



BOARD OF DIRECTORS

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

SPECIAL MEETING MINUTES

6:00 P.M. Closed Session 7:00 P.M. Opened Session
SMCSD Boardroom 11-18-2021

I.	Call to Order:	6:00 PM	Video part 2/6 Time: 01:05
II.	Pledge of Allegiance:	<i>Kalvans</i>	
III.	Roll Call:	<i>Gregory, Roney, Palafox, Kalvans, Vacancy 6:09</i>	ABSENT: <i>One Vacancy</i>

IV. **Approval of Regular Meeting Agenda:**
 Motion by: Director Gregory
 Second by: Director Roney
 Motion: Voice Vote

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

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Public Comment for items on closed session agenda None

V. **ADJOURN TO CLOSED SESSION: 6:01 PM**

A. **CLOSED SESSION AGENDA:**

1. **PUBLIC EMPLOYMEN**
 Title: Asst: Fire Chief / Fire Prevention Officer
 Pursuant to Government Code Section 54954.5
2. **CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**
 Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9:
 Two Matters-Confidential Complaint

VI. **Call to Order for Regular Board Meeting/Report out of Closed Session Approximately 7:00 PM**
Time: 7:00 PM

1. Report out of closed session by District General Counsel (WhiteBrenner, LLP)
 Direction was given to staff.

VII. **Public Comment and Communications for items not on the Agenda:** **Video part 2/6 Time: 01:30**
 Owen Davis made public comment about his respect for board members and voiced that he felt intimidated by the District.

VIII.	Special Presentations/Public Hearings/Other:	None	Video part 2/6 Time: 06:15
	Public Comment:	None	

IX.	Staff & Committee Reports – Receive & File:		
	Non-District Reports:		
1	San Luis Obispo County: Report Attached General Manager Rob Roberson read report aloud from SLO County Sherriff		Video part 2/6 Time: 06:25
	Public Comment:	None	
2	Camp Roberts—Army National Guard No Report		Video part 2/6 Time: 07:50
	Public Comment:	None	
3	Community Service Organizations: No Report		Video part 2/6 Time: 08:25
	Public Comment:	None	
	District Staff & Committee Reports:		
4	Interim General Manager : Report Attached Interim General Manager Rob Roberson gave verbal report- San Luis Obispo county Covid cases and statistics, GSA meeting election, email billing format has been revised, customers have used IVR phone system to make payments, staff has spent 7 business working day working with credit card company to resolve accounting issue, November started late fees and door hanger assessing again, WSC is District's new engineer approved by Resolution 2021-26, Callie Johnson embezzlement restitution hearing on Dec. 7 requiring in-person presence, draft audit has arrived and is being reviewed by staff, Alex from Moss Levy will be present at Dec 16 special board meeting to present audit, FEMA will be reimbursing approximately \$3,000 for claim submitted. Fire Dept. has received invoice confirmation from the fires mutual aid was sent to, the total revenues from both fires was \$111,622.58 that will be placed in Capital reserves fund- restricted, the funds for personnel will be applied to reimburse the payroll, \$45,820 will be in capital reserve for payment on the new engine. Asst. Fire Prevention Officer personnel evaluation complete.		Video part 2/6 Time: 09:38
	Board Comment:	See coments made about past due accounts under Director of Utilites report.	
	Public Comment:	None	
5	District General Counsel: Nothing to report from WhiteBrenner		Video part 2/6 Time: 15:40
6	District Engineer : No Report.		Video part 2/6 Time: 15:55
7	Director of Utilities: Report Attached Report is submitted as written. Director of Utilities had no additional comments.		Video part 2/6 Time: 16:00
	Board Comment:	Director Kalvans made comment about news article reporting the State did not meet its water conservation goals. Director of Utilities responded about conservation goals of the state and District's policies and discussion ensued. Director Gregory asked questions about what residences will be required audit on the cross connections, how many customers receive district water as well as have wells, how often this audit is done, and drought policies. Director of Utilities responded that single-family residences with a well are required to have a backflow preventer, several residences receive water and have wells, his first time doing audit, and discussion ensued. Director Gregory made comment about only 8 past due accounts being good. Board Clerk Tamara Parent responded many customers have been informed about penalties being charged again starting 12-31-2021; as well as the Covid Relief they can apply for to receive payment help. Director Kalvans made comment regarding location of the wells with cross connections. Director of Utilities responded majority are along the terrace and there are requirements for them. Director Kalvans asked about progress of SB 1383 waiver Director of Utilities responded waiver was submitted and the project doesn't start until January 1st.	

