

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
MARCH 25, 2021 REGULAR MEETING MINUTES

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

- I. Call to Order:** Meeting Called to Order by President Sangster - 6:34 PM
- II. Pledge of Allegiance:** Pledge of Allegiance led by Director Palafox.
- III. Roll Call: Directors Present:** *Sangster, Kalvans (arrived @ 6:36 p.m.), Palafox, Gregory, Roney (via Zoom)*
- IV. Approval of Regular Meeting Agenda:** Motion by Director Sangster to approve agenda for March 25, 2021.
- Seconded by Director Raynette Gregory. Motion was approved by Vote of 4 AYES 0 NOES 1 absent. (Director Kalvans arrived at 6:36 p.m.) and 0 ABSTAINED.
- Public Comment:** None.
- V. ADJOURNED TO CLOSED SESSION. 6:35 PM**
- A. CLOSED SESSION AGENDA:** Return to closed session after opened session
- 1. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Confidential Complainant
 - 2. PUBLIC EMPLOYMENT**
Title: Director of Utilities; Pursuant to Government Code Section 54954.5
 - 3. PUBLIC EMPLOYMENT**
Title: Board Clerk/Account Clerk Manager; Pursuant to Government Code Section 54954.5
 - 4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Pursuant to Government Code Section 54956.8 Properties: 021-261-017
Agency negotiator: (Interim General Manager Rob Roberson, and Director of Utilities Kelly Dodds)

Property Negotiator: Tobin J. Shumrick
Under negotiation: Price and Terms

- 5. 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*

- 6. CONFERENCE WITH DISTRICT GENERAL COUNSEL-ANTICIPATED LITIGATION** Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: White Oak

VI. Call to Order for Regular Board Meeting/Report out of Closed Session – 7:03 PM

Report out of closed session by District General Counsel Doug White, the direction was given to staff. All item has not been discussed yet so we would like to like to return to closed session at the end of the open meeting. Director Sangster said Thank you. Director Kalvans said Mr. President did you announce that we are calling “Robert Rules of Order” through the order for the meeting? Director Sangster replied I have not yet. San Miguel resident Owen Davison said why don’t you take your mask off Kalvans during the meeting so we can hear you? Director Kalvans said it keeps my face warm. Director Kalvans said yes, it is just not as a reminder to me but as a reminder to the public. Director Sangster said as a reminder to the public we do follow rules of order in these meetings, and I would like to clarify that we would like to maintain some decorum throughout the course of the meeting keep comments brief, and please treat everyone with respect and dignity that they deserve. Moving on, do we have any public comments for items not on the Agenda?

VII. Public Comment and Communications for items not on the Agenda: San Miguel

Resident Owen Davison said hold it, Ashley, I actually, I might as well. Do you want me to come to the podium or do you not have that? Board Clerk/Account Manager Tamara Parent said no, but at the end of the meeting I will have your sign something. Owen Davison said ok. I have a couple of questions and then I have one thing I want to get off my mind of these rate increases. When you guys a couple of years ago, you were feeding us a bunch of bologna about how everybody else’s rates were higher and I’m not talking about water, I’m talking about the sewer. Paso Robles their sewer rate right now is only \$45. They want to increase it because they got a new sewer plant.. They want to raise it up to \$75 over eight years. Now my question is why was ours tripled? It went from \$36 to \$98 all at once and it's still raising a part of the sewer. Now they just built theirs. Director Sangster said the short answer is prior to the rate increase that we vote in two years ago, there had not been a rate increase in nine years. Mr. Davison said they apparently hadn’t had one either Ashley. Director Sangster said, sure I understand. We as a board were presented with a water rate study which had comparative rates for other communities. I don’t recall Paso Robles being one of them. I know it’s a lot of the more coastal communities San Simeon and some of the others which were drastically higher. Atascadero was on there and they we were at the very bottom of the list. We were at the lowest rate and that I think was largely because it had been so

long since there was an increase. So when the water rate study was completed they determined that for water and for sewer that we were running in deficit. Meaning that our cost of operation was significantly more than we were bringing in with the bills to build rates so in order to get us even close to getting back to operating in a positive number there was a significant increase in the beginning. All the increases after that were incremental. Myself and the other board members, at the time went back to the water rate study people Bartel Wells along with staff and the district engineer on no less than five occasions and said that the rates they were proposing to get us back into positive numbers were too much for the community to bear, so we literally asked for a minimum which is what they came back with and that is what passed ultimately. Because it was too much at the time and it was a bigger number than you had said even at the beginning. Mr. Davison said well, yeah, that is what I am saying but I want who you guys paid somebody a lot of money. Who is feeding him the information is my question? Because like I said Ashley, I mean we don't know because.. you say Paso Robles wasn't included in the audit, but I think we need to find out what the deal is on this. Like as far as water, ok, well that's too high too but the people here have a way of controlling that. We don't have any way of controlling that sewer bill which was \$100 a month and it's going to keep going higher. Paso Robles is going from \$45 a month and then in the next eight years, it will be increased to \$75 a month. Now you explain that. Director Sangster stated part of the challenges is that we limited numbers of accounts. We have 934 water accounts and 760 wastewater accounts. If you compare those numbers you have 934 people paying for water and 760 some paying for sewer. In Paso Robles what is their population? Thirty thousand (30,000) people and how many accounts do they have? Mr. Davison said well, yeah but they have more sewer. Director Sangster replied they do, absolutely. Mr. Davison said they re-did their treatment plant. It's all up to seconds and everything. Our don't need to be as big as there is and so on. Director Sangster replied True. Mr. Davison said what I'm saying is, what I mean is it's way off-kilter, and something don't look right here. Director Sangster replied It is hard to compare. They are an incorporated community and the way that they derive taxes is different and then again it is a much larger population. It is hard to directly compare San Miguel to Paso. Mr. Davison said well, I understand that, but I am comparing apples to apples not apples to oranges. They have so much waste they're getting rid of. They have to do it and we have x number of waste that we have to get rid of and as far as I'm concerned you guys wrote this. I'm not with all of this. The same thing now starting out that treatment plant that thing was supposed to cost like three million dollars. The last meeting I was in it is up to fourteen million dollars for the treatment plant. Director Sangster said what I remember is it is up to \$11.8 or something like that. Mr. Davison said ok well it went from three or it started out at three. I think we need to get control of what the heck is going on in this little community. The spending is out of control. Director Sangster replied, yes well we are obligated to have a treatment plant that has the capacity to serve our existing and future populations so we have to factor in what we think the population growth will be and forecast for at least the next twenty to forty years in capacity. Mr. Davison said Paso Robles did the same thing. They are at about forty thousand I think now, and we're are probably counting all the illegals and everything we are probably up to six or seven thousand population here. Director Sangster asked in San Miguel? Mr. Owen Davison replied yeah, it wouldn't surprise me. Director Anthony Kalvans, said Mr. Board President, if I may? Director Kalvans stated I watched the presentation for Paso Robles on their rate study. Director Sangster said by all means. Director Kalvans said the rate study that they are doing is they are backfilling the deficit because up until a couple of years ago relying on Templeton. Templeton was sending their sewage to the city of Paso Robles to the tune of almost 1 million dollars and because

