

SAN MIGUEL COMMUNITY SERVICES DISTRICT  
 BOARD OF DIRECTORS  
 APRIL 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 – 6:00 P.M.
- II. Pledge of Allegiance lead by Director Kalvans.
- III. **Roll Call:** Directors Present: Sangster, Green, Palafox, and Kalvans  
 Directors Absent: None
- IV. **Adoption of Regular Meeting Agenda:**  
 Motion by Director Sangster  
 Seconded by Director Kalvans; Motion was approved by Vote of 4 AYES and 0 NOES  
 and 0 ABSENT and 0 ABSTAINED
- V. **ADJOURN TO CLOSED SESSION:**  
 Closed Session convened at 6:02 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. **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
    - 3. **PUBLIC EMPLOYMENT**  
 Title: Director of Utilities  
 Pursuant to Government Code Section 54954.5
    - 4. **PUBLIC EMPLOYMENT**  
 Title: Board Clerk/Account Clerk Manager  
 Pursuant to Government Code Section 54954.5

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

**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 Dervin, Direction was given to staff and there is no reportable action.

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

**VIII. Special Presentations/Public Hearings/Other:** Interview and appoint a new Director to fill the vacancy on District Board.

a) Ward Roney b) Raynette Gregory

Interim General Manager/Fire Chief Rob Roberson explained that there are two candidates and each candidate will have two minutes each to explain reasons why they should be appointed to the San Miguel C.S.D Board. Board Clerk asked Mrs. Gregory to step into the other room.

Mr. Ward Roney explained that he has been a part of a few boards in the past, the biggest being the Boy Scouts of America and Red Cross. Mr. Roney voiced that some of the budgets were in the range of 2.5 Million and has had a long line of volunteerism over the years. Mr. Roney has worked in the public sector as an ATF Officer, and a Firefighter with the US Forest Service. Mr. Roney voiced that he has been a part of the Fire District Council in Idyllwild, California.

Director Sangster thanked Mr. Roney and asked the three questions decided prior by the Board of Directors. Mr. Roney explained his time constraints and that he is part of the San Miguel Fire Department but is out on medical leave and doesn't see any time restraints that would be a problem. Board Clerk asked Mr. Rooney to step into the other room.

Mrs. Raynette Gregory explained that she has lived in the District since 1996 and is the owner of the Locatelli Winery. Mrs. Gregory explained that she would be a good fit for the Board because of her experience in owning her own business in San Miguel; she understands time management. Mrs. Gregory has been a charter member of the San Miguel Chamber and has been a Council Member at the San Miguel Archangel helping with financials.

Director Sangster thanked Mrs. Gregory and asked the three questions decided prior by the Board of Directors. Mrs. Gregory explained that she is opened during the evenings and her experience is in the private sector, but her financial experience would be a benefit to the District.

**Public Comment:** Board Clerk read aloud an email from Nichole Gerbasi San Miguel Resident asking that the Board of Directors appoint Ward Roney.

**Board Comment:** Director Kalvans voiced that it has been a long time since a lady has been on the Board. Discussion ensued.

Director Green voiced that reading both resumes Mr. Roney is more equipped to do the job, explaining that he has experience in the public sector and budgeting.

Director Sangster voiced that to do the job as a Director it takes a business sense and how to deal with budgets and feels that Mrs. Gregory has that experience.

Director Palafox voiced even thou Mr. Rooney has public sector experience; he feels that Mrs. Gregory has San Miguel in mind and is devoted to doing what is best for San Miguel. Director Kalvans voiced that he feels that Mrs. Gregory has devoted her time and money into San Miguel and is in it for the long haul. Discussion ensued by the Board of Directors.

**Public Comment:** None

Motion by Director Kalvans to appoint Raynette Gregory to the San Miguel Board of Directors for the remaining term of December 2020.

Seconded by Director Palafox. Motion was approved by Vote of 3 AYES and 0 NOES and 1 ABSTAINED

Interim General Manager thanked both candidates and voiced the Oath of Office with Mrs. Raynette Gregory.

#### **IX. STAFF & COMMITTEE REPORTS:**

1. **San Luis Obispo County:** Email updated COVID-19

**Public Comment:** None

**Board Comment:** Director Sangster asked staff and Board if they are all receiving Mr. Peschong's updates; voiced that update in Board packet was ten days old.

