

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. Closed Session 7:00 P.M. Opened Session SMCSD Boardroom 09-28-2023

1. Call to Order:

At 6:00 P.M.

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

3. Approval of Regular Meeting Agenda:

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			

4. Pledge of Allegiance:

Lead by Anthony Kalvans

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

Ashley Sangster, San Miguel resident spoke about resolutions on the consent calendar, and feels that they should be discussed.

Greg Grewal, Creston resident spoke about water usage by the District. Mr. Grewal also spoke about the Districts Recycled Water project, and the Steinbeck litigation.

Murrey Powell, Templeton resident spoke about San Luis Obispo County response to the Grand Jury report, Paso Basin, and the authority of the five GSA's.

6. Special Presentations/Public Hearings/Other:

1. PUBLIC HEARING FOR THE ADOPTION OF WATER RATES Pursuant to Article XIII (D) of the California Constitution that San Miguel Community Services District is holding a public hearing as part of the District's Board meeting to consider increasing its rates for water services. Hold public hearing regarding increases to water rates.

Director Smiley opened the Public Hearing relating to the District's proposed water rates for fiscal years 2023/24 through 2027/28. This public hearing provides a forum for property owners and District customers to offer comment on the proposed rate increase. Protests to the proposed rate increases must be submitted in writing and they will be collected until the close of the Public Hearing. Director Smiley explained that staff would be providing a general presentation regarding the proposed rate increase.

Item was presented by General Manager Kelly Dodds explaining that during the June Board meeting several options were presented in order to provide adequate revenue for current and future district expenses necessary to continue to provide quality water to the District community. At that meeting the Board approved proceeding with 'Scenario 1' and starting the mandatory public hearing period as prescribed by Proposition 218. The proposed rate increase will increase revenues by 4.5% in the first year and increases of 5% are proposed for each of the other 4 years. Mr. Dodds gave information for scenario 1.

The proposed rate increase will also modify the rate structure, the existing structure includes five units of water in the fixed charge where as the proposed rate structure does not include any units in the fixed charge. The proposed structure will reduce the overall cost for users using less than 4 units of water compared to the current fixed charge. General Manager Kelly Dodds explained that any protests will be accepted up to the close of the Public Hearing. If the number of protests received equal fifty percent plus one (50% + 1) then this rate study cannot move forward and explained that it would need to be redone and brought back or the Board would need to make some other determination. If the number of protests received is less than fifty percent plus one, then the Board of Directors can move forward with the water rate increase.

Director Smiley opened Public Comment for the Public Hearing.

Public Comment: Laverne Buckman, San Miguel Resident spoke about reviewing the proposal and how that would affect her tenants and expressed that she is worried for them but understands inflation. Mrs. Buckman felt that the public outreach notices were hard to understand and even harder to explain to her tenants with the rate structure changes included.

Greg Grewal, Creston resident spoke about associating meter sizes with cost. Mr. Grewal spoke about the Steinbeck litigation over water.

Ashley Sangster, San Miguel resident discussed the past discussions on why the District should or should not raise the water rates. Mr. Sangster voiced that the General Manager was asked how long it would be before the Water Department would be in a deficit and expressed by Mr. Dodds that it would be seven years of collecting money above and beyond just delivering water. Mr. Sangster insisted that the community members that he spoke with are 99% against any water rate increase and spoke about the past increases. Mr. Sangster voiced that he was turning in 528 signed protests. General Manager Kelly Dodds accepted the protest and asked that he set them on top of the Districts protest box.

Paola Freeman, Monterey resident voiced that she was speaking for a San Miguel Community member, and they would like to have the "Moms of Liberty" that are in attendance tonight, count the protest because she feels that they are a neutral party. She also announced that she has copies of all the protest.

May White, San Miguel property owner spoke that she has three properties in San Miguel and after COVID her renters are struggling to feed their families. Ms. White voiced that she thinks that the proposed increase exceeds inflation, and that her water bills in Atascadero are less than San Miguel's.

Andy Vierra, San Miguel resident voiced that he feels like this has already been decided, and asked what it would take for this not to happen. Mr. Vierra asked the Board of Directors to help and give the community hope.

Shann Houge, San Miguel resident owning three parcels that are split, and voiced that she is hearing that there is need for water. Mrs. Houge voiced that she wanted to know why she could not use the well on the property and was forced to connect to San Miguel water.

Director Smiley asked for any other public comments, and seeing none closed the Public Hearing.

Director Smiley voiced that now we will allow staff to count the total number of protests. If the total number of protests exceeds 50% +1 of the number of water customers, then each protest will need to be manually verified and these proceedings will be continued to a future date. Director Davis objected and voiced that he wanted a neutral party to count the Protest.

Director Smiley explained that the General Manager Kelly Dodds would be counting the protest on record and in public.

The public shouted out, and Director Smiley informed the public that the public comment period was closed and asked for decorum.

Director Baker asked if the Districts Legal Counsel could give their opinion.

District General Counsel Pritchard voiced that the District General Manager Kelly Dodds can count the protests and will do so in the opened session. Counsel explained that LAFCo does not decide what the District's Prop 218 procedures are, and does not have that authority.

Director Davis asked if the neutral party could count the protest at the same time as Mr. Dodds. District General Counsel explained that they are being counted in front of the public and that anyone can watch, but if anyone disrupts the counting process then they can be subject to removal.

General Manager Kelly Dodds counted the protest in full view of the Board and Public. At the conclusion of the initial count there were 538 protests collected. The neutral party agreed with the count of 538

Board Comment: Director Baker thanked the "Moms of Liberty" for coming to the meeting. Director Gregory voiced that she wanted to speak about some of the public comments. Director Gregory explained that the lady with the well issue needs to speak to the General Manager and that there are people with their own wells in the community. Director Gregory expressed that the Board is very empathetic to the needs of the community and explained how the new rate structure would be helping the customers that use less water, they should not be paying such a high base price and explained how this new structure would be helping. Discussion on the history of increases was explained, and that inflation is hurting everyone. Director Gregory voiced that she would ask that customers look and ask how this rate change would affect them; and expressed that she knows that there is a lot of conversation out in the public and has heard a lot of lies, distortion, and outrageous scare tactics to get the public to sign these protests. Thanked the public for attending.

