



BOARD OF DIRECTORS

Rod Smiley, President Raynette Gregory, Vice-President
Berkley Baker, Director Anthony Kalvans, Director Owen Davis, Director

REGULAR MEETING MINUTES

6:00 P.M. Opened Session
SMCSD Boardroom 06-27-2024

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: Berkley Baker

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 Director Smiley

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

Greg Grewal Creston resident spoke about the Steinbeck redactions on the financial reports and explained that he has talked with San Luis Obispo County District Attorney. Mr. Grewal also spoke about the Groundwater MOA violations, and water banking.

Eric Chavez a Paso Robles High School student, spoke about adding more bicycle infrastructure in San Miguel.

6. Special Presentations/Public Hearings/Other:

1. Public Hearing: Proposition 218—Public Hearing on Proposed Increase to Trash Collection and Disposal Service Charges by San Miguel Garbage Company

Hold a Public Hearing, in accordance with the requirements specified by Prop 218, for

public comment or opposition to the proposed rate increase. Discuss and consider Resolution 2024-24 regarding rate increase approving an 3.5% (CPI) rate increase to trash collection and disposal service charges by San Miguel Garbage Company

Director Smiley opened the Public Hearing relating to the District's proposed increase in solid waste, recycling and green waste service rates. This public hearing provides a forum for property owners and District customers to offer comments on the proposed rate increase. Protests against the proposed rate increases must be submitted in writing and collected until the close of the Public Hearing. Director Smiley introduced the staff and the District franchisee San Miguel Garbage, would be providing a general presentation regarding to proposed rate increase.

Aron Kardashian, San Miguel Garbage updated the Board of Directors on the Integrated Waste Management Authority (IWMA) reduce their percentage to 3%, and explained that it started at 5.4%, then 4.4%. Mr. Kardashian voiced that the new rates would go into effect on July 1, 2024, with an overall increase of 2.1%. Discussion on IWMA and unincorporated areas ensued.

General Manager Kelly Dodds explained that any protests will be accepted up to the close of the Public Hearing.

Director Smiley Opened the Public Comment for the Public Hearing.

Public Comment: None

Director Smiley asked for public comment, and seeing none closed the Public Hearing.

Director Smiley asked for the total number of protests received. General Manager Kelly Dodds gave a count of (0) zero protest.

Board Comment: Director Kalvans thanked the San Miguel Garbage for all they do in the community.

Motion By: Anthony Kalvans

Second By: Raynette Gregory

Motion: To Approve Resolution 2024-24

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

2. Public Hearing: Confirm the 2024 Weed Abatement Cost Report and authorizing collection of the charges on the County Tax Rolls.

After holding a Public Hearing and making any appropriate modifications to the Cost Report approve RESOLUTION 2024-23 confirming the Cost Report and authorizing the collection of the charges on the County Tax Rolls.

Director Smiley opened the Public Hearing relating to the District's proposed approval of Resolution 2024-23, confirming the 2024 Weed Abatement Cost Report, and authorize the collection of the charges on the County tax rolls.

Director Smiley explained that staff would be providing a general presentation regarding 2024 Weed Abatement Cost Report.

Fire Chief Scott Young explained that staff, is recommending that the cost incurred by the District to abate weeds from properties where the property owners have failed to do so, be placed on the County Tax Roll for collection. San Miguel Fire Department has complied with all noticing of a Public Hearing.

Director Smiley Opened the Public Comment for the Public Hearing.

Public Comment: None

Director Smiley asked for public comment, seeing none closed the Public Hearing.

Board Comment: None

Motion By: Anthony Kalvans

Second By: Raynette Gregory

Motion: To Approve Resolution 2024-23

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

3. Public Hearing: Authorize delinquent Water and Sewer service charges to be collected on the 2024-2025 County Tax Roll

Hold Public Hearing regarding the 2024 report of delinquent Water and Sewer charges; after Public Hearing approve RESOLUTION 2024-26 authorizing the collection of delinquent charges on the County Tax Roll.

Director Smiley opened the Public Hearing relating to the District's proposed approval of Resolution 2024-26, confirming the 2024 Report of Delinquent Water & Sewer Charges and authorizing the collection of the charges be put on the County Tax rolls.

Director Smiley explained that staff would be providing a general presentation regarding 2024 Report of Delinquent Water & Sewer Charges.

Board Clerk Tamara Parent explained that the was one foreclosure property that needed to be placed on the County tax roll for collection. San Miguel CSD has complied with all noticing of a Public Hearing.

Director Smiley Opened the Public Comment for the Public Hearing.

Public Comment: None

Director Smiley asked for public comment, seeing none closed the Public Hearing.

Board Comment: Director Baker asked if the delinquency was from a renter or owner, and if it was a renter does the District go after the property owner. Board Clerk explained that the owner is ultimately responsible for the delinquency.

