



**SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS**

MARCH 24, 2016 SPECIAL and REGULAR MEETING MINUTES

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

- I. Call to Order:** 6:03 PM
- II. Pledge of Allegiance:** Director Kalvans
- III. Roll Call:** All Members Present

IV. Adoption of Special and Regular Meeting Agendas

Director Kalvans made a motion with an amendment to add an item concerning CSDA nomination process for Board information to adopt the Special and Regular Meeting Agendas for Closed and Open Sessions as presented. Seconded by Director Reuck. **Motion with added item related to CSDA nominations was approved by roll call vote, 5-Ayes (Buckman, Dawes, Green, Kalvans, Reuck) and) 0-Noes.**

- V. Public Comment and Communications (for items not on the agenda):**
There was no public comment.

President Green announced that the Board is adjourned to Closed Session.

VI. ADJOURN TO CLOSED SESSION: 6:10 PM

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*

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Board Members made several remarks regarding enforcement of speed limits in community, River Road, and parking conditions on Mission Street related to special events.

A public request to speak on this matter was made by Richard Smithens. President Green recognized Mr. Smithens and invited his comments.

Richard Smithens commented about speeding on River Road and asked if there was anything that the Board could do about the speeding problem. Mr. Smithens also asked how the housing funding gets distributed. Director Kalvans replied by describing the formula approach that involves funds going to Disadvantaged Communities (D.A.C.) based on income, needs, population criteria. President Green replied to Mr. Smithens that the District has no authority for vehicle or traffic code enforcement and advised him to contact the CHP directly.

There were no further public requests to speak or comments heard.

X. Consent Calendar

President Green introduced Consent Calendar and requested that any Director wishing to pull an item for further discussion to speak out now.

Director Reuck asked to pull Item 16.a for a minor correction to minutes.

Director Dawes asked to pull Item 16.e for a question and clarification.

Director Kalvans made a motion to approve Items 16 b – d for approval of remaining Board Meeting minutes. Motion was seconded by Director Buckman. Motion carried by voice vote, **5 AYES and 0 NOES.**

Item 16.a -- Director Reuck asked to pull Item 16.a for a minor correction to correct the motion maker for an item on December 17 2015 minutes. Director noted that he seconded the motion by Director Buckman nominating Director Green for Board President, not Director Kalvans as indicated.

General Manager noted the correction for these minutes. Board was advised to consider an amendment to correct these minutes in a motion to approve.

There were no further comments or changes to the December 17 2015 minutes.

Director Kalvans made a motion to amend and approve the December 17 2015 as discussed. Motion seconded by Director Buckman. Motion was approved by roll call vote, **5 AYES (Buckman, Dawes, Green, Kalvans, Reuck) and 0 NOES.**

Item 16.e -- Director Dawes asked for clarification by Board about Item 16 e February 25 2016 meeting minutes. He commented that the minutes did not seem to reflect his memory of events and asked the Board if they recalled it differently.

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No Board Members offered any comments.

Director Dawes made a motion to approve the February 25 2016 meeting minutes. Motion was seconded by Director Kalvans. Motion carried by a voice vote – **5 AYES and 0 NOES**.

XI. Board Action Items:

18. Review and Discuss approving **Resolution No 2016-12** authorizing stipend pay increases for Fire Department line positions

President Green excused himself from the meeting at 8:00 pm for reasons stated as uncertainty about status with the Fire Department that might be perceived as a potential conflict. Vice-President Reuck assumed agenda order of business until President Green's return.

General Manager Gentry introduced the Agenda Item giving a short overview of item intent and purpose with Staff's Recommendation to Board. GM also indicated that this request had been reviewed by F & B Committee which had recommended that Board approve this stipend increase. GM asked Fire Chief Roberson to make the full report and recommendation.

Chief Roberson briefly reviewed the background information provided in a supplemental Staff Report. Chief Roberson briefed the Board on the rationale for an increase and cited the changes in State minimum wages over the years, especially January 1, 2016. The recommendation and request would affect Fire Department line personnel only and be effective for 2 years instead of 5 years mentioned in Staff Report.

The proposed increase would use a multiplier factor for future increases that would be tied to State increases in minimum wages. Chief Roberson explained the proposed wage multiplier and challenges associated with recruitment and retention. This proposed stipend increase would improve the District's ability to attract and retain volunteers for the Department.