Director Baker commented that there was definitely a decrease for the small water users, but the breakeven point is around 3.6 units, and at 5 units it would be a cost of \$7.96, an increase of 15%. Director Baker voiced that the comment that this was a done deal and that everyone has decided, is incorrect and can only speak for himself. Director Baker expressed that he feels for everyone and knows that costs are up, and inflation is up, but feels that the water fund is solid.

Director Baker explained that he feels that the District needs enough to make the business work, and that there are a lot of things happening and all those things need to be managed correctly at an absolute minimum cost.

Director Kalvans thanked everyone for coming to the meeting and expressed that he does not like increases. Director Kalvans spoke about capital projects that need to be done and explained that when the CSD took over the County Waterworks, that left the District with contaminated water, and broken lines. The San Lawrence Terrace alone is looking at multi-millions of repairs; from the mismanagement of the County for over sixty years. Director Kalvans affirmed that he is always looking at alternatives funding and would like to make sure all ballots are verified and looks forward to being flexible on hearing all sides. Director Kalvans asked the General Manger to clarify what Capital Improvement projects where included, within this study.

General Manager Kelly Dodds explained that not all Capital Projects are listed, the ones that we are pursuing more grant funding for are not included.

Director Kalvans wants to make sure that the listed Capital Projects gets done.

Director Davis reiterated that in his opinion the District doesn't have a revenue problem but does have a huge spending problem. Director Davis explained that he can see it every day, the District spends more money than they have to on consultants, engineers and nothing ever gets done. Director Davis voiced that for example this rate study was forty thousand dollars, to have someone come in and tell us why we have to increase our rates, and that forty thousand could have been used to pay water bills.

Director Smiley voiced that he was not generally for water rate increases, but the District has to operate as a business. Director Smiley pointed out that with inflation being thirteen percent last year, and another five percent this year totaling; eighteen percent affects the District. The extra cost for supplies and gas must be addressed and explained that if there is not a water rate increase then the revenue that is coming in will drop by at least twenty percent because of inflation.

District General Counsel wanted to make sure that everyone understood the Prop 218 process, and wanted to be clear that the County Code and the LAFCo codes don't dictate the Prop 218 process for the District, only the State Legislature and District can decide that process. District Counsel explained that once the County gave over the authority to do water utilities to this District, this District became the deciding factor for all processes and procedures, that the legislature has not specifically laid out. The District doesn't have a specific policy or procedure in place for Prop 218 proceedings.

Director Smiley voiced that the District has received more than a majority of protests for the proposed water rate increase. Staff is instructed to manually verify each protest to confirm that they were submitted by a property owner or District customer owner, that not more than one protest was counted for a parcel, and that each protest was validly executed. No further action will be taken at this time, and I ask for a motion of this Board to continue this item to the regular board meeting to be held on October 26, 2023.

Director Baker asked for clarification regarding verification of; one protest per parcel or water meter.

District General Counsel explained that only protests for serviced properties will count; so, if there are any protests for properties that are not serviced by water by this District they will not count. Counsel continued that a District utility customer who is not an owner, that tenants protest counts as valid, but if you also have the owner protesting, only one of those protests will count. One protest per serviced parcel and can be either the utility customer or the owner.

Director Baker expressed that in his opinion everyone who receives water is a stakeholder and explained that apartments and trailer parks only have one meter, but those people are paying for water whether it's directly or indirectly. Director Baker voiced that those people are stakeholders and will be affected by this increase.

District Counsel explained that the process is dictated by the proponents of Prop 218 who put the measure on the ballot and the voters who voted it into law and is spelled out in the Government Code; that process is not dictated by the District.

Director Baker voiced that previously District Counsel stated that the District could have a say on the process, but the District cannot make that decision to include certain protests?

District General Counsel explained that whenever the legislature or Prop 218 measure brought forth by the "people" where silent that falls to the District to decide. General Counsel gave example that the Prop 218 measure was silent on the process on who counts the ballots, or who collects the ballots and that is within the District policy. As far as which ballots are actually counted and what qualifies as a proper ballot is spelled out by the Prop 218 measure, and the District cannot deviate from that.

Discussion ensued about the District being more restrictive or adding in protest for people without water meters.

After motion passed to continue the item to October, Director Baker voiced that he would like to motion regarding the verification process.

District General Counsel explained to the Board of Directors that any new policy on the Prop 218 process is not agendized and no action can be taken on that tonight. Counsel clarified that it would have to be a dually noticed, and properly agendized item. Director Baker asked why that would not be part of this process.

District General Counsel discussed with Director Baker that it would be a new policy that the Board would have to formulate and would have to be agendized; if not it would be a Brown Act violation and could be invalided.

Director Baker asked about when the protests are being validated and those that are being tossed out should be looked at by an independent party.

District General Counsel explained that the validation process is that District Staff will look at records from the County Assessor's Office to confirm any parcel ownership that was submitted and the District's Utility Billing system to confirm that they are a water service customer. Once that is done, there will be the validated protests and then there will be the invalidated protest along with a tally that says how many, why, and where. All of that information is a public record for two years but the District is not allowed to give out any copies of the protests; anyone can come into the District and inspect those records.

Director Baker asked that if the Directors wanted to amend the process of validation and include people within the District that don't have a meter but do receive water, can we do that at the next meeting? Director Baker voiced that if the District gets enough of the protests and they are removed but a number of them include people in apartments, can we make that adjustment at the next meeting to include those protests?

