



BOARD OF DIRECTORS

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

REGULAR MEETING MINUTES

6:00 P.M. Opened Session

SMCSD Boardroom 07-23-2026

1. Call to Order:

At: 6:00 PM

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

3. Approval of Regular Meeting Agenda:

Motion By: Ashley Sangster

Second By: Brendin Beatty

Motion: To Approve

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

4. Pledge of Allegiance:

Lead by Director Davis

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

Clay Barnett a San Miguel Resident spoke about the Fourth of July, and that he appreciated the CSD Board, Fire Department and Sheriff for making the day better this year.

Jenny Nickett San Miguel resident spoke about the Board needing to consistently apply the Board's established procedures and protocols to all members of the public constantly equally and impartially.

General Manager Kelly Dodds read written public comment aloud from Shaunna

Board Comment: Director Sangster spoke about how the Fourth of July was different this year and felt that the community members were thankful.

Director Sangster asked for clarification on the information he saw on social media, about there being funds donated to the San Miguel Firefighters Association (SMFA), to be used for Firefighter staffing on the Forth of July. Fire Chief Scott Young spoke about permit fees and the donations that were made to the SMFA, and that the SMFA donated those funds to the San

Miguel CSD Fire Department (Fund 20). Fire Chief Scott Young clarified that the Firefighters were paid through the regular payroll.

6. Non- District Reports:

1. San Luis Obispo County Organizations

Verbal/Report

None

Board Comment: None

Public Comment: None

2. Community Service Organizations

Verbal

None

Board Comment: None

Public Comment: None

**3. Camp Roberts—Army National Guard Contact information: Keba Baird PIO CA
Camp Roberts/Camp San Luis - Email: keba.m.baird.nfg@army.mil Phone: 805-238-8286 Mobile: 805-610-6742**

none

None

Board Comment: None

Public Comment: None

7. Staff & Committee Reports - Receive & File:

1. General Manager (Pg. 4)

Receive report.

General Manager Kelly Dodds submitted the report and explained that if any of the audience was interested in being on the San Miguel CSD Board, that there was still time to sign up for the November 3rd election. Anyone interested should contact the San Luis Obispo County Clerk recorders office to make an appointment. Information is also on the District's website.

Board Comment: None

Public Comment: None

2. District Counsel

Receive verbal report

None

Board Comment: None

Public Comment: None

3. District Utilities (Pg. 5-8)

Receive and file

General Manager Kelly Dodds submitted report as written.

Board Comment: None

Public Comment: General Manager Kelly Dodds read written public comment aloud from Shaunna.

General Manager Kelly Dodds clarified that the District does provide notices when customers' water will be turned off for repairs and explained that if there is water in the

water main there is no risk of contamination. General Manager Kelly Dodds stated that there are very clear protocols from the State Water Board that are always followed by the District.

4. Fire Chief Report (Pg. 9-26)

Receive and File

Fire Chief Scott Young submitted report as written and explained that there was a typo on page 10, saying the report was prepared by Kelly Dodds and should be "prepared by Scott Young".

Board Comment: None

Public Comment: Gregory Campbell a San Miguel resident asked if there was a District policy on accepting donations.

General Manager Kelly Dodds explained how the funds were allocated to the Fire Fund, and that he does not know of a District policy on accepting donations from an outside source. It was explained that there has been a requested Donation Policy. Discussion ensued.

Deputy General Counsel Pritchard clarified that because there is no donation policy, all donations, because they are funds that become accepted as public funds they must go through the Board of Directors. She stated that she will work on this and make sure that it is properly addressed while a Donation Policy is worked on by Staff.

Jenny Nickett a San Miguel asked for clarification on the donations, and if the funds were SMFA funds or SMCSF funds.

8. Consent Calendar:

Director Davis asked to pull items 8.1 & 8.4 & 8.5 for clarification.

Public Comment: None

Motion By: Ashley Sangster

Second By: Brendin Beatty

Motion: To Approve 8.2, 8.3

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

1. 5-28-2026 Draft San Miguel CSD Board of Directors regular meeting minutes (Approve by 3/5 vote) (Pg. 27-46)

Receive and file

Board Comment: Director Davis asked questions about the numbering of the items in the minutes, and the Account Clerk 2 position.

Director Sangster asked if the District would need to hire an Account Clerk. General Manager Kelly Dodds explained that the District did not need to hire an Account Clerk at this time, and that the current Account Clerk was promoted to Account Clerk 2.

