



## 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 MEETING MINUTES

6:00 P.M. Opened Session

SMCSD Boardroom 10-26-2023

**1. Call to Order:**

At: 6:01 P.M.

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

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

Director Smiley asked to move Action Items 1/2/3 to position 5/6/7, for Director Baker to be present. (*Director Baker arrived at 6:15 P.M.*)

**Motion By:** Rod Smiley

**Second By:** Raynette Gregory

**Motion:** To Approve To move Action Items 1/2/3 to 5/6/7

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

**4. Pledge of Allegiance:**

Lead by Director Smiley

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

None

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

None

**7. Non- District Reports:**

**1. San Luis Obispo County Organizations**

Verbal/Report

*San Luis Obispo County Sheriff Office, Commander Manuele arrived late; Motion to present after Action Item #4.*

San Luis Obispo County Sheriff Office, Commander Manuele updated the Board on the calls for service for September 2023 in San Miguel. San Miguel has had an increase in calls.

**Public Comment:** None

**Board Comment:** Board as a whole thanked the Commander.

Director Kalvans spoke about the recent incidents and voiced that he would like to have more opportunities to support the Sheriff Department, with a bigger presence in San Miguel. Commander Manuele voiced that he agreed that there has been a lot of serious calls for San Miguel, and that the Department will increase patrols.

Director Davis commented to the Commander that the Country has wide-open borders, asked if that had anything to do with these incidents. Commander Manuele voiced that the Sheriff Department is an enforcement agency, and is not in the position to give opinions.

**Motion By:** Raynette Gregory

**Second By:** Anthony Kalvans

**Motion:** To Approve Hearing San Luis Obispo County after original report item Action item 10.7 (moved to 10.4)

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

**2. Community Service Organizations**

Verbal

Director Smiley, for the Cypress Mountain Mason Lodge updated the Board that the Rios-Caledonia Adobe community “Organization Signage” is moving forward. Discussion ensued on all the community organizations that will be volunteering to help with clean-up and how the County Parks are too underfunded to provide any help.

**3. Camp Roberts—Army National Guard**

Verbal

None

**8. Staff & Committee Reports - Receive & File:**

**1. General Manager**

Receive verbal report

The General Manager Kelly Dodds updated the Board of Directors that he attended the October LAFCo Board Meeting, where the SMCSO Municipal Service Review and Sphere Of Influence (MSR/SOI) was approved. The District is still working with the Senior Center for an updated contract. General Manager Kelly Dodds wanted to remind the Board and public that he is available by phone, text, email, and in person for questions about the

District.

The Paso Robles Cooperative Committee (PBCC) meeting was held on October 25th. Director Baker became the Member and there was an extensive agenda, if anyone has questions or would like more information he is available by phone, text, email, and in person for any questions.

**2. District Counsel**

Receive verbal report

District General Counsel Pritchard has nothing to report.

**3. District Utilities**

Receive and File

Item presented by the General Manager Kelly Dodds updating the Board of Directors that the San Lawrence Terrace (SLT) Well is still offline and explained that due to the extensive wear and damage on the pipe column. The pump, pipe column and motor will all need to be replaced. The Pond number two's aerator was repaired and put back into service. Mr. Dodds also explained that there was a leak on L Street, that has been stopped but a more permanent repair will need to be done.

**Board Comment:** Director Gregory asked for clarification on what District Well he was talking about. Discussion ensued about the SLT Well and how it will be cleaned.

Director Davis asked about using PVC and not steel, and would like the cost brought back to the Board for approval. Discussion on purchasing authority and history of the SLT Well ensued.

Director Kalvans voiced that if Director Davis is looking at the well logs, he will also need to be looking at the earlier well.

**Public Comment:** None

*Consensus to bring back cost of repairs to the SLT Well. Davis/Kalvans*

**4. Fire Chief**

Receive and File

Fire Chief was out of town and submitted report as written. General Manager Kelly Dodds voiced that if the Board of Directors had any question on the Fire Chief report, he could relay them to the Fire Chief.