Motion By: Raynette Gregory

Second By: Anthony Kalvans

Motion: To Approve Resolution 2024-26

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

Rod Smiley	X			
Anthony Kalvans	X			
Owen Davis		X		

7. Non- District Reports:

1. San Luis Obispo County Organizations

Verbal/Report

Commander Manuele from the San Luis Obispo County Sheriff office (North) gave a report on the calls for service for May 2024, with San Miguel having a decrease in calls for service by 21%. Commander Manuele also explained that there was a new phone scam going around and to be diligent in protecting yourself from these scammers. It was explained that there will be extra Sheriff's out for the upcoming Fourth of July.

Board Comment: Director Baker asked why the 101 corridor North of San Miguel speed limit was decreased from 70 to 65. Commander Manuele explained that the change is normally due to a Traffic Study.

Public Comment: None

Fire Chief Scott Young thanked the San Luis Obispo County Sheriff office for helping out for the Cruise Night, and feels that the Sheriff presence helps with safety.

Board Comment: None

2. Community Service Organizations

Verbal

Director Kalvans voiced that Eric the Student from Paso Robles High School, reached out to Director Smiley and himself proposing a San Miguel Bike project. Director Kalvans explained that he has reached out the San Miguel School District Superintendent, and is excited to give back to the community, but that input is needed.

Director Gregory spoke as the Treasurer, of Mission San Miguel and explained that a Gala event at Mission San Miguel is scheduled for October 5th, 2024 and tickets are available on Everbright.

Scott Young spoke for San Miguel Firefighters Association (SMFA) explaining that they would like to support the bike project. Chief Young explained that the Fireworks booth up and sales will be from July 1st to July 4th. The SMFA also hosted a Blood Drive with a great turn out.

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 report

General Manager Kelly Dodds voiced that if anyone has any questions, comments, or complaints about District Operations he is available at the District Office or to call 805-467-3388 or email him at kelly.dodds@sanmiguelcsd.org.

Information about the upcoming November 2024 Presidential Election is on the District Website, San Miguel CSD will have three Board Seats up for election. If interested candidates need to contact the San Luis Obispo County Clerk, and who will open the Atascadero Office by appointment. A Essential Leadership Skills Certificate was achieved by District Board Clerk Tamara Parent on 6-12-2024 from The Special District Leadership Foundation. Only 17 people in the State of California have received this certification, Tamara is the only person to achieve this certification in SLO County. process is through classes and participation in Ethics, Organization, Financial Management, Human Resources, District Law and Supervisory Skills. Earning this certificate demonstrates training in critical skills to competently lead Special Districts.

Public Comment: None

2. District Counsel

Receive verbal report

District General Counsel Pritchard had nothing to report.

Public Comment: None

Board Comment: None

3. District Utilities

Receive and file

General Manager Kelly Dodds submitted report as written and asked for any question.

Board Comment: Anthony Kalvans asked about the IWMA Waste Summit that was attended by Board Clerk Tamara Parent. It was explained that the IWMA put on an educational summit for all things waste management. There was a lot of discussion on SB-54 "Plastic Pollution Prevention & Packaging Producer Responsibility Act" and SB343-"Truth in Labeling", and education for Elementary Schools. Discussion ensued with Aron Kardashian from San Miguel Garbage about the hydrogen fuel and the electric trucks.

Director Baker asked about the San Lawrence Terrace (SLT) Well and inquired about it being off-line. General Manager Kelly Dodds explained that the SLT Well and Well 3 are having radio problems, but the wells are operational. It was explained that all the well sites are having radio problems and will need to be redone. Director Baker asked for clarification on what the radio does? General Manager Kelly Dodds explained that the radio is the communication link between different sites, and without the radio the sites can't automatically read levels or report if it is on or off. At this time it is being manually operated.

Director Baker asked if there was a chart of the District Well levels for the past few years, and explained that he was curious if the well levels have declined or moved. General Manager Kelly Dodds explained that the District does not have a running chart of that information, but in general it has gone down a few feet or even stayed the same, but in the last few year levels have gone up. It was explained that the District is improving the overall data collection and that information should be available in the near future.

Public Comment: None

4. Fire Chief Report

Receive and File

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

Board Comment: None

Public Comment: None

9. Consent Calendar:

Director Baker asked to pull Item 5 for discussion.

Item 5 was presented by General Manager Kelly Dodds explained the items that have changed on the Utility Fee Schedule.

Board Comment: Director Baker asked for more information on Fire Flows. General Manager Kelly Dodds explained that a Fire Flow is a mechanism to determine what the available flow or the Gallons Per Minute (GPM) is from a specific Fire Hydrant. Discussion ensued on how the process is done, and how the Fire Flow is calculated.

Director Baker asked what the cost difference was. General Manager Kelly Dodds explained that the hydraulic modeling is going from five-hundred dollars to the actual cost billed by the District Engineer.