Public Comment: None

Motion By: Rod Smiley

Second By: Ashley Sangster

Motion: To Approve

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

2. **6-11-2026 Draft San Miguel CSD Board of Directors special meeting minutes (Approve by 3/5 vote) (Pg. 47-55)**

Receive and file

3. **6-25-2026 Draft San Miguel CSD Board of Directors regular meeting minutes (Approve by 3/5 vote) (Pg. 56-64)**

Receive and file

4. **Designation of Applicant's Agent Resolution for FEMA funding (Approve by 3/5 vote) (Pg. 65-69)**

Approve a resolution of the Board designating the General Manager and Fire Chief as the Applicant's Agent as required on a three year cycle to receive FEMA funding.

Board Comment: Director Davis asked clarification on who would be applying for these grants. Discussion ensued on the authorized agents being just the General Manager and Fire Chief.

Public Comment: None

Motion By: Rod Smiley

Second By: Brendin Beatty

Motion: To Approve

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

5. **Adopt "Findings of the San Miguel Community Services District - Fire Department" for the approved 2025 Fire Code Ordinance 01-2026 by Resolution. (Approve by 3/5 vote) (Pg. 70-76)**

Adopt the attached resolution identifying the findings associated with Ordinance 01-2026 and direct staff to submit all required documentation to the County of San Luis Obispo as required by Health and Safety Code Section 13869.7

Board Comment: Director Davis asked for clarification on if the Resolution was 01-2026. Discussion ensued on Resolution and Ordinance numbering.

Public Comment: None

Motion By: Rod Smiley

Second By: Ashley Sangster

Motion: To Approve

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

9. Board Action Items:

1. Monthly claim detail and investment reports for June 2026 (Recommend receive and file by Board consensus)

When ancillary reports area provided, they are for reference only and are subject to change.

(Pg. 77-130)

Please *Review, Receive and File* the claim detail and investment reports.

When ancillary reports area provided, they are for reference only and are subject to change.

Item was presented by General Manager Kelly Dodds who explained that this is for the Fiscal Year end, and numbers are complete; unless there are changes that need to be made by the CPA.

Board Comment: None

Public Comment: None

Consensus of the Board is to receive and file June 2026 Financials

2. Annual discussion on legal fees (Discuss and provide direction to General Manager) (Pg. 131-134)

Review and discuss District legal fees. After review and discussion, provide direction to the General Manager as appropriate.

Item was presented by General Manager Kelly Dodds who explained that this was a request from the Board of Directors to have a discussion annually about costs for legal services.

General Manager Kelly Dodds explained the attached graph and asked for any questions.

Board Comment: Director Davis asked about a sudden jump in legal fees February 2026. Discussion determined that Director Davis was looking at the next item in the Board packet.

Director Sangster explained that the legal fees have always been a concern for the Board and the community, and asked if there was any anticipation that legal fees might level off over the next five years. Deputy General Counsel Pritchard explained that they should decrease since the final hearing in the Steinbeck Litigation is scheduled for August 2026 and SEIU and employee contract negotiations have been completed. It was also explained that getting a fifth Board Member through the election will help.

Director Sangster asked for a long-term customer discount. Deputy General Counsel Pritchard explained that the District already receives that discount.

Director Davis wanted to ask about the Steinbeck Litigation and was told that it will be discussed in closed session.

Public Comment: Gregory Campbell a San Miguel resident spoke about the Steinbeck litigation and if San Miguel should continue in this litigation and spoke about hearing that the judge in the case had already made a decision.

Informational item only

3. Annual discussion on Fluid Resource Management (FRM) costs. (Discuss and provide direction to General Manager) (Pg. 135-140)

Discuss costs related to FRM operator and support services. Provide direction to the General Manager as appropriate.

Item was presented by General Manager Kelly Dodds who explained that this is a request from the Board of Directors to have a discussion annually about cost for Fluid Resource Management (FRM) services. General Manager Kelly Dodds explained the services that FRM provides to the District and the total costs. It was explained that there was a graph attached and asked if there were any questions.

Board Comment: Director Sangster asked why there were so many hours in March 2026. General Manager Kelly Dodds explained that the Water Department had been working on a metering program to replace and upgrade sensors at the District wells. The Wastewater Department has had FRM assist with removing aerators, repairing aerators, and have recently been assisting with sewer jetting. Discussion ensued on FRM services.

Director Sangster asked why the Wastewater Department would not just wait for CSD employees to do sewer jetting, instead of having FRM assist. General Manager Kelly Dodds explained that sewer jetting is on a schedule, and each area is done quarterly, and that there are many other projects needing to be done at the same time. Discussion ensued regarding the training necessary for some of these jobs that FRM assists with.

Director Beatty asked if once the District brings in more licensed staff, will the need for FRM be almost eliminated. General Manager Kelly Dodds explained that the need for their operational services will taper off, but that the District will still need compliance services.