2. **Camp Roberts:** Army National Guard (LTC Horvath) No Report
3. **Community Service Organizations: San Miguel Firefighters Association,** Report by Michelle Hido Treasurer for the San Miguel Firefighters Association, informed the Board of Directors that the San Miguel Firefighters Association has purchased challenge coins and is looking at getting a memorial bell for "Bells Across America". Mrs. Hido voiced that she has been in contact with the County about who is responsible for the "Father Reginald Park" because the San Miguel Firefighter Association would like to discuss having a Dog Park. Discussion ensued with the Directors about the Community Services District's jurisdiction dealing with parks and that the SMCS D doesn't take care of the park. It was explained that the San Luis Obispo County engineering department pays for the water service at Father Reginald Park.

**Staff Comment:** Scott Young Assistant Fire Chief explained that the FFA was looking at the park due to location and explained the idea of the layout for small and large dogs.

**Public Comment:** Ms. Lori Gardner San Miguel Resident voiced that she thinks a Dog Park would be a great asset to San Miguel and would bring people off the freeway into the downtown area.

**Board Comment:** Director Kalvans voiced that he thought that Power Road would make a better "Dog Park". Discussion ensued about the land on Power Rd. Mr. Kalvans voiced that he would like to look into parks and landscaping plans and standards for maintenance.

4. **Interim General Manager:** Interim General Manager/ Fire Chief Rob Roberson updated the Board of the Director that last month's meeting was canceled due to COVID-19, the SMCS D has made several actions to ensure the safety of the District employees. Discussion ensued. Interim General Manager/ Fire Chief Rob Roberson also informed the Board of

Directors that FCCP 700 forms are due and that there has been an extension from April 1<sup>st</sup> to June 1<sup>st</sup>, and to please see the Board Clerk if any help is needed. It was explained that there are two emergency resolutions on the agenda and wanted the Board to understand that they are for the record and to get funding reimbursement from FEMA.

**Board Comment:** Director Sangster asked about cases in San Miguel. It was explained that at this time seven people in the San Miguel area have tested positive for COVID-19.

Director Green asked about the occupation of the positive cases. Interim General Manager/ Fire Chief Rob Roberson explained the information has not been released, yet. May 16<sup>th</sup> is the next evaluation period and every fourteen days after that.

Interim General Manager/ Fire Chief Rob Roberson explained how the utility collections are going for payments and staff will be watching accounts closely. Discussion ensued.

Assistant Chief Young explained the daily COVID -19 safety procedures that the District staff is using.

Director Green asked if the pay station that we are using now, could be useful after the pandemic. Interim General Manager/ Fire Chief Rob Roberson explained that it could with some upgrades.

Director Kalvans voiced that he wanted to thank the District staff for all they are doing for the community during this time.

Director Sangster asked about fees that are assessed to the customers and what the plan is when the executive order is lifted. Interim General Manager/ Fire Chief Rob Roberson explained that the District cannot assess late fees but when the executive order is lifted or changed the fees from that point can be assessed. Discussion ensued about the entities that are in the County that can help the customers and what the front office staff is doing for late payments contacts.

Interim General Manager/ Fire Chief Rob Roberson voiced the investment earnings and losses and explained that the Water Department has made it out of the negative as of March 2020. Discussion ensued, with Director Green asking how that could be? Interim General Manager/ Fire Chief Rob Roberson explained that after following the District Rate Study the Water Department is coming out of a deficit. The District Water Department has hired a Field Lead Operator Dustin Pittman. Mr. Roberson updated the Board of Directors on the Kallie Johnson case explaining that she has been back in court in April and that as General Manager he has sent in a letter about the displeasure in the time frame. The next trial date is set for June 30<sup>th</sup>, 2020.

**Public Comment:** None

5. **District General Counsel:** Presented by Counsel Dervin. ChurchwellWhite, LLC. Nothing to report at this time.

**Board Comments:** Director Kalvans thanked Mrs. Dervin for looking into Rossie information.

**Public Comments:** None

6. **District Engineer:** Written report submitted as-is. Dr. Blaine Reely asked for any questions.

