



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

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

**REGULAR BOARD OF DIRECTORS & GROUNDWATER SUSTAINABILITY AGENCY
 MINUTES**

**6:00 P.M. Opened Session
 SMCS D Boardroom 07-25-2024**

1. Call to Order:

At 6:06 P.M.

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

ABSENT: *Anthony Kalvans*

3. Approval of Regular Meeting Agenda:

Motion By: Berkley Baker

Second By: Rod Smiley

Motion: To Approve

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

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 Shandon-San Juan GSA and the meeting in closed session on items that are not allowed by the Brown Act. Mr. Grewal gave information on the Lake Nacimiento & Salinas Dam water allocations and that the Shandon-San Juan GSA wants to bank water from the District area, and spoke on the water code, and LAFCo.

Murray Powell Templeton resident spoke about the grant that the District was awarded, explaining that he thought it was for the Wastewater expansion but realized that it is only being used for the District Recycled Water Project. Mr. Powell voiced that he thinks that the grant has

an expiration date of January 2024, and is concerned that it will not be met, and if not would like more information.

6. Special Presentations/Public Hearings/Other:

None

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 Firefighter Association (SMFA), explained that the firework sales went well and the SMFA will be able to sponsor the two parades and Santa visit. The SMFA will also be having a Blood Drive through Vitalant on September 11th 2024 from 2 PM to 6 PM. The SMFA will also be sponsoring one cadet to the Allen Hancock Fire Academy.

Board Comment: Director Gregory asked about the fireworks fundraiser's average sale and what the cost was for the Fire Academy sponsorship. Scott Young explained that the average Fireworks sale was around \$105, and the cost for cadet sponsorship is around \$7k. Raynette Gregory Treasurer of the Mission San Miguel, explained that there is a large Yard Sale at the Mission San Miguel Parish Hall on August 17th, 2024, item drop off is on Aug 14th, 2024.

Public Comment: None

3. Camp Roberts—Army National Guard

Verbal

None

8. Staff & Committee Reports - Receive & File:

1. General Manager

Receive report

Item was presented by General Manager Kelly Dodds, explaining that there was nothing new to report and asked for any questions.

Board Comment: None

Public Comment: None

2. District Counsel

Receive verbal report

Nothing to report

Board Comment: None

Public Comment: None

3. District Utilities

Receive and file

Item was presented by General Manager Kelly Dodds and explained that with the Boards okay, he would like to answer the public comment on the District's Recycled Water Project. Mr. Dodds explained that the Grant for the recycled water line is for a single line from the

Machado Wastewater Treatment Facility to the vineyards on the West side of the freeway. The release of bids will be coming to the San Miguel Board next month, and the January deadline that was on the Paso Basin Cooperative Committee (PBCC) agenda documentation was when it was scheduled to be completed. General Manager Kelly Dodds explained the timeline, and hopes for completion by January.

Board Comment: Director Baker asked when the deadline was in the terms of the grant? General Manager Kelly Dodds explained that all money needs to be spent by April 31, 2025. Discussion ensued.

Director Baker asked about the SLT being offline in the report. General Manager Kelly Dodds explained that it is on the report because of the radio issue, the well is functional and explained that he needs to remove that from the report.

Public Comment: Greg Grewal Creston resident spoke about the recycled water line, and had questions on who is monitoring the vineyards blending. Mr. Grewal voiced his concerns on the process.

4. **Fire Chief Report**

Receive and File

Fire Chief Scott Young submitted report as written, and explained that the Department has receive a shipment of Pulse Ox monitors, including pediatric monitors. Chief Young explained that San Miguel Fire is the only Basic Life Support (BLS) Department that has these infant monitors, and expressed how they will help fire personnel when helping with infants.

Board Comment: Director Gregory thanked Chief Young for working on a higher level of service for the community.

Director Baker asked about the "Animal Rescue" call for service. Chief Young explained that it was a kitten in an engine compartment of a car; the kitten was removed and ran off.

