

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
OCTOBER 25, 2018 REGULAR MEETING MINUTES

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

- I.** Meeting Called to Order by President Green – 6:32 p.m.
- II.** Pledge of Allegiance lead by Director Buckman.
- III. Roll Call:** Directors Present: Green, Buckman, Sangster, Parent
Directors Absent: Kalvans
District Staff in attendance: Rob Roberson, Tamara Parent, Kelly Dodds, Paola Freeman and District General Counsel Schweikert
District Staff Absent: District Engineer Dr. Blaine Reely
- IV. Adoption of Regular Meeting Agenda:**
- Motion by Director Parent to adopt Regular Meeting Agenda.
- Seconded by Director Buckman Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSENT
- V. ADJOURN TO CLOSED SESSION:**
Closed Session convened at 6:33 p.m.
- A. CLOSED SESSION AGENDA:**
- 1. CONFERENCE WITH DISTRICT GENERAL COUNSEL – Existing Litigation**
Pursuant to Government Code Section 54956.9 (d)(1) Case: *Steinbeck v. City of Paso Robles, Santa Clara County Superior Court Case No. 1-14-CV-265039* and Case: *Eidemiller v. City of Paso Robles, Santa Clara County Superior Court Case No. 1-14-CV-269212*
 - 2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
(Pursuant to Government Code §54957)
Title: Fire Chief
 - 3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
(Pursuant to Government Code §54957)
Title: Assistant Fire Chief

4. **CONFERENCE WITH LABOR NEGOTIATORS** (Pursuant to Government Code Section 54954.5(f) and Government Code Section 54957.6)
Unrepresented Bargaining Units: Non-Management Non-Confidential Unit and Non-Management Confidential Unit

VI. **Call to Order for Regular Board Meeting/Report out of Closed Session:** 7:00 P.M.
Report out of closed session by District General Counsel Schweikert. Nothing to report.

VII. **Public Comment and Communications for matters not on the Agenda:** None

VIII. **Special Presentations/Public Hearings/Other:** None

IX. **STAFF & COMMITTEE REPORTS:**

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| 1. San Luis Obispo County Sheriff | No Report |
| 2. San Luis Obispo County Board of Supervisors | No Report |
| 3. San Luis Obispo County Planning and/or Public Works | No Report |
| 4. San Miguel Area Advisory Council | Verbal Report |

Nanette Roe, Secretary for the San Miguel Advisory Council spoke about the Bike Lane in front of Mission San Miguel and how the county will be looking at rerouting the bike lane down San Luis Obispo Street and around the Mission. Discussion ensued about San Miguel Laundry putting in electric car charging stations with a grant. Sheriff informed the Advisory Council that the District has had 291 calls to the San Miguel area last month.

Board Comment: Director Buckman asked about how many owners owned the Laundry mat. Discussion about Father and son owning that property.

Public Comment: None

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| 5. Camp Roberts—Army National Guard (LTC Kevin Bender) | No Report |
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Board Comment: none

Public Comment: none

6. **Interim General Manager:** Interim General Manager/ Fire Chief Rob Roberson, Verbal report updating the Board of Directors on the audit being completed and with the completion of that it will help the District Engineer and the grants that he has applied for. The next Audit FY17-18 will be started as soon as the FY16-17 Audit gets approval from the Board. Interim General Manager/Fire Chief Rob Roberson explained that the Management report will be brought to the Board as soon as possible and informed the Board that the financial meeting will be tabled until FY 17-18 Audit is complete. Mr. Roberson explained about news reports about the embezzlement issue that happened back in 2015, the District Attorney is prosecuting former employee Kallie Johnson.

Board Comment: Director Parent asked if the Audit is approved tonight then the documents can be given to Blaine for grants that are pending for the District. Interim General Manager/ Fire Chief Rob Roberson explained that was the intent and that documentation will be given to Blaine as soon as signed.

Public Comments: None

7. **District General Counsel:** Presented by Counsel Schweikert. ChurchwellWhite, LLC.
Nothing to report.