**Board Comment:** Director Davis asked about the Fire Chief being absent and ask who was staffing the Fire Department in his absence. Director Davis also asked about the Temporary Housing Unit and after three years how much has been spent on storage for that building.

**Public Comment:** None

**9. Consent Calendar:**

**Board Comment:** None

**Public Comment:** None

**1. Authorize General Manager as the Authorized Representative for Clean Water State Revolving Fund grant for the San Miguel Septic to Sewer Project - RESOLUTION 2023-49**

Approve Resolution 2023-49 authorizing the General Manager to act as the Authorized Representative for the Clean Water State Revolving Fund Grants for the San Miguel Septic to Sewer Project.

**Motion By:** Raynette Gregory

**Second By:** Anthony Kalvans

**Motion:** To Approve Resolution 2023-49

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

**10. Board Action Items:**

**1. 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.**

Receive report from General Manager regarding protest verification and continue Board discussion and potential approval of water rate structure change and increase.

*Previous Action item #1 moved to Action item #5*

Item presented by General Manager Kelly Dodds updated the Board about the last meeting. The District received a total of 538 protests before the end of the Public Hearing. Mr. Dodds explained that the protests were separated into five different categories; Accepted, Unable to verify, Incomplete, Duplicate, or Out of District. Out of the 538 protests 334 were accepted as valid. General Manager Kelly Dodds explained the Board's options, then can move forward with a discussion on accepting the proposed rate, a different rate, or ending this rate study.

**Public Comment:** Greg Grewal Creston resident, spoke about last year's San Luis Obispo County vote for supervisor, and expressed that ballots had been "found". Mr. Grewal voiced that he felt that either way a vote goes, there needs to be a time where those votes can be cured. Voter's need to feel that their votes count.

Ashley Sangster San Miguel resident spoke about the protest forms he collected, 99% of the people that he encountered where 100% against another increase. Mr. Sangster voiced that per the District's Financial Report that was given earlier, the District will be receiving a 5.5% to 6% increase in property taxes.

**Board Comment:** Director Baker voiced that the people that collected the protests, should have the opportunity to come in and look at the protests that where not accepted.

General Manager Kelly Dodds explained that no one has contacted him to look at them. If anyone would like to look at them, Director or Public, they can make an appointment to come review them. General Manager Kelly Dodds clarified that the protests are confidential, and can be reviewed but no copies can be made.

Director Baker voiced that the people that collected the protest already have copies.

General Manager Kelly Dodds wanted to speak on Mr. Sangster's comment about property taxes, and explained to the Board of Director's that the Water Department does not receive any property taxes.

Director Baker asked if this was the first time this count has been made public. Mr. Dodds

explained that it was in the Board Packet sent out on October 19th. Discussion ensued. District General Counsel voiced that the public was aware that the validation process was occurring as announced at the last meeting and that at any point someone could have called and validated that their protests were validated. Discussion ensued.

Director Gregory asked Director Baker how the public would be able to validate the protests, because the information that was used to validate is confidential. District Counsel clarified that the people who collected the protests can not look at the confidential District's customer utility records or the County Assessor's records to verify.

Director Baker voiced that they could look at the protests. Counsel voiced that the people that collected the protests stated that they already had copies. Counsel clarified that they can look at the tabulation, but the other problem is that Director Baker is referring to is a cure period, and that the District would have to have a specific policy in place. The process that the District has to go by is the minimum requirements of prop 218 that the State Legislature has provided.

Director Baker voiced that the count was done by District Staff who is in favor of the increase, his opinion is that it was not done by an independent party.

General Manager Kelly Dodds voiced that it might be best if he clarifies the process that was used. Mr. Dodds voiced that the District staff is in favor of the increase because that is what is going to be necessary to ensure the financial stability of the Water Department. Discussion ensued on how the verification process went, the Utility Billing records and Assessor's records that were used. Prop 218 has rules that the District has to go by, and they are very specific on what can be counted. The financial future of the District was discussed.

