



BOARD OF DIRECTORS

Raynette Gregory, President Anthony Kalvans, Vice-President
 Ward Roney, Director Hector Palafox, Director Crystal Lara, Director

REGULAR MEETING MINUTES

6:30 P.M. Closed Session 7:00 P.M. Opened Session
SMCSD Boardroom 2-24-2022

I. **Call to Order:** 6:30 PM Video part 1/ Time: 0

III. **Roll Call:** *Roney, Palafox, Gregory, Kalvans (arrived at 7:11 pm)* ABSENT: *Lara*

III. **Approval of Regular Meeting Agenda:**
 Motion by: Director Gregory
 Second by: Director Roney
 Motion: Voice Vote

Board Members	Ayes	Noes	Abstain	Recuse	Absent
R. Gregory	X				
A. Kalvans					X
H. Palafox	X				
W. Roney	X				
C. Lara					X

3/0/2

Public Comment for items on closed session agenda: None

IV. **ADJOURN TO CLOSED SESSION: 6:31 PM**
 A. **CLOSED SESSION AGENDA:**
 1. **CONFERENCE WITH DISTRICT GENERAL COUNSEL-ANTICIPATED LITIGATION**
 Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:
 2. **PUBLIC EMPLOYMENT**
 Title: Fire Prevention Officer; Pursuant to Government Code Section 54954.5

V. **Pledge of Allegiance:** *Roney*

VI. **Call to Order for Regular Board Meeting/Report out of Closed Session Approximately 7:00 PM**
Time: 7:00 PM
 1. Report out of closed session by District General Counsel (WhiteBrenner, LLP)
 Direction was given to staff with no reportable action.

VII. **Public Comment and Communications for items not on the Agenda:** Video part 1/4 Time: 00:55
 Owen Davis made comment about Social Media posts regarding the Board Members and other remarks.
 Scott Young made comment in response to harassment from Owen Davis.
 Robert Roberson made comment in response to harassment from Owen Davis towards staff.

VIII.	Special Presentations/Public Hearings/Other:	None	Video part 0 Time: 0
-------	---	------	----------------------

IX. Staff & Committee Reports – Receive & File:

Non-District Reports:

1. San Luis Obispo County: Video part 1/4 Time: 09:15
 San Luis Obispo County Sheriff Michael Manuele gave verbal report on the calls for service statistics in January
Board Comment: None
Public Comment: None

2. Camp Roberts—Army National Guard Video part 1/4 Time: 12:40
 Kiba Baird reported on the upcoming standard training at Camp Roberts with no significant events coming up.
Board Comment: None
Public Comment: None

3. Community Service Organizations: Video part 1/4 Time: 14:20
 Firefighter Association President Scott Young reported on their sponsorship for the Buzz Marathon but did not participate in the BBQ, and there was also a BBQ for the four San Miguel Firefighters who graduated from the Cal Fire PCF Academy, Sagebrush Days Parade is scheduled Noon on April 23, 2022, still looking forward to Easter egg hunt at Lillian Larsen.
Board Comment: None
Public Comment: None

District Staff & Committee Reports:

4. Interim General Manager : Report Attached Video part 1/4 Time: 16:10
 Interim General Manager gave verbal report on the Covid update and office procedures, the wastewater arrearage program, upcoming tasks for the Directors to have completed, financial preliminary budget and mid-year budget adjustments; reviewing of District personnel policy and service applications for owner liability clarifications, OES checks have been deposited, Payment Arrangements and automatic payment statistics, email bill options, County Clerk Recorder's Office reported that the Recall effort failed and read official letter from the county regarding Recall, IWMA greenwaste applications, compliant resolutions, GSA information, and Strategic Planning.
Board Comment: None
Public Comment: None