Board Comments: None.

Public Comments: None

8. **District Engineer:** Written report submitted as is. Blaine Reely is absent
Board Comments: None
Public Comment: None
9. **Director of Utilities:** Written report submitted as is. Director of Utilities Kelly Dodds asked for any questions
Board Comment: None
Public Comments: None
10. **Fire Chief:** Fire Chief Rob Roberson, updates the about the Fire Department is at 260 calls and that is up from the last years.
Board Comments: None
Public Comment: None

X. CONSENT ITEMS:

1. **Review and Approve Board Meeting Minutes**
 - a) 9-27-2018 Regular Board Meeting
2. **Review and authorize the Director of Utilities to enter into a mutual assistance agreement with California Water/Wastewater Agency Response Network (CalWARN).** (Dodds)
3. **Review and authorize staff to apply for all grants that are beneficial the District and are in line with projects currently underway or that are identified by the Board or Master Plans**

Board Comment: Director Green asked for clarification on CalWARN, for the public. Director of Utilities Kelly Dodds explained that it is a mutual aid agreement for emergencies. Discussion ensued about how it would help San Miguel in case of emergency.

Public Comment: None

Motion by Director Sangster to Approve Consent Item 1.a, 2, and 3

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

XI. BOARD ACTION ITEMS:

1. **Review and discuss approving Resolution 2018-33 accepting and approving of the FY 2016-17 financial audit report by Moss Levy Hartzheim** (Roberson)
Item was presented by Interim General Manager/ Fire Chief Rob Roberson read aloud the “Opinion” by the Auditor and explained that the District has not had an “Opinion” for the last thirteen years and the “Fair Opinion” will be a great foundation to move forward.

Board Comment: Director Buckman asked to have the public speak.

Public Comment: Laverne Buckman San Miguel resident had questions and concerns. First as the Audits are hard to read for anyone but an Financial advisor and explained that most of her questions can and have been answered by Paola Freeman San Miguel CSD Bookkeeper. Page four of the report expenses section and charges for services under water, clearly shows why the rate increase was desperately needed to happen. Discussion ensued about if the public has reservations about the rate increase should look at the District Audits. Mrs. Buckman explained that she would like to see the Management Response letter but has spoken with Interim General Manager/ Fire Chief Rob Roberson and understands why it was not presented and thanked him and staff for the work they have put into the financials. Laverne Buckman asked about Solid Waste and were that was in the Audit, and explained that Solid Waste was taken out of Wastewater. Paola Freeman, San Miguel Bookkeeper will be here in February and the CPA will be here to explain the Audit during the scheduled financial meeting.

Board Comment: Director Parent thanked the District Staff on all the work they have accomplished and having an “Opinion” that is the first in thirteen years is very commendable.

Motion by Director Parent to Approve resolution 2018-33 accepting and approving the FY 2016-17 independent audit report and authorize the filing of the report to the State of California and County of San Luis Obispo County Clerk’s office.

Seconded by Director Sangster. Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSENT.

2. Review, Discuss, Receive and File the Enumeration of Financial Report for September 2018

Item presented by Paola Freeman, Bookkeeper informing the Board of Directors that the reports have been presented and asks for any questions. Mrs. Freeman informed the Board that she has put in report B110F as a Summary of Revenue vs. Actual and asked if they would like to continue seeing that report. Consensus of the Board is to continue using that report in the monthly financials.

Board Comments: Director Sangster asked about the items that are over 100% for Budget allocation. It was explained that those items will be brought back to the Board in December for Budget Adjustments. (1-7-pages professional accounting)

Director Parent asked for a timeline for CPA to finish up. District Bookkeeper explained that it all depended, and the District is now current with the EDD and IRS. Discussion ensued about refunds and how the CPA is still working on FUTA and IRS issues. These issues come from the previous management / bookkeeper never filed for 2015 qtr. taxes.

Public Comments: Nanette Roe, San Miguel resident thanked Paola Freeman for all the work that had been done and understands that it was a group effort by District Staff.