Director Baker asked about the wastewater receiving and expressed his concern on the increase, and asked for information on that increase. General Manager Kelly Dodds explained that the first rate applied to wastewater receiving was based on what was known for treating wastewater at our plant and disposing of the solids at the landfill. It was explained that since the last time, their disposal fee has gone from twenty-five dollars a ton to sixty-five dollars a ton. Discussion ensued on the correlation between solids and gallons, and that the District only takes residential septic waste.

Director Baker asked for the methodology on the cost increase, and needed clarification on why if the District was at a near capacity, we were taking residential waste. General Manager Kelly Dodds explained that the haulers are only coming if the plant has capacity, and what it would look like in the future if all the housing projects moved forward. Discussion on the current and future waste capacity/flow ensued.

General Manager explained that the revenue offsets the cost of the treatment. Director Baker asked what the revenue received was at this time. General Manager Kelly Dodds explained that last year it was around one-hundred thousand dollars.

Director Davis voiced that he sees a lot of trucks, and voiced that taking the waste is costing the District and overloading the treatment plant. Director Davis voiced that his recommendation is to have the haulers take it somewhere else.

Public Comment: None

Motion By: Berkley Baker

Second By: Anthony Kalvans

Motion: To Approve Items 1-4

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

Motion By: Raynette Gregory

Second By: Anthony Kalvans

Motion: To Approve Item 5 Resolution 2024-13

Board Members	Ayes	Noes	Abstain	Absent
Berkley Baker	X			

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

1. 5-2-2024 Draft San Miguel CSD Board of Directors Special informal workshop meeting minutes

Receive and file

2. 5-23-2024 Draft San Miguel CSD Board of Directors & Groundwater Sustainability Agency meeting minutes

Receive and file

3. 6-6-2024 Draft San Miguel CSD Board of Directors Special meeting minutes

Receive and file

4. Adopt regulations for candidates running for the Board for the San Miguel Community Services District for elected office for the November 5th, 2024 presidential election. (RESOLUTION 2024-25)

Approve RESOLUTION 2024-24 adopting regulations regarding candidates' statements of qualifications who are running for office as members of the governing Board for the San Miguel Community Services District.

5. Revise District Utility Fee Schedule (RESOLUTION 2024-13)

Approve RESOLUTION 2024-13 adopting a revised fee schedule for water meters, notices and other services and or repair installation services provided by the District

10. Board Action Items:

1. Monthly Financial Reports for May 2024 (Recommend receive and file by Board consensus)

Please *Review, Receive and File* the May 2024 SMCSO Financial Reports.

Item was presented by Financial Officer Michelle Hido, May Financials are on pages 87-133 of the Board Packet. Mrs. Hido explained that the District has received the FEMA reimbursement for the lift station damage from January 2023, and pointed out that on page 89 you can see where the reimbursement projects are tracked. The Audit is tentatively scheduled for August.

Board Comment: None

Public Comment: None

Consensus of the Board is to receive and file May 2024 Financials

2. Review and provide direction regarding additional water rate structures.

Alternative 1 - Existing rate structure with annual CPI increase.

Alternative 2 - Director Bakers concept with further analysis by the District Rate Consultant.

Discuss the 3 alternatives to the noticed Proposition 218 water rate increase and provide direction to the General Manager.

Item was presented by District General Counsel Pritchard, it was explained that at the last District Board Meeting alternatives to the Rate Study were proposed. Alternative one (1) was to look at CPI. Counsel Pritchard explained that CPI can be used, but would need to stay under what the District rate study proposed was noticed at. If the CPI was utilized the CPI increase will be active through the rate studies; five years. Discussion on the current CPI ensued, with the May CPI being 3.9% with an CPI rate of 20% over five years is pretty average. Alternative two (2) is to look at Director Baker's concept with further analysis by the District Rate Consultant. General Manager Kelly Dodds explained that he discussed what it would take to get to the point to where the District could implement Director Baker's proposal, and the consultant estimates around fifteen-thousand dollars to move forward. General Manager Kelly Dodds explained that a lot of work that was done to create the tiers in the rate study that is currently in effect is old enough that they don't feel confident that using those would produce a valid result to move forward, and would need to redo some of that work.

Board Comment: Director Baker asked what the consultants should be looking at, and voiced that he feels that they would be looking at the rate for covering cost to operate. General Manager Kelly Dodds voiced that at the very basic level, that is correct. Director Baker explained that in his proposal the revenue is extraordinarily close, and does not understand why the District would need to pay the consultant an additional fifteen thousand. General Manager Kelly Dodds explained the process of moving forward with a three tiered rate structure, and explained that the District would need to justify the cost of having more or less in each tier moving forward. The District has to justify that the cost of producing the water and selling the water in that tier is appropriate. Discussion on the requirements of Prop 218 and district operations ensued. Mr. Dodds explained that the District operates as one system with one Well at a time serving the whole system, no matter how much water is being used, so to justify having a multiple tiers structure is a lot harder.