**Board Comment:** None

**Public Comment:** None

7. **Director of Utilities:** Written report submitted as-is. Director of Utilities Kelly Dodds informed that the Board of Directors that Well 3 is down again and is not related to the initial failure, but thankfully the repairs that are needed are under warranty. The motor will need to be changed out to a different kind of motor, Discussion ensued Director of Utilities Kelly Dodds updated the Board of Directors that the yearly “Consumer Confidence Report” has been mailed out to all customers, and asked Directors to ask questions about the CCR if needed. The landscaping on Mission Street has been started and all the leaks have been fixed and wood chips placed; new drip irrigation will be installed with the donations from Awalt and Sons. Director of Utilities Kelly Dodds also explained that Dr. Reely and staff have been working on finding grant opportunities and have 6-8 that the CSD will be eligible for and to propose soon.

**Board Comment:** Director Sangster asked about the grant monies from the Chamber, and if they have been received by the District yet. Director of Utilities Kelly Dodds explained that the San Miguel Chamber has the money and has not released the monies and will be in touch with them, but due to the COVID-19, everyone has been unavailable.

Director Kalvans thanked the Utility staff for doing the landscaping and is impressed with how quickly it is coming along. Director Kalvans also asked Director of Utilities Kelly Dodds at what point is the return on Well 3 not working for the CSD. Director of Utilities Kelly Dodds explained that because it is all under warranty and is not paying out anything for the repairs, but he is moving forward with looking for new well sites and finding funding for the development of a new well within the District. Director Kalvans also asked if the Utilities Department has more positions to hire? Director of Utilities Kelly Dodds explained that he does have one position open; Wastewater Treatment Facility Lead Operator and explained that he did not get any qualified applicants. Discussion ensued.

Director Kalvans asked who will be writing the grants? District Engineer Reely explained that he will be working together with the Director of Utilities and staff in preparation for these grant proposals.

Director Sangster voiced that he is cautious with this COVID-19 and the future of grant monies being available. Dr. Reely explained that it should be a priority for the District to get the grant proposals; in sooner the better.

Director Green asked about the Utility Staff and how they are work distancing? Director of Utilities Kelly Dodds explained that the Wastewater Operator is on his own, but the two Water Utility employees have one truck and work in the field. Director Green asked about Fire U8630 and asked if that could be used. Discussion ensued about the District’s resolution of not mixing fire equipment with utility equipment. Director of Utilities Kelly Dodds will be monitoring the situation and the utility staff will do their best to work six-feet apart.

**Public Comments:** None

8. **Fire Chief & Asst. Fire Chief:** Fire Chief Rob Roberson, and Assistant Chief Young submitted the report as written. Fire Chief Roberson explained that two engines went in for maintenance issues. E8687 needed four shocks, and both had BIT inspections. Assistant Chief Young keeps the maintenance records and explained that E8668 will have maintenance done next. All engines are up to date at this time and explained that tires for E8696 will be looked at for replacement. Discussion ensued about why maintenance is needed for the Fire service and out of county requirements.

**Board Comments:** None

**Public Comment:** None

- X. **CONSENT ITEMS:** Director Green asked to pull items two and three for discussion. Board Clerk explained that due to executive order all consent items will need a voice vote. Consent items 2 and 3 will be discussed first.

1. **#3 Review and Approve Board Meeting Minutes**  
 a. 02-27-2020 Regular Board Meeting

**Board Comment:** None

**Public Comment:** None

Motion by Director Green to approve Consent items 1.a

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

2. **#1 Approving RESOLUTION 2020-09, assignment of banking powers for John Green, Anthony Kalvans, Ashley Sangster, Hector Palafox for District Bank accounts, and revoking banking powers for Joseph Parent.**

**Board Comment:** Director Green voiced that he would like to remove his name from Banking Powers; stating he has personnel business with Pacific Premier Bank. Discussion ensued about the situation.

**Public Comment:** Michelle Hido San Miguel Resident voiced that she has seen this issue with all banks and that you need to inform the teller that you are a Board signer.

Motion by Director Kalvans to approve RESOLUTION 2020-09 amended to revoke banking powers for John Green and Joseph Parent.

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

3. **#2 Review and Discuss Resolution No 2020-10 Declaring Hazardous Weeds a Public Nuisance within the District.**

**Board Comment:** Director Green asked if the Districts Fire Code, discusses mowing. Discussion ensued about the district regulations on weed abatement. The contractor that will be hired will be informed that work can only be done before 10:00 A.M. Assistant Fire Chief Scott Young voiced that last year's contractor was not invited back and explained ideas for future abatement.