The District General Counsel explained that if you wanted to put a new policy on the next agenda, you would go by the District's Board Handbook, and will need a second to do that. Counsel explained that it is a matter of whether you take action at the next meeting or if you adopt the policy and then take action. Counsel expressed that she was not sure that once the validation process is complete that you could go backwards but will check on that if we have a second Board Member that wants to continue that matter.

General Manager Kelly Dodds asked if that should be done at Board Comment or now. District Counsel voiced that it would be fine, right now.

Director Davis voiced that he would also like Counsel to look into that and add a new policy on the next Board Meeting agenda.

Director Smiley voiced, where do you stop making exceptions. Director Smiley gave an example of a parcel property with fifteen units, and each of the unit's has three subletters in it, expressing that right now he has a place that has got eight people subletting in the same house. Do we allow each one of them to protest? Discussion ensued.

Director Baker voiced that he is thinking that it should be individual units, for example apartments or mobile home park.

Director Kalvans voiced that he has seen different ways and it is generally either property landowners or registered voters when it comes down to ballots of financial matters, and asked if Prop 218 measure speaks on that.

District General Counsel explained that Prop 218 does give you the option of putting the fee increase on the ballot for voters, but factor in the expense to have an election.

Director Davis asked if the General Manager Kelly Dodds was going to raise the water rates on October 16th.

General Manage Kelly Dodds explained that the date was just a proposed date that is obviously dependent on the Board passing any sort of increase.

Motion By: Raynette Gregory
Second By: Anthony Kalvans

Motion: To Continue to October 26th 2023 Board Meeting

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

7. Non- District Reports:

1. San Luis Obispo County

Organizations Verbal/Report

None

2. Community Service

Organizations Verbal

Jose Ventura from the San Miguel Firefighters Association (SMFA) explained that the San Miguel Firefighters Association along with the Paso Robles Firefighters Association, and the Paso Robles Police Officers Association sponsored at Memorial Stair Climb on September 11, 2023, at the Mid State Fair Grounds bleacher section. SMFA provided lunch for approximately thirty-two participants and support staff. Also on September 11, 2023, the SMFA along with the San Miguel Fire Department and Vitalant Blood Services hosted our second blood drives at the San Miguel Fire Station. They were able to collect twenty-one pints of life saving blood. Six pints over our intended goal. The next blood drive shall be held at Court Side Cellers in January 2024. The San Miguel Christmas Parade and Santa visit has been scheduled for December 16, 2023. SMFA and other community supporters are working on a Harvest Festival scheduled for October 28, 2023. SMFA entered the Paso Robles Pioneer Day Parade scheduled for October 14, 2023. The SMFA also held a Mission Street clean-up.

Director Smiley thanked Firefighter Venture for being awarded the Firefighter of the year award by the North County Freemasonry. Director Smiley updated the Board that the Rio Caledonia community "organization signage" is moving forward and will need some volunteers from the service organizations for the clean-up of the area.

Michelle Hido, San Miguel Friends of the Library explained that there are a couple more community movie nights and that on October 14th the Library will be having a Eclipse and Pancake Party at 8 A.M., and on October 28th Dia de la Muertos event. San Miguel Library Events.

Director Baker asked about how the San Miguel Library card sign up where going. Mrs. Hido explained that the San Miguel library funds are helped by Library cards use, so please sign up.

Director Kalvans thanked everyone that attended the Lions Club "Old Timers BBQ".

3. Camp Roberts—Army National

Guard Verbal

None

8. Staff & Committee Reports - Receive & File:

Public Comment on all Staff Reports: Greg Grewal, Creston Resident spoke on the General Manager Report. Mr. Grewal spoke about the Estrella El-Pomar Creston (EPC) and how the General Manager explained that they have been accepted by the Department of Water Resources(DWR), voicing that the EPC has lied on their application and committed fraud expressing that the resolution in 2019 stated that they could not be part of the cooperative group or part of the MOA. Mr. Grewal also spoke about the correspondence the San Miguel Board of Director sent about the EPC and his conversations with Mr. Gosling from DWR.

1. General Manager

Receive verbal Report

General Manager Kelly Dodds updated the Board that the District received a letter regarding no works comp claims and explained that the Senior Center is updating the contract between the CSD and San Miguel. The Department of Water Resources (DWR) has accepted the Estrella El-Pomar Creston Water District (EPC) as a Groundwater Sustainability Agency (GSA) as of September 9th, and LAFCo is scheduled to discuss the item at their October 19th Board Meeting.

Director Kalvans spoke about the CSDA training that helps with the District Workers Compensation cost that the Board of Director could participate in. Discussion ensued.

2. District Counsel

Receive verbal report

District General Counsel Christina Pritchard explained that she had one reminder and explained that District Offices are not a place for politics, and to please conduct that outside the District Office location.

Director Gregory asked for examples from Counsel. District Counsel explained that coming into the District office and asking employees to sign rate increase protest, is not acceptable.

9. District Utilities

Receive and File

General Manager Kelly Dodds submitted the report as written and asked for any questions. Discussion on Wastewater Treatment operators ensued. Mr. Dodds explained that he is still working with FEMA for the storm damage and explained that the Terrace SLT well is offline for repairs. One of the pontoons for the aerators at the Wastewater Treatment Facility failed, causing damage to the motor, and the department is working

on replacement. Mr. Dodds also explained that no dogs are allowed at the treatment facility due to the dangers, please leave your pets in your vehicle or at home.

Board Comment: Director Baker asked Mr. Dodds to explain what it takes to become a "licensed operator". General Manager Kelly Dodds explained that in reference to what the District is trying to hire for is a grade three wastewater operator and that is an operator that has been working at a treatment plant that is a grade three or higher for approximately three years. The State licensing was explained, and discussion ensued.

Director Kalvans voiced that the District has had the job announcement out for almost two years and asked if maybe the District needed to look at other incentives. Discussion ensued.