Director Baker voiced that the District has multiple tiers in the meter sizes. General Manager Kelly Dodds explained that the different sizes of meters are based on the amount of water that you could get out of the meter. Director Baker explained that some of the bigger meters use less than some of the smaller meters, and voiced that he feels that the District already has a tiered rate structure and should be able to keep it. General Manager Kelly Dodds explained that if the District wanted to move forward with the same structure, 0-5 units, 5-12 units, and 12 up, that is more legally defensible but as soon as you change anything you open the whole thing up.

Director Davis voiced that he feels that the CPI option is the best way to move forward for this five year rate study, and feels that the rates are to high to start with.

Public Comment: Ashley Sangster San Miguel Resident spoke about option #1 CPI is the only fair and equitable increase that makes sense. Mr. Sangster discussed the CPI increase that was approved for solid waste through San Miguel Garbage, inflation and feels that the Rate Study proposed increase is not fair or equitable because the middle users get the largest increase.

Robin Johnson San Miguel Resident spoke that she understands the CPI discussion, but explained that she only wants to pay for the water she uses. If the tiered system stays then she will pay the same if she uses 0 or 5 units of water. Mrs. Johnson voiced that she was in favor of CPI, but not keeping the tiered structure.

Director Smiley asked if the General Manager Kelly Dodds could answer questions that Mrs. Johnson has.

General Manager Kelly Dodds explained that if the Board elects tonight to start the process of using CPI on top of the current rate structure, then people using less than 5 units would go to an estimate of around fifty-five dollars for water and will still be charged for the 5 units, whether you use the 5 units or not. Discussion ensued on that not being the case if Director Baker's Proposal or the noticed Prop 218 rates.

Jaclyn Clements San Miguel resident spoke about agreeing with both presented options, but feels that people that use less water should pay less. Mrs. Clements spoke about water conservation and paying less as an incentive for conservation, and not having a minimum is what she would choose to have.

Jennifer Robinson, San Miguel resident spoke about the averages of Templeton C.S.D water bills and that she did not understand why San Miguel's utility bills cost needed an increase.

Board Comment: District General Counsel Pritchard asked the Board for direction. Do they want to engage the rate study consultant to form a nexus between Director Baker's proposal for the rates to the services or do you not want to move forward with either of those items. Does the Board want more information on anything discussed, and explained that is where this item is at.

Director Gregory voiced that when the Board started this process, the Board had heard from customers like Mrs. Johnson about paying for water that they don't use. Director Gregory explained that became the whole premises of changing the rate structure, and that she was not in favor of a CPI increase with the current rate structure or Director Baker's proposal.

Director Kalvan's thanked the people that have shown up, and explained that he is not in favor of Director Baker's proposal because it does not have a nexus, given the San Capistrano legal case as reference for potential litigation. Director Kalvans explained that he has worked in South County with utility customers and feels that the current proposal gives more control to the customer over their bill, and would like to see staff work with customers on conservation.

Director Baker voiced that he agrees that people should only pay for the water they use, but the problem that the District has is that there are so few users, and with that small population it affects the water bills. Director Baker explained that is the reason that Templeton's water bills are less, but also explained that he does not like the consultants current scenario 1, voicing that the fixed cost is too low. Director Baker explained that it is based on the amount of water people are using and if customers conserve too much there will not be enough revenue. The base is too low and the customers in the middle will be getting around a 15% increase and the people at the bottom and top will get a big break.

Director Davis voiced that he would like to remind the lady in the back, that moved here four years ago that he thinks she was right that the rates have almost quadrupled in that four years. Director Davis explained that he wanted to make sure that the customer understood that the reason for the increase, in his opinion, is because of the litigation the District has been in. Director Davis discussed the cost and explained that he was once told that the District need a rate increase to pay the lawyers and voiced that the District does not need a rate increase.

Point of order was called by Director Kalvans for one person that started shouting from their seat.

Director Smiley voiced that he was not in favor of either alternative.

Director Davis voiced that he was in favor of the CPI, and asked if any other Director's were also in favor.

Director Baker voiced that he was more in favor of CPI than the rate consultants proposal.

District General Counsel explained that the CPI could be brought back to the Board, due to

having two directors, if still appropriate after the next item.

3. CONTINUATION OF DISCUSSION AND POTENTIAL ACTION REGARDING THE ADOPTION OF WATER RATES FROM SEPTEMBER 28TH 2023 BOARD MEETING

Pursuant to Article XIII (D) of the California Constitution that San Miguel Community Services District is continuing the discussion regarding the protest ballots submitted and will consider taking action to update the rate structure and increase its rates for water services. (Resolution 2024-01)

After Board and Public comment it is recommended that the Board approve RESOLUTION 2024-01 implementing the proposed rate schedule as outlined in Scenario 1 as proposed in the Proposition 218 process.

Item was presented by General Manager Kelly Dodds explained that this item was continued from the May meeting, the options are to either approve as is or approve with modifications, as long as the cost is less than what was noticed. The other option is to vote to discontinue talking about it, and asked for any questions.

