



SAN MIGUEL COMMUNITY SERVICES DISTRICT BOARD OF DIRECTOR & GROUNDWATER SUSTAINABILITY AGENCY

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

**REGULAR BOARD OF DIRECTORS & GROUNDWATER SUSTAINABILITY AGENCY
MINUTES**

**6:00 P.M. Opened Session
SMCSD Boardroom 03-28-2024**

1. Call to Order:

At: 6:00 PM

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

3. Approval of Regular Meeting Agenda:

Motion By: Berkley Baker

Second By: Anthony Kalvans

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:

John Green, San Miguel resident, spoke about Replacement of the Irrigation item from the 2-2024 Board Meeting, and spoke about the original agreement with the County of San Luis Obispo.

Director Kalvans voiced that the Landscaping is part of the the San Miguel CSD Lighting Department since 2020, and drought tolerant plants have been planted. Per the Landscaping and Lighting Act of 1972 & Government Code 61100.

6. Special Presentations/Public Hearings/Other:

None

7. Non- District Reports:

1. San Luis Obispo County Organizations

Verbal/Report

Deputy Anthony had no new business to report, and asked if there was any specific questions he could take back for answers.

Board Comment: None

Public Comment: None

2. Community Service Organizations

Verbal

Scott Young President San Miguel Firefighters Association will be putting on the 33rd annual Sagebrush Day's on April 20th, starting at 12 Noon.

Director Kalvans, explained that Dennis, who owns "DJ Boot & Camp" and is a pivotal part of the "Native Sons of the Golden West" and the "Lion's Club", has become ill and would like to encouraging customers to go to his store in a sign a support as Dennis recovers.

Board Comment: None

Public Comment: None

3. Camp Roberts—Army National Guard

Verbal

None

Board Comment: None

Public Comment: None

8. Staff & Committee Reports - Receive & File:

1. General Manager

Receive report

Item presented by General Manager Kelly Dodds updated the Board of Directors that the Districts Workers Compensation provider Special District Risk Management Authority (SDRMA), has decided to bring the program in-house. The District usually gets a "Tax lien Property Notice" annually and after speaking with the County they will not be doing that this year. The District also applied and was able to receive funding from the "California Extended Water and Wastewater Arrearage Payment Program" in the amount of \$7,206.39 for customers that have been in arrears on payments from 6-16-2021 to 12-31-2022. Mr. Dodds explained that the Paso Basin Cooperative Committee (PBCC) met on March 27th and asked Director Baker to update the Board of Directors on that meeting.

Director Baker explained that the PBCC modified thier proposed budget for San Miguel from \$34,000 to \$18,000 for the next year. The Board also approved the "Water Evapotranspiration Program" (ET) for satellite surveillance for the next three years. The first year will be covered by a grant and the it will be an estimated cost of around \$80,000 and that will obligate San Miguel GSA for around \$2,500 for each additional year.

General Manager Kelly Dodds explained that approved PBCC projects will start moving forward. Director Baker voiced that the grant funding needs to be spent by April 2025.

General Manager Kelly Dodds explained that the Annual 700 form are due no later than April 2nd and gave a reminder for required training. At the April Board Meeting the San Luis Obispo Council of Governments (SLOCOG) will be giving a presentation on "Local Roads First, a Roadmap to Transportation Independence" a local sales tax measure.

Board Comment: Director Smiley asked about the reduction in the proposed PBCC budget. Director Baker explained that it was mostly administration costs.

Public Comment: None

2. District Counsel

Receive verbal report

Nothing to report

Board Comment: None

Public Comment: None

3. District Utilities

Receive and file

Item presented by General Manager Kelly Dodds submitting report as written. The Utilities Department found two new minor leaks and two new service line leaks that have been repaired.

Board Comment: Director Kalvans asked about the leaks, and if they were on older lines. General Manager Kelly Dodds explained that they were on the older water lines.

Director Davis asked about the leaks in the alley. Mr. Dodds explained that the two were on the water main, and not near a service line.

Public Comment: None

4. Fire Chief Report

Receive and File

Fire Chief Scott Young report was submitted as written.

Board Comment: Director Davis asked about vehicle 8601, and Fire Chief Young explained that the vehicle has been in the care of the now Paid Call Firefighter Rob Roberson for response.

Public Comment: John Green spoke and asked if 8601 was in the District at all times.

