

SAN MIGUEL COMMUNITY SERVICES DISTRICT
 BOARD OF DIRECTORS
 August 31, 2017 SPECIAL MEETING MINUTES
 MEETING HELD AT DISTRICT OFFICES
 1150 MISSION STREET
 SAN MIGUEL, CA 93451

- I.** Meeting Called to Order by President Kalvans – 6:00 p.m.
- II.** Pledge of Allegiance lead by President Kalvans.
- III.** Roll Call: Directors Present: Buckman, Green, Kalvans, Reuck, and Parent.
 District Staff in attendance: Rob Roberson, Tamara Parent, Kelly Dodds,
 District General Counsel Schweikert,
- IV.** Adoption of Special Meeting Agenda:
 Motion by Director Green to adopt Special Meeting Agenda as presented.
 Seconded by Director Buckman Motion was approved by vote of 4 AYES and 0 NOES
 and 1 ABSENT
- V. Public Comment and Communications (for items not on the agenda):**
 No public comment.
- VI. ADJOURN TO CLOSED SESSION:**
 Closed Session convened at 6:01 p.m.
- A. CLOSED SESSION AGENDA:**
- 1. CONFERENCE WITH LABOR AGREEMENT NEGOTIATORS**
 Pursuant to Government Code Section 54957.6
 Agency Designated Representatives: District General Counsel, President Kalvans
 and Director Green
 Unrepresented Bargaining Units: Non-Management Non-Confidential unit and the
 Non-Management Confidential unit
 Title: Memorandum of Understanding Negotiations with the unrepresented
 bargaining units
- 2. CONFERENCE WITH DISTRICT GENERAL COUNSEL**
 Anticipated Litigation Pursuant to Government Code Section 54956.7 (2) (d) (1 case)
 Title: District General Counsel
- B. RECONVENE TO OPEN SESSION** President Kalvans reconvened to Open
 Session at 7:02 p.m.

C. REPORT OUT OF CLOSED SESSION

Report out of Closed Session by District General Counsel.

VII. Call to Order for Regular Board Meeting @7:02 P.M.

VIII. Public Comment and Communications:

No public comment.

VIII. CONSENT ITEMS

IX. STAFF & COMMITTEE REPORTS:

1. San Luis Obispo County Sheriff No Report
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 (Col. Nicole Balliet):** Written Report with Camp Roberts decreasing troops in August and September. No Controlled burns planned. Air Operations should remain steady with aircraft flying into Camp Roberts from both Northern and Southern California as well as the valley.
Public Comment:
6. **Interim General Manager:** Verbal Report updated the Board of Directors the District personnel have been focusing on the Financials, and are making progress. Audit will be coming forward soon. Interim General Manager/Fire Chief informed the Board that he would like to hire an Account Clerk I and she will start on September 5th, and is asking the Boards approval for this hire in the Consent Agenda. Property acquisition for the “N” Street property, the County is aware that the District is interested and the property and the County has agreed to the District taking possession and is in the process of doing the paper work. Rate Study and Water and Wastewater Master plan are moving forward. Allen from Local IT experts is looking at the capabilities for more cameras in the District office. General Manager/Fire Chief asked for a Special Meeting to discuss Financials with the whole Board of Directors, Meeting date TBD.
Board Comments: None
Public Comments: None
7. **District General Counsel:** Presented by Counsel Karl Schweikert. ChurchwellWhite has been working on Financial matters for the district.
Board Comments: None
Public Comments: None
8. **District Engineer:** Written report submitted as is. Blaine Reely
Board Comments: Director Parent asked about Water and Wastewater Master Plans. District Engineer explained that he would have the Draft to the Board by next board meeting if everything goes as planned.

Director Kalvans thanked Blaine for his report, they discussed the SLT and recharge of local water basin. Kalvans will be watching how this trends because of the new wineries in the area.

Public Comments: Richard Smithen, resident of San Miguel aske Dr. Reely to start spelling out some of the acronyms in his report for better understanding. Dr. Reely had no problems changing that, and thanks Mr. Smithen for his input.