Director Sangster asked about the District staff doing the abatement and discussion ensued. Staff would only work from 7 am to 10 am then go back to their regular duties.

Director Kalvans asked about the public hearing portion of the abatement. Compliance with public hearings and refuse and fuel management were discussed.

**Public Comment:** None

Motion by Director Green to approve RESOLUTION 2020-10 Declaring Hazardous Weeds a Public Nuisance within the District.

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

**4. #4 Review and approve RESOLUTION 2020-13 adopting job description and pay scale for Financial Officer position.**

**Board Comment:** None

**Public Comment:** None

Motion by Director Sangster to approve RESOLUTION 2020-13 adopting job description and pay scale for Financial Officer position.

Seconded by Director Kalvans. Director Sangster voiced he did have a change that needed an amendment.

Motion by Director Kalvans to reconsider the Motion for Consent Item #4

Seconded by Director Sangster to reconsider Consent Item #4. Motion was approved by Vote of 4 AYES and 0 NOES and 0 ABSENT and 1 ABSTAINED.

**Board Comment:** Director Sangster voiced that the Appendix is incorrect and needs to read; Appendix A is Financial Officer Salary Schedule & B is the Financial Officer Job Description.

**Public Comment:** None

Motion by Director Sangster to approve RESOLUTION 2020-13 adopting job description and pay scale for Financial Officer position with amendments to Appendix A is Financial Officer Salary Schedule & B is the Financial Officer Job Description.

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

**XI. BOARD ACTION ITEMS:**

- 1. Review, Discuss, Receive, and File the Enumeration of Financial Report for February 2020.** Item was presented by Interim General Manager/ Fire Chief Rob Roberson explaining that the District did not have a meeting in April so there will be two months to approve.

**Board Comment:** Director Sangster asked about the Claims Detail Report page 4 of 10 line-item 5545; Monsoon Consulting/ Engineering and asked why it reads “Mission Meadows Meeting”. Director of Utilities Kelly Dodds explained that it was not relevant and that item code 581 is for WWTF Project Management and voiced that invoices are

available for inspection by the Board of Directors. Director Sangster voiced that he understood but would ask that descriptions be more relevant in the future. Director Kalvans seconded that request.

Director Sangster asked about Statement of Expenditures page 4 of 7, line item 582 WWTF Plant Maintenance, and asked Director of Utilities what that expense was for, and the Director of Utilities explained that the main expenditure is for treatment pond liner repair and motor replacement. Director of Utilities Kelly Dodds did explain that the Board approved a budget adjustment by resolution that needs to be entered and will speak with the District Bookkeeper about the transfer.

**Public Comment:** None

Motion by Director Sangster to Receive and File the Enumeration of Financial Report for February 2020.

Seconded by Director Palafox. Motion was approved by Vote of 3 AYES and 0 NOES and 0 ABSENT and 2 ABSTAINED.

2. **Review, Discuss, Receive, and File the Enumeration of Financial Report for March 2020.** Item was presented by Interim General Manager/ Fire Chief Rob Roberson and asked for any questions.

**Board Comment:** Director Sangster asked about the staff report and the twenty-nine thousand to ChurchwellWhite, LLC. and why January and February billing was earlier than normal and that we are spending a lot on Legal and Accounting and explained that it is voiced as an observation for the record.

Counsel Dervin explained that ChurchwellWhite did send out the billing early due to the COVID-19 and leaving the offices; to work from home transition.

Director Sangster voiced that fourteen thousand was for Steinbeck litigation, Discussion ensued.

Director Kalvans voiced that he doesn't like sending more checks to Paso Robles, and in the future would not be in favor of using the City of Paso's terms for contracts.

Interim General Manager/ Fire Chief Rob Roberson voiced that he would like the Board of Directors to look at the Cash Report and under the Water Fund 50 – operational cash and explained that is where you can see the deficit recovery for the Water Fund 50.

**Public Comment:** None

Motion by Director Sangster to Receive and File the Enumeration of Financial Report for March 2020.

Seconded by Director Kalvans. Motion was approved by Vote of 3 AYES and 0 NOES and 0 ABSENT and 2 ABSTAINED.

