



**SAN MIGUEL COMMUNITY SERVICES DISTRICT BOARD OF DIRECTOR & GROUNDWATER SUSTAINABILITY AGENCY**

Raynette Gregory, Vice-President

Anthony Kalvans, Director

Owen Davis, Director

Rod Smiley, Director

**REGULAR MEETING MINUTES**

**6:00 P.M. Opened Session Closed Session to follow  
SMCSD 601 12<sup>th</sup> Street 05-25-2023**

**1. Call to Order:**

At 6:00 P.M.

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

ABSENT: *Ward Roney*

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

General Manager Kelly Dodds, explained that San Luis Obispo County Supervisor Gibson requested to speak on Groundwater Sustainability Agency Action Item and General Manager Kelly Dodds recommended moving Item 11 & 12 to Item 6.

**Motion By:** Anthony Kalvans

**Second By:** Rod Smiley

**Motion:** To Approve as Amended Move GSA items 11 & 12 forward to BOD item 6

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Anthony Kalvans  | X    |      |         |        |
| Owen Davis       | X    |      |         |        |
| Rod Smiley       | X    |      |         |        |

**4. Pledge of Allegiance:**

Lead by Director Kalvans

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

**Public Comment:** None

**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 2023-23 regarding rate increase approving an 7.4% (CPI) rate increase to trash collection and disposal service charges by San Miguel Garbage Company

Director Gregory opened the Public Hearing relating to the District's proposed increase in solid waste, recycling and green waste services rates. Item was presented by General Manager Kelly Dodds and Aron Kardashian from San Miguel Garbage. The San Miguel Garbage has a franchise agreement with San Miguel CSD and is proposing increasing fees by the CPI of 7.4%

**Board Question & Comments:** Director Gregory asked if the proposed rate increase was because of the IWMA cost. General Manager Kelly Dodds explained that the increase was due to overall cost increases. Last year's increase had the IWMA cost in it and the total increase was 8.59% and 5.4% was IWMA.

Aron Kardashian voiced that the cost of recycling has gone way up, and costs more to get rid of recycling the garbage. Discussion on China's "National Sword Policy" and how it has caused a flood in the market ensued.

Director Kalvans spoke about the proposed rate scheduled and how it is broken down with cost and IWMA fee. Director Kalvans asked if the County of San Luis Obispo comes back to IWMA and the fee goes down, will the IWMA cost go down. Mr. Kardashian explained if the IWMA cost goes down, it will be passed on to the Customer.

Director Gregory asked about a recycling fee on wine bottles coming soon. Aron Kardashian, San Miguel Garbage explained that it will be like CRV. Discussion ensued.

Director Gregory opened Public Comment for the Public Hearing.

**Public Comment:** Board Clerk Tamara Parent voiced that the District received one written comment and that it was distributed to the Board of Directors. Written Public Comment was in approval of the rate increase.

Director Gregory asked for any other public comments: None.

Director Gregory Closed Public Hearing

**Board Comment:**

Director Gregory asked staff to present the final protest count.

Board Clerk, Tamara Parent voiced that the District has received zero (0) protests against the proposed San Miguel Garbage rate increase.

Director Kalvans thanked San Miguel Garbage for being present for questions.

**Motion By:** Rod Smiley

**Second By:** Owen Davis

**Motion:** To Approve

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Anthony Kalvans  | X    |      |         |        |
| Owen Davis       | X    |      |         |        |
| Rod Smiley       | X    |      |         |        |

- Public Hearing: Consider adoption of RESOLUTION 2023-22 adopting the San Miguel Community Service District Fiscal Year 2023-24 SMCSO Operation and Maintenance and Capital Improvement Project budgets.**

Hold Public Hearing regarding the DRAFT FINAL Fiscal Year 2023-24 annual Budget; after public hearing approve RESOLUTION 2023-22 adopting SMCSO Operation and Maintenance, and Capital Improvement Project Budgets for FY 2023-24

Director Gregory opened the Public Hearing relating to the District's proposed resolution 2023-22 adopting the San Miguel CSD fiscal year 2023-24 Operations and Maintenance, and Capital Improvement Projects Budget. The item was presented by Financial Officer Michelle Hido explained that there are no changes to the proposed Budget from the first reading and asked for any questions.