9. **Director of Utilities:** Presented by Kelly Dodds. The District has received the new Well sounder and will have a more accurate reading. Director of Utilities Dodds has noticed that Well #3 has not been keeping up with demand and have an application in for a study for a new well site. Meeting on 15th with PG&E regarding aeration and everything is moving forward. Tract 2779, on 12th Street has had their preconstruction meeting and will be moving forward. Regards to Lighting, we have some issues with Jazzy Town and that is being all worked out and the billing will be cleaned up with discounts for LED lights.

Board Comments: Director Parent asked if Well #3 is at compacity for well casing, Director of Utilities Dodds explained that we are at max draw.

Director Klavans asked when that project was scheduled to be done? Two years. Kalvans asked for Dodds opinion on where the best new well site would be. Dodds explained that is what the study is for and discussion ensued.

Public Comments: None

10. **Fire Chief:** Written report submitted with discussion about large number of calls in 2017, and we have 7 new VFF candidates. Interim General Manager/Fire chief Rob Roberson informed the Directors that he had brought on a Safety Officer, Jason Taylor he will be doing fire prevention and coverage. Vehicle 8668 has had the Pump replaced for \$2,300. SRA fire fees have been suspended until 2032 due to litigation bill 8398.

Board Comments: President Kalvans asked about the chart on why we get more calls after five, Interim General Manager/Fire chief Rob Roberson explained that is because people are home from work. President Kalvans thanked Chief for the reports.

Public Comment: None

11. **Bookkeeper:** Paola Freeman introduced by Rob Roberson Interim General Manager explaining that the reports that will be brought to the Board in the future. Paola asked for input and explained that a Payroll Report will be in next packet.

Board Comments: None

Public Comments: None

X. CONSENT ITEMS:

President Kalvans pulled Item number 1 for discussion

1. Voted on item number two

Motion by Director Parent to approve Consent Item number one Confirming Interim General Mangers appointment for Account Clerk I.

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

2. Review, Receive and File the Enumeration of Claims Report for July 2017, President Kalvans asked about the 90k in the Lighting fund. He would like to know where the

rest of the money went. Utilities Director explained that lighting was paying for Lawyers and that is for this fiscal year. Interim General Manager/Fire chief Rob Roberson remind the Board that he will be bringing a special Financial Meeting. Director Buckman asked if President Kalvans was asking if all the funds have been paid back, and he reminded Kalvans that yes, that has all been done. President Kalavns thanks the staff for the financial reports.

Motion by President Kalvans to Review, Receive and File the Enumeration of Claims Report for July 2017.

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

XI.

1. Review proposed Amendments to the FY 2017-44 Operational and Capital Budgets and approve RESOLUTION No 2017-44 adopting amendments to the budget

Item presented by Interim General Manager Rob Roberson

Item Tabled do to Scheduling conflict

Board Comments: Director Parent asked for clarification about the dates of the email from Joan asking for extension also, asked about items for purchase on this agenda and is hesitant to approve anything. Director Green agreed.

Public Comments: Lavern Buckman, Resident of San Miguel. She is very disappointed that the promises that Joan made.

2. Review and Discuss Status Report on Connection Fees, Fire Impact Fees and OES reimbursement funds

Item presented by General Manager Rob Roberson, explaining that Utilities Director Kelly Dodds and Bookkeeper Paola Freeman. Kelly Dodds explains the difference between Restricted Funds and Operation Funds.

Board Comment: Director Buckman asked about water and wastewater connection fees and if that money can be used for vehicles repairs? Kelly Dodds explained that the connection fees cannot be used for vehicle repairs but can be used for new vehicles. Connections fees are collected for general improvement of the District. Interim General Manager explained that we are waiting for the Audit from Moss-Levy, to be done so we can move the funds that we have identified to the proper places.

Director Green asked about the estimated total, can it be seen in the bank. Paola Freeman explains that the money is in the bank, but it doesn't match Black Mountain and that is what we are working toward. Interim General Manager explained that the fund in the bank are always changing and that we have all documentation.

Director Buckman asked about the Lighting and Connection Fees.

