



BOARD OF DIRECTORS

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

REGULAR MEETING MINUTES

**6:30 P.M. Closed Session 7:00 P.M. Opened Session
 SMCSD Boardroom 07-22-2021**

I.	Call to Order:	6:30 PM
II.	Pledge of Allegiance:	Kalvans after closed session
III.	Roll Call:	<i>Sangster, Kalvans, Gregory</i> ABSENT: Roney, Palafox

IV.	Approval of Regular Meeting Agenda:				
	Motion by:	Director Kalvans			
	Second by:	Director Sangster			
	Motion:	Voice vote			
	Board Members	Ayes	Noes	Abstain	Recuse
	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: <u>6:31 PM</u>
A.	CLOSED SESSION AGENDA:	
1.	CONFERENCE WITH DISTRICT GENERAL COUNSEL-ANTICIPATED LITIGATION Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: White Oak	
2.	CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Confidential Complainant	

VI.	Call to Order for Regular Board Meeting/Report out of Closed Session 7:00 PM	
	Time:	<u>7:04 PM</u>
	Pledge of Allegiance:	Kalvans Video part 1/5 time: 00:04
1.	Report out of closed session by District General Counsel (E Dervin- WhiteBrenner, LLP)	
1.	Direction was given to staff	

VII.	<u>Public Comment and Communications for items not on the Agenda:</u> Board Clerk read aloud Public Comment form Laverne Buckman (SM District Resident)- Comment re: June and July Financial report, Attorney Fees for District, and Possibility for Full-Time General Manager Owen Davis (SM District Resident)- Spoke about Director of Utilities using district vehicles, Public Records Request- 1 Incomplete, Fuel tanks, credit card charges, the Project on 10th and 11th Street. - Board Response by AS: Reason for Kelly's truck daily use- liability, can't have back and forth Paola Freeman (Monterey County Resident) – Read aloud petition for new full-time General Manager (see record on file.)	Video part 1/5 time: 00:59
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VIII.	Special Presentations/Public Hearings/Other: NONE	
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IX.	Staff & Committee Reports – Receive & File:	Video part 1/5 time: 17:10
	Non-District Reports:	
1.	San Luis Obispo County Sheriff Caron Sherriff Report -AS read aloud- June 2021 179 Total Calls for Service, 3% Uptick in Overall Calls (record on file)	VERBAL
2.	Camp Roberts—Army National Guard (Mitten)	NONE
3.	Community Service Organizations Public Comments:	NONE NONE
	District Staff & Committee Reports:	
4.	Interim General Manager (Mr. Roberson) Rob GM read aloud- Moving Agenda Items re: Water Treatment Facility & 2021 Financials to August Meeting; Staff Report re: Michelle, Rachael (new hire) , Tamara; Covid report- New Cases, Office Restrictions; Switching from Paychecks to Black Mountain; IT Security; Retention Policy; Board Training; Sold 8687 Fire Engine, Engine 8668 On Fire with 3 Man Crew, District Coverage, Spending on HR Necessary Public Comments:	VERBAL Video part 1/5 time: 18:55 NONE
5.	District General Counsel (Mr. White) District Counsel Erin Dervin spoke: Regards to LAFCO Annexing/ Creating Community Facilitys District, County or Lafco would be in Control, State Aid for Utilities (Consolidated Appropriations Act of 2021) - Board response by AK: Follow up with LAFCO/County Involvement Public Comments:	VERBAL Video part 1/5 time: 28:30 NONE
6.	District Engineer (Dr. Reely) Report Submitted as Written Public Comments:	Report Attached Video part 2/5 time: 00:01 NONE
7.	Director of Utilities (Mr. Dodds) Director of Utilities Kelly Dodds spoke: Well Status (Average 11 Running Hours), Resource Severity Stage 1 Determination (17 hours), Voluntarily ask District customers to curb water use, install additional wells, Stages 1, 2, and 3 of determination, homes with more usage may need to cut back on usage, Drought Tolerant Landscaping, think long term about long term cutbacks, more water sources, aware of L St. leak in alley - Board Response by AS: Requesting/Requiring Water Usage Conservation - Board Response by AK: Tips for Conservation - Board Response by RG: Does County have program for regulating lawn usage KD Responded: Cash for Grass Program & Process (www.slocountywwcp.org) - Public Comment by Gib Buckman (SM District Resident): Asked about water wells that dropped and if they have.	Report Attached Video part 2/5 time: 00:20

- Public Comment by Owen Davis(SM District Resident): \$750,000 SLT Well, Run Pipe through Cagliero Property, Run Well 48hrs, Would like Well Tested before new Well, voiced that rates keep going up and doesn't like it.

