

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
JUNE 29, 2017 SPECIAL MEETING MINUTES

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

- I.** Meeting Called to Order by President Kalvans – 4:00 p.m.
- II.** Pledge of Allegiance lead by President Kalvans.
- III.** Roll Call: Directors Present: Buckman, Green, Kalvans, and Parent.

Director Absent: Reuck *Kalvans left 2 hours into reg. meeting

District Staff in attendance: Rob Roberson, Blaine Reely, Kelly Dodds,
District General Counsel White, Counsel Schweikert
- IV.** Adoption of Special Meeting Agenda:
Motion by Director Green to adopt Special Meeting Agenda as presented.
Seconded by Director Buckman Motion was approved by vote of 4 AYES and 0 NOES 1
ABSENT.
- V.** **Public Comment and Communications (for items not on the agenda):**
No public comment.
- VI. ADJOURN TO CLOSED SESSION:**
Closed Session convened
- A. CLOSED SESSION AGENDA:**
- 1. CONFERENCE WITH LABOR NEGOTIATORS**
Pursuant to Government Code Section 54957.6
Agency Designated Representatives: District General Counsel, President
Kalvans and Director Green
Employee Organization: San Luis Obispo County Employees Association
Title: Memorandum of Understanding Negotiations with the Association
 - 2. CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to paragraph (1) of subdivision (d) of
Government Code Section 54956.9: (17 cases)

3. PUBLIC EMPLOYMENT

Title: Director of Utilities

Pursuant to Government Code Section 54954.5

4. PUBLIC EMPLOYMENT

Title: Board Clerk/Account Clerk Manager

Pursuant to Government Code Section 54954.5

5. PUBLIC EMPLOYMENT

Title: Account Clerk I

Pursuant to Government Code Section 54954.5

B. RECONVENE TO OPEN SESSION

President Kalvans reconvened to Open Session at 6:01 p.m.

C. REPORT OUT OF CLOSED SESSION

Report out of Closed Session by District General Counsel, Direction was given to staff

VII. Call to Order Open Board Meeting: President Kalvans at 6:05 P.M.

VIII. Public Comment and Communications:

No public comment.

IX. Presentation by San Miguel Garbage: Aron Kardashian, presented information to the Board for an increase for Commercial Solid Waste rates by 8.91%. The increase in rates is direct relation to the loss of commercial accounts in San Miguel and will bring a zero percent profit. Board gave verbal okay to start Prop 218 process. District staff will send out letters to all property owners and post in local newspaper about Public Hearing Scheduled for September 28, 2017 at the Districts Regular Board Meeting.

X. District Staff Reports:

6. Interim General Manager: Verbal Report, explaining how District Staff will be giving their own reports and present at board meeting for questions. Financial Department will be looking for outside Accounting firm to work with Paola Freeman on district business.

7. General Counsel: Counsel White presented verbal report, spoke of how many Closed Session Items on next agenda, and that the length of meeting will be longer. Trying to schedule a Vision Plan Meeting and trying to keep cost down.

Board comment: None

Public comment: Laverne Buckman voiced her frustration, felt she's has been in the dark with the financials as the Board has not received any financial reports in months. Counsel White spoke about how we are only few weeks in and that Staff is working on getting up to speed and Budget is a high priority.

Mrs. Buckman wants the Board to understand her frustrations in these financial matters as a resident.

8. District Engineer: Written report submitted as is.

Board comment: Director Buckman wanted to priorities agenda items, with no finances available he has worries of money going out. Utilities Supervisor Kelly Dodds, explained to Director Buckman why we have prioritized and that the project that are being presented need to move forward. Director Kalvans, asked about the boundaries of the GSA, and discussed specific comments on boundaries.

Public comment: None

9. Utility Supervisor: Utilities Supervisor Dodds presented a verbal report, most information was included in the Engineer report. Mr. Dodds specified that as of that afternoon they have had a few water leaks in the K & L alley by park. He explained, how in disrepair the water lines are and would ask that we start a program in the future to replace some of these older water line. Explaining that this would have to be in the future budgets.

Board comment: Director Buckman, asked about the water line in front of the Communities Center, Utilities Supervisor Kelly Dodds explained how that water line is not as old as most. Construction at the park has had trucks diving over the water line and that the water lines are not deep enough in ground. Director Green asked if the County is aware of this, Mr.Dodds explained that yes, but they would not be replacing the water line or paying for the repairs.