**Board Question & Comments:** Director Davis asked about the Budget and is concerned about purchase in Capital Improvement Projects, and as an example did not agree with purchasing an electric vehicle.

Financial Officer Michelle Hido explained that these are identified items that would have to be approved individually by the Board if they moved forward.

General Manager Kelly Dodds explained that those CIP items are projects that might be coming forward to the Board this fiscal year, these are identified as short or long-term needs and will have to come back to the Board for approval.

Director Davis voiced that he feels that there is overspending daily and wanted to give an example of overspending. Director Davis asked why did the District have to pay \$360.00 to weed abate district property, and asked why this was not done in house, and Director Davis gave another example that fire utility vehicle 8600, bought a battery, and asked why the odometer reading where off during gas fill-up. Fire Chief Scott Young explained that it was an error and entry at the pump, and as he could see the odometer reading numbers went back at the next fill up. Director Davis asked about a vehicle battery purchase and what vehicle it was purchased for. Fire Chief Scott Young explained that the battery systems failed, and that the battery was for 8601.

Director Davis voiced that he was not going to discuss it all night but feels that there is so much wasteful spending. General Manager Kelly Dodds again explained that if you have any specific questions to please talk to him. Discussion about not signing checks if any Director is uncomfortable with it, and never feel that you must sign the checks ensued.

Director Smiley explained that the budget was only a guide.

Director Gregory opened public comment

**Public Comment:** None

Director Gregory Closed Public Hearing

**Board Comment:** Director Gregory asked for any other comments or questions from the Board of Directors. Director Smiley spoke about electric vehicle and how it will be required to purchase electric vehicles, and that the District will have no options.

Director Gregory asked if the forklift was electric. General Manager Kelly Dodds explained that it was propane.

Discussion on the electric vehicle mandate ensued.

Director Kalvans asked about what kind of electric vehicle is being looked at, in regard to the CIP. General Manager Kelly Dodds explained that they are looking at electric golf cart.

**Motion By:** Rod Smiley

**Second By:** Anthony Kalvans

**Motion:** To Approve

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Anthony Kalvans  | X    |      |         |        |

|            |   |   |  |  |
|------------|---|---|--|--|
| Rod Smiley | X |   |  |  |
| Owen Davis |   | X |  |  |

**7. Non- District Reports:**

**1. San Luis Obispo County Organizations**

Verbal/Report

None

**2. Community Service Organizations**

Verbal

Scott Young, President of the San Miguel Firefighters Association (SMFA), explaining that they have been working on Sagebrush Day's and had a good time, need to get more attendance. Fireworks, the SMFA purchased both permits to sell, this helps with staffing cost. The SMFA has purchased gym equipment for the Firefighters. SMFA will be participating in the June 6th AIDS Ride at Bradley School, and Lillian Larsen Elementary school will be visiting the station. Firefighter Robert Rojas has been accepted to the Allen Hancock Fire Academy.

**Board Comment:** Director Davis asked if the SMFA would be putting up flags in honor of Memorial Day. Chief Young voiced that they would be.

Director Kalvans spoke about the Lion's Club and how they sold BBQ at Sagebrush Day's and did a hamburger feed at Lillian Larsen Open House event.

Director Smiley voiced that the of Paso Robles Masonic Lodge proposed a letter to the San Luis Obispo Board of Supervisor for highway signage for the local service organizations. Director Smiley gave information on the new Scholarships that the Masonic Lodge has approved for graduates of Lillian Larsen School, two scholarships for five-hundred dollars each.

Michelle Hido representing the San Miguel Library explained that they are opened and have programs for all of Spring Break and are bring events back to San Miguel. Mrs. Hido explained that the San Miguel Library needs San Miguel residents to get Library Cards, more cards mean more funding.

**Public Comment:** None

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

Verbal

None

Scott Young, San Miguel Fire Chief explained that there will be an Urban Interface Drill (controlled burn) at Camp Robert on May 31 and June 1st, 2023.