Director Baker asked that in the Unable to Verify protests, how many had a correct address but the wrong name? General Manager Kelly Dodds explained that he did not have that information and did not want to assume.

Director Baker voiced that it did look like there would not have been enough of those protests to push it up over the 50% threshold.

Director Gregory asked about the new rate proposal, and how many customers would have their water rate lowered by this new rate change.

General Manager Kelly Dodds explained, that he did have those numbers available, since Director Kalvans asked a similar question in an email. It was explained that we have had customers come into the office for clarification because they were told that the proposal was current rate plus proposed rate, which is not the case.

Director Gregory voiced that she thought that it is rather disingenuous to think that everybody in the community does not want to have this rate change. Not all of the customers will see an increase, some will see a decrease, expressing that it was what the Board had asked the staff to do. Director Gregory spoke about the District's financial instability in the past, and informed the public that she also does not want to see a rate increase. Director Gregory feels that what has been worked out is a good compromise so that the lower water users have a gentler tier to land on.

General Manager Kelly Dodds explained that if you are using approximately three units or less you would be saving water, and on the higher end you would start seeing savings. Approximately 195 customers would be saving some money.

Director Baker expressed that users of 5 units or more will be getting a 15% increase, and when you get to 19 units at the old rate you would be contributing more money. Director Baker voiced his concern with this scenario but likes the fact that you're only paying for what you use. Discussion on the average ensued.

Director Baker opinion is that the average user is families with kids, and they are the ones that will be paying the most, and that is very concerning. Director Baker gave percentage

analysis over the six-year period and explained that he has not has not heard anything about expense management. Discussion about budget and actual numbers on page 41 of the meeting packet ensued. Legal fees and incentive programs for employees to find cost savings was discussed.

Director Gregory voiced that she feels that the number one spending waste is on attorney fees for lawsuits, employee suits, Steinbeck litigation.

District General Counsel voiced that if the Board of Directors did no stop talking about the on going Steinbeck litigation, they would have to vote to wave privilege, and voiced that the Board of Director have already gone to far.

Director Gregory understood, and continued discussing non-privileged information. Director Gregory discussed that the District is a business, and understands finding areas to curb spending. Discussion ensued with Director Gregory asking about the rules of Prop 218 and the rates, and wanted specifically to know if this can be a year to year or is it just set for five-years.

District General Counsel explained that the Board does not have to adopt the five year schedule, you can go a year at a time; the rate study is good for five years. Counsel explained that because the protest did not succeed then for five years you can revisit the rates under that rate study; you can not go any higher than what was noticed to the public but you can go lower. Counsel explained that the Board is not stuck with the proposed schedule as far as the base or the tiers; you just can not go higher than what was noticed.

Director Baker voiced that he would like to pause on the rates and look at expenses.

Director Davis voiced that per his calculations, customers will be paying 20% more for 20% less water. Director Davis feels that it was intentional miscalculations, and asked who uses 748 gallons?

General Manager Kelly Dodds explained that there were 32 customers last month that used zero, and are consistently using less than 1 unit.

Director Davis feels that it is "bait and switch" on how the rate information was written up, and it was just to make people think that they would be saving money, but in his opinion they will not get as much water.

Director Davis expressed that he gave a letter to the General Manager asking for the total number of signatures that Mr. Dodds okayed, and would like to have copies or given the numbers that he had written on the protest before he turned them into the District; and wanted a reason on why they were rejected. Director Davis voiced that it is not confidential because he has the copies/names and just needs the "number" that were put on the protest.

General Manager Kelly Dodds explained to Director Davis that technically the protests are confidential and making copies was illegal. Mr. Dodds handed Director Davis the written response to his letter.

General Manager explained again that any Director or any member of the public is welcome to make an appointment with him to come down to inspect any or all the protests and inspect the tally sheet that explains why any were rejected.

General Counsel explained to Director Davis that the "numbers" that were put onto the protest by the people that collected them where not tracked, and is not part of the validation process.