Public comment: None

10. Fire Chief: Written Report Submitted, Verbal report about the incident June and that San Miguel Fire Department responded to the Parkhill Fire for approximately 24 hours with no medical incident or equipment damage. Fireworks will be going on sale on Saturday at noon for four days, with full coverage at the department during the sale dates.

Board comment: Director Green, discussed coverage from Chief's written report and asked about equipment. Chief Roberson, discussed statues of engine 8668, and the repairs that have been done and is looking at other options for repairs. Assistant Fire Chief Dodds, explained how much has been spent on repairs. Director Green, voiced his concern with putting more money into engine for repairs. Discussion ensued about what options for repair that might work to get engine up and running.

XI. CONSENT ITEMS

- 1. Public Surplus Items:** Motion by Director Green to pass Consent Item. Seconded by Director Parent. Motion was approved by vote of 4 AYES and 0 NOES and 1 ABSENT.

XII. BOARD ACTION ITEMS:

1. Review and Approve Resolution 2017-23 Creating a Board Clerk/Account Clerk Manager and Authorizing the Interim General Manager to Hire an Individual to Fill the Board Clerk/Account Clerk Manager Position.

Item presented by Counsel White. Director Parent recused himself due to potential conflict

Staff Recommendation: Staff recommends the Board approve Resolution 2017-23 creating the position of Board Clerk/Account Clerk Manager and authorizing the Interim General Manager to hire an individual to fill the Board Clerk/Account Clerk Manager position.

Board Comment: None?

Public Comments: Laverne Buckman, asked if this was a position that needed to be posted or advertised. Counsel Doug White, explained why it did not fall into that category.

Motion by Director Green to adopt Resolution No. 2017-23 Authorizing the creation of Board Clerk/Account Clerk Manager Position and authorizing the Interim General Manager to hire an individual to fill the Board Clerk/Account Clerk Manager position.

Seconded by Director Buckman. Motion was approved by vote of 3 AYES and 0 NOES and 1 ABSENT and 1 RECUSED.

2. Review and Approve Resolution 2017-24 Approving the Interim General Manager's Appointment of Tamara Parent as the District's Board Clerk/Account Clerk Manager and approving an Employment Agreement.

Item presented by Counsel White, with contract revisions, Section 2 (effective date) and Reviewed contract highlights with Board.

Director Parent recused himself due to potential conflict

Staff Recommendation: Staff recommends the Board approve Resolution 2017-24 approving the Interim General Manager's appointment of Tamara Parent as the District's Board Clerk/Account Clerk Manager and approving an Employment Agreement.

Board Comment: None

Public Comments: Laverne Buckman, asked about Administrative Budget in job description for Board Clerk/Accounts Manager. Doug White clarified that Mrs. Parent would only be overseeing Bookkeeper position in regards to the budget not that the position would be doing the administrative Budget.

Motion by Director Green to adopt Resolution No. 2017-24 approving the Interim General Manager's appointment of Tamara Parent as the District's Board Clerk/Account Clerk Manager and approving an Employment Agreement

Seconded by Director Buckman. Motion was approved by vote of 3 AYES and 0 NOES and 1 ABSENT and 1 RECUSED.

Director Parent returned to meeting

3. Review and Approve Resolution 2017-25 Creating the Director of Utilities Position and Authorizing the Interim General Manager to Hire an Individual to Fill the Director of Utilities Position.

Staff Recommendation: Staff recommends the Board approve Resolution 2017-25 creating the Director of Utilities position and authorizing the Interim General Manager to hire an individual to fill the Director of Utilities Position.

Board Comment: None

Public Comments: None

Motion by Director Buckman to adopt Resolution 2017-25 creating the Director of Utilities position and authorizing the Interim General Manager to hire an individual to fill the Director of Utilities Position.

Seconded by Director Green. Motion was approved by vote of 4 AYES and 0 NOES and 1 ABSENT

4. Review and Approve Resolution 2017-26 Approving the Interim General Manager's Appointment of Kelly Dodds as the Director of Utilities and Approving the Employment Agreement

Item presented by Counsel White with changes to contract revisions, Section 2 (effective date) and Section 4.2 (new section) Weekday standby pay, after 6 months will negotiate standby pay.

Staff Recommendation: Staff recommends the Board approve Resolution 2017-26 approving the Interim General Manager's appointment of Kelly Dodds as the Director of Utilities and approving the Employment Agreement.

Board Comment: None

Public Comments: Richard Smithen, resident of San Miguel asked about hiring a person for this position then asking them to work 24/7, feels that this is excessive hours and would

like to know what other agencies do. Counsel Doug White, explained to Mr. Smithen that is why Section 4.2 was added to contract. Kelly Dodds also explained that the district has also raised the pay for Utility Operators for recruitment of qualified operators and relief purposes.