Director Davis voiced his concern with the Temporary Housing Unit (THU) and explained that he personally feels that money is just being spent and nothing is happening. Director Davis voiced his concerns on the property lease, and explained that he would like to stop everything until there is more information on the lease of the property that the THU would be placed on. Director Davis gave his opinion that the Fire Department has spent over half a million dollars on the THU, and feels that it is a waste of money. Director Davis voiced that he doesn't want this to be like the special meeting that the General Manager had to have back in June where the District already paid \$900k to the Wallace Group, and in his opinion we had a special meeting because the Wallace Group was blackmailing the District, or they would not do anything until we gave them another \$400k.

Fire Chief Scott Young voiced that he could speak on the Fire Department Temporary Housing Unit, if allowed.

Director Smiley asked Chief Young to comment.

Chief Young explained that there was no way that a half a million dollars has been spent on the THU, explaining that the accounting is in the monthly financials. The building permit was approved, after seven plan checks, additional design work cost, and additional engineering cost due to County standard changes. Chief Young explained the curb, gutter and sidewalk requirements and the bond needed for the waiver. The lease on the property has come to the three-year term, and at this time we are exercising our extensions. Chief Young explained that the property owner has no desire to develop the property, and will continue the lease with the District. Discussion on the future expansion of the Fire Department ensued.

Director Davis voiced that the lease needs to be in writing, and asked again if the lease agreement was in writing.

Fire Chief Scott Young explained that the lease agreement was absolutely in writing, and for clarification explained that the lease was for three years, with multiple one year extensions and that he will be working with the property owner to continue the lease once the extensions are closer to expiring.

Director Davis voiced that in his opinion if a long term lease is not done, then he would like to have the project stopped.

Director Baker asked about the Road Impact Fees. Fire Chief Scott Young explained that the Fire Department is in negotiation with the County, and initially the Road Impact Fees were to be waived because of the classification of the building, but the fee is around \$6,695 if not waived.

Director Baker voiced that he had a question for legal counsel and explained that the Supreme Court ruled several months ago on a case in Placer County regarding unreasonable Road Impact Fees, and asked if that helps in this THU issue?

District General Counsel Pritchard explained that it was El Dorado County, and voiced that it depends. District Counsel explained that in that case the County could not prove that there was an actual nexus between the fee that they were charging. District Counsel also explained that to see if that applies here the District would have to see how San Luis Obispo County came up with that cost calculation for fees, and voiced that the cost is not that high; but with Board direction she could look into how the fees were calculated.

Director Baker thanked Counsel for the information, and wanted to leave it at that.

Fire Chief Young explained that the fee is calculated by the County at around \$0.94 a square foot, but the permit has been obtained.

Director Smiley thanked Chief Young for keeping the illegal Fireworks down this year, and feels it had to do with the presence of the Fire Department.

Director Gregory asked about the timeline to get the THU housing. Discussion ensued on what is needed next.

Public Comment: Paola Freeman, Monterey resident spoke about finding a wallet and not being able to contact anyone at the Fire Department for a non-emergency call on the weekends.

Fire Chief Young asked the Board if they would like him to address the public comment. Director Smiley agreed.

Chief Young explained that he did speak with Mrs. Freeman and retrieved the wallet from where she left it in the parking lot, and explained that the sheriff needs to be called for those kinds of non-emergencies. The San Miguel Fire Department does not have a 24-hour non-emergency line, but if there is a emergency call out dispatched then the Department will respond within three to five minutes.

Mrs. Freeman spoke out asking if there is a non-emergency, no one is going to come help.

General Manager Kelly Dodds explained that there is a after hours number on the door of the Fire Department for Water and Sewer and will always be happy to contact the Fire Department, and explained the process for the call center. Discussion ensued on calling the Sheriff Department for lost property or ways of trying to return the property to the rightful owner.

Mrs. Freeman became disruptive and was asked to leave the building by Director Smiley. Director Smiley explained that there was multiple outburst from several people that left the room, cussing and flipping the Board of Directors off and acting like children. Director Smiley explained that kind of behavior will not be accepted, and if the sheriff was there tonight he would have had them removed because this is not the first time they have screamed and flipped off the Board and/or staff. It was explained that all District meetings have multiple videos.

Public Comment: Greg Grewal Creston resident spoke about his time as a Firefighter and

explained that people that come to public meeting think they are going to be able to get answers, and sometimes they don't since it is public 'comment'. Mr. Grewal voiced his frustration.