Director Davis explained that all the protests that we turned in were all numbered and that they have copies.

District Counsel explained that those numbers where not used at all in the validation or tracking process, and that would be asking staff to spend a large amount of time sorting them for you.

Director Davis voiced that this is not an election, but the people that signed 538 of those ballots where the citizens of San Miguel and that they have a right to know if their

signature counted or why it was not counted.

Discussion ensued about the protest copies and their numbering, and the time it would take staff to do what Director Davis is asking.

Director Smiley asked Director Davis to wrap it up and make an appointment with the General Manager.

Director Davis continued, and Director Smiley called Point of Order

Director Smiley voiced that the District is running a business, and when inflation hits you at 20% in one year but you're still bringing in the same money, you have to come up with that money loss somewhere. Director Smiley listed off the essential operating items that cost more while at the same time you are losing 18% and will be losing 22% if this continues.

Director Baker expressed that is why he is saying expense management, and discussed his opinion that it is the easiest thing to do is raise prices, but this a monopoly and the people do not have a choice.

Director Kalvans voiced that he appreciates all the diverse ideas, and he has looked at all the numbers. Director Kalvans explained that he works with conservation customers in south county, and that he knows that the information is confidential; giving an example that when a husband is on an account and the wife calls but is not on the account he can not tell the wife anything about the account. Director Kalvans voiced that he asked the General Manager to look at cost for a certain percentage of users, and has looked at numbers with a much lower starting point and how many customers would have a lower water bill. Under the numbers that he reviewed a total of approximately 56% to 46% would see a rate decrease. Director Kalvans explained that he wanted to know what the impact on the District would be if we started at a volumetric rate starting at \$5.15 and increasing .50 cents each year, and would like to have those numbers looked at by next month. This would give the proponents of the protest time to review the ballots. Discussion ensued on Kalvans proposal.

Director Gregory asked how Director Kalvans came up with those numbers.

Director Kalvans explained that he took the existing volumetric tiers, and played with numbers to figure out what customers would actually pay. Worked up to 15 units of water, and compared other entities; explanation ensued.

General Manager Kelly Dodds voiced that he is hearing that the Board of Directors might want to continue this item.

Director Baker said he would like to have a review of the expenses for Fiscal Year 23-24 and 24-25. General Manager Kelly Dodds asked if Director Baker would like to come review them and will be in touch to make an appointment.

*Consensus of the Board is to have the General Manager work with Director Baker to review the expenses.*

*Baker/Kalvans*

*Consensus of the Board is to look at Director Kalvans proposal of \$5.15 and .50 cents each year.*

*Kalvans/Smiley*

**Motion By:** Berkley Baker

**Second By:** Owen Davis

**Motion:** To Continue to November

Board Members	Ayes	Noes	Abstain	Absent
Berkley Baker	X			

Raynette Gregory	X			
Rod Smiley	X			
Anthony Kalvans	X			
Owen Davis	X			

**2. Adopt revisions to District water and wastewater Billing policy - RESOLUTION 2023-47 (Recommend review and approve)**

Review and approve RESOLUTION 2023-47 adopting revisions to the District water and wastewater billing policy.

*Previous Action item #2 moved to Action item #6*

Item was contingent on new water rate changes. District General Counsel suggested that the item be tabled after taking public comment.

**Board Comment:** None

**Public Comment:** Greg Grewal Creston resident, spoke about Paso Robles and how they used less then did not receive enough revenue. Mr. Grewal gave his opinion about the Steinbeck litigation, and asked why the District has a General Manager.

**Motion By:** Raynette Gregory

**Second By:** Berkley Baker

**Motion:** To Table Resolution 2023-47

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

**3. Discuss parameters for a Proposition 218 Protest Procedure. (Discussion and direction to staff)**

The Board should discuss the scope of any proposed Proposition 218 Procedure it would like drafted for future consideration and exactly what the parameters of such a procedure will be. This item will likely need multiple discussions to work out all details necessary for a clear and unambiguous process.