Staff Comment: Interim General Manager/ Fire Chief Rob Roberson explained that the cost of the CPA that works with District Bookkeeper Paola Freeman, can be offset by the

monies they have been able to have refunded and without the help of the CPA the District Financials would not be where they are to date.

Motion by Director Parent to Receive and File the Enumeration of Financial Report for September 2018.

Seconded by Director Sangster, Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSENT.

3. Review and approve Resolution 2018-34 authorizing changes to the job descriptions for Utility Worker, Operator and Supervisor, changes to the overall compensation schedule for hourly utility positions, as well as correction to current employee step placement. (Roberson & Dodds)

Item was presented by Interim General Manager/ Fire Chief Rob Roberson explained that the Utility Worker position has been posted four times and the District has not gotten at response. The \$12.75 an hour is not competitive for even unskilled labor. Director of Utilities Kelly Dodds explained the background of the position. Mr. Dodds explained the licensing requirements that are required by the State of California and the District the \$12.75 is not competitive within the industry. Director of Utilities Kelly Dodds explained that the pay scale had been revised here and there and felt that this was an appropriate time to bring the Utility Worker and Operators back to the Board for discussion and changes so the District can move forward and be following the requirements. The Staff report explained that the steps increases are 5% increase between steps. Mr. Dodds, also noted that the requirements and some wording has changed in the job descriptions for all Utility positions.

Board Comments: Director Buckman asked about vacation time. It was explained that the vacation time is the same for everyone and is stated in the personnel policy.

Director Green explained that he liked the way that it was set up but has concerns with the five steps and would like to see it be less or more with lower percentages in between steps. Director Green explained that the total need to be looked at because when you put the cola into the wage.

Director Parent explained that the pay is too low and for industry standards. Discussion ensued between Director Green and Director Parent about the cola and how that jumps the wage up.

District General Counsel Schweikert explained that two years ago, it was changed from four to five steps and most of the clients that ChurchwellWhite, LLC deals with have seven steps in their pay scales. This information was given for a frame of reference.

Director Green explained that he is worried about what the District can afford and would like to see incentives for the employee to get licenses.

Discussion ensued about Cola percentages and how it is applying to the position.

Director Green voiced that he would like to have the Utility Supervisor position taken out. Discussion ensued about positions and authorization from the Board would be needed for those positions to be filled.

Director Green asked if the probation period was still one year? It was explained by Interim General Manager that, yes probation period is one-year.

Director Green asked to add to education to Utility Operator 1,2, 3. First add sexual harassment and ethics training. This additional training needs to also be applied to Utility Worker Position. Director Green explained he would also like to see fire put back into the Utility Worker position. Discussion ensued.

Director Parent asked about staff levels with the new Sewer facility. Director of Utilities Kelly Dodds explained that it really depended on the type of facility that is approved, but more likely two or three new operators. Director Parent asked about separating water and sewer. It was explained by Director of Utilities Kelly Dodds that being a small district it is better for the operators to have both credentials for water and wastewater. Discussion ensued about the certification requirements that DWR might impose for the new facility and state water/wastewater grade licensing that will be required.

Director Green asked about having a vehicle endorsement for Utilities Worker for any large equipment that the District might purchase later and would like the employees to have step incentives to promote. Discussion ensued about 7 steps in the District compensation schedule and how that might work.

Director of Utilities Kelly Dodds explained that he would like to have someone employed for the build of the facility that way they are part of the building process.

Public Comment: Nanette Roe, San Miguel resident voiced to the Board that she had done some research and we have a very low pay scale for general labor. Nanette voiced that she feels the District needs qualified labor.

Laverne Buckman San Miguel resident voiced that with the changes that have been made in the staffing, she agrees with the Board that supervisor should be removed from the scale. Laverne agrees with Director Green that start the worker at a higher step and have them have incentive to promote and understands that the Utilities Department will need higher level operators and feels that having people learn and move up would be best for the District.

Staff Comment: District Operator Mike Sobotka spoke to the Board and voiced that he appreciates the opportunity to work at the District and voiced that with the pay scale the District will have a hard time retaining qualified operators.