Staff Comment: Utilities Director Kelly Dodds explains that Lighting only gets Property Tax money. Discussion ensued Mr. Dodds updated Board on the Capital Reserve Accounts. Staff is working of deciphering the Transfers in and out if this account. Utilities Director went through written report updating the Board that what they had asked to be done in these accounts did not happen correctly and is being worked on. (Attachment on file)

Board Comment: Director Buckman would like to make sure USDA account is up to date. Mr. Dodds reassured Director that the loan payment and account has been looked at and the funds are in account and will stay there per loan agreement. Director Parent asked that the District look into the investment account and worries about the investments.

President Kalvans asked about QuickBooks and remembers that reports being produced showing banks, and would like to know if they report are ever going to be correct. He is worried that money has been taken out of lighting to pay for legal fees.

Staff Comment: Director of Utilities Kelly Dodds reminds President Kalavns that the Board did authorize \$165,000 out of Capital Reserves to pay legal fees. Mr. Kalvans would like to see that money payed back to the funds.

Board Comment: President Kalvans would like to look back at the Mission Heights and Mission Meadows connection fees and where that money went to.

Counsel Schweikert was asked if Capital/Restricted Money could be used for Legal fees by Director Kalvans. Counsel, Mr. Schweikert replied that was a question for Joan Aguilar, Financial Consultant.

Staff Comment: Interim General Manager explained that per. Policy the District will be making full resolutions if any money is borrowed from any other funds with information on payback of those funds. Interim General Manager updates the Board that we can't keep going back.

Board Comment: Director Parent asked for clarification about the funds of 169k for legal that were approved by the board if that was done in a resolution and if they have a payback plan. Director Parent also, asked if Dollar General Connection Fees are floating around in the General fund.

Staff Comment: Interim General Manager, explains that yes there is a resolution for the legal fees but with no payback plan. The Dollar General money is in General fund and will need to be moved to correct account after Audit. Discussion Ensued, about what staff is doing to improve this process with monies being allocated to the correct funds.

Board Comment: Director Kalvans asked about the fees and the amounts the District charges. He would like to know why the Water Connection fees in the presentation are lower the Sewer Connection fees.

Staff Comment: Director of Utilities Kelly updates the Board on the collected fee amounts. Single Family Residence fees are \$9490 waster \$8332 sewer. The Water Connection fees this last year are lower than the Wastewater Connection Fees because some construction was done on existing lots that already had Water and Wastewater Service. Example being the Dollar General and Jazzy Town. Discussion Ensued.

Public Comments: Mr. Smithen asked about Jazzy Town and if that development was has fire sprinklers in the house. Director of Utilities/Asst. Fire Chief Kelly Dodds responded that, yes. Mr. Smithen would clarification on who would be liable if the water system fails and a residence burns down. Discussion ensued, about why the water service might be off.

Board Comment: Discussion about bringing back internal procedure policies

No Motion, Discussion item only

3. Review and approve RESOLUTION 2017-45 authorizing the Interim General Manager to issue notice of contract award and execute an agreement with Whitaker Construction for construction of the SLT Arsenic Blending Line (a CBDG project) to in the amount of \$156,295.00

Item presented by District Engineer Blain Reely. The District received two bids for this project low bidder being Whitaker Construction at \$156,295.00. The project is partially funded by a CBDG grant \$150,000, but explained there will be some more cost estimating around \$12,000.

Staff Comment: Kelly Dodds believes it takes an enormous effort to put the committees together and a lot of good comes from them, but agrees with suspension.

Board Comment: Director Green asked about where the water line would be exactly, and how this would help with blending. Director of Utilities explains where and how the blending will be and how it works more efficiently.

Director Parent asked if this project will keep us compliant or will we have to start treating the arsenic. Mr. Dodds updates directors on the conversation with the Water Board that they will be happy if the numbers stay low and maintain levels.

Director Buckman asked if the Contractor understands that this is a GBDG funded grant, and what that entails on their part with paperwork. Dr, Reely explained that it is in the contract and they have been working closely with the County.

Director Kalvans would like to know if the Districts Director of Utilities will be checking on this project daily. Mr. Dodds reassures the Board that it will be part of his daily duties.

