



**GROUNDWATER SUSTAINABILITY AGENCY**

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

**SPECIAL MEETING MINUTES**

**7:00 P.M. Opened Session**

**SMCSD Boardroom 03-13-2025**

**1. Call to Order:**

AT: 7:01 PM

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

ABSENT: *John Green*

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

**Motion By:** Ashley Sangster

**Second By:** Rod Smiley

**Motion:** To Approve

Board Members	Ayes	Noes	Abstain	Absent
Brendin Beatty	X			
Rod Smiley	X			
Ashley Sangster	X			
Owen Davis	X			
John Green				X

**4. Pledge of Allegiance:**

Lead by Director Smiley

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

**Public Comment:** Greg Grewal a Creston resident spoke about the GSP plan, for public review and comment. Mr. Grewal explained that he feels that there is incorrect information in the 2024 Annual Report and that the report is mostly a duplicate from the last report. Mr. Grewal voiced his frustrations on the timing of the report and the lack of public comment time.

Murray Powell a Templeton resident spoke about the District conducting meetings without a presentation or projector.

**6. Board Action Items:**

1. **Continuation from February 27th, 2025 Board Meeting**

**Review of 'FINAL' Joint Exercise of Powers Agreement (JPA) for administration of The Paso Robles Area Groundwater Sub Basin Groundwater Sustainability Plan. (Provide recommended changes to the General Manager/ Legal Counsel and or approve the agreement by 3/5 vote and authorize the Board President to sign the agreement) (Pg. 3-22)**

Review, discuss and provide direction to staff regarding the FINAL JPA for the administration of The Paso Robles Area Groundwater Sub Basin Groundwater Sustainability Plan.

Item was presented by General Manager Kelly Dodds explaining that the final JPA was provided in the Board packet as requested by the Board at the last meeting, and asked if the Board would like to go through each section. It was explained that tonight's item is not approving JPA rates, but it's only for the Board to decide whether San Miguel Community Serviced District wants to be a party of the Joint Exercise of Powers Agreement (JPA).

**Board Comment:** Director Davis voiced that this item was brought back per Board request, and that he feels that this meeting could have waited for the March 27th Board Meeting. General Manager Kelly Dodds explained that the Board requested that the Final Joint Exercise of Powers Agreement (JPA) was brought back once it was final. Discussion ensued on the policy for Special Meetings and Board President authorization.

General Manager Kelly Dodds explained that this item needed to be discussed before Friday March 14th, since the other four parties to the JPA would be signing the agreement by the 14th. It was explained that the Paso Basin Cooperative Committee (PBCC) Staff needed to make proper arrangements for the Paso Basin Cooperative Committee (PBCC) Meeting on March 26th.

Director Sangster called Point of Order due to the public speaking out from the audience.

Director Davis voiced that this meeting could have waited and was a waste of time.

Director Smiley mentioned that the Board has talked about dissolving. Director Smiley asked for clarification on if the Board dissolves and decided to vote against the JPA, does the County of San Luis Obispo impose its own groundwater rules on the District. General Manager Kelly Dodds explained that if the District were to dissolve it would go back to being a County area, and at that point the area would be subject to all County rules and regulations that they have adopted for their Groundwater Sustainability Agency (GSA) for the unincorporated areas. If that does occur, then the only representation that the community would have would be the San Luis Obispo County Board of Supervisors.

Director Sangster explained that the likelihood of the CSD being dissolved is extremely low because the County would have to accept our area, after the District dissolved.

Director Sangster gave his opinion about being part of the JPA and addressed that there seems to be this idea that if the District does not participate it will be under the thumb of San Luis Obispo County Board Supervisor Bruce Gibson. Director Sangster reminded everyone that the CSD has its own governance and the threat to force the SMCSGSA into adopting this agreement will not work. Director Sangster voiced that his concern is for every resident within the District that will be paying for this, and that the costs to the District are still unknown. There is no established per resident, per meter, or per anything cost and that the agreement clearly states that the JPA can hire an Executive Director, and they can hire consultants and purchase property and feels that the cost can quickly get out of control for rate payers.

General Manager Kelly Dodds voiced that he agrees with Director Sangster, but wanted to clarify that a lot of those things cannot be determined until either the four or five agencies move forward together and that the rates would be established based on how many properties are be served by the JPA. This could include San Miguel or could not include

San Miguel, and that is what needs to be determined tonight. General Manager Kelly Dodds voiced that there is obviously hesitation because there are no determined rates, and that the JPA is not far enough along that it can have a definite cost. Discussion ensued on the Board needing to decide if they want to be in the JPA, with four other agencies and weigh the pros and cons to decide.

Director Sangster voiced that the bottom line is, if the District is in the JPA we still would not know the cost and feels that the risk is too high because of all the unknowns. Director Sangster explained that he would like to know what the benefit in joining the JPA would be to the District, because it has been discussed numerous times that there's a likelihood that collectively there would not be any projects that are going to benefit San Miguel.

