



**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. Closed Session 7:00 P.M. Opened Session  
SMCSD Boardroom 07-27-2023**

- 1. Call to Order:**  
At 6:05 P.M.

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

- 3. Approval of Regular Meeting Agenda:**

**Motion By:** Anthony Kalvans  
**Second By:** Berkley Baker  
**Motion:** To Approve (motion withdrawn)

Board Members	Ayes	Noes	Abstain	Absent

**Motion By:** Owen Davis  
**Second By:** Rod Smiley  
**Motion:** To Approve as Amended Director Davis motioned to moved Action item 12.2 to Agenda item 5

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

- 4. Pledge of Allegiance:**  
Lead by: Director Kalvans

- 5. Public Comment and Communications for items not on the agenda:**  
Ashley Sangster, San Miguel resident spoke and asked if the CSD could move the monthly Board Meetings back to the Fire Station, and wanted an update on the District Credit Card.

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

### 1. Update on Groundwater Sustainability Plan (GSP) and basin condition

Update on GSP and basin condition with presentation by County Groundwater Sustainability Director Blaine Reely

Item Presented by Dr. Blaine Reely, Director of the San Luis Obispo County Groundwater Sustainability, presented item. See Power Point at [www.sanmiguelcsd.org](http://www.sanmiguelcsd.org). Blaine gave a brief history, and provided an update on the implementation of the Groundwater Basin Sustainability plan. Directors were advised to ask questions throughout the presentation.

**Board Comment:** Director Kalvans asked if his department has looked at overlaying the Land Use categories, on the slide map presented to see where the GSA's boundaries are, that way you can see the efficiency of water used. Discussion ensued. Dr. Reely explained the slides presented, and continued presentation.

Director Smiley asked about the red dots on map that are part of the well monitoring slide, and asked why they were crossed off. Dr. Reely explained the process and that the wells marked in red with crosses have either had obstructions or collapsed and can no longer be used as a reliable monitoring site.

Director Kalvans asked about new Wells for San Miguel and what came of the study that the District had done. Dr. Reely explained that when he left the District it needed more study of conditions and design, and that General Manager Kelly Dodds would have to give an update on this. The presentation continued with discussion on projects.

Director Baker asked about Salinas Dam and Santa Margarita Reservoir project update. Dr. Reely explained that it was a County Public Works project. Discussion ensued about negotiations and the cost of such a project, with Supervisor Gibson explained that it might be up to fifty million dollars.

Director Gregory asked about the fallowing and the Multi-benefit Irrigated Land Repurposing (MILR) Program, and asked about losing water rights if land is fallowed. Dr. Reely explained that they understand and are working on that within the County Land Use Ordinance and the MILR program. Discussion ensued about the 5-year program and enrollment in the MILR program.

Director Davis asked about the County Planting Ordinance and voiced that once Supervisor Gibson took control; he feels that the farmers lost their water rights again; voicing that the people cannot pump their own water. Dr. Reely explained that through the MILR program it is to provide access through pumping, in the future.

Director Davis expressed that he feels that the farmers had their water rights given back to them than once Supervisor Gibson got on the GSA Board the water rights were taken away again.

General Manager Kelly Dodds asked Director Davis to stay on topic, and voiced that if Director Davis would like to set up a time to meet with Dr. Reely to have a more meaningful conversation, which can be arranged. Director Davis continued.

Director Smiley asked if they have had any discussions on connecting Lake Nacimiento and Lake San Antonio. Dr. Reely explained that as far as he was aware Monterey County is still looking into that; and that it would be Monterey County Public Works.

Dr. Reely continued the presentation.

Director Kalvans spoke about the State mandates, and that the State looks at the basin as a whole and expressed his concern about not moving forward fast enough.

Dr. Reely expressed that the PBCC is moving forward but explained that they are still in the study phase and are in the process of doing a more comprehensive and intensive study than ever before. Discussion on monitoring wells, and the need for a larger monitoring network ensued.

Dr. Reely discussed the MILR Program and explained that the first component would be a voluntary incentivized program for people that are interested in reversing currently irrigated land into land use that is less water intensive.

Director Baker asked who was being targeted. Dr. Reely explained that at this time it is only agricultural irrigation. Director Baker asked about plans to monitor residential wells. Dr. Reely explained that at this time they have been using Satellite ACT data for measuring.