*Previous Action item #3 moved to Action item #7*

Item was presented by the District General Counsel Pritchard, discussed that the policy needs to have perimeters and not ambiguous. This is a large project and would need a couple meetings.

**Board Comment:** Director Baker voiced that he would like to see every household was counted, giving the example of the mobile home park, and a similar policy or procedure in place. Discussion ensued.

General Manager Kelly Dodds explained that if it was the direction of the Board, we could add these and discussion ensued on how to verify.

Discussion between Directors about what kinds of households would qualify and how the landlords would handle that, ensued.



Director Kalvans voiced that there are some legal issues with tenants and landlords, with charging utilities into the rent, and wanted to know how the verification from voter registration would work.

District General Counsel explained that the District has their customer base to verify against then you have the San Luis County Assessors information and as a third verification voter registry. Counsel voiced that per Director Bakers proposal it would be per dwelling unit, giving examples of what would be considered a dwelling unit. Each dwelling unit, not each person living in those units would have the opportunity to be counted rather than the parcel as a whole.

Director Kalvans voiced then we would need to consider, is do you base it off the total number of accounts we have or the total number of voters? Counsel explained that the question to review would be do you stick with your base customer number which may be prejudicing your customers or do you raise the number to the amount of customers plus registered dwelling units. Your base could be the number of units that are serviced water in the District, and the question would be then, does the District have that number?

General Manager Kelly Dodds voiced that if he thought that the District was talking about just apartments or mobile home parks, those are really easy to know, but with the advent of Accessory Dwelling Units (ADU), those are separate residences in the eyes of the County. ADU's are not considered separate residences as far as the District is concerned, the whole property is one service. This policy will need to be very specific on what you're counting as a dwelling, and then we would need to add that many to the total.

Director Baker asked for clarification on what an ADU was. General Manager Kelly Dodds explained that it is a Accessory Dwelling Units, it's housing that you can add to your property up to 1,200 sqft. Discussion ensued on what California considered an ADU.

General Manager Kelly Dodds voiced that his recommendation, if they added "dwelling units", then you would also need to add that number to the customer base, making up a total.

Director Kalvans opinion is that the proposal could be problematic and discussed areas within the District boundaries that would have issues. Director Kalvans expressed that finding out who lives in a unit becomes intrusive, and feels that it should just be landowners and that's it.

Director Gregory voiced her opinion that there is no way to verify all of them.

District General Counsel explained that the District would need the registry and explained that Legal Counsel is looking into the legality of this. The property owners are legally liable for the water bills, and their properties get a lien on them due to the owners actually holding the legal liability. Discussion ensued on property owner liability.

Director Davis voiced that he personally collected a lot of the protest signatures himself, and there's people that say they don't pay a water bill. Director Davis explained that he would ask if they had checked their rent prices lately and asked if when their water bill goes up so does their rent. In Director Davis's opinion they are actually paying the water bill even though the landlord may live somewhere else, the tenant is paying the water through their rent, and should be counted. Director Davis voiced that the District forced the White Oak mobile home park to put in individual meters so they could recoup water cost from their tenants. Director Davis explained that he collected twenty-seven signatures at White Oak mobile home park and he considers everyone of those should be counted because they are getting a water bill from the owners of the park, doing the CSD's job of reading the meters and billing each of them.

General Manager Kelly Dodds explained that if this policy does move forward and says that the District would count that type of occupancy, then those would count. But based on our lack of a policy the District is following the Prop 218 requirements; those do not count.

If the Board of Directors chooses to have that kind of occupancy as countable and legal, then the District would have to have some sort of registry or get an agreement from the property owner to release the information of their tenants, so we could verify the tenants protests.

District Counsel explained that there are a lot of legal questions with such a proposal. Counsel explained that this is not forced, and nobody has to participate in the process, giving the example that the District has 906 water customers and a third of them participated. Discussion on process and the legality ensued.

