



BOARD OF DIRECTORS

Ashley Sangster, President Anthony Kalvans, Vice-President
 Ward Roney, Director Hector Palafox, Director Raynette Gregory, Director

REGULAR MEETING MINUTES

6:00 P.M. Closed Session 7:00 P.M. Opened Session
SMCSD Boardroom 05-27-2021

I.	Call to Order:	6:02 PM
II.	Pledge of Allegiance:	Kalvans
III.	Roll Call:	<i>Sangster, Kalvans, Roney (arrived at 6:10PM), Palafox, Gregory (arrived at 6:15PM)</i>

IV. Approval of Regular Meeting Agenda:
 Motion by: Director Kalvans
 Second by: Director Sangster
 Motion: Voice vote

Board Members	Ayes	Noes	Abstain	Recuse	Absent
A. Sangster	X				
A. Kalvans	X				
H. Palafox	X				
R. Gregory					X
W. Roney					X

Public Comment for items on closed session agenda
 None

V. ADJOURN TO CLOSED SESSION: Time: 6:03 PM

A. CLOSED SESSION AGENDA:

- CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**
 Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Confidential Complainant
- PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
 (Pursuant to Government Code §54957) Title: Interim General Manager/Fire Chief
- PUBLIC EMPLOYMENT**
 Title: Interim General Manager/Fire Chief; Pursuant to Government Code Section 54954.5
- CONFERENCE WITH DISTRICT GENERAL COUNSEL-ANTICIPATED LITIGATION**
 Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: White Oak

VI. Call to Order for Regular Board Meeting/Report out of Closed Session 7:00 PM
 Time: 7:07 PM

Pledge of Allegiance: Video part 1/8 time: 00:02

- Report out of closed session by District General Counsel (WhiteBrenner, LLP) Video part 1/8 time: 00:10
 - GM Evaluation completed – above satisfactory review Video part 1/8 time: 00:45
 - Direction was given to staff

VII. **Public Comment and Communications for items not on the Agenda:** *Video part 1/8 time: 01:23*
 Owen Davis asked about Memorial Day flags, the next rate increase, sewage costs.
 Laverne Buckman comment on lack of public participation, size of meeting agendas, adding agenda key points into the monthly billing.

VII. **Special Presentations/Public Hearings/Other:** *Video part 1/8 time: 08:29*

1. **PUBLIC HEARING:** Consider Adoption of Resolution No. 2021-13 Adopting the FY 2021-22 Operations and Maintenance Budget.

Recommendation: After Public Hearing; Approve Resolution 2021-13 Adopting the FY 2021-22 Operation and Maintenance Budget.

Public Comments:

Laverne Buckman concerns about Water and Sewer accounts, rate increases, Water Treatment Facility project.
 Owen Davis comment regarding the rate increase.

Director Sangster closed the public hearing, board discussion ensued

Board Discussion:

Director Roney comment about future community growth and development.

Director Kalvans comment on staff work on the budget. Comment to looking at options at the next rate study.
 Request for future budgets to have a budget summary sheet similar to Templeton's.

Director Gregory asked for clarification on the current rate study.

Director Sangster asks about the overall reserves destination. Budget changes since the proposed budget and final budget.

Director Kalvans suggests in the future we budget higher in maintenance and replacing infrastructure/pipes.

Motion by: Director Sangster

Second by: Director Rooney

Motion: to approve Resolution 2021-13 as presented

Board Members	Ayes	Noes	Abstain	Recuse	Absent
A. Sangster	X				
A. Kalvans	X				
H. Palafox	X				
R. Gregory	X				
W. Roney	X				