Chief Roberson also explained the additional compensation for EMT Certification, Class B CDL, After hour calls, training drill attendance, Half Day and Full Day Standby and General work assignments. He ended his report by restating the Staff's Recommendation to approve the Resolution and authorize stipend pay increase for specified line positions.

Director Reuck had no questions but did comment that this increase was long overdue and thanked firefighters for all they do. Director Kalvans asked what other fire agencies were or had done regarding stipend pay levels. Director Kalvans also commented about how well the firefighters perform and represent the District.

Chief Roberson presented the Board Members with a handout that explained what other fire agencies have done or are doing. He also spoke about the various distinctions at Cayucos, Templeton, Cambria, 5 Cities and SLO County Fire in pay for full time and part time personnel which SMCS D does not currently possess.

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Director Dawes asked if the minimum wage increase was state or federal. Chief and GM stated that the January 1 2016 increase was a State requirement. Director also asked how many fire personnel had Class B CDL. Fire Chief replied that 3 firefighters currently have Class B but the department should have more Class B drivers. These changes may provide an incentive to obtain such licenses. Assistant Fire Chief Dodds also spoke about the importance of providing the proposed incentives.

Vice-Chair Reuck announced that was the time for public comments.

Laverne Buckman asked to speak to Board. She commented that she was in favor of the stipend pay increase and the added incentives.

Scott Young asked to speak to Board. He spoke in favor of proposed increase and commended the Department for all it had done over years, including his own participation as a volunteer. Mr. Young also spoke about the importance of training, which is a function of drill time and training incentive being offered.

Richard Smithens asked to speak to Board. He spoke in favor and how valuable the department had been over the years, especially the department's performance level under Chief Roberson.

Vice-Chair brought the discussion back to the Board.

Director Dawes asked Fire Chief added questions regarding the multipliers. He questioned whether or not these could be lowered from recommended figures. Chief Roberson replied that these figures were calculated based on how other fire departments had done for the change in State minimum wage increase and remaining equal or ahead of such increases by State. There was added discussion by Director Dawes about the incentives being increased from what is proposed as an offset to lowering the stipend multiplier. Chief and GM replied that lowering the multiplier factors could result in failing to match what the State does in the future. Lowering the factors and increasing the incentives for added compensation are not equal in what Director Dawes is outlining. Further discussions were in response to this line of exchange.

There were no further questions by Board.

Director Kalvans made a motion to approve Resolution No 2016-12 as recommended in Staff's Supplemental Report with a recommendation for a 2 year term and that an annual review by Finance & Budget Committee be done. Motion was seconded by Director Dawes. Motion was approved by roll call vote, **4 AYES, 0 NOES and 1 ABSTAIN** (Green).

Director Green re-entered Meeting Room and resumed as Board President at 8:56 PM.

President Green introduced the next agenda item.

19. Review and Consider Resolution No 2016-11 approving revisions to Will Serve Letters, procedures and fees.

General Manager Gentry introduced the Agenda Item giving a short overview of item intent and purpose with Staff's Recommendation to Board. This item had been referred by to Committee for further revisions. GM also indicated that this request had been reviewed by E & F Committee which had recommended that Board approve the added changes which included changes to parade permit fee and minor changes to Will Serve Letter procedures and fee schedule. GM asked Utility Supervisor Dodds to make the full report and recommendation to Board.

Mr. Dodds stated that this request had been previously reviewed by Board but was referred back to Committee to address the Board's desired changes as well as the various public comments about specific fees to be charged, particularly the parade permit and banner hanging charges. The E & F Committee reviewed a revision to fee schedule and recommended that the Board approve the attached Resolution adopting the changes to Will Serve Letter procedures and deleting any parade permit fees from the schedule.

Utility Supervisor Dodds reported to Board the procedural changes to Will Serve Letter procedures that affect fees charged for new construction and development projects, various inspections done by District utility and fire staff during and after new construction or a development project occurs. He further described the internal process for plan check reviews, various inspection required by District and County regulations that would apply immediately upon approval of the attached Resolution.

Staff recommended that the Board approve Resolution No 2016-11 approving revisions to District Will Serve Letter and Inspection procedures and fees.

