

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
July 27, 2017 SPECIAL MEETING MINUTES

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

- I. Meeting Called to Order by President Kalvans – 6:55 p.m.
- II. Pledge of Allegiance lead by President Kalvans.
- III. Roll Call: Directors Present: Buckman, Kalvans, Reuck and Parent.
Director Absent: Green
District Staff in attendance: Rob Roberson, Kelly Dodds, Paolo Freeman,
Tamara Parent
District General Counsel: Doug White, Karl Schweikert
- IV. Adoption of Special Meeting Agenda:
Motion by Director Buckman to adopt Special Meeting Agenda as presented.
Seconded by Director Rueck Motion was approved by vote of 4 AYES and 0 NOES 1
ABSENT.
- V. **Public Comment and Communications (for items not on the agenda):**
Laverne Buckman 1429 Bonita, would like information regarding the search for General
Manager and would request that the Board ask staff to put their names when saying “Staff
Recommendations” on board action items reports. Also, she would like District Strategic
planning to be revisited so that Staff and Board are on the same page. Counsel Doug White
requested to respond to Mrs. Buckmans’ concerns. President Kalvans allowed. Counsel
White explained that after Director Green returns that they will discuss the search for a
permanent General Manager. Timeline looks like first of year.
- VI. **ADJOURN TO CLOSED SESSION:**
Closed Session was Canceled

A. CLOSED SESSION AGENDA:
- VII. **Call to Order Open Board Meeting:** President Kalvans at 6:55 P.M.
- VIII. **Public Comment and Communications:**
No public comment.

IX. District Staff Reports:

1. **San Luis Obispo County Sheriff** (Ken Conway): Verbal & Kalvans Report Attached, Commander Ken Conway from SLO County Sheriff Department spoke about the recent shooting in San Miguel and that they have a suspect in custody, under investigation. Lillian Larsen School has had 8 break-ins, Camera has been installed and suspect has been identified. Three have been arrested. Commander Conway also spoke about staffing, and gave a written report about calls in San Miguel with 1,479 calls since January 2017. *Copy available upon request.* Commander Conway explains that he understands our frustration and that they are under the same frustration, he would like to encourage the citizens to talk to their Local and State Legislators and Prop 48 has really made things hard for the sheriff department. Staffing level at Sheriff Station, Commander Conway explained that he should have 23 Deputies, 2 K-9, 2 Sargent's, and 3 school Resource officers but he only has 16 Deputies, 2 Sargent's, 2 school Resource Officers. The patrol areas are North County, the department is down 17 Deputies at this time with 40% of Deputies retiring within the next five years.

Board comment: Director Parent, asked Commander Conway if there were any areas that he was aware of that needed street lighting because that is within the scope of the Board, and also wanted the Commander to know that the Fire Department facilities are open to the Deputies; for paperwork or bathroom. Conway explained that a Substation will never happen in San Miguel but expanding the C.S.D District Offices with room for a Deputy would be the way to get a Deputies in town, because they need a secure facility to do interviews and have computer equipment.

Director Buckman asked about Lillian Larsen School, Conway explained that it is a school and they do have an office for the Resource Officer but they could not bring suspects to the school.

Director Reuck wanted to voice his appreciation for what they do for the community.

President Kalvans, explained that several C.S.D.'s across California have partnerships with Sheriff Departments. Pebble Beach and in Riverside County, DeLuz C.S.D. has a Deputy Program and feels that it is something to look at and would like to call a Special Board Meeting to discuss these ideas. President Kalvans stated that with 1,479 calls in only half a year that things have gotten out of hand and that the Sheriff's Department is over stressed. President Kalvans would like to call for a special Meeting to discuss these options.

Director Parent thinks this is the preview of the County.

President Kalvans explains, that we do have the ability to call a special meeting and that they could discuss it and the community demands it and they could go from there.

Director Parent voiced that he was not opposed to having a meeting to discuss but he feels that it is not in the Districts realm and that it is all about funds that the District does not have.

Commander Conway explained that the community needs to call in anything suspicious, and that he cannot reiterate that enough.

President Kalvans, explained that as Board President he has the authority to call a Special Meeting of the San Miguel CSD Directors to discuss policing and what options the District has.

