

SAN MIGUEL COMMUNITY SERVICES DISTRICT
 BOARD OF DIRECTORS
 JULY 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 – 5:06 P.M.
- II. Pledge of Allegiance lead by Director Kalvans after the closed session.
- III. **Roll Call:** Directors Present: Sangster, Gregory, Palafox, and Kalvans (AK arrived at 6PM)
Directors Absent: Green
- IV. **Adoption of Regular Meeting Agenda:**
Interim General Manager Rob Roberson asked to have the Pledge of Allegiance after the closed session.
Motion by Director Kalvans
Seconded by Director Sangster; Motion was approved by Vote of 4 AYES and 0 NOES and 1 ABSENT and 0 ABSTAINED
- V. **ADJOURN TO CLOSED SESSION:**
Closed Session convened at 5:07 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 EMPLOYMENT**
Title: Director of Utilities
Pursuant to Government Code Section 54954.5
 - 3. **PUBLIC EMPLOYMENT**
Title: Board Clerk/Account Clerk Manager
Pursuant to Government Code Section 54954.5
 - 4. **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: 6:49 P.M.**
Report out of closed session by District General Counsel Dervin, Direction was given to staff on three items.
- VII. Public Comment and Communications for matters not on the Agenda: None**
- VIII. Special Presentations/Public Hearings/Other: None**
- IX. STAFF & COMMITTEE REPORTS:**
- 1. San Luis Obispo County: None**
Public Comment: None
Board Comment: None
 - 2. Camp Roberts: None**
Board Comment: None
Public Comment: None
 - 3. Community Service Organizations: San Miguel Firefighters Association,** Report by Michelle Hido, Treasurer for the San Miguel Firefighters Association, introduced two puppets that have been donated to the SMFA for elementary school education. Mrs. Hido informed the Board of Directors that the San Miguel Firefighters Association sold out their yearly Fireworks Booth Fundraiser. The Firefighters Association wanted to thank, San Miguel Garbage for the donation of the metal bin for safe disposal. Mrs. Hido explained that the SMFFA is now helping the San Miguel Community Church Fuente the Agua Viva with fruit box distribution on Friday's at the Fire Station and explained that last week they handed out over 400 boxes out to the community. The SMFA has adopted Mission Street for road clean up. Discussion ensued.
Board Comment: None
Public Comment: None
 - 4. Interim General Manager:** Interim General Manager/ Fire Chief Rob Roberson updated the Board of the Director that the County is still under COVID-19 restrictions, and SMCSD is still distancing and office doors are closed. Due to the extent of the COVID-19 pandemic and Governor Newsom reinstating the closures of indoor establishments, the District will be extending Resolution 2020-12, cancelation of late fees, and shut-offs. Interim General Manager/ Fire Chief Rob Roberson explained to the Board of Directors that as of July 13th the new ACH payments have around one-hundred and eleven customers signed up, and sixteen customers are sixty-day past due. Interim General Manager/ Fire Chief Rob Roberson also explained that District Financials are on track and that the District Auditor will be at the District office on September 2nd thru the 4th for the FY 2019-2020 audit. Mr. Roberson reminded the public that the District has three Board of Directors seats up for election on November 3 and the nomination period is July 13th to August 7th, 2020. The Board was updated that the District has completed the CSDA survey in favor of Senate bill HR7073.
Board Comment: None
Public Comment: None
 - 5. District General Counsel:** Presented by Counsel Dervin. ChurchwellWhite, LLC. Nothing to report at this time.
Board Comments: None

Public Comments: None

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

Board Comment: Director Kalvans asked when the Master Plan update for the water and sewer would be done? District Engineer Dr. Reely explained that he was trying for next month, but is trying to take the time for the detailed information that is needed.

Director Palafox asked about the DWR small community funding program. Dr. Reely explained that they have had discussions with DWR, and small community funding is under review at this time. Discussion ensued about the Wastewater Treatment facility and the hundred-year flood area.

Public Comment: None

7. **Director of Utilities:** Written report submitted as-is and the Director of Utilities asked for any questions.

Board Comment: Director Kalvans voiced that Paso Robles City is looking to drop out of IWMA. Director Kalvans asked if the Director of Utilities had any information. Discussion ensued about the CSD's representation with IWMA.