Templeton severed the line the city of Paso Robles needed to backfill the difference and the rate increase that they are doing is based off of filling that deficit. Also, I do believe our staff is pursuing a grant because that \$11 million exactly is for the recycled purple pipe project and a large chunk of that is probably going to be for the funding through grant funding, which we will hopefully hear news later on this year at some point. Utilities Director Kelly Dodds, stated well, unfortunately, there is news on that tonight. Just if you would like we had our first-rate increase for sewer, it was \$91. At that time Paso was actually the lowest and they were included in the rate study. They were the lowest at \$54.60 as an average. However, they at that time and up until this current year have a volumetric rate for sewer. It's not really apples to apples, because ours is entirely fixed. However, you are entirely true when we were trying to get out of the deficit which was a lot of it however, the anticipated loan payment for the wastewater treatment plant at that time was factored in and even today that amount was taken off the top before we even consider any other operating expense. That money is being set aside for this purpose because that's what it is for in the first place. Director Sangster said ok, does that help clarify that? Resident Owen Davison said well no, like I said they are going to increase theirs up to \$75 of \$80 during an 8-year period and you guys slammed ours on us all at once. We went from \$36 I think or something like that to what Kelly said to \$91. Bam. Now my last bill its \$98 or it said \$99 and it's going to go up what is it? Account Clerk/Bookkeeper Tamara Parent said July. Director Sangster said annually, once a year. Mr. Davison asked yeah to what? Director of Utilities Kelly Dodds replied five percent. Mr. Davison said why can't we put a stop to it right now? You don't have to keep raising it. You've got it three times as much as it was. Director Sangster replied well, the initial increase was set for a five-year period. Mr. Davison said so it's going to go up to \$120 at the end right? Director Sangster replied no, it wouldn't be quite that much because well, we are three years in on a five-year program. Mr. Davison said well, \$110. Director Sangster said give or take that. Mr. Davison replied well Paso Robles won't be up to \$85 for another seven or eight years. There is some bad arithmetic going on here. Like I said, with the sewer going from \$3 million which you guys fed us that line, so we have to increase the rates, to fund that \$3 million, and now it's up to well, I'll go with what you said, \$11.5 million but I heard \$14 million at one of these meetings. Director Sangster said some the costs have already been paid. \$11.8 million was the last figure that I heard but it is also being done in stages. \$11.8 million includes the purple pipe if I recall does it not Mr. Dodds? Utilities Director Kelly Dodds stated the entire bill out of the project was estimated at \$14.5 million, but the first phase is roughly \$9 million to \$10 million however a large chunk of that is going to be grant funds. USDA is already committed to partially funding it with grant funds however the exact amount will not be known until we actually have a formal response from them from that. Initially, I think with the rate study it was anticipated that we would be paying around \$4 million in a loan and I think that is what Mr. Davis is referring to. Yes, the costs have gone up and the costs are still going to go up because every time we turn around there is one more hurdle that logically shouldn't be there. However, this is going to be done in phases because obviously, we do not have \$14 million dollars and we are trying to do this as fiscally responsibly as possible because obviously there is only 760 people paying for this project. Until we get a few hundred more people unfortunately those 700 people have to pay for the treatment plant in order to be able to handle their waste. Mr. Davison said well, purple pipe. That is on my list too. Kelly, I don't know how good of a businessman you are, but I tell you one thing, I would not commit any of our money to any of these vineyards thinking that they are going to buy water from you. If they want to buy water from you then let them do the costs of the purple pipe. These vineyards have screwed this town and all the cites and water areas around here enough. Don't think you are going

to recoup any of that money for the purple pipe from these vineyards. Director Sangster said something wouldn't be developed unless there was a commitment and also maybe something that can be developed in grant funding. With all the unknowns it's really impossible to quantify what will happen in one year, two years, or even five years from now and when it will be developed. We just don't know. There's not any commitments and we have committed either. Mr. Davison said well then let's forget the purple pipe. Director Sangster said this is an option that is something that would be considered viable and beneficial. Director Kalvans stated we also need to work with all of our partners in the basin because we don't have the several millions of dollars nor the water allocation from Nacimiento which would far outstrip the cost of the purple pipe network. Because then you are going to have to build a pipe from Wellsona to San Miguel plus you are going to have to treat the piped water and also pay the city of Paso or San Luis and we know how much they love to get money as much as they can especially from us if they can try to. We have to wear our cross very carefully and I know the staff is working hard on that we will hopefully have a much clearer picture we will get closer to the formal bid part. Utilities Director Kelly Dodds said as soon as we get out of the weeds with the environmental people we will be on the road to actually having something. One last word on the purple pipe is that we are not intending to build it all out unless we get grant funding and unless there is a true bona fide buyer for it and in the discussion with the one that has made the most interest in it is that they would basically run a line from our property to their property. That cost would not be on the district.

Public Comments: None

VIII. Special Presentations/Public Hearings/Other: None

IX. Staff & Committee Reports

Non-District Reports:

1. **San Luis Obispo County** - None.

2. **Camp Roberts—Army National Guard** (Mitten) – Per Assistant Fire Chief Scott Young Mr. Mittens apologizes for not being here. He had to go to the airport in San Luis Obispo to pick someone up. He will attend future meetings.

3. **Community Service Organizations** – Report given by Michelle Hido on behalf of the San Miguel Fire Fighters Association. There are two items coming up. The US Army reached out and they want to bring the “Easter Bunny” with some of their vehicles go through town handing out easter eggs. They asked if we could bring some of the vintage apparatus and some of the new engines as well so we will be doing that with them on Friday, April 2nd. On Saturday, April 17 we are putting on the Sagebrush Days Parade. This will be the 30th Parade. There is not going to be a vendor fair or any food that we participate in. The town has been informed that there is going to be a parade. That is all that I have. San Miguel resident Owen Davison asked if the parade is going to be on a Friday because it has always been done on a Saturday. Director Sangster said we are talking about two different things. Mr. Davison replied oh I'm sorry. Director Sangster asked for Easter has it been publicly noticed or advertised for the community? endorsed per Ashley Sangster. Michelle Hido responded that there is a giant sign on the community board and its on

Facebook. We are going to let the schools know and the Churches know as well. Director Sangster said thank you.

Public Comments: Owen Davis

District Staff & Committee Reports:

4. Interim General Manager Rob Roberson – The 700 Forms are due by April 1st. If you guys have not submitted either written or on the internet please Tamara Parent Board Clerk on/or before Tuesday the 3rd. The 10th and 11th Street project is finished. We are just following all of the necessary paperwork. I want to thank Kelly Dodds. That was a very large project and we put a lot of time into it. The street is nice. We now have water lines underneath the railroad tracks. The Chapter 8 sale of the tax delinquent property sale number 258 will be on June 1, 2021. We are in line to acquire the property. That is between 12th and 13th Street on Mission on the west side. We have secured a grant from the California School Board Association to the district for the GASB Report for the Governmental Accounting Standard Board report at a cost of \$1,500. Normally this costs between \$3,500 and \$5,000. This is for the 2021 Audit for the district finances. This is the third year in a row that Tamara has been able to secure in getting this grant and I want to thank her for her efforts. We filled the position for the Account Clerk in the front office. Michelle Hido started on February 22nd. She's picked up on her job and responsibilities really well. We also hired Trevor Pasley in the Water Utility Operator position. He also started on February 22nd and his supervisor reports that he is doing really well. The Fire Department has several projects in the works. We are currently getting a group of new firefighters ready for wildland season. Scott has taken on some extra training and getting them ready for wildfire season. We will also be participating in burnout at Camp Roberts and WUI Drill. The Wildland-UrbanInterface Drill. The Fire Department is also working on training opportunity we are going to have. We are going to have a live training burn. We are going to be setting up several different technical rescue fire evolutions. Things that we normally do not have the opportunity to do. We will actually burning the structure on River Road and the final date for that has not been completed yet because we have to finish doing some inspecting and getting it ready. There is also going to be some CSD CPR classes potentially scheduled for April. All CSD employees will participate in that training and Board members are welcome to attend that as well and I will give the dates to you guys. Tentatively it looks like the 14th of April is what I'm going to try to shoot for. Then the Fire Department will be doing theirs on Tuesday the 13th. So you guys will be available to do that and if you can't do that one you can participate in the evening one if you choose to. That's all I have if there's no questions. Director Kalvans said I have one question. Is it CPR in First Aid or is it just CPR? It's a CPR AED portion portion of it. It's not the first aid portion of it but cover most of it. The certification would just be for CPR. Director Kalvans asked and what is the certification? Right just out of curiosity. General Manager/Fire Chief Rob Roberson said we have a lay person, just a layperson civilian, then you have a rescue provider and then you have AED and then we do our general First Aid CPR part of it which is stop the bleeding or start the breathing type stuff. Director Kalvans said I remember there being those different and I was just curious. General Manager/Fire Chief Rob Roberson said if you go to the AHA website they offer about 50 different courses with all different kinds of prices. Essentially it is all the same stuff, just the way its delivered. We are doing care provider because we are in the Fire Department but staff in the CSD are just required to have general CPR Certification. It is a four-hour course.

Public Comments: None

Board Comments: None

5. **District General Counsel Report (Doug White, Esq.)** – Attorney Doug White said nothing to report Mr. President.

6. **District Engineer – Dr. Blaine Reely.** Utilities Director Kelly Dodds stated that the District Engineer Blaine Reely was not attended but that the Board has his report. If you have any questions I can answer them. The most notable thing is that we did not get awarded the Prop 65 Grant for GSP implementation. There were fifteen applicants and of those fifteen; six were awarded and they were all on the valley. Apparently the guideline that each basin was awarded one grant was a farce. However, there are other aspects of the Prop 68 Grant cycle that we will be trying for to cover other parts of the treatment plant

Board Comment: Director Sangster asked will we be applying for that in the next grant cycle? Mr. Dodds replied yes, it is ongoing for the other parts we are trying for anyway. This part is specifically for GSP implementation and that had a specific cycle. The next round for this implementation Grant we may be able to apply for it again however, they are only taking one application from each basin. Assuming nobody else wants to apply for it then we will apply for it again. If somebody else wants to apply for it we will have to let them apply for it. Director Sangster asked did you call the conclusion of the 10th and 11th Street waterline replacement that has gone through the punch list and are all the close outs done on that or are we still working on that? Mr. Dodds replied we are closed out of the construction; however, we are still working through the paperwork. Paperwork that they should be putting together as they go they seem to be really lost right now as to where it is. We are almost there. We have met with the county and the county is satisfied with a few paperwork items. We are waiting on the contractor for such items like lien bases, invoices, and that kind of stuff. Other than that everything else has been complete. We are waiting on compaction reports and then the county will sign off on the easement permit and once we have those and a few other things then the county will sign off on our grant, submit the final invoice and we can wrap that up. San Miguel resident Owen Davison stated that he had a question. Director Anthony Kalvans said to Director Sangster procedurally, we have to because you asked for a comment. Did you? Ok, Thank you.

Public Comment: Mr. Owen Davison went on to ask his question to Director of Utilities Kelly Dodds. Now Kelly, did you just, isn't there a sewer line going under there too? Mr. Dodds replied there is a sewer line going under the tracks. Mr. Davison asked was it ok or did you replace that? Mr. Dodds replied no, it is ok. Mr. Davison said ok, so it's not. You've got water. Mr. Dodds said this grant was only for the water lines in the first place; however, that sewer line is ok, and it did not need to be replaced. Director Sangster said thank you. Any Public Comment? No. You have a board comment?

Board Comment: Director Kalvans said yes, Mr. Dodds, I'm going to assume that you didn't find anything interesting while boring that line? Mr. Dodds replied other than things I didn't know about contractors, no. We were in the entire project the archeologist found one arrowhead that was sitting on the surface so who knows how that got there. They did not find anything during any of the excavation. We did not come into anything other than rocks underground. It was very uneventful which is very cost effective.

7. **Director of Utilities – Kelly Dodds.** Mr. Dodds said you have my report. The only thing to add is last week we were notified about two different water leaks. One on Rio Vista and one on Armand. The one on Rio Vista has been repaired. We are just waiting for the asphalt patch. The one on Armand we are waiting for the phone company still to come and mark their phone lines. They are claiming all sorts of things as to why they cannot come out and mark them. Once those are marked then we can dig it up and repair it. However, legally we have to wait for them to mark.

Board Comment: Director Kalvans stated that he had a question. Director Sangster told Director Kalvans to go ahead. Director Kalvans asked Mr. Dodds the Armand area is not even 20 years old, and there is a leak in the line? Mr. Dodds replied there is a leak in the service line. In the time I've been here we've had several pinhole leaks in the polyethylene service lines and pretty much all of that is just manufacturing defects; however, it's not something that you can really see in the beginning. A lot of this pipe is seamed so it's basically made flat and rolled into a pipe and seamed together. Essentially all of these leaks happen at the same. There's not really anything we can do to prevent it. This is the best type of pipe for our condition and relatively the number of leaks we've had is extremely minimal compared to the amount of height we have. Director Kalvans asked so its flat and they roll it to form a pipe? Mr. Dodds replied basically make a sheet and then they use a forming machine to roll it into a circle and they have a machine that fuses the seam together. Director Kalvans said ok that's new, I've never heard of that technique. Mr. Dodds said they make a lot of pipes that way. They have other extrusion machines that are extruded into that shape, but this is the most reliable type. Different manufacturers make it different ways, but it is all made to the same standard. Director Sangster said for it to be truly seamless it is obviously much more expensive to manufacture. Director Kalvans said ok that's all. Thank you. Director Sangster asked did you get a total cost for the trailer? Mr. Dodds stated you should have received that a while ago. I do not have it with me, but I can re-send it.

Public Comments: San Miguel resident Owen Davison asked on this extruded pipe, who put that in? Mr. Dodds responded I do not recall who the contractor was who put the lines in or the division that was. Mr. Davison asked you were just talking the service line right? Mr. Dodds replied yes, it's a service line. Mr. Davison said well, you know PVC lasts forever. Mr. Dodds stated that PVC is not as flexible as polyethylene. Each type of ... Mr. Davison interrupted Mr. Dodds and asked what size, what size? One inch is very flexible. PVC and it lasts forever. I think it somebody's paying to have a service line put in I would recommend going with PVC schedule 80 or schedule 40. It's plenty heavy enough for a service line and it don't rust like galvanized. You're not going to get a leak. It's the ideal thing and its very inexpensive. That would be my recommendation. If you've got leaks in it well how long has it been in? Mr. Dodds replied well, it was developed in 2001/2002. Mr. Davis said yeah so it's only been about fifteen to twenty years? Mr. Dodds replied it has been twenty years. Mr. Davison asked and you're already getting leaks? I would be changing it. Director Sangster said that is a different undertaking. Mr. Davison said well yeah, but whoever's putting it in the service from our water line to houses I'm assuming or anything else, go with PVC. It lasts forever and you're not going to have any leaks.

