

SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
JANUARY 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 – 6:00 p.m.
- II. Pledge of Allegiance lead by Director Parent.
- III. **Roll Call:** Directors Present: Green (10 min. late), Parent, Buckman, Kalvans (13 min late), Sangster.

District Staff in attendance: Rob Roberson, Tamara Parent, Kelly Dodds, Paola Freeman and District General Counsel White and Seikaly.

- IV. **Adoption of Special Meeting Agenda & Swearing in & Oath of Office:**
Interim General Manager/Fire Chief Rob Roberson gave the Oath of Office to ASHLEY SANGSTER the newly appointed Board Member from January 18th special Board Meeting with term ending November 6, 2018.

Motion by Director Buckman to adopt Regular Meeting Agenda.

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

- V. **ADJOURN TO CLOSED SESSION:**
Closed Session convened at 6:03 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 section 54957(b)(1)
Title: General Counsel (Summary will be emailed to ChurchwellWhite)
- 3. **PUBLIC EMPLOYEE APPOINTMENT**
Pursuant to Government Code section 54957(b)(1) Title: General Manager

4. CONFERENCE WITH DISTRICT GENERAL COUNSEL-ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:(1 case)

5. CONFERENCE WITH LABOR NEGOTIATORS (Pursuant to Government Code Section 54954.5(f) and Government Code Section 54957.6)

District Representatives: District General Counsel, Director Kalvans, and Director Green.
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: 7:02 P.M.
Report out of Closed Session by District General Counsel: Nothing to report.

VII. Public Comment and Communications for matters not on the Agenda:
No public comment.

VIII. Special Presentations/Public Hearings/Other:

1. Presentation by Bartle-Wells:

Draft of San Miguel Water and Wastewater Rate Study proposal.

(PowerPoint on file at District Office and Website: [Board of Directors Regular and Special Meetings Meeting - San Miguel C.S.D.](#))- *click on link*

Erik Helgeson, from Bartle-Wells presented a PowerPoint updating the Board of Directors on the SMCS D Rate Study for the water & wastewater funds and Prop 218. To comply with Prop 218 District will have to proceed with implementation for the new rates and an adoption notice will need to be mailed to the public that sits 45 days and then the District will hold a public hearing. At that time the public can protest and if 51% of the public/customers protest then the rate and prop 218 cannot be adopted.

Discussion ensued with direction from the Board to bring back modifications and would like to discuss the Capital Projects list.

Staff was asked to send the San Miguel Community Plan that was passed by the County Board of Supervisors in 12/2016 to Bartle-Wells.

Bartle-Wells would like to start scheduling time for public workshops and get feedback from the Directors.

Board Comments: Director Green and Director Buckman voiced their concern with the large increase, and would like to discuss capital projects list to find ways to cut the large increase proposed.

Director Kalvans agrees with putting signal family and multi family residence as one rate, considering how the town has been build and/or zoned.

Director Parent would like to proceed with public outreach as soon as possible and the public needs to understand the projects that need to be done within the District.

Director Sangster would like to look at options knowing that this rate increase is for worst case scenario and make it more palatable for customers with keeping in mind that we need to be getting out a deficit and would like to look at the Capital Projects list priorities.

IX. STAFF & COMMITTEE REPORTS:

1. **San Luis Obispo County Sheriff** Introduction of Commander K.Scott
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 No Report
5. Camp Roberts—Army National Guard (LTC Kevin Bender) Report Attached
6. **Interim General Manager:** Verbal Report updating the Board of Directors on the river bed clean up and that the District will be using a chainsaw training class to help with clearing. Interim General Manager Rob Roberson explained that it is a larger project than expected and will take multiple clean up days. Front office camera update is that some cameras are working at this point and will inform the Directors when the other cameras are up and running. SLOCOG has asked for input on projects that the District would like to put on the Transportation Plan. Director Green asked that we talk to SLOCOG about putting street lighting up by “Park & Ride”
Interim General Manager Rob Roberson explained that due to confidentiality issues that the District will only be sending emails to the Directors at their district email addresses.
Board Comments: None
Public Comments: None
7. **District General Counsel:** Presented by Counsel White. ChurchwellWhite, LLC. has nothing new to report.
Board Comments: None
Public Comments: None
8. **District Engineer:** Written report submitted as is. Blaine Reely asked for any questions.
Board Comments: None
Public Comments: None
9. **Director of Utilities:** **Board Comments:** Written report submitted as is.
Board Comment: None
Public Comments: None
10. **Fire Chief:** Fire Chief Rob Roberson, updates the Directors pointing out that in the report there is a comment about calls not being responded to. Chief Roberson wants the Directors to understand that we do have firefighters show up for the calls but you do need two people to go on the call. The increase of 18% over the last year, and availability all have a part in lack of response. Chief Roberson will be bringing back alternatives to response issues.
Board Comments: None
Public Comment: None

X. CONSENT ITEMS:

Director Green asked to pull Item #4 of the consent items for discussion.