Board Comment: None

Public Comment: Ashley Sangster San Miguel resident voiced that there where two directors that wanted to look at CPI, and feels that it should be considered before this item and would like to see this item postponed until next time.

Board Comment: Director Kalvans voiced that he felt that there was no other option after a year of discussion, and this rate schedual will provide local control or allow residents to actually pay for what they use. Director Kalvans directed staff to work with customers for water efficiency to lower their bills.

Director Kalvans made a motion, followed by General Manager Kelly Dodds and District General Counsel requesting more clarification on the motion: Rate increase to start July 16th, 2024 and 4.5% increase for the first year.

Discussion ensued about bringing back for discussion each year.

Point of order was called for disruption from the audience.

Motion By: Anthony Kalvans

Second By: Raynette Gregory

Motion: To Approve Resolution 2024-01, starting July 16th 2024 with 1st year increase at 4.5%

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

4. Adopt revisions to District water and wastewater Billing policy - RESOLUTION 2024-02 (Recommend review and approve by 3/5 vote)

Review and approve RESOLUTION 2024-02 adopting revisions to the District water and wastewater billing policy.

Item was presented by General Manager Kelly Dodds explaining that the revisions are due to the change in the rate structure, and also would go into effect on July 16th, 2024.

Board Comment: None

Public Comment: None

Motion By: Anthony Kalvans

Second By: Raynette Gregory

Motion: To Approve Resolution 2024-02

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

5. 2024 California Special Districts Association (CSDA) Board of Director Election.

Review candidates and vote to elect no more than one (1) candidate by Board consensus and authorize the Board Clerk to vote electronically on behalf of the District.

Item was presented by General Manager Kelly Dodds and explained that this item was to vote to elect a CSDA Board member for our area. There were two candidates to choose from, and if the Board would like to come to a consensus on a candidate the Board Clerk could electronically vote on behalf of the San Miguel CSD Board.

Board Comment: Director Kalvans voiced that he would like to support Mr. Duffield from Heritage Ranch CSD.

Director Smiley voiced he also supports Mr. Duffield.

Public Comment: None

Consensus of the Board is to support Mr. Duffield for CSDA Board of Director, and authorize the Board Clerk to electronically vote for the SMCSO Board.

6. Authorize the General Manager to contract with Fluid Resource Management (FRM) for contract operator, compliance and maintenance/ management services.

RESOLUTION 2024-29 (Approve by 3/5 vote)

Approve Resolution 2024-29 authorizing the General Manager to contract with FRM for contract operator, compliance and maintenance/ management services.

Item was presented by General Manager Kelly Dodds explaining that this item is to get authorization for continued use of Fluid Resource Management (FRM) to provide contract operator services, compliance services, and general maintenance services. Using FRM is being done because the District is lacking licensed operators, and explained that while the District is training two operators, that is a lengthy process. The District is currently using FRM but due to the cost over the next year, it is being brought to the Board for approval. Discussion ensued on what FRM, was going to be doing and the cost associated with those services.

Board Comment: Director Baker asked where the District was in the process of training operators was. General Manager Kelly Dodds explained the process of becoming a licensed Wastewater Operator and voiced that they will need 1800 hours of time worked to get certified.

Director Baker asked about the licensed operators in the FRM proposal. General Manager Kelly Dodds explained that the District would be using either a Wastewater or Water Operator and at times a Maintenance Technician or Compliance Specialist and that is between \$140 to \$175 for a person that will be on the premises.

Director Baker asked about the reports in the proposal. General Manager Kelly Dodds

explained that they get the District in compliance for the transition for to our new operating permit, for the current wastewater facility.

Director Davis voiced that the new operators needed 1800 hours, and wondered if Kelly Dodds could do some of the training himself. General Manager Kelly Dodds explained, for clarification, what the process was to get a Water or Wastewater License. The Wastewater requirements come from the State Licensing Board, 12 hours of coursework must be completed to even apply for your Operator in Training (OIT) and once that is done you have to show that you have worked in Wastewater for 1800 hours before sitting for the exam. Then as an OIT, you have to be managed by a licensed operator; in this case it is the General Manager Kelly Dodds and by doing that he is responsible for all the OIT actions. Discussion on the split between water and wastewater hours ensued.

Director Davis asked if the General Manager Kelly Dodds was a licensed Wastewater operator, and expresses that since he was, then he should be the one training the new operators instead of bringing in FRM. General Manager Kelly Dodds explained that FRM is not here to supervise them or help them pass the exam. Director Davis asked for clarification on why FRM was needed. General Manager Kelly Dodds explained that FRM was here to do operator services, compliance services, and general maintenance services, which will give him more time to do his job as a General Manager.

Public Comment: None

Motion By: Raynette Gregory

Second By: Anthony Kalvans

Motion: To Approve Resolution 2024-29

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

7. Contract Amendment #1 for Recycled Water Pipeline project CEQA and bid support services with Water System Consultant Inc (WSC). (Approve by 3/5 vote)

Approve Amendment #1 for the Recycled Water Pipeline project and authorize the General Manager to execute amendment #1 with WSC.

