# BOARD OF DIRECTORS

Ashley Sangster, President    Brendin Beatty, Vice-President
Rod Smiley, Director    Owen Davis, Director

## SPECIAL MEETING MINUTES
## 6:00 P.M. Opened Session
## SMCSD Boardroom 06-11-2026

1. **Call to Order:**
   At: 6:00 PM

2. **Roll Call:** *Ashley Sangster, Rod Smiley, Brendin Beatty, Owen Davis*

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

   **Motion By:** Brendin Beatty

   **Second By:** Ashley Sangster

   **Motion:** To Approve

| Board Members | Ayes | Noes | Abstain | Absent |
|---|---|---|---|---|
| Brendin Beatty | X | | | |
| Rod Smiley | X | | | |
| Owen Davis | X | | | |
| Ashley Sangster | X | | | |

4. **Pledge of Allegiance:**
   Lead by Director Davis

5. **Special Presentations/Public Hearings/Other:**

   1. **Workshop for proposed Fiscal Year 2026-27 Operation and Maintenance Budget for the San Miguel Community Service District. (Pg. 4-42)**
      Receive presentation, Discuss and provide direction to staff for the proposed Fiscal Year 2026-27 District Budget.
      General Manager Kelly Dodds presented a PowerPoint. See 6-11-2026 Board Packet at https://www.sanmiguelcsd.org/2026-06-11-board-of-directors-regular-and-special-special-meeting-budget
      General Manager Kelly Dodds went through each Fund/Department and explained the proposed revenues and expenditures and asked for any questions throughout the presentation.
      **Board Comment:** Director Sangster asked about the Capital Reserve Funds, and it was

explained that Capital Reserve funds can only be used for Capital expenses, infrastructure, facilities development. General Manager Kelly Dodds discussed District Grants and the Wastewater Treatment Plant Expansion project.

Fire Chief Scott Young presented the Fire Department fund budget information.

Director Davis asked if the District was fully staffed and that he knew of a new hire at the treatment facility. General Manager Kelly Dodds explained that the District is not fully staffed at this time. Director Davis asked how may people are working at the treatment plant and how many where operators. General Manager Kelly Dodds clarified that there are a total of four people and two of them are operators.

Director Sangster asked why the Household Hazardous Waste Facility (HHWF) was not under the Solid Waste fund. General Manager Kelly Dodds explained that it would be the only "project" that could fall under Solid Waste, but that it is at the Wastewater Treatment Plant. It was explained that the HHWF project is of no cost to the District and that is why it was not identified as a project.

Director Davis asked about the Septic to Sewer project, and if it was going to be a choice or requirement. General Manager Kelly Dodds explained that it will be a choice, and it all depends on how many people choose not to do it will depend on whether or not that project moves forward. Discussion ensued.

Director Sangster asked if there was budget for the monthly credit card use, what the average use is, and what the monthly limit was. General Manager Kelly Dodds explained that the District does not budget specifically for use of a credit card, but that each expense is coded to whatever Object Code it belongs too. General Manager Kelly Dodds gave examples and explained that the overall credit limit is ten thousand a month.

Director Beatty asked about Street Lighting and wanted to know about the Street Lighting plans. General Manager Kelly Dodds explained that it is in the planning phase under Object Code 326, it was explained that once the plan is ready for construction it will be brought back to the Board as a Budget Adjustment and separate approval.

Director Davis asked for clarification that the design contract was eighty thousand. General Manager Kelly Dodds clarified that it was around ninety-thousand and is for multiple locations across the District. Discussion ensued.

Director Beatty asked to discuss the proposed budget for Legal Services and asked how that amount is broken down. General Manager Kelly Dodds explained that each Department/Fund has multiple Object Codes for legal that goes across all departments. Legal costs are divided into categories, giving examples like Public Records Request, HR, and the Steinbeck litigation. Which helps us identify where money is actually going.

Director Sangster asked if in recent budget cycles has the District not exceeded the budgeted amount. General Manager Kelly Dodds explained that the reports for the budget show what's been spent in previous years, and the only year that shows budget vs. actual is the current fiscal year. Examples were given to help with the understanding of the reports provided. Discussion ensued.