Director Buckman explained that they have tried to do this in the past and when they found out the cost, and that the District could not afford it.

Director Parent thinks that the meeting is unnecessary at this time and told Commander Conway that he would like to still provide access to the District Office for the Sherriff department, Mr. Conway explained again that the community can do their part by calling in anything suspicious. Director Parent, asked about video evidence and explained that two of these incidents have been next to his residence. Commander Conway explained that video evidence is great but most is video is not usable because of the quality. Please call if you see anything suspicious.

Counsel White explains, that President Kalvans can call a special meeting to discuss but would like to consider the C.S.D. charter to find out if the District can use funds collected for policing.

Commander Conway explains that San Luis County Board of Supervisors are the ones that approve the Sheriff Department positions. The Communities can always voice their opinion to the Board of Supervisors. The best help that the San Miguel C.S.D can do for the Sheriff department is to have facilities for them to use in San Miguel

Public comment: Ashley Sangster 886 River Road, Understand funding issues.

Asked if there might be some other place to use now, until facilities can be built.

Commander Conway explained that they do not want to waste the time of the Communities if the facilities can be vandalized or moved, but he is always looking.

Nathen Dawes 605 15th Street, asked if the Sheriff Department has a cooperative action between SLO County and Monterey County. Commander Conway replied and explained that the King City substation is also low on Deputies, but they do work with them for emergency calls.

Nanette Negrete 1555 K Street, spoke Directly to President Kalvans asking him to confirm if she heard him correctly in the fact that one option is lower than the other. A registered Deputy is compared to a substation. Kalvans, explained that those issues will be discussed in the Special Meeting. She asked if he had done any research, he explained that he had reached out to other C.S.D' s but things have changed and he would have to clarify. Explaining that some have policing district and pay anywhere between 150k to 220k a year for a resident deputy. Mrs. Negrete asked if we could pay for a County Sheriff. Commander Conway explained that a lot of contract with Sherriff department, and several cities have tried to contract with SLO County Sheriff Department, They can't afford it, the cost is for everything car, health insurance, retirement, equipment etc.. Commander Conway explains to the audience that all the unincorporated areas in SLO county are already the Sheriff Department and that what they might not understand is that we get it for free and that we already have a deputy in town. It is not cost effective to have your own deputy.

Board comment: Director Parent feels that the Community needs to understand that the district does not have the revenue to fund this and explains that the property taxes are for Fire, Water, Sewer, Lighting and if the community would like to take on more that is a discussion and along way down the road. Director Parent thanked the Sheriff Department for what they do for the community.

Public comment: Laverne Buckman asked about the deputy that the Board of Supervisor gave permission for. Commander Conway explained that they want two for Shandon, but the Deputies still needs to go through the Academy.

Board comment: President Kalvans, Thanks Commander Conway for coming and would still like to have the Special Meeting in August.

Director Parent commented that the community needs to get in touch with our County Supervisors and ask when we can get more funding for the SLO County Sheriff Department.

5. Camp Roberts—Army National Guard (Balliet, Nicole Col.)

Board comment: None

Public comment: None

6. Interim General Manager: Verbal Report, Interim General Manager/Fire Chief Rob Roberson, explained that he has been on a Wildfire for the last few weeks and had been calling in to Mr. Dodds and Tamara Parent. Our focus, the last month has been personnel issues with interviews in the next few days. Joan Aguilar and Paola Freeman will also be talking about district financials tonight.

Board comment: None

Public comment: Lavern Buckman asked about the District Security Cameras, Interim General Manager/Fire Chief explained that we are planning on doing some changes in the front office and they have been in touch with our IT consultant to get the cameras in place, the District will be running the wires themselves to save on some cost. Counsel White asked what Camera’s where working and how many needed to still be put up. Board Secretary and Interim General Manager explained.

7. General Counsel: Counsel White presented verbal report, spoke of the 2017 CSDA Annual Conference scheduled for Sept 25-28th in Monterey asking if any Board Members would be interested in going.

Board comment: President Kalvans spoke about how this conference had been very helpful in the past.

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. Blaine Reely Absent. Utilities Director Kelly Dodds presented report.