Item was presented by General Manager Kelly Dodds he updated the Board of Directors that this item is an amendment to the current contract with Water Systems Consultant, Inc. (WSC) for our recycled water pipeline project. It was explained that the changes to our CEQA documentation for the mitigated negative declaration were based on comments from Mr. Powell and then the County of San Luis asking for additional information. Discussion ensued on what additional information was needed by the County. General Manager Kelly Dodds explained that the amendment is for \$37,000, but that the total contract cost including this amendment will still be under the original amount approved for this service by the Board of Directors.

Board Comment: Director Gregory asked if it was not a change in money, what is it? Just a change of verbiage? General Manager Kelly Dodds explained that technically it is a change in the value of WSC contract, however resolution 2022-67 was for an amount above what the total is.

Director Baker asked if he was correct that the original grant was for 1 million and that the original contract was for \$172k, so this would be reducing the available funds in the grant for other things? General Manager Kelly Dodds explained that the grant is for 1 million and it can only be used for this recycled water project.

District General Counsel explained that part of the issue is the comments from the County that legal had to reviewed, and explained why these additional CEQA items needed to be done to move forward with this project.

Discussion on inflation and additional grant funds ensued.

Public Comment: None

Motion By: Anthony Kalvans

Second By: Raynette Gregory

Motion: To Approve Amendment #1

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

8. San Lawrence Terrace (SLT) booster pump and tank alternatives analysis technical report

Receive and discuss San Lawrence Terrace booster pump and tank alternatives analysis technical report.

Item was presented by General Manager Kelly Dodds explaining that back in December 2022 the General Manager with Board authorization, the worked with the County of San Luis Obispo to acquire a portion of the County Right Of Way (ROW) on Power Road. In December 2023 the Board authorized the General Manager to contract with Water Systems Consulting, Inc. to update the District water hydraulic model and prepare an alternatives analysis for a booster pump station and location for a new water storage tank. WSC has updated the water hydraulic model and analyzed three alternatives for the proposed San Lawrence Terrace (SLT) booster pump station and tank site. Discussion ensued on the alternatives and the analysis of the three alternatives. General Manager Kelly Dodds feels that alternative 3 is the best option, because it relies off gravity and is more resilient, but is the most expensive. Building it at Power Road and River Road is logistically the easiest, and is also the cheapest. Both alternatives one and three require the purchase of the property, and understands that the report is lengthy, and asked for any questions.

Board Comment: Director Kalvans gave his opinion that he would like to look at reducing the cost by working with the property owners that would be receiving the recycled water on that side of the bridge. Director Kalvans explained that he is talking about two separate things; the SLT booster pump and to purchase property to put a booster station for recycled waterline and then be able to run that line out to the edge of the District. General Manager Kelly Dodds explained that the analysis is for potable water only at this time, and looking at alternative 1 and alternative 3 they would both require a booster station at Power Road and River Road. Then if the District wanted to bring recycled water out there then there would be enough space to build another booster station for recycled water but explained that at this time the District does not have plans to put recycled water out there unless there are grants to fund that. Discussion ensued.

Director Baker asked about the timeline on this project. General Manager Kelly Dodds explained that this project is near term and that the District has applied for a grant to do the design for it, and if awarded then we would move the project faster. Discussion on timeline and need ensued.

Director Baker asked about the pressure need on the Terrace. General Manager Kelly Dodds explained that the end goal is to increase fire flow and increase domestic pressure on the Terrace.

Director Baker voiced that alternative 1 we already have the tank, but would another tank be needed for pressure.

General Manager Kelly Dodds explained that in alternative 1 we could build a booster station and not build the tank, but the end goal is to build a booster station and a tank so that the Terrace has enough stored water for emergency situations.

Director Davis stated that there needs to be pressure to the Terrace and that there is a SLT Well and fifty-thousand gallon tank that still holds water. Director Davis asked if the District has the option of using that SLT well to pump up to that tank, and also has the option of pulling water from the .65 million gallon tank from across freeway, down to that tank? General Manager Kelly Dodds explained that as the system works now it is all on gravity, meaning that when everything is full of water everything in-between has a relative pressure based on what the tank levels are.

Director Davis said that is the reason the Terrace has pressure issues and asked why the District just does not just put a booster pump down by the SLT well? General Manager Kelly Dodds explained that right now everything floats together, and the pressure below those tanks is relative to the elevation of land below. The pressure and booster pump at the well site was discussed, and how that would effect the rest of the system. General Manager Kelly Dodds explained that the Terrace only has water from the SLT tank, and if anything were to happen the Terrace would be without water, and explained that having no water to the terrace was unacceptable.