8. **Fire Chief Report – Fire Chief Rob Roberson** – Just a couple of interesting points. We've had two structure fires this last month. Winter is ending and people are starting to get out and about. Weeds are starting to grow so we've got to be cautious of that. We had twenty-four calls. We are averaging twenty-seven a month. We've had fifty-four total this year. Our call volume versus district and mutual aid were three quarters in the district. Usually its one-third or sorry two-thirds in the district so our mutual aid responses are a little down. That is always how it is at the

beginning of the year. When April and May roll around and fire season gets started I will see big difference in that. We have several new members on the department and they are doing very well. I know Assistant Fire Chief Scott's been working on a couple of big projects. Scott do you want to talk about grant and the projects that you've done since people have noticed and what you have accomplished? Assistant Fire Chief Scott Young said we have been working on a fuels mitigation project, so some people have noticed that we have cleaned up trees around the Library, the old Fire Station, The Lions Club, and the old jail property. I've had conversations with the Lions Club, and they were instructed by the county to remove those trees, so we were fortunate to have the ability to do that. We also have the encroachment permit via the road adoption for Mission Street through the association so it was a prompt approach. We were able to do fuels management along Mission Street and clean up some of the trees that were hazard trees growing through the sidewalks and were trip hazards. It seems like that kind of prompted others to do the same. I don't know if it was serendipitous in time or maybe they saw something was going on and they wanted to jump on board but Ray Barker went ahead and took care of the trees down here on the corner of 14th Street and Mission. Simultaneously across the street trees were removed on a private piece of property by the property owner in a couple of locations. They were also able to do a little bit of work on River Road with the fuels management around the project that we plan to train on. That has been going well. Additionally, we are plugging away with the MDCs. The county kind of changed tack on us where we were hoping to walk in here arms out and get dropped boxes of stuff and in lieu of that they gave us all of their contacts and said here you order it and we will get back to you so we are plugging along with that. We added an extra training day so in lieu of doing training on Tuesdays solely we are doing training Tuesday and Thursday nights and additionally having members active throughout the week doing these field management projects. We did some work down at the Adobe as well. The Utility Department has been helping us with chipping portion of it. They were able to provide the chipper and provide staffing. I'm jumping around a little bit from project to project. As the grant was written we have the ability to use District staff to Fire Department staff to do this management project. I think it is making a big difference throughout the town hopefully. I think it looks better I think. Other than that, that's it unless you have questions. Director Sangster said thank you for your efforts from that.

Public Comments: Mary Szlavik-Hankins San Miguel Resident said that Mission Street does look a lot better. Thank you.

X. CONSENT CALENDAR:

1. Review and Approve Board Meeting Minutes. (A) Regular Board Meeting Minutes dated 1-28-2021. (B) 3-4-2021 Special Board Meeting dated 3-4-2021 (No changes)

Director Sangster has some corrections under Item A. Would you just like the corrections? Board Clerk Tamara Parent said yes, tell me the page number. Director Sangster said Page No. 27. There is a sentence that says the one thing they did say though is that they're interested. It should be interested "I" in helping with money. Mrs. Parent said ok, give me a portion. Director Sangster said its in the top third of the page. Your sentence begins the one thing your interested in. Mrs. Parent said ok, I see. Director Sangster said on page 28 at the bottom of the page. I believe it is the last sentence. It states instead there was a fairly unhealthy email sent. Did someone state that an unhealthy email was sent? Mrs. Parent said I'll look at it. Director Sangster said I think there was one other item. That was a long meeting. On page 38, technically the second full sentence

we're going to have some soils for the 11th Street boring project potentially those can be spread from the low points to give it a better "pouring" under the temporary structure. Mrs. Parent said that perhaps the word should be shoring instead of pouring. We will look at that one too, but I see what you are talking about. Director Sangster said that is all that I have.

Public Comments: None

Board Comments: None

Motion to approve by Director Sangster the Regular Board Meeting Minutes dated 1-28-2021 as amended and 3-4-2021 Special Board Meeting Minutes Motion seconded by Director Kalvans.

Motion was approved by Vote of 5 AYES 0 NOES 0 ABSENT.

XI. BOARD ACTION ITEMS:

1. Review, Discuss, Receive and File the Enumeration of Financial Report for January 2021. General Manager/Fire Chief Rob Roberson stated that last month's meeting was cancelled but if there are any questions hopefully we will be able to answer them.

Board Comment: Director Palafox said he has a question about the storage containers. Mr. Roberson said that upstairs they are at a maximum with the storage of records and they have a server in the area as well. The records that are up there now are 14, 15, 16 they are fairly grouped and they are boxed up. With our records retention which we have to bring back to the Board just to review and refresh that policy, the Conex was purchased, put in place, and now the records that need to be retained can be moved there and secured so that we can get rid of anything that is beyond two years upstairs. We want to keep anything that we want to retrieve and go over very handy. The retention policy will dictate how many years back we have to take and what we have to take to store in that container for now. We just don't have any other place to put the records. That will take care of the problem until we resolve our building and storage issues.

Board Comments: Director Raynette Gregory asked how many years is the retention? Mr. Roberson said "well, we will bring it back to you but generally 3,5,7, or 10 depending on what it is and how long it needs to be retained. Once that is determined, everything up there has been placed in boxes and separated so the things that have already been organized we will be able to move right away but then there is a cache of records that will have to be deciphered through because some of it was e-filed and that will not have hard copies that need to be stored. Director Gregory said so we are not mandated by anything? Board Clerk/Accounting Manager Tamara Parents said yes, I'm working with Erin and the State Secretary, but we will bring it back to you because it ours is so obsolete and old. We don't have any room upstairs to go through the documents that we need to go through, so we need to spread out a little. Director Hector Palafox said another one for me is South Coast Emergency. It says truck micropower. That's not the new one correct? Assistant Fire Chief Scott Young said no, that was my command vehicle and the type six patrol. I have a constant light problem with the taillights on that vehicle. The 8651 needs a little bit of TLC on the pump. Director Palafox said ok. Is that the new one? Mr. Young said no, it's already showing some problems. Director Sangster said my comment is also related to the container stuff for things you guys are purchasing in common. I did iterate this to Tamara. I actually have a resource so do not hesitate to call me to see if I have a resource for things. I buy

containers in my day job as well so certainly for things like this I would be happy to assist if I have a contact or even give you a last purchase price for same if its identical and that is all.

Public Comment: None

Motion to approve made by Director Sangster to Receive and File the Enumeration of Financial Report for January 2021. Motion seconded by Raynette Gregory.

Motion passed by Vote of 5 AYES 0 NOES 0 ABSENT.