Board Comment: Director Davis thanked Mr. Grewal for his comment.

Director Gregory explained that when she entered the Board as a member, there was no lectern or time clock and the public would just speak out from their seats. Director Gregory expressed that it made for a very long meetings, and the District had to regain order in the meetings.

Director Davis voiced that he would like to respond to Director Gregory's comment and explained that when he started coming to the meeting there was a Director that would speak for 20-30 minutes on items and it is not just the public speaking out over their time limit.

Director Smiley voiced that he has also called directors to wrap-up their comments and it is not always appreciated. Discussion ensued about keeping time accurately and the decorum chapter in the Board of Director Handbook.

9. **Board Action Items:**

1. **Monthly Financial Reports for June 2024 (Review only)**

Review the DRAFT June 2024 Financial Reports.

Item was presented by Financial Officer Michelle Hido explained that it was the time of year where the District is closing the 2023-24 Fiscal Year and that the District Auditor will be starting the audit at the beginning of August. Mrs. Hido explained that the financials are on pages 30-79 of the Board packet and asked for any questions.

Board Comment: Director Baker asked about the \$14k Permit Fee from Union Pacific Railroad and wanted clarification on what that was for. General Manager Kelly Dodds explained that is the permit for the recycled water line that will be going under the railroad tracks, the highway and Mission Street. Mr. Dodds explained that all the entities have their own permit process that are being worked through.

Public Comment: Greg Grewal Creston resident spoke and asked if all the fees were being covered by the SGMA grant that is being reimbursed. Financial Officer Michelle Hido asked if the Board would like her to respond. Director Smiley approved.

Financial Officer Michelle Hido explained that on page 32 of the Board packet it describes the current status of that project and how much has been reimbursed by the grant to date and that this report was in every Board packet.

2. **Authorize the Fire Chief to administer and execute an Office of Traffic Safety (OTS) Grant for \$48,905 including associated budget adjustments - Resolution 2024-32 (Approve by 3/5 vote)**

Approve RESOLUTION 2024-32 authorizing the Fire Chief to accept and execute the Office of Traffic Safety (OTS) grant award in the amount of \$48,905.00 (including related budget adjustments) for the purchase of Auto Extrication equipment as described and approved within the grant application submitted April 19, 2024.

Item was presented by Fire Chief Scott Young updating the Board that the San Miguel Fire Department applied for the 2024 Office of Traffic Safety (OTS) Grant requesting \$48,905.00 for funding to purchase new auto extrication equipment to replace the existing outdated auto extrication equipment.

Board Comment: Director Baker asked what the battery life was. Chief Young explained that he did not have that information but explained that he has used this brand of

equipment with no loss of battery. Chief Young explained that with this grant the Department will be getting chargers and spare battery packs so that each tool will have its own battery.

Director Baker asked about the equity statement that was part of the Grant packet, and asked if that was just part of the requirements. Chief Young explained that Director Baker was correct that it was part of the application.

Public Comment: Greg Grewal Creston resident spoke about his use of extrication equipment as a retired Firefighter and voiced his opinion on the brands of equipment that he has tested. Mr. Grewal expressed his appreciation for Chief Young's service.

Motion By: Berkley Baker

Second By: Raynette Gregory

Motion: To Approve & authorize by Resolution 2024-32

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

3. Groundwater monitoring contract with Cleath-Harris Geologist Inc. and approval of budget adjustment in an amount of \$30,000 for groundwater monitoring at Machado Wastewater Treatment Facility-Resolution 2024-31 (Approve by 3/5 vote)

Approve resolution 2024-31 authorizing a the General Manager to negotiate and execute a contract with Cleath-Harris Geologist Inc. and corresponding budget adjustment in the amount of \$30,000 to fund 40 object 355 for groundwater monitoring at the Machado WWTF.

Item was presented by General Manager Kelly Dodds explaining to the Board that in December of 2023, the CA State Water Board issued a new permit for the Machado WWTF. Part of the new permit is enhanced groundwater monitoring at the WWTF. Previously the Board authorized contracts with Water Systems Consulting (WSC) to develop a Hydrogeologic Model to facilitate compliance with the groundwater compliance provisions of the new permit. Cleath-Harris will be compiling those required groundwater reports and formatting them to what is acceptable by the State of California. And will be working with Water Systems Consulting (WSC), who was awarded a contract for hydrogeologic data, they will refine those models with the most up-to-date information. Mr. Dodds explained that due to the unanticipated cost of the additional sampling a budget adjustment is required.