Director Kalvans asked if the Director of Utilities Kelly Dodds had seen the draft of the housing element report that San Luis Obispo County has released. Mr. Dodds explained that he has not seen the report. Director Kalvans voiced that the report states that San Miguel CSD has a water and sewer crisis and at the same time they say that a riverbed is a great place for 200 new homes. The District Engineer stated that the District was never asked for information for the housing element report. Discussion ensued.

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 the Fire Department has been very busy in June and that Engine 8687 is back at Southcoast for repairs. Chief Roberson updated the Board of Directors that the new Engine is here and is being checked out and decals put on. Chief Roberson explained that they had a travel trailer fire on the terrace and would provide more information next month on that incident. Chief Roberson wanted to thank Camp Roberts for their continued response.

Board Comments: Director Kalvans asked if there will be a dedication and/or press release? Chief Roberson explained that it will be discussed.

Director Gregory asked if the incident on the terrace was a pull trailer? Chief Roberson explained that it was a trailer on a property and discussion ensued.

Director Palafox asked about all the smoke on Tuesday, and Chief Roberson explained that it was a San Miguel Fire Training at the District's Wastewater facility. Discussion ensued.

Public Comment: None

- X. **CONSENT ITEMS:** Director Sangster asked to discuss item number 1a.

1. **Review and Approve Board Meeting Minutes**

- a. 6-25-2020 Regular Board Meeting

Board Comment: Director Sangster voiced that page 21, #4 change from approved to improved. Page 29, #9 change chasey to chassis.

Public Comment: None

Motion by Director Sangster to approve Consent items 1.a as amended

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

2. Approve Resolution 2020-28 approving the Subrecipient Agreement for 2019 CDBG Grant Funds Between the County of San Luis Obispo and the San Miguel Community Services District in the amount of \$350,123.

Board Comment: Director Sangster voiced that amount on page 33 needed to be amended from \$250,123 to \$350,123.

Public Comment: None

Motion was reconsidered with voice vote as following: Kalvans/Sangster 4-0-1

Motion by Director Sangster to approve Consent items 2 as amended

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

3. Approve the Plans & Specifications for the Water Main Replacement Project and authorize the Director of Utilities to advertise for bids from qualified contractors to complete the construction phase of the project. Plans available on the District website. **Link:** [SMCSD 10th & 11Th Street Water Line Replacement & SMCSD water mainline improvement manual](#)
4. Assign negotiating authority for the purchase of property held by Union Pacific Railroad to General Manager Rob Roberson, District Engineer Dr. Blaine Reely, and Director of Utilities Kelly Dodds.

Motion to approve Consent items 3 and 4 by voiced consent vote: 4 AYES and 0 NOES and 1 ABSENT and 0 ABSTAINED.

XI. BOARD ACTION ITEMS:

1. **Review, Discuss, Receive, and File the Enumeration of Financial Report for June 2020.** Item was presented by Interim General Manager/ Fire Chief Rob Roberson and Financial Officer Paola Freeman was not present due to planned vacation. Interim General Manager/ Fire Chief Rob Roberson asked for any questions.

Board Comment: Director Sangster asked about page 109; Claims Detail Report; item 5888; Disbursement of Wastewater Funds. Director of Utilities Kelly Dodds explained that in the FY Budgets there were one-hundred-thousand dollars allocated for a Long-Term Maintenance Account for the treatment facility, to start the fund at Pacific Western Bank fifteen-thousand dollars was in the account to start. The eighty-five thousand dollars was transferred to the long-term maintenance account at Pacific Western Bank to make the one-hundred-thousand dollars for FY2019-20.

Director Kalvans voiced that he would like to look at the Statement of Revenues Vs. Actuals, on page 123, WWTF, estimated revenue DWR grant for the planning of the

WWTF. Director of Utilities Kelly Dodds explained that the District has not received that money yet, as planned, and should receive in this fiscal year.