Director Davis gave his opinion that the Director Of Utilities position is a lot of money, and feels that FRM is doing a good job, and asked why the District would need a Director of Utilities, if FRM can just do it. General Manager Kelly Dodds said that FRM provides operators and provides compliance staff. It was explained that they do not provide management, and that the Director of Utilities is the overall management of Utilities Department. Discussion ensued.

Public Comment: General Manager Kelly Dodds read written public comment aloud from Shaunna.

Informational item only

4. Discussion on replacing public posting board at the corner of Mission Street and 11th Street on District leased property APN 021-221-013. (Direction to the General Manager as appropriate) (Pg. 141-143)

Discuss replacing the public posting board which was vandalized, damaged and removed for public safety in May of 2026. Provide direction to the General Manager for future board action.

Director Davis and Director Sangster requested item.

Item was presented by General Manager Kelly Dodds explaining that the Board needs to decide if they want to replace the posting board on the District leased property at Mission and 11th Street. General Manager gave a brief background on the "Posting Board Sign" and explained that the Board of Directors will need to talk about the design, and that staff would need to find out about San Luis Obispo County permitting requirements. Discussion ensued.

Board Comment: Director Smiley spoke in favor of replacing the community billboard sign and felt that the Board of Directors should discuss who would be responsible for the sign, and what the rules would be for posting things on the sign.

Director Beatty asked what year the old sign was put up and who designed it. Fire Chief Scott Young explained that the sign was originally installed in 2006, replace again in 2013

and designed by Local San Miguel Artist Steve Kalar and members of The Discover San Miguel group.

Director Davis spoke in favor of replacing the sign, designed just like the last one.

General Manager Kelly Dodds suggested that the Board give direction to have him contact the County to figure out what the requirements are to replace it, and that he can start working on a draft policy for the use of it.

Director Smiley explained what he has gone through with the County to replace/upgrade the community organization sign by the Rios Caledonia Adobe, and after over a year is still working on it.

Director Sangster asked if any research has been done, and if there were different requirements for "Advertising, Commercial Boards" compared to "Community Posting Boards". General Manager Kelly Dodds explained that in this case he would have to show the County what was previously there and get them to approve a pathway for permitting a replacement to their current standards. It was also explained that because this sign board would be opened to the public to post on, the County might have different requirements.

Director Sangster suggested that the General Manager also look and see what the maximum dimensions could be and explained that he would like to maximize the real estate. Director Sangster spoke in favor of the old signs "mission" design.

Discussion ensued on current standards. Fire Chief Scott Young stated that the property "owner" would need to be the applicant, just like they had to be the applicant for the Temporary Housing Unit (THU) permit.

Public Comment: None

Consensus of the Board is to have staff bring back information on current permitting requirements and a Posting Board Use Policy.

5. Approve cost increase of \$300,000 for existing contract to P&H Senesac for additional sludge removal and approve related budget adjustments by Resolution. (Approve by 3/5 vote) (Pg. 144-151)

It is recommended that the Board authorize the General Manager to:

1. Approve an increase of \$300,000 to the previously approved contract amount for sludge removal and
2. Approve related budget adjustments by Resolution.

Item was presented by General Manager Kelly Dodds explaining that during the regular Board meeting in March the Board approved a contract with P&H Senesac for the removal of sludge from ponds 3 and 4 at the Machado WWTF. The initial contract was for the removal of 125 DRY Tons with an initial contract amount of \$259,719.20. It was requested at that meeting to also approve a \$200,000 contingency for additional sludge removal beyond the initial 125 DRY Tons. After discussion the Board approved a \$100,000 contingency for additional sludge removal. As discussed in the meeting the approved \$100,000 contingency would allow for an additional ~60 DRY Tons to be removed but that there was likely significantly more DRY Tons to be removed beyond the 185 tons that could be removed with the approved contract cost. The total contract was \$359,718.20 with a dry ton cost of \$1,594.97. General Manager Kelly Dodds explained that the estimated Pond 3 has close to 229 DRY Tons, and Pond 4 is estimated to have around 153 DRY tons; explaining that Pond 4 will need to be decommissioned within the next year for the new treatment plant. General Manager Kelly Dodds updated the Board of Directors that when the contract was approved the estimates for how many DRY Tons were in those two ponds was anywhere from 125 DRY Tons to 400 DRY Tons. It was explained that those estimates were based off of our engineers analysis from the samples that were taken. Discussion ensued about the current DRY Tons.

Board Comment: Director Sangster asked what the original DRY Ton estimate was. General Manager Kelly Dodds explained that the original amount was for 153 DRY Tons, including the \$100,000 contingency and at three weeks we will be at that original 153 DRY Tons.