Public Comments: Richard Smithen, Resident is concerned about putting more money into the SLT Well and would like to see the money being used to find a new well.

Discussion ensued.

Board Comment: Director Green informed the public that the Water and Wastewater Master plan will have more info and will be brought to the board in the next few months.

Motion by Director Green to adopt Resolution No. 2017-45 authorizing the Interim General Manager to issue notice of contract award and execute an agreement with Whitaker Construction for construction of the SLT Arsenic Blending Line (a CBDG project) to in the amount of \$156,295.00

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

Director Green would like to direct staff to look at options for a new well on the SLT.

4. Review and approve RESOLUTION 2017-46 authorizing the Director of Utilities to purchase two utility trucks, one for the Fire Department not to exceed \$46,000 paid from Fire Impact fees and one for Utilities not to exceed \$70,000 to be paid from water and wastewater Capital Reserves

Item presented by Director of Utilities/Asst. Fire Chief Kelly Dodds.

Board Comment: Director Green asked about plans for 8601. The Fire Department has decided to keep the vehicle for the Fire Safety Officer, or additional coverage. Director Green would like to wait on the Water/Sewer Utility vehicle, until budget is done. Director Buckman remembers asking if our current Utilities vehicle could put the trailer, with staff telling him it could.

Staff Comment: Director of Utilities Kelly Dodds explains that all of the money will be coming from Fire and Water restricted funds.

Board Comment Director Parent voiced that he understood the need but would like to wait for the budget and a better accounting of not just the restricted funds.

President Kalvans asked why would only be looking at new vehicles.

Discussion ensued about use of Fire Utility vehicle.

Public Comments: No public comment.

Motion by Director Parent to adopt RESOLUTION 2017-46 authorizing the Director of Utilities to purchase two utility trucks, one for the Fire Department not to exceed \$46,000 paid from Fire Impact fees and one for Utilities not to exceed \$70,000 to be paid from water and wastewater Capital Reserves

No Seconded. Motion Fails

Discussion ensued

Motion by Director Green to adopt RESOLUTION 2017-46 authorizing the Director of Utilities to purchase *one for the Fire Department not to exceed \$46,000 paid from Fire Impact fees*

Seconded by Director Buckman. Motion was approved by vote of 5 AYES and 0 NOES and 1 ABSENT.

Director Green asked for the staff to bring back Water Utilities Vehicle

5. Review and approve resolution 2017-43 approving a contract with Mike Roach Electric for the installation of a standby generator and transfer switch at the fire station at a cost not to exceed \$25,629 to be paid from Fire impact fees, Water and Wastewater capital reserves

Item presented by Director of Utilities, Kelly Dodds.

Board Comment: Director Green asked for clarification about the permanent generator. Director Parent asked about funding, asking about the percentage each fund would be paying.

Staff Comment: Kelly Dodds explained that the percentages would be 16.5% Fire, 3% Lighting, 40% Water, 0% Sewer, and .5% Solid Waste.

Board Comment: President Kalvans asked about the solar energy and it was explained that the cost is too great. It is to new of product explained Mr. Dodds. Discussion ensued about future building.

Public Comments: No public comment

Motion by Director Green to adopt Resolution No. 2017-43 to cost 32% each department lighting 4% out of Capital Reserve Account

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

6. Review and Discuss Street Lighting with in the San Miguel District boundaries

Item presented by Director of Utilities Kelly Dodds updating the Board of directors that we pay estimated \$23.00 per street light, per month. The District is paying for 93 Street Lights.

*President Kalvans call for recess @ 9:26 P.M., Majority of Board agreed.
Call to Order @ 9:32 P.M.*

Director of Utilities continues with update to Lighting in San Miguel, explaining that the cost is up a little from last year. The District works with PG& E. 93k is estimated Revenue for the next Fiscal Year. PG&E estimates getting street light \$500.00 if it is on a wooden pole and there is 220v power. If the street light needs a pole it \$5 k to 10k each, that is for overhead service. Underground would be 50k to 60k each. The District would like to hear from the community on where they would like to see lights throughout town.

Board Comment: Director Green voiced that he would like to keep the lighting in town not on the San Lawrence Terrace.