Public Comment: None
 8 Fire Chief: Report Attached Video part 2/6 time: 28:55
 Report is submitted as written.
Board Comment: None
Public Comments for all reports: None

X. **Consent Calendar:** Video part 2/6 Time: 29:20

1. **Review and Approve Board Meeting Minutes**
 - A. 8-19-2021 Special Board Meeting Amended- draft
 - B. 8-26-2021 Regular Board Meeting-draft
 - C. 9-23-2021 Regular Board Meeting-draft
 - D. 10-14-2021 Special Board Meeting-draft

Motion by: Director Gregory
Second by: Director Roney
Motion: Review and approve board meeting minutes.

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

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XI. **Board Action Items:** Video part 2/6 Time: 30:35

1. **Discuss Board Member resignation and provide staff direction on posting a Notice of Vacancy to fill the vacant position.**

Counsel Doug White informed Board of Directors he received letter of resignation from former Director Ashley Sangster and gave them direction of how to fill board vacancy and what their options were. Counsel recommends that a strategy is made for an appointment that avoids the cost of a special election.

Board Comment:

Director Gregory recommends to choose the process of submitting an application and interviewing. Interim General Manager states the process of advertising the vacancy, having an application and application date, review a set date for special meeting to do interviews and appointment.

Counsel Doug White advises the board to come up with a set date the application will close and decide whether to hold interviews and what night to do the appointment.

Director Gregory asks if board directors are in favor.

Director Kalvans voiced favor of starting the process.

Director Palafox voiced favor of the interview process.

Counsel confirmed interviews will be in the open session format and advised to take public comment.

Public Comment:

Owen Davis made comment about the board member election process.

Staff Comment:

Director of Utilities asked about when the next election will be.

Counsel advised on following election process and dates. Further discussion ensued.

Board Comment:

Director Roney made statement regarding the actual costs for election and the application process if there are not enough applicants.

Director Gregory asked about the date the Special election will be held.

Counsel Doug White advised the Board to take consensus to agree on the process they would like to go through.

Board consensus is to begin application process for appointing a new Board Director to fill the vacancy.

Director Gregory stated there is consensus, need to pick a date and asked when the deadline is.

Counsel Doug White stated the deadline is January 14th and that the other decision is whether to have the appointment on the same or different day as the interviews.

Director Gregory voiced favor to have appointment on same day as interviews.

Counsel Doug White stated the next meeting will be December 16th and asked if the board would like to accept applications up to that date or allow more time for applications until the Special meeting in January.

Director Gregory voiced favor to allow applications until a special meeting on January 6th and discussion ensued.

Counsel stated the process is to open application process tomorrow, need consensus, advised that the application process be closed on December 30th, that can be put together in a board packet available for the public, Special meeting on January 6th at 7pm.

Board consensus is to have a special meeting on January 6th to conduct interviews and appoint a new Board Director to fill the vacancy.

Public Comment:

Owen Davis made comment about the board member election process and notifying community.

Board Clerk Tamara Parent responded that the vacancy will be printed in December's water and sewer bill.

Counsel Doug White stated process of election to appoint new Board Director to fill vacancy.