**Public Comment:** Greg Grewal Creston resident, spoke on the size and estimated occupancy for homes.

*Discussion item only*

**4. Monthly Financial Reports for September 2023 (Recommend review and comment)**  
**\*\*Once the FY2022-23 audit is approved formal approval of monthly reports will be presented\*\*\***

Please *Review* the September 2023 SMCS D Financial Reports.

After the SMCS D Audit is completed, all adjusting journal entries are processed, and the 22/23 FY is closed- all Financial Reports that were presented for Review Only will be finalized. Those reports will then be presented to the Board for *Receive and File* approvals.

*Previous Action item #4 moved to Action item #1*

Item was presented by District Financial Officer Michelle Hido, explaining that after the SMCS D Audit is completed, all adjusting journal entries are processed, and the 22/23 FY is closed, then all Financial Reports that were presented for "Review Only" will be finalized. Those reports will then be presented to the Board for *Receive and File* approvals. Financial Officer Michelle Hido voiced that the September financials are on page 67-105 of the Board packet. Mrs Hido voiced that she wanted to go over her report sections to help explain the provided information and to help with last months questions. Discussion ensued about the monthly financial reports and how to read the information. Financial Officer Hido explained the proposed increase in property taxes for Lighting, Fire, and Sewer. The 2022-23 Fiscal Year Audit should be presented to the Board at the November meeting.

**Board Comment:** Director Kalvans asked about the estimate County property tax Funds and would like to Tax Rate Areas be looked into.

Director Davis wanted to know how much has the District has spent on attorney fees for the Prop 218. District General Counsel explained that those invoices are not final.

Director Baker asked about how the county property taxes affect the District's Budget. Financial Officer Michelle Hido explained that it is a preliminary estimate for fiscal year 23-24, and will be used when making the budget.

**Public Comment:** None

*Item is Review only*

**5. Sanitary Sewer Lining and Manhole Rehabilitation project budget adjustment - RESOLUTION 2023-44 (Recommend review and approve)**

Review and approve RESOLUTION 2023-44 authorizing a budget adjustment in the amount of \$396,500 for the Sanitary Sewer Lining and Manhole Rehabilitation project.

*Previous Action item #5 moved to Action item #2*

Item was presented by General Manager Kelly Dodds explaining that the District was

awarded a grant of \$396,500 for The Sewer Lining and Manhole Rehabilitation Project by the Clean Water State Revolving Fund (CWSRF), which the District received a signed agreement in July 2023. The presented resolution is to increase the revenue and expense budgets to accommodate this project. The proposed budget adjustments are: Increase of \$396,500 to fund 40 (wastewater) account 46003 (CWSRF grants) Increase of \$396,500 to fund 40 object 963 (collection system projects) These adjustments are to encompass the revenue and expenses for the duration of the grant.

**Public Comment:** None

**Board:** Director Davis asked how much of this project will be paid by the grant, or if there was a matching portion that the CSD would be paying. General Manager Kelly Dodds voiced that this is not a matching grant, and the District has been awarded \$396.500.

**Motion By:** Raynette Gregory

**Second By:** Anthony Kalvans

**Motion:** To Approve Resolution 2023-44

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

**6. Contract award to APS Environmental for sewer main cleaning and inspections services in an amount of \$105,032.70 - Part of Sanitary Sewer Lining and Manhole Inspection Project- RESOLUTION 2023-48 (Recommend review and approve)**

Review and approve RESOLUTION 2023-48 awarding a contract to APS Environmental for Sewer main and manhole cleaning and inspection services in an amount of \$105,032.70.