**Board Comment:** None

**Public Comment:** None

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

**1. General Manager**

Receive verbal report

General Manager Kelly Dodds spoke about the first Countywide Solid Waste Orientation, sponsored by IWMA, haulers, and landfill operators. General Manager Kelly Dodds met with LAFCO regarding Street Lighting and Landscaping, and issues relating to the GSA. The Light Pole was replaced on Mission and 13th Street, which was damaged in a vehicle accident. The County of San Luis Obispo advised us that the State approved our

grant request for three-hundred thousand dollars for the water line replacement on Mission and L Street alley and hopes to start by July 2024. General Manager Kelly Dodds gave a follow up on the FEMA application from the January storm damages and cost. The Cal OES grant Notice of Interest for a long-term mitigation at Mission Gardens lift station was approved. The District Engineer is working on completing the application and explained that this grant might have a possibility of 25% cost match, but most likely that the District will qualify for that 25% to be paid by a separate Cal OES grant.

General Manager Kelly Dodds explained that after the May 9th Special Meeting, all of the ideas were discussed with the architect and engineers for incorporation into the plan for the Wastewater Treatment Facility.

**Board Comment:** Director Kalvans asked about the discussion with LAFCO and the recycled water issue. General Manager Kelly Dodds explained that where we are sending the water would be in the EPC area. Director Kalvans said that he would like an update on the information. Discussion ensued with Director Gregory on where this property is located.

**Public Comment:** None

## 2. District Counsel

Receive verbal report

Doug White, District General Counsel voiced that he had nothing to report.

**Board Comment:** None

**Public Comment:** None

## 3. District Utilities

Receive and File

General Manager Kelly Dodds Submitted report as written, and asked for any questions.

**Board Comment:** Director Gregory asked about the Sanitary Survey. General Manager Kelly Dodds explained that they did a survey of all the wells, water storage tanks, and above ground structures for the water system. Mr. Dodds explained that one of the key points reported was that the District maintains at least 20 PSI to all homes, and they recommend 40-80 PSI to all homes. Discussion on properties and the tank on the terrace ensued.

Director Davis voiced that the District has a fifty-thousand gallon tank and asked about what Mr. Dodds plan was, asking if he is going to re-do the project as proposed by Director Davis. General Manager Kelly Dodds explained that he is moving forward with a booster pump station, and tank (Two-hundred and fifty thousand gallons) on the east side of the bridge. General Manager Kelly Dodds explained that in the same state application for planning funds the District is also asking to build the six-hundred and fifty thousand gallon sister tank to the current tank on the West side. Part of the project is a feasibility study to decide what is the best option, and explained to the rest of the Board what Director Davis has proposed. Director Davis voiced that Mr. Dodds missed his point and voiced that he feels that the pressure issue can easily be fixed by using the SLT Well, and told Mr. Dodds that he could just put the booster pump on that fifty-thousand gallon tank and everyone will have pressure, and if you put a valve coming down for there to feed it then you can just open up the valve, and everyone should have pressure. Discussion ensued about timeframe, and the SLT well quality.

**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:** None

**Public Comment:** None

**9. Consent Calendar:**

Director Gregory asked if any Directors would like to pull any items, and asked for any public comment.

**Board Comment:** Director Kalvans asked to pull item #4 5-9-2023 special meeting minutes.

**Public Comment:** None

**Motion By:** Rod Smiley

**Second By:** Anthony Kalvans

**Motion:** To Approve for items 1-3

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Anthony Kalvans  | X    |      |         |        |
| Owen Davis       | X    |      |         |        |
| Rod Smiley       | X    |      |         |        |

**Motion By:** Raynette Gregory

**Second By:** Rod Smiley

**Motion:** To Approve for item 4 by majority of Board

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Rod Smiley       | X    |      |         |        |
| Owen Davis       |      | X    |         |        |
| Anthony Kalvans  |      |      | X       |        |

**1. District Statement of Investment Policy for Fiscal Year 2023-24 (Annual Approval)**

Approve RESOLUTION 2023-26 adopting the annual Statement of Investment Policy to ensure compliance with State Government Code 53646

**2. Reauthorize banking powers for Current Board Members, and remove powers for former Director Ward Roney**

Approve Resolution 2023-27 reauthorizing banking powers for current Board Members Raynette Gregory, Anthony Kalvans, Owen Davis, and Rod Smiley for all District bank accounts and removing banking powers for former Director Ward Roney.