Director Sangster asked if P&H Senesac was the lowest cost per DRY Ton in the RFP. General Manager Kelly Dodds explained that he believes that P&H Senesac was the lowest cost per DRY Ton and lowest cost overall but would have to verify.

Discussion ensued on options and the accuracy of the estimated DRY Tons.

Director Sangster asked how is it, that we are more than half short on the estimate for how much DRY Tons is actually there. General Manager Kelly Dodds explained that when they were going through the RFP process, we discussed this with several contractors before the RFP went out, and what they thought, and the numbers were all over the place. All of the contractors have a different formula for getting to a DRY Ton number, and the original amount of 153 DRY Tons was a base that could be agreed upon by everybody. Discussion ensued.

Director Smiley asked if these funds are approved, and they do not use it all, then would it just be based on what they take out. General Manager Kelly Dodds explained that we have estimated that it is around 380 DRY Tons, and if we get done and there was only 290 DRY Tons, that is all the District would be paying for.

Director Davis asked if anybody knew that the estimated cost did not include transportation or disposal fees and wanted to know what those costs were going to be. General Manager Kelly Dodds explained that the cost depends on how much DRY Tons we end up with and explained that Trucking and Landfill cost are always changing and would not be able to give him an accurate cost at this time. Discussion ensued on what the "right now" cost would be for Trucking and Landfill disposal.

Director Davis explained that he feels that these companies cannot just bid on these contracts then change and ask for more funds. General Manager Kelly Dodds again explained that the contract was based off of 125 DRY Tons so everyone that bid had the same starting point, to create an equal playing field. P&H Senesac's DRY Ton cost is \$1,594.97.

Director Beatty asked how many DRY Tons can be removed in a day. General Manager Kelly Dodds explained that his estimate would be an average of 8 DRY Tons a day.

Director Sangster asked where the funding was coming from. General Manager Kelly Dodds explained that the funds would come from Wastewater Capital Reserves and Operational Reserves; it was also explained that some of the cost may fall into part of the awarded Grant for Wastewater Treatment Facility expansion upgrade. General Manager Kelly Dodds stated that he did not have confirmation of that reimbursement yet, so in the short term the funds will be coming from Wastewater Capital Reserves and Operational Reserves but will get more information once clarified.

Director Smiley said that he is only getting a two-day guarantee on shipping cost for his shipping of equipment, verifying that shipping cost are always changing. General Manager Kelly Dodds stated that for transportation purposes, when the District takes things to the landfill we are charged by the hour.

Director Davis asked where the dried biosolids would be going. General Manager clarified that it would all be going to the Paso Robles Landfill.

Public Comment: Gregory Campbell a San Miguel resident gave his opinion about a DRY Ton rate and feels that going back out to bid would be the best course of action. Director Sangster provided clarification.

General Manager Kelly Dodds read written public comment aloud from Shaunna.

Motion By: Ashley Sangster

Second By: Brendin Beatty

Motion: To Approve increase of \$300,000 to previously approved contract amount and related budget adjustment

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

10. Board Comment:

Director Davis said that he would like to forget about the Director of Utilities position that was discussed at the May Board meeting and just have FRM do it.

Director Sangster expressed his thanks to the San Miguel Fire Department staff, specifically the San Miguel Firefighters for their service on the Fourth of July. Director Sangster felt that it was shockingly peaceful.

11. Adjourn to Closed Session/Closed Session Agenda:

Public Comment: None

At: 7:41 PM

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

Title: General Manager

Discussion

2. Conference with Legal Counsel- Anticipated Litigation Significant Exposure to Litigation pursuant to Gov. Code, § 54956.9(d)(2): One (1) potential case

Discussion

3. CONFERENCE WITH LEGAL COUNSEL – Existing Litigation Pursuant to Government Code Section 54956.9 (d)(1) Case: *Steinbeck v. City of Paso Robles, Santa Clara County Superior Court Case No. 1-14-CV-265039* and Case: *Eidemiller v. City of Paso Robles, Santa Clara County Superior Court Case No. 1-14-CV-269212*

Discussion

12. Report out of Closed Session:

Items 1 and 2: No action taken.

Item 3: The Board unanimously voted to withdraw the Pueblo Rights affirmation defense.

13. Adjournment to Next Regular Meeting:

At: 8:17 PM

As per Chapter 10.9 of the SMCS D Board Member Handbook, meeting minutes reflect actions taken and are not a complete record. Please visit the SMCS D website:

<https://www.youtube.com/@sanmiguelcsd/playlists> to view full recordings of meetings.