Director Baker voiced his concerns on overhead monitoring, and feels that it could be violating people's rights. Dr. Reely explained that the State is really encouraging this methodology and is being used throughout the state.

Director Kalvans asked what the proposed timeline was for having this program up and running. Dr. Reely explained that in 2025 the GSP will submit its first evaluation and then there will be an assessment of how these things are working for SIGMA compliance.

**Staff Comment:** Scott Young, Fire Chief asked if there are restrictions on rural residential agriculture wells. Dr. Reely asked questions for clarification then explained that if you are currently not irrigating and not in a area of severe decline then per the land use offset ordinance (referred Mr. Young to the SLO County Planning Department) there is a one-time exemption that can be applied for. Dr. Reely explained that you could use up to five-acre feet per year without having to find an off-set. Discussion of off-site offsets ensued.

**Board Comment:** Director Baker discussed crops and water usage, chart from Grand Jury shows a large increase in grape crops. Director Baker asked if Dr. Reely knew how much cash revenue the County gets from the vineyards, and how much of the forty-six thousand acres of grapes are farmed by small local vendors versus corporate interests. Dr. Reely explained that he did not know those numbers.

Director Kalvans explained the County "Land use View" and how you can try to get that information.

Director Baker asked about Wells, and Dr. Reely explained that he could find the well data though County Environmental Health Services because they issue the well permits. Discussion ensued.

**Public Comment:** Greg Grewal spoke about the court approved study, and voiced that he did not agree with the numbers being presented. Mr. Grewal also spoke about Paso Robles City supplemental water, EPC and LAFCO.

**Board Comment:** Director Davis asked to give Mr. Grewal more time. After discussion with District General Counsel President Smiley granted six minutes for each public comment, with Mr. Grewal having three more minutes to speak.

**Public Comment:** Murray Powell, Templeton resident, spoke about the SMCSO opposing the EPC, rural wells and the proposed "Statement of Equity".

Blaine Reely spoke about some of the comments, with Mr. Grewal accusing him of providing false information, and asked if anyone had questions on the validity of the presentation to please present a formal letter with question on any of the information provided in tonight's presentation at the San Luis Obispo County Groundwater Sustainability department. Dr. Reely said that all information in tonight's meeting is factual and has back-up on how the information was collected.

Supervisor Bruce Gibson, San Luis Obispo District 2 Supervisor spoke about been accused of violating state statute and being accused of misrepresentation and dishonesty. Supervisor Gibson referring to public comment assured the San Miguel Board of Directors that there has been mistrust and inaccurate information provided. Supervisor Gibson noted to the Board President that Director Davis has accused him of taking bribes, and is an extremely serious charge with no basis in fact for that accusation and is defamation.

Greg Grewal, Creston resident was given his extra 3 minutes for public comment. Mr.

Grewal spoke about his history with the Paso Basin and documentation through the last 10 years. Mr. Grewal discussed City of Paso Robles water usage, state water code, and AB2453.

**Board Comment:** Director Kalvans voiced that protecting our water with integrity is very important for our community. Director Kalvans would like to move forward with forming a water planning commission.

*Informational item only*

**7. Non- District Reports:**

**1. San Luis Obispo County Organizations**

Verbal/Report

Sheriff Manuele emailed informing Board Clerk that he would be unavailable, due to the Mid-State Fair coverage.

**Board Comment:** None

**Public Comment:** None

**2. Community Service Organizations**

Verbal

Scott Young SMFA President updated the Board that the yearly Safe and Sane Fireworks sales went well and are able to sponsor Robert Rojas San Miguel Firefighter with \$4,500 to go to the Allen Hancock Fire Academy.

Director Kalvans voiced that the Lion's Club had a rib feed on July 4th, and sold out. The Lion's Club is having car parking off 23rd Street for the Mid-State Fair.

Michelle Hido, representative for the Friends of the San Miguel Library updated the Board of Directors that the San Miguel Library has had over 1,000 people come in last month and movies in park are doing well, with over 175 people showing up, the next Movie in the park is August 5th, 2023, at 8PM.

Director Smiley spoke about Community Organizations signage in town and updated the board on the progress.

**Board Comment:** None

**Public Comment:** None

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

Verbal

None

**Board Comment:** None

**Public Comment:** None

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

**1. General Manager**

Receive verbal report

General Manager Kelly Dodds had nothing to report.