KD Responded: Wells have dropped normal amounts (1.5ft) and have come back, Water Pumping at the SLT well for 2hrs, working with State, reduce Arsenic level

8. Fire Chief (Chief Roberson) Report Attached [Video part 2/5 time: 20:32](#)
 As submitted
 Public Comments: NONE

X. CONSENT CALENDAR: [Video part 2/5 time: 20:55](#)

AK asked to pull item 1. Pg. 18 stated AK voted but AK was absent
 Public Comment: None

1. **Review and Approve Board Meeting Minutes** [Video part 2/5 time: 22:20](#)

a) 6-24-2021 Regular Meeting Minute

Motion by: Director Sangster
Second by: Director Kalvans
Motion: 6-24-2021 Regular Meeting Minutes approve as amended

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

2. Approval of **RESOLUTION No. 2021-18** approving a rate increase from \$5.22 per HCF to \$5.38 per HCF for construction hydrant meter usage to be retroactive to July 16th, 2021

[Video part 2/5 time: 22:50](#)

Board Comment: None
 Public Comments: None

Motion: by Director Kalvans to approve RESOLUTION No. 2021-18 by voice vote

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

XI. BOARD ACTION ITEMS: [Video part 2/5 time: 23:30](#)

1. **Review, Discuss, Receive and File the Enumeration of Financial Report for May 2021** (Dodds)

- A. Claims Detail Report MAY (tabled from June meeting and revised)
 - i. Claims Detail Report APRIL (tabled from June meeting and revised)

Board Comment by AS: Pg. 41 April US Bank statement not there, corrected AS actually wanted March

- Response by KD: Pg. 63 April was paid in May, discussion ensued about the need to have USBank March bill. And will be brought back for review on 8/19/21.

Report Submitted Same- Expenses are as Shown- Final Payment for 11th St Waterline Project

- B. Statement of Revenue Budget vs Actuals (tabled from June meeting)
- C. Rev Budget vs Actual Summary (tabled from June meeting)
- D. Statement of Expenditures Budget vs Actual (tabled from June meeting)
- E. Cash Report (tabled from June meeting)

Board Comment:

AS asked about Expense Page 63 CDW- both routers are for MDC project for the engines
 - KD- through our IT provider; if we need something we source. Paying directly/save mark-up.

Public Comments:

Owen Davis (SM District Resident): Why did we pay lawyer \$30,000 month after month. Voiced that it was a lot of money. What was it used for?

- AS responded that it is a lot of money, they do general legal, research, public records requests and other legal issues.

Owen Davis: Asked how much for research?

Paola Freeman (Monterey County Resident): voiced that she thought it was \$3,000 and the meeting was cancelled.

Motion by: Director Kalvans

Second by: Director Sangster

Motion: To Receive and File the Enumeration of Financial Report for May 2021. And bring back March.

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

[Video part 3/5 time 06:59](#)

2. **Review and approve contract with Rob Roberson as Interim General Manager/ Fire Chief (Dervin)**

Erin Dervin: White Brenner; Rob Roberson acting as Fire Chief/GM since 2018 contract 2 years exp may 2021, continuance of Exhibits A & B this contract has no benefits and is \$83,978.60 as a dual-position.

Board Comment:

- Board Response by AS: A few provisions needed for clarification on job descriptions.
- Response by Mr. White: Exhibits are not necessary for approval and May be adjusted later
- Board Response by RG: Contract job description is changeable

Discussion ensued on changes to job description

Recommendation: Approve contract with Rob Roberson as Interim General Manager/ Fire Chief

AS recommend to update Job Description of Contract

AK & RG leave as is

Erin Dervin recommends contract be approved by the Board

Public Comments:

Owen Davis (SM District resident): Argues current GM is unqualified and unfair, and has fired an employee without cause. Voiced that he would like contract to be month to month.

District General Council White responds: Comments being made are out of lack of knowledge, and is a district personnel issue discuss in closed session

Motion by Director Kalvans: to approve contract as amended.
 Second by Director Gregory Motion Fails
 AS motions for 10 min recess before voting
 RG: No AK: AS: Retracts motion.

Motion by: Director Kalvans
Second by: Director Gregory
Motion: To approve contract Interim General Manager/ Fire Chief

Status: Failed. Director Kalvans requests to bring it back to next 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 4/5 time 10:14](#)

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

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

- Rob Responds: ground samples done on July 2nd, results not back, might need to out-source
- AS voice that he would like the timeline for samples and the need them before moving forward. Discussion ensued.

Public Comments: NONE

[Video part 4/5 time: 12:50](#)

4. **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.

KD reads aloud: Average inflow, In June the plant averaged 143,399gallons per day (72% of hydraulic design capacity) with a max day of 167,486 gallons (84% of hydraulic design capacity), Finally will have results from Dudek, meetings with USDA and Water Board, need the environmental report to move forward with Design and funding, would most likely be paying inflated prices, meetings to go over MBR plan, need terms & conditions for Public Works Projects approved

Public Comments:

Owen Davis (SM District Resident): Feels that the treatment plant upgrades and amenities don't need to be updated. The community can't afford it.

Board Comment:

AS responded: a lot of the cost is in the MBR

GM Roberson: called point of order: not a discussion

AK- Dudek lack of response is outrageous, costing more with inflation, biggest cost is interest rate, Dudek better have answers

AS- Discussion about liquidated damages ensued from general provisions for contract, timetable does not work because of the delay, how is MBR going? Are we in production schedule? Delivery time?

Discussion ensued about the timeline and public works standard terms and conditions.

XII. BOARD COMMENT:	Video part 4/5 time: 30:28
Meeting Times: 8-19-2021 Special Meeting and 8-26-2021 GSA Regular Meeting. 9-6-2021 Board Training AS: Voiced that he would like to make Financial Officer a contract position	

XIII. ADJOURNMENT TO NEXT REGULAR MEETING	Approx 9:45 PM	Video part 5/5 time: 06:30
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