President Green asked if there were any Board questions of staff prior to any public comment. Director Dawes asked Utility Supervisor if these fees apply to someone who has a line break. Mr. Dodds replied that these fees and procedures would not apply in that situation, only applies to new construction or land development. Director Green asked Staff to comment about the fee for temporary disconnection (door hangers) charge of \$5.00. Utility Supervisor replied that this charge is applied to a contractor performing connection construction that may or does have a scheduled disruption in service that requires residential or non-residential notice of shut down. The contractor pays this charge, not the District customers. Director Green also asked about lowering or deleting the costs for water/wastewater inspection by Supervisor and deleting the charge for an Operator to do an inspection. Utility Supervisor replied and explained that currently the Supervisor position does the inspections, not the Operator but in the future, there may be a shifting of duty to a trained Operator based on operational need. There was added discussion about lowering of Supervisor inspection fee to \$50.00 instead of charging \$75.00.

Director Kalvans thanked staff for modifying the requirement for parade permit fees and leaving fees as they are presently.

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President Green announced that now was the time for public comment.

Laverne Buckman asked to speak and asked a question about connection fees. Utility Supervisor replied to Board that connection fees are not a part of the Will Serve procedures or fees. There was no further public comment.

There was brief discussion about Board accepting the changes for water/wastewater inspection fee charges by deleting the inspection by Operator category and lowering the fee charge for inspection by Supervisor to \$50.00.

Director Reuck made a motion to approve Resolution No 2016-11 with an amendment to fee schedule charges for inspection as noted by Board and approve Will Serve Letter procedures and fee charges. Motion seconded by Director Buckman. **Motion was approved by roll call vote of 5- AYES and 0 NOES.**

20. Review and Discuss Mid-Year Adjustments to FY 2015-16 Operations and Capital Projects Budgets and approve Resolution No 2016-13 authorizing recommended budget adjustments.

President Green introduced the next agenda item and asked Staff to present a report to Board.

General Manager Gentry presented a report for performing a Mid-Year Adjustment to FY 2015-16 Budgets for Operations and Capital Projects. The requested mid-year adjustments were reviewed by Finance & Budget Committee at its March 23 2016 meeting. General Manager reported that the Committee recommended the proposed mid-year adjustments to the Board for approval. The total of the proposed adjustment is \$170,000 that is broken down as Option 1: \$67,750.00 re-allocated from Fund Accounts—Operations budget item and a reserve appropriation of \$102,250.00. GM also outlined two options for the Board to consider. Option 1 was the one recommended by Finance & Budget Committee and by General Manager. Option 2 was developed using all funds from Water Capital Reserves that had been requested by Committee as a comparative for the Board.

General Manager reported that the extraordinary expenses are associated with added legal costs for District's defense in the Steinbeck litigation, the MOU Agreement and negotiations as well as personnel matters pending from PERB processing. Staff provided a detailed breakdown of Fund account adjustments needed and as recommended by F & B Committee.

Staff recommended approval of Resolution No 2016-13 authorizing mid-year adjustments using Option 1 approach

President Green asked if there were any Director questions of staff. Director Buckman asked what are the Water Capital Reserve totals. General Manager indicated that the Monthly Financial Reports in Board packet lists Capital Reserve totals and Water account is in excess of \$300,000.

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Director Dawes asked if the total requested re-allocation and appropriation includes the next 3 months of Fiscal Year. General Manager answered yes requested figure does include a calculation covering the next 3 months. District General Counsel White commented that the estimate is realistic given the extent of legal expenses that may be associated with the pending items identified in Staff Report. Director Dawes also asked General Counsel where the \$50,000 annual cap on legal expenses goes in to play. General Counsel replied that expected monthly billing is in line with the cap figure but the extraordinary expenses are associated with the trial litigation for Steinbeck and an unanticipated expense levels for MOU Agreement related issues as well as PERB processing, which represent factors that result in a high spike and influence to costs. It is expected that when these matters work through and/or settle over time. He repeated his assessment that the requested allocations should be sufficient for balance of fiscal year.

President Green announced that this is the time for any public comment.

Laverne Buckman asked to speak on this item. She commented that her opinion was the mid-year adjustments are necessary but regrets seeing the District having to face such extraordinary expenses. She favored option 1 approach.