Item 1, 2 & 3 of the Consent Agenda.

Motion by Director Kalvans to approve and pass items 1, 2, and 3 of the consent items.

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

1. Review and Approve Board Meeting Minutes
 - a) 11-16-2017 Regular Meeting Minutes (change to page 4 from Director Reuck to Director Parent)
 - b) 12-14-2017 Regular Meeting Minutes
2. Approve **Resolution 2018-03**, Updating SDRMA Workers' Compensation coverage for Governing Body members, and Volunteer Firefighters. Section 3363.5 California Labor Code.
3. Approving **RESOLUTION 2018-09**, assignment of banking powers for John Green, Gilbert Buckman, Anthony Kalvans, Joseph Parent, Ashley Sangster, and Interim General Manager Robert Roberson for District Bank accounts and revoking banking powers for all others. (Revoking banking power of Darrell W. Gentry, Larry Reuck, Travis Dawes, and any others)
4. * Approve design option for a change to the District logo.
Board Comment: Director Kalvans voiced his approval of new District Logo. Director Green voiced his concern about the details for patches, Chief Roberson explained that he will get a proof and sample before anything is produced for patches.
Public Comment: None

*Item #4 Motion by Director Kalvans to Approve design option for a change to the District logo

Seconded by Director Sangster. Motion was approved by Voice 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 2017

Item presented by Interim General Manager Rob Roberson and Bookkeeper Paola Freeman, explaining that this item is in the action items for discussion. District Bookkeeper Paola Freeman, updated the Directors on what she has been working on. The District has eight bank accounts and she has reconciled 6 of the eight. Payroll taxes are done from 16/17 that has resulted of a 15k overpayment error. The 1099 went out today and W-2 will go out next week. Mrs. Freeman explained that she does have the adjustment from the District Auditor and explains that there are 2 full pages of adjustment that need to be done and hopes to get those adjustment done by end of February. The District has \$1,645,269.71 in bank today. Paola asked the Directors to

consider getting rid of Rabobank, they are very difficult to deal with. Paola provided an update on the CD's that the District has with the investment firm Cantella.

District Bookkeeper Paola Freeman would also like the Directors to understand that they have to be available for check signing. Discussion ensued about bank signers.

Board Comments: Director Green asked if the District could bank with a Credit Union.

District Counsel White was asked and he said that yes, but would need board action.

Director Parent asked for clarification on why the District has so many accounts, it was explained to him by Director Green that it had to do with FDIC insurance.

Director Green asked that staff consider Golden One Credit Union.

Director Buckman asked with that amount of money in the bank and wanted to know how Director Parent came up with the deficit amount he was speaking about during rate study discussion. Director of Utilities Kelly Dodds explains that the money in the bank is a combination of the Operating fund and Capital Fund for Water, Wastewater, Lighting, Fire.

Director Buckman wants to make sure that Bartle Wells knows about this money for the rate study. Mr. Dodds and Mrs. Freeman assured Director Buckman that Bartle Wells does know about the combination of money, and are kept up to date.

Public Comments: None

Motion by Director Kalvans to Receive and File the Enumeration of Financial Report for December 2017

Seconded by Director Buckman. Motion was approved by vote of 5 AYES and 0 NOES and 0 ABSENT.

2. **Review and approve Resolution 2018-02 authorizing the purchase of a Trailer Mounted Sewer Jetter from Jetter Northwest in amount Not to Exceed \$41,397.40 to be funded from the Wastewater Capital Reserve fund.**

Item Tabled for future meeting

3. **Review and approve Resolution 2018-06 authorizing \$27,798.86 for the purchase and installation of a new well pump, motor, column, and controls at Well 3 from Aqua Engineering. And authorize a budget adjustment to Water Fund Well 3 Rehab (50-425) in the same amount, transferring funds from Water capital reserve.**

Item presented by Director of Utilities Kelly Dodds, updating the Board of Directors about the findings on the Rehab of Well 3 and money that was previously approved at last meeting. Mr. Dodds explained that the Well was pulled and the casing was in great shape, but all the bearings in the pump are seized and it is a total loss of bearings and pump. The proposed new well pump, motor, column, will give an additional 200 gallons a minute of water, and will allow for sounding to get an accurate water level reading.

Board Comment: Director Buckman asked, if \$27k for all. Mr. Dodds explained he is using previously approved money. \$27,798.86 + \$7,700.00. Directors understood.