**3. 04-27-2023 Draft San Miguel CSD and Groundwater Sustainability Agency Meeting Minutes (Parent)**

Receive and File

**4. 05-09-2023 Draft Special Meeting Minutes (Parent)**

Receive and File

**10. Board Action Items:**

**1. Discuss Board Member resignation and provide staff direction on posting a "Notice of Vacancy" to fill the vacant Board position. (Dodds)**

Direct Staff to prepare a Notice of Vacancy with deadlines for submission of letters of interest at least 15 days from the posting.

Item was presented by General Manager Kelly Dodds, explaining that Director Roney turned in his resignation on May 8th and will need to have an appointment within 60 days. Timeline and election cost discussed.

**Board Comment:** Director Gregory asked about the cost for the flyer that is being proposed to be sent out. General Manager Kelly Dodds explained that the estimated cost of seven-hundred dollars.

Director Gregory asked about social media, and how people don't look at the flyers. and is not in favor of the cost.

Director Smiley would like to spend less than seven hundred dollars, and discussed other media ideas.

Director Davis was in favor of a banner. Cost discussion ensued.

**Public Comment:** Diane Sangster, San Miguel resident voiced that a Banner might be a good idea.

**Motion By:** Rod Smiley

**Second By:** Owen Davis

**Motion:** To Approve to not to exceed amount of one-thousand dollars to promote the Board vacancy, and accept the board vacancy with timeline of 60 days.

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Anthony Kalvans  | X    |      |         |        |
| Owen Davis       | X    |      |         |        |
| Rod Smiley       | X    |      |         |        |

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

Nominate and Elect Board of Director Officers for remainder of 2023

Item was presented by General Manager Kelly Dodds explained that Director Roney was president of the Board, and is asking of the board would like to elect new officers or just a board president. Discussion ensued about moving forward or waiting for a new director. District Counsel Doug White explained that if the Board elects to wait for a new member, then Director Gregory will be moved to President until new election of officers.

Director Smiley voiced that he would be in favor of waiting for a full board.

**Public Comment:** None

*Consensus of the Board is to wait on electing new offices until there is a full Board.*

**3. Review and provide direction on proposed water rates. (Dodds)**

Discuss proposed water rates and adopt RESOLUTION 2023-24 authorizing Staff to prepare and deliver a Notice of Public Hearing to consider water user fees Pursuant to Proposition 218.

General Manager Kelly Dodds read aloud the District staff report and is asking to discuss proposed water rates and authorize staff to prepare and deliver a Notice of Public Hearing to consider water user fees Pursuant to Proposition 218.

PowerPoint presented by Erik Helgeson from Bartle Wells & Association.

See PowerPoint and staff report at [www.sanmiguelcsd.org](http://www.sanmiguelcsd.org) May 25th Board Meeting item #10.3

**Board Comment:** Director Davis asked about the sewer rates. Mr. Helgeson explained that the process for cost and grants are not finalized at this time, but the plan is to come back with recommended sewer rates. The General Manager explained that grants could have an impact and needs to be finalized. Once we have grants approved, we will have a clearer picture. General Manager Kelly Dodds reminded the Board the item up for discussion is water rates only at this time.

Director Davis voiced that he feels that there is not a need to increase rates but that there is a spending problem. Director Davis voiced that information that Mr. Helgeson presented previously was incorrect, Discussion ensued and agreed to disagree. Director Davis voiced that he is against any rate increase.

Director Gregory voiced that she did like seeing the base rate lower and that customers would only be paying for what was used and asked about meter size. Mr. Dodds explained that 5/8 and 1-inch meter are standard residential meters, and that the District has them as the same base cost.

Director Smiley voiced that the vote is to move forward, and not really on the rates. General Manager Kelly Dodds expressed that he wanted to make clear that he is asking for a vote to move forward with these rates, and explained that if this is voted on to move forward with the Prop 218, the District cannot go any higher than these rates that are being presented.

Erik Helgeson from Bartle Wells & Association explained that proportionality needs to be maintained, for the Prop 218 requirements.

Director Kalvans explained to Director Smiley that he has found that before they move forward with the Prop 218 process, the rate structure needs to be finalized, because it is much harder to change the structure after.

Director Kalvans asked about an insurance policy for leaks and breaks. District General Counsel Doug White explained that it would be homeowners' insurance, and he has never seen a global insurance policy that it is part of the rate structure, and it would need to be part of the Prop 218 process.