**Public Comment:** General Manager Kelly Dodds read written public comment aloud from Shaunna.

Director Sangster asked General Manager Kelly Dodds to respond to written pubic comment via email.

2. **Discuss and adopt Urgency Ordinance xx-2026 prohibiting fireworks within the District. (Approve by 4/5 vote) (Pg. 43-47)**
   **Requested by Director Davis and Sangster**
   By a four-fifths vote, adopt Urgency Ordinance xx-2026 prohibiting fireworks within the District.

Item was presented by Deputy General Counsel Pritchard who explained that at the request of the board members Owen Davis and Ashley Sangster, this item has been brought forward for discussion. Attached to the staff report is a letter stating Director Davis' desire for a temporary ban of Safe and Sane Fireworks within the boundaries of San Miguel Community Services District during July 4th, 2026. This is being submitted as an Urgency Ordinance for a temporary ban. An Urgency Ordinance may be passed immediately upon introduction with a four-fifth vote from the Board. An Urgency Ordinance requires a need for an immediate perseveration of the public peace, health, or safety pursuant of Government Code section 61060. Director Davis expresses concern for the public peace, health, and safety of the fireworks. Fireworks have previously led to fires in the area, mental strain on veterans in the community, and distress for domestic animals in the District. Prohibiting all fireworks on the Fourth of July might decrease the number of illegal fireworks and, therefore, decrease these public health safety issues. Deputy General Counsel Pritchard explained that there will be no new penalties created with this temporary ban, because the District does not have the authority to administer fines and spoke about the letter received from the San Luis Obispo District Attorney's (DA) office. It was clarified that the Board must find that an urgency exists and all four Directors will have to vote to approve.

**Board Comment:** Director Sangster asked for clarification that this Urgency Ordinance would only apply to 2026 then go back to as written. Deputy General Counsel Pritchard explained that he was correct.

Director Smiley pointed out that the letter was from an Owen Davies, not an Owen Davis and asked for clarification that it was from Director Davis. Deputy General Counsel Pritchard clarified that the letter attached to the agenda was received from Director Davis.

Director Beatty asked what the cost was for legal to work on this. Deputy General Counsel Pritchard explained that the cost to the District is drafting the ordinance and the current proceedings, then from here it would be up to the Sheriff Department to site those who violate the ordinance on the 4th of July, and then those citations would be forwarded to the DA office for review.

Director Davis stated that he wanted the public to understand that this is a one-time thing and that he thinks it is very needed especially with the climate this year, and everything that has happened in the past with Fireworks. Director Davis explained that San Miguel used to have car shows, and there were the burn outs until the Sheriff got involved and started policing them, now they are better. Director Davis explained that he would like to try this for a year to see what happens and explained that he feels like it is the right thing to do with the majority of the people in San Miguel agreeing with him.

Director Sangster stated that he can not overstress the safety of the community from a fire perspective, pets, and livestock and explained that it warrants concerned consideration whether the District allows fireworks in the community. Director Sangster also stated that if the San Miguel Firefighters Association is not benefiting financially, what is the motivation for allowing fireworks.

Director Beatty stated that after hearing Director Davis and Director Sangster, the only thing that comes up to him is that once you have the Sheriff go around and site people in San Miguel for lighting Safe and Sane Fireworks, you are taking the Sheriff and the Fire Personnel away from emergencies. Director Beatty explained that even after what happened last year in the community of Templeton, they are allowing Safe and Sane Fireworks.

Director Smiley stated that his opinion is that the illegal fireworks are still going to be here, and that this is not going to stop anything. Director Smiley reminded everyone that the building that was burnt down in Templeton was from illegal aerial fireworks, not Safe and