Director Green asked how he felt about the five steps in the pay scale.

District Operator Mike Sobotka voiced that he would like to have incentive to move up, but he has three licenses and he took a pay cut from five years ago to work in San Miguel. Mr. Sobotka informed the Board that they are going to have to raise the pay scale to be competitive.

Interim General Manager/ Fire Chief Rob explained that the pay scale has a top and it needs to be looked at if five or seven steps would work best to retain employees.

Board Comment: Director Parent voiced that the authorized worker position that the District is looking to fill, is an OIT certification and that is a having Director of Utilities Kelly Dodds sign off on having a trainee under his certificate. Director Parent voiced that he agreed with Mrs. Buckman with the idea of paying at a middle step and have stipulations on getting state licenses, with pay increases.

Director Green explained that it is the position not the person, and if we put the pay in the middle then the position doesn't have far to go on the scale. Discussion ensued about pay scales and Colas.

Public Comment: Laverne Buckman voiced that the pay should go to employees that can take call, so we don't pay for contract labor. Mrs. Buckman asked about what will get cut back so the District can afford qualified Operators, and how to retain them.

Consensus of the Board is to bring back step schedule in January for discussion and changes if needed, at that time the staff should have a better idea of staffing needed for treatment facility.

Discussion ensued with discussion on changes needed before motion.

Motion by Director Parent to approve Resolution 2018-34 authorizing changes to the job descriptions for Utility Worker, Operator and Supervisor, changes to the overall compensation schedule for hourly utility positions, as well as correction to current employee step as amended.

Seconded by Director Sangster, Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSENT.

4. Review and Discuss any Comprehensive Revision to District Personnel Guidelines & Policy Manual

Item presented by Interim General Manager/ Fire Chief Rob, explained that we currently have three members at the District that are not contract employees. The District Personnel Policy has not been reviewed by the Board of Directors since 2016 and that was the last time the policy was changed. Interim General Manager/ Fire Chief Rob, explained with the changes to staffing and with three employees not represented and management staff has looked through the policy and feels that the staff needs to be able to be directed to their immediate supervisor before they go to the General Manager.

Director Green asked for examples to changes that need to be made other than "department heads"

Interim General Manager/ Fire Chief Rob explained as staff tried to implement sections of the policy found that sections have not been followed, example being section 4.1.1 Health Benefits are not being implemented as written because of previous management. The policy is being brought forward for discussion, so the Board can make the needed changes to the policy. Mr. Roberson explained that also during the audit the District has had problems due to not implementing what the policy states.

Interim General Manager/ Fire Chief Rob, noted that the Board needed to review comments and changes from District General Counsel.

Board Comments: Director Green asked for clarification and who marked changes on document. It was explained that all management staff and District Counsel.

Director Green voiced that the document needs to be implemented as written.

Discusses ensued with Interim General Manager/ Fire Chief Rob explaining the changes and impact to the District.

Director Green asked that all Directors get the version with Counsel comments and bring back in November, December, or January.

Public Comments: Laverne Buckman San Miguel resident voiced that she remembers a document that there was a document with prices for California Pers Health care for the year. It was explained that the Policy was implemented in 2016, and the previous General Manager never implemented.

Mrs. Buckman explained that she would like the management employees and employee should have the same health care benefits.

District General Counsel, Schweikert explained that this a negotiable item.

No motion informational item only. Set aside by Director Green till January 2019

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

Item presented by Director of Utilities, Kelly Dodds explained that not much has changed in his written report and explained that he had a meeting today regarding finalization of the engineering and recharge study. District Engineer will have a presentation next month regarding the studies for the Board and outlining the options for the new sewer treatment facility. The staff has narrowed down to 3 different options and are very similar.

Board Comment: Director Parent asked about aeration and discussion ensued with Director of Utilities Kelly Dodds.

Director Green asked when the treatment plant is built does the old plant become redundant, knowing that we can't be without a plant.

