

SAN MIGUEL COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
JANUARY 23, 2020 REGULAR MEETING MINUTES

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

- I. Meeting Called to Order by President Sangster – 6:30 P.M.
- II. Pledge of Allegiance lead by Director Kalvans.
- III. **Roll Call:** Directors Present: Sangster, Green, Parent, Palafox, and Kalvans  
Directors Absent: None  
District Staff in attendance: Interim General Manager/ Fire Chief Rob Roberson, Assistant Fire Chief Scott Young, Board Clerk Tamara Parent, Director of Utilities Kelly Dodds, and District General Counsel Seikaly
- IV. **Adoption of Regular Meeting Agenda:**  
Motion by Director Green to adopt Regular Meeting Agenda.  
Seconded by Director Kalvans Motion was approved by Vote of 5 AYES and 0 NOES and 0 ABSENT
- V. **ADJOURN TO CLOSED SESSION:**  
Closed Session convened at 6:33 p.m.
  - A. **CLOSED SESSION AGENDA:**
    1. **CONFERENCE WITH LABOR NEGOTIATORS**  
Agency designated representatives: Interim General Manager and District General Counsel Employee organization: San Miguel Employees' Association
    2. **CONFERENCE WITH DISTRICT GENERAL COUNSEL—ANTICIPATED LITIGATION**  
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9
    3. **CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**  
Initiation of Litigation pursuant to § 54956.9(c):
- VI. **Call to Order for Regular Board Meeting/Report out of Closed Session: 7:03 P.M.**  
Report out of closed session by District General Counsel, Direction was given to staff and no reportable action.

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

Laverne Buckman San Miguel resident voiced that she feels that the Agendas are too long and asked that all items be sent out promptly with page numbers of the whole packet.

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

**IX. STAFF & COMMITTEE REPORTS:**

1. **San Luis Obispo County Sheriff, Sgt. J. Caron** was asked by Commander Donovan to come by and update the Board of Directors. The numbers for 2019 are 2251 calls for service, 169 crime reports, 55 felony, 102 misdemeanors, and 12 infractions. January 2020 has had 122 calls for service, 13 crime reports, 6 felony, and 6 misdemeanors. Sgt. Caron explained that these are reports not arrest and asked for any questions.

**Board Comment:** Director Sangster asked if the Sheriff Department has seen any trends? Sgt. Caron explained that they do not at this time.

Director Kalvans asked if San Miguel was looking better than other communities in the North County. Sgt. Caron explained that he did not have the number for the other Communities with him and could not answer that question but could get those numbers if requested.

2. **San Luis Obispo County Board of Supervisor** No Report
3. **San Luis Obispo County Planning and/or Public Works** No Report
4. **San Miguel Area Advisory Council** No Report
5. **Camp Roberts—Army National Guard (LTC Horvath)** No Report
6. **Interim General Manager:** Interim General Manager/ Fire Chief Rob Roberson updated the Board of the Director that he has been sent a letter from the San Miguel Garbage Company with interest in starting contract negotiations due to the contract expiring in January 2021. Mr. Roberson also explained that he has been looking into the USDA loan and at this time the interest rate the District has is good, but explained that with the new wastewater facility, if the District seeks to consolidate those loans the District could get a better rate. Interim General Manager/ Fire Chief Rob Roberson updated the Board of Directors on the County “N” street property and explained that the property was in the County low-income housing and was up for sale for fair market value. Discussion ensued about the cost that is being asked, and how it was appraised. The Board was also updated that the District has submitted the FTR to the State of California and was excepted and received.

**Board Comment:** Director Green asked what the interest rate change threshold is? Interim General Manager/ Fire Chief Rob Roberson explained that it is around 3 Million, and 6 Million. Discussion ensued amount and what is considered.

Director Sangster asked if the staff has done any other research on who the District could negotiate with and voiced that he would contact Supervisor Peschong to see if he can get some more information.

