

Estrella-El Pomar-Creston Water District (EPCWD)

Special and General Meeting Minutes

Thursday, January 4, 2018

Windfall Farms Conference Room, 4710 Flying Paster Lane, Paso Robles, CA 93446

ATTENDANCE

Directors Present: Hilary Graves
Dana Merrill
Lee Nesbitt
Jerry Reaugh
Al Webster

Others Present: Ernest Conant, Young Woolridge (by phone)
Kari Wagner, Wallace Group
Laurie Gage, District Administrator

Guests: See attached list

ITEM 1: CALL TO ORDER

The meeting was called to order at 3.32PM by Dana Merrill.

ITEM 2: REVIEW AND APPROVE MINUTES OF DECEMBER 13, 2017 MEETING

MOTION TO APPROVE MINUTES WITHOUT CHANGES made by Al Webster, seconded by Jerry Reaugh, passed unanimously.

ITEM 3: OPEN PUBLIC HEARING TO CONSIDER EPCWD APPLYING TO BECOME A GSA

President Merrill opened the hearing. Ernest Conant made preliminary comments, including that the meeting was being recorded. He covered the steps necessary for the EPCWD to become the GSA within its boundaries including formation, which took place on December 8, 2017; ordering this hearing, duly noticed in New Times on December 21 and December 28, 2017; holding the hearing and resolving to become the GSA. He also noted that although the other GSAs that were in place as of June 30, 2017 executed a Memorandum of Agreement (MOA) providing for development of a Groundwater Sustainability Plan (GSP) for the Paso Robles Basin, the MOA provided that the EPCWD could join the MOA provided it was formed, signed the Addition of Party to the MOA form, and received County approval.

Dana Merrill called for comments. Jerry Reaugh recapped the history of the EPCWD in terms of its path to becoming a GSA: Beginning with the Blue Ribbon Committee, the Paso Basin Advisory Committee, then the cooperating County agencies since August of 2016, with EPCWD working alongside those agencies which include SLO County, City of Paso Robles, Shandon-San Juan WD, and Heritage Ranch and San Miguel CSDs. In August 2016 the EPCWD was included as part of that group and met with them. Also in August 2016, the SLO County Board of Supervisors developed its Water Strategy and as part of that strategy, acknowledged that the EPCWD should be included in the group. The MOA was created this last spring and all five agencies adopted the MOA which includes specific provisions to include EPCWD in the MOA once the water district was formed, which took place in December, 2017. Additionally, when LAFCO approved the EPCWD formation, they indicated in their documents that one of the primary purposes of the EPCWD was to become part of the GSA process, and to be included with the other agencies. This is the culmination of years of effort. The EPCWD has complied with all the requirements and Jerry Reaugh feels that the district should be allowed to take its place alongside the other five GSA members.

Dana Merrill commented similarly, that today is the final step, that there was a specific methodology for the MOA, noting that the SLO Board of Supervisors voted 5-0 for the MOA, and that we are looking forward to becoming a full GSA, maybe in early February.

There were no further comments.

ITEM 4: CLOSE PUBLIC HEARING

Dana Merrill closed the public hearing.

ITEM 5: BOARD TO CONSIDER ADOPTING "RESOLUTION APPROVING BECOMING A GROUNDWATER SUSTAINABILITY AGENCY, APPROVING A MEMORANDUM OF AGREEMENT REGARDING PREPARATION OF A GROUNDWATER SUSTAINABILITY PLAN FOR THE PASO ROBLES GROUNDWATER BASIN AND RELATED MATTERS, AND APPOINTING A MEMBER AND ALTERNATE MEMBER TO REPRESENT THE DISTRICT ON THE PASO BASIN COOPERATIVE COMMITTEE." This resolution provides for, among other things:

- a. Submit application to DWR to become a GSA
- b. Request to become part of the County MOA
- c. Request County to relinquish GSA territory currently covered by the County, County BOS consideration set for February 6th

Dana Merrill read the Resolution title and summarized its provisions for the record.