Director of Utilities Kelly Dodds explained that once the District finalizes the process that will be used for treatment then they will have determined if any of the old plant is viable. Discussion ensued about how treatment will continue and what the options are for treatment. Director of Utilities Kelly Dodds explained that the plant needs to be high tech and last 30 plus years with lowest maintenance cost for the District.

Director Sangster asked if the projected the size that it is being explained will have to be enough capacity for plant build out in thirty years? Director of Utilities Kelly Dodds explained that Monsoon consulting have been refining what we are looking at in the next thirty years, and at this point 588k gallons in 2050 and based on the conversation today the staff is only looking at plants that will get the district to the 600k gallons a day. Some option that are available depend on grants.

Director Green voiced that when the District did the rate study you had a dollar amount in mind for the cost of the plant, at around 3.2 million, and voiced that he would like to keep the cost around that amount.

Public Comment: Laverne Buckman San Miguel resident asked about Gallo and if they are going to start putting their effluent into our facility. Director of Utilities Kelly Dodds explained that after treatment and to recycle water. This is all about reclaimed water and getting funded from the state and having Gallo's effluent will benefit all included.

Mrs. Buckman asked who many employees are needed to run the plant. Director Green explained that he heard up to four new employees and Mr. Dodds explained that it might be a 24-hour plant and that would need an employee around the clock. Discussion ensued

about treatment and the GSA, GSP and the benefits to the District. Director of Utilities Kelly Dodds reminded the Board that the plant per the State will need to be done within three years.

Nannette Roe, asked if the grant has been applied for already. Director of Utilities Kelly Dodds explained that, yes and they were just waiting for the Audit to be passed.

Board Comment: Director Buckman reminded the Board that they had talked to Gallo in the past and that the District could not take their sewer due to all the seeds and such. It was explained that Gallo would still have a sewer facility and we would just be taking the effluent after processing.

No motion informational item only.

6. Review and approve Resolution 2018-32 approving a rate increase for construction hydrant meter usage from \$3.20 per HCF to \$4.63 per HCF to be effective November 15th, 2018 (Dodds)

Item presented by Director of Utilities Kelly Dodds explained that we are asking to raise these fees to coincide with our non-construction cost for water. This amount was calculated with the rate study.

Board Comment: Director Green asked about the \$750.00 cost and the non-refundable fees.

Director Sangster voiced that he feels that the cost is low.

Director Parent asked about the road on 12th street and if the construction water tank and if that water will be used at this same cost and when the road will be opened. Director of Utilities Kelly Dodds explained that the road should be paved in the next week, and that yes, the cost will be the same.

Director Green asked how many Construction Meters the District has out in the field. Director of Utilities Kelly Dodds, explained that three are in service.

Director Green asked about the noticing requirements.

District General Counsel, Schwiekert explained that it should have happened at the same time as the rate increases, but that there are no requirements. A construction hydrant cost proposal does not have a prop 2018 requirement. Any changes to the cost of hydrant meters is done by Board action.

Director Green asked about when the new fees go into effect, and discussion ensued about how the Construction meters customers will be notified.

Director Buckman asked if we are the same as other Districts, it was explained that Paso Robles is around seven dollars a HCF.

Public Comment: Nanette Roe, San Miguel Resident voiced that she thought the cost was low.

Motion by Director Parent to approve Resolution 2018-32 approving a rate increase for construction hydrant meter usage from \$3.20 per HCF to \$4.63 per HCF to be effective November 15th, 2018

Seconded by Director Sangster, Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSENT.

XII. BOARD COMMENT: Director Buckman asked how much the District has spent to date on the Steinbeck litigation. Board Clerk explained that a New Times journalist had put in a public records request and I did send him our expenses report that was around 560k to date.

Director Green asked if any of the other directors had revived the emails for Director Kalvans and District General counsel explained that it only goes to the president due to the Brown Act compliance. Director green then explained that he feels that in discussion, all of Director Kalvans concerns were satisfied.

XIII. ADJOURNMENT TO NEXT MEETING NOVEMBER 15, 2018: 9:25 P.M.