7. **District General Counsel:** Presented by Counsel Seikaly. ChurchwellWhite, LLC. Explained that the SLO County District Attorney informed her that K. Johnson was trying to divert for mental health diversion. They will return to court on February 27, 2020.

**Board Comments:** None

**Public Comments:** None

- 8. District Engineer:** Written report submitted as-is. Director of Utilities Kelly Dodds explained that Dr. Blaine Reely was at the Mission Meadows Homeowners Association Meeting tonight per Board direction.
- 9. Director of Utilities:** Written report submitted as-is. Director of Utilities Kelly Dodds updated the Board that the landscaping will be brought back for discussion and has had one quote submitted. Discussion ensued about the San Miguel Chamber beautification grant monies. Director of Utilities Kelly Dodds updated the Board that he has put out District job announcements for Utility Worker and Operators and is hoping to for qualified
- Board Comment:** Director Sangster asked if the one quote for landscaping was reasonable? Director of Utilities Kelly Dodds explained that it was around twenty-three thousand a year for everything in the scope of work, to recruited qualified applicants. Director Kalvans asked where the best place to advertise has been. Director of Utilities Kelly Dodds explained that BC water Jobs and the District sent out announcements to the licensed operators within the State, posted on the District website and throughout the town.
- Public Comments:** Laverne Buckman San Miguel Resident explained that the grant the Chamber received can be extended and if not used will go back to the County fund. Laverne Buckman voiced that other Districts use signing bonuses.
- 10. Fire Chief & Asst. Fire Chief:** Fire Chief Rob Roberson, and assistant Chief Young submitted the report as written.
- Board Comments:** Director Palafox voiced that the Mileage report has some errors in calculations, a discussion ensued, and Chief Roberson will check the Excel spreadsheet and correct the calculation
- Public Comment:** None

## X. CONSENT ITEMS:

### 1. Review and Approve Board Meeting Minutes

- a. 12-12-2019 2<sup>nd</sup> Functional Space Work Session Board Meeting  
Amendment: bout to about
- b. 12-19-2019 Regular Board Meeting  
Amendment: Rewording section four: mid-year budget adjustment and Director to Directors.

**Board Comment:** Director Sangster voiced amendments to a and b; staff will correct and post with amendments.

**Public Comment:** None

Motion by Director Sangster to approve Consent items 1.a and 1.b with amendments  
Seconded by Director Green. Motion was approved by Vote of 5 AYES and 0 NOES and 0 ABSENT.

### 2. Review and Approve Resolution 2020-01 the San Miguel Community Services District Board Members' Handbook

Motion by Director Palafox to approve Consent item 2

Seconded by Director Sangster. Motion was approved by Vote of 5 AYES and 0 NOES and 0 ABSENT.

## XI. BOARD ACTION ITEMS:

1. **Review, Discuss, Receive and File the Enumeration of Financial Report for December 2019.** Item was presented by Interim General Manager/ Fire Chief Rob Roberson and asked that Statement of Expenditures Budget vs Actual; Item D not be received because the report was not the correct report and would answer questions as needed.

**Board Comment:** Director Sangster asked if D was the only part of this report that was not correct. Interim General Manager/ Fire Chief Rob Roberson voiced that all he was aware of. Director Sangster voiced that he would recommend getting a revised report for next month, and table the item. Discussion ensued. District General Counsel Siekaly asked if the whole item would be tabled for clarification. Interim General Manager/ Fire Chief Rob Roberson voiced that he did not see errors in the rest but did notice that item D was the incorrect report and with the Mid-Year Budget adjustment that was approved need to reflect in this report and voiced that he was not confident in the report.

Director Sangster voiced that he agrees and that the Board has not been given enough time to review the reports.

Director Green voiced that he would like to know when the incorrect reports would end.

**Public Comment:** None

Motion by Director Sangster to table Action item 1; Receive and File the Enumeration of Financial Report for December 2019.

Seconded by Director Kalvans. Motion was approved by Vote of 3 AYES and 1 NOES and 1 ABSTAINED.