Director Kalvans asked how much of the fixed charges are part of the Capital Projects and would like a percentage. Mr. Helgeson explained that he would have to look, and that the Operations and Maintenance is a larger percentage.

Director Kalvans asked about standby charges, and feels that parcels that have access to water service are getting a benefit and asked if standby charges had been discussed with staff. Mr. Helgeson explained that "Standby Charges" have been discussed, and that in this instance it would need to be an assessment and would have to demonstrate the proportionality of what the assessments is designed to recover. Discussion on cost of assessment and connection fees ensued.

Director Kalvans asked if we did do Standby Charges, what percentage would that lower the prices. Mr. Helgeson explained that he did not calculate that information, but maybe it would be a couple percent the first year and overall, around twenty-four percent total over five years.

Director Davis spoke about the Districts leak policy and how he would like it to continue. General Manager explained that there was no intention of it stopping. Director Davis asked about real time meters and it was explained that our meters do not have that capability and the District would have to decide to change out the meters at a very high cost.

**Public Comment:**



Ashley Sangster San Miguel resident, spoke about the rate study being wrong because it is based in the budget and he feels that the budget is inflated. Mr. Sangster spoke about the energy cost and the solar project that was passed and discussed capital reserves. Mr. Sangster spoke of the last five years of increases, and made statements about inflation and low income residents in San Miguel.

**Board Comment:** Rod Smiley asked if he was correct that if the Board votes on this it is not setting the rates in stone, but moving forward to a public hearing. General Manager explained that the Boards options are to move forward with these rates, or the staff can bring it back if the Board feels that the proposed rates are not appropriate. If the Board would like to review other options, this is the time to express then so that staff can review those options, and bring them back to the Board. Mr. Dodds also explained that if you feel that these rates are fair, then we will move forward and have a public hearing. It was also made clear again that the dollar amount if voted on to move forward cannot be raised, but it could be less, and the proportionality is very important and must stay. Mr. Dodds explained that a vote to move forward would start a minimum 45-day window and the Public would be noticed and have an option to review the rates. This gives the Board the option to review them or make changes to them. If we get to the public hearing the Board could throw out the whole thing and start something new. General Manager Kelly Dodds voiced that in no way, did he want the Board to feel pressured to move forward.

Director Smiley voiced that he would like to have staff bring back different rates. General Manager Kelly Dodds asked for clarification, and Director Smiley explained that he would like to see them lower, and asked for counsel to weigh in on the process.

District General Counsel Doug White explained that if the Board decides to move forward, they need to remember that the rate cannot go any higher than proposed. Counsel White explained that if the Board feels that the rates are just too high, then what gets removed? because everything in the rates are calculated on a nexus basis. When moving forward with this, you're being asked two different things; one is this structure and is it better than the current structure and secondary is a not to exceed of the rate percentage increase.

Director Gregory discussed the two items that needed Board opinion, and wanted to make sure all Director understood the item before them.

Director Kalvans expressed that he would like to bring it back before starting the 45 days, and to have discussion on the Capital Projects and would like to look at not using meter sizing, but look at lots size. Discussion on vacant lots carrying some cost of the system ensued.

Director Davis asked why Prop 218 was even needed and proposed to freeze the rates. Director Davis voiced that San Miguel pays the highest water and sewer rates in the County.

General Manager explained that was an incorrect statement.

District General Counsel Doug White explained that if the Board chooses, they can freeze the rates, but you cannot freeze what things cost, and understand that you will start taking your fund balances down more and more. Counsel White explained that you can also choose to fund some of the capital improvement, and you will have to raise rates some. What is it that you want staff to bring back, and as an example Director Kalvans would like to discuss lots. Discussion on what Director Davis would like to see brought back ensued, with bringing back no capital projects.

General Manager Kelly Dodds gave the history of previous Boards not raising the rate incrementally for 5 to 6 years, and that makes it, so we tick away at our savings and that explains why the last increase was so high. Mr. Dodds explained that yes, the District tries to get as many grants as possible but the District is not exempt from inflation.

Director Gregory voiced that she wanted to bring up that the State increases regulations all

the time at an added expense to the operations and that there is not guarantee on the grants. General Manager explained why the District needs to maintain the 1.1% above our operational cost or the District does not qualify for grants or loans. Discussion ensued, and Mr. Dodds voiced that there are two options that have been requested and would recommend that staff bring back those options for review.