**2. District Counsel**

Receive verbal report

District General Counsel Christina Pritchard from White Brenner, had nothing to report.

**3. District Utilities**

Receive and File

General Manager Kelly Dodds submitted report as written and asked for questions. Mr. Dodds expressed that over the last few months there have been large leaks at customer residence and that the District needs to keep working on conservation. Water in the cooler parts of the day.

**Board Comment:** Director Kalvans asked about the District water meters. General Manager Kelly Dodds explained that the Districts meters are radio reads. Director Kalvans discussed an add-on that customers can put on their meters to monitor their water use. General Manager Kelly Dodds voiced that he was not aware of any add-on features that are compatible with our meters. Discussion ensued.

**Public Comment:** None

#### 4. **Fire Chief Report**

Receive and File

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

**Board Comment:** Director Davis asked where Fire Vehicle 8601 was located. Chief Young explained that Fire Vehicle was stationed at Rob Roberson house, and voiced that Mr. Roberson is an active Paid Call Firefighter (PCF) duty officer, and acts when Chief Young is unavailable. Chief Young updated the Board that he was gone for seven days at the "Rabbit Fire". with the San Miguel Fire Department.

Director Davis voiced that he thought Mr. Roberson had retired, and asked if he was hired back. Chief Young voiced that all PCF are considered employees, and the District pays works compensation on those PCF. Chief Young explained that per his contract he is also considered a PCF when out on assignment to a wild-land fire.

Director Davis asked if PCF Roberson still uses a District Credit Card. Chief Young explained again that when he is out of town, that someone has to be able to purchase things. Director Davis asked about how many PCF the Department has at this time and how many have their EMT credentials. Fire Chief Young explained that the District has approximately 14 PCF at this time, and would have to look into how many PCF have their EMT licenses Director Davis continued asking about the EMT certification and if the ones that do have their EMT license get re certified every 6 month as required. Chief Young explained that it is a every two years and continued education is required. Discussion ensued on how the San Miguel Fire Department is professional rescuer with basic life support (BLS), the District does not have advanced life support (ALS) capabilities.

**Public Comment:** Ashley Sangster San Miguel resident asked how many District PCF had credit cards. Fire Chief Young explained that only one PCF has an officer designation and that is PCF Roberson.

**Board Comment:** Director Smiley voiced that he has had the Discussion with Chief Young and he is satisfied with the explanation.

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

Time: 7:52 PM

#### 9. **San Miguel Community Service District Groundwater Sustainability Agency (GSA)**

**Consent Calendar :**

**Public Comment:** Greg Grewal, Creston resident spoke about the EPC, and gave a brief history. Mr. Grewal expressed that San Miguel GSA has been paying its fair share since 2017.

**Motion By:** Rod Smiley

**Second By:** Anthony Kalvans

**Motion:** To Approve

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

**1. Paso Basin GSP WY 2022 Annual Report invoice.**

Receive and File invoice from County of San Luis Obispo for the San Miguel Community Services District Groundwater Sustainability Agency cost share of Water Year 2022 Annual Report

**10. San Miguel Community Service District Groundwater Sustainability Agency (GSA) Board Action Items:**

**1. Grand Jury report titled "Can One Wet Year Wash Away the Paso Robles Basin's Water Worries" (6-23-2023)**

Discuss County of San Luis Obispo Grand Jury report findings and recommendations. General Manager Kelly Dodds explained that he wanted to review the findings and recommendations from the Grand Jury Report. Finding starts on page 58, General Manager Kelly Dodds went through each finding and recommendations from the Grand Jury report from 6-23-2023. Discussion ensued.

Mr. Dodds explained that the responses have to be answered by the PBCC, and are required by September 21<sup>st</sup>.

**Public Comment:** Murray Powel Templeton resident, spoke about the process of responding to the Grand Jury report and how the responses will be discussed at a PBCC meeting in September and gave information on when input will be needed. Mr. Powel asked that the District add a link: [Dry Well Reporting System \(ca.gov\)](https://www.drywellreporting.com) to the District website.

General Manager Kelly Dodds reminded the public that this is an informational item only and no action will be taken tonight. Discussion on time-frame ensued.

Greg Grewal Creston resident, spoke about the information that he gave the Grand Jury, and that the San Luis Obispo County District Attorney has that information. Mr. Grewal offered the information to San Miguel Board of Directors upon request.