Director Davis asked about the current operator, and how it was previously explained that the District has licensed operators. Director Davis voiced that it was expressed that the current operator did not want the position but feels that the District has put a lot of training into them, and if the District has a licensed personnel already here why would we not use that person. General Manager Kelly Dodds explained that Director Davis was correct that we do have licensed operators that can run our current plant. Discussion ensued about the requirement of having a grade three operator when the new San Miguel Wastewater Treatment Facility comes online.

Public Comment: None

4. Fire Chief Report

Receive and File

Scott Young Fire Chief submitted report as written and asked for any questions.

9. Consent Calendar:

Director Smiley presented the Consent Calendar and asked for public comment.

Public Comment: Ashley Sangster, San Miguel resident spoke about item number 7, Cost Recovery and expressed his opinion that the San Miguel Fire Department will be billing people who they respond to for calls and car accidents; giving an example of \$1,700 for extrication. Mr. Sangster voiced that the Fire Department is funded through property taxes. Greg Grewal, Creston resident spoke about item 7 and voiced as a 30-year veteran Firefighter that you should not charge people for something they already pay for through their property taxes.

Board Comment: Director Baker pulled consent calendar item number 6 and 7.

Motion By: Anthony Kalvans
Second By: Raynette Gregory

Motion: To Approve Item 9.1, 9.2, 9.3, 9.4, 9.5, and 9.8

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

1. 08-24-2023 Draft San Miguel CSD and Groundwater Sustainability Agency Meeting Minutes (Parent)

Receive and File

2. Resolution recognizing the passing of San Luis Obispo County District One Supervisor Harry Ovitt.

Approve Resolution 2023-38

3. Resolution recognizing the passing of Paso Robles City Mayor Steven

Martin. Approve Resolution 2023-39

4. Designation of Applicant's Agent Resolution - FEMA (Dodds)

Approve RESOLUTION 2023-41 designating the General Manager and Fire Chief as the Applicant's Agent for receipt of FEMA funding.

5. Designation of equipment as surplus

Approve RESOLUTION 2023-42 designating listed property as surplus and authorize the General Manager and Fire Chief to dispose of that property in accordance with the District's Surplus Equipment policy.

6. Letter of Support for Fire, Life, & Safety plan review of residential photovoltaic system projects. (Young)

Review and endorse a letter of support to the County Board of Supervisors.

Board Comment: Director Baker pulled consent calendar item number 6 and 7.

Discussion on Consent item #6 pulled by Director Baker ensued.

District General Counsel gave a brief history on the issue with this item. District Counsel explained that this item was asked to be brought back by the Board of Directors with a letter of support for the County Board of Supervisors regarding the San Miguel Fire Departments request to have the County Planning & Building Department forward Residential Photovoltaic systems to San Miguel Fire for a Fire, Life, & Safety Plan Reviews. The County does not want to send the residential photovoltaic plans to the District. District General Counsel explained that Chief Young would have to speak on the plan check cost.

Fire Chief Scott Young explained that the District has already approved a one-hundred dollar plan check fee established for the residential Photovoltaic system plan reviews. Chief Young explained that this would be to document the location, and what the systems contain; that way we have the knowledge of where the hazards are within the District.

Director Baker voiced that when he put in residential solar, he had to get a permit through the County, so the County already has the locations and expressed that he doesn't understand. Director Baker expressed that he objects to the one-hundred-dollar fee associated with this inspection, and feels that people do not need another "tax". Director Baker would like to have a timeline for processing the inspections included.

Fire Chief Scott Young explained that the fee is to recover the time spent on reviewing the plans documenting what is being installed within our District. Chief Young voiced that the systems are becoming more complicated, and they present a bigger hazard during an emergency. Discussion ensued.

Director Baker voiced that he is not opposed to the Fire Department having the information, but again feels that the Fire Department is already being paid through the property taxes and that there is no need for another fee and would like to have a timeline for inspections included.

Director Gregory commented that the plan check she had done in San Miguel used to be done by CalFire that charges more for the inspection and explained that you have to have the system inspected either way. San Miguel has the capabilities to do the inspections and would rather have the money go to the Fire Department locally. Director Gregory explained that everyone pays property taxes but because she decided to build, the citizens in San Miguel should not have to pay for inspections of her building. Discussion ensued about the Cost of Permit fees from the County.

District General Counsel explained that the fees were set long ago, and that this item is about a letter of support. Counsel voiced that they understand that Director Baker is not in support of that but is specifically to get the County to send the District the information that is required by the Districts Fire Code.

Director Baker voiced that he was trying to understand, and stated that if the County sends information to the San Miguel Fire Department, then there will be a fee attached by San Miguel Fire.

General Manager Kelly Dodds explained that if the District processes a permit for anything there's a fee to off-set the processing of that permit. Discussion ensued about the permit process at the County, and how they work together through the permit process and approval. Fire Chief Scott Young again explained the dangers of the photovoltaic system to the Firefighters.

Director Kalvans asked since the San Miguel Fire Department is not receiving the reviews, is the County reviewing and collecting the fee. General Manager Kelly Dodds voiced that yes, the County is collecting the fee, but explained that this is an additional processing fee. District General Counsel asked Fire Chief Scott Young if the County is doing a Fire, Life, Safety review of these residential systems. Chief Young explained that the County is not inspecting these systems for Fire, Life and Safety.

Public Comment: Murrey Powell, Templeton resident asked for clarification regarding the letter and fees. General Manager Kelly Dodds explained that this item was a letter of support from the San Miguel CSD Board of Directors to the County Board of Supervisors requesting the County Planning & Building Department to forward Residential Photovoltaic systems to San Miguel Fire for a Fire, Life, & Safety Plan Reviews. Mr. Powell voiced that he agrees with sending a letter.

Greg Grewal Creston resident, spoke about being against any other fees, and his experience with solar and fire. Mr. Grewal voiced that all the information needed is on the County website "Permit View". Fire Chief Scott Young explained that this is for a Fire, Life Safety review.

