

XI. BOARD ACTION ITEMS:

1. Review, Discuss, Receive and File the Enumeration of Financial Report for July

2019. Item was presented by Interim General Manager/ Fire Chief Rob Roberson explained that he would like to table item D Statement of Expenditures Budget vs Actual till next month. District Bookkeeper Paola Freeman voiced that she called the SLO County District Attorney's office in regard to the K. Johnson embezzlement case and was informed that there is a court date on August 29, 2019 at 8:30 am to determine if a jury trial is needed. Discussion ensued about full restitution.

Board Comment: Director Green asked about the claims clearing fund is? San Miguel Bookkeeper Paola Freeman explained that it is like a holding fund, until it is posted, and bank reconciliations are done.

Director Sangster voiced that the District is still falling short, Expenditures vs Revenue are about short when you add in payroll expense. Discussion ensued about the large one time a year expenses that were paid in this month.

Public Comment: Laverne Buckman voiced that she was glad we pulled item D, because that is what she had an issue with. Mrs. Buckman asked about page 9-15 claims detail – please explained the transfers from Pacific Premier? Mrs. Freeman explained that is the Interfund loan issue and will be discussed in the next item. Interim General Manager/ Fire Chief Rob Roberson explained that the Accounts are being renamed. Mrs. Buckman asked why Payroll was so high. Bookkeeper Poala Freeman explained that it was Fiscal Year-end and payouts for Vacation and Comp Time payouts; it is a use-it or lose-it policy.

Motion by Director Sangster to Receive and File the Enumeration of Financial Report for July 2019, excluding item D, July Statement of Expenditures Budget vs Actual.

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

2. **Approve Resolution 2019-29 authorizing an Interfund Loan of \$200,000 from Lighting (Fund 30) to Water (Fund 50) to correct a negative balance in Water (Fund 50) and authorizing the Interim General Manager to execute a promissory note on behalf of the District.** General Manager/ Fire Chief Rob Roberson explained that now the bank reconciliations are done to date, the Water Department is in a deficit and would like to make an inter-fund loan from Lighting to Water. Discussion ensued.

Board Comments: Director asked for clarification from the District Counsel about interest and had concerns about the length of the loan.

Public Comments: Laverne Buckman San Miguel resident voiced that from past experience the wording needs to be specific and detailed. Mrs. Buckman asked why the District would not just go get a loan?

District General Counsel reminded the Board of Directors that this is just Authorizing the General Manager to execute a promissory note. Discussion ensued about legal terms and how to determine an interest rate.

The consensus of the Board is to continue item when clarifications have been made. Board of Directors would like Interim General Manager and District General Counsel to work together on the legal terms and interest rate.

3. **Discuss and approve ORDINANCE 03-2019 of the San Miguel Community Services District Board of Directors adopting the San Miguel Community Service District (“District”) Wastewater Code** Item presented by Director of Utilities Kelly Dodds explaining the requirements have been met and would like to adopt the Ordinance 03-2019 and asked for any questions.

Board Comment: Director Kalvans asked about new connections for industrial. His question is what happens when an industrial property that is permitted as agriculture comes and applies? Director of Utilities Kelly Dodds explained that it is what you’re actually doing at the property because it is all about what is going to have to be treated at the Sewer Plant. Director Kalvans explained why he was asking, is what if a developer

wanted to build a place like Courtside Cellars and put the waste into the District Sewer facility, and asked if they would be able to build and operate their plant? It was explained that the State would not allow them to build their existing Treatment Facility with today's standards.

Director Green asked if Courtside's existing treatment plant is just a pre-treatment facility? Director of Utilities Kelly Dodds explained that they have a treatment plant just like ours but with new state regulations, they would not at this time be able to build it as they have it now. Discussion ensued about pre-treatment.

Public Comment: None

Motion by Director Sangster to Approve ORDINANCE 03-2019 of the San Miguel Community Services District Board of Directors adopting the San Miguel Community Service District ("District") Wastewater Code

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

4. **Continue the discussion on assuming landscaping obligations as part of the lighting department as well as current and planned projects in the lighting department.** Item presented by the Director of Utilities Kelly Dodds, explaining that at the July meeting it was discussed that the Board would like additional information on potential maintenance cost as well as what projects and costs the Lighting Department are expecting. The Lighting Budget was explained and electrical cost for streetlighting might go up around \$1.00 a streetlight. The potential total annual cost for all maintenance in landscaping would be around \$13,000, and the potential project cost assuming all lights are installed would be around \$175,000. Discussion ensued about types of plants and a planting plan, and if the Eastside of Mission Street gets developed, what would happen. Director of Utilities Kelly Dodds explained that the District would be working with the San Miguel Chamber and the SLO county water conservation group.