Motion by Director Buckman to approve Resolution 2017-26 approving the Interim General Manager's appointment of Kelly Dodds as the Director of Utilities and approving the Employment Agreement.

Seconded by Director Green. Motion was approved by vote of 4 AYES and 0 NOES and 1 ABSENT

5. Review and Approve Resolution 2017-27 Authorizing the Interim General Manager to Recruit and Hire an Account Clerk I.

Item presented by Counsel White.

Staff Recommendation: Staff recommends the Board approve Resolution 2017-27 authorizing the Interim General Manager to recruit and hire an Account Clerk I.

Board Comment: None

Public Comments: No public comment.

Motion by Director Green to adopt Resolution No. 2017-27 authorizing the Interim General Manager to recruit and hire an Account Clerk I.

Seconded by Director Parent. Motion was approved by vote of 4 AYES and 0 NOES and 1 ABSENT

6. Review and Approve Resolution 2017-28 Revising the District's Compensation Step Schedule for the Utility Operator I, Utility Operator II, and Utility Operator III Positions and Authorizing Staff to Recruit a Utility Operator.

Item presented by Counsel White

Staff Recommendation: Board approve Resolution No. 2017-28 revising the District's compensation step schedule for the Utility Operator I, Utility Operator II, and Utility Operator III positions and authorizing staff to recruit a Utility Operator.

Board Comment: Director Parent voiced that this is a long time coming and is glad to see it proceed.

Public Comments: Tamara Parent, Resident of San Miguel wants the Board to recognize that San Miguel will be competing against Templeton CSD and that the pay scale is still lower than average for the position.

Motion by Director Green to adopt Resolution 2017-28 Revising the District's Compensation Step Schedule for the Utility Operator I, Utility Operator II, and Utility Operator III Positions and Authorizing Staff to Recruit a Utility Operator.

Seconded by Director Buckman. Motion was approved by vote of 4 AYES and 0 NOES and 1 ABSENT

7. Authorize Staff to Release the San Lawrence Terrace Arsenic Blending Pipeline and Tank Improvements Project Plans & Specifications and Authorize the Interim General Manager to Direct Staff to Advertise for Bids. RESOLUTION 2017-29

Item presented by Utilities Supervisor Kelly Dodds and District Engineer Blain Reely gave background on this item

Staff Recommendation: Approve Resolution No. 2017-29 Authorize staff to release the Plans & Specifications for the San Lawrence Terrace Arsenic Blending Pipeline and Tank Improvements project and authorize the Interim General Manager to direct the staff to advertise for bids from qualified contractors to complete the construction phase of the project.

Board Comment: Director Buckman asked about SLT Well tank not in the correct spot and that we need to leave room on the property. Utilities Supervisor Kelly Dodds responded that we have had previous conversations with the property owner regarding the location of a new tank in the event that the property that the tank sits on is developed. Director Green asked why we are not moving the tank? Utility Supervisor explained that a new tank would be built on the other side of the property, but unless the property is developed or the District builds a new, larger, tank the one that currently exists won't be moved.

Public Comments: Richard Smithen asked what pipes will be moved and where? Utilities Supervisor Kelly Dodds explained that a new line will be installed adjacent to the existing line to the SLT Tank, none of the existing mains will be moved.

Motion by Director Green to Release the San Lawrence Terrace Arsenic Blending Pipeline and Tank Improvements Project Plans & Specifications and Authorize the Interim General Manager to Direct Staff to Advertise for Bids. RESOLUTION 2017-29

Seconded by Director Buckman. Motion was approved by vote of 4 AYES and 0 NOES and 1 ABSENT

8. Discuss and Adopt Resolution 2017-30 Approving the Sub-Recipient Agreement for 2015 Community Development Block Grant Funds in the Amount of \$150,000 Between the County of San Luis Obispo and the San Miguel Community Services District and Directing the President of the Board of Directors to Execute the Agreement.

Item presented by Utilities Supervisor Kelly Dodds and District Engineer Blain Reely gave background on this item

Staff Recommendation: Discuss and adopt Resolution 2017-30 of the Board of Directors approving the Sub Recipient Agreement for 2015 Community Development Block Grant Funds in the amount of \$150,000 between the County of San Luis Obispo and the San Miguel Community Services District and directing the President of the Board of Directors to execute the agreement.

Board Comment: Director Parent, asked about how much money has been spent already. District Engineer Reely said less than \$25,000 but that there will be more cost in the future.

