



**BOARD OF DIRECTORS**

Rod Smiley, President      Raynette Gregory, Vice-President  
 Berkley Baker, Director      Anthony Kalvans, Director      Owen Davis, Director

**SPECIAL MEETING MINUTES**

**6:00 P.M. Opened Session**

**SMCSD Boardroom 06-06-2024**

**1. Call to Order:**

At: 6:00 P.M.

**2. Roll Call:** *Rod Smiley, Raynette Gregory, Anthony Kalvans, Owen Davis, Berkley Baker*

**3. Approval of Special Meeting Agenda:**

**Motion By:** Anthony Kalvans

**Second By:** Berkley Baker

**Motion:** To Approve

Board Members	Ayes	Noes	Abstain	Absent
Berkley Baker	X			
Raynette Gregory	X			
Rod Smiley	X			
Anthony Kalvans	X			
Owen Davis	X			

**4. Pledge of Allegiance:**

Lead by Director Kalvans

**5. Public Comment and Communications for items not on the agenda:**

None

**6. Board Action Items:**

**1. Amendment #2 for Machado Wastewater Treatment Facility Design contract with Wallace Group Inc. for the Machado Wastewater Treatment Facility Expansion and Upgrade.**

Review and approve amendment #2 in an amount NTE of \$410,300.00 to 10/5/22 Contract with Wallace Group Inc for the design of the Machado Wastewater Treatment Facility expansion and Upgrade.

Item presented by General Manager Kelly Dodds explained in the staff reports that in

October 2022, the Board approved a contract with Wallace Group for the design and engineering for the Machado Wastewater Treatment Facility expansion. General Manager Kelly Dodds informed the Board that the District's design team was recently made aware of changes that could be made to the package plant to reduce the overall cost of the package plant, both in construction and operation, while still meeting all the requirements under the General Order Permits and necessary Water Board redundancy requirements.

The Amendment #2 from Wallace Group is attached and accounts for the additional design and engineering to; a) account for overages in design aspects above what was outlined in the initial RFP, b) changes necessary to complete engineering between the solar contractor, PGE and the District, c) changes to value engineer the package plant with Cloacina. Wallace Group Amendment #2 is in the amount of \$410,300.00. However it is currently estimated that the cost associated with the package plant will be reduced by close to \$1.2 million and approximately \$125,000 in annual operational savings, with this amendment.

The planning portion of this project was awarded a planning grant, and recently awarded an amendment to that initial grant to cover the additional planning and design costs. The additional design costs are within the amended grant award, however there will still likely be other costs that are unknown at this time, that may be paid 'out of pocket'.

**Board Comment:** Director Baker voiced that the Amendment #2 is a lot of money and asked what percentage are they at for design. General Manager Kelly Dodds explained that they are at 90% of the entire project, all the site improvements, and the building improvements.

Discussion ensued about how the project went from a two train system to a one train system and how other changes are incorporated into Amendment #2.

Director Baker spoke about the new technology that they got from the Cal Poly project. General Manager Kelly Dodds explained that Cloacina is constantly evolving, improving, and the methodology in treatment is what is newer. Principles behind the treatment process were discussed.

Director Baker wanted to know the timeline behind the Cal Poly project, and expressed that he feels like it is a short window for them to have this new technology. Director Baker voiced that they probably knew or had an inkling that there was this new technology, and might be milking the industry.

Director Baker voiced his dislike for consultants and other fees for public entities and is concerned. He voiced that they came up with an annual saving of \$125,000 and wanted to know what the initial projected operational cost was at the start. General Manager Kelly Dodds explained that changing to this newer technology there is a projected initial savings of \$1.2 Million over the originally Capital cost, and a projected \$125,000 per year savings on the Operational cost. Discussion ensued over the difference in Operational cost.

General Manager Kelly Dodds explained that the Wallace Group contract is for the design. Cloacina and Fluid Resource Management (FRM) contracts are for the package plant. Cloacina and FRM design the package plant, not Wallace Group. Timeline and cost of the new technology was discussed.

Director Baker voiced his concern and his dislike of consultants, and feels that because it is a grant it is being abused.

Director Kalvans spoke about his concerns with using The Wallace Group, and other consultants. Director Kalvans asked if there are going to be delays because of this change. General Manager Kelly Dodds explained that the delay is working in the Districts favor because we're trying to nail down grant funds for the construction. The District is on the list to be funded, but needs to get onto the State's timeline for funding, and that looks like it will be next year. Mr. Dodds explained that Public agencies use competitive bids, and updated the Board on the background of the bidding for this project.

Director Baker asked why this Special Meeting was necessary. General Manager Kelly Dodds explained that if these changes were going to be done then he needed to get them restarted since they have stopped working on the project. Mr. Dodds explained to the Board that he has been fighting through these changes, and only bring them forward because it is what is best for the District.

Director Baker asked where Cloacina was with the submittals. General Manager Kelly Dodds explained that they will be ready for the new one train system in a couple weeks, but are waiting on this approval from the CSD to move forward with changing to the one train system. He would like to have the final product ready to submit to the State to get a better ranking to receive grant funds for construction.

Director Baker explained that he still would like to know the timeline of Cloacina knowing about this new technology, because it is suspicious.

Discussion ensued on the responsibility of the consultant.