MOTION TO ADOPT THE RESOLUTION AS DESCRIBED made by Al Webster, seconded by Hilary Graves. Ernest Conant pointed out that if the member and alternate described in the Resolution are chosen now, that would become part of the Resolution. Dana Merrill proposed Jerry Reaugh as the member, and Al Webster volunteered to be the alternate. Motion passes unanimously on a roll call vote:

Hilary Graves – yes
Al Webster – yes
Lee Nesbitt – yes
Jerry Reaugh – yes
Dana Merrill – yes

ITEM 6: ENGINEER'S REPORT AND PROP 218 ASSESSMENT BALLOT PROCEEDING MATTERS

- a. Preliminary budget from Engineer's Report
(2018 Operating Budget, will be presented after Prop 218 Hearing)
- b. General discussion of need to levy assessment to meet budget requirements and of Proposition 218 process to authorize levy and collection of assessment:
- c. Consider motion to adopt final Engineer's Report for the EPCWD;
- d. Consider Resolution initiating Proceeding to Approve Assessment entitled "RESOLUTION ADOPTING PROPOSITION 218 ASSESSMENT BALLOT PROCEDURES AND CALLING FOR AN ASSESSMENT BALLOT PROCEEDING ON A PROPOSED ASSESSMENT" – this includes approval of assessment ballot, form of notice of hearing and procedures for conducting 218 assessment proceeding;
- e. Schedule Prop 218 Hearing – minimum 45 days after mailing
 - i. Any time after February 19th
 - ii. At regularly scheduled Meeting March 14th

Ernest Conant explained that in order to levy assessments to fund district operations (primarily the GSP effort), there must be an engineer's report which includes assessments at the maximum level. The Wallace Group has been contracted with to provide the engineer's report and has done so. After the resolution is adopted including authorization of initiating the Prop 218 process, a notice and ballots will be mailed to landowners, and will have a transmittal letter included.

Dana Merrill described the engineer's report which determines an estimate for the amount needed to meet the district's financial needs, and establishes a maximum assessment. The Board will then fine tune the budget and hopefully bring those numbers down so that the assessment are possibly less than the maximum for 2018.

Kari Wagner of the Wallace Group described the engineer's report as a document that meets the legal requirements of the Prop 218 code. She described the various parts of the engineer's report. This is a special benefit type of assessment. She discussed the operating budget for each of the next five years. The maximum assessments include \$35/acre for irrigated acreage; \$0.59/acre for non-irrigated acreage; Residential or Commercial property is \$7.50 for each residential or commercial operation; property in the district but outside the State's Bulletin 118 boundary will not be charged an assessment. The total maximum assessment is approximately

\$570,000, and the district may never collect more than the maximum assessment without performing another Prop 218 proceeding of the landowners.

ITEM 6: ENGINEER'S REPORT AND PROP 218 ASSESSMENT BALLOT PROCEEDING MATTERS (cont'd.)

Jerry Reaugh indicated that these numbers are similar to what the Shandon-San Juan Water District decided on, and that their actual adopted operating budget came in well under those numbers (approximately \$20/acre for irrigated acreage for example).

Kari Wagner continued with an explanation that there will be a minimum \$50 levy. She described the engineer's roll which accompanies the report. If the resolution is approved, the Wallace Group will be mailing a package to each landowner including a letter, a notice, a ballot with specifics, and a return envelope. The ballots will be unopened until the close of the hearing, when Kari will be opening the ballots which is open to the public. There will be at least 45 days from when the ballots are mailed and the hearing. Changes to the specifics can be made up to the close of the hearing. Once the hearing is closed, Kari will open and tally the ballots, and provide a formal report to the Board. The ballot passes based on the majority vote, based on ballots submitted. It is a weighted vote based on assessment amount.

There were no further questions or comments.

Dana Merrill called for a motion to adopt the resolution.