Board Comment: Director Gregory asked for clarification on if this was needed for the Wastewater Facility expansion. General Manager Kelly Dodds explained that this monitoring would still have to be done with or without the expansion. Director Gregory asked if the District was required to do this monitoring before? General Manager Kelly Dodds explained that at the end of last year the State of California changed our permit for our existing Treatment Plant Permit to a General Order Permit, and with that General Order Permit status this monitoring is a requirement. Director Gregory asked if anyone in house could do this monitoring? Mr. Dodds explained that it needs to be done by a Hydrogeologist, and clarified that as we started working through the requirements of the

permit that he also thought that it could be done on our own. It is also the general observation and the equipment that they needed. Discussion ensued on the type of training and equipment that is needed for monitoring, and state regulations.

Director Baker asked if this would be a yearly expense of \$30k? General Manager Kelly Dodds explained that it will hopefully get cheaper, but it depends on the four quarters of results. It was explained that part of this expense would be to work with WSC to determine the flow characteristics of the groundwater at the treatment plant. If there is not a definitive flow at the treatment plant then the State could make us do additional work to prove flow direction.

Director Baker asked what Cleath-Harris Geologist Inc. would exactly be doing? General Manager Kelly Dodds clarified that for this cost they would be taking samples of the groundwater, taking depths of the groundwater at different times and at different levels. They will be analyzing that data to determine which direction the water flows and which is the upper gradient, and which is the down gradient, to determine if we will need additional monitoring wells to show that we are not having an impact on the water quality. Discussion on the flow of the Salinas River ensued. General Manager Kelly Dodds explained that in the first year they will be doing the beginning steps for what is going to be required in the future, and to help refine the model. This is to show; it is what we reasonably believe the water table is doing at the treatment facility, and that we are not adversely affecting the water table or the water quality. The funds are being spent on the requirement of having to have a Hydrologist analyze all the data to confirm if we are impacting the groundwater or if we are not impacting the groundwater. This is a requirement of our permit by the State of California.

Director Baker expressed his outrage on these state requirements, and asked what would happen if we don't do it. General Manager Kelly Dodds explained that if the District willfully does not do what can be done, or able to be done, then they could find the District in violation, and proceed with taking over the treatment facility. Director Baker again voiced his outrage on the requirements and cost that the State puts onto the people in our community. Discussion on how the State of California is out of touch and puts things under a "General Order", so that there is no say in the requirements. General Manager Kelly Dodds voiced that he has been working on getting the District out of some of the requirements, but that our representatives at the Central Coast Water Board have explained that they do not have the authority to provide any relief on those requirements.

Director Davis asked if the wells that were being monitored were at the Wastewater Treatment Facility? General Manager Kelly Dodds clarified that yes, the wells that are going to be monitored are at the Wastewater Facility. Director Davis voiced that he found those well when he researched them at the County, and that Mr. Dodds initially told him that there were no wells there, and now is telling him that there are two wells there that need to be monitored. General Manager explained that when Director Davis was initially asking; he was asking about water wells within the District. It was explained that these have always been monitoring wells not water production wells. Discussion ensued.

Director Davis voiced that the District does not have to pay \$30k to monitor those wells when the District could just do it in house, and voiced that he does not want it to be a blackmail situation like the Wallace Group. Director Davis expressed his frustrations and provided comments.

Director Smiley asked Director Davis to stay on topic.

Director Gregory asked is this was put out to bid? General Manager Kelly Dodds explained that this did not go out to bid because there are not a lot of companies that do this kind of monitoring, and provided comments on the other areas using Cleath-Harris.

Director Gregory asked if Cleath-Harris was local, and would like to see if there were any

other Hydrogeologists out there that might be cheaper. Discussion ensued about requirements, experience, and other bids.

General Manager Kelly Dodds explained that he has had Cleath-Harris do the first month's monitoring due to deadline, but this could go out to bid for the same services and move forward from there. No other work has been authorized at this time. Mr. Dodds voiced that he will check around the county to get pricing from any other hydrogeologist's that do this kind of monitoring and bring back prices.