President Kalvans provided a list that he has researched through town.

Discussion ensued, about different street lights and locations.

Director Parent asked staff to bring back cost for the list that the Community and President Kalvans researched, and start with easy ones.

Staff Comment: Mr. Dodds explained that it would be easy to bring as a package deal to PG& E. They may give a reduced rate.

Public Comments: Nanette Negrete, San Miguel Resident presented a letter to the Board that was handed out during meeting (attachment on file). Mrs. Negrete explained that Mr. Kalvans list is too many and it's every other pole.

Interim General Manager/Fire Chief Rob Roberson asked Board to approve the reading of Mrs. Negrete's letter.

Board direction was to give her the 3 minutes allotted.

Mrs. Negrete read a load her letter, voicing her disappointment with the Board and lighting has been very slow and was very unhappy with Board President Kalvans and him calling Special Meeting on August 9th, 2017.

Board Comment: Director Kalvans addressed Mrs. Negrete informing her that he picked the date of the Special Meeting because it worked for the rest of the Board of Directors. He feels that the Meeting went well and he will stand by that. Voicing that he has no agenda.

Director Green Calls Point of Order.

Director Kalvans brought forward proposal for street lighting and would like to see streetlights in the ally.

Staff will bring back pricing on the list of potential new street light locations

No Motion, Discussion item only

7. Review and discuss of the proposed San Miguel Community Services District Board Members' Handbook, By-Laws

Presented by Counsel Seikaly, Updating the Board and explained that she has outlined in the staff report the question and concerns the Directors had brought up for changes. She changed a few things if the change had legal merit.

Board Comment: Director Buckman asked about page 7, and that the Board discussed having one-hundred-dollar stipend for the Regular District Meeting not for each meeting. Counsel Seikaly, will have that changed.

Director Green would like a hard copy to look over after changes have been made.

Counsel Seikaly would like to see this Item come back to the Board next month for approval and explained that she would like to have Directors email her directly with changes that they would like to see.

Director Parent feels the changes are minor and long overdue

President Kalvans wants to make sure Director Reuck get a change to voice any changes he might see.

Public Comments: Laverne Buckman, had a question about getting a redline version, and would like to see when thinks are changed.

Counsel Schweikert explained that this Handbook had been to committee a few times.

No Motion, Discussion item only

8. Discussion on Board member conduct and authority to act on behalf of entire Board of Directors

Item presented by Interim General Manager, explaining that have happened in the community and that things have been taken out of context. The community has come to the District asking about policing and at the last meeting the board discussed this item and come to the majority dissection that it was not part of the District purview. Director Parent has asked to have this item put on the Agenda and had a few comments.

Board Comment: Director Parent, explained that he had asked for this item because he has had community members ask him about comments made on Local T.V and Facebook. Director Parent expresses his feeling that the last nine months there has been lack of direction and with President Kalvans being habitually late to Board Meetings. Director Parent feels that President Kalvans is violating the Board By-Laws and confusing the community on the purview of the District.

Director Parent believes that these events have been a violation of not only social media, but also Board Member conduct policies.

Director Parent, asks for President Kalvans to resign his position, voicing his opinion of no confidence in Director Kalvans Presidency.

Director Green explained that there should never have been a Special Meeting called for something that is not in the Districts purview, Water, Sewer, Fire, and Lighting.

Director Green stated that in Director Kalvans previous term as Board President he appeared on a radio program and voiced his personal opinion as if it was the opinion of the whole Board of Directors.

Director Green, asked President Kalvans why he would think the District could pay for Landscaping through the Lighting Fund.

President Kalvans spoke of his training at the CSDA conference. Calling Director Green's knowledge of government procedure into question.

Discussion Ensued, about Landscaping and Lighting. Director Green gave out pasted staff reports to the Board for review. (Attachment on file)

President Kalvans explains that he has read Government Code and it states that lighting funds can be used for landscaping as well. He continues and voices that he is a resident of the community and can voice his own opinion.

Director Parent explains that all though he is a member of this community he has an obligation to the Board as President and has made no attempt to delineate between the two.