Video part 3/6 Time: 13:40

2. **Review, Discuss, and Receive the Enumeration of Financial Report for October 2021 (Hido)**

A. Claims Detail Report

B. Statement of Revenue Budget vs Actuals

C. Revenue Budget vs Actual Summary

D. Statement of Expenditures Budget vs Actual

E. Cash Report

Report is as submitted as written.

Staff Comment:

Interim General Manager stated this report is only being recommended to be reviewed and not filed.

Board Comment: None

Public Comments: None

Discussion Item Only

Video part 3/6 Time: 15:15

3. **Review and approve RESOLUTION 2021-36 adopting changes to the Integrated Waste Management Authority (IWMA) JPA and MOA with Special Districts, and authorize the General Manager to sign the First Amendment to the MOA (Dodds)**

Recommendation: Approve RESOLUTION 2021-36 and authorize the General Manager to sign the First amendment to the MOA with IWMA

Director of Utilities made statement about the make up of IWMA and the changes that need to be made since the county of San Luis Obispo left the IWMA. Four major points are to update the membership to the IWMA, remove the provision requiring a member of the board of supervisors for a quorum, remove the county as designated agency per government code, IWMA board voted to remove super majority provision of Section 8.5. These changes don't directly affect district but IWMA can put through detrimental items without that super majority that maybe aren't in best interest of the Special Districts.

Board Comment:

Director Kalvans asked question about who became alternate and does staff or Mr. Kardashian from San Miguel Garbage have any thoughts on the ammended JPA or direction of the IWMA and about representation.

Director of Utilities responded he did not know of an alternate being chosen yet and as far as JPA/MOA, didn't feel that changes were that significant, they did appoint an ad hoc committee to do further review and discussion ensued.

Counsel Erin Dervin responded to Director Kalvans as well by referncing the simple majority versus super majority of representation and further discussion ensued.

Director Kalvans asked if there is a way to have staff continue lobbying on behalf of the district during the gpa.

Director of Utilities informed Director Kalvans of the current efforts being made to stay on top of IWMA.

Public Comments: None

Motion by: Director Kalvans

Second by: Director Gregory

Motion: To approve Resolution 2021-36 to authorize the General Manager to sign First amendment to the MOA with IWMA.

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

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Video part 3/6 Time: 22:00

4. **Review and Approve Resolution 2021-37 Amending Chapter 11: Order of Business, of the San Miguel Community Services District Board Members' Handbook (Dodds)**

Recommendation: Approve Resolution 2021-37 Amending Chapter 11: Order of Business, of the San Miguel Community Services District Board Members' Handbook

Director of Utilities read report aloud and recommended combining items XI.6 and XI.7 respectively into District Utilities, numbers after would be renumbered accordingly, and move item no.2 Pledge of Allegiance to immediately after closed session.

Board Comment:

Director Palafox asked question about placing of District Engineer report when we finally have a District Engineer Director of Utilities Kelly Dodds confirmed that both reports would be under the same agenda item.

Public Comments: None

Motion by: Director Gregory

Second by: Director Kalvans

Motion: To approve Resolution 2021-37 Amending Chapter 11: Order of Business

Board Members	Ayes	Noes	Abstain	Recuse	Absent
A. Kalvans	X				
H. Palafox	X				
W. Roney	X				
R. Gregory	X				
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Video part 3/6 Time: 24:20

5. **Discuss potential for regional desalination plant and whether the District should participate in initial studies.**

Recommendation: Discuss authorizing the Director of Utilities to provide initial interest in participation in studies.

Director of Utilities reported on the recent participation in a county-wide water action team meeting, the county proposed looking into a regional desalination plant and is looking for interest from water companies, could potentially benefit to express interest and be apart of the initial study, rare opportunity, not a high probability we will actually get desalinating water but more likely we're able to use it as a bartering tool to trade with someone who has less mineral water and be able use that for recharge or potential direct use. There is no cost outlined yet, just indicating to the county of interest county hasn't decided if they will pay for the study. Recommendation is to at least participate in the initial study.