Director Smiley voiced that if the District does not do this then, we could be fined and if we refuse to do this they could do away with our sewer district, and voiced that he would also like to see if there are any other firms that could do this work.

Public Comment: Greg Grewal Creston resident spoke about being on the Technical Advisory Committee, for the PBCC and provided comments on equipment for monitoring groundwater through the SGMA grant, and voiced his frustration with the grant not being utilized in a timely manner.

Murray Powell Templeton resident spoke about the well monitoring and provided comments. Mr. Powell asked for clarification on how long this cost would be good for and wanted more information.

Board Comment: Director Davis wanted to motion to table this to a future meeting.

District General Counsel explained that two other Director already asked for other bids, and other information brought back, and that direction to staff is sufficient to have the item brought back. It was explained that if there was additional direction to staff then that needed to be provided.

Director Davis voiced that he never heard any other director express that. General Manager Kelly Dodds explained that Director Gregory and Director Smiley had already asked for more bids, and information.

Staff asked for clarification

Director Baker asked for more information regarding the flow and how that would be figured out.

Director Gregory asked about piecing out some of it, and discussion on responsibility of samples and equipment needs ensued.

Consensus of the Board is to bring item back with information on other companies that do monitoring and sample observation in the area, and associated pricing. Staff will also provide more information on the overall process.

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

At: 7:33 P.M.

10. GSA Board Action Items:

1. Update from July 24, 2024 Paso Basin Cooperative Committee meeting

Discuss action taken at recent PBCC meeting.

No action to be taken at this time. Direction may be given to the General Manager to agendaize for a future meeting.

Item was presented by General Manager Kelly Dodds, explaining that Director Baker and himself attended the Paso Basin Cooperative Committee (PBCC) Meeting on July 23rd.

General Manager explained that some of the governance issues were discussed and asked Director Baker for his summary.

Director Baker explained that the Budget had changed, with the elimination of three items for couple hundred thousand, and governance was one of them. Director Baker voiced his

frustration.

Item from Mr. Powell Templeton resident provided copies to the San Miguel Groundwater Sustainability Agency (SMGSA) Board of Directors, and one for public by District Board Clerk.

General Manager Kelly Dodds gave clarification on the budget. The County has approved the budget, but three items: the Groundwater monitoring, outreach, and development of a government structure. The remainder of the Budget was approved and the PBCC can operate but the County cannot pay into those item, unless they are in an existing County budget. The annual reports, and the 5 year evaluation where approved by the County and will move forward with Supervisor Gibson bringing it back for re-approval to include the other three items. Discussion on why the County struck those items out of the budget ensued.

Director Baker explained that they also talked about the Blended Water Project and the Rate Study for assessments.

Public Comment: Murray Powell Templeton resident spoke about the requirements in the MOA, the budget approval, expenditures and provided comment. Mr. Powell explained that the original budget went to the County Board of Supervisors for approval and was tabled, then the budget was changed.

Greg Grewal Creston resident spoke about attending the Board of Supervisor meetings. Mr. Grewal voiced his frustrations with the County Board of Supervisor's on deals being made, moving of agenda items, violations of the MOA, and request for proposals being sent out by the County without individual GSA approvals.

2. Strategy for Implementation of the Paso Basin Groundwater Sustainability Plan (Discussion only, direction may be provided to Legal or General Manager for future action)

Discuss requirements and options for implementing the Paso Basin Groundwater Sustainability Plan.

Item was presented by District General Counsel Pritchard explaining that she has added this item based on some ongoing discussions that have been occurring at the Paso Robles Basin Cooperative Committee (PBCC) level and amongst legal councils for all the various Groundwater Sustainability Agencies (GSA's). It was explained that there are a lot of questions regarding the governance and the implementation of the Groundwater Sustainability Plan (GSP). District Counsel explained that she wanted to have an open discussion with the whole San Miguel Groundwater Sustainability Agency (SMGSA) board regarding what it is you expect to see from the PBCC and what you expect if there is going to be another level of governance. In conclusion of the last PBCC meeting, the PBCC needs more direction on what the individual GSA's want to do in regards to governance and financing for the proposed projects. Sustainable Groundwater Management Act (SGMA) requires that the basin be sustainable by 2040 and the purpose of the GSP is to implement that sustainability. It was explained that there are several items in the management plan that have a 20 year period for some of those items to be done, one of them being San Miguel's responsibility to recycle water and other things that the GSA's have agreed to implement. How those get implemented and how they are funded needs to be discussed by this GSA Board, and what this GSA Board expects out of this. District Counsel expressed that it would be a good idea to get some direction or at least get some ideas.