Ashely Sangster, San Miguel resident voiced that he was not in favor of another fee and explained that most solar companies handle the permitting process for residential solar. Mr. Sangster spoke about a time limit for the inspection process, and feels it is unwanted bureaucracy.

Fire Chief Young responded and explained that commercial properties also have Fire, Life Safety hazards, giving examples. Chief Young again explained that the fees were set 3 years ago, and is asking the Board to send the letter of support as requested at the last District meeting.

Motion By: Rod Smiley

Second By: Raynette Gregory

Motion: To Approve

Board Members	Ayes	Noes	Abstain	Absent
Raynette Gregory	X			
Rod Smiley	X			
Anthony Kalvans	X			

Berkley Baker	X	
Owen Davis	X	

7. Cost Recovery Agreement between Fire Recovery USA, LLC and the San Miguel Fire Department (Young)

Approve Resolution 2023-45 authorizing the Fire Chief to enter into an Agreement between Fire Recovery USA, LLC and the San Miguel Fire Department for cost recovery services.

Discussion on Consent item #7 pulled by Director Baker ensued.

Item was presented by Fire Chief Scott Young, explaining that cost recovery has been in place at the District since 2015, but no action was ever taken to recover any cost. Chief Young explained that insurance companies will be billed, not individuals, and it is outside the District boundaries. Fire Recovery USA, LLC provides cost recovery services at no charge to the San Miguel Fire Department unless the Department fails to meet the minimum of six billable incidents annually. The annual fee for not meeting the six billable incident minimum is \$250.00. Fire Recovery USA, LLC collects a fee of 22% of any cost recovered via their services and there is a \$500.00 startup fee.

Board Comment: Director Gregory asked about the previous approval, back in 2015. Fire Chief Scott Young voiced that no action or funds collected for that agreement. Discussion ensued on the reasoning behind this agreement and how it would help San Miguel Fire with staffing.

Director Gregory asked about funds for responding outside the District. Chief Young explained that is for wildland fires only. The District has a Mutual Aid agreement, and wildland fires through Office Of Emergency Services (OES). Cost Recovery will be billing insurance companies, not individuals.

Director Kalvans voiced that the Fire Department responds outside the District's boundaries and would like to discuss cost recovery from the County.

District General Counsel Pritchard explained that this doesn't automatically bill for services, each claim would have to be put together at the District level and then forwarded to the company for collections. The District has full control over what is being billed under cost recovery and who is being billed.

Director Baker voiced that he feels that the attitude of its okay because insurance companies pay that; it doesn't cost anything is absurd. Director Baker explained that it is difficult to even get fire insurance, and this will only make it so that peoples car insurance goes up. Director Baker expressed that the responsibility of government, in his opinion, is public safety and that people should not have to worry about being billed. Director Baker proceeded to express his position.

Fire Chief Young explained the Fire Department funding, and Prop 13.

Director Davis voiced that if someone gets into an accident and they get billed, then their insurance will go up. Chief Young expressed that the insurance would go up because you had an accident. The Fire Department is always there to administrator aid.

Director Davis explained that he sees that the Fire Department goes on calls, but wanted to know if there was a rule that Camp Roberts Fire has to get there before San Miguel Fire and asked for an explanation. Fire Chief Scott young responded and explained that Camp Roberts does not have to be there before us, and that typically San Miguel Fire cancels Camp Roberts because we do not want to overwhelm the scene. Discussion ensued about providing an elevated level of service to the community.

Director Smiley expressed that he would like to get back on topic.

Director Baker explained that he did not see any specifics in the agreement about not billing within the District boundaries. District General Counsel explained that it is not in

the agreement, and that it is at the discretion of the district. Director Baker asked about making a policy about that. Counsel explained that if the District does not have a policy then it is left to the discretion of the Fire Chief. Discussion ensued.

Public Comment: Greg Grewal, Creston resident spoke about his fire service, and that he was not in favor of cost recovery.

Ashley Sangster San Miguel Resident voiced that he was not in favor of this item. Mr. Sangster explained that the contract states that Fire Recovery, USA can bill insurance companies and individuals and also send them to collections.

Board Comment: Director Gregory pointed out that our District is so small and that our District boundaries are very tight. The Fire Department is only getting funds for our very small sphere of boundaries and thinks that it would be best to table this item for discussion when Chief Young is present.

Motion By: Raynette Gregory Second By: Anthony Kalvans

Motion: To Table

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

8. Regional Biosolid Cooperative (Dodds)

Authorize the General Manager to sign the proposed Memorandum of Understanding (MOU) for Regional Biosolids Cooperative

10. Board Action Items:

1. Financial Reports - August 2023 (Hido)

Please *Review* the August 2023 SMCSD Financial Reports.

After the SMCSD 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 financials are on page 101-138 of the Board packet, and report is submitted as written. Mrs. Hido asked for any questions. Mrs. Hido pointed out that after the SMCSD 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.

Board Comment: None **Public Comment:** None

2. Formation of ad-hoc committee for District / County Relations

The Board should determine whether an ad-hoc committee for District / County relations is necessary and if so, determine the purpose and duration for the committee and appoint no more than two Board members to the Committee.

Item was presented by General Manager Kelly Dodds, explaining that this item was brought up at the last meeting by Director Kalvans and Director Smiley. The Board would need to decide the purpose and duration and appoint no more than two directors.

Board Comment: Director Gregory asked if these kinds of meetings are public or private. District General Counsel Pritchard explained that ad-hoc meetings with only two Directors are not subject to Brown Act restrictions. Director Gregory voiced that then they do not have to be held in public. District Counsel explained not unless you would like them to be, and that two board members would be discussing/gathering information about the item and that it is intended to be less informal.

Director Kalvans explained that he brought this up and with the MSR coming around but would like to look at code enforcement, safety and tax rate areas.