Board Comment:

Director Kalvans stated his opinion on the access to the Nacimineto water and was concerned about possible locations for the desalination plant.

Director of Utilities stated it is more at a let's see what happens stage, they haven't discussed location except for potential of being in South county, everything is on the table, if they don't get any support it will most likely die, there aren't a lot of options, and further discussion ensued.

Director Gregory made statement about the expensive cost of running d-sal plants and not complete favor of it. Director of Utilities discussed the cost and effectiveness, and the future position of the District. Discussion ensued. Director Gregory asked about the benefit, if any, from being along the Salinas river.

Director of Utilities responded not in direct benefit, Atascadero & Templeton both dump water in the river underflow but take an equal amount out, water comes here but we don't have wells in the Salinas river flow and the water is already fully allocated. Further discussion ensued.

Public Comments: None

Board consensus is to go through with initial study and see where it goes.

Discussion item only.

Video part 4/6 Time: 07:40

6. **Discuss sole source contacting with BHI Management Consulting (BHI) to assist the District in preparation of a District Strategic Plan and approve Resolution 2021-38 authorizing the Interim General Manager to negotiate a contract with BHI not to exceed \$35,000. (Roberson)**

Recommendation: Approve Resolution 2021-38 authorizing the Interim General Manager to negotiate a contract with BHI not to exceed \$35,000 to be split between all funds.

Interim General Manager read report aloud addressing the many goals the Board of Directors have made. This report would have a fiscal impact of \$35,000 split amongst all funds, need a strategic plan and direction for the district to move forward and meet the needs of the community, very difficult to adopt new services without a better strategic plan. BHI has done over a hundred strategic plans for Districts similar to San Miguel, need guidance on making the right plan without wasting the current resources, extremely limited on staff time.

Board Comment:

Director Kalvans recalled the outcome of past strategic planning process attempted with Mr.Gentry. Interim General Manager addressed the mission statement as a corner stone and the necessity to plan for the next 20-30 years to meet the needs of the community, how to achieve those goals and sustain them. Discussion ensued.

Board Clerk recommended using a member who is not affiliated with us like Brent Ives.

Director Kalvans voiced favor for Brent Ives and made statement about the strategic plan.

Interim General Manager stated it would be about four meetings or maybe less and a workshop or two to lay out the plan and fine-tune it, shouldn't be a year long process as they are giving us the tools that other districts already have.

Director Roney asked how the dollar figure was come up with.

Interim General Manager informed the Director of the consultation with the BHI for free and told them what they are trying to achieve and he came up with a figure of the time it would take to come up with the strategic plan.

Board Clerk responded that the BHI consultant reviewed the Board agendas, meeting minutes, and goals to come up with his figure.

Director Gregory made comment about liking that they don't have to reinvent the wheel, and asked for clarification of them working within current employee numbers.

Interim General Manager responded that it will need to be explained to BHI what service and what level we're wanting to achieve for the community, they provide the tools and ideas of how to achieve the goals of the strategic plan, the plan would have expansion, and discussed the future process. Discussion ensued.

Public Comments: None

Motion by: Director Roney

Second by: Director Kalvans

Motion: To Approve Resolution 2021-38 authorizing the Interim General Manager to negotiate a contract with BHI

Board Members	Ayes	Noes	Abstain	Recuse	Absent
A. Kalvans	X				
H. Palafox	X				
W. Roney	X				
R. Gregory	X				
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Video part 4/6 Time: 25:40

7. Review and approve RESOLUTION 2021-39 authorizing expenditure of up to \$20,000 to flush main water lines on the San Lawrence Terrace per direction from the State Waterboard - Division of Drinking Water and authorize the Director of Utilities to enter into contracts to that effect. (Dodds)

Recommendation: Approve Resolution 2021-39 authorizing \$20,000 from capital reserve, with corresponding budget adjustment to 50-518 Water projects SLT Well and authorizing the Director of Utilities to enter into contracts for this project.