Director Kalvans asked what the life span was on this Pump. About 10-15 years Director of Utilities explained.

Director Parent asked about shielding. He was informed that Staff had asked Awalts & Son's about that, and they said that there is not much they can do in the well when it came to shielding.

General Manager asked with the higher volume does the pump have to sit deeper in the well? How deep is the well? What is the water level? What level does the pump sit at? Mr. Dodds explained that the well is 290 ft., water table is 80ft, and pump will sit at 280 ft.

Public Comments: None

Motion by Director Buckman to Approving **Resolution 2018-06** authorizing \$27,798.86 for the purchase and installation of a new well pump, motor, column, and controls at Well 3 from Aqua Engineering. And authorize a budget adjustment to Water Fund Well 3 Rehab (50-425) in the same amount, transferring funds from Water capital reserve.

Seconded by Director Parent. Motion was approved by vote of 5 AYES and 0 NOES and 0 ABSENT.

4. **Review and approve Resolution 2018-05 authorizing the Director of Utilities to enter into an agreement with Monsoon Consulting for the Update and audit of the District's Sewer System Management Plan (SSMP) in an amount not to exceed \$28,000. And authorize a budget adjustment to Wastewater Fund Sewer System Management plan (40-575) in the same amount.**

Item presented by Director of Utilities, Kelly Dodds explaining that this update to the District's Sewer System Management Plan (SSMP) is past due and needs to be done as soon as possible. The last update was done in 2010, and updates needs to be done every 5 years.

Board Comment: Director Parent asked if part of the price is to get the District caught up and if we got caught up would the next SSMP be less of a cost? District Engineer Blaine Reely, explained that "yes", the next SSMP would be less, and that this would get us caught up and if nothing significantly changes in the collection system, the cost should be significantly less.

Public Comments: Laverne Buckman San Miguel resident, asked a question about funding and understands that District Staff is asking for a budget adjustment, and feels that budget adjustment is usually done at mid-year. She would like to know where the money is coming from if not from Capital Reserves. Director of Utilities Kelly Dodds explained that in this instance it would be additional operating money that was not budgeted for that would have to be spent. It would not be Capital Money transferred to pay for this because it is not considered a Capital Project.

Board Comment: Director Green asked if the District's budget would have to be changed.

Director of Utilities Kelly Dodds explained that by approving this expense you would be approving the change in the budget. Mr. Dodd's agrees that a scheduled time for budget adjustment needs to be scheduled at a regular time each year.

Director Parent asked if the District is under any regulatory requirements because this does have to do with RWQCB. District Engineer, explained that at this time we have not been fined but it's just a matter of time, and feels that we do need to update the District's Sewer System Management Plan (SSMP) as soon as possible to be compliant. Discussion ensued.

Motion by Director Buckman to Approve Resolution **2018-05** authorizing the Director of Utilities to enter into an agreement with Monsoon Consulting for the Update and audit of the District's Sewer System Management Plan (SSMP) in an amount not to exceed \$28,000. And authorize a budget adjustment to Wastewater Fund Sewer System Management plan (40-575) in the same amount.

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

- 5. Review and Approve Resolution No. 2018-07 authorizing the Director of Utilities to contract with Monsoon Consulting to develop plans and specifications for the replacement between Oak Drive and the SLT water tank at a cost not to exceed \$13,500. And authorized a budget adjustment and transfer from Capital Reserve to Water Fund Professional services engineering (50-326) in the same amount**

Item presented by Director of Utilities Kelly Dodds, updating the Directors that this item is for engineering and environmental review only. Director of Utilities Kelly Dodds explained that on Jan 7th the line had a critical failure, between Oak and SLT. Discussion ensued. The District utilities staff were able to turn off the water line before any violation accrued. Mr. Dodds explained that to replace this water line will be approximately \$108,000.

Board Comment: Director Green asked the location of the approximately 1400' of AC water line? Director of Utilities explained the location. Discussion ensued.

Director Kalvans expressed that he had brought the San Lawrence Terrace water lines up during the approval of the Water & Wastewater Master Plans.

Motion by Director Kalvans to Approve Resolution No. **2018-07** authorizing the Director of Utilities to contract with Monsoon Consulting to develop plans and specifications for the replacement between Oak Drive and the SLT water tank at a cost not to exceed \$13,500. And authorized a budget adjustment and transfer from Capital Reserve to Water Fund Professional services engineering (50-326) in the same amount

Seconded by Director Parent. Motion was approved by vote of 5 AYES and 0 NOES and 0 ABSENT.

XII. BOARD COMMENT:

Director Green asked if Director of Utilities could call MME about the Jetter and make sure the parameters are correct. Green feels that we could get a better deal.

XIII. ADJOURNMENT: 9:34 P.M.