Director Gregory asked for clarification on the grants for the design work. General Manager Kelly Dodds explained that the planning portion of this project was awarded a planning grant, and recently awarded an amendment to the initial grant to cover the additional planning and design costs. The additional design costs are within the amended grant award, however there will still likely be other costs that are unknown at this time that may have to be paid 'out of pocket' by the District.

Director Gregory asked if the permit was through the County or the State of California? General Manager Kelly Dodds explained that there are lot's of permits that will be needed for this project. The main permit is for the site, a conditional use permit by the County. The treatment train itself and where it goes would be authorized through the Regional Water Control Board. It was explained that there are also permits from Air Pollution Control Board (APCB), and Building Permits from the County.

Director Gregory asked how many phases there are and what phase the CSD Building itself would be in the project? General Manager Kelly Dodds explained that at this point there are only two phases and the building would be built after the treatment processes are built, because it is going to be on top of one of the existing ponds.

Director Smiley asked for clarification, on if the grant funds would be capturing some of these amendment costs.

General Manager Kelly Dodds clarified that the amendment fits within the grant and the funds are spend and then are reimbursed to the District.

Director Smiley voiced that he has build five commercial buildings and 3 houses, every single one has had change orders, and does not see a way around them.

Director Kalvans asked if these changes in the processes would change things that have already been done with the County? General Manager Kelly Dodds explained that it will not have to go through the County again and does not change how the County is looking at it.

Discussion ensued on the design grant and how it could not be used for other things.

Director Davis voiced that he had a concern with the 500 year flood plain, and asked how many acres were in that flood plain. General Manager Kelly Dodds voiced that there is around 6 to 10 acres in the 500 year flood plain, and that 5 or 6 acres are not in the 500 year flood plain.

Director Davis voiced he feels that the building is too large and unnecessary. Director Davis was concerned that the County would not allow for public at that facility due to the treatment of wastewater and gave example that the Substaion is still not through the County process. General Manager Kelly Dodds explained that when this project was first proposed we went to the County and explained what was needed, what it would look like and where it was. There were conversations with the County about having the District Office there,

they only wanted to know about the traffic impact, and if there were had any issues with it being at the end of a residential area. The County had no issues with having public at the facility, they do have accessibility requirements and the District has self-imposed requirements for safety.

Director Davis explained that he doesn't know of any other place that has the public come to pay bills at their treatment facility. General Manager gave a list of places that he has been to that are doing that, and there is no issue with a public building being at a treatment facility, and that the District gives customers multiple ways of paying their bills.

Director Davis voiced that he does not think that there is enough room at the current location to have a public building, and would like to know how much less of a cost it would be if there was no building, and only an upgrade to the treatment process. General Manager Kelly Dodds explained that the design is 90% done, and once we are at construction; if the Board decides to change course from what they have previously approved and wants a different building then there would be additional cost to redesign the building. This item is not for changing anything on the building. Discussion ensued.

Director Baker asked if the grant for design was opened ended, or a fixed amount, and what was the initial amount of the grant? General Manager Kelly Dodds voiced that the initial amount of the grant was approximately \$300,000, but the District was awarded an additional amount of approximately \$1.3 Million, but would need to look for the exact amount, and get back to Director Baker.

Director Baker asked how much has been reimbursed back to the District. Mr. Dodds explained that he would have to look for the exact amount, but explained that the District bills quarterly and thinks the District has received the majority of those funds back already. The funds are paid out of operational cash and reimbursed back to operational cash.

Director Baker asked if he was correct that around 90% should be reimbursable. General Manager Kelly Dodds answered that depending on the total this all comes to, it should be 95% to 100% reimbursable. Mr. Dodds explained that this amendment originally came to him a few months ago, and has been discussing with the Wallace Group why there was a change order in the first place, and confirming that there will not be any more moving forward. Discussion ensued on the cost of the project in full, grants and the timeline for construction.

Director Davis voiced that a different total cost was discussed at the Advisory Council meeting. General Manager Kelly Dodds voiced that Director Davis must have misheard the final projected amount.

Director Davis discussed his concerns with the State and the County being broke and that communities will be hard pressed to receive the funds that were promised.

General Manager Kelly Dodds discussed the funding and the grant fund-able "list", and how that all plays into how the project is funded.

**Public Comment:** None

**Motion By:** Rod Smiley

**Second By:** Raynette Gregory

**Motion:** To Approve amendment #2

Board Members	Ayes	Noes	Abstain	Absent
Raynette Gregory	X			
Rod Smiley	X			
Anthony Kalvans	X			

Berkley Baker		X		
Owen Davis		X		

**7. Board Comment:**

Director Kalvans voiced that at the last regular Board meeting, landscaping was discussed and feels that the District should talk about construction and then turning it over to the County for maintenance. Director Kalvans voiced that he is against any paving over of landscaping that the District has paid for or installed.

is set up for projects, voicing that he wants them to contribute to the success of the community. General Manager Kelly Dodds explained that they are a year or two out on that project.

Director Baker asked when River Edge project was started. Mr. Dodds explained that it was started off and on from before his time at the District, and has been on and off over the years.

**8. Adjournment to Next Regular Meeting:**

At: 6:52 P.M next meeting will be on June 27th