3. **Receive and discuss presentation on proposed Fiscal Year 2020-21 Operation and Maintenance Budget for San Miguel Community Services District.** Item presented by



Interim General Manager/ Fire Chief Rob Roberson explaining that this is the first review of the proposed budget for Fiscal Year 20-21 and asked for questions and comments.

**Board Comments:** Director Palafox asked about Landscaping and the Lighting fund, Director of Utilities Kelly Dodds explained that the funds for maintenance are included in the lighting fund budget if the Board of Directors chooses to assume landscaping obligations.

Director Sangster asked about Object 352, page 2 of 19 of the current budget, and asked about the increase from last year to this year's budget line for fire. Assistant Fire Scott Young voiced that this year the Fire Department will need to look at getting construction documents and that is why they have increased that budget line item.

Director Kalvans voiced that he has had some concerns with the financial future of the District and met with the Director of Utilities Kelly Dodds and explained that he is pleased with the current proposed budget and sees that San Miguel is in good shape; Director Kalvans thanked the staff. Director Kalvans explained that he would like to discuss looking at getting a rate study done sooner than is required; would like to look at the fund structure for repairs that will be needed as the community grows; specifically funding for the replacement of water and sewer lines that are getting very old. Discussion ensued about infrastructure and identifying funding structures for repairs. Director of Utilities Kelly Dodds voiced that during his meeting with Director Kalvans they discussed how to pay for future infrastructure and the failing water and sewer lines; explaining newer developments like Mission Meadows and Mission Heights are now sixteen years old. Discussion about an additional tax for residence and looking at a new rate study that would be incorporating CIP that each customer would pay into. Projects will need to be identified and a discussion about if each block could pay for themselves in repairing the master water and sewer lines and having these projects identified will make it easier to get funding. Director Kalvans explained that he would like to discuss the development of connection fees and CIP funding. Director of Utilities Kelly Dodds explained that it takes a whole community to make the repairs to any water and sewer lines as needed. Discussion ensued about the divide in the community between the terrace and the downtown area regarding funding. Director Kalvans voiced that he would like to continue this discussion as an item on the next agenda and would also like to talk about a District Master Plan.

Director Sangster voiced that there will never be away for one group of residence to pay for a complete replacement and as he understands how it works is that the District's Capital Money pays for the aging infrastructure and that is why it is pooled into a fund for repairs. Director Green voiced that it would not be legal to ask any homeowner to fund the lines in front or behind their homes and feels that it would have to be disclosed. Discussion ensued. Director Kalvans explained that large cities do put a charge on the tax bill and use facility districts to achieve that, as an example. Discussion ensued.

Director of Utilities Kelly Dodds explained that the District will need to start looking forward for the funding of infrastructure and will need to be looked at and to remember that all capital projects are outside of the Operational and Maintenance budget.

Director of Utilities Kelly Dodds explained that during the last budget the Board asked that proposed rate increase be brought forward to get an update on the proposed rate increases scheduled and if they needed to continue with the structured rate increases; information has been put in the staff report and discussion ensued about that Wastewater is at 68% and Water is at 80% revenue and a little under where we should be and explained that by July

it will be recovering and should be at 95-100%. The rate study increases are performing as expected and should be continued. Director of Utilities Kelly Dodds asked for any questions regarding the rate increase schedule purposed by the rate study.

Director Kalvans asked for a consensus of the Board to have staff look at options for long term stability with a capital project for infrastructure funding.

Director Green asked what kind of funding method it would be; a new rate study? Director of Utilities Kelly Dodds explained that the District will need to do a new rate study starting in the fiscal year 2022-23. The question is should we look at doing one sooner, and that it would need Board approval to have staff look into it.

Director Green voiced that the community would not be in favor of doing a new rate study before it is time.

Director Sangster agreed and feels that it would be a waste of District finances.

Director Kalvans feels that even if we do not do a rate study before it 2022 the District will still need to look at new construction fees and voiced the state of California is looking at removing collection fees for new construction as they have for ADU's. Director of Utilities Kelly Dodds voiced that he is asking if he could get a consensus to looking into the options. Director Palafox would be okay with having staff look into different options for funding of capital improvement projects.

Director Gregory voiced that she would also like the staff to look into the options for capital funding; District master plans and voiced that the district has put that aside for too long.