Report is as submitted with reiteration that the water that is flushed will have to either go to the wastewater treatment plant or can be used for alternate non-potable purposes.

Board Comment:

Director Kalvans made comment about the necessity of having this process done and asked about the arsenic leak. Director of Utilities explained the process of the arsenic leaking and discussion ensued.

Director Palafox asked if it would be enough pressure to take out most of the arsenic and what happens if it doesn't.

Director of Utilities explained there is enoguh pressure and velocity to clean the line but expressed uncertainty, if this doesn't flush the arsenic then they will have to come up with another solution.

Director Kalvans asked about the possibility of having another break from this procedure and discussion ensued.

Staff question from Interim General Manager about the flow on the lines needing to be consistent.
 Director of Utilities responded yes.
 Director Roney asked question about the track record of this method.
 Director of Utilities Kelly Dodds responded it has been successful in other areas without being able to go inside the line and being able to see quantity of arsenic, no way to know if this is even actually the problem.
 Director Gregory asks if it would take one day for the process, where is the water going, and what the cost is for.
 Director of Utilities responded about 3 weeks, cost is related to renting tanks and trucks, further discussion ensued.
 Staff question from Interim General Manager about the trailers and filling process.

Public Comment:

Owen Davis made comment about running an aluminum pipe with land owner permission and about running the wells, would recommend to see about renting 200 feet of pipe from the land owner.

Motion by: Director Roney
Second by: Director Gregory
Motion: To Approve Resolution 2021-39 authorizing expenditure up to \$20,000 to flush main water lines

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

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Video part 5/6 Time: 09:20

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

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

Item Presented by Fire Prevention Officer Scott Young, follow-up to the release of RFP to seven potential suppliers and two contract resource outlets, response was less than anticipated, conducted on-site job walk on November 15th at 10 o'clock, one contractor from Grover Beach showed up, documentation is due next week then pricing will be submitted.

Board Comment:

Director Kalvans asked about the difference between Durango and original.
 Fire Prevention Officer Scott Young responded just the name, they are a different supplier.
 Director Gregory asked about the timeline once it is approved and discussion ensued.

Public Comment: None

Discussion Item Only

Video part 5/6 Time: 13:10

9. **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.

Item Presented by Director of Utilities Kelly Dodds as submitted.

Board Comment:

Director Kalvans asked what happens when we go over 100% hydraulic capacity and status of grant funding.
 Director of Utilities responded that if it is at 100% processes start backing up, 100% consistently means at risk of overflow, and USDA is still interested in funding and a lot of other grants available. Discussion ensued.
 Director Gregory asked if there are any housing projects in the near future.

Director of Utilities responded the larger ones are still in process, wouldn't expect them to be done within a year, a few smaller projects maybe within a year, not in communication with them.

Director Kalvans asked about the 45 unit project off Cemetery road and was responded to it fell off the map.

Public Comment: None

Discussion Item Only

Video part 5/6 Time: 20:40

10. Review and Approve Resolution No. 2021-40 recognizing the hard work and dedication of the District staff (White)

Recommendation: Approve Resolution No. 2021-40 Reaffirming the San Miguel Community Services District Board’s Appreciation and Support for Staff.

Item presented by Counsel Erin Dervin as requested to be put on agenda by the Board of Directors.

Board Comment:

Director Kalvans made comment to thank staff for their hard work over the past two years.

Director Palafox stated the staff always goes above and beyond.

Director Gregory made comment about recognizing a good team and wanting to honor that under the Resolution.

Public Comment:

Owen Davis voiced his disagreement for the recognition of the staff.

Michael Roberson made comment thanking the board and staff during this time and for their support and time working with the community.

Board Comment:

Director Kalvans made statement that hes has been here for nine years, seen the countless board members and general managers the CSD has gone through, and finds it disrespectful for someone to tear down the staff during the Board's time recognizing staff for their hard work and hopes to move everything forward.