Board comment: None

Public comment: Lavern Buckman, asked about the “Water production graph” and would like the Red, and Blue lines to be labeled.

9. Utility Supervisor: Utilities Supervisor Dodds written report submitted as is. Asked if there are any question.

Board comment: Director Buckman, asked about the SCADA system and if it was working correctly, Utilities Director Kelly Dodds, explained that it is functioning the way

it was intended and that they have had some communication fails that Tesco is working on under their contract.

President Kalvans asked about the water trend report, Well #4 pumping from April to July 2017 from same time as 2016 and that he does see a decrease this year, but would like to know why? Utilities Director Kelly Dodds explained that we have more homes and that we are pumping more water, so we are getting to the same point as we would sooner. President Kalvans asked if it was from the new houses or from the winery's pumping more out of basin? Mr. Dodds informed Director that it is from more homes and explained since we only have 3 wells that we draw from and that well #4 is the primary well.

Director Parent asked about the troubled Aerator at the Wastewater Facility, and Utilities Director Kelly Dodds explained that he had not had time to dive into why the Aerator is failing but it is scheduled for replacement when they get to the Bubbler replacement and it is not a crisis and will be monitored.

President Kalvans asked about the new light at Power Road, Utilities Director Kelly Dodds explained that it was a request from the board so it its being done.

Public comment: None

- 10. Fire Chief:** Written Report Submitted, Verbal report about the increase in the Calls 32 call last month with 7 vegetation fire, 6 outside the District with 1 in District, this month is we have had 52 calls already this month, this is a big increased. Engine 8668 has had problems with the motor on the skid mount water pump and will be replacing it. Fire Chief Rob Roberson spoke about fire stipend pay. Last year has been broken down and for the year 2016 we paid \$22,622.19 for our Firefighters to respond to calls then we brought in \$18,933.60 for assisting OES with calls throughout the state. Because the Fire Department participated in OES calls the District only had to pay \$3,688.59 out for stipend pay.

Board comment: Director Buckman, asked what Engine went out for OES calls, Fire Chief Rob Roberson said that Engine 8687 and 8696 both went out on separate times. Director Buckman wanted to confirm that 8668 did not go out, Fire Chief Rob Roberson confirmed that that was correct.

Public comment: None

- 11. Bookkeeper Report:** Bookkeeper Paola Freeman presented verbal report, spoke about how she has been cleaning up book for about two months. She has found some discrepancies and is working on issues with a CPA that has been hired to audit our IRS and EDD accounts. Mrs. Freeman also explains that there are also discrepancies with our CalPERS Retirement and Health accounts that she has audited and made adjustment, she feels that those accounts are under control. Paola has also found that bank statements have not been reconciled correctly since 2014. Pacific Premier Bank has purchased Heritage Oaks Bank so we have had that transition and the transition has gone smooth. Mrs. Freeman handed out a Claims Detail report for the Boards Review and explained that this report will be in the Consent Agenda next month. Interim General Manager and Fire Chief explained to the Board that the task that Bookkeeper, Paola Freeman has taken on is quite large and would like the Board to know that she will be at the Board Meetings for questions. Mrs. Freeman apologized for the time that it has taken and explained that it is just so much and with just one employee has had to make 132 adjustments in his/her CalPERS account.

Counsel White explained that if it has to do with employee that we need to keep it confidential.

Board comment: President Kalvans thanks Paola and staff for the challenging work they have done.

Director Buckman asked when the CPA was going to come in, Paola Freeman explained that the CPA was requesting documents from EDD and IRS that have not been received yet. Director Buckman expressed that he has wanted this for the past three years.

Public comment: Laverne Buckman, was happy to know that things are making progress and it will be nice to not have to keep saying that the reports are still incorrect and looks forward to the day when everything is correct.

X. CONSENT ITEMS

1. Approval of Board Meeting Minutes:
 - 1- a Special Board Minutes for May 18, 2017
 - 1- b Regular Board Minutes for May 25, 2017
2. Review, Receive and File the quarterly Investment Report for June 2017

Motion by Director Rueck to adopt Consent Calendar

Seconded by Director Buckman. Motion to approve by vote of 4 AYES and 0 NOES and 1 ABSENT.