Director Green voiced that he is not in favor of a new rate study but as long as it is reasonable, he would be okay with staff looking into options.

**Public Comment:** None

*Consensus of the Board of Directors is to have staff look into options for capital funding for infrastructure*

**Staff Comment:** Director of Utilities Kelly Dodds explained that he is looking for any changes for the proposed budget and asked that if any of the directors have changes to email the Interim General Manager Rob Roberson. The budget will be brought back in May for approval and public hearing.

**Public Comments:** None

**4. Review and approve RESOLUTION 2020-11 declaring a local emergency and temporarily authorizing an increase in authority for the Interim General Manager.**

Item presented by Interim General Manager explaining that this only while we are in an emergency. The cost increase is for extraordinary circumstances.

**Board Comment:** Director Sangster voiced that he did have issues with section three. Discussion ensued.

Director Kalvans voiced that it would have to read "consensus with the whole board" and asked legal what they thought about the resolution.

Interim General Manager Rob Roberson explained that this is only for protecting the District and is only valid for the duration of the Declaration of Emergency by the State and that he has no problems with the consensus of the whole Board, and feels he will not need the increase in funds.

Director Kalvans again asked for a District Counsels opinion, about section two.

Counsel Dervin explained that during the State of Emergency it opens the door for funding and has seen emergency provision and it being a very narrow issue; being the” COVID-19 issue only”. Counsel Dervin voiced that in a state of an emergency, it is not always feasible to contact the Board of Directors individually. Discussion ensued about this being an emergency COVID issue only. Interim General Manager Rob voiced that the main importance if this declaration is to be able to claim reimbursement with FEMA and not rely on the County to disperse the funds as they see fit, and explained that it is a safety net for the District. Discussion ensued.

**Public Comment:** None

Motion by Director Sangster to approve RESOLUTION 2020-11 with an amendment to section 2 that this emergency declaration would be for only COVID emergency and to have it read “with notification to the whole Board”.

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

- 5. Review and approve RESOLUTION 2020-12 suspending the late payment charges and discontinuation of Water and Sewer service for nonpayment.** Item presented by Interim General Manager/ Fire Chief Rob Roberson explaining that this resolution is in line with the state executive orders and would only be good through June 30, 2020 billing cycle.

**Board Comment:** Director Palafox asked what would happen when this is lifted and how long customers would have to pay the back three months. Board Clerk/Accounts manager explained that the staff is contacting customers and finding arrangements. It was explained that during this time no penalties are being assessed and no shutoffs are being done, but when this is over the customers will still be expected to pay their past-due water and sewer bill.

Director Green asked that this is only being done because of the COVID-19 issues. Interim General Manager explained that it is because of the executive order by the State of California Governor’s Office and would like to keep a record with Board approval.

Director Gregory asked if the District could get reimbursed for the lost revenue with the Penalties. Interim General Manager/ Fire Chief Rob Roberson explained that not yet but has heard that legislation is being looked at by the state.

**Public Comment:** None

Motion by Director Green to approve RESOLUTION 2020-12 suspending the late payment charges and discontinuation of Water and Sewer service for nonpayment.

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

- 6. Review and approve RESOLUTION 2020-08 adopting revising Purchasing Policy to include required language.** Item was presented by Interim General Manager/ Fire Chief Rob Roberson he explained that Director Sangster has worked with staff on sections 5 and

6 of the policy. The only sections amended are Section 5.0 Quotations and Bids for the Formal Bidding Requirements are for Purchase of Materials and Supplies, and Construction. Section 6.0 Professional Services was amended to reflect the guidelines outlined in Section 5.0 and explained that he was sorry that there is no redline, due to the last document being locked; it all had to be retyped.

**Board Comment:** Director Sangster explained what the difference between the RFP (request for proposal) and RFQ (request for quote) process would be. Interim General Manager/ Fire Chief Rob Roberson read-aloud section 4.0 on page 171. Discussion ensued about the best value and the wording needed with District Counsel. After the discussion with Counsel Director Sangster voiced that he was okay with the language amendments in the policy.

**Public Comment:** None

Motion by Director Sangster to approve RESOLUTION 2020-08 adopting revisions to the San Miguel C.S.D Purchasing Policy.