Sane fireworks.
Director Sangster stated that one bad egg destroyed a historic building last year in Templeton and stated that it is not worth the risk to homes, pets, and veterans for people to have flash bang things. Director Sangster explained that the Board of Directors could sit and argue or they could take action, explaining that with the Ordinance they will at least have something written that the DA can use. Director Sangster also explained that no one is going to be arrested, but if something happens, we can say we did something or we tried.
Fire Chief Scott Young explained that he has been out in the community on the fourth of July for years and explained that the Board has already done something. It was explained that when the Board failed to pass the sales and use of Safe and Sane Fireworks, in the existing ordinance Section 18. 10.2; no one can possess or use safe and sane fireworks within the District boundaries. Fire Chief Scott Young spoke about working with the Sheriff Department and how the community has come together to fund the additional fire staffing with donations for the fourth of July. Discussion ensued.
Director Beatty stated that this is a waste of time, as stated by the Fire Chief there is no sale or use of Safe and Sane Fireworks.
Deputy General Counsel Pritchard reviewed said section in the Fire Code and explained that it does not clearly state that Safe and Sane Fireworks cannot be discharged, it only refers to fireworks. It was explained that the urgency ordinance removes the improper administrative citation provision and only applies the misdemeanor penalties and is specific to Safe and Sane fireworks. The urgency ordinance also provides the verification which is required by the Sheriff Department and DA's Office to do anything in relation to a prohibition ordinance. Discussion ensued.
**Public Comment:** Pat Murphy a San Miguel resident thanked the Fire Department for helping her family and spoke in favor of the Urgency Ordinance.
Gregory Campbell a San Miguel resident asked for clarification from Legal Counsel that if the Urgency Ordinance passes, all fireworks will be illegal in San Miguel.
Kathy Shuder a San Miguel resident asked if the Urgency Ordinance was just for the fourth of July.
Leanna Morales a San Miguel resident asked if anything was going to be translated to the Spanish speaking community and spoke in favor of Safe and Sane Fireworks.
John McClure a San Miguel resident spoke about not liking illegal fireworks but was in favor of Safe and Sane fireworks.
Jenny Nickett a San Miguel spoke about the 250th anniversary of the USA, tradition and is in favor of Safe and Sane Fireworks. Mrs. Nickett also spoke about the Districts upcoming election, and actually doing what their constituents are asking for.
General Manager Kelly Dodds read written public comment aloud from Shaunna.
General Manager Kelly Dodds read written public comment aloud from J. Brown.
**Board Comment:** Director Sangster explained that he feels that this is a public safety issue and if the Board wants to give the Sheriff and DA the ability to punish people who are using fireworks. Director Sangster stated that he wants to provide law enforcement, firefighters, and the DA with everything they need to put a dent in the use of fireworks in San Miguel.
Deputy General Counsel Pritchard reminded the Board that they have to find that there is an urgency; a threat to health and safety that needs to be with the motion to approve.
After motion failed, Fire Chief Scott Young explained that he is going to do public outreach and let the community know that all fireworks are illegal in San Miguel and that he will be working closely with the Sheriff Department.

**Motion By:** Ashley Sangster

**Second By:** Owen Davis

**Motion:** To Approve urgency ordinance, based on the identified urgency in the community for fire, life and safety

| Board Members | Ayes | Noes | Abstain | Absent |
|---|---|---|---|---|
| Owen Davis | X | | | |
| Ashley Sangster | X | | | |
| Rod Smiley | | X | | |
| Brendin Beatty | | | X | |