General Manager Kelly Dodds voiced that because the District is predominantly Di Minimis users and as far as rates are concerned the District would be paying for its customers and then the other properties within the District would be billed. The cost to the District (properties within the District boundaries) are cost to do only an Annual Report and to update the Groundwater Sustainability Plan (GSP), and we would have to modify the GSP to include other projects. Discussion ensued on having a say on how the Basin is managed.

Director Sangster voiced that if the District just keep doing what their doing then we are in charge of our destiny. Reiterating that the District has its own Board, and that we do what is right for our community and does not see a benefit for being a part of Paso Robles and/or the County of San Luis Obispo or anything that is not here in San Miguel.

General Manager explained that it is not necessarily about just San Miguel, but is about the betterment of the whole basin. Discussion ensued on what it would look like if San Miguel decided not to be part of the JPA.

General Manager explained that the District would still be required to do an Annual Report and update the GSP, and voiced that he thinks that there would be a higher cost to not join the JPA.

Director Sangster asked for clarification on "higher cost" compared to what? General Manager Kelly Dodds explained that right now the District has budgeted \$18,000 for the Districts 3% portion, of the PBCC doing the Annual Report for the GSP. The District would have to do the Annual Report or contract with the entity that is doing the Annual Report to include our data, at an unknown cost. General Manager voiced that he is not opposed either way, and just needs direction. Discussion ensued on coordinating with the JPA, and having a neutral balance within the Basin.

Director Davis asked about the \$18,000 and explained that it should not cost very much to provide the information on well levels and total water pumped to update the GSP on the Districts own without joining the JPA.

General Manager Kelly Dodds explained that right now it cost the District \$18,000, but with the proposed JPA Budget, that has not been adopted and the proposed JPA rates that have not been adopted, puts the cost share for the District somewhere around \$8,000. General Manager Kelly Dodds reiterated that no cost has been approved, because it has not got that far yet, and that it was all proposed costs and that they have not been approved because the JPA has not been formed.

Director Davis voiced that joining this JPA is just gives them a blank check. General Manager Kelly Dodds explained that the JPA would work within a budget, which will be approved by their Board and that budget would be used as the guideline for what they are able to spend.

Director Sangster voiced that he feels that the difference between that is that the District has a budget based on Revenue that is created by water and wastewater sales and our Budget reflects what the District brings in. In this case the JPA Agreement states that they

can hire an executive director, consultants, and that they can even buy property and it does not have anything about limits or not to exceed. Director Sangster voiced that it is just like giving them a blank check. Director Sangster asked District Counsel if the District does join the JPA, and there is a Board for that JPA and they decide to buy property or something, would all of the five parties be required to pay whatever percentage that is established in beginning. And whatever rates that are established do not cover those costs, then everyone is still liable for the excess that was spent, asking for clarification if that was correct. Deputy General Counsel explained that to clarify those expenses would have to be adopted by the JPA Board first, and that the JPA does not have autonomy to spend money that isn't budgeted by the Board and the JPA Budget is subject to 4/5 vote. Counsel explained that Director Sangster was correct that anything that is budgeted that is not covered by the rates must be made up by the member agencies.

Director Sangster thanked Staff and Counsel.

**Public Comment:** Greg Grewal a Creston resident spoke about the District signing the MOA and that everyone is in violation of the GSP by not doing the projects that were supposed to be done first. Mr. Grewal read aloud section 9.1 & 9.2 of the MOA and advised the Board to stay in the MOA since the other parties can not dissolve the MOA. Mr. Grewal spoke about the Estrella El-Pomar Creston (EPC) being an illegally formed, and that the San Miguel District needs to let the other agencies withdraw and not join the JPA.

George Tracy president of the Independence Ranch Community Services District explained that they do not want San Miguel to join the JPA, and to please listen to the community members. Mr. Tracy voiced that the people that live in Independence Ranch and the San Miguel CSD did not cause the problem with the basin.

Berkley Baker a San Miguel resident and San Miguel PBCC member voiced that he was not in favor of San Miguel joining the JPA. Mr. Baker explained that everyone that extracts water from the basin is going to be charged an extraction fee and that the JPA is going to have a budget. They also are going to have a Prop218, and if that does not pass the District will be on the hook for those expenses. There are too many unknowns, and 94.4% of water extracted from the basin are from Agricultural wells.

Mr. Baker asked for more time. President Sangster approved more Public Comment time to Mr. Baker. It was explained that if they grant Mr. Baker more time, they will have to allow more time to others.

Berkley Baker spoke about the Wells that were put in next to Cross Canyons and feels that this is about vineyards and that they have all mismanaged the basin. Mr. Baker explained that he feels that the JPA will be managed by the same people that have mismanaged the basin to this point. Speaking that it would be County Board of Supervisor Bruce Gibson and the two phony water districts.

Darsha Stebbens, a rural San Miguel resident explained that they are saying that it could cost less is because the di minimis users help recharge the basin, with their septic systems. Mrs. Stebbens also spoke about the District having more control if they stay with their 3% and the MOA. It was explained that the County Board of Supervisors (Gibson, Paulding, Ortiz-Legg) that voted to approve this agreement do not have any constituents that live over the Paso Basin and voiced that San Miguel residents will have no representation at the County level.