MOTION TO ADOPT THE RESOLUTION AS DESCRIBED made by Hilary Graves, seconded by Jerry Reaugh, subject to specifying the hearing date, passed unanimously on a roll call vote:

Hilary Graves – yes
Al Webster – yes
Lee Nesbitt – yes
Jerry Reaugh – yes
Dana Merrill – yes

ITEM 6E: SCHEDULE PROP 218 HEARING

Dana Merrill suggested Monday, February 19 for the hearing.

MOTION TO RESCHEDULE THE NEXT REGULAR BOARD OF DIRECTORS MEETING FROM FEBRUARY 14TH TO FEBRUARY 21ST AT 3:30 PM, made by Jerry Reaugh, seconded by Al Webster, passed unanimously. This meeting will conclude the Prop 218 hearing and the operating budget will also be considered at that time.

Ernest Conant discussed further how the hearing will be conducted. Changes to the preliminary roll will result in the final roll. The hearing will be closed, Kari will count the ballots, inform of the results, and the Board can then consider what assessment to levy for 2018. The Board could then approve the 2018 operating budget and levy assessments accordingly.

Kari Wagner led a discussion on the cover letter for the ballot packages, asking for comments and/or changes. None were proposed beyond inserting the February 21, 2018 date in the appropriate places.

ITEM 7: PUBLIC COMMENT

The public is invited to speak on matters not on the agenda. Each speaker is allotted up to 5 minutes to speak. Jerry Reaugh indicated that public comment during specific agenda items is also encouraged. No public speakers came forward.

ITEM 8: DISCUSSION OF FOLLOW-UP ITEMS FOR FUTURE MEETINGS

Dana Merrill briefly covered the items listed on the agenda for follow up in future meetings:

- a. District Management and Business Operations
- b. Adoption of a Conflict of Interest Code
- c. Consider purchasing Directors and Officers insurance
- d. Consider joining "district" organization in Sacramento

ITEM 9: NEW BUSINESS

Jerry Reaugh opened a discussion of articles in the New Times and the Tribune regarding a potential voters' initiative on prohibiting water banking in the Paso Basin. He felt it would be a good idea to agendize a discussion on it for the next meeting.

Reaugh

Jerry Reaugh reminded the group that on February 6, 2018, the SLO Board of Supervisors will be discussing withdrawing from the the area covered by the EPCWD so that the EPCWD may be the representative GSA. He would like to have the district Board consider encouraging landowners to write letters to the Board of Supervisors, and requests agendizing that topic for the next meeting.

. He also reviewed some of the Brown Act requirements that affect the Board, meetings, and non-agendized topics.

Dana Merrill indicated that the SLO Board of Supervisors needs to hear supportive comments regarding the EPCWD as GSA.

Jerry Reaugh concurred and indicated that there is active opposition to the GSA question.

ITEM 10: SET TIME AND PLACE OF NEXT DISTRICT MEETING

The next meeting was set for January 10, 2018, 3:30 PM, in the Windfall Farms Conference Room, 4710 Flying Paster Lane, Paso Robles.

Jerry Reaugh mentioned that there will be a permanent display case for notice posting outside the entrance gate to Windfall Farms, and covered some of the noticing requirements. The EPCWD website is up and running and has notices and other documents available for download. He also encouraged signing up for email noticing of upcoming meetings and information from the EPCWD.

ITEM 11: ANNOUNCEMENTS

There were no announcements made.

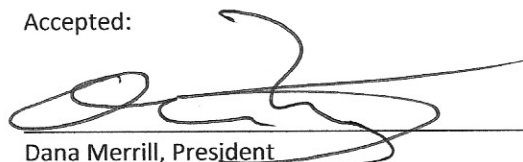
ITEM 12: ADJOURNMENT

MOTION TO ADJOURN made by Al Webster, seconded by Lee Nesbitt, passed unanimously. Meeting adjourned at 4:23PM.

Respectfully submitted,


Jerry Reaugh, Secretary/Treasurer