Board Comment: Director Palafox asked about the lighting fund and the inter-fund loan to water and wanted clarification that both can be done if needed.

Director Green voiced that he feels that the District should not commit to the Eastside of Mission Street.

Director Kalvans asked about a community facility's easement.

Discussion ensued about what types of plants that were planted by the County.

Director Green asked that the cost of plants, the scope of work with tree trimming, and a height limit of 24" in the bulbs of the planters. He would like staff to contact landscapers with a scope of work and get the cost to bring back to the Board.

Public Comment: Laverne Buckman San Miguel resident voiced her concern about new development on the eastside. Mrs. Buckman feels that if the District decides to take on Landscaping it would need to be spelled out in detail on what the District will do and what they would not be responsible for.

Mike and Mickey Sanders, San Miguel resident and business owner discussed what the planting plan would be, and the types of drought-tolerant plants that would be used. Discussion ensued about water usage and the general plan.

The consensus of the Board is to move forward in assuming landscaping but would like staff to bring back with the information requested.

5. Discuss and Approve Resolution 2019-30 approving amendments to the Memorandum of Understanding (MOU) between San Miguel C.S.D and SDRMA

Item presented by Board Clerk Tamara Parent explaining that the SDRMA Board of Directors approved amendments on June 26, 2019, to align the MOU with IRS guidelines, the Affordable Care Act and CSAC-EIA pool guidelines. The MOU amendments must be executed by the governing board of San Miguel C.S.D and returned by October 1st, 2019. If not received by November 1st, 2019 benefits will be terminated effective January 1, 2020.

Board Comment: None

Public Comment: None

Motion by Director Sangster to Approve Resolution 2019-30 approving amendments to the Memorandum of Understanding (MOU) between San Miguel C.S.D and SDRMA

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

6. Discuss options regarding office space for the administrative offices of the San Miguel CSD. Item was presented by Director of Utilities Kelly Dodds, explaining that on April 25th, 2019 the Board reviewed preliminary information on addressing the District office space needs by relocating the administrative offices to the Wastewater Treatment Plant. As well as remodeling the fire station to meet the current and planned needs of the fire department. Mr. Dodds explained that several options were presented at the April Board meeting, the leading option is to incorporate the needed administrative offices into the new building at the wastewater treatment facility as part of the WWTF expansion. Discussion about the County and the requirements needed for a traffic study of customers impacting area. Item was presented by Director of Utilities Kelly Dodds also explained that Over two years ago, Staff developed a concept plan to address the need for office space and a larger meeting room next to the existing fire station. This concept was based on the new building having first-floor admin offices and meeting room, with second-floor storage and living space for the duty fire personnel. The concept shown shows the new building and the fire station virtually connected. They will likely have to be separated by a greater distance than what is on the plan to prevent having to use a higher construction standard, increasing the construction costs of the building.

Board Comment: Director Kalvans asked about if the Steel building would be expandable? Director of Utilities Kelly Dodds explained to make the building longer, yes. Director Kalvans also asked if staff had talked to neighboring lots next to the existing fire station, and to discuss the option of a 3-P project with the adjacent landowners. Interim

General Manager/Fire chief Rob Roberson explained that something needs to happen with office space and voiced that it is fast becoming functionally dysfunctional.

Director Palafox voiced that he feels that the District needs to build the office space and that the Fire Department is needing to grow. Discussion ensued.

Director Green voiced that the District raised the rates and maybe the District could lower the rates if we do not build additional office space and potentially could save money.

Director of Utilities Kelly Dodds explained that the preliminary design has little to do with the rates, and that staff is working to utilize as much of the existing structure as possible.

Director Green voiced that he thought the project is too grand.

Director Kalvans voiced that to justify this building, the Sherriff Substation would be mandatory. The community has voiced their concerns and feels that it is a must to have in the community. Director Kalvans also asked if the staff has reached out to the H.O.A in Mission Meadows.