2. Review, Discuss, Receive and File the Enumeration of the Financial Report for February 2021 – Director of Utilities Kelly Dodds said we were able to plug this information again and I will entertain any questions you may have. Hopefully, we can answer them.

Board Comment: None

Public Comment: None.

Motion to approve made by Director Anthony Kalvans. Motion seconded by Director Ashley Sangster.

Motion passed by a Vote of 5 AYES 0 NOES and 0 ABSENT.

3. Discuss and authorize the Director of Utilities to Release an RFP for 4 generators to be purchased and installed under CAL OES PSPS Grant by RESOLUTION 2021-06.

Director of Utilities Kelly Dodds stated we applied for a grant with Cal OES under the Community Power Resiliency Allocation to Special Districts for backup generators for our wells and tank and repeater sites. We were awarded the \$230,000 that we requested. As a formality we are asking to approve Resolution 2021-06 allowing me to accept that and also to release an RFP for the backup generators for those sites. The generators would be brought back at the April meeting for approval. There is quite a weak time on generators lately and we are trying to get a little bit ahead. We only have until October of 2021 to complete the grant, so we are under a little bit of a timeline. Long delays will cause a problem.

Board Comment: Director Ashley Sangster asked are you doing any sourcing or reaching out to any specific sources you already know about? Mr. Dodds replied I am reaching out to the ones that are local and was going to ask you if you have any otherwise it will be put out as a public notice in the oh, I forget what it is called. Board Clerk/Accounts Manager Tamara Parent said Paso Robles Press. Mr. Dodds said no, the plan rooms and the CSDA. Director Sangster asked Do they do any type of commodity codes where they have people registered to find public bids based on a particular commodity open? In order words, it is for generators and companies are notified of that. Mr. Dodds said I don't know if they have that through CSDA? If you have another. Tamara Parent said no they don't. Mr. Dodds continued and asked if you have another site that you feel will be improving you can surely put it there. Director Sangster said one I use is for Public Purchase for all goods and services. They do have entities registered all over the country and it is based on the commodity code and your probably find more than just one for generators. It essentially alerts any company that provides generators that you are looking for proposals on an RFP. Did we ever get signed up for gov spent here? Tamara Parent said way too much money. I

do stuff for them though. Director Sangster said yeah, I may be able to look and based on your specifications and see if I can determine any companies that have provided similar units over the past twelve to eighteen months. That might at least give us something anyway but I will also check my facilities group and see if they have somebody that provides generators. In our facility the jet airs are probably bigger because they are running entire buildings. I will do some leg work on that and I will send you an email. Mr. Dodds said I appreciate it.

Public Comments: San Miguel Resident Owen Davidson said I think it's a good idea Ashley to do some research. Do you have any idea Kelly how much these four generators are going to cost? Mr. Dodds responded based upon my initial research for the grant the generators themselves are for a 150-kilowatt generator between \$35,000 to \$40,000 delivered. A large portion of that grant is to connect the natural gas and the price for that is all over the place because each site is different. Mr. Davison asked do we have natural gas close to our wells already? Mr. Dodds responded that two of them do, one is reasonably close however, it might be cost prohibitive in which case we will install propane.

Director Sangster made a motion to approve. Director Kalvans seconded the motion.

Motion passed with a Vote of 5 AYES. 0 NOES 0 ABSENT.

4. Review and provide direction regarding sending a response letter to SLO County Integrated Waste Management Authority (IWMA)

Rob Roberson said that this is an item that Director Kalvans has expressed some concern and interest in. He had come up with a few thoughts on the process about communicating with IWMA and we also have Aaron Kardashian from our waste management here to make comment.

Board Comment: Director Kalvans said that he is excited that Mr. Kardashian is here in the audience and that he would like Mr. Kardashian to give a quick back story as to how we ended up at this point. It's just that a board member received an email from another CSD member regarding the repeal of a polystyrene ordinance. The vote passed on a one-vote margin. We received local emails and those emails are attached to this report for public record. A subsequent email came forward from that individual saying that they were applying for our special district representative to be removed from the IWMA. From my own background research it appears that our representative who well, they represent eleven CSDs across the county has a different philosophical view than the person who was sending the emails. It had been mentioned in the past, not related to this but why do we have eleven CSDs sharing one voting representative when we have some agencies like Nipomo CSD which is bigger than Pismo Beach by as twice as many people. This was just brought as an informational item in case you were going to make a comment. I didn't want to make a comment during the polystyrene ordinance political that issue seems to be right now. Mr. Kardashian may be able to explain the situation a lot better than I can. Mr. Kardashian (San Miguel Garbage) stated so there are a lot of things happening in the community right now and a lot of voting more so than ever in the past years. There was a previous vote to move forward with this firing ban and after that vote they also voted to not pass any regulations that superseded the state regulations. They didn't want to add any new regulations to the county that weren't state mandated. That being said, a few of the members from that board made it very clear during the styrene ban discussion and said two months ago we just said we were not going

to do any more regulations over and above and I think that might be what stemmed banning or stopping the ban of polystyrene. It is a very touchy subject. Some people are very passionate about it and some people honestly aren't. Regardless of what side of the fence you fall on I think Director Kalvans makes a wonderful point that the CSDs have not in the past been represented well at the IWMA Board which is an Integrated Waste Management Authority. They are the ones that are trying to place the onus on recycling, organics, and we are going to see a lot of that coming up with this new regulation SB1383. My hope is that each district or jurisdiction, each one in the IWMA, if you control your own solid waste then you are considered a jurisdiction. I hope that you can keep the onus local and not let it be voted on by a large group that may not have the best interest of San Miguel. Director Kalvans asked if there was anything else to add? Mr. Kardashian said not unless there are questions. Director Kalvans said yes, the combined 11 CSDs, population is over 50,000 people sharing this one vote. Every city gets their own bill. This is not the first divisive issue that has come before the IWMA where it came down to I think a single vote. The plastic bag ban was also a single vote and it hinged on that lone CSD representative. Mr. Kardashian (San Miguel Garbage) asked was it the same representative? Director Kalvans said no, it was not and that was also something I wanted to clarify in my report. From the emails previously it was Greg Sullivan of Templeton who was represented until 2015. Director Kalvans asked how does the Board feel? Should we send a response to the IWMA? Send it also to the other solid waste CSDs? or what direction do we want to go? Director Sangster said well, how do we precipitate change? As Mr. Kardashian pointed out we do not have any local control or voice. Mr. Kardashian said well you do with us. As a solid waste company you do. I don't want to see that go away either. I don't want to see somebody sitting at a desk in San Luis telling San Miguel CSD how to operate in their town when it comes to solid waste when I think our current situation is very good. Director Sangster asked so does that mean that representation in North County or from each individual CSD might be warranted or better? Mr. Kardashian voiced that the IWMA Board is already made up of 13 members and there is talk of reducing that not making it larger. I'm not sure how the CSDs could be represented better. I don't have an answer for you there other than possibly reaching out and making yourself represented but that doesn't mean you get a vote. Scott Duffield from Heritage Ranch is a representative for the CSD on that force. He might be somebody to reach out to just as a point of contact, maybe not on the styrene data because I don't know if he has anything to do there but there are a lot of regulations coming up and he would be a great contact person. You could reach out to him and say hey these are our concerns, could you please bring these to the Board's attention and say hey, you're not the only CSD that feels this way or these letters and emails wouldn't be coming in. Director Kalvans said yes, and that's why the response letter that I drafted as an idea is not to say one way or the other just to say we humbly request that you work with us and figure out something that could be done. It could be based off raising North County, South County, the Coast, or whatever combination that would maybe make sure the eleven CSDs are a little bit better, there's just a different combinations based on the population. If you have CSDs that are way bigger than incorporated cities maybe they should be the ones who have their own say. Mr. Kardashian said if you are going by population you may be right but there is a point to make though that the CSD representative on the IWMA Board just got appointed president this year. Director Kalvans said yes he did. Mr. Kardashian said so removing him might not be the plan but like this other director is mentioning, and we are talking about one director, who may have a difference of opinion. I think bringing it into harmony and working together and the president of IWMA is very responsive. You can talk to him, you can call him, and he will you know, he is one of the first guys that we have seen actually be responsive. It's in