**Board Comment:** Director Green asked if the Interim General Manager/ Fire Chief Rob Roberson could speak to why this is the way it is? Interim General Manager/ Fire Chief Rob Roberson explained that he doesn't have the full confidence that the financials are being addressed properly. Director Green voiced that the financials have been of no confidence for twelve years. Interim General Manager/ Fire Chief Rob Roberson explained that he has put mechanisms in place for review and in the last review meeting the financial reports had not been done and could not be reviewed. District General Counsel voiced that the item has been tabled and any other discussion on this topic would be a brown act violation and feels like this should be a closed session item. The discussion was stopped. Director Sangster asked that the board receive the reports on time for review and verification by the General Manager next month.

2. **Review and Approve Resolution 2020-02 awarding a 5-year contract with Monsoon Consultants to continue providing services as District Engineer** Item presented by Director of Utilities Kelly Dodds explaining that he has worked with the District's General Counsel on this contract and that it was not sent out as an RFP due to it being a renewal of

a contract. Director of Utilities Kelly explained that his rates have gone up and are still in line with cost and budget.

**Board Comments:** Director Sangster voiced that he was not happy that the contract was being brought to the Board of Directors on the month that the contract expires. Director Sangster voiced the increase is around 30 to 60 percent on some items and is looking to avoid another prop 218 to pay for such contracts. Director Sangster voiced that he had a few issues with the contract; one being he would like to know what the District Engineer has been paid yearly for the last three years for District Engineer work and in the contract itself there is no “term”. Director Sangster voiced that Section “J” says that any disputed would be worked out through a mediator and voiced that he would rather it read by litigated. The other issue Section” G” is service of copyright; (Reads aloud) and that his understanding of what he reads is that all the ownership is to stay with Monsoon and they have the ownership of the documents. Discussion ensued. Director of Utilities Kelly Dodds explained that he reads it as if the District doesn’t pay for documents in full, then the District would have limited use of the documents. District General Counsel agreed with Mr. Dodds in regards to section “G”. Director Sangster would like it clarified and voiced that he does feel that Dr. Reely is the right person for the Engineer position for the District. Director Kalvans voiced that he agrees with Director Sangster and feels that Dr. Reely goes above and beyond for the District. Director of Utilities Kelly voiced that he feels these things can be worked out. Discussion ensued about Purchasing Policy.

Director Parent voiced that the District should be thankful for Dr. Reely and Monsoon Consultants and what he has done for the District; voicing that he is at the top of his field and his prices are more than fair.

Director Sangster asked for the consensus to bring back in February.

**Public Comments:** Laverne Buckman San Miguel Resident voiced that she was shocked at the increase and doesn’t understand why the District would send him to the HOA meeting, due to his hourly rate. Director of Utilities explained that in Monsoon's current contract he was supposed to raise the rates six months after the last contract was signed and chose to keep them at the lower rate. The District has had a great deal from Monsoon for the last few years. Director Green asked to answer Mrs. Buckman’s question about having Dr. Reely at the HOA meeting and voiced that the Board asked Dr. Reely to attend the HOA meeting because he has the history and knowledge to answer all the questions about the design of the new WWTF.

*The consensus of the Board is to bring the District Engineer contract back at February regular meeting with amendments.*

3. **Discuss and approve Resolution 2020-03 authorizing the Director of Utilities to contract with DE Construction to make repairs to the liner in pond 2 at the Wastewater Treatment Facility at an estimated cost of \$8,500 and authorize a budget increase in an amount of \$8,500 to WWTP Maintenance.** Item presented by Director of Utilities Kelly Dodds informing the Board of Directors that he did get another quote, but the only other company is from Colorado and that would not work, DE Construction is in Visalia.

**Board Comment:** Director Palafox asked if the pond will or will not be needed for the new WWTF? Director of Utilities Kelly Dodds explained that it may or may not depending

on the Board's direction. Discussion ensued about the damage and what the options are for that pond.