*Previous Action item #6 moved to Action item #3*

Item was presented by General Manager Kelly Dodds explaining that the Board has authorized the cleaning and inspection portion to be bid. The pre-bid conference was held September 5, 2023, at which two companies participated. However, as of the bid closing date on September 22, 2023, only one bid was received. The sole bid received was provided by APS Environmental (APS) at a cost of \$105,032.70. General Manager Kelly Dodds informed the Board that after reviewing the bid submittal, the bid submittal substantially conforms to the bid requirements and it is recommended that the Board waive any irregularities which may be present, and approve a notice of award for APS in an amount not to exceed \$105,032.70. Approving Resolution 2023-43 will also authorize the General Manager to execute a contract with APS. The bid packet contained the general contract documents which are approved for use by USDA and The State Waterboard. Once the contract is approved between the District and Contractor then a notice to proceed will be issued and work will begin. The inspection portion of the project is expected to take approximately 60 days to complete. This project is funded entirely by a CWSRF grant, cost related to this grant will be reimbursed by the grant on a quarterly basis. The cleaning and inspection phase of this project is exempt from CEQA, section 15309.

**Public Comment:** None

**Board Comment:** None

**Motion By:** Raynette Gregory

**Second By:** Anthony Kalvans

**Motion:** To Approve Resolution 2023-48

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

**7. Authorize a professional services contract with Water Systems Consulting (WSC) to provide design services (engineering, design and project management) for the Sanitary Sewer lining and manhole rehabilitation project in an amount not to exceed \$240,860. - RESOLUTION 2023-50 (Recommend review and approve)**

Approve RESOLUTION 2023-50 Authorize the General Manager execute a professional services contract with WSC to provide design service (engineering, design, and project management) for the Sanitary Sewer lining and manhole rehabilitation project.

*Previous Action item #7 moved to Action item #4*

**Public Comment:** None

Item was presented by General Manager Kelly Dodds explaining that the District was awarded a grant of \$396,500 for The Sewer Lining and Manhole Rehabilitation Project by the Clean Water State Revolving Fund (CWSRF) which the District received a signed agreement in July 2023. From the grant award to today Water System Consulting (WSC), as the District Engineer, has been providing grant assistance, prepared the specifications and bid documents for the inspection and cleaning portion of the project and has also been providing project administration assistance under the District Engineering contract. It is recommended that they continue to provide design, engineering, and project administration services through the completion of this grant. WSC has proposed to complete the condition assessment, preliminary engineering report, plans and specifications, coordinate with the environmental consultant, prepare the construction application for this project and provide project administration. General Manager Kelly Dodds voiced that both of these items have been billed under the District Engineering contract but, if approved, will be redistributed to this contract and reduce the overall amount to be billed. In total, including the amount already billed, WSC proposed to complete all the required and proposed work on a time basis for a not to exceed of \$240,860. CEQA documentation will be prepared in conjunction with the environmental portion of this project. Mr. Dodds explained that a separate proposal will be presented to the Board at a later date for a separate environmental services contractor.

**Public Comment:** None

**Board Comment:** Director Davis voiced that he has been around town and that there are no manholes that need any repair, and asked why should the District pay someone to find a problem.

General Manager Kelly Dodds explained that the process of determining the problems, and this assessment will have most manholes inspected and provide recommendations.

Discussion ensued about the project being funded by a grant.

Director Davis asked if any of this project could be done in house, staff could lift the manholes to figure out what needs to be done for each. Director Davis said that he thought

it was a lot of money for an inspection.

Director Gregory voiced that she wanted to remind the Board that the District needed to be proactive not reactive.

**Motion By:** Raynette Gregory

**Second By:** Anthony Kalvans

**Motion:** To Approve Resolution 2023-50

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

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

At: 8:19 P.M.

**11. GSA Board action items:**

**1. Paso Basin Cooperative Committee MOA amendment #2 (Recommend review and approve)**

Approve MOA Amendment #2 and authorize approval at the next PBCC Board meeting. General Manager Kelly Dodds explained to the Board of Directors 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. Initially the proposal was to change from the City to the County, however the other agencies now want to make it broader to allow any of the PBCC agencies to be able to contract on behalf of the PBCC with the unanimous approval of the PBCC agencies. This amendment only affects section 6.7 of the MOA (Memorandum Of Agreement). The remainder of the MOA will remain the same. General Manager Kelly Dodds voiced that the PBCC meet last night (10-25-2023), and wanted all the Groundwater Sustainability Agencies (GSA) to review and approve the amendment to the MOA.