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

7. **Review and approve RESOLUTION 2020-14 approving a contract Monsoon Consultants to update the water and wastewater master plans and to create a Recycled water master plan in an amount not to exceed \$12,500** Item presented by Director of Utilities Kelly Dodds explaining that as the District progresses through funding opportunities for the WWTF expansion as well as other water and wastewater related projects it will be increasingly important that our Master Plans are current and align with our goals and priorities for the District. Mr. Dodds explained that one of the most significant changes that are needed is the incorporation of Recycled water production and distribution within the District. The overall total of a not to exceed would be \$12,500 and explained that after a discussion with Director Kalvans will incorporate more of the CIP with long term projects.

**Board Comment:** Director Green asked if this was in the current budget? Director of Utilities Kelly Dodds explained that it was not, but funds are available for this update.

Director Palafox asked about the recycled water and asked if it was in the old master plan? Dr. Reely explained that the distribution portion was included but the treatment portion was included in the current master plan.

Director Kalvans asked if it would cost more money to look at Co-Gen for cutting down energy costs for the wastewater plant. Dr. Reely explained that previously there was grant funding available and explained that the funds ran out very quickly and that the District was not looking at Co-Gen at that time, so never submitted for grant funding.

Dr. Reely explained that in this water and wastewater masterplan, he would like to link the potential funding applications, and feels that it will be a benefit to the grant funding process. Discussion ensued.

**Public Comment:** None

Motion by Director Kalvans motioned to approve RESOLUTION 2020-14 approving a contract Monsoon Consultants to update the water and wastewater master plans and to

create a Recycled water master plan in an amount not to exceed \$12,500 with the addition to add CIP with long term projects and Co-gen energy.

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

- 8. Review and approve Resolution 2020-15 approving a proposal from DUDEK in an amount not to exceed \$71,900 for Environmental Consultant Services for preparation of CEQA and NEPA documents for the WWTF expansion and proposed recycled water pipeline alignments.** Item presented by Director of Utilities Kelly Dodds, explaining that in February of 2020, the District released a formal Request for Proposal for an Environmental consultant to provide environmental services, including technical studies and related state, regional and federal permit applications for the Machado Wastewater Facility Expansion and Upgrade; and at the end of the proposal period four proposals that met all the requirements of the RFP and Dudek had the lowest proposed cost of all the proposals at \$71,900.

**Board Comment:** Director Sangster voiced that he had reviewed the proposal and feels that DUDEK is a reasonable price, and asked if they are familiar with DUDEK and if references have been verified? Dr. Reely explained that they have a great reputation and is one of the larger firms and has seen their work many times, but has never worked with them directly.

Director Kalvans voiced that he is in favor of approving and voiced that he has witnessed many lawsuits over CEQA & NEPA. Director Kalvans voiced that the kick-off meeting reads Pasadena and needs to be changed.

Director Palafox asked if DUDEK has references working with the recycled water for purple pipe? Dr. Reely explained that they do have experience in recycled water.

Director Green voiced that in the future agenda to have Dr. Reely items closer together, so he doesn't have to say too long.

**Public Comment:** None

Motion by Director Sangster to approve Resolution 2020-15 approving a proposal from DUDEK in an amount not to exceed \$71,900 for Environmental Consultant Services for preparation of CEQA and NEPA documents for the WWTF expansion and proposed recycled water pipeline alignments.

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

- 9. First reading of proposed *ORDINANCE 01-2020* SMCSO Fire Code for ratification by the San Luis Obispo Board of Supervisors** Item presented by Assistant Fire Chief Scott Young informing the Board that the purpose of this ordinance is to formally adopt the 2019 California Fire Code including Amendments, Errata, Appendix's A-N, and Local Ordinance 01-2020 as the bases for all Fire, Life & Safety items for ratification by the County of San Luis Obispo Board of Supervisors. Assistant Fire Chief Scott Young voiced that section 5-exceptions ii was removed and section 17 was added.

**Board Comment:** Director Green asked about the Terrace burning and how it was ever allowed within the District boundaries. Assistant Fire Chief Scott Young explained the difference between the District boundaries and the URL boundaries. Discussion ensued.

Director Green asked to have section 5-A amended to read “800 square feet” and feels that it was changed at some point; voicing that he remembers it being 800 square feet. Assistant Fire Chief Scott Young explained that he had looked back to 2013 and doesn't see changes ever made; voicing that Chief Snow had a zero square foot exemption. Fire Chief Rob Roberson explained that it had never been above 500 square feet, Discussion ensued.