there for the North County. Director Sangster asked this is a voluntary position or is it obtained? Mr. Kardashian responded no, Discussion ensued. He's basically been on a board in the south coast, and it had a CSD I think for over twenty years. Director Kalvans said yes, he was elected in the 1990s as the Board President and they kept putting him in. Mr. Kardashian said yeah whether he likes it or not. Director Sangster said there is a philosophical difference between the person that is sending the emails and obviously the representative and for me personally it's not for me to say if somebody should be removed or not. They have been in the place and they are fair and equitable and it's not for me to say. In this case would it be beneficial to have their representation? I think so. I agree with Director Kalvans that it would be beneficial to have a voice or some skin in the game. As to responding with regards to the Styrene band I would say that I have no opinion and again it's not for me to say. Director Kalvans said right, and that's why I need a letter. There are two things; no opinion on the styrene ban and also that we don't feel comfortable removing the specialist representative especially not without some formal mechanism. Director Sangster said we could not remove the man without some type of formal process but from our perspective we do not see that there is a need to begin any process. There has been no sign of justification to remove somebody simply because they have a difference of opinion. I don't know how you want to word that but I would expand on the fact that we do not support the position of attempting the removal of a person who is shown to be doing a standard job. Mr. Kardashian said that I think because he knows the struggles of being a CSD his heart would go out to two small CSDs that have the same issues and concerns. He would welcome phone calls and emails. Discussion ensued. Direction to staff is that Director Kalvans will prepare a draft letter to Scott Duffield and Mr. Enns and report back to the Board.

Public Comment: None.

5. Review and Approve of RESOLUTION 2021-07 establishing the dates for applications and sales of "Safe and Sane" fireworks, for the 2021 calendar year.

General Manager/Fire Chief Rob Roberson said Scott Young has been working on this. This is the same as every year we bring before you so there is a resolution establishing the dates. This one is the same. Basically nothing has changed July versus July 4th as it was last year. Fourth of July falls on Sunday this year so we will probably have an eventful weekend. Director Raynette Gregory asked do you allow them in town or in certain areas? Assistant Fire Chief Scott Young responded the same fireworks are allowed in the district boundaries so if you are in the district boundaries you are allowed to purchase and use safe and sane fireworks. Illegal fireworks are illegal anywhere.

Board Comment: Director Gregory said so the safe and sane are ok anywhere. Mr. Young said yes, within the district boundaries only on July 4th. The resolution lays out the application period. The application period has been adjusted. This should have come out last month, but last month's meetings got shuffled so we modified the dates to reflect March 29th through April 30th as an application period. The sales will be from the first through the fourth starting on the first at noon and ending on the fourth at 11:59 p.m. The permit fee went up based on what our staffing costs are. Every year the minimum wage goes up and the staffing costs go up. It costs \$1,620 for a curved booth, a non-refundable application. Director Sangster said you have \$1,560. Mr. Scott said ok, I was close. It would \$500 non-refundable for cleanup. The vendor being TNT Fireworks posts the cleanup bond and once we determine if there are any costs involved in the cleanup then

we refund the bond amount to them either in part or in whole. Director Kalvans said procedure question. Paperwork will be ready for the applicant I assume within a week after this meeting? Mr. Young said the paperwork will be ready by March 29th.

Public Comment: San Miguel resident Owen Davison said I say lets just keep everything going like it has been.

Motion to approve made by Director Sangster. Motion seconded by Director Kalvans.

Motion passes with a Vote of 5 AYES 0 NOES 0 ABSENT

6. Discussion and consideration to establish fireworks fees for the 2021 calendar year and adopt Resolution 2021-08 Assistant Fire Chief Scott Young said just as a re-cap it is \$1,560 per booth as an administration fee and there is no cost to the district. The fees for the booth pay for the staffing 100% and any cleanup efforts will be covered by TNT fireworks. The insurance requirements are as follows: TNT Fireworks provides the insurance. There is \$1 million dollars bodily injury. \$3 million dollars each occurrence and \$1 million dollars for every occurrence thereafter.

Board Comments: None

Public Comments: None

Motion to approve made by Director Sangster. Motion seconded by Director Raynette Gregory.

Motion passes by a Vote of 5 AYES 0 NOES and 0 ABSENT.

7. Continued discussion on the Fire Department Temporary Housing unit. Assistant Fire Chief Scott Young said this is a continuation of our saga to provide a temporary housing unit with a Sheriff's beat station to the property south of the fire department. The process has involved contact with Scott Keller and procuring a lease agreement with Mr. Keller. There was a Lease Agreement forwarded by Mr. Keller. We did review modifications to the tentative presentation. The dates have been changed to accommodate the schedule change for the meetings being altered. I think that is the only modification other than the additional easement lot east was added to the agreement and the tax item was identified as a tax increase due to improvements by the lessor. This was reviewed by the general manager and reviewed by legal. Legal had no concerns as this is a fairly cookie-cutter standard. By the time we finally got it all ironed out and the redlines were removed from agreement we made sure that the entities were properly identified. Somehow this seemed to be a CalFire Lease that Mr. Keller had worked on another property so that was adjusted and modified. Mr. Keller is willing to move forward with the Lease as it is written.

Board Comment: Director Sangster said I do have a couple of issues. First, under the term the dates are incorrect. Mr. Young asked what page? Director Sangster replied the first page of the list so page 123 of the packet or page number two of the Lease. You have term and its states that it is a three year which shall commence May 1, 2021 and end midnight April 30, 2023. That would only be two years. All dates are one year off, even the rent dates. Discussion ensued regarding