Board Comment: Director Gregory explained that she has reviewed this with the General Manager, and explained that there is so much need for water and explained that she is leery every step of the way.

Director Baker expressed that he agreed with Director Gregory and expressed that he feels that things that are going on are questionable. Some entities are discussing banking water and felt that it was already voted on a few years back and feels like that just got wiped out. Director Baker voiced that discussions do need to be had, and that some of these projects are moving very slow and that the funding mechanism, and what it is going to cost the District is very concerning.

Director Davis voiced that he does not know why the District is even in a GSA, and would like to find out what would happen if we told them that we did not need them, and all they want to do is just control the people.

General Manager Kelly Dodds responded to comments and explained that if this GSA Board elects to remove itself from the PBCC then it still would be subject to the requirements of SGMA. Discussion ensued on those requirements, and the boundaries of the SMGSA.

Public Comment: Murray Powell Templeton resident spoke on San Miguel being able to withdraw from the PBCC, monitoring agreements and expressed his frustrations on other GSA's meeting in private with unnamed Supervisors.

Greg Grewal Creston resident spoke about the provision in the MOA for an agency to withdraw from the PBCC, and the violations of the State Water Code by other GSA's. Mr. Grewal asked to have an item on a future agenda, for him to put on a twenty minute presentation on the Paso Basin Groundwater.

Board Comment: Director Smiley asked District Legal Counsel for clarification on what is needed for this item, as it is a discussion only item.

District Legal Counsel Pritchard explained that the discussions that she mentioned previously, have been with only legal counsel from these other entities reaching out to her and asking what SMGSA wants to do. Counsel explained that her reply has been that she does not know because the San Miguel Board has not discussed what they want the governance to look like, what level of cooperation they want with the other GSA's and if these regional solutions are even acceptable. Counsel explained that she does not have the answers and felt it best to agendize this for the SMGSA Board to bring ideas on the path forward; whether it is SMGSA operating as it's own GSA or does SMGSA want to move to a more cooperative solution that is regional with the other GSA's.

Counsel voiced that she does not necessarily need specific direction at this point, but this does need to be agendized again. Counsel advised that the SMGSA Board re-look at the GSP and what is required of San Miguel over the next twenty years, and decide how those requirements are going to be accomplished. This Board needs to ask for information that they need from staff, and there needs to be direction on moving forward.

Director Gregory voiced that it was said that the SMGSA is just trying to meet our requirements, and thinks that is a clear line. Director Gregory would like information on what are SMGSA minimum requirements.

District Counsel explained that the SMGSA Board needs to start by reviewing Chapters 8 & 9 of the GSP, and gave a brief summary of those chapters.

Director Gregory asked if SMGSA was in violation of any of those items in Chapter 8 of the GSP. General Manager explained that SMGSA does have some violations of the minimum thresholds in some isolated wells. Discussion ensued on the GSP projects and the five year review.

General Manager Kelly Dodds clarified that in his opinion the minimum that SMGSA needs to do assuming that the Basin is not lowering, is the annual reports, gathering the data and incorporating the new monitoring data to get the most accurate picture we can get to, and fixing any violations of minimum thresholds. Mr. Dodds discussed what would need to be done if SMGSA left the PBCC, and asked the Board to look at the bigger

picture and decide what the scope is for SMGSA. Does the SMGSA want to become a JPA and how will it all be paid for; being that de-minimis users are exempt; meaning that 99% of San Miguel properties would be exempt. These are things that need to be discussed and nobody wants to talk about them, even at the staff level he only sees City of Paso Robles and San Miguel wanting to make this work, and coming up with solutions on moving forward. Discussion on intent and cost-benefit for the GSP ensued.