9. Consent Calendar:

Board Comment: None

Public Comment: None

Motion By: Raynette Gregory

Second By: Anthony Kalvans

Motion: To Approve

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

1. 1-25-2024 Draft San Miguel CSD Board of Directors & Groundwater Sustainability Agency meeting minutes

Receive and file

2. 2-22-2024 Draft San Miguel CSD Board of Directors & Groundwater Sustainability

Agency meeting minutes

Receive and file

3. 3-7-2024 Draft San Miguel CSD Board of Directors meeting minutes

Receive and file

4. SAFER Grant Applicant Approval by RESOLUTION 2024-09 (Young)

Review and approve Resolution 2024-09 appointing the District Fire Chief as the representative in all matters relating to the SAFER Grant process. (Recommend review and approve by 3/5 vote)

10. Board Action Items:

1. Monthly Financial Reports for February 2024 (Recommend receive and file by Board consensus)

Please Review, Receive and File the February 2024 SMCSD Financial Reports.

Item was presented by Financial Officer Michelle Hido, submitting report as written, and explained that the Budget process has started and the first report will be presented at the April 25th Board Meeting. Financials are on pages 60-102 of the Board Packet.

Board Comment: None

Public Comment: None

Consensus of the Board is to receive and file February 2024 financials

2. CONTINUATION OF DISCUSSION AND POTENTIAL ACTION REGARDING THE ADOPTION OF WATER RATES FROM SEPTEMBER 28TH 2023 BOARD MEETING

Pursuant to Article XIII (D) of the California Constitution that San Miguel Community Services District is continuing the discussion regarding the protest ballots submitted and will consider taking action to update the rate structure and increase its rates for water services. (Resolution 2024-01)

Discussion and potential approval of water rate structure change and increase.

Item presented by General Manager Kelly Dodds explained that Director Baker and Director Kalvans meet a few times, and discussed other options. The other options discussed would need an new Prop 218. General Manager Kelly Dodds gave a brief description of the proposals. The current Prop 218 would be for an increase of 4.5 % gross revenue increase and 5% after, this proposal would be beneficial for lower water usage customers. The proposal from Director Baker would have a higher base charge and would insure that the District has funds if no water was used and has three tiers. General Manager Kelly Dodds explained that the Board has a few options they could; approve the rate as is; abandon the proposal; or propose a new Prop 218 rate with a new notice. Mr. Dodds explained the Prop 218 regulations.

Board Comment: Director Baker handed out a worksheet for his proposal. (copy available at www.sanmiguelcsd.org 3-28-2024 Board Meeting)

Director Baker voiced that he would like to have a study or workshop session with the public. Director Baker that the current Prop 218 proposal with the one tier has around 65 customers that don't use any water, and they will get around a 39% decrease then you get a 28% decrease for the next 17 customers. Director Baker continued to explain that the bulk

of the customers, will be getting an increase of around 15%-17%. Director Baker voiced that the current Prop 218 proposal gives a decrease to customers who use more water and decreases to customers who use less water, but the customers in the middle would be get the largest fee increase. Director Baker voiced that he would like to even things out, so he would like to increase the base price and lower the tier price explaining that it would give the District guaranteed income; costing more as the customers water usage goes up. Director Bakes opinion is to allow customers to use more water and the more water sold the more money is made.

Director Gregory asked for clarification on the base rate proposed by Director Baker. Director Baker voiced that the base rate would be \$48.50. Discussion ensued.

General Manager Kelly Dodds explained that the current water rate has three tiers, and Director Bakers proposal is also a three tier system. A three tier rate will give an overall percentage share cost to everybody because you are going form the same three tier system to the same three tier system. Mr. Dodds clarified that going from a three tier system to a one tier system does create a larger increase for the 5-12 unit users. Discussion ensued about the future and proposed projects.

Director Kalvans voiced that he has meet with Director Baker and that they has discussed his proposal. Director Kalvans explained that the three tier system and one tier system has been discussed over the years, and by direction from the Board of Directors the current Prop 218 rates are with a one tier system. Discussion ensued on other options.

Director Kalvans voiced his concerns about water rate increases in the summer months, and would like to hear from the other Directors. Director Kalvans asked what the timeline would be if the Board opted for Director Baker's proposal.

General Manager Kelly Dodds explained that it could be brought back in April for a discussion, and there is a minimum of 45 days from the day the Board of Director approve sending out a new Prop 218. Discussion ensued on the timeline.

General Manager Kelly Dodds explained that the Board could continue this discussion and have a workshop to decide on options, with direction from the Board.