5. District General Counsel: No Report Video part 1/4 Time: 23:40
 Counsel Erin Dervin had nothing to report.

6. Director of Utilities: Report Attached Video part 1/4 Time: 23:50
 Report as Submitted.
Board Comment:
 Director Palafox asked if the DO sensor was received and was responded to that it has been received.
 Director Gregory asked about the water leak, the mattress intake, rv dump service possibility
 Director of Utilities responded about the water leak, the mattress intake has increased, rv dump not likely because of difficulty to manage and other issues.
 Director Kalvans asked question about the mattress drop off
Public Comment: None

7. Fire Chief: Report Attached Video part 2/4 time: 00:45
 Report is submitted as written with notes that they are still recruiting for paid call firefighters
Board Comment:

Director Roney made statement in appreciation for the Fire Department.
 Director Gregory asked about the specifics of the recruits' training with Cal-Fire and discussion ensued.
 Assistant Fire Chief added information about the training the recruits had done.

Public Comments for all reports: None

X. **Consent Calendar:** Video part 2/4 Time: 04:40

1. **Approve RESOLUTION 2022-07 identifying STAFF as the voting member in the Regional Water Management Group (RWMG) for the San Miguel Community Service District**
2. **Adopt RESOLUTION 2022-08 adopting the County of San Luis Obispo 2019 IRWM Plan.**

Voice Vote.

Board Members	Ayes	Noes	Abstain	Recuse	Absent
A. Kalvans	X				
W. Roney	X				
H. Palafox	X				
R. Gregory	X				
C. Lara					X

4/0/1

XI. **Board Action Items:** Video part 2/4 Time: 05:45

1. **Review, Discuss and Receive the Enumeration of Financial Reports for January 2022 (Hido)**

- A. Claims Detail Report
- B. Statement of Revenue Budget vs Actuals
- C. Rev Budget vs Actual Summary
- D. Statement of Expenditures Budget vs Actual
- E. Cash Report
- F. Investment Portfolio Report

Report as submitted with note started the 22-23 budget process, going to be doing the annual review of policies, hoping the CPA will be able to view the financials before next meeting

Board Comment:

Director Kalvans made statement in support of the hard work being done to sort out the financials by Mrs. Hido.
 Director Roney also made statement in appreciation for the confidence in the work done by Financial Officer Mrs. Hido

Public Comment: None

Motion by: Director Roney

Second by: Director Kalvans

Motion: Approve the Financial Reports for January 2022

Board Members	Ayes	Noes	Abstain	Recuse	Absent
H. Palafox	X				
W. Roney	X				
A. Kalvans	X				
R. Gregory	X				
C. Lara					X

4/0/1

Video part 2/4 Time: 08:40

2. **Review and approve release Request for Proposal (RFP) for Auditing Services for the next three fiscal years.** (Roberson)

Recommendation: Authorize the release of the Request for Proposal (RFP), requesting competitive proposals for District Financial Auditing

Interim General Manager read report as submitted.

Board Comment:

Director Kalvans asked questions about the change of auditors practice and asked about the paperwork process. Interim General Manager responded the process of selecting the auditor.

Public Comment:

Owen Davis made comment about the previous auditor's report and concern on the information that was reviewed.

Staff Comment:

Counsel Erin Dervin responded that auditors are specially trained and explained the in depth process that is done, and the difference between and annual audit and a forensic audit.

Interim General Manager responded that the auditor chooses what information they want to review and the District has passed all four audits with a "Fair " opinion over the past couple years.

Financial Officer stated that the monthly reports are the detailed review, and explained the difference between the quarterly, monthly, and annual reviews.

Director Gregory commented that the Interim General Manager has instilled better checks and balances to keep the District accountable and discussion ensued.

Motion by: Director Gregory

Second by: Director Roney

Motion: Review and approve release of RFP for Auditing Services

Board Members	Ayes	Noes	Abstain	Recuse	Absent
A. Kalvans	X				
H. Palafox	X				
W. Roney	X				
R. Gregory	X				
C. Lara					X

4/0/1

Video part 2/4 Time: 18:50

3. **Discussion regarding upcoming Cost of Service Rate Study.** (Dodds)

Recommendation: Discuss rate study process and provide direction to Staff

Director of Utilities stated the overview of this process, described how the study progresses, and what to expect along the way, the intent is to release the RFP in April, discussed history of the current rate structure, the nature of funding, the fees, the goal of the study, the time period, giving notice, investigate the current rate structure

Board Comment:

Director Gregory asked about the time length, the projection for fees, water storage.