Public Comments: None

Motion by Director Green to Adopt Resolution 2017-30 Approving the Sub-Recipient Agreement for 2015 Community Development Block Grant Funds in the Amount of \$150,000 Between the County of San Luis Obispo and the San Miguel Community Services District and Directing the President of the Board of Directors to Execute the Agreement.

Seconded by Director Parent. Motion was approved by vote of 4 AYES and 0 NOES and 1 ABSENT

9. Review and Approve Resolution 2017-31 Approving Monsoon Consulting's Proposal to Provide Plans, Specifications, and Support Services for the Replacement of the 11th and 10th Street Waterlines at a Cost not to Exceed \$25,000.

Item presented by Utilities Supervisor Kelly Dodds and District Engineer Blain Reely gave background on this item.

Staff Recommendation: Staff recommends the Board approve Resolution 2017-31 approving the proposal by Monsoon Consulting to provide plans, specifications, and support services for the replacement of the 11th and 10th street waterlines at a cost not to exceed \$25,000.

Staff Comment Utilities Supervisor Kelly Dodds explained that permit cost will be additional and will be brought back to the Board at that time for approval.

Board Comment: None

Public Comments: None

Motion by Director Green to approve Resolution 2017-31 approving the proposal by Monsoon Consulting to provide plans, specifications, and support services for the replacement of the 11th and 10th street waterlines at a cost not to exceed \$25,000.

Seconded by Director Parent. Motion was approved by vote of 4 AYES and 0 NOES and 1 ABSENT

10. Review and approve Resolution 2017-32 Authorizing the Interim General Manager to Enter an Agreement with Monsoon Consulting to Update the Water and Wastewater Master Plans at a Cost not to Exceed \$43,300.

Item presented by Utilities Supervisor Kelly Dodds and District Engineer Blain Reely gave background on this item

Staff Recommendation: Staff recommends the Board approve Resolution 2017-32 authorizing the Interim General Manager to enter an agreement with Monsoon Consulting to update the Water and Wastewater Master plans at a cost not to exceed \$43,300.

Board Comment: Director Buckman, is concerned with spending money and where the funds are coming from, asked about a grant. Utilities Supervisor Kelly Dodds and District Engineer Blain Reely, explained that a grant for Water and Wastewater Master plan is not readily available that we would qualify for. The rate study is being held up by not having and updated Master Plan. Mr. Reely also explained that the Water and Wastewater Master plan justifies other needs for grants that we can apply for and potentially get.

Public Comments: Laverne Buckman, has question about where does this money come from and is it a capital project. Utilities Supervisor Kelly Dodds explained that this project is already included in the budget. It was identified in the Capital projects list for this fiscal year. It is acceptable to use capital reserve money to develop the master plans as they are, generally, the basis for planning infrastructure replacements and upgrades.

Motion by Director Green to approve Resolution 2017-32 authorizing the Interim General Manager to enter an agreement with Monsoon Consulting to update the Water and Wastewater Master plans at a cost not to exceed \$43,300.

Seconded by Director Buckman. Motion was approved by vote of 4 AYES and 0 NOES and 1 ABSENT

11. Consider Adoption of Resolution 2017-33 Authorizing Continuing Appropriations to Pay Normal Operational Costs for SMCS D and Authorizing Preparation of the Final Budget Document.

Staff Recommendation: Staff recommends that the Board approve Resolution No. 2017-33 authorizing continuing appropriations to pay normal operational costs for the District and Board authorization to prepare the Final Budget Document.

Item presented by Counsel White; Joan Aguilar gave overview via Skype

Staff Comment: Joan Aguilar presented a PowerPoint (please ask for copy if needed) Wastewater budget for 2015/16 was double budgeted. Vehicle replacement was also double budgeted.

Board Comment: President Kalvans, thanked Joan for her work and explained that on her PowerPoint slide that the “Storm Drain fund” is incorrect and should be “Solid Waste”. President Kalvans also explained that he had different thoughts on lighting and would like the item to be brought back to the Board for approval as a high priority in the next fiscal year. Joan, said she would make changes for this; bring it back to the Board as a budget amendment. Director Parent, asked about street lights and locations in the ally. Utilities Supervisor Kelly Dodds explained about cost and that the street lighting in alleys would need to be studied and at the moment we do not have enough staff to do that. Director Green, was concerned with residents not wanting streetlight to shine into their bedrooms. Discussion ensued. Director Buckman and Parent voiced that they would like more information on the financials as soon as possible.