**Board Comment:** Director Smiley reminded the public that the agenda and packet is posted at the District website: [www.sanmiguelcsd.org](http://www.sanmiguelcsd.org)

Director Baker asked how many private Wells were in San Miguel. General Manager Kelly Dodds explained that he would have to look, but that there is only a few and they are all on the San Lawrence Terrace.

Director Kalvans voiced that the District does have one industrial Well within the District boundaries. Discussion ensued on the water usage.

Director Kalvans discussed the MILR program, GSP for 2027, and voiced his agreement that over the years there have been other entities and organizations repeating what the GSP has tried to do.

General Manager Kelly Dodds explained that the questions will be answered as accurately as possible, and will be brought back to the SMGSA Board for review.

*Information item only*

**2. Paso Basin Cooperative Committee (PBCC) Statement of Equity (Dodds)**

Review the provided Statement of Equity and alternate Statement of Fairness and provide direction to the General Manager as appropriate.

Item presented by General Manager Kelly Dodds updating the Board of Directors that San Luis Obispo County District 2 Supervisor Bruce Gibson prepared this statement. In May the item was brought to the Board and was not approved, and it was also brought to the Paso Robles City Council and was also not approved.

**Board Comment:** Director Kalvans asked why Paso City did not approve the statement. Discussion ensued.

Director Smiley voiced that he still does not like to statement wording.

Director Davis voiced that he was not in favor of the statement.

General Manager Kelly Dodds informed the Board that unless directed, he is not proposing any statement, and is just bringing information from other agencies.

**Public Comment:** Greg Grewal Creston resident, spoke about the Correlative Rights Doctrine.

Murray Powel Templeton resident spoke about the April 26th PBCC meeting, that the Public is against this statement.

**Board Comment:** Director Baker asked what would be the purpose of the SMCSO drafting its own statement. General Manager Kelly Dodds explained that it is not a need for San Miguel to draft a separate statement, unless the Board is trying to relay something specific. Discussion on the State Water Code wording ensued.

Director Kalvans voiced that he did like the City of Paso Robles Council member Hamond listing out specific GSA's, and noted that the EPC was not one of them. Director Kalvans would like to see it listed that the PBCC does not think that water banking is equitable or equal.

Director Baker voiced that he would like to see that residential properties have priority.

Discussion ensued about reaffirming the State Water Code, making an Ad-Hoc Committee and the original intent of statement.

*Consensus of the Board is to not approve statement and to not submit other wording.*

**Reconvene to the San Miguel Community Service District Board of Directors:**

Time: 8:37 P.M.

**11. Consent Calendar:**

**Public Comment:** None

**Board Comment:** None

**Motion By:** Raynette Gregory

**Second By:** Rod Smiley

**Motion:** To Approve

Board Members	Ayes	Noes	Abstain	Absent
Berkley Baker	X			

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

1. **06-22-2023 Draft San Miguel CSD and Groundwater Sustainability Agency Meeting Minutes (Parent)**  
Receive and File
2. **06-29-2023 Draft San Miguel CSD Special Meeting Minutes (Parent)**  
Receive and File
3. **Banking powers for Community Bank of Santa Maria**  
Approve RESOLUTION 2023-33 authorizing the General Manager, Fire Chief and Financial Officer banking powers for District accounts at the Community Bank of Santa Maria.
4. **Recognizing Ward Roney by Resolution (Dodds)**  
Approve RESOLUTION 2023-34 recognizing Ward Roney for his service to the Community of San Miguel.

**12. Board Action Items:**

1. **Discussion regarding public representations by Board members and Brown Act updates.**

None.

District General Counsel Pritchard, provided information on Chapter 5 of the San Miguel Board Member Handbook. District General Counsel Pritchard gave information on Directors Speaking for the "Board", Social Media and what constitutes a Brown Act violation. Counsel voiced that if a Director wanted to be "public" they could come off the diocese and speak as public.

**Board Comment:** Director Baker asked if he were to get information from the General Manager, could he then forward it to the other Directors. Counsel recommended that if it was only information; that it should be sent to other Directors as a BCC (Blind Carbon Copy). District General Counsel explained that there has to be responses/deliberation to be a Brown Act violation.

Director Kalvans spoke about setting special meeting dates. District Counsel discussed cases, and expressed use caution and that the Board Clerk would reach out to get director's schedules.