XI. BOARD ACTION ITEMS:

1. **Review and approve Resolution 2017- 40 starting Prop 218 process for proposed 8.91% increase in commercial Trash Collection Fees by San Miguel Garbage Company. (Roberson/ Aron Kardashian - SM Garbage)**

Item presented by Interim General Manager/ Fire Chief Rob Roberson and Presentation By Aron Kardashian from San Miguel Garbage

Staff Recommendation: Approve Resolution 2017-40 starting Prop 218 process for proposed 8.91% increase in commercial Trash Collection Fees by San Miguel Garbage Company and direct staff to proceed with Prop 218 process.

Board Comment: President Kalvans had questions about who can protest because it is a commercial rate increase. Counsel Doug White explained that anyone in San Miguel boundaries that is commercial or Residential can protest this rate increase at the Public Hearing Scheduled for Sept 28th, 2017 at the regular Board Meeting. Interim General Manager/Fire Chief Rob Roberson explains that we can send out a letter in the water bills reminding owners that they must have Garbage service within the SMCS D boundaries. Mr. Roberson will also look into code enforcement with SLO County.

Public Comments: None

Motion by Director Buckman to approve Resolution 2017- 40 starting Prop 218 process for proposed 8.91% increase in commercial Trash Collection Fees by San Miguel Garbage Company.

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

2. Discuss the status of the current vehicle fleet, proposed changes and additions.

Item presented by Interim General Manager/ Fire Chief Rob and Utilities Director Kelly Dodds, they explained that this a discussion item and the staff is looking for ideas and direction. Mr. Dodds would like authorization to move forward with changes. Replace Engine 8687 and replace with a model 34, so we can be more desirable for more OES assignments. Fire Utility Vehicle is fully depreciated and will need to be replaced. Water Utility vehicle will need to be replaced in the next three to five years, but with only one vehicle the District is in desperate need of a second Water Utility vehicle a 1 ton or larger.

Staff Recommendation: Discuss the status of the current vehicle fleet, proposed changes and additions, and provide direction to staff.

Board Comment: Director Buckman thinks that the Fire Department should give 8668 to the Water Utilities Department and go buy a type 2/3 Fire Engine and work with Cal Fire for purchase because they buy so many we might be able to get a better deal. Mr. Buckman explains that Engine 8668 has failed and is dangerous when not working correctly. He has responded to Camp Roberts for Fire Aid numerous times when the Pump had not worked correctly. Discussion ensued.

Director Reuck feels that a Model 34 would be that right direction, and would like to hear more.

Director Parent would like to have more information from staff

Director Kalvans would like to have more discussion and options for Engine 8668, and would like to see options on replacement for a Model 34. He would also like to peruse options for a Water Tender and has been asking for options on a Water Tender vehicle for over two years; this vehicle will return its investment. President Kalvans would like the purchase of a Water Tender fast tracked and brought back to the board.

Public Comments: Lavern Buckman, thinks that the Board needs to be reminded that the Fire Department is funded by San Miguel resident and their Tax money and would like to see the needs outside of the district not be the only thing that the staff is looking at when considering the replacement of Fire Engines. Mrs. Buckman explains that in the Fire Chief's Report it states that most of the calls are for Medical Aids and that she had no problem with Mutual Aid and OES assignments but the District needs to remember where the tax money comes from.

Board Comment: Director Buckman asked about size of Fire Utility Vehicle. Discussion Issued between Fire Chief and Director Buckman. Assistant Fire Chief and Utilities Director Kelly Dodds informed the public that every Fire Engine and Fire Utility Vehicle have all the same medical equipment on board.

Staff Comment: Assistant Fire Chief and Utilities Director Kelly Dodds asked the Board for Direction to move forward on the Fire Utilities Vehicle and Water Utilities Vehicle and direction to proceed with looking into buying a Model 34 and Water Tender. Mr. Dodds explained that the Fire Engines would come back a couple more times and with their direction Utility Vehicles could come back at next Board Meeting.

President Kalvans asked about smaller Fire Engines for training. Discussion ensued.

District Counsel White asked the Board as a whole if they are alright with that.