Director Green asked about the budget and budget adjustments and if this was included? Director of Utilities Kelly Dodds explained that it was not included in the budget and could not be estimated for the need of the repair; at that time of budget approval.

**Public Comment:** None

Motion by Director Green to approve Resolution 2020-03 authorizing the Director of Utilities to contract with DE Construction to make repairs to the liner in pond 2 at the Wastewater Treatment Facility at an estimated cost of \$8,500 and authorize a budget increase in an amount of \$8,500 to WWTP Maintenance.

Seconded by Director Kalvans. Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSTAINED.

4. **Discuss and approve Resolution 2020-04 authorizing the Director of Utilities to purchase a replacement motor for pond 1 in an amount of \$8,736.00 including tax and shipping and authorize a budget increase in the same amount to WWTP Maintenance.** Item presented by Director of Utilities Kelly Dodds explained that this request is because the motor in pond 1 died and needed the whole assembly from pond 2 to use for pond 1.

**Board Comment:** Director Green asked for clarification on the ponds; and withdrew the question.

Director Sangster asked about insulation, and Director of Utilities Kelly Dodds explained that he is only asking for the cost of the motor because there is enough in the budget for installation.

Director Parent asked if the motor can be reused? Director of Utilities explained that it could be used anywhere and explained that the motor in pond 2 will be at end of life soon.

**Public Comment:** None

Motion by Director Green to approve Resolution 2020-04 authorizes the Director of Utilities to purchase a replacement motor for pond 1 in an amount of \$8,736.00 including tax and shipping and authorize a budget increase in the same amount to WWTP Maintenance.

Seconded by Director Kalvans. Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSTAINED.

5. **Discussion on status of Machado Wastewater Treatment Facility expansion and aeration upgrade project** Item presented by Director of Utilities Kelly Dodds updated the Board that he has finally found someone from the Railroad, and they have sent over an application to acquire the property discussed. Discussion ensued about the minimum offer of fifty-thousand dollars for each parcel and is only in discussion at this point. Director of Utilities Kelly Dodds updated the Board of Directors that he has had a meeting with USDA

about a loan for the WWTF and is working on getting all the information into a format they need and is hoping to also look at other option for help in the review of applications for state and federal grant funding. Director of Utilities Kelly Dodds updated the Board on the capacity in November the plant averaged 142,739 gallons per day (71% of hydraulic design capacity) with a max day of 186,073 gallons (93% of hydraulic design capacity).

**Board Comment:** Director Green asked if District was obligated to purchase the property if the offer is accepted, Discussion ensued about how it is only an offer due to the way the railroad works. Director Green also asked about lighting and fencing of the proposed road. Director Green asked if Gallo was interested in helping with the cost of the road. Director of Utilities Kelly Dodds explained that he has talked to the logistics company, and they expressed that they would look at helping with the grading of the dirt road.

Director Sangster asked if Mr. Dodds estimate of six-hundred thousand dollars includes everything. Director of Utilities Kelly Dodds explained that it doesn't include environmental or any permits if needed.

Director Palafox asked when construction would start on the new WWTF. Director of Utilities Kelly Dodds explained construction drawing is in progress and is hoping for construction to start by the end of the year. Discussion ensued about capacity.

Director Sangster voiced that the District needs to be cognizant that when we get to the process of awarding a general contractor to have continued liquidated damages wording in contract. Discussion ensued about having both incentives for completion and liquidated damages and how you can't have one without the other.

**Public Comment:** Laverne Buckman San Miguel Resident asked for clarification on the parcels from the Railroad. Director of Utilities Kelly Dodds explained it is about seven acres of land and is along the easement road and cannot be used for anything other than a road. Discussion ensued about the property is too small for houses and the other parcel is landlocked.

**Board Comment:** Director Green asked if the estimate agreement is worded that there would be no public access? Director of Utilities Kelly Dodds explained that it is worded that access is for District employees for access to the WWTF.