Director Green voiced that he did not like having the customers come down that residential street and likes the facility in the center of town and would like the staff to look into a cashier's office in town.

Director Sangster voiced that he liked the price and building a facility next to the existing building is 1.2 Million and that is a conservative estimate. Director Sangster voiced that he feels that staff is going in the right direction but there needs to be a significant benefit to the community. There needs to be a Sheriff substation in this existing building and there needs to be defined improvements to this building, the San Miguel Fire Department needs to benefit from the overall use of this building. Locating the offices down at the Wastewater Facility, even if not ideal could be a temporary solution.

Director Kalvans voiced that we need a plan for a Sheriff substation. Agreed with Director Sangster's comment.

Director Palafox agreed with Sangster's and Kalvans.

Public Comment: Laverne Buckman voiced that she would like to see a plan on what the facility would be used and needed for and feels that the Public needs to be educated on the state regulations. Mrs. Buckman asked who would be paying for what? Director of Utilities Kelly Dodds explained that they are trying for grant funding, but we could be paying for the whole thing.

Discussion ensued about having a Workshop and traffic in the residential area.

The consensus of the Board is to move forward and bring discussion about the existing Fire Station/CSD office building.

7. **Discussion on the status of Machado Wastewater Treatment Facility expansion and aeration upgrade project.** Item was presented by the Director of Utilities Kelly Dodds informed the Board that they have a response from DFA, Department of Financial Assistance and they are at the end of reviewing the application for the construction drawings for the Wastewater facility.

Board Comment: None

Public Comment: None

- 8. Review and approve a Memorandum of Agreement (MOA) between the San Miguel Community Services District and Wilson Creek Communication for use of District property to install a repeater tower for wireless internet.** Item was presented by Director of Utilities Kelly Dodds explaining that Wilson Creek Communication (WCC) inquiring whether they may be able to install a wireless internet repeater at the San Miguel Reservoir site. This repeater would enable WCC to provide free internet to the Rios Caledonia to run a credit card machine. The Board asked staff to investigate the viability of using this same service to provide internet to District sites as well. WWC is willing to provide service to six District sites in exchange for being allowed to use the repeater for other paying customers. Director of Utilities Kelly Dodds explaining that if the MOA is approved WWC will install repeater equipment at the Tank site and provide service to the District sites, at WWC's expense. The District will provide power to the repeater and will provide routers and cameras at the serviced facilities.

Board Comment: Director Sangster asked if it is encrypted and secure? Director of Utilities Kelly Dodds voiced that he had the District "Local IT Experts" review and it was explained that all of the District information would be secure from the internet. The District would have a VPN, over wireless cards. The video cameras will be brought to the Board in November.

Director Kalvans asked that the video is of high quality, so it can be used in an investigation if needed. Discussion ensued about types of cameras and the Firefighter Association placing cameras at Station 1.

Director Sangster voiced that he was concerned with the language for termination of services and feels that one year is too long. District General Counsel Helene Siekaly voiced that she was not concerned with the year, Discussion ensued about the language.

Director Green voiced that he has talked with the WCC and feels that a year is good and asked for a proposal for new Security Cameras.

Director of Utilities Kelly Dodds voiced that he will ask for a 6-month termination.

Staff Comment: Assistant Fire Chief spoke about the Firefighter Association and their ideas for cameras and where they will be located; as a community project.

Motion by Director Kalvans to approve the Memorandum of Agreement (MOA) between the San Miguel Community Services District and Wilson Creek Communication for use of District property to install a repeater tower for wireless internet, with a change to Section 14. Termination in writing at least 6 months prior, but if WCC doesn't except the 6-months then 1-year would be fine.

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

Director Green asked that it be put on record that he would approve one-year

- XII. BOARD COMMENT:** Director Green asked about where the Pro218 issue would be discussed. Board Clerk informed him that it is on the future board meeting list and that as Board President he would be setting the agenda.

District General Counsel Seikaly voiced that the Board would be going back into closed session at 10:46 P.M.

Report out of Closed Session: 11:13 P.M. Counsel Seikaly voiced that staff was given direction.

XIII. ADJOURNMENT TO NEXT MEETING 9-26-2019 Regular Meeting:
Approximately 11:14 P.M