Director Buckman voiced, No! Fire Chief explained that they would only be bringing back numbers for the Boards approval.

Director Parent and Director Reuck voiced that they would be in favor of the Utilities for Fire and Water being brought to next meeting with numbers. Counsel White proposed that the Fire Engines be brought back with multi options. Discussion issued.

It was purposed to bring back Utilities in August and Fire Engine and Water Tender in September Board Meeting, agreed to by majority of Board Members.

3. Review and approve an agreement between the County of San Luis Obispo (County) and San Miguel Community Services District (District) for the County to continue collecting Fire Public Facilities fees on behalf of the District through the County's permit process.

Item presented by Assistant Fire Chief/Utilities Director Kelly Dodds

Staff Recommendation: Staff recommends review and approve the Agreement between the County and District allowing the County to collect Fire Public Facilities fees through the county's permit process

Board Comment: Director Parent asked about the process. Mr. Dodds explained that it is something that we are already doing and this is a formality because the Agreement just missed being signed.

President Kalvans explained that he would like to see the District take care of these funds ourselves.

Discussion ensued, explaining the process and that the District can always go back to look at collection the Fire Impact Fees, with President Kalvans voicing his dislike of SLO County collecting the money and would like to direct staff in bring back this subject.

Public Comments: None

Motion by Director Parent to approve the Agreement between the County and District allowing the County to collect Fire Public Facilities fees through the county's permit process

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

4. Approve Resolution 2017-37 Cost Sharing Memorandum of Agreement (MOA) for the Groundwater Sustainability Plan (GSP) preparation among all groundwater sustainability agencies in the Paso Robles Basin.

Item presented by Counsel Kerry Fuller from ChurchwellWhite office, explains that SIGMA requires that all of the GSA draft and implement a GSP by 2020. The Coast Sharing MOA is for the cost associated with drafting a GSP.

Staff Recommendation: Staff recommends that the Board review and authorize the Interim General Manager to execute the Memorandum of Agreement regarding the preparation of the Groundwater Sustainability Plan (GSP) for the Paso Robles groundwater basin. Resolution 2017-37

Board Comment: None

Public Comments: None

Motion by Director Parent to approve Resolution 2017-37 Cost Sharing Memorandum of Agreement (MOA) for the Groundwater Sustainability Plan (GSP) preparation among all groundwater sustainability agencies in the Paso Robles Basin.

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

5. Discuss and Authorize Dr. Reely of Monsoon Consultants to propose revised boundaries for the San Miguel Groundwater Sustainability Agency.

Item presented by Utilities Director Kelly Dodds asking for direction and approval to move forward with the County to move boundaries for the San Miguel GSA.

Staff Recommendation: Staff requests authorization and direction to propose potential revised boundaries for the San Miguel Groundwater Sustainability Agency

Board Comment: Director Buckman, asked about the rights of the property owners and how that will affect them. Discussion ensued about the District GSA Boundary Map. Counsel Kerry Fuller, explained about who will be in GSA boundaries and who will be in the County GSA boundaries. She also noted that the District will not be able to levy any fees in association to these boundaries.

Director Parent explained that it is still beneficial to have these proposed boundaries because it does give the District a say in the water basin and wells.

Director Reuck is in favor of protecting our water shed.

President Kalvans agreed with proposal stating he is all in favor of using any leverage that we can use to protect our basin and wells.

Public Comments: Laverne Buckman said she was in favor, asked if there is any cost to the District. Kelly Dodds explained that it was included in our regular Engineering fees and it would be brought back to the board if there becomes any cost. Counsel White explains the cost in attorney fees would be nothing more than they would do for the GSA anyway.

Motion by Director Parent to authorize Dr. Reely of Monsoon Consultants to propose revised boundaries for the San Miguel Groundwater Sustainability Agency.

Seconded by President Kalvans. Motion was approved by vote of 4 AYES and 0 NOES and 1 ABSENT

6. **Review and Discuss update on Fiscal Year 2016-2017 Budget Review (Aguilar)**

Item presented by Joan Aguilar, Consultant explained with all fund the ending balance is 1.4 Million. Revenues from Fire impact fees and connections fees in the enterprise funds were not to be budgeted for and you can see that there are quite a number of revenues that accounted for much higher then they original budget was. The administration side there is an overage due to the various legal fees.