Director Smiley asked questions for clarification about the Prop 218 process and what the Director's options could be. Discussion ensued.

Director Davis voiced that in the proposed Prop 218, customers don't get any water for the base. General Manager Kelly Dodds explained that he was correct the current proposal has a base rate of \$32.30 with an additional charge of \$5.75 for each unit used.

Director Davis voiced that in his opinion the protest where not validated correctly. Director Davis voiced that he would like to start over with a new Prop 218 proposal, and that the District should be able to do the calculations in-house.

Director Gregory voiced that the Boards purpose was to simplify the rate structure and to provide assistance to the low users. Discussion ensued with Director Baker discussion his proposal.

Director Gregory voiced that keeping everything the same is not helpful for the community and in her opinion the public does not get enough correct information.

Director Kalvans voiced that he understood that there is not adequate funding for projects and would like to have some sort of rate relief for low users. Director Kalvans expressed that customers will be using more water in the upcoming summer months and would like to move forward with a discussion on Director Baker's proposal.

Director Smiley would like to move forward with the current Prop218 and and then look at the other ideas.

Director Gregory asked if Director Baker's proposal was discussed with the General Manager and if it was able to be implemented in the current software. General Manager Kelly Dodds explained that the Districts current software can handle the proposal, but the

Baker proposal information would still need to be reviewed by Bartle Wells Associates. Director Baker would like to schedule a study or workshop session in the next few weeks and then come back at next meeting after hearing from the other Directors and the public.

Public Comment: Ashley Sangster, San Miguel resident, spoke about the rate structure, and commented on the individual Board comments.

John Green San Miguel resident, spoke about the proposed rate structure and what it would look like in five years.

Board Comment: Director Kalvans voiced that he has also discussed assessments, and that would need to be studied more and discussed having a fixed GSA cost or other CIP projects on an assessment.

General Manager discussed assessments, and grants for long term projects and replacement costs.

Director Kalvans discussed a 0% gross revenue increase for the first year and voiced that he would like to move forward with the best option. Discussion ensued.

District General Counsel asked for clarification on the 0% gross revenue increase by Director Kalvans and explained to the Board of Directors that the rate schedule can be adopted now and the implementation date could be delayed.

Director Kalvans clarified his thoughts, voicing that he likes Director Baker's proposal.

Director Davis voiced that he does not like anything in the current Prop 218 proposal, and even if starting at 0% gross revenue increase is still a rate increase.

Director Davis voiced that he would like to just keep current rates and structure, until there is further discussion on other proposals, and gave his opinion that the District does not need a rate increase.

Director Baker explained that the only way to have 0% gross revenue increase to customers is to leave the rates the same. Discussion ensued.

President Smiley was asked to reopen public comment; consensus was to reopen public comment.

Public Comment: Susan Green, San Miguel resident, spoke on the Directors comments.

John Green, San Miguel resident, read a statement aloud, and spoke about the San Miguel community struggling.

Ashley Sangster, San Miguel resident spoke about the 0% gross revenue increase proposal.

Board Comment: Director Baker voiced that there is a couple options to move forward.

Director Gregory explained that she liked the proposed rate but does not like how it raises the middle users so much. Director Gregory explained that she was concerned that if the District moves forward with a new Prop 218 the public will again be misinformed and nothing will move forward. Director Gregory asked how long the District could be sustained at the current rate.

General Manager Kelly Dodds explained that it would depend on the actual inflation, or emergencies. Mr. Dodds encouraged the Board of Directors to not postpone this indefinitely.

Discussion on timeline, workshop and options ensued.

Motion By: Owen Davis

Second By:

Motion: To Approve to continue discussion to June 27th

Board Members	Ayes	Noes	Abstain	Absent
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Motion By: Berkley Baker

Second By: Owen Davis

Motion: To Approve to continue discussion to May 23rd and schedule an informal workshop in April/May

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

3. Adopt revisions to District water and wastewater Billing policy - RESOLUTION 2024-02 (Recommend review and approve by 3/5 vote)

Review and approve RESOLUTION 2024-02 adopting revisions to the District water and wastewater billing policy.

Board Comment: None

Public Comment: John Green San Miguel resident asked about having his question answered. General Manager Kelly Dodds explained that he is available if Mr. Green would like to contact him.