6. **Board Action Items:**

1. **Award a contract to Wallace Group Inc. in an amount not to exceed $1,950,000 for Construction Management Services for the Machado WWTF upgrade and expansion per the RFP by resolution. (Approve by 3/5 vote) (Pg. 48-116)**
Authorize the General Manager to execute and administer a contract with Wallace Group Inc. for Construction Management Services for the Machado WWTF upgrade and expansion project in an amount not to exceed $1,950,000 by resolution.
Item was presented by General Manager Kelly Dodds who explained that this item is to authorize the General Manager to award the Wallace Group the Construction Management Services for the wastewater treatment plant upgrade and expansion project. General Manager Kelly Dodds explained that the Board approved the circulation of a Request for Proposals (RFP) for Construction Management services for the Machado Wastewater Treatment Facility upgrade and expansion project, which is scheduled to begin later this year. Five firms attended the pre-bid meeting on March 11, 2026, and four firms submitted proposals by April 10, 2026, deadline. Following review of the submitted proposals and qualifications, all four firms were deemed responsive and capable of providing the required services. Interviews were conducted with each firm to evaluate the proposed project staff, their understanding of the project, and their approach to managing similar projects. Each firm participated in interviews with the personnel who would be assigned to the project. All firms demonstrated the experience and management capabilities necessary for a project of this size and complexity, as well as the ability to scale staffing as needed. Each firm also committed to assigning consistent staff, ensuring continuity, and minimizing turnover of the Construction Manager on site. This provides the District with confidence that on-site personnel will remain familiar with project conditions and progress throughout construction. Based on the evaluation of proposals and interviews, staff recommend awarding the Construction Management contract to Wallace Group for the Machado Wastewater Treatment Facility upgrade and expansion project, including the Service and Switchgear component. Based on their qualifications and the District's prior experience with the firm, Wallace Group is considered the best fit for this project. General Manager Kelly Dodds explained that the proposed Construction Management cost is eligible for reimbursement under the executed CWSRF construction grant. The total proposed amount of $1,950,000 is within the $4,884,000 budget allocated for soft costs in the grant application and will be reimbursed based on actual costs incurred. It is recommended that the Board adopt the attached Resolution authorizing the General Manager to execute a contract with Wallace Group, Inc. in the amount of $1,950,000 for Construction Management services (Tasks 1–4 as defined in the RFP and Task 0 as defined in their proposal).
**Board Comment:** Director Sangster asked because this is a RFP and can be awarded by

best value, does the District ever engage in the practice of sending an "intent to negotiate". General Manager Kelly Dodds explained that they normally do no do that but have discussed how the best value could be done in the interviews. Discussion ensued about "intent to negotiate", and how that is expected sometimes.
Deputy General Counsel explained that procurement requirements for small local agencies like CSD's are much more restrictive. It was explained that if the District were to negotiate with any of the bidders that resulted in a lower value project the project would then be required to go back out to bid. Discussion ensued.
Director Davis asked for clarification about that this was to supervise the project, not to do any digging. Director Sangster clarified that this proposal is for the construction management of the project.
**Public Comment:** None

**Motion By:** Rod Smiley

**Second By:** Ashley Sangster

**Motion:** To Approve

| Board Members | Ayes | Noes | Abstain | Absent |
|---|---|---|---|---|
| Brendin Beatty | X | | | |
| Rod Smiley | X | | | |
| Owen Davis | X | | | |
| Ashley Sangster | X | | | |

2. **Authorize a contract change order #13 with Fluid Resource Management and Cloacina Inc. in an amount of $1,621,902.06 for changes to equipment to be supplied under prior contact to improve efficiency, operability and longevity of the Wastewater Treatment Facility. (Approve by 3/5 vote) (Pg. 117-145)**
Review and approve a change order for Fluid Resources Management and Cloacina for changes to the equipment to be supplied under the existing contract for the Machado WWTF upgrades by resolution. Authorizing the General Manager to approve change order #13 and administer the contract with FRM/ Cloacina.
Item was presented by General Manager Kelly Dodds explaining that this is to authorize change order #13 with Fluid Resource Management (FRM) and Cloacina Inc. staff report was read aloud. It was explained that change orders #3-12 were rejected. General Manager Kelly Dodds stated that he has been working with the engineering team and that several things have been proposed to reduce the overall operational cost of the plant, most of those things are: Changing from a standard MBR to a Bardenpho system. Co-location of the course screen with the grit and fine screens on the MBR and removal of the remote Duperon screen enlarging the sludge tank, platform, and sludge press. All three of the above items will cost more to build but will save money on operational costs over the life of the Plant which are expected to exceed their initial construction costs. General Manager Kelly Dodds stated that the approval of this change order will increase the total contract with FRM/ Cloacina by $1,621,902.06. This is within the approved Grant amount for the overall project and will be reimbursed by the Grant.
**Board Comment:** Director Sangster explained that through his Cal Poly procurement process, he has learned a lot about this process. General Manager Kelly Dodds stated that the system the District is purchasing at is similar to the Cal Poly MBR.
Director Sangster asked with these changes to the MBR unit, will these change our projected maintenance cost year over year, or will it stay the same. General Manager Kelly