Public Comment: None

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

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

2. **Authorize the General Manager to enter into an agreement for Accounting Services with Coblenz-Biehle & Cramer.** Item was presented by Interim General Manager/ Fire Chief Rob explained that this would be a service to assist the District in the annual audit, and would also assist in quarterly reviews and payroll tax. Mr. Roberson explained that the District received one proposal out of the fifteen that were sent out. Coblenz-Biehle & Cramer proposal met all the requirements and asked that the Board of Directors approve the General Manager to enter into an agreement with them.

Board Comment: Director Palafox asked if the District had a previous agreement with Coblenz-Biehle & Cramer. Interim General Manager/Fire Chief Rob Roberson explained that the District has not had an agreement with them and that is why the RFP went out, the cost exceeded the purchasing policy guidelines. Interim General Manager/Fire Chief Rob Roberson explained that they helped with payroll taxes and then the Board of Directors asked that the purchasing policy be followed. This formalizes the work that they are doing for the District, with a yearly amount of seven-thousand five-hundred dollars.

Director Sangster explained that he would like the proposal to be “not to exceed”. Mr. Sangster asked for clarification on the hourly cost; Cramer’s’ proposal states \$150 to \$450 an hour and when the cost would be at the \$450 an hour. Interim General Manager/Fire Chief Rob Roberson explained that anything out of the scope of work hours but explained that in the agreement it would need to be brought back for approval. Director Sangster explained that it will be an agreement of a not to exceed of \$7500.00 with 50 hours annually. Board Clerk voiced the hour breakdown from the RFP, of a total of 50 hours. Director Sangster voiced that in the past, the District has spent much more than what is being proposed with Coblenz-Biehle & Cramer over the past year, and feel that it is necessary to know if it goes over the proposed 50 hours at \$150.00 an hour; what will the District be charged an hour. Interim General Manager/Fire Chief Rob Roberson explained that there will be no additional hours other than what is being proposed. Mr. Roberson explained to the Board of Directors that the District has used Cramer more in the past because of the tax issues that were being fixed and feels that we will not need to have as much work done, and feels that staff should not go over the allotted time.

Public Comment: None

Motion by Director Sangster to Authorize the General Manager to enter into an agreement for Accounting Services with Coblenz-Biehle & Cramer, with a not to exceed of \$7,500 annually and anything over that will have to be brought to the Board of Directors for approval.

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

- 3. Authorize the General Manager to enter into a franchise agreement with San Miguel Garbage to provide Solid Waste and Recycling services within the District boundaries.** Item presented by Interim General Manager/ Fire Chief Rob Roberson explaining to the Board of Directors that the term of this agreement at first was for 15-years with 3 one-year extensions if necessary. After reviewing the current market and the District adopting a new Solid Waste Ordinance in June of 2020, San Miguel Garbage requested a change to the agreement with a term to be 15-years with a one-time 5-year extension. Discussion ensued. Interim General Manager/ Fire Chief Rob Roberson explained that the District just passed a Solid Waste Ordinance and that San Miguel Garbage will be the only franchise that will be authorized to implement the ordinance for the term of the agreement.

Board Comments: Director Kalvans asked Aron Kardashian from San Miguel Garbage if they had time to review the agreement and he would like the agreement to have wording that the Mission Street Garbage cans will be collected by San Miguel Garbage. Mr. Kardashian voiced that they did have input in this agreement and doesn't see any changes needed. Discussion ensued about new developments and trash service.

Director Sangster asked about the provision of trash cans within six-months. Discussion ensued. Mr. Kardashian from San Miguel Garbage explained that if there was a transfer of franchise after the 15-years, the new franchise would have up to six- months to return the trash can back to San Miguel Garbage.

Director Sangster asked who wrote this document? Mr. Kardashian and Interim General Manager/ Fire Chief Rob Roberson explained that it was back and forth with District General Counsel involved for the final document.

Director Kalvans voiced that he was thankful for the commitment of San Miguel Garbage has shown to the community.

Director Gregory asked if there is debris within the San Miguel boundaries is it the obligation of the San Luis Obispo County or San Miguel Garbage to dispose of the waste? Mr. Kardashian explained that the County has the obligation, but San Miguel Garbage does do clean-up days with San Miguel community. Discussion ensued about how the District works with San Miguel Garbage to remove debris within the District.