Director Kalvans voiced that he remembers an appeal from a resident asking to go above 500 square feet. Discussion ensued.

Director Gregory voiced that she would like to see an agriculture aspect for requirements to sprinkler agriculture buildings, and feels the District is opposing the same regulations to agriculture as to small parcels. Discussion ensued about fire sprinklers in agricultural buildings, and Assistant Fire Chief Scott Young said he would look into it but that it could not be part of the fire code ordinance, explaining this ordinance is not building authority but is fire authority.

Director Green again asked for an amendment to section 5-A and would like it to read 600 square feet to give room on each side of a two-car garage and asked Board if they would have an issue with the change. Discussion ensued about the size of garages, and if the Board of Directors would agree to the changes proposed by Director Green.

Fire Chief Roberson voiced his opposition to changing the square footage of section 5-A. Director Kalvans asked about inspections of older homes, and Assistant Fire Chief Scott Young explained that we do not inspect existing single-family homes; unless they get a building permit. Director Kalvans also asked about Fire access roads and Assistant Fire Chief Scott Young explained that all plans go through an inspection process and understand his concerns example being given as Jazzy Town developments fire access road is a private road. Discussion ensued about new developments and fire access roads and the maintenance of the roads in new developments. Discussion ensued about getting consensus to change Section 5-A.

**Public Comment:** None

*Consensus of the Board is to change Section 5-A to read 600 square feet.*

- 10. Continued discussion on the Fire Department Temporary Housing unit.** Item presented by Assistant Fire Chief Scott Young informing the Board that this is an ongoing informational item and explained that he has had tried to contact Chief Jalbert regarding the possible purchase of the temporary housing for station 30 currently located at the North County Sheriff station and has yet to get any response.

**Board Comment:** Director Green asked about the floor plan of the station 30 temporary housing. Discussion ensued about the layout and that it was just an inquiry at this point.

Director Gregory asked where this would be located. Assistant Fire Chief Scott Young explained that it would be next to the current fire station.

Director Palafox asked about the parcels from the County, Discussion ensued Chief Roberson explaining that there is paperwork that the County will be sending, and those parcels are years away from the CSD acquiring.

Director Green asked about the “N” Street property. Chief Roberson explained that it is up for sale for fair market value and will not be acquired by the District.

Director Klavans voiced that he is in favor of the Sheriff being in San Miguel, and would like to move forward in getting them space here as soon as possible.

**Public Comment:** None

*Informational item only*

- 11. Discussion on status of Machado Wastewater Treatment Facility expansion and aeration upgrade project.** Item presented by Director of Utilities Kelly Dodds updating the Board of Directors that in March the plant averaged 150,745 gallons per day 75% of hydraulic design capacity with a max day of 197,394 gallons 99% of hydraulic design capacity. In April 2020 they Submitted Preliminary Engineering Report to USDA for review for Grant/ Loan funding.

**Board Comment:** Director Palafox asked about the 11 months to go and when he would see construction started. Director of Utilities Kelly Dodds explained that the design has to be done, and we should be ready to start construction, early next year. Director of Utilities Kelly explained the background and that the State theorized that the District would be at the limit and that is what started us down the path of a new WWTF. If the District surpassed the capacity of the current treatment facility the District would technically be in violation but explained that the likelihood of being fined will be a lot less if we are working toward a solution. Director of Utilities Kelly explained that if the District is daily exceeding the capacity the treatment plant the District WWTF would technically be being “washed out”, meaning that you are not treating anything at that point and would have to bring in “baker tanks” that would create an artificial pond, to get the extra hydrologic capacity needed.

**Public Comment:** None

*Informational item only*

- XII. BOARD COMMENT:** Director Kalvans voiced that he would like to move forward into the new fiscal year with prioritizing a District Master Plan and feels that the District needs to look forward and plan for long term issues. Mr. Kalvans voiced that he is worried about the local economic interest. Discussion ensued about the Oceano Fire District.

Director Green asked from the Board of Directors to be excused for the next three meetings and explained that he might not go but wanted to ask and would keep the General Manager informed. The consensus of the Board is to excuse the absences.

- XIII. ADJOURNMENT TO NEXT MEETING:** Adjournment at Approximately 10:57 P.M.