Dodds explained that there will be minor changes from what was presented to the Board a year ago, just due to inflationary costs. It was also explained that the overall operational costs are very similar of what the District has at this point, but that the savings will be seen long term in the staffing and chemical costs. Discussion ensued.
**Public Comment:** None

**Motion By:** Ashley Sangster

**Second By:** Rod Smiley

**Motion:** To Approve

| Board Members | Ayes | Noes | Abstain | Absent |
|---|---|---|---|---|
| Brendin Beatty | X | | | |
| Rod Smiley | X | | | |
| Owen Davis | X | | | |
| Ashley Sangster | X | | | |

3. **Authorize the Fire Chief as the authorized representative for the annual SAFER & AFG grants and to apply for, and manage those grants by Resolution. (Approve by 3/5 vote) (Pg. 146-147)**

Review and approve the attached resolution appointing the District Fire Chief as the representative in all matters relating to the annual SAFER & AFG Grant process.

Item was presented by Fire Chief Scott Young who explained that this item is to authorize the Fire Chief as the representative to apply for the SAFER & AFG Grant annually. Fire Chief Scott Young discussed that there will be minor fiscal impact and that he will be working with Aroura Williams to assist with the Grant writing process on an hourly basis.
**Board Comment:** Director Sangster asked if there was an estimate of hours for the Grant application. Fire Chief Scott Young explained that they take around 6 to 8 hours.
Director Davis asked about Fire Chief contract and the 45-mile radius, as it pertains to the SAFER Wildland Grant. Fire Chief Scott Young explained that is in his personnel contract but has nothing to do with the Fire Departments obligation to the County and State. Fire Chief Scott Young explained that the AFG Grant is for equipment.
**Public Comment:** None

**Motion By:** Ashley Sangster

**Second By:** Brendin Beatty

**Motion:** To Approve

| Board Members | Ayes | Noes | Abstain | Absent |
|---|---|---|---|---|
| Brendin Beatty | X | | | |
| Rod Smiley | X | | | |
| Owen Davis | X | | | |
| Ashley Sangster | X | | | |

7. **Board Comment:**

Director Sangster feels that throughout this last week with the talk of the approval of an Urgency Ordinance there has been a lot of commentary throughout social media. He feels that

numerous posts indicate that he was opposed to the Fire Department, which is untrue. Director Sangster explained that he has always supported the Fire Department and appreciates their work. He is not sure what platforms that this is seen on but explained that when there are things being said about him, specifically that are untrue, he is going to hold the person that manages those sites accountable. Director Sangster explained that most of the posts are from "anonymous members", and stated that "if you cannot post who you are then don't say anything derogatory about someone else that is in a public position".
Director Davis agreed with what Director Sangster was saying and all of the things being said are all lies, and that there has been some letters written here that are direct lies too. Director Davis said that if someone comes after him, he is going to come after them with his attorney. Director Davis spoke about the threats he has received, and that he explained that he was in favor to pass this urgency ordinance.
Director Smiley explained that he saw an interesting article on Facebook about growing up in San Miguel and discussion on the old pictures, and how to find the article ensued.
Director Beatty explained that he loves San Miguel and that his goal was to volunteer his time, his family built there home here and wants to see the town thrive; expressing that it always pays to be kind.
Director Davis spoke about Fire Chief Scott Young comments on how all Fireworks were considered illegal in San Miguel and wanted to make sure that the Spanish speaking community were informed.

**8. Adjourn to Closed Session/Closed Session Agenda::**
At: 8:04 PM
General Manager Kelly Dodds read written public comment aloud from Shaunna. Director Sangster asked that Deputy General Counsel Pritchard receive the comment and asked that General Manager Kelly Dodds to respond with any unprivileged information.

1. **CONFERENCE WITH LEGAL 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

**9. Report out of Closed Session::**
No reportable action

**10. Adjournment to Next Regular Meeting:**
AT: 8:28 PM
*As per Chapter 10.9 of the SMCSD Board Member Handbook, meeting minutes reflect actions taken and are not a complete record. Please visit the SMCSD website: https://www.youtube.com/@sanmiguelcsd/playlists to view full recordings of meetings.*