There was no other request to speak on this agenda item.

President Green asked if there was a motion to consider.

Director Buckman made a motion to approve Resolution No 2016-13 authorizing the recommended budget adjustments using Option 1 approach as staff and Committee recommended which includes the adjustments and appropriation figures described in written report. Motion was seconded by President Green. **Motion was approved by roll call vote—5 AYES) 0 NOES.**

21. Discuss and approve salary adjustment for non-management, non-confidential staff members eligible for step increase in compensation and approve job reclassification changes.

President Green announced that he is reclusing himself from this agenda item discussion because of potential conflict that may or may not arise due to District staff involved with this proposed change. He left the meeting room 9:28 PM.

Vice-President Reuck assumed duty of Acting President in his absence.

Director Kalvans announced that he is reclosing himself from this agenda item discussion because he too could be potentially involved with a possible conflict. He left the meeting room at 9:28 PM.

General Manager Gentry presented the Staff Report and Recommendation to remaining Board Members detailing the reasons for reclassifying the two named employees and compensation changes proposed for the job reclassifications. General Manager also pointed out the reviews by Finance & Budget Committees and Organization & Personnel Committees and provide their recommendations to the Board. General Manager also stated that no recent review by the O & P

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Committee had been done because of the Committee is made up of the Board Members who had reclused from this agenda item.

Manager also explained that the District's existing Personnel Policies require these types of changes to be reviewed and approved by the District Board prior to changes being effective.

General Manager reported that annual performance evaluation warrant a change in job classification from Utility Operator 1 to Utility Operator 2 for Mr. Tracey with an adjustment in salary compensation, Step 1 as stated on the attached compensation schedule. General Manager reported the same performance evaluation that warranted a change in job classification and salary compensation for Ms. Parent from Account Clerk 1 to Account Clerk 2/Operations Coordinator with a change to this new class at Step 1 compensation.

These proposed changes to job reclassification and added compensation would be retroactive to the specific dates described in the written report to the Board. Copies of job descriptions and compensation schedule were included with written report to the Board. Board approval of both are necessary in this change in status for both individual employees.

Acting President Reuck asked if there were any questions of staff by the Directors. There were none.

Acting President Reuck announced that now is the time for public comments.

Laverne Buckman asked to speak to the Board on this item. Ms. Buckman commented that these changes were overdue and is in favor as presented.

Acting President Reuck brought discussion back to Board Members and asked if there were any further questions or comments by Board. There was no further questions or comments.

Director Buckman made a comment about finally getting this action done then made a motion to approve these changes as recommended by General Manager and Committees. He also included a need to bring an adopting Resolution back to the Board to record this decision. Motion was seconded by Director Dawes. **Motion carried by a roll call vote, 3 AYES (Buckman, Dawes, Reuck) 0 NOES and 2 ABSENT (Green, Kalvans).**

Directors Green and Kalvans returned to meeting room, 9:42 PM.

Director Green resumed Board President's duties and called for next agenda item.

XII. Board Comments:

President Green asked to add an agenda item for next meeting to include a Closed Session on General Manager Performance Evaluation follow-up and for goal setting discussion. Board Members concurred with request for an April session. Board discussed and agreed to use April 8th as a Special Board meeting for this purpose and directed Staff accordingly. General Counsel would attempt to be available, but in the worse case be available telephonically on that date, if

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needed. General Manager also reminded the Board of Special Meeting date on April 30th for Board training with BHI Consulting.

Director Buckman commented that he thinks it is time to evaluate whether or not an increase in connection fees is required but did not request any specific calendar date. General Manager explained that to consider increasing fees, like the connection fees, is subject to Prop 218 requirements. GM explained a rate study would need to be completed under Prop 218 requirements prior to Board consideration.

Director Kalvans commented about the November ballot having a vote on continued ban of plastic bags and the importance of voters getting informed on the issue. No direction to staff given.

Director Dawes commented that sometime ago, the General Manager asked to Board for consideration to consolidate Committees into a single meeting, like a Committee of the Whole. He believed that it may be time to revisit and set the item for agenda discussion. No direction to staff given.

President Green adjourned meeting.

XIII. ADJOURNMENT **Time: 9:50 PM**

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