Director Smiley voiced that his family owns small businesses and all of the sudden they can't pay the bills, and inflation is hitting everywhere. Director Smiley made the statement that the discussion was around the customers and them not able to afford to pay more, then who will be going out of business if prices are not raised. Director Smiley voiced that the District cannot do things for free, so we have to keep up with inflation and raise our prices along with it and it is always better to do it incrementally.

Director Gregory asked for specific slide (page 111) increase incrementally and expressed that you cannot play catch up. Discussion on the way the District's Water Department was underfunded and in the red before the last rate study ensued.

Director Gregory voiced that she feels that customers can absorb small increases.

General Manager Kelly Dodds expressed that he would like to see the Board approve some sort of incremental increase, and doesn't want to go backwards even if we stopped right now, everything is going to be costing more. Mr. Dodds explained that the State doesn't care if we have any money or not, they still want to make sure we are complying with all State laws.

District General Counsel White explained that inflation was 4.75% last year, so really, you're only looking at a .25% increase for non-inflation factors.

Director Kalvans said that he would like to see a proposal on Seasonal Rates.

Discussion on bringing this item back ensued, with consensus of the Board to bring back with options discussed.

**4. 2015 Loan repayment correction for 2022-23 District accounting. (Dodds)**

Approve RESOLUTION 2023-28 authorizing a "write off" adjustment to the loan repayment recording for the interfund loan repaid in FY 2015-16.

General Manager Kelly Dodds presented item and explained that this item was originally presented to the Board back in March, and no action was taken at that time. Mr. Dodds explained that he would like to resolve the issue in this fiscal year, allowing the staff to correct the error prior to the next audit.

**Board Comment:** Director Smiley explained that he has reviewed the documentation, and there is not money missing but an accounting error. Director Smiley thanked staff for the time they spent on this issue, and voiced that he is confident that this needs to be written off.

Director Kalvans voiced that it is very unfortunate that the district got so beat up, and misrepresented on social media, for this nothing error.

**Public Comment:** None

**Motion By:** Rod Smiley

**Second By:** Anthony Kalvans

**Motion:** To Approve

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Anthony Kalvans  | X    |      |         |        |

|            |   |   |  |  |
|------------|---|---|--|--|
| Rod Smiley | X |   |  |  |
| Owen Davis |   | X |  |  |

**5. Finalized Financial Reports July 2022 - March 2023 - returned post Audit (Hido)**

Receive and file the enumeration of Financial Reports held for the adoption of the District Audit; July 2022 - March 2023.

Presented by Financial Officer Michelle Hido explaining that any changes are detailed out on staff report and is requesting that these financial be received and filed.

**Board Comment:** Director Kalvans thanked Mrs. Hido for compiling this all-in-one report.

**Public Comment:** None

**Motion By:** Rod Smiley

**Second By:** Anthony Kalvans

**Motion:** To Receive and File

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Anthony Kalvans  | X    |      |         |        |
| Owen Davis       | X    |      |         |        |
| Rod Smiley       | X    |      |         |        |

**6. Financial Reports - April 2023 (Hido)**

Receive and file the enumeration of Financial Reports for April 2023.

Item Presented by Financial Officer Michelle Hido explaining that the April financials are on page 311 to 345 of the Board Packet. Mrs. Hido updated the Board on a few items, the capital improvement project update was completed and spent 95% of the approved budget. Mrs. Hido also noted that the funds for the auctioned surplus property have been entered, and the grant funds for the purchase of the fork-lift has been received.

**Board Comment:** Director Davis asked where the funds for the surplus auctioned item went. Financial Officer Michelle Hido explained that on Page 329 of the Board Packet under Revenue Account 46175, you can see how it was received and divided between each fund.