Director Davis asked about talking to one other Director, and if that is okay. District General Counsel explained that you and a Board Member can discuss things, but it can become a violation if one of you goes to a third board member and say, I had this conversation with this board member, and that is when it becomes a violation. Counsel Pritchard asked that if any of the Directors have a question to please contact her.

**Public Comment:** None

*Informational item only*



**2. Elect Board officers for remainder of 2023 (Dodds)**

Nominate and Elect Board of Director Officers for remainder of 2023

*This Item was presented after Agenda Item 4 (Pledge of Allegiance) Page 96*

General Manager Kelly Dodds presented item and gave a brief history, on item. Mr. Dodds asked the Board to decide if they would like to nominate a President and Vice-President or have just the vacant seat of President.

**Board Comment:** Director Baker voiced that he would like to have the Vice-President Gregory stay for the remainder of the year, as elected.

**Public Comment:** Greg Grewal Creston resident spoke about that Vice-President Director Gregory should keep her position for the remainder of the year, and only appoint for President.

**Board Comment:** Director Davis nominated Director Smiley for Board President. Director Smiley was asked if he accepted the nomination. Director Smiley accepted the nomination.

**Motion By:** Anthony Kalvans

**Second By:** Berkley Baker

**Motion:** To Approve to only appoint Board President

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

**Motion By:** Owen Davis

**Second By:** Berkley Baker

**Motion:** To Approve Appoint Director Smiley for Board President

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

**3. Financial Reports - June 2023 (Hido)**

Please *Review* the June 2023 SMCSD Financial Reports.

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. Item presented by Financial Officer Michelle Hido updating the Board that the District Financials for June 2023 start on page 97. Mrs. Hido explained that it is the end of the fiscal year, and at this point she will only be asking the Board to review the financials. It was explained that they will be brought back to the Board to receive and file once the audit is done.

**Board Comment:** Director Baker asked what the percentage was on the increase. Financial Officer Michelle Hido explained that some vendors are increasing delivery cost and some vendors are increasing things across the board.

Director Kalvans asked about the Bank Credit Card expenses, and if it was paid off each month. Mrs. Hido explained that the credit card invoices are paid off monthly. The change in the layout of her staff report was to show the top five expenses for the month and did not want fill that up with recurring monthly charges.

Director Kalvans asked about the GFOA transparency certification and keeping the Board informed about the escrow account.

Director Baker voiced that he sees that the expected revenue is up across the funds. Financial Officer Michelle Hido explained that the District sold some surplus property that was not budgeted for, that revenue went back proportionally to all the funds. Discussion ensued on the budget and ongoing projects.

Director Kalvans asked about interest rates and district investments. Page 134-135 contains the investment portfolio.

**Public Comment:** None

#### 4. **RFQ for Certified Public Accountant consultation services**

Authorize the General Manager to circulate an RFQ for Certified Public Accountant consultation services

Item was presented by General Manager Kelly Dodds asking the Board to approve the release of a Request for Qualifications (RFQ) for a CPA. Mr. Dodds explained that currently the District has a consultant that works with the District to assure that the Financial Officer and District are complying with District policy and procedures. It was explained that this item is just to release the RFQ, and once proposals are collected and reviewed by the General Manager a recommendation will be brought back to the Board.

**Board Comment:** Director Smiley clarified that staff was looking for a consensus of the Board.

**Public Comment:** Ashley Sangster San Miguel resident asked why it would not be sent out as a Request for Proposal (RFP), due to the cost, and spoke about the process.

District General Counsel Pritchard informed the Board of Directors that with an RFQ, you are allowed to consider the person with the best qualifications and feels that this is the best thing for the District.

**Board Comment:** Director Baker asked for clarification on the RFQ that reads RFP. It was explained that that front page will be changed to read RFQ and the date will be July 28th.

General Manager Kelly Dodds also explained that the average yearly cost is twenty-five thousand dollars and that the goal is to contract with the best qualified firm. Discussion on process ensued.

Director Davis voiced that he is opposed to authorizing the releasing of anything because when they authorize the General Manger to release anything it cost a lot of money and a CPA should come in front of the Board of Directors.

General Manager Kelly Dodds explained that there is a provision in the RFQ for interviews, but again this is to release the RFQ to let the CPA firms know what we are looking for.

Director Davis asked how much it would cost. General Manager Kelly Dodds explained that on average CPA cost is twenty-five thousand dollars a year, but the cost to release the RFQ will be minimal because the RFQ will be emailed out.