Motion by: Director Kalvans

Second by: Director Gregory

Motion: To approve Resolution 2021-40 recognizing the hard work and dedication of the District staff.

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

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Video part 5/6 Time: 28:05

11. Discussion on Board self-assessment and Board analysis

Counsel Erin Dervin explained this is part of the Board's outline for the end of the year performance evaluations, provided an outline of the topics for consideration on what makes a good Board Member and a good Board.

Board Comment:

Director Kalvans stated he designed this as a way for the board members to self-reflect, there previous board members who were not very active, and started the evaluation by stating he likes to think outside the box, though he is idealistic he comes off as a bit too unrealistic to other people, he tries to find as many solutions, gets lost in ideas, one of his challenges is that he sometimes shuts down when there is conflict and thinks addressing that would make him a better and effective Board Member.

Counsel Erin Dervin stated she admires the dedication of Director Kalvans to constantly think about options and diversifying for the district. Every Board Member is pragmatic, truthful, friendly, respectful, and prepared for what comes before them by being detail-oriented and showing professionalism.

Director Gregory states she hopes she is fulfilling her role to the best of her abilities and being an effective leader for her fellow Directors, happy to receive any comments and improvements.

Director Roney responded to Director Gregory with positive affirmation toward her position.

Director Kalvans affirmed that President Gregory is most effective at doing the job and appreciates her being in that role for her professionalism.

Counsel Erin Dervin stated professionalism is what makes a good Board Member as well as understanding the role of being an elected official and understanding the legal obligations it has.

Director Gregory stated she thinks the Directors are very respectful of each other, stated also that Director Roney and Director Palafox make very effective, courteous, and well thought out comments, as well really appreciates Director Kalvans outside of the box thinking.

Director Palafox stated he doesn't speak up as often but he writes a lot of questions down on his Board Packet, stated that is one thing he needs to work on.

Counsel Erin Dervin responded to Director Palafox that he is always dynamically involved and is very well versed in the issues when he does speak up.

Director Roney personally observed that it has been difficult, he will tell people what he thinks but as an elected official it is harder to say what is on your mind, he has spent his whole career dealing with difficult people but has seen that they really have to allow the public to take their shots and not respond.

Director Kalvans thanked Director Roney for doing his best to work through the situation because some people get a kick out of getting into conflict and come back to the meetings, does appreciate the input of Director Palafox and Director Roney as well, moving forward with strategic planning process would really like their voices heard.

Counsel Erin Dervin affirmed that is a great part, and discussed how to set and affirm goals.

Director Gregory stated she does her best to come to the meetings prepared, it's challenging, she re-packets to keep the details fresh in her mind before the meeting, staff has been very helpful. Discussion ensued with Counsel.

Director Kalvins spoke about goals for the Board and individual goals, asked Council if they are only ones to do Counsel Erin Dervin responded yes, this is a more formalized setting.

Public Comment: None

Staff Comment:

Interim General Manager made comment about there always being something to get side-tracked but there is a lot of work ahead of them, thanked the Board for their support, and there is a really strong group of workers here.

Fire Prevention Officer Scott Young stated the importance of the Board being receptive to what the staff presents and allowing them to do their jobs and move forward without destroying a project to bring back at a later meeting.

Board Comment:

Director Gregory stated there was a little bit of micromanaging that was unnecessary.

XII. BOARD COMMENT:

Video part 6/6 Time: 19:35

Director Kalvans requested to send a letter to the County of Supervisor regarding their redistricting decision.

Discussion ensued regarding the County redistricting process and the possibility of agendaizing the Director's request.

Director Gregory asked about how to let people know about the Board Vacancy and was instructed by Counsel.

Director Kalvans made statement that the Chamber of the Commerce no longer exists but a member of the previous organization passed away.

President Gregory stated the San Miguel Advisory Council has a website now that they will post their minutes and agendas on now, they expanded their reports.

XIII. ADJOURNMENT TO NEXT REGULAR MEETING

9:41 PM