**Public Comment:** None

**Motion By:** Anthony Kalvans

**Second By:** Raynette Gregory

**Motion:** To Receive and File

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Anthony Kalvans  | X    |      |         |        |
| Owen Davis       | X    |      |         |        |
| Rod Smiley       | X    |      |         |        |

**7. Authorize the abatement of weeds within the District boundaries. (Young)**

Discuss and consider objections to the “Notice to Remove, Destroy, and/or Abate Vegetation, Rubbish and Debris”, overrule any objections and adopt Resolution 2023-25 authorizing Fire Chief to have weed abatement work performed from attached list (Exhibit A)

General Manager Kelly Dodds presented item, due to Fire Chief Scott young being called out to an emergency. General Manager Kelly Dodds read the staff report, and explained that the resolution will authorize the Fire Chief to abate weeds that have not been cut. These are only lots that are accessible, usually vacant lots.

**Board Comment:** Director Smiley voiced that he is in favor of the Fire Department removing weeds.

Director Kalvans expressed that he was glad the SMCSD was not on this list.

Director Davis voiced that this resolution is not just for weeds, but fire hazards. General Manager Kelly Dodds explained that the resolution does refer to abating rubbish and debris, but the focus is on weeds. Director Davis asked if it was not a vacant lot and people live there do you send them a notice to clean up? General Manager Kelly Dodds explained that generally the Fire Department would ask them to clean up any fire hazards and explain that if they did not and had a fire breaks out because of the debris then they could be held liable. Discussion on the solid waste ordinance ensued.

**Public Comment:** None

**Motion By:** Rod Smiley

**Second By:** Anthony Kalvans

**Motion:** To Approve

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Anthony Kalvans  | X    |      |         |        |
| Owen Davis       | X    |      |         |        |
| Rod Smiley       | X    |      |         |        |

**Recess**

five- minute

**Motion By:** Anthony Kalvans

**Second By:** Rod Smiley

**Motion:** To Approve adjourn to recess at 7:47 PM for five minutes, and reconvene at 7:55 PM

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Anthony Kalvans  | X    |      |         |        |
| Owen Davis       | X    |      |         |        |
| Rod Smiley       | X    |      |         |        |

## Adjourn To the San Miguel Community Service District Groundwater Sustainability Agency

**Board:** At 6:02 PM (*moved to beginning of agenda*)

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

**Consent Calendar:** None

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

1. **Paso Basin Cooperative Committee (PBCC) Statement of Equity (Dodds)** Receive and File the Paso Basin Cooperative Committee Draft Proposed Statement of Equity and Authorize the General Manager, or designee, to Incorporate the Principles stated therein, in coordination with the other GSAs, into the next update of the Paso Basin Groundwater Sustainability Plan (GSP) to be presented for adoption by the GSA to the greatest extent practicable.

Item Presented by General Manager Kelly Dodds explaining that Supervisor Gibson was present to discuss the proposed PBCC Statement of Equity. This Statement of Equity would be included in the GSP during the required update to the plan at the 5-year mark. In the interim the PBCC would use the Statement of Equity as a tool to gauge whether the actions of the committee are in the best interest of the basin in general.

San Luis Obispo County Supervisor Gibson spoke about the proposed Statement of Equity and explained that it would be used as an amendment to the GSP. Supervisor Gibson explained that he would like to see the Paso Groundwater be managed in a way that is equitable to all potential users of the groundwater basin. The proposed statement gives anyone that overlies this basin a reasonable chance to access the water, and felt that individuals with limited financial means would be left out of the discussion on managing the basin sustainably if this statement of equity was not looked at. Discussion about residential wells going dry, and what principles should be upheld ensued.

**Board Comment:** Director Davis asked if Supervisor Gibson was worried about small farmers, and explained that they had a right to 25 acre feet of water and were denied that water for the last 10 years, and wanted an explanation. Supervisor Gibson explained that it was called the "Planting Ordinance", and at this point they are allowed to get 5-acre feet and need to use offsets. Director Davis explained that it was only taken away when Supervisor Gibson was elected. Discussion about Supervisor Gibson office hours, and his availability ensued. Director Kalvans asked if "reasonable access" had been defined by the PBCC for this Statement of Equity, and why this was being brought forward at this time. Supervisor Gibson explained that this is a policy, and the biggest reason he has brought this forward is because he has been hearing from landowners that have small wells that are going dry, and they deserve access to water and not attached to the amount of money they have. Discussion on sustainability and wells ensued.

Director Kalvans asked where this would be used in the future, how will you deliver on this. Supervisor Gibson explained that he is looking at amending the GSP to put actual sustainability action into it. Discussion on the difference between the Agricultural users and domestic users ensued.