Director Davis voiced that our current CPA is very capable, and the District should keep them as the District CPA.

General Manager Kelly Dodds explained that at this point the District has an expired

contract with the current CPA through, Coblenz, Biehle & Cramer. Discussion ensued about submitting a proposal, and cost of services.

**Motion By:** Rod Smiley

**Second By:** Anthony Kalvans

**Motion:** To Authorize the General Manager to release RFQ

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

**5. SLT Tank inspection, diving and cleaning.**

Review and approve RESOLUTION 2023-35 authorizing the General Manager to contract with Advanced Technical Services Inc (ATS) and a budget adjustment for the inspection and cleaning of the SLT Water Tank.

Item Presented by General Manager Kelly Dodds, and explained that the San Lawrence Terrace (SLT) water tank needs to be clean and inspect. During the last Sanitary Survey, by the Department of Drinking Water (DDW), one of the items noted to be addressed was to inspect both water tanks and provide reports to the DDW. Advanced Technical Services Inc (ATS) will inspect the tanks and provide a condition report for the District to move forward with repairs or replacement as necessary. General Manager Kelly Dodds explained that this was being brought to the Board of Directors because it was not budgeted, and the project would be using Capita Funds.

**Board Comment:** Director Baker asked if this was put out to bid and was this the only company in the area. General Manager Kelly Dodds explained that the project did not go out to bid. Mr. Dodds explained that there are companies further out and in neighboring states. The cost is below the threshold for bidding, and discussion on funding capital ensued.

Director Kalvans spoke on the last bid with ATS, and that they were the only bidder.

Director Gregory asked how the tank would be cleaned. General Manager Kelly Dodds explained the process, that the Tank will be drained, and the tank will be cleaned.

Director Baker asked if the Tank water could be used then cleaned. Mr. Dodds explained that to run the tank down naturally would make the District be in violation of pressure requirements.

Director Davis voiced that he should utilize it with the houses and put in a booster pump. General Manager Kelly Dodds explained that the District would have to buy a booster pump. Director Davis voiced that he has already proposed having a booster pump at that tank. Discussion on water permit ensued.

**Public Comment:** None

**Motion By:** Raynette Gregory

**Second By:** Anthony Kalvans

**Motion:** To Approve Resolution 2023-35

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

**6. Change order for Machado Wastewater Treatment Facility Design contract**

Review and approve amendment #1 in an amount NTE of \$43,136.50 to 10/5/22 Contract with Wallace Group for the design of the Machado Wastewater Treatment Plant expansion. Item was presented by General Manager Kelly Dodds explaining that in October 2022 the Board approved a contract with Wallace Group for the design and engineering for the Machado Wastewater Treatment Facility expansion. Through the initial design process various aspects of the project have changed to increase operability, efficiency and reduce construction costs. The attached Amendment #1 is representative of the additional design changes.

**Board Comment:** Director Davis voiced that it looks like nothing is allocated to the upgrade of the treatment facility, only the "Taj Mahal", and feels that it is a waste of money. Director Davis voiced that the District should move forward with the upgrade of the WWTF and leave the "Taj Mahal" later, and the cost is ridiculous and not needed. Director Davis spoke about the Fire Department temporary housing, and how that was not thought out and now if the Fire Department wants to move forward, they have to put in curb and cutters.

Director Gregory spoke about the special meeting on the design of the building and expressed to Director Davis that he had input and was happy with the design.

Director Davis voiced that he was not happy with it and asked how much has been spent on engineering so far. General Manager Kelly Dodds explained that he did not have the accurate number off-hand but asked that Director Davis come to his office to review. Mr. Dodds explained that this change order is for mechanical and structural engineering, and that a multitude of things have changed with this project. Discussion ensued on the state requirements of things that we must provide our employees, and requirements for the treatment process.

Director Davis discussed the perceived background and the Fire Department meeting room. General Manager Kelly Dodds explained to Director Davis that the facility that was proposed to the Board is an office building that will accommodate what we need administrative wise and a facility to successfully operations of our utility. The Facility will have a meeting room that will be big enough to accommodate our board Meetings and would be available for utility class work, outside agency classwork, and if the Fire Department would like to use it for meeting, training events its a room that is available. Mr. Dodds explained that the design is for the entire plant, and some of it is needed immediately, some can wait but all are deemed necessary. Discussion ensued about the process, grants and the need for the community.