Director Davis explained that he would like to have the District run that SLT well on that tank and put a valve between the big tank down to the little tank, and if something happened to that well or tank then you would use the water from the big tank across the freeway. General Manager Kelly Dodds explained that the District is required to provide a minimum of 20 PSI (at the meter) for all our customers, at all times. Mr. Dodds explained the fire flow and developments and if any of those developments are at the same level of that water tank, then they will all have to have there own booster pump station that would prevent development or the District would have to provide a booster pump station at the cost of the customers at each development. It was explained that is why the initial proposal was to put all of it at Power Road and River Road, to isolate it there. General Manager Kelly Dodds spoke about the lack of Fire Flow and explained to the Directors that the District only owns the circle of land that the SLT tank sits on. If there becomes a time that another tank is needed then the District would have to buy the land from the developer/owner or get it by eminent domain.

Director Smiley asked to wrap up the discussion.

Public Comment: None

9. Approve Option Agreement for Purchase of Utility Easement between the District and the County of San Luis Obispo for a San Lawrence Terrace Pump and Tank site between Power Road and North River Road in San Miguel. (Approve by 3/5 vote)

Approve RESOLUTION 2024-30 authorizing the General Manager to execute an Option Agreement for purchase of Utility Easement, and related documents, between the District and the County of San Luis Obispo for a booster pump and tank site between Power Road

and North River Road in San Miguel.

Item was presented by General Manager Kelly Dodds, this is part of the last item's discussion, and explained that two of the alternatives discussed involve the property of Power Road and River Road. Back in December of 2022 the Board authorized the General Manager to work with the County of San Luis Obispo to determine terms of acquiring a portion of the existing County Right Of Way (ROW) adjacent to the existing PG&E Power Substation for the purposes of construction of a booster pump station and tank site. May of this year the District received an Option Agreement for Purchase of Utility Easement for a 2.03 acre portion of the ROW between Power Road and North River Road adjacent to the PG&E Power Substation. For reference the District already owns a 'out of service' booster station at this corner. General Manager Kelly Dodds explained that the request at this time is to have the Board provide direction on either signing the agreement or not. The cost of the agreement is the appraised fair market value of the property, \$113,000 and the District will be responsible for recording fees and any applicable transfer taxes.

Board Comment: Director Kalvans explained that he would like to see some trees planted on the property. General Manager Kelly Dodds expressed that landscaping would be part of the planning.

Director Gregory asked about the timeline and asked if the Board did not approve the purchase of the property would it stall the project as a whole, and asked about the property value? General Manager Kelly Dodds explained that this property was approached from an appraisal standpoint, because it is being given a parcel number and zoned residential. Discussion ensued on development of properties on the Terrace.

Director Baker voiced that grant funds could be used for this property, so why would we not wait to find out about the grant. Director Baker feels that the whole project is dependent on the grant. General Manager Kelly Dodds explained that the District will have to move forward with something, and eventually will have to build something. Funding was discussed, and Mr. Dodds explained that if the property is not purchased in the near future we are at risk of designing something on a property the District does not own. The estimated cost of designing this project is around 1.4 Million.

Director Baker asked if the purchase of the property would be coming out of the Capital Reserves? General Manager explained the connection fees received in the last month and funding was discussed.

Director Davis asked if he understood the General Manager Kelly Dodds earlier that the existing building on River Road has a booster pump in it, and that it was not working. General Manager clarified that the existing building has 2 two-hundred horsepower pumps, and that their original goal was to pump water from the West-Side to the East-Side when we were using the (now abandoned) underground tank at the San Miguel Reservoir site because that tank was lower than the SLT tank. Once the .65 million gallon tank was completed those booster pumps no use longer had any use.

Director Davis asked if the old Booster Pump could be reused for the new proposed Booster Pump Station, and asked if the building was owned by the District. General Manager Kelly Dodds explained that his intent is to use that station, but that it will need larger equipment to meet fire flow, and that the building does belong to the District.

Director Davis explained that he would like to utilize that building but still likes the SLT tank, booster pump idea.

Director Smiley voiced that if the District buys the property and does not end up using it, then the property can be sold.

Director Kalvans voiced that the property that we are speaking of has a magnificent view of San Miguel, and with that if the property is purchased and not used, the property could be developed into a park or opened space for the community. General Manager Kelly

Dodds reminded the Directors that the District can not build parks. Discussion ensued by Director Kalvans on County Parks.

Public Comment: None

Motion By: Anthony Kalvans

Second By: Raynette Gregory

Motion: To Approve Resolution 2024-30

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

10. Banking powers Five Star Bank - General Manager and Financial Officer (Approve by 3/5 vote)

Approve RESOLUTION 2024-28 authorizing the General Manager and Financial Officer banking powers for District accounts at the Five Star Bank.

Item was presented by General Manager Kelly Dodds, explained that Five Star Bank (FSB) is offering substantially better terms than our current banks provide. Enabling the District to earn interest on the money at the bank and to be able to increase overall functionality and security with the Districts funds. This item and the next is authorization for banking powers.