<p>IX. Staff & Committee Reports – Receive & File:</p> <p>Non-District Reports:</p> <ol style="list-style-type: none"> 1. San Luis Obispo County Sheriff Caron Verbal 2. Camp Roberts—Army National Guard None 3. Community Service Organizations – SMFA Verbal <p>District Staff & Committee Reports:</p> <ol style="list-style-type: none"> 4. Interim General Manager (Mr. Roberson) Verbal 5. District General Counsel (Mr. White) Verbal 6. District Engineer (Dr. Reely) Report Attached 7. Director of Utilities (Mr. Dodds) Report Attached 8. Fire Chief (Chief Roberson) Report Attached <p>Public Comments:</p> <p>Owen Davis commented on projected project costing during this inflation</p>	<p><i>Video part 2/8 Time: 24:32</i></p> <p><i>Video part 2/8 Time: 25:00</i></p> <p><i>Video part 3/8 Time: 04:37</i></p> <p><i>Video part 3/8 Time: 06:44</i></p> <p><i>Video part 4/8 Time: 05:01</i></p> <p><i>Video part 4/8 Time: 05:11</i></p> <p><i>Video part 4/8 Time: 18:25</i></p> <p><i>Video part 4/8 Time: 19:35</i></p>
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<p>X. CONSENT CALENDAR:</p> <ol style="list-style-type: none"> 1. Review and Approve Board Meeting Minutes <ol style="list-style-type: none"> a) 3-25-2021 Regular Board Meeting b) 4-16-2021 Special Board Meeting c) 5-6-2021 3rd Strategic Planning Informal Work Session- Fire d) 5-13-2021 4th Strategic Planning Informal Work Session- LAFCO <p>Board Comment:</p> <p>Director Sangster noted a name spelling correction in item A.</p> <p>Motion by: Director Sangster</p> <p>Second by: Director Rooney</p> <p>Motion: to approve as amended</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Board Members</th> <th style="text-align: center;">Ayes</th> <th style="text-align: center;">Noes</th> <th style="text-align: center;">Abstain</th> <th style="text-align: center;">Recuse</th> <th style="text-align: center;">Absent</th> </tr> </thead> <tbody> <tr> <td>A. Sangster</td> <td style="text-align: center;">X</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>A. Kalvans</td> <td style="text-align: center;">X</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>H. Palafox</td> <td style="text-align: center;">X</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>R. Gregory</td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">X</td> </tr> <tr> <td>W. Roney</td> <td style="text-align: center;">X</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Board Members	Ayes	Noes	Abstain	Recuse	Absent	A. Sangster	X					A. Kalvans	X					H. Palafox	X					R. Gregory					X	W. Roney	X					<p><i>Video part 4/8 Time: 27:06</i></p>
Board Members	Ayes	Noes	Abstain	Recuse	Absent																																
A. Sangster	X																																				
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W. Roney	X																																				

XI. BOARD ACTION ITEMS:

Video part 4/8 Time: 28:37

1. **Review, Discuss, Receive and File the Enumeration of Financial Report for April 2021** (Dodds)
 - A. Claims Detail Report
 - B. Statement of Revenue Budget vs Actuals
 - C. Rev Budget vs Actual Summary
 - D. Statement of Expenditures Budget vs Actual
 - E. Cash Report

Public Comments:

Laverne Buckman concerned about 1) the conflict of interest with Dodds (district purchaser) doing the financials, 2) the procedures the last audit recommended are not being followed, 3) an equipment list inventory is being tracked, 4) the US Bank credit card not on the statement, 5) how the fuel card use is tracked, 6) wants the board to see the auditor’s recommendations list

Board Comment:

Director Sangster find a better line item for the property rental.
 Director Roney asked about the cost of chlorine.

Motion by: Director Sangster

Second by: Director Kalvans

Motion: Approve Item 1 sections B, C, D, E. Tabled Item A to be revisited at June board meeting.