Murray Powell a Templeton resident spoke about the budget that represents the \$18,000 that San Miguel would owe for their 3% and the proposed budget for the rate study. Mr. Powell explained that he had a meeting with Blaine Reely, County Groundwater Director. Mr. Powell explained that he went to the EPC meeting, and they voted to not sign the agreement that was proposed at their meeting, and that J. Lohr made a speech at the recent

wine event, declaring he was against all of this.

Mr. Powell asked for more time. President Sangster approved more Public Comment time to Mr. Powell.

Murray Powell spoke about the PBCC budget being proposed to extend for six months even though it would be expiring on July 30th and feels that San Miguel percentage will only be raised if the agreement is signed.

**Board Comment:** Director Davis motioned to not sign the JPA agreement, motion was two/two (Failed)

Public spoke out from the audience asking for clarification on the vote.

*General Manager Kelly Dodds explained that it was a tie vote 2-2 and that the motion fails, because it must be a majority vote and we are at a tie. It was explained that due to the tie the Board will not be signing the Five-Party Agreement to be part of the JPA.*

Deputy District Counsel Pritchard clarified for the Public and Board of Directors that the other parties are moving forward with the Four-Party Agreement on March 14th, and that the Five-Party Agreement expires tonight. It was explained that if the Board chose to bring back something on this in the future, it would have to be to join the existing JPA. Director Beatty asked for clarification from District Counsel asking that he understands that this has failed but if in 6 months from now the Board decides that they do want to join, is that option available. Deputy General Counsel explained that there is a mechanism built in to join, but the four members of the JPA would have to vote to allow the District to join, but there will be some sort of buy-in cost at that point. Counsel explained that she is unaware on how that would look or cost, because the JPA will be going through the Prop218 process and passing a budget, but the District can request being added to the JPA in the future.

**Public Comment:** Greg Grewal a Creston resident spoke out from the audience outside of public comment, asking if he could hear from the Districts Legal Counsel. Mr. Grewal wanted to know if he was correct that if San Miguel CSD GSA does not get out of the MOA, the MOA does not die, and that the EPC did not vote on joining the JPA, so there are not four parties joining the JPA.

Director Sangster asked Deputy General Counsel to clarify the position with the MOA, and if it continues in its current form.

Deputy General Counsel explained that she has received confirmation from the Counsel for EPC that they have already approved the Four-Party agreement. It may have been that they did not approve the Five-Party agreement last night. Counsel also explained that if three members of the four-party MOA join the JPA; that dissolves their membership and the MOA is terminated, clarifying that you can not have an MOA with yourself. The budget that San Miguel approved, in updating the GSP under the 5-Year plan is slated to move forward under the current terms of the MOA. The understanding is that the GSP will be updated with the Districts normal contributions and will not need to be updated for another 5 years.

Greg Grewal spoke out from the audience, asking for the legal documents.

General Manager Kelly Dodds clarified that the MOA would be dissolved when the other parties become a JPA.

Director Sangster explained that it was understood that the MOA would dissolve.

Murray Powell spoke out from the audience, asking to read 9.1 & 9.2 of the MOA. Director Sangster explained multiple times that public comment was closed. Mr. Powell voiced he would continue anyway.

Director Sangster called Point of Order, due to disruption from Mr. Powell.

Director Sangster explained that the Board has voted, and that the Board has not asked for it to come back, and that San Miguel will not be joining the JPA.

**Motion By:** Owen Davis

**Second By:** Ashley Sangster

**Motion:** To Reject joining the Joint Exercise of Powers Agreement (JPA)

Board Members	Ayes	Noes	Abstain	Absent
Ashley Sangster	X			
Owen Davis	X			
Brendin Beatty		X		
Rod Smiley		X		
John Green				X

**2. Discuss and appoint San Miguel CSD GSA Board Members to the Paso Robles Area Groundwater Authority (PRAGA) Joint Exercise Authority (JPA) (Discuss and appoint a member and alternate by 3/5 vote) (Pg. 23)**

**This item is contingent on approval of the Joint Exercise of Power Agreement. If the Board does not agree to the agreement this item is not needed.**

Discuss appointment of a 'Member' and 'Alternate' to the Paso Robles Area Groundwater Authority.

Item no longer needed; no action is required.

**Board Comment:** None

**Public Comment:** None

**7. Board Comment:**

General Manager Kelly Dodds explained that he would get information on the MOA and bring it back to the next meeting.

Director Smiley thanked Deputy District Counsel Pritchard for attending.

Director Davis asked to add the Steinbeck Litigation to the next agenda. Board Clerk Tamara Parent reminded Director Davis that he already asked for that at the February 27th Meeting, and that it is scheduled for closed session at the March 27th Board Meeting.

Director Sangster thanked the public for attending and understands that this is a very important subject for everyone in the area.

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

At: 8:04 PM

*As per Chapter 10.9 of the SMCS D Board Member Handbook, meeting minutes reflect actions taken and are not a complete record. Please visit the SMCS D website: <https://www.sanmiguelcsd.org/> to view full recordings of meetings.*