Director Gregory asked Director Kalvans how this was different then the next item. Director Kalvans explained briefly that the next item, Area Planning Commission is like the advisory council.

Director Smiley asked if the Board could have a discussion on code enforcement, businesses, abandoned cars, etc. Discussion ensued.

District General Counsel explained that the reasoning behind the ad-hoc committee is because there is a very basic breakdown of communication between the District and the County. Discussion ensued.

Director Smiley voiced that there are issues, example of Tree Maintenance, and feels that the County is very unresponsive to San Miguel needs.

Director Gregory expressed that Director Smiley is looking at actual problems that you want to see fixed, not just how we talk to the County.

District Counsel explained that the scope of the ad-hoc committee is entirely up to the board but will need to be defined so as to not waste time and funds.

Director Kalvans expressed that it has been a long time, that there has been a communication break down between San Miguel and the County. Director Kalvans voiced his frustration.

General Manager Kelly Dodds explained that the purpose tonight is to determine a scope for the committee, and if that cannot be done then tabling it until next month is appropriate.

Public Comment: Murray Powell, Templeton resident spoke that he understands the Districts frustration, and asked if he was correct that the San Miguel Board needs to stay within the purview of authority. Example being code enforcement.

District General Counsel explained that the agency relations and issues within the jurisdiction of one agency that are caused by another agency whether their omissions or their actions are always within the purview of the agency. The agency is not trying to enforce the code, it is trying to get the other agency to enforce the code that is causing problems in the community that's within this jurisdiction. Discussion ensued.

Greg Grewal Creston resident, spoke about documentation of the problems, and explained that the County is six-hundred employees short. Mr. Grewal recommends going to the Board of Supervisors meeting to express your frustration and bring documentation.

Ashley Sangster, San Miguel resident spoke about having goals and what you want to achieve for the benefit of the District. He voiced he would like to see an ad-hoc committee on San Miguel public relations. Mr. Sangster spoke about dead cars in the community and how it has been a long-standing issue.

Board Comment: Director Gregory voiced that tabling this item would be a good option, to think about three items.

Motion By: Raynette Gregory

Second By: Rod Smiley

Motion: To Table 3 items

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

3. Formation of ad-hoc committee for an Area Planning Commission

The Board should determine whether an ad-hoc committee for an area planning commission is necessary and if so, determine the purpose and duration for the committee and appoint no more than two Board members to the Committee.

Item was presented by General Manager Kelly Dodds, explaining that this item was brought up at the last meeting by Director Kalvans and Director Smiley. The Board would need to decide the purpose and duration and appoint no more than two directors. Mr. Dodds said that this item might also need to be tabled to give more time for discussion and give time for Directors to formulate their thoughts.

Board Comment: Director Kalvans explained the process of an Area Planning Commission (APC), explaining that this would give the CSD authority as a Planning Commission.

Director Gregory expressed that this would be like the Advisory Council.

Director Kalvans explained that Director Gregory was correct but with actual authority and not just recommendations.

District General Counsel explained that the Board of Supervisors would have to advocate that authority to the District.

Public Comment: None

Motion By: Raynette Gregory
Second By: Anthony Kalvans

Motion: To Table

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

4. Self-Contained Breathing Apparatus Mask Fit Testing Equipment Purchase (Young)

Approve Resolution 2023-46 authorizing the Fire Chief to purchase Self Contained Breathing Apparatus testing equipment in an amount not to exceed \$10,910.80 and make necessary budget adjustments and transfers.

Item was presented by Fire Chief Scott Young explained that this item was not approved in a VFD grant, and explained that this equipment is necessary. The Self Contained Breathing Apparatus (SCBA) mask fit testing machine, related supplies, training, software and

adapter. The intent of this resolution is to provide a balance of the costs related to the purchase of the SCBA fit testing device not provided via the 2022/2023 VFD grant. Chief Young explained the requirements for fit-testing and safety of Firefighters.

Board Comment: None **Public Comment:** None

Motion By: Anthony Kalvans Second By: Berkley Baker

Motion: To Approve Resolution 2023-46

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

5. Draft San Miguel Community Service District MSR/ SOI (Dodds)

Review and provide comments to General Manager regarding the draft LAFCo MSR/SOI report.

Item presented by General Manager Kelly Dodds explained that this is a required overdue Municipal Service Review and Sphere Of Influence (MSR/SOI) and has been provided for review. Local Agency Formation Commission (LAFCo) will be reviewing this item at their October Board Meeting. General Manager Kelly Dodds explained that any comments will be brought to LAFCo and explained that this is an independent review. This item is for information only.

Board Comment: Director Kalvans voiced that he has questions on the population because that also affects us moving forward. Director Kalvans spoke about the Fire Department needing to do a review that would need to be brought to LAFCo at some point and discussed Gateway signage. Discussion ensued on LAFCo applications and processes.

Public Comment: None *Informational item only*

6. Streetlighting and Landscaping Masterplan

Discuss priorities for a Streetlighting and Landscaping Masterplan.

Director Kalvans asked that this item be tabled.

Board Comment: None **Public Comment:** None

Motion By: Rod Smiley

Second By: Anthony Kalvans

Motion: To Table

Board Members	Ayes	Noes	Abstain	Absent
Berkley Baker	X			
Raynette Gregory	X			
Rod Smiley	X			

Anthony Kalvans	X		
Owen Davis	X		

7. Certified Public Accountant (CPA) contract (Dodds)

Authorize the General Manager to prepare and implement a professional services contract with Eide Bailly LLP

Item Presented by General Manager Kelly Dodds explaining that in July 2023 the District released an Request for Qualifications (RFQ) for a Certified Public Accountant (CPA). The District has received one response and they have extensive experience with Small Districts. Requested action at this time is to authorize the General Manager and Legal Counsel to prepare and implement a professional service agreement with Eide Bailly LLP and to terminate CPA services with Coblentz, Biehle, & Cramer. General Manager Kelly Dodds discussed the CPA cost throughout the previous years, and the estimate for Eide Bailly, LLP.