Fire Fund Budgeted totaled \$534,576.00 and spent \$345,476.00 surplus of \$189,000.00

Lighting Fund Budgeted totaled \$117,000.00 and spent \$85,800 surplus of \$31,200.00

Sewer Fund Budgeted totaled \$641,000.00 and \$492,563.00 spent of \$148,400.00

Water Fund Budget is over due to legal expenses and the Steinbeck lawsuit. Joan asked about, capital outlay asking Kelly Dodds to explain what the \$86,435.00 was for, Mr. Dodds explained the capital outlay was for the rebuild of Well#3 Building. Discussion ensued

Solid Waste Fund Budgeted \$5,266.00 with an overage \$123.00 primarily due to legal cost, and needs to follow up with staff but typically legal fees have not been attributed to this fund.

Staff Recommendation: Review and discuss update on Fiscal year 2016-17 Budget.

Board Comment: Director Buckman explains that when the Water Tank payment is made we have to put the money back into the account, this was one of the stipulations of the loan. Joan Aguilar explains that there is a line item so it is easy to see.

Director Parent asked about double entries, and questioned the procedures. Asked about the numerous Banks Accounts and asked Joan her professional opinion about how it was

set up and if it is structured properly. Mrs. Aguilar explained that No. That is not how she normally sees accounts set up and with that many bank accounts, unless there's a specific reason like the USDA loan stipulation. To have separate bank accounts for Vehicle Replacement or Capital Reserve money is very unusual and when she has seen that it is usually because there is a lack of trust between District and staff and if money is being appropriately accounted for. Director Parent, asked for advice on streamlining the process. Joan Aguilar explained that this will be revisited during the Budget process.

Public Comments: Laverne Buckman asked about the \$165,500 that was transferred into Admin and then, other transfers in from all other funds. Mrs. Buckman asked if that was the same money. Joan Aguilar explained that she was also trying to figure that out and that it looked like the \$165,500 was for legal cost only and that the other transfers in were for other expenses for Admin fund but is unclear. Explaining, that at year-end the transfers need to happen to the budgeted amount so that there is not a deficit situation. Laverne explained, that she doesn't see where that full amount had been transferred in full. Joan explained that she sees that \$41,000 needs to still be transferred from other funds. Discussion ensued.

Staff Comments: Counsel White reminded the Board that this was just a discussion item and with no motion needed.

7. Review proposed FY 2017-18 Operational and Capital Budgets and approve Resolution No 2017-38 adopting the proposed budget (Aguilar)

Item presented by Joan Aguilar explaining that this was a Public Hearing to adopted Operational and Capital Budget for FY 2017-18. She explained that she did not do any work for FY 18-19. Noting that property taxes projections are up Fire 29k, Lighting 13k, Wastewater \$4,100. On the "Grant" side fire decrease -105,000 and Water up 150k because of SLT budgeted. Water and Wastewater connection fees previously discussed about past practice are not included in these amounts of revenue and it is recommended that they are done at mid-year budget and also for the fire impact fees. Counsel White, asked Mrs. Aguilar if this would be something that she suggested as a matter of policy to be revisit, and if this was customary way of doing these revenues. Joan Aguilar explained that it is very difficult to say, because it depends on the level of activity that is happening within the district and that Staff would know best, she feels mid-year is a fine way of doing it. Discussion ensued about funds and vehicle. See PowerPoint G: working agenda 7-27-2017 CalPERS was budgeted in the higher rate; insurance property and liability has been budgeted through all the funds. There are other questions about the transfers out. Mrs. Aguilar thanked Kelly Dodds and District Staff for all their help.

Staff Recommendation: Review proposed FY 2017-18 Operational and Capital Budgets and approve **Resolution No 2017-38** adopting the proposed budget (Aguilar)

Board Comment: Director Parent, asked about CBDG grant and asked why it would be out of Fire when it is part of Water infrastructure, Utilities Director explained that he asked for it to be funded from Water and at the time the Board direction was to fund from Fire.