Public Comment: None

Motion by Director Sangster to Authorize the General Manager to enter into a franchise agreement with San Miguel Garbage to provide Solid Waste and Recycling services within the District boundaries

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

- 4. Continued discussion on the Fire Department Temporary Housing unit.** Item was presented by Assistant Fire Chief/Fire Prevention Officer Scott Young updating the Board of Directors that he is still moving forward and he has talked with the SLO County Sherriff Department; Undersheriff Voge and Commander Donovan and they are respective to the

idea of having a beat station in San Miguel. Assistant Fire Chief/Fire Prevention Officer Scott Young explained that at this time discussion would need to be with the SLO County supervisors for funds if available. Discussion ensued about the property South of the Fire Station and the property owners are willing to lease the property.

Board Comment: Director Sangster asked of the funding question was proposed to Supervisor Peschong? Assistant Fire Chief/Fire Prevention Officer Scott Young voiced that the funding question was not asked directly to Supervisor Puchong's office, the direction from the supervisor's office was to directly contact the Sheriff Department.

Director Gregory asked what the size of the modular unit would be? Assistant Fire Chief/Fire Prevention Officer Scott Young voiced that he is looking at a 40x23.5 at around 600sqft.

Director Palafox asked where the modular would be located? Assistant Fire Chief/Fire Prevention Officer Scott Young voiced that it would be on the just south of the property line, east would provide parking.

Director Kalvans asked if he was correct that the unit would be temporary and remodel to the current fire station. Assistant Fire Chief/Fire Prevention Officer Scott explained that he was correct, and informed that the Sherriff Department has been informed of the long-term plan.

Public Comment: None

Consensus of the Board of Directors is to have staff look at a bigger unit for San Miguel Fire Department sleeping quarters and Sherriff/ CHP office.

- 5. 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 *June* the plant averaged *153,501 gallons per day* (77% of hydraulic design capacity) with a *max day of 173,736 gallons* (87% of hydraulic design capacity). Director of Utilities Kelly Dodds explained that June 2020 DE completed an analysis of the flooding risk to the WWTF site from Salinas River flood flows. The results of the study will be incorporated into the final design. In June 2020 the DE completed the revisions of the USDA Preliminary Engineering Report (PER) and will resubmit to the USDA for funding consideration. Discussion ensued about District Master Plan. On June 18, 2020, The Central Coast Regional Water Quality Control Board release its DRAFT General Waste Discharge Requirements (Order No. R3-2020-0020) for Discharges from Domestic Wastewater Systems with Flows >100,000 GPD. The DE has participated in four virtual meetings to discuss this DRAFT order with the Waterboard staff and other dischargers that will be subject to this order when it is finalized. Director of Utilities Kelly Dodds explained that he is in contact with the Railroad regarding the two parcels near the treatment facility. Discussion ensued about the reconfiguring the WWTF due to the hundred-year flood plain issue, should have more of an update next month.

Board Comment: Director Sangster asked if acquiring the property would change the layout of the treatment facility? Director of Utilities Kelly Dodds explained that all the critical components to the higher level or protect it somehow, because of the hundred-year flood plain. Director of Utilities Kelly Dodds explained that it is essential to the treatment facility to purchase the Railroad property.

Director Kalvans asked about expanding the facility in the future and what would be the max build-out? Director of Utilities Kelly Dodds explained that with the Master Plan they have identified all the buildable lots within the District and outside the District that San Miguel would serve. The total build-out is what the plant will be designed for the maximum density. Mr. Dodds explained that it will be a process and that they might see a building that has empty spaces but need to understand that it is being built for the future and a plant build-out design. Director Kalvans asked what the build-out population would be? Director of Utilities Kelly Dodds explained that it is around six to twelve thousand but voiced that it was only an estimate.

Director Gregory asked if that was based on the current CSD boundaries? Director of Utilities Kelly Dodds explained that for planning purposes they are looking at it in three different ways, low, medium, and high likelihood. Discussion ensued about phases and proposed developments within San Miguel.

Director Gregory asked if purchasing the proposed railroad property would eliminate having to put in a retaining wall? Director of Utilities Kelly Dodds explained that the cost of having a retaining wall around the treatment facility is not cost-effective. Discussion ensued about the elevation of the current property and what is being considered on each level.