Director Baker voiced that he understands that things have changed in the plans, but asked if these are changes that the Wallace Group did not account for when they initially bid. Director Baker asked about the 15% sub-consultant markup provision, and voiced with his background his is very skeptical of change orders. General Manager Kelly Dodds explained that some of the changes are because the original bid specs listed out different sized buildings, and some of the changes are because of assumptions that were made in the bid

packet are not accurate today. Director Baker asked who was responsible for that bid packet. General Manager Kelly Dodds explained that he and the engineer are responsible for that bid packet. Mr. Dodds clarified that none of the entities that benefit from this change order were involved with the bid packet, and that the bid packet was produced with the information that was available at the time.

Director Kalvans voiced that he has always had an issue with the Wallace Group, and would like to see that the proposed building is not an eye sore for San Miguel.

Director Smiley voiced that the design plan had been explained in detail and would like everyone to remember that this is not for right now, it is for the future of the community thirty years from now. Director Smiley voiced that it will only cost more if we wait, and that the grant money is coming.

**Public Comment:** Ashley Sangster San Miguel resident asked about the previous grant money spent on design, mechanical engineering and Cloacina.

General Manger Kelly Dodds clarified that Cloacina is contracted for essentially the pad and up, and everything evolved with the MBR.

**Motion By:** Raynette Gregory

**Second By:** Rod Smiley

**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. Water rate information requested at 6/22/23 SMCS D Board Meeting**

Receive and discuss information requested at the 6/22/2023 Board meeting.

Item was present by General Manager Kelly Dodds expressing that the staff report goes over question from the last meeting.

**Board Comment:** Director Davis voiced that Mr. Dodds did answer the question but voiced that he should have known the answer at the last meeting before proposing the Prop 218 for a rate increase. Mr. Dodds asked if Director Davis would like to go through the questions.

Director Davis talked about the the funds in the Capital Reserves, fund collections question that was asked. General Manager Kelly Dodds explained that all fund balances are listed in the monthly financials. Director Davis voiced that he sees that the information was reported in this meeting, but it is after the fact and the Prop 218 should be thrown out. Discussion ensued about how the Prop 218 process works.

Director Davis voiced that the public hearing notice protest section has a date incorrect, and everything regarding the rate increase should be thrown out, and re-voted on.

District General Counsel Pritchard recommended that the Public Hearing Notice be resent, and the public hearing be postponed until September 2023.

Director Baker voiced that there is some confusion with the dates on the notice, so it should be resent and pushed out one month.

**Public Comment:** Ashley Sangster San Miguel resident, spoke about the date confusion and agreed that the public hearing should be postponed to September.

**Motion By:** Berkley Baker

**Second By:** Anthony Kalvans

**Motion:** To Postpone Prop 218 Public Hearing to September 22nd Board Meeting, and resend notice

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

**13. Board Comment:**

Director Davis informed the rest of the Board that he has asked General Manager Kelly Dodds for District Well Logs and feels that Directors should be able to have a copy of them. Director Davis also asked how much has been spent to legal for the Steinbeck litigation. General Manager Kelly Dodds asked if that is what he would like on the agenda, or meet with him. Director Davis stated that he would like the Steinbeck attorney cost on the Agenda. District General Counsel explained that falls under attorney client privilege, and is confidential until the litigation is settled. It was also explained that Director Davis or any other Director can have that information but it is confidential.

Director Kalvans voiced that he would like to discuss creating a planning commission as part of the San Miguel CSD.

Director Kalvans also asked to discuss the EPC and LAFCO.

Director Kalvans would like to discuss putting an American flag on the .65 million gallon tank, a low priority.

Director Smiley asked about a Planning Commission, and thought that we asked about that at the last meeting, but was something the CSD could not do. District Legal Counsel explained that at the last meeting Land Use Authority was discussed and that authority is reserved for the County, but can research information on Planning Commission.

**14. Adjourn to Closed Session/Closed Session Agenda:**

**Public Comment:** None

At 10:07 PM

**1.**

**Conference with Legal Counsel- Anticipated Litigation**

**Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of section 54956.9: One (1) matter**

Direction to staff.

**15. Report out of Closed Session:**

Direction to staff

**16. Adjournment to Next Regular Meeting:**

At: 10:47 P.M.