*Informational Item only*

6. **Continued discussion on the Fire Department Temporary Housing unit.** Item presented by Assistant Fire Chief Scott Young updating the Board of Directors that he had a meeting with the County Planning Department and was informed that using the donated modular for living space would not be HUD compliant. Discussion ensued about HUD compliance and what it would take to comply. Assistant Chief Young asked for Board approval to proceed in getting more information on new prefab modular living units.

**Board Comment:** Director Sangster voiced that he was not opposed to seeing more information on the "new" units. Discussion ensued about where the unit would be and if grading would need to be done.

Director Palafox asked if he was correct that at the last meeting it was okayed to modify the donated unit, and all county fees would be waived. Assistant Chief Young voiced that he was correct but after meeting with the County, the cost will exceed a new unit because of compliance issues.

**Public Comment:** None

*The consensus of the Board was to abandon the idea of modifying the donated unit and get more information on pricing on a prefab new modular and bring back for discussion in February.*

7. **Discuss and provide Direction on Land Tax speaker Rick Rybeck.** Item was presented by Director Kalvans informing the Board that the information is being given due to the consent of the Board to find someone that is an expert in this “Land Tax”. The report was submitted and Director Kalvans asked for any questions about the proposal to have Mr. Rybeck come to the District in a public meeting to answer questions.

**Staff Comment:** Assistant Chief Young asked if this “Land Tax” has ever been used in the state of California. Director Kalvans explained that Santa Ynez and the City of San Marcos each have used this kind of tax differently, and the proposal is a highbred of these together. Discussion ensued about land in the District.

Director of Utilities Kelly Dodds asked that in the report; it states that you would like this implemented and put on this year’s ballot in November, is that correct. Director Kalvans explained that there are only two options, one to put on this November ballot or wait for 2022. Discussion on timeline ensued and Director of Utilities explained that he would prefer it not to be rushed for November 2020 ballot. Discussion Ensued.

**Public Comment:** Laverne Buckman San Miguel Resident voiced that she would like to see proof that this would work for San Miguel. Mrs. Buckman voiced that the rest of the County is taxes the current way and would like to know if SLO County Tax Collector’s thoughts are because they collect the District taxes and don’t see an overall benefit. Mrs. Buckman feels that this needs to be better organized and much more information needs to be found out by the County of San Luis Obispo.

**Board Comment:** Director Sangster asked if the District General Counsel has looked at this proposal. District Counsel voiced that they have not been directed to look at the proposal.

Director Green asked if Director Kalvans feels that Mr. Rybeck could answer all these questions? Director Kalvans voiced that he feels that Mr. Rybeck is an expert in this kind of tax reform.

Director Parent asked how this tax is different from a vacancy tax? Director Kalvans explained that a “Vacancy Tax” is only on vacant lots. Director Parent voiced that he has no interest at this time in pursuing this due to the burden that it would put onto staff and the projects already in the works that need to be done including 10<sup>th</sup> & 11<sup>th</sup> Street water project, the 6-8 Million Dollar WWTF, MOU, and a long-overdue garbage ordinance.

Director Kalvans asked if it would be okay to view the Video – Consensus was to play Video: <https://www.youtube.com/watch?v=ok2uR3btMrE> .

Director Sangster asked for a consensus of the board to address the question on the table, to pay for Mr. Rybeck to travel to the District for a presentation and questions.

Director Green voiced that he would like to have Mr. Rybeck come to the District to answer the questions but feels that it is too tight of a timeline to put on the 2020 ballot.



**Public Comment:** Michelle Hido San Miguel Resident asked if Mr. Rybeck was local or out of town and would the cost be in total or expenses also. Director Kalvans explained that he is from Washington DC and his fee is \$1,500 plus expenses.

Laverne Buckman San Miguel resident voiced that if the District is considering having someone come that she would like to see their credentials on what makes them an expert on this topic and also invite other tax experts that could maybe be in the discussion; opposing sides.

**Board Comment:** Director Green voiced that he feels that Mrs. Buckman has a good point and asked if Director Kalvans has reached out to the “Howard Jarvis Foundation”? Director Kalvans voiced that he has talked with people associated with them and their stance is to fight tax reforms in Sacramento.

