

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
MARCH 22, 2018 REGULAR 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 Kalvans.
- III. **Roll Call:** Directors Present: Green, Parent, Buckman, Kalvans, Sangster.

District Staff in attendance: Rob Roberson, Tamara Parent, Kelly Dodds, Paola Freeman and District General Counsel White, Seikaly and Schweikert

- IV. **Adoption of Special Meeting Agenda:**
Motion by Director Kalvans to adopt Regular Meeting Agenda.

Seconded by Director Buckman, Motion was approved by vote of 5 AYES and 0 NOES and 0 ABSENT

- V. **ADJOURN TO CLOSED SESSION:**
Closed Session convened at 6:35 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. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Pursuant to Government Code section 54957(b)(1)
Title: General Counsel (Summary will be emailed to ChurchwellWhite)
- 3. **PUBLIC EMPLOYEE APPOINTMENT**
Pursuant to Government Code section 54957(b)(1) Title: General Manager
- 4. **CONFERENCE WITH DISTRICT GENERAL COUNSEL-ANTICIPATED LITIGATION**
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:(1 case)

5. CONFERENCE WITH LABOR NEGOTIATORS (Pursuant to Government Code Section 54954.5(f) and Government Code Section 54957.6)

District Representatives: District General Counsel, Director Kalvans, and Director Green.
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: 7:00 P.M.
Report out of Closed Session by District General Counsel Schwiekert: Nothing to report.

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

Nanette Roe, San Miguel Resident addressed the Board and asked if any Directors are in any active litigation.

Counsel Schwiekert explained, that to the best of his knowledge that none on the board is in any active litigation matters.

VIII. Special Presentations/Public Hearings/Other: 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 | No Report |
| 5. Camp Roberts—Army National Guard (LTC Kevin Bender) | No Report |

6. **Interim General Manager:** Interim General Manager/Fire Chief Rob Roberson, gave a verbal report updating the Board of Directors on District items: San Miguel Garbage Annual Residential Clean-up: First week in June 2018, garbage customers can put out 2 extra 35-gallon cans. SLO County tax collector Parcels email sent to directors to "notice of interest or objection", Consensus from board is "not interested". Discussion ensued. SDRMA insurance inspector came to the district performed an audit of our facilities and other then some minor policy and documentation items found everything is in order. District facilities, exit lighting has been put in place, Cameras have been put in place covering front door and area that handles cash transactions at the front desk. District Audit adjustments recommended by our auditor for the 15/16 audit have been completed. Staff will be bringing the preliminary 18/19 budget to the board in April for discussion and review. The District has started the assessment process and is sending out the weed abatement Fire safety notifications.

Board Comments: Director Green, asked that staff look into outside cameras.

Public Comments: Owen Davis, San Miguel resident voiced that the General Manager just said that the District has two audits missing and that the Board are very bad caretakers of the districts money. Mr. Davis asked the Board to look into the Financials and that they can't tell me but they want to raise the rates on me?

Board Comments: Director Green informed Mr. Davis about the informational meetings that the Staff has planned regarding the rate increase and invites him to participate.

7. **District General Counsel:** Presented by District General Counsel Schwiekert. ChurchwellWhite, LLC. has nothing new to report.
Board Comments: None
Public Comments: None
8. **District Engineer:** Written report submitted as is. Blaine Reely asked for any questions.
Board Comments: Director Buckman, asked for an update on the meetings Director Parent and Mr. Reeley have been going to about the GSA. Mr. Reely explained that the meetings are about the Groundwater Sustainability Plan development process. Director Parent is a part of that committee. At this point the committee has given direction to hire a consultant to prepare the plan and the City of Paso Robles is the contracting agency, and we are all shareholders and will pay a share; but most of the plan is going to be covered by a grant. The process is in the very beginning stages.
Public Comments: None
9. **Director of Utilities: Board Comments:** Written report submitted as is, and an update of 3 inches of rain yesterday and no rain related issues at this time.
Board Comment: Director Parent asked if the Wastewater plant has had any rainwater intrusion, yet? Director of Utilities Kelly Dodds, explained that, yes but it is being managed at this point.
 Director Kalvans thanked Mr. Dodds for following up on the PG&E request.
Public Comments: Lavern Buckman asked the Director of Utilities, why we are still needing to pay stand-by pay, and thought that the District had resolved that issue. Director of Utilities Kelly Dodds explained that in order to be on call you have to have a wastewater license, from the State Water Resource Control Board and that our previous employee had no wastewater license. Hopefully in the future the District can hire a third person, explaining that with the pay we would need to take on a trainee. Discussion ensued.
10. **Fire Chief:** Fire Chief Rob Roberson, submitted written report and updates the Directors on the extra activity in the riverbed due to rain, and that the call volume is down this last month.
Board Comments: None
Public Comment: None

X. CONSENT ITEMS:

Motion by Director Sangster to approve all consent items.

Seconded by Director Parent. Motion was approved by vote of 5 AYES and 0 NOES and 0 ABSENT.

XI. BOARD ACTION ITEMS:

1. **Review, Discuss, Receive and File the Enumeration of Financial Report for February 2018.**
 Item presented by Interim General Manager Rob Roberson and Bookkeeper Paola Freeman, explaining that this item is in the action items for discussion.
Board Comments: Director Green voiced that the board at the time discussed and approved having the Legal fees for the Steinbeck lawsuit was to be paid from all the District

Funds, fire-lighting-sewer-water-solid waste. Interim General Manager Rob Roberson, explained that with the approved Budget for FY2017-18 it was changed to be funded through the water fund due to the litigation being a water rights lawsuit. Discussion ensued. *Consciences of board is to bring back for discussion at the April 26th regular board meeting.*

Director Sangster asked if why the rest of the funds have such large attorney fees.