Board Comment: Director Davis asked for clarification on why moving banks is beneficial for the District. General Manager Kelly Dodds explained that Five Star Bank is offering Money Market Accounts for our Accounts at roughly 4% to 4.5% percent, and currently we are only getting a 0.1%. Five Star Bank's Government branch deals with government agencies and discussion on making more from interest ensued.

Public Comment: None

Motion By: Berkley Baker

Second By: Owen Davis

Motion: To Approve Resolution 2024-28

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

11. Banking powers Five Star Bank - Board of Directors (Approve by 3/5 Vote)

Approve RESOLUTION 2024-27 authorizing the Board of Directors banking powers for District accounts at the Five Star Bank.

Board Comment: None

Public Comment: None

Motion By: Berkley Baker

Second By: Owen Davis

Motion: To Approve Resolution 2024-27

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

12. Update on the San Miguel Fire Department Temporary Housing Unit (THU)

Receive update on the Temporary Housing Unit by the Fire Chief

Item was presented by Fire Chief Scott Young by request from Director Gregory and Director Kalvans at the previous meeting. Chief Young explained that the report was submitted as written and asked for questions.

Board Comment: Director Kalvans voiced that it was a shame that it is the same thing with the operations of the County of San Luis Obispo, and why everything is delayed. Director Kalvans thanked Chief Young.

Director Gregory asked about the timeline. Chief Young explained that at this time there is a tentative Building Department approval. The Minor Use Permit has been approved, and with the Curb, Gutter, and Sidewalk Waiver that has been being worked through, things are moving forward. The last update with the Curb, Gutter, and Sidewalk Waiver is that San Luis County Counsel understands what the District is trying to achieve, and that the focus was on the Keller property not the expansion of the Fire Department. At this time the County is requiring a Bond of \$140k. Discussion on the Bond requirements and the Curb, Gutter, and Sidewalk Waiver ensued.

Chief Young explained that there will be a final accounting and that they are currently at around 52% of the project budget spent, that would mean that there is enough funds to purchase the remainder of the house, and have it set. Chief Young voiced that there will be a balance that will need to be satisfied, and that he and the Financial Officer are working together to keep all the costs transparent.

Director Gregory asked for a date for construction and completion. Fire Chief Young explained that the County has given a estimate of August for everything to be completed for them, and will move forward from there.

Director Baker expressed his dismay with the County and asked if Chief Young could give an estimate on the cost for these delays. Chief Young explained that he would really have to look at the design cost for accommodating what the County's change requirements where. Chief Young listed the estimated additional costs, and explained that there had been District Counsel cost also.

Public Comment: Robyn Johnson San Miguel resident asked if she was correct that the Temporary House Unit (THU) was going being used for housing the Fire Department, when they are on call.

Director Smiley asked Chief Young to respond.

Fire Chief Young explained that she was correct that the THU will be a facility that will be utilized for the Fire Department Staff when needed for 24-hour housing, in addition there will be a component which will be used excursively for the Sheriff's Department as a report writing station, and an area to give them relief from heat, cold and have a presence in this area.

11. Board Comment:

Director Kalvans thanked the audience for coming and explained that he has been a Director for three terms and would not be running for a fourth term. Director Kalvans expressed that in the recent year he has been subject to death threats, stalking and that a past Director even needed to have medical attention at the March 2022 Board Meeting. Director Kalvans explained that with all the harassment and stalking reports have been filed with the Sheriff Department, and thanked the Sheriff for attending the Board Meetings. Director Kalvans voiced that he has appreciated working with everyone and excited for the downtown landscaping, and making those improvements to bring the District to a better place than it was back in December 2012. At this time he will not be running for re-election and is retiring to enjoy his work on a more regional level. Director Kalvans voiced luck to anyone running for election and thanked everyone in the community with expressing his love for San Miguel.

Director Gregory expressed that she ran for the Board due to Director Kalvans, and is very appreciative of Director Kalvans and it has helped her to contribute to our community.

Director Gregory voiced that she wishes Director Kalvans all the best.

Director Smiley voiced that he would like to place an item on a future agenda and explained that at the last meeting Director Davis stated to reject the proposed scenario 1 rate increase motion and that Director Davis interfered with Director Kalvans vote by stating that Director Kalvans should "watch out with his vote, due to it being an election year". Director Smiley voiced that he takes that comment from Director Davis as a threat, and would like to have a censure vote for Director Davis at the next meeting by the full board.

Director Davis asked Director Smiley if he had that recorded on video. Director Smiley expressed that it is in the recording, and in the approved minutes.

District General Counsel explained what a censure vote entails. It is a formal disapproval by a legislative body, and does not hold any legal consequences. District Counsel asked for a second on adding this to an agenda. Director Gregory seconded.

Director Kalvans explained that the Board can vote how they want regarding the censure, but wanted to let the Board know that the first death threat he received was from Director Davis.

12. Adjournment to Next Regular Meeting (July 25th 2024):

At 8:53 P.M.