Board Members	Ayes	Noes	Abstain	Recuse	Absent
A. Sangster	X				
A. Kalvans	X				
H. Palafox	X				
R. Gregory	X				
W. Roney	X				

Video part 5/8 Time: 23:20

2. **Review and approve Resolution 2021-14 authorizing the Director of Utilities to contract with B&T Service Station Contractors in an amount not to exceed \$105,000 to provide a turnkey fuel tank and fuel management system at the Machado WWTF and authorize a budget adjustment in an amount of \$120,000 divided equally from all Funds (object 500) from capital reserve. (Dodds)**

Recommendation: Approve Resolution 2021-14 authorizing the Director of Utilities to contract with B&T Service Station Contractors and authorizing a corresponding Budget adjustment.

Public Comments:

Laverne Buckman asked for clarifications about the costs
 Scott Young asked about fuel taxes
 Owen Davis said that he gets his tank for free from Eagle Energy

Board Comment:

Director Gregory clarification on the tank size

Director Sangster asked about the lowest bids lack of information. Clarification on CSD needs and fuel use.

Director Kalvans asked about campaign fire in the area and if they would use the fuel

Director Sangster wanted to know about the warranty period and the terms and conditions

Director Roney feels that we will need to do this eventually, and with costs going up on everything the costs won't be lower. Feels it's a priority.

Director Kalvans asked how long the pricing is good for

Director Sangster would like the RFP to be run again so that the lowest bidder can be helped to do it correctly

Status: Table item and the Director of Utilities will re-run RFP

Video part 6/8 Time: 31:58

3. **Review final project report for 10th and 11th street waterline replacement project and approve RESOLUTION 2021-15 accepting this completed project. (Dodds)**

Recommendation: Review final project report for 10th and 11th street waterline replacement project and approve Resolution 2021-15 accepting this completed project.

Public Comments:

None

Board Comment:

Director Kalvans asked about the past 16th Street project

Director Sangster asked about change orders

Motion by: Director Sangster

Second by: Director Kalvans

Motion: To accept the final report, approve Resolution 2021-15 and accept the completed project.

Board Members	Ayes	Noes	Abstain	Recuse	Absent
A. Sangster	X				
A. Kalvans	X				
H. Palafox	X				
R. Gregory	X				
W. Roney	X				

Video part 7/8 Time: 07:34

4. **Adoption of RESOLUTION NO. 2021-16 authorizing the abatement of weeds within the District boundaries.**
(Young/ Roberson)

Recommendation: Staff requests that the Board hold a discussion to consider objections to the “Notice to Remove, Destroy, and/or Abate Vegetation, Rubbish and Debris”, overrule any objections and adopt Resolution No 2021-16 authorizing Fire Chief to have weed abatement work performed.

Public Comments:

None

Board Comment:

Director Sangster asked about the fire safety notice in the May's Utility bill

Motion by: Director Roney

Second by: Director Kalvans

Motion: Motion to approve Resolution 2021-16 authorizing abatement of weeds within the District boundaries

Board Members	Ayes	Noes	Abstain	Recuse	Absent
A. Sangster	X				
A. Kalvans	X				
H. Palafox	X				
R. Gregory	X				
W. Roney	X				

Video part 7/8 Time: 11:14

5. **Continued discussion on the Fire Department Temporary Housing unit** (Young)

Recommendation: Discuss the status and next steps for the Fire Department Temporary Housing unit

Public Comments:

None

Board Comment:

Director Gregory asked about sourcing the building

Informational Item only. See Status Report.

Video part 7/8 Time: 19:30

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

Recommendation: Discuss the status and next steps of the Machado Wastewater Treatment Facility expansion and aeration upgrade projects.

Public Comments:

None

Board Comment:

Director Kalvans asked about the number of bids

Informational Item only. See Status Report.

XII. **BOARD COMMENT:**

Video part 7/8 Time: 27:33

Director Kalvans asked for a date for the 5th Strategic Planning Work Session. Wednesday July 7th 2021 6:00pm
Kelly Dodds would like a Special Meeting about the SMCS D Utilities Dept

XIII. **ADJOURNMENT TO NEXT REGULAR MEETING**

11:04 PM

Video part 8/8 Time: 00:10