Director Gregory asked about wells, and if wells will be metered. Supervisor Gibson voiced that Agricultural water can be assessed by satellite imagery to decide what the amount of water the plant is using. Director Gregory voiced that she doesn't like having government entities telling farmers how to farm, discussion ensued. Supervisor Gibson explained that they are not telling farmers how to farm but is addressing what is reasonable and fair to use. Discussion on who determines what is far and reasonable ensued.

Director Smiley discussed the history of water usage within the Paso Robles Basin. Director Smiley voiced that our forefathers there was no such thing as bring water from underground, it was all dry farming. Director Smiley discussed his family farms being sold out to vineyards because they could not afford to drill deeper, and just could not keep up. Supervisor Gibson explained, bringing it back to the statement of equity; that they should of had a reasonable and fair chance to continue, and stated that we need to increase supply and reduce usage.

**Public Comment:** Bert Baker, San Miguel resident spoke about being against the proposed Statement of Equity. He feels that Supervisor Gibson, is for big government and voiced the history on the State Bond Measure for additional water storage.

**Board Comment:** Director Kalvans voiced that he is worried about the long-term use of the statement. Asked if other Directors would like to propose other language or hear other ideas. Director Gregory asked for clarification of where the statement originated. General Manager Kelly Dodds explained that it was originally proposed by Supervisor Gibson and has been passed around to committee, staff, public, and various groups. Director Gregory voiced that she feels that it has not been discussed enough, and worries how it will be used in the future.

General Manager Kelly Dodds explained that this does not give any authority to anyone, but a guide saying that these things will be looked at before any action is taken.

Supervisor Gibson voiced that this statement is going to be the same language for each GSA. The statement has no specific action, but any action will be fair and equitable to all.

**Public Comment:** Scott Young spoke as a San Miguel Resident, voicing his concerns on satellite imaging, and questions the accuracy or even legality of it.

Supervisor Gibson voiced that SIGMA is the authority to set rules in place that will both increase supply and reduce usage, so this board has the authority and responsibility. Speaking about satellite imagery, it would not be used if it was not accurate. Sustainability is a new concept and now there is evidence of overuse. Procedures need to be in place, and this statement of equity is not a procedure but needs to be thought of when making procedures to sustain the basin.

**Public Comment:** None

Director Gregory asked what happens if the Board doesn't agree to receive and file this statement.

General Manager Kelly Dodds explained that this was brought to the Board to receive and file and at this time it needs more work or discussion.

Director Gregory voiced that there are some wordings that she would like to see revised and motioned to table the item.

Director Kalvans expressed that he would be in favor of tabling it but would also like to discuss the other project proposed by the PBCC.

District General Counsel Doug White voiced that on the legal side most of the Statement is part of the California State Water Code and wants to clarify what can be changed and what cannot. If the Board of Directors wants to reword things, then it is only helpful if it adds clarification to the wording in the Statement, most of it cannot be changed due to it being part of the California Water Code.

Director Davis asked to motion to drop the item, it was explained that there was already a

motion to table the item and if that motion did not pass then he could motion.

**Motion By:** Raynette Gregory

**Second By:** Anthony Kalvans

**Motion:** To Table

| Board Members    | Ayes | Noes | Abstain | Absent |
|------------------|------|------|---------|--------|
| Raynette Gregory | X    |      |         |        |
| Anthony Kalvans  | X    |      |         |        |
| Rod Smiley       | X    |      |         |        |
| Owen Davis       |      | X    |         |        |

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

At 6:40 PM, (*Return to item 6.1 Public Hearing*)

**13. Board Comment:**

Director Smiley asked staff to investigate Time Clocks that will be checked daily. Would like a discussion on the cost and pros and cons.

*Consensus of the Board is to discuss on next agenda.*

Director Kalvans asked about his submitted comment on proposed ordinance and General Manager Kelly Dodds explained that it is scheduled for next meeting

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

Director Gregory asked for any public comment on the closed session item.

**Public Comment:** None

Adjourn to closed session at 9:24 PM

**1. Public Employee Performance Evaluation (Gov. Code, § 54957(b)(1))**

**Title: General Manager**

Discussion

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

Nothing to report.

**16. Adjournment to Next Regular Meeting June 22nd 2023:**

Adjourn at 9:55 PM