Director Parent voiced that he does feel that with the District raising the rates, the water should fund the Steinbeck lawsuit.

Public Comments: Nanette Roe asked what the Directors what they are going to do about the financials and if the District needs to have a forensic audit.

Lavern Buckman voiced that she remembers it being discussed and that Steinbeck should be funded through the water fund.

Amber Scangarello, San Miguel resident voiced that she sees that the Districts General Counsel fees to be too high and asked why the District doesn't use a more local firm.

Board Comments: Director Parent asked Mr. Dodds about pg. 4-8 and what the cost of testing supplies were for? Director of Utilities Kelly Dodds, explained that it was for the District's quarterly testing supplies. Director Parent asked Mrs. Freeman about what is category 905? Paola Freeman explained, that she will look into it and get back to him. Director Parent asked about the cash report for payroll for the month of February, is \$8K in Fire and wants to know if that is a regular payroll amount for fire or a stipend payroll. Interim General Manager/ Fire Chief Rob Roberson explained that it was a regular payroll but that he needs to understand that a portion of clerical pay is part of that amount and liabilities.

Public Comments: Cordelia Perry, San Miguel Resident asked how the Board can go into this increase in good faith. She feels that the Districts General Counsel are too expensive. The residence of San Miguel understand that the rates need to be increased but not 295% increase. Cordelia Perry, voiced that she doesn't understand why we have so many fire trucks and feels they are not being used very often.

Lavern Buckman, thanks the Board for asking for questions and feels that the Financials are the most important thing on the agenda and thanks Paola for all her work. Mrs. Buckman would like to see the Directors get more involved in the financials.

Nanette Roe, San Miguel Resident would like the Board of Directors to have a Special Meeting to go through the Financials and this should be done before rates are raised. Discussion ensued.

Cordelia Perry, asked when the rates will be published for the community, Mr. Dodds explained by April 8th, 2018.

Cordelia Perry, explained that the community knows what the rates maximum will be and asked the Directors why they would keep on with this amount when the community has let them know that they don't like the amount proposed. Which is 295% between water and sewer. The community will shut this water and wastewater increase down.

Board Comments: Director Green urges her to run for a seat on the Board in November. Director Sangster explained that Bartel Wells, is the firm that was hired and is the one recommending these rates and the rates that will be published on April 8th, are the

maximum that the rates can be increased in the next five years. These numbers are recommendations.

Interim General Manager Rob Roberson explained what is being done with the financials and explained that we are using a CPA for questions and help when needed. Discussion ensued.

Director Green reminded the public that they have been asking for projects to be relooked at, or postponed. We have arsenic in our water and we need to treat the water, maybe not know but in the future.

Director Sangster, explained that it is not correct to say the District is raising the rates at 295% because they are not added together. 150% water 140% wastewater, they are both going up around 140%, to clarify.

Public Comment: Rose Ripple, San Miguel resident asked why the notification on the water bill was so small? Mr. Roberson explained that it had not gone to the Board of Directors, but was still put on the bills. The Information will be sent out before April 8th.

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

Seconded by Director Parent. Motion was approved by vote of 5 AYES and 0 NOES and 0 ABSENT.

2. Review dates and times of public informational meetings regarding the proposed rate increases for water and wastewater.

Item presented by Interim General Manager/Fire Chief Rob Roberson, explaining that under the Prop 218, the District is required to send out a public notice. Mr. Roberson wanted to have informational Meetings for the public to get the correct information out to the public.

Board Comment: Director Green asked if the District was required to these informational meetings? Interim General Manager/Fire Chief Rob Roberson, explaining Yes, and No...the notification must be sent out but the informational meetings are not required. The District goal is to inform the community with the correct information.

Director Kalvans asked that everything is presented in Spanish and that he would like to see that staff have a translator at all the meetings.

Public Comment: Mr. Owen Davis, San Miguel Resident, voiced that the meetings could go on a very long time if a translator must repeat everything.

Interim General Manager/Fire Chief Rob Roberson explained that this is not a formal Board meeting and Brown act doesn't apply here. Board of Directors are asked not to attend, unless they come as residents of San Miguel.

Consensus of the Board is that the Dates and Times are fine if the dates are good for staff.

- 3. Review and approve Resolution 2018-08 authorizing the Director of Utilities to enter into a contract with Monsoon Consulting to provide plans and specifications for the removal and replacement of the deteriorating access road to the SM Reservoir in an amount not to exceed \$7,500. Also authorize Monsoon Consulting to secure a surveyor for this project at a cost not to exceed \$4,500. Total amount to be authorized from water capital reserve \$12,000, to be transferred to professional services engineering (50-326)**

Item presented by Kelly Dodds asking for a paper plan to replace the access road. Grants are being looked at for the project once the engineering plan are done.

Board Comment: Director parent asked about Grants.

Director Sangster asked if the engineering goes through how long would the “Shelf life” be?

Director Green asked how much the project would be once the Engineering is done?

Director of Utilities Kelly Dodds, thought that it might run around 209k.

Director Kalvans asked about the drivability of the Road.

Director Parent asked about the benefits that the Property owner would receive.

Discussion ensued

Public Comments: Lavern Buckman feels the District should go back and look at the history, and why the tank was moved in the first place.

Consensus of the Board is to bring back at the April 26th meeting and to have staff research the original easement agreements. The Directors also asked for different options other than paving.

XII. BOARD COMMENT:

Director Sangster Thanks the public for coming and participating, and the Directors are listening to all comments.

Discussion ensued about day and times for Public Informational Meeting

XIII. ADJOURNMENT: 9:25 P.M. next board meeting set for 4-26-2018