Director Sangster asked if the idea is still an MBR plant? Utilities Kelly Dodds explained that he is correct that it is still the best investment for the District for the future of the WWTF and has a much smaller footprint. Discussion ensued.

Director Kalvans asked if an MBR is still more cost-effective than a complete digester? Utilities Kelly Dodds explained that, yes and it has the smaller imprint and that he is looking at that it will be here for thirty to fifty years; at least and what is going to be the best for the district in the long scope to operate and maintain.

Director Gregory asked about the current housing projects and how the plant is at 72% and if the proposed project is built would that bring the plant too or over capacity? Discussion ensued about the different developments and how they would affect the treatment facility, and if there would be a moratorium? Utilities Kelly Dodds explained that if the District would be able to start construction next fall, he estimates that the plant would be at about 90% capacity and explained that it would be the State of California that would put a moratorium on the build-out, and that would be before the capacity of the plant. Discussion ensued about the county and state requirements for capacity.

Director Kalvans asked if the District has had any interest in land development on the terrace or just the air-strip property. Director of Utilities Kelly Dodds explained that at this time, the only development being discussed over the bridge is the air-strip property. Discussion ensued about development on the terrace, and what that would look like.

Public Comment: Owen Davis San Miguel Resident explained that people that own larger parcels of land would just split the land and put in a well of their own. Utilities Kelly Dodds explained that within the District boundaries it is not allowed to have a private water company, because of how close they are to the District water service. Discussion ensued about the difference between multi houses development and/or single houses.

Board Comment: Director Gregory asked if we provide water or sewer services to Gallo (Courtside Cellars)? Director of Utilities Kelly Dodds explained that the District does not provide water or sewer services and that the property was under construction at the time of the formation of the SMCS. The District does provide Fire service to them. Discussion

ensued. Director of Utilities Kelly Dodds explained that to get water or sewer service from the District you would have to be within the District boundaries.

Director Gregory asked if the San Miguel Terrace properties were required to hook-up to the District water or sewer? Director of Utilities Kelly Dodds explained that if the District was to take sewer across to the terrace, our District policy would require them to connect. The reality of it is that the District would not be able to require one-hundred houses to connect. Discussion ensued about if the sewer line was taken across the bridge, what would happen. Director of Utilities Kelly Dodds informed the Board that there has been discussion if CBDG/HUD grant monies could be used to help hook-up the residence on the terrace to the sewer system, and feels that it would be a good candidate for the funds.

Public Comment: Owen Davis San Miguel asked why the people on the terrace would want to hook-up to the District sewer system and voiced that they are fine how they are. Mr. Davis voiced that he feels that the District just wants to charge the terrace more money. Director of Utilities Kelly Dodds explained that the District is not pursuing; due to the cost of taking the sewer over to the terrace. Mr. Dodds explained that the only way sewer lines are going to go across the bridge is if there is a development that requires, they be hook-up to the sewer system. Discussion ensued about the air-strip property development.

Mr. Davis asked if the air-strip property was within the District boundaries? Director Kalvans explained that the air-strip property across the bridge is within the District boundaries, and the San Luis Obispo County has zoned it specifically for housing.

Board Comment: Director Palafox asked that the Director of Utilities Report have dates like the 10th & 11th Street project for the WWTF project. He explained that it helps keep track of what is going on, by a timeline. Director of Utilities Kelly Dodds voiced that he would work on it.

Public Comment: None

Informational item only

XII. BOARD COMMENT: Director Kalvans voiced that the San Miguel Resource Connection has been disbanded and asked if the District could put out a District Newsletter? Discussion ensued. Director Kalvans wanted to bring up that the City of Paso is going to try and add sales tax with it increasing to 8.75%. Director Kalvans voiced that he would like to request a closed session item in the future to discuss “Trade Secrets”.

Director Gregory voiced that the November ballot will have Prop13 that will directly affect this District, some properties will be affected. Director Kalvans voiced that it reads “commercial properties over 3 million dollars would be reassessed to current market value”. Discussion ensued about taxes.

XIII. ADJOURNMENT TO NEXT MEETING: Adjournment at Approximately 8:40 P.M.