Public Comments: Laverne Buckman, was not sure what to address first, agenda packet items were hard to read and there was so much that needed to be changed. The transfers out are not correct and need to be straighten out. Mrs. Buckman, had questions on the difference between the utility rate study and the rate study, it looked like it is a double entry and would need to be addressed during the budget. Mrs. Buckman is also concerned that the Board had not seen the “Priority List” and that it was discussed in the last Finance and Budget Committee meeting. The Priority list needs to go to the board for approval. Mrs. Buckman agrees with President Kalvans that the street lighting is a priority for the residence of San Miguel.

Board Comment: Director Green, asked about the tow trailer 6x12 on the Priority List. Utilities Supervisor Kelly Dodds, explained that the Trailer on the list is mainly for the scissor lift to be able to get it out of the fire bay and take it to the Wastewater Treatment facilities or District wells to help with repairs to the facility. Director Green, asked about why the trailer we have can’t do that job, it was explained that it is too high off the ground even if we used ramps. Director Green, purposed question about the item being presented, asking that he thought that this item was to only be to authorize normal bills that come in to the district. To keep the District running until Budget is finalized, and doesn’t see how the priority list is involved. Counsel Doug White, explained that the item that the Board has in front of them is a continuing authorization and the Board needs to take some action to allow the District to make checks for bills that the District is responsible for. The Priority

list is from the Board or Staff that they feel is high priority and needs to be in the 2017/18 Budget these items still need to be brought in front of the Board for approval. Discussion ensued. Counsel Doug White informed the Board that they would be back on July 27th with a full Budget and asked Joan Aguilar if she would be joining and she expressed that “yes” she would.

Motion by Director Green to approve Resolution No. 2017-33 authorizing continuing appropriations to pay normal operational costs for the District and Board authorization to prepare the Final Budget Document.

Seconded by Director Parent. Motion was approved by vote of 4 AYES and 0 NOES and 1 ABSENT

12. Review and Discuss Annual Vehicle Replacement Evaluation Report and Recommendations

**President Kalvans excused himself (1:47minute into open session meeting) for family emergency asking Director Green to proceed in his absence.*

Staff Recommendation: Staff recommends that the Board review and discuss the assessment of current District vehicles and review recommendations for replacement and new vehicles.

Item presented by Utilities Supervisor Kelly Dodds.

Staff Comment: Mr. Dodds, explains that most of the items on the list are in excellent condition because it is new or poor condition because it is old and/or fully depreciated and is being proposed to be replaced. Mr. Dodds, spoke of the Fire Utility Truck 04’ (8601) and that it has approximately \$1500 to \$2000 worth of additional repairs to bring it back to where it should be. Also, explaining that this report is informational.

Board Comment: Director Green, asked if the vehicle has stopped running and Utilities Supervisor Kelly Dodds explained the it is still running but will need repair soon. Director Green would also, like information about 8668. Director Parent, asked about grouping vehicle to get a better price. Fire Chief Rob Roberson, explained that he will be bring that information to the Board. Director Green, asked also about water/sewer Utility Vehicle and Utilities Supervisor Kelly Dodds and Director Green discussed options.

Public Comments: No public comment.

No Action on Item #12

13. Discuss Options for Temporary Operator Services to Relieve the Utility Supervisor from 24/7 on Call Status.

Item presented by Counsel Doug White

Staff Recommendation: Discuss options for temporary Operator Services to Relieve the Utility Supervisor from 24/7 on Call Status and provide necessary direction to staff for acquiring temporary Operator services.

Board Comment: Director Parent asked about FRM (Fluid Resource Management) and if they need a retainer to be available for the District even if we are not using them. Kelly Dodds, explained that they have never specified that, but would need to give them a schedule. Director Green, asked about resident with Licenses and if they could take call? Mr. Dodds, said he would contact that resident. Fire Chief Roberson, voiced his opinion about not having only one level of protection for the District and that we are not spending any money and this item was for information only. The Board needs to be reminded that this is just creating resources an emergency backup plan. Counsel Doug White, said that these options will be brought back to the board for approval.

Public Comment: None

Counsel Doug White reopens Public Comments:

Nathen Dawes and Nanette Negrete, residents of San Miguel, explained to the Board that he has created a neighborhood watch program on Facebook and has been working with the SLO County Sheriff Department, and is planning a neighborhood watch program meeting for local residence. Discussion ensued about break-ins, vagrancy in town and what is being done at this time.

XIII. BOARD COMMENT

None

XIV. ADJOURNMENT: Director Green adjourned meeting

Time: approximately 8:15pm

Recorder was turned off