Public Comments: Laverne Buckman, asked the Board to look at removing the Admin Account. 16k into lighting for admin to legal? Discussed ensued about Admin account and how it has gotten out of hand. Counsel White asked Joan Aguilar to speak on this issue.

Staff Comment: Counsel White, explained that we are running on an appropriation, and asked that the Board pass the 17/18 Budget with knowing that it will be brought back with budget amendments. He also suggested that we have more conversations on the Administration fund.

Interim General Manager/Fire Chief Rob Roberson explains that Paola Freeman, will be asking the Board to make the decisions on where items will be funded from. Interim General Manager/Fire Chief Rob Roberson reaffirms that the Staff will be bringing back the categories to the board so they can make the decision to keep them or to delete them in the system.

Board Comment: Director Buckman asked, Joan if there are any accounting practices that would pick what to put in the Admin. Account. Joan, explains that that is through Board policy and each district is different.

Director Parent, voiced that he is having a tough time passing this Budget but asked the staff if passing this Budget will help speed up the adjustments that he is hearing need to still be made. Utilities Director, Kelly Dodds explained that he feels that they have a good handle on what changes need to be made and expressed that he feels comfortable with passing the Budget tonight with knowing that the board will be brought back adjustment at the next board meeting. Director Parent Thanks Staff for all the work they have put into this budget.

President Kalvans and majority of the board agreed.

Motion by Director Buckman proposed FY 2017-18 Operational and Capital Budgets and approve Resolution No 2017-38 adopting the proposed budget, with Amendments to be returned to board at next board meeting.

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

8. Review and Approve Resolution No. 2017-39 adopting the 2017 District's annual investment policy (Aguilar)

Item presented by Joan Aguilar, last time investing policy was passed was February 2016, and advises that the investment policy is passed on a fiscal year bases. San Miguel is a passive investor. Page three (3) of the District Investment Policy 2017 has the investment types and if there is certificates needed.

Staff Recommendation: Approve **Resolution No. 2017-39** adopting the 2017 District's annual investment policy

Board Comment: Director Kalvans thanks Mrs. Aguilar for her work on the investment policy

Public Comments: None

Motion by Director Reuck to Adopt and Approve **Resolution No. 2017-39** adopting the 2017 District's annual investment policy

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

9. Review and Approve Resolution 2017-41 approving revisions to the Employment Agreement for Kelly Dodds as Director of Utilities.

Item presented by Counsel Doug White gave background on this item. Redline and Clean version was given to the Board of Directors for review. This agreement will be retroactive to July 1, 2017. Counsel White went through each change or clarification.

Staff Recommendation: Staff recommends that the Board Approve Resolution 2017-41 approving revisions to the Employment Agreement for Kelly Dodds as Director of Utilities.

Board Comment: None

Public Comments: None

Motion by Director Parent to Approve Resolution 2017-41 approving revisions to the Employment Agreement for Kelly Dodds as Director of Utilities. Brought back at end of meeting for vote of reclarification *Approving Redline version that was handed out to director in meeting 7/27/2017

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

Director Parent recused himself at this time

10. Review and Approve Resolution 2017-42 approving revisions to the Employment Agreement for Tamara Parent as Board Clerk.

Item presented by Counsel Doug White gave background on this item. Redline and Clean version was given to the Board of Directors for review. This agreement will be retroactive to July 1, 2017. Counsel White went through each change or clarification.

Staff Recommendation: Staff recommends that the Board Approve Resolution 2017-42 approving revisions to the Employment Agreement for Tamara Parent as Board Clerk.

Board Comment: None

Public Comments: None

Motion by Director Kalvans to Approve Resolution 2017-42 approving revisions to the Employment Agreement for Tamara Parent as Board Clerk. Approving Redline version that was handed out to director in meeting 7/27/2017

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

XII. BOARD COMMENT

Director Parent thinks that we are moving in the right direction and would like to thank staff for all their work.

President Kalvans asks for date clarification for SMCS D safety meeting August 9th or August 15th. Discussion ensued about date, August 9th at 7pm was final decision.

XIII. ADJOURNMENT: Director Kalvans adjourned meeting

Time: approximately 10:27pm