General Manager Kelly Dodds explained that this item should be brought back for more discussion at the next meeting, but that the SMGSA needs to help provide direction on moving forward.

Director Baker asked who is considered "Staff", for SMGSA the PBCC. General Manager Kelly Dodds explained that for the SMGSA staff is himself and Josh Reynolds from WSC as our District Engineer, and clarified that each GSA has their own staff. For the County GSA it is Blaine Reely, County Director of Groundwater Sustainability and Taylor Blakslee, Hallmark Group and for City of Paso Robles GSA it is Christopher Alakel, Utilities Director and Kirk Gonzalez, Planning & Engineering Manager. Mr. Dodds explained that he was not sure about who Staff is for the Shandon-San Juan Water District GSA, or the Estrella-El Pomar-Creston Water District GSA.

Director Baker asked if Staff ever meets as a group? General Manager Kelly Dodds explained that yes, they meet as a group to discuss things before they come to this SMGSA Board or the PBCC Board.

Murray Powell Spoke out from the Public to ask for clarification on those meetings.

General Manager Kelly Dodds clarified that they meet as Staff, meaning that Josh Reynolds and himself meet on a regular basis for the District and then PBCC Staff meets as needed to make sure to be prepared before the meeting.

Director Baker voiced that the PBCC is around 7.6 Million in grants and it all needs to be spent by April 2025, then this all comes to end? General Manager Kelly Dodds voiced that Director Baker makes a good point and in April, The City of Paso Robles will be done, and San Miguel will also be done with their projects and agreed that the grant and projects are holding things together right now. It was explained that San Miguel has an agreement with the County for this grant and the County has an agreement with the state, that the PBCC was not involved in. Director Baker asked what happens once the funds are gone from this grant? General Manager Kelly Dodds explained that we will go back to dealing with just the annual report. There is a concept of having some kind of successor agency; that would be able to take care of the routine things and be the agency that charges people; if charging people even happens. That agency would be to do the Prop26 or Prop218 to establish rates. Discussion ensued about viable projects and that things still need to be decided as a whole Basin.

Director Baker voiced that the point is to mitigate water, but then we have public tell us that Paso Robles has water from Nacimiento that they are not using and if they used that water then they would be using less groundwater. Director Baker voiced his frustrations with not using the common sense things to reduce the groundwater and asked of San Miguel has well level issues and how many wells in our District have gone dry? Discussion on San Miguel water, well levels, how and where San Miguel water comes from ensued.

Director Gregory asked about the assessment fee structure and asked for clarification on what was known at this point. General Manager Kelly Dodds explained that in order to assess someone you would have to have some mechanism to understand how much they are using. Discussion on Evapotranspiration (ET) and agricultural water rights ensued.

District General Counsel explained that in the GSP that issue has been contemplated with the Multi-Benefit Irrigated Land Repurposing (MILR) Program, and is one of the reasons

for the start of the fee study. Counsel voiced that the idea of the MILR Program is to allow people to stop using or dumping the water that they are not using, but maintain their water rights for a period of time and will need a level of administration review and that costs money. The question becomes how do you fund that program or any other sustainability programs and this is a regional problem and there is no mechanism in place at this time.

Director Gregory voiced that she feels that there does not need to be a program, and that Californians have the right to irrigate and use the water that is on their land to farm, and water rights should not be for a period of time but for forever. General Manager Kelly Dodds provided comments and expressed that most people want to fix that and that most farmers don't want to pump and dump but can not afford to lose their water rights. Discussion ensued about the agency controlling water rights and that it might be more reasonable if a JPA was formed.

Director Smiley asked the General Manager to send out a list of issues that the Board needs to consider, for the next discussion.

Reconvene to the San Miguel Community Services District Board of Directors:

At 8:38 P.M.

11. Board Comment:

Director Davis asked to put a 20 minute presentation from Mr. Grewal and Mr. Powell on the Paso Robles Groundwater Basin on a future agenda, September 25th Meeting was agreed to. Seconded by Director Gregory.

Board Clerk, Tamara Parent spoke about today July 25th, 2024 being San Miguel's 227th Birthday.

12. Adjournment to Next Regular Meeting:

At: 8:43 P.M.