President Kalvans, reminds Director Parent that he is in charge of the meeting and that asking for a vote of no confidence is not on the agenda and could not have any action taken.

Director Parent request that the staff add the item to the next Meeting Agenda.

Director Green Quotes President Kalvans Facebook post stating that he is “The District Board President”.

Director Parent states that District policy is to direct the public to the district website for information.

Director Kalvans states that he has the Right to a call a Special Meeting.

Director Green feels that the content to the Meeting was not even in the purview of the District.

Director Parent, brought into question comments that President Kalvans had visited other districts as a Board President without authorization of the Board.

President Kalvans explains that he has been to CSDA conferences and state that he will remain in his Presidency for the remainder of its term.

Director Green requested Counsel for Direction.

Counsel Schweikert explained that he would need to look into what would need to be done to remove Director Kalvans as Board President. Counsel feels that it is appropriate for Director Parent to ask for item to be placed on next agenda and would have direction for that meeting.

Director Green asked if General Counsel knew about the meeting that President Kalvans called.

Counsel Schweikert responded that they did know about the meeting and inquired about attendance and that they were not needed at that meeting. Expressing that they thought the discussion was more about street lighting.

Director Green reads aloud President Kalvans Facebook post about no substation, no youth activities, stating the use of staff time was inappropriate for these matters.

(Attachment on file)

President Kalvans stands by calling a Special Meeting about Policing.

Director Green ask that President Kalvans stay off social media with District business.

Director Parent reads section out of the “Board Handbook 2014”, pertaining to decisions being made as a body not individually. Director Parent reminded the Board that the head of LAFCO, David Church was at the August 9th Special Meeting, asking if President Kalvans had directed staff to ask him to be here. Mr. Church presented to the Board about things that are not even in the Districts prevue. Director Parent reads aloud Facebook post from President Kalvans about declaring war on gang members and has put the District and the rest of the Board in danger.

President Kalvans states that it is his opinion and has had a break-in to his house, and stands by his statments at that meeting.

Director Parent feels that the meeting was called to move forward personal agendas when the Board was not at full strength.

President Kalvans does not agree.

Director Buckman feels that President Kalvans has directly insulted him by stating that the Directors don’t stick up for this community. Director Buckman reminds President Kalvans of the Criminals he has helped catch.

President Kalvans states that he stands by his opinion, and the discussion will continue at the next Board Meeting. Stating that he will remain as Board President for his term.

Discussion Ensued

Public Comment: Laverne Buckman, San Miguel Resident feels that President Kalvans need to be censored and had an obligation to speak for the Board as a whole.

Nanette Negrete, San Miguel Resident spoke of the Brown Act.

No Motion, Discussion item only

9. Review and Discussion on iPad Pro use by Directors

Item Presented by Interim General Manager, explaining that the District purchased six (6) iPadPro for \$839.00 each for a total \$4167.89.

Board Comment: Director Green asked if the iPads where refurbished. Yes. Director Green likes his device.

Director Parent would like a Laptop, and will use his Board Stipend money if needed.

Director Kalvans prefers a Laptop

Director Buckman likes paper and will continue using that.

Staff Comment: Tamara Parent Updates Board about Office 365. Utilities Director explained a few different options. General Counsel explained that personal emails can be Public Record requested. Discussion ensued about District email. Fire Chief Rob Roberson, said he would be able to use one for CPR. Staff asks Directors to return the iPad if they are not using it.

Public Comment: Laverne Buckman feels that the board should not spend money replacing the iPads.

No Motion, Discussion item only

XII. BOARD COMMENT

Director Green asked about the Chipping program and Fire Chief Rob Roberson explains that it is a Firefighter Association program. Director Green feels that the District should have a place for people to recycle green waste.

Director Parent reads aloud Chapter 2, Section C, number 1, the Social Media Policy, and Chapter 5, section B of the Board Handbook 2014.

President Kalvans states that the owner, Pablo of the San Miguel Market and Deli has asked if the District Garbage can be moved from across the street, because his District garbage can get filled up to fast.

President Kalvans looks forward to enforcing the new Board By-Laws when passed.

XIII. ADJOURN:

Convened at 10:50 p.m.