Board Comment: Director Baker asked about the local CPA that the District has been using and asked if she applied. It was explained that Darcia was sent the same RFQ and had a personal discussion on her continuing. Darcia explained to the District that she had other obligations that are taking up her time and did not want to do a formal bid.

Discussion ensued.

Director Baker asked where this new CPA firm was located and asked about travel time expenses. General Manager Kelly Dodds explained that the firm is in Fresno and if they come here there will be travel expenses. The District and CPA will be setting up systems for remote work.

Director Baker explained that he was trying to understand what kind of work the District would need. General Manager Kelly Dodds explained that it is for general questions, quarterly oversight, recommendations and when the District is preparing for an audit.

Director Baker asked why the District would need a contract. General Manager Kelly Dodds explained that part of the Professional Services Agreement also encompasses insurance, requirement, if something happens, we have a clear legal recourse.

Director Kalvans voiced that he is interested in the "Budget Support" that they offer, and asked if they could help the District get the Governmental Financial Officers Association (GFOA) certification. The General Manager explained that the District would be working toward that certification. Mrs. Hido Financial Officer is working on that. Discussion ensued on the RFQ and how other firms thanked the District but are too busy at this time to bid.

Staff Comment: Fire Chief Scott Young voiced that he would like the board to recognize and acknowledge our Financial Officers diligence and thoroughness, and explained the amount of money being saved since Mrs. Hido became the Financial Officer.

Public Comment: Ashley Sangster, San Miguel resident gave advice that there are other public procurement sites that could be beneficial and generate more response for the District.

Motion By: Raynette Gregory
Second By: Anthony Kalvans

Motion: To Authorize

Board Members	Ayes	Noes	Abstain	Absent
Berkley Baker	X			
Raynette Gregory	X			

Rod Smiley	X		
Anthony Kalvans	X		
Owen Davis		X	

8. San Miguel septic to sewer conversion project application preparation. (Dodds) Approve RESOLUTION 2023-43 authorizing the General Manager to contract with Water Systems Consulting (WSC) in an amount not to exceed \$15,700 to prepare a grant application for the San Miguel septic to sewer conversion project.

Item was presented by General Manager Kelly Dodds explaining that this would be authorizing the General Manager to contract with Water Systems Consulting (WSC) in an amount not to exceed \$15,700 to prepare a grant application for the San Miguel septic to sewer conversion project. Mr. Dodds informed the Board that the cost would be reimbursed by the grant.

Board Comment: Director Davis stated that there are 400 housing units going in at the old Sinclair airport property, and asked if he planned on pumping the sewer across the bridge. General Manager explained that the proposed development is less than 200 units, and that development will be bringing the sewer across the bridge. Discussion ensued.

Director Kalvans asked if this would be for in-town septic also. General Manager Kelly Dodds explained that it would not be the entire Terrace, but it would be everything that's reasonable, and all the small pockets around town that don't currently have sewer but are close enough to connect to sewer.

Director Davis asked if the homeowners would have to connect from the house to the line. General Manager Kelly Dodds explained that the proposal that is being put forth would be to connect to the property, connect to their home and to abandon their septic. Discussion ensued.

Director Davis asked how much it would cost the homeowner. Mr. Dodds voiced that theoretically it would not cost the homeowner anything to connect but it will depend on what the State approves as the grant project. The District would be asking to connect and abandon their septic, so the homeowner would theoretically not pay anything.

Public Comment: Greg Grewal, Creston resident asked about the property sizes, and how many properties would be affected. Mr. Grewal spoke about the need to let the property owners know about the monthly sewer charge.

Murrey Powell, Templeton resident asked if this item was just for the application for the grant, and wanted to know if there was an estimated cost.

General Manager Kelly Dodds spoke on the questions; explaining that there are approximately 80 to 85 properties. The driving factor of this program and the reason the state is so interested in funding it, is to remove or reduce the Nitrates from the groundwater. The state set the project cost at a fixed \$125k per home served. Mr. Dodds explained that if the project moves forward, it will be 100% grant funded.

Motion By: Raynette Gregory
Second By: Anthony Kalvans

Motion: To Approve Resolution 2023-43

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

Owen Davis	X			
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9. Revision to District water and wastewater Billing policy (Dodds)

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

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

Board Comment: None

Public Comment: Ashley Sangster San Miguel Resident spoke encouraging the Board to consider all the protest of community members.

Motion By: Raynette Gregory

Second By: Rod Smiley

Motion: To Table to October 26th Board Meeting

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

10. Adoption of California Uniform Public Construction Cost Accounting Act (CUPCCA) and Revised Purchasing Policy (Tabled from August 24th meeting)

Adopt RESOLUTION 2023-37 electing to subject the District to the requirements of the California Uniform Public Construction Cost Accounting Act and approving an amended Purchasing Policy.

Item was presented by General Manager Kelly Dodds and was tabled at the August meeting as requested by the Board. At last month's meeting we were asked to identify what projects would benefit from CUPCCA. Mr. Dodds explained that it is still on the District to meet its purchasing policy requirements and non-public works projects still fall under the same purchasing authority that is in current use. Discussion of requirements ensued.

Board Comment: Director Baker asked to be walked through a formal bid and what this would change.

District General Counsel Pritchard explained that for Public Works projects that are under sixty thousand in estimated value or under the District would not have to go out to bid, but would be required to keep a registered list of contractors that have already been vetted. The District would have to send out an informal notice to those contractors or use our own workforce; and can negotiate with those contractors. The Contract would still have to come to the Board of Directors for approval, it does not increase the General Managers procurement authority. If the District chooses to use their own workforce, expenditures still have to be approved by the Board of Directors and it was explained that this would not allow any kind of non-budgeted items to slip through. The Board of Directors always has to approve any of the expenditures for any kind of Public Works project, this would just allow more flexibility in the project amounts to not have to go through a mandatory formal bidding process. Counsel explained that between sixty-thousand and one (\$60,000.01) to one hundred and ninety-nine thousand (\$199,999.99) it would be an informal bidding process. Explanation of what was required for the contractor list ensued.