Director Sangster explained that he would like to have both sides to ask questions of. Interim General Manager/ Fire Chief Rob Roberson voiced by his calculations it would be around Three-thousand dollars to have Mr. Rybeck come to the District. Director Kalvans voiced that he would donate his time to facilitate his travel.

**Public Comment:** Michelle Hido San Miguel Resident asked if he could video call as District General counsel does? Director Kalvans voiced that in this case, he feels that it would be better to have the discussion face to face.

Laverne Buckman San Miguel resident voiced that she feels that this is too early and unorganized and needs to be discussed with the residence of the community.

**Board Comment:** Director Sangster would like to get information from the SLO County Assessor’s office.

Director Green asked why the District could not reach out to local County Assessor to get information before we fly him out from Washington D.C.

Director Kalvans voiced that he would like to watch the video to have more of an understanding.

Director Sangster voiced that he would like to go in the direction of asking questions from questions locally and approved watching the video.

Video: <https://www.youtube.com/watch?v=ok2uR3btMrE>

Discussion ensued. Information on lot sizes and how many voters you would need. Estimated that at 66% of the community would have to vote yes.

Director Kalvans voiced that he would like to just have the Board of Directors explore this option. Discussion ensued.

Director Sangster, called Point of Order and asked for an opinion to be made on the question on the table. Discussion ensued.

*The consensus of the Board is to have Director Kalvans get more information from the County of San Luis Obispo or any local information including Santa Ynez, and/or San Marcos. This information will be brought back to the Board for discussion and consideration.*

8. **Adopt Resolution 2020-05 approving the Memorandum of Understanding between the San Miguel Employee’s Association Confidential and Non-Confidential Units and the San Miguel Community Services District for the period of February 1, 2020, through January 31, 2023, and approve a 2019-2020 budget amendment.** Item presented Interim General Manager/ Fire Chief Rob Roberson updated the Board that the

agreement has been reviewed and all parties have agreed but would need a voice vote for ratification.

**Board Comment:** Director Parent voiced that this has needed to be approved and has taken far too long to be approved and voiced that after the public comment he will motion to approve.

Director Green voiced that he will second after public comment.

**Public Comment:** None

Director Parent Motioned to Resolution 2020-05 approving the Memorandum of Understanding between the San Miguel Employee's Association Confidential and Non-Confidential Units and the San Miguel Community Services District for the period of February 1, 2020, through January 31, 2023.

District General Counsel asked for clarification on what Director Parent Motioned.

Director Parent explained as written.

Director Sangster asked if everyone was aware of the amendments. Board Clerk explained that the final document with amendments are in the Board packet and that is the only document on the floor for consideration.

District General Counsel asked if the Budget Adjustment was still needed and asked about the resolution and if it had amendments made for the Budget adjustment. Board Clerk explained that the wording was changed to say no budget adjustment needed. District Counsel thanked the Clerk.

Director Parent withdrew his motion due to the confusion.

Motion by Director Green to approve Resolution 2020-05 approving the Memorandum of Understanding between the San Miguel Employee's Association Confidential and Non-Confidential Units and the San Miguel Community Services District for the period of February 1, 2020, through January 31, 2023.

Seconded by Director Kalvans. Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSTAINED.

**XII. BOARD COMMENT:** Director Kalvans voiced that he is filing the information on tax information and information on the District Master plan. Board Clerk received and filed. Director Parent voiced that he will no longer be participating in the District's closed session of this board and feels that it is an unethical organization and will only do business in the public view.

Director Sangster voiced that the Board would be going back into closed session. Board Clerk reminded the Board that when they come out of closed session, they would need to state that Direction was given to staff and that they would be returning to closed session at the end of the meeting. District General counsel voiced that it is correct that they cannot go back into closed session, due to it not being disclosed; due to Brown Act compliance.

**XIII. ADJOURNMENT TO NEXT MEETING:** Adjournment at Approximately 9:32 P.M.