Motion By: Anthony Kalvans

Second By: Berkley Baker

Motion: To Table to table item to May 23rd

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

4. Review and approve RESOLUTION 2024-10 authorizing the General Manager to execute a proposed employment agreement with Board Clerk/Executive Assistant and approve changes to job title and description. (Recommend review and approve by 3/5 vote)

Approve RESOLUTION 2024-10 authorizing the General Manager to execute a proposed employment agreement with Board Clerk/Executive Assistant Tamara Parent to continue in the position for five years and to approve changes in job title and description.

Item was presented by General Manager Kelly Dodds explaining that the proposal before the Board is to approve an Employment Agreement with Mrs. Parent as the Board Clerk/ Executive Assistant and approve revisions to the job title and description for this position.

Board Comment: Director Baker voiced that he agrees with the elements of the contract, but does not like contracts in general.

Director Kalvans voiced that he agrees with the contract, and staff has performed admirably.

Director Davis voiced that he would like it to be a year to year contract, and agrees with Director Baker.

Public Comment: John Green San Miguel resident spoke about having a 5 year contract in an election year.

Board Comment: District General Counsel asked that a summary of the terms be read aloud due to requirements of Government code. General Manager read the terms aloud.

Motion By: Rod Smiley

Second By: Raynette Gregory

Motion: To Approve Resolution 2024-10

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

Adjourn to the San Miguel Community Services District Groundwater Sustainability Agency (GSA):

At: 7:48 P.M

11. GSA Consent Calendar:

None

12. GSA Board Action Items:

1. Paso Basin Cooperative Committee MOA amendment #2 (Recommend review and approve by 3/5 vote to approve the amendment at the scheduled PBCC meeting)

Approve MOA Amendment #2 and authorize approval at the next PBCC Board meeting. Item was presented by General Manager Kelly Dodds explaining that over the past year the County of San Luis Obispo has been acting as the contracting agent for the Paso Basin Cooperative Committee (PBCC). Prior to the County, the City of Paso Robles was the contracting agent. Based on prior feedback from this Board the PBCC staff has changed the proposal to only allow for the City and County to act as contracting agencies for the PBCC. This amendment only affects section 6.7 of the MOA. The remainder of the MOA will remain the same.

Board Comment: Director Baker voiced that he feels the San Miguel Groundwater Sustainability Agency (SMGSA) Board has accomplished what they set out to do.

Director Kalvans, Smiley, and Gregory voiced that they agreed with Director Baker.

Public Comment: Murray Powell Templeton Resident, spoke about the Annual Report and the PBCC Meeting held on May 27th.

Board Comment: Director Davis voiced that he would like all comments to be submitted to Director Baker.

General Manager Kelly Dodds explained the proposals that were discussed at the May 27th meeting and how "staff" reviews items including the Annual Report with all GSA's having an opportunity for review. Mr. Powell would like to have confirmation on how the "Staff"

works.

Director Baker voiced that he would like the General Manager to explain the staff level and how things are reviewed.

General Manager Kelly Dodds explained that Director Baker is on the Board member on the PBCC Board for the San Miguel GSA. Josh Reynolds, and Kelly Dodds are the "Staff" for the San Miguel GSA. Discussion on the staff for other GSA's ensued.

Director Baker asked about the comments for the Annual Report.

General Manager Kelly Dodds explained that the comment made by SMGSA staff where general comment and clarifications. Discussion ensued on the timeline for the Annual Report.

Motion By: Anthony Kalvans

Second By: Rod Smiley

Motion: To Approve

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

Reconvene to the San Miguel Community Services District Board of Directors:

At 8:06 P.M.

13. Board Comment:

Director Kalvans Thanked the Deputy for being present at the meeting.

Director Kalvans asked about the filing for the 700 form for the PBCC. General Manager Kelly Dodds explained that the forms have been filed and that the County takes care of that.

Director Kalvans explained that he has seen a lot of illegal dumping in San Miguel and would like clarification on who to call.

General Manager Kelly Dodds explained that if you see someone dumping that you can call the County or call the District Office.

Director Kalvans voiced he would still like to discuss assessments and feels that it could help with the rate discussion.

Director Davis asked about the trucks that dump at the Wastewater Treatment facility and if they pay anything. General Manager Kelly Dodds explained that the District does get paid for the Wastewater that is delivered to the District.

Director Kalvans voiced that he prefers Director Baker's rate proposal and is concerned with the misinformation that the public is receiving.

14. Adjourn to Closed Session/Closed Session Agenda:

At 8:14 P.M.

Public Comment: None

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

Discussion

15. **Report out of Closed Session:**
No reportable action
16. **Adjournment to Next Regular Meeting:**
At 9:08 P.M.