Director of Utilities responded to the Director the process and time length and discussion ensued.

Director Palafox asked how the study will affect the rates and about the current price.

Director of Utilities responded about the rates and discussion ensued.

Director Roney made multiple statements about the process and rates and more discussion ensued.

Director Kalvans made statement about the overall importance of this process, would like discussion on the different methodologies of this process, would like research analysis on neighboring areas, further discussion ensued.

Director of Utilities responded about the difference in potential charges and other methodologies.

Interim General Manager responded to the Director's comments about the workshops and other methodologies.

Director of Utilities suggests to see where the March 3rd planning goes and further discuss the plan.

More back and forth as discussion about the past rate study and process of the current rate study ensued.

Public Comment:

Owen Davis made comment about talking with the community, about considering household size in study.

Discussion Item Only

Video part 4/4 Time: 00:01

4. Amend Fire Prevention Officer Employment Agreement to Comport with CalPERS Rules Requirements for Public Safety Retirement by RESOLUTION 2022-06. (Roberson/White)

Recommendation: Review and amend the Employment Agreement for Scott Young as the Fire Prevention Officer to comport with CalPERS Rules Requirements, and Authorize the Interim General Manager to execute the amended agreement

Counsel Erin Dervin presented the item on amending the Fire Prevention Officer's contract to add language as required by CalPERS.

Board Comment: None

Public Comment: None

Motion by: Director Gregory

Second by: Director Palafox

Motion: Approve Fire Prevention Officer's Employment Agreement to comport with CalPERS Rules

Board Members	Ayes	Noes	Abstain	Recuse	Absent
H. Palafox	X				
A. Kalvans	X				
W. Roney	X				
R. Gregory	X				
C. Lara					X

4/0/1

Video part 4/4 Time: 05:45

5. Continued discussion on the Fire Department Temporary Housing unit (Young)

Recommendation: Discuss the status and next steps for the Fire Department Temporary Housing unit
 Fire Prevention Officer reported on the RFP results and individual costs for components received from two suppliers, received letters that some prices will be increasing, cost summary to date, installation details, and funding.

Board Comment:

Director Gregory asked about the thicker walls and made comment about the models at Paso Wine Country RV.

Fire Prevention Officer responded the specifics of the walls and Discussion ensued

Public Comment: None

Discussion Item Only

Video part 4/4 Time: 13:05

6. Discussion on status of Machado Wastewater Treatment Facility expansion and aeration upgrade project (Dodds)

Recommendation: Discuss the status and next steps of the Machado Wastewater Treatment Facility expansion and aeration upgrade projects.

Director of Utilities read report as submitted on the updates of the Machado Wastewater Treatment Facility

Board Comment:

Director Kalvans made comment about the end of term with Dudek.

Public Comment:

Owen Davis asked about the purple pipe for irrigation and the USDA funding.

Director of Utilities responded that the USDA funding will not cover the purple pipe, only what is required for the treatment plant and for the treatment plant to remain in compliance.

Discussion Item Only

XII. BOARD COMMENT:

Video part 4/4 Time: 18:40

Director Kalvans commented about the CSDA conference coming up as a great opportunity for Board Members to network and learn other ideas, grant funding available

Board Clerk clarified there is funding available and there are two conferences, described the process to apply.

Director Gregory asked about the details of the conference and discussion ensued.

Director Kalvans asked about submitting ideas to staff and was responded to compile it and send it to staff.

Director of Utilities made comment about being available to answer any questions outside of the Board Meetings.

Interim General Manager stated he will be out of the office March 14 - April 1st and sent email to all Directors and staff.

XIII. ADJOURNMENT TO NEXT REGULAR MEETING

8:58 PM