**Board Comment:** Director Baker voiced that the PBCC group has received 7.6 million dollars in grants, and he is unaware of any internal controls on how they would put out the funds together. Two of the agencies are just a bunch of people, San Miguel is an agency, Paso Robles is a city, and San Luis Obispo is a County. Director Baker voiced that he is not in favor of this at all.

General Manager Kelly Dodds explained to the Board of Directors that the 7.6 million and the grant contract is being managed through the County and the County's purchasing policies. General Manager explained that this original item is correcting what has been already happening, which is the County operating as the contracting agent.

Director Baker asked who is going to get the money from the people to make these payments, and asked where all the money was coming from.

General Manager Kelly Dodds discussed the different agencies, and again explained that this item is correct a change that was made years ago to allow the county to operate as the contracting agent, and in the future if the PBCC have additional request by other agencies

to operate as the contracting agent, and would have to be approved by 100% of the PBCC Board. One of the things that was presented at last night's PBCC meeting was the development of a budget.

Director Kalvans asked if this new policy requires a unanimous vote to become a contracting agent. General Manager Kelly Dodds explained that it would have to be unanimous by all five PBCC agencies. Discussion ensued.

Director Baker voiced that there is a need for the PBCC to have procedures in place. In his opinion, Supervisor Gibson wanted to build an empire out of this and start charging people fees, including San Miguel and expressed his concerns.

Director Baker voiced that he would prefer that the County or the City of Paso Robles handle this as opposed to other agencies.

Director Kalvans voiced that he was not in favor of any of the agencies handling it, considering the way they have handled contracts in the past.

Discussion ensued about how time-consuming it is to be the contracting agent, and how grants funds are audited.

General Manager Kelly Dodds explained that the proposal for this amendment originally just said the Paso Robles City or the San Luis Obispo County and then the other agencies got involved and wanted it to be all parties. The General Manager advised that the San Miguel GSA goes back to the PBCC and says that we are only comfortable with the Paso Robles City or the San Luis Obispo County being the contact agent. Discussion ensued about requirements.

**Public Comment:** Greg Grewal, Creston resident, spoke about the EPC and the amendment. Mr. Grewal discussed how the grant was awarded and explained that if the funds are not spent then the funds will have to be returned and they need to be used by 2025. Mr. Grewal's opinion is that he is only comfortable with the Paso Robles City or the San Luis Obispo County being the contact agent.

Discussion ensued regarding what the Board would like to see in the amendment.

*Consensus of the Board is to propose to the PBCC that the amendment is to have only Paso Robles City or San Luis Obispo County be the contact agent.*

**Motion By:** Berkley Baker

**Second By:** Owen Davis

**Motion:** To Deny amendment #2, and change to have only Paso Robles City or San Luis Obispo County

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 Service District Board of Directors:**

At: 8:45 P.M.

**12. Board Comment:**

Director Gregory said that the San Miguel Lighted Christmas parade will be December 16th.

Director Davis asked to add an item on the next agenda to discuss appointing a public oversight committee to oversee District operations, District spending, Meeting Agendas to ensure that the

items on the agenda are a benefit to the Community, and provide interaction with the community. *No Board Members seconded the request.*

Director Kalvans explained that the Board CSDA training will be in San Luis Obispo in the Spring, and would be a great way to lower our expenses. Kalvans would like to discuss the opportunities to work with the Sheriff Department. Director Kalvans would also like to thank the Directors and explained that they all need to work together and find ways to work together for the community.

Director Smiley voiced that the County has neglected the Rios-Caledonia Adobe for years, and explained that there was a "El Camino Bell" dedicated to Jean Hoffmann last weekend, and was shocked by the small attendance. Director Smiley explained that he will be having a workday clean-up and will make sure he lets everyone know when.

**13. Adjournment to Next Regular Meeting - Next meeting November 16th 2023 :**

At: 8:54 P.M.