



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 05-02-2024

1. Call to Order:

At: 6:00 P.M

Director Kalvans arrived at 6:04 PM

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

ABSENT: Raynette Gregory

3. Approval of Special Meeting Agenda:

Motion By: Berkley Baker

Second By: Rod Smiley

Motion: To Approve

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

4. Pledge of Allegiance:

Lead by Director Smiley

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

Michelle Hido spoke about the Senior Center Game night on May 7th, 2024.

6. Special Presentations/Public Hearings/Other:

- 1. Informal workshop of the Board of Directors to review the proposed water rate increase as proposed under the Noticed Proposition 218 hearing and the rate proposed by Director Baker during the March 28th 2024 Board Meeting.**

Purpose of the informal workshop is to provide a review of information previously provided and answer questions from the Board and Public

Item Presented by General Manager Kelly Dodds who gave a PowerPoint presentation regarding the noticed water rate increase proposal (Scenario 1) and Director Baker's Proposal. General Manager Kelly Dodds gave a small background on the Prop 218 regulations and explained that the water fund receives funding from several sources. Water rates, connection fees, and grants are all Water Department funding sources. Information was given on what kinds of expenses are restricted and unrestricted, and what they can be used on. Unrestricted Revenues are funds that can be used for a water Operational or Capital need. Restricted revenues are funds that can only be used for Capital projects, infrastructure, and facilities.

The Water Department pays for routine expenses like power, chemicals, insurance, maintenance and staffing. The Department also pays Capital expenses like replacement major repairs of infrastructure, equipment, property purchase, and facilities.

General Manager Kelly Dodds explained that the biggest expenses are repairs and infrastructure. Discussion on high inflation cost and significant increase in California state mandated requirements ensued. It was explained that one of the newest regulatory requirements/mandates is monitoring PFAS and is costing the District around three-thousand every three months, and if it turns out that there is a high level of PFAS then the District will be required to treat it per the State mandated compliance. Other information included that the San Miguel water lines are 60 to 80 years old and the District has been seen more breaks than before this year, and most of the services lines are at their end of life.

General Manager Kelly Dodds explained that tonight we are discussing two different proposals, a "Noticed Proposal" and "Director Baker's Proposal". Discussion ensued about Prop 218 requirement that these rates and the rate study are only good for 5 years. The "Noticed Proposal" that was noticed the first time in June 2023 has a Fixed Charge of \$32.30 and a volumetric rate of \$5.75 per unit for all units. "Director Baker's Proposal" has a Fixed Charge of \$48.50 and a volumetric rate of \$2.80 for 0-12 units, \$5.75 for 13-19 units and \$7.35 for 20+ units. It was explained that one proposal has a one volumetric rate and the other has three increasing volumetric rates. After the PowerPoint presentation the General Manager Kelly Dodds asked the public and the Board of Directors if they had any questions.

Discussion between the Public and the Board of Directors ensued.

Director Davis voiced that he wanted the public to know the cost of the Steinbeck litigation. General Manager Kelly Dodds explained that even if those cost were stated during a meeting by the public, the San Miguel Board cannot discuss the issue, due to it being a ongoing litigation item.

District Staff provided individual San Miguel water customers with projected cost under both proposals. Spanish translator was present at the meeting.

Public:

John Green, San Miguel resident spoke
Ashley Sangster, San Miguel resident spoke
Brandon Patterson, San Miguel resident spoke
Tammy Childers, San Miguel resident spoke
Robyn Johnson, San Miguel resident spoke
Paola Freeman, Monterey County resident spoke
Jose Lopez, San Miguel resident spoke

Board:

Director Smiley asked the Board of Director if they had anything else to add.

Director Kalvans thanked the public for attending, and if any of the public needed more time then staff would be glad to work with them.

Director Davis thanked everyone for showing up, and explained that it was good to have the public attend and that the public needed to stay informed. Director Davis stated that in his opinion KPRL radio station is good to listen to to stay informed.

Director Smiley voiced that he did not want the public to think that they were the only community members that were curious about the Water rates. The District did have around 100 community members call and come into the District office to ask about the usage and the costs proposed, and how that might effect them.

Director Baker asked if this item would be on the next Board Meeting Agenda. General Manager Kelly Dodds explained that this item was up for discussion on the May 23rd Board Meeting, and clarified that the item for May is for the proposed Scenario 1 rates.

Discussion ensued on Prop 218 requirements and the Groundwater (SMGSA).

Director Smiley asked for anymore questions.

Public:

John Green, San Miguel resident spoke about the 5 year study and that both proposals at the end will be the same cost.

Director Baker voiced that for his proposal after five years it would be seventy-nine dollars for five units and the Scenario 1 Proposal will be seventy-seven for five units.

Public voiced that they would like to see a projection if CPI was used for the increase.

San Miguel CSD Board of Directors thanked the public for attending and explained that if anyone had other questions to please contact the General Manager at the District Office.

Full Video is available on the District website at www.sanmiguelcsd.org

7. Board Comment:

Director Davis asked to have Steinbeck litigation cost discussed. General Manager Kelly Dodds explained to Director Davis that at the April 25th Board Meeting it was approved for the next closed session agenda.

8. Adjournment to Next Regular Meeting:

At: 7:49 PM