Public Comment: Ashley Sangster, San Miguel resident expressed his opinion to the Board of Directors that the District will pay more for the Public Works projects. Mr. Sangster discussed the California Public Contractor Code (CPCC) and the other methods of getting contractors to bid.

Motion By: Raynette Gregory
Second By: Anthony Kalvans

Motion: To Approve Resolution 2023-37

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

Motion By: Raynette Gregory

Second By: Rod Smiley

Motion: To Approve 5 min recess

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 Services District Groundwater Sustainability Agency (GSA):

At 10:23pm

11. GSA Board Action Items:

1. Discuss representation on Paso Basin Cooperative Committee (PBCC) (<u>Tabled from August 24th, 2023, meeting</u>)

Discuss appointing Board member(s) to the Paso Basin Cooperative Committee (PBCC) as the Member and/or Alternate. Provide directions to the General Manager.

Item presented by General Manager Kelly Dodds and explained that this item was brought back from the August Board Meeting. Mr. Dodds explained that at this time he is the Member for the Paso Basin Cooperative Committee (PBCC) and the alternate is another District employee. The question to the Board is if they want to change both representatives.

Board Comment: Director Gregory explained her thoughts on keeping Mr. Dodds as the Member and picking a Director as an alternate. Discussion on Mr. Dodds attendance to the PBCC and PBCC history ensued.

Director Baker voiced that he thinks it would be best to have a Director representing the community, and feels that it would not take too long to get up to speed on the issues.

Director Kalvans explained that if a Director serves on that committee they will need to stay informed and understand the technical details of the GSA. Director Kalvans said that it will be more than just showing up to the PBCC meetings, and feels that it would be a good balance to have a Director and a Staff member.

Director Davis voiced that he would like to see a CSD Board Member be the member and alternate at the PBCC. Director Davis explained that the other represented areas have Board Members not staff representing them.

Director Smiley voiced that the person with the depth of knowledge should be sitting on the PBCC, and that would be the District General Manager, with a Board member alternate.

Discussion ensued.

Public Comment: Greg Grewal, Creston resident spoke about being involved with the PBCC, and even before there was a PBCC. Mr. Grewal explained that other entities have Board of Directors as members, and Staff should be technical advisors only.

Murray Powell, Templeton resident expressed that he feels that the member should be an elected individual representing the San Miguel Community Services District Groundwater Sustainability Agency (SMGSA). Mr. Powell explained who was representing each different entity in the Paso Basin, and that there are a lot of people to help. Mr. Powell gave the Clerk the "Guidance for Sustainable Groundwater Management Act Implementation" from the Department of Water Resources (DWR) to distribute to the Board of Directors.

Board Comment: Director Gregory expressed that it would be a good alternative but would want Mr. Dodds to be present at the PBCC meeting for his technical knowledge. General Manager Kelly Dodds explained that it was a Board of Director's decision, and he could continue be present at the meetings.

Director Baker motioned to appoint a Director to the PBCC, but it was explained that somebody needed to be willing to take the appointment.

District General Counsel explained the best process to move this forward to a vote. Director Kalvans asked General Manager Kelly Dodds how he would describe his participation or role at the PBCC meetings. General Manager Kelly Dodds explained that it depended on the need at the time, and that he has felt like the odd man out because San Miguel interests are not the same as the County or other participants.

District General Counsel explained that since the motion passed to "appoint a Director to the PBCC", then the Board would need to appoint an interested Director or the District would have no member.

Director Baker voiced that he would be interested in being appointed to the PBCC as a member.

Motion By: Berkley Baker Second By: Owen Davis

Motion: To Approve appoint a Director as a Member to the PBCC

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

Motion By: Berkley Baker
Second By: Owen Davis

Motion: To Approve to appoint Director Baker as the Member representative

to the PBCC

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

Motion By: Raynette Gregory
Second By: Anthony Kalvans

Motion: To Approve Nominated and appoint General Manager Kelly Dodds as

alternate member to the

PBCC

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 10:42 PM

12. Board Comment:

Director Gregory explained that the Advisory Council is looking at revising the San Miguel Community plan and have a meeting scheduled for Wednesday October 18th at 7:00 at the Rios-Caledonia Adobe 700 Mission Street. All community members are welcome to attend.

Director Kalvans spoke about receiving the notice about the Community Plan meeting.

Director Kalvans voiced that he was concerned about the amount of items that will be on the next agenda, and asked about having a special meeting.

Director Davis voiced that he would like to have an item put on the agenda to have an Ad-Hoc or Advisory council to oversee and check on projects. Director Davis stated that it was no disrespect to Mr. Dodds but would like someone independent to check on project cost, either a Board Member or someone in the community.

General Manager Kelly Dodds reminded Director Davis that the first page of each monthly Financial Staff Report; Financial Officer Hido includes the current status, current cost/total cost, percentage of budget used, and corresponding resolutions for all SMCSD projects in process. Mr. Dodds asked Director Davis for more clarification and explained that any Director can sit down with him and talk about the progress of projects.

Director Davis explained that it did not have to be a Director but an outside person within the District.

General Manager Kelly Dodds said that he would need more clarification and board consensus.

Director Smiley stated that Director Davis is basically asking to have the General Manager micromanaged and explained that the District hired a General Manager to do that job.

Director Gregory explained that the Board Meetings, and the reports are for that over-sight. Director Gregory voiced that Director Davis should look over the information with the General Manager if there are questions.

District General Counsel explained that if any public wanted that information, they can request it unless the law prohibits the disclosure. Discussion ensued.

13. Adjournment to Next Regular Meeting - October 26th, 2023: At 10:51 PM