contract terms and calculation of dates. Mr. Young stated that these dates are completely different, they have been changed and this will be the fourth time they will be changed. Director Sangster stated that the other issue he has is that payment would be considered delinquent if payment is not issued after five days. I know that I mentioned this after the first go around. If it does not state payment terms then I would think as a public entity we would get a customary net thirty terms and this is saying it is due on a specific date in five days. The one reason I am being picky on this is that we as a public entity, there is a process by which the financial officer generates a check, it takes two people to sign it and sometimes that takes more than five days. My issue with that is for whatever reason, if we don't meet the five-day timeline we are subject to a delinquent payment. Assistant Fire Chief Scott Young said the response to that is that I ran it past District Counsel Erin Dervin and personally I have been a landlord in San Luis Obispo County for about twelve years. Prior to that I managed large properties; 85 unit/125 apartment complexes. Never have I asked a tenant to give me an invoice or have the landlord give the tenant an invoice. Based on the terms of the agreement we know the date that we have to make the payment so it is our obligation to make that payment in a timely manner. I don't give my tenants an invoice every month and say hey, the only time I give them an invoice is when they are five days late and I want to start a three-day process. To me it is unnecessary, but I will leave it up to you to decide. Typically, the lease terms as laid out by Lessor and not the Lessee, and if we have the dates established then we should be able to meet that obligation. We have a similar agreement with South Coast for our engine purchase and it is our obligation to make that payment on that day and on that year via resolution so we should be able to meet the same obligation on our own. Director Sangster said I will leave that to the rest of the board but to me five days seems unreasonable given that we are a public entity. This may be fine for an individual because you know that your rent is due on April 1^s and you write a check. Mr. Young said as a public entity we should know that our rent is due on April 1st so we should have it ready before. Director Sangster said my point is that there is more there is more than one signature required and there is a process to generate the check. Director Raynette Gregory asked is it Mr. Kelly who wants the five days? Mr. Young said it's a standard lease agreement so within five days if we are late then we have a five percent increase and that is pretty reasonable. What I charge is slightly higher. I believe the law allows for it and honestly, I have never charged my tenants a late payment. On page 2 are the terms he laid out. Director Gregory said I see the President's point. We are not an individual who just signs a check. There is a process to it. I guess it is up to staff. If the staff can handle the five days then I am ok with that but if not, then maybe extend it to ten days. Assistant Fire Chief Scott Young said I would say it is our obligation to be prepared to make the payment. If it is due on May 1st then at the beginning of April we should have the payment in the process, in the que ready to go so it will be there early and not late. Discussion ensued regarding due date, postmark or in hand, five calendar days being unreasonable. Director Sangster said under the heading of liability insurance, the second paragraph deals with improvements and it states specifically that the lessor would want written consent before any improvements can take place. Mr. Young said that written consent would be via email. We are not trying to pull one over on him. He is very aware of the purpose for leasing the property. Director Sangster said I agree, it is just a contractual obligation and I just want to make sure that we have something that will cover the district with regard to that requirement. Mr. Young asked what page are you on? Director Sangster said this is on page 4 of the Lease and page 125 of the packet. Under liability insurance section 12, second paragraph it states with regards to all lessee improvements before commencing any construction or works of improvement on the premises either prior to or after the commencement of the term of this lease, lessee shall obtain

lessor's written consent in addition to having all insurance required by this and shall maintain and enforce until completion, acceptance, etc. so it states that the lessor wants written consent to begin any construction or improvements. Mr. Young said there is plenty of email confirmation as to what we are doing with the property. He has received plans and other documents. As things progress I would assume that we would be in contact and say this is our intent and he would sign off on our intent. He is well aware of the fact that whatever we intend to put on his property is temporary in nature and will be turned back to an in-kind condition upon removal of our housing unit. There is no real improvement to his property. Director Sangster asked would emails suffice Counsel White in meeting that requirement from a legal standpoint? District General Counsel Doug White responded yes, that is ok that we would have that. Director Sangster said ok, my last comment on this is on page 127 of the packet and on page 6 of the Lease under section 19 specifically section A. It talks about termination and surrender of the property immediately. There is no language in this lease that protects the district with regards to the improvements. Mr. Young said the improvements are a temporary housing unit. Director Sangster said what I am concerned with is for any reason this lease is terminated then the housing until then becomes the property of lessor, not the lessee. Then it becomes complicated from a legal perspective because it would be registered to the lessee. To me that sounds like a legal battle and costly. Director Kalvans asked the building that is being proposed is it a manufactured home? It is being anchored to the foundation? Mr. Young said it is being placed in what is called a permanent foundation system. It is basically a jack that is attached to the frame of the trailer and then a two-by-two concrete pad that sits on the ground so that constitutes a permanent foundation from a building perspective and from an insurance perspective but as far as a mobility perspective it is anything but mobile. Director Kalvans said I was confused on whether or not some manufactured homes are inserted as personal property and how they are registered. Mr. Young said they are registered as a vehicle. Director Sangster said I think the issues is that it is set on a foundation and it is set with no tow bar on the front and no wheels on it so it's not like you could just hook it up and drive it out that day. Mr. Young said the wheels are typically stored under the vehicle and the tow hitch is removed and stored in the vehicle as well for future relocation. Director Sangster said I'm with you right, but my concern is there is no language protecting the district from that becoming the property of the lessor. Mr. Young said once again, Erin has reviewed this entire document in its entirety and she sees, well I'm not going to speak for her because she is not here, but my communication with her was that she sees nothing putting the district at any undue risk. Director Sangster said defer to counsel present. District General Counsel Doug White said, I want to make sure that I understand your concern President Sangster. Your concern is the Lease premises. You are concerned with the underlying ground basically right? Director Sangster said my concern is that the district will spend whatever we spend one hundred plus thousand dollars on a temporary housing unit. It is going to be placed on the property which we are leasing. If for whatever reason tis termination states that if this is terminated we surrender the property immediately. If that housing unit is still in place on a foundation on a property, does that then become the property of lessor? That is a lot of concern. Is there language in here to stipulate that it would not? District General Counsel Doug White said so the lessor would inherit whatever legal rights underlie it. They would inherit the lease, they would not inherit, they wouldn't be able to terminate and take over a fee interest with that. In other words they can't convert our lease on ground into a fee interest. They could only inherit or take over our lease position. Director Sangster said well, if the improvements have been paid for, they are owned by the district. District General Counsel White said correct. Director Sangster said they are present on the property in question. District General Counsel White said

correct. Director Sangster said if we surrender, it is essentially a tenant improvement. Does the tenant improvement then become property of the lessor or if it is terminated? District General Counsel White responded in the event of default, the tenant improvements could become the property but it is only because we are in breach, and that would act as the collateral for the arena as part of the breach. It is just like a security deposit that you would put down so you would have property that would act as part of the security deposit. I want to make sure that I am exactly following because I get the sense that you intend something different. Director Sangster said no. What I am simply saying is that we are going to make an investment in this property by putting this temporary housing unit there so if for whatever reason we default, for whatever reason because it does not state specifically why, it just says upon termination the property is surrendered immediately. If that occurs, does that tenant improvement become the property of the lessor? Mr. Young said they would have to evict us from the property if we defaulted. There would then be a three-month process started by the Sheriff's Department. During that three-month period of time we would be able to move our property. Even if we were locked out and a fence were put around the property, we still have a legal right to come retrieve our property and our property would be vehicle that is registered us on the property. I can't see them seizing that and the renter's law will protect us from that. District General Counsel Doug White said if you look at the definition of premises because this is really where it goes back to. Property number control which are the like it is here with no improvements so to address your concern, no we wouldn't actually put it in because it uses a capitalized "P". Premises is a defined term so that would be the property unimproved. You can find premises on page 123 of the packet. It shows the parcel numbers which are the four vacant lots with no improvements. If there is a desire to have further clarification of that we can put in that provision. We can put that at no time with lessors have any right to any improvement on the property. That is a simple sentence that we could add. I do think that we are adequately covered given the large "P" definition terms. Mr. Young said Mr. Dodds pointed something out on page 7 there's the California Department of Forestry is attached. Beyond the CSD's name might have gotten lost in the redline shuffle so we will have to strike that. District General Counsel Doug White said I don't think there is any problem with adding that language just to make sure and it does not hurt the contract at all. Director Sangster said Ok. Thank you. I have voiced my concerns and I will defer to the rest of the board on that. Director Raynette Gregory said I understand what you are saying about the language and I understand what the President is saying too and sometimes for us lay people that kind of stuff gets lost and then people are thinking that maybe they have a certain ability. It could avoid some problems. District General Counsel Doug White said I 100% agree. We could only make the contract better by adding additional terms like that. I think the President's suggestion is helpful. Director Hector Palafox said I agree, it would help it to clarify. District General Counsel Doug White said yes, it just helps people so they do not have to go and check on their sections definitional references. Director Sangster said ok, so District General Counsel White will be drafted a sentence to add to that. District General Counsel White said yes, I am happy to add the sentence as stated earlier. and to make sure that Scott has everything. Director Sangster said consensus is that we want to fix the dates, clarify that the payment will be made in five business days, and then we want to add a sentence in the determination to indicate that the lessor would have no right to any improvements. We also need to strike the California Department of Forestry.

Public Comment: None

Motion to approve as amended by Director Sangster. Director Kalvans seconded.

Motion passes with a Vote of 5 AYES 0 NOES 0 ABSENT

8. Discussion on status of Machado Wastewater Treatment Facility expansion and aeration upgrade project. Director of Utilities Kelly Dodds began by saying we are at our average daily is 144,901 gallons per day with 72% of the drought capacity and our max day is 177,12 gallons which is 89% of our overall capacity which is slightly down from last month on our maximum. However, it is about the same on the average. We have been working very diligently with USDA to try to conform our engineering report to what they want to maximize our benefit from USDA. We have our prior regulator at the waterboard had retired a couple months ago. Just the other day we were able to make contact with our new regulator so we will be meeting with them on the first. We want to bring them up to speed on a project and make sure that everything is good as far as they are concerned. I do not anticipate and problems on that side. We are nearly there with our environmental work. The USDA has required us to mitigate to the 500-year flood plain which is two feet higher than our current treatment plant. We are trying to mitigate that as cheaply as possible because as you can imagine lifting twenty acres is expensive. Blaine and I discussed that today and he has direction. Hopefully, to bring back a plan for me to look at. Before, I mentioned about Prop 68. In other parts of the treatment plant they have specifically a Flood Mitigation Grant and as part of the Prop 68 Grant. We will be pursuing that to mitigate the 500-year flood plain, as part of our build out. I'm not really holding my breath, but I will hope for the best. Hopefully, next month we will have some information regarding the environmental report and hopefully we have something to bring to the board to start public review of our environmental report assuming that USDA can review it and have it back to us by then.

Board Comment: Director Anthony Kalvans said this comment is not directed at you Mr. Dodds I guess I am just disappointed that we are, you know it must be a price of doing business in California, but it just seems like the environmental work and all the other bureaucratic nonsense and they want to raise the entire lot 2 feet. Mr. Dodds said well, the recommendation to the engineer was not to raise the entire thing but gave him what I felt would be the most prudent way to get around it because there really is no pressure at the top. Because of space there would probably be a concrete retaining wall, earth, and dam. That kind of thing. Director Kalvans said if we have a flood the entire town would be gone. Mr. Dodds said well, based on his analysis only one-third of it. There are 60 homes in the river that aren't going to be happy I'm sure. It is very discouraging that things keep cropping up that nobody seems to have any idea about. Even the regulators do not seem to know until they bring it up. Director Sangster asked is all of Mission Meadows in the 500-year flood plain? Mr. Dodds said actually, no. So the streets and Mission Meadows are partially in the flood plain. Most of the treatment plant is in the 500-year flood plain but all of the houses are slightly above that. There is a large part of town in the but it is not as much as you think. Director Kalvans asked do we have any idea how much mitigation is going to cost? Mr. Dodds said we will not know until they sort of get it laid out. Director Kalvans asked but we are not at the point of looking at abandoning the sewer plant yet? Mr. Dodds said well, I don't think we are going to pick it up and move it to the other side of the railroad tracks. I think that based on what I talked about with Blaine today it is going to add a little cost to it, but it will not be as bad as other things.

Public Comment: San Miguel resident Owen Davison said that he never heard of a 500-year flood plain. Where did that term come from? Mr. Dodds said that came from our Federal Government. Mr. Davison asked are you going to move the sludge ponds and everything or what? Mr. Dodds said basically, the requirement from the USDA, essentially the Federal Government is that all things that are essential to the operation of that treatment plant have to be out of that 500-year flood plain. If you are looking at the treatment plant as it sits today, everything at that lower elevation is in the 100-year flood plain. All of the processes that we are proposing are all at a higher elevation, they just need to be elevated a little bit more. The only thing not able to be at that elevation is the lift station which will just have to be protected by a wall. There is no intent of moving the circulation ponds right now and where the drying bed is right now that dirt would be moved anyway, and that area repurposed for fire training because it would have no real use for the treatment plant. We are not moving any of that because it is not essential. The plant can move without it. Mr. Davison asked what is the total square footage of the sludge ponds, the whole treatment plant and everything? Mr. Dodds replied if you look at the plant today there are four main ponds, that's our treatment process. Those have to be protected and the new treatment process trains have to be protected. Those are only 150 x 150. The biggest cost is protecting the ponds that are there because we have to go all the way around. The office building there would easily be protected by raising it up or building a wall around it. The treatment processes could be easily built up to the correct elevation and like I said headworks and the lift station is going to have to have a wall to protect it. Discussion ensued.

XII. BOARD COMMENT: Director Kalvans said I have only two comments tonight and then I will leave. Director Sangster said I would like to thank our firefighters and the Firefighters Association for all the fuel mitigation and cleanup because it really made a difference in the appearance in the community. Director Kalvans said at our last meeting we were look at April 8 for our next Strategic Planning Meeting. It looks like I need to request that meeting actually be pushed off to May because I need to meet with Mr. Roberson. I have some ideas on funding mechanisms. We need to discuss issues for the fire fighters and then funding for all departments so we are not wasting time during the Strategic Planning Meeting so we are organized and moving forward. Mr. Roberson how many hours do you need. General Manager/Fire Chief Rob Roberson said it could be 1 hours or 2 hours. It just depends on how much feedback there is. Director Kalvans said I will be working on an outline that I will send to you Mr. Roberson because of the technicalities. Two meetings scheduled. May 6th at 6:00 p.m. (regarding Fire Department) and May 13th at 6:00 p.m. Funding). Each meeting to last approximately two hours each. Discussion Ensued to finalize dates.

President Sangster voiced Meeting adjourned back to closed session at 9:10 p.m.

Board Clerk asked for five minute resess and resume back to closed session at 9:15 p.m.

ADJOURNED TO CLOSED SESSION 9:15 P.M.

REPORT OUT OF CLOSED SESSION: Report out of closed session by District General Counsel Doug White, the direction was given to staff.

MEETING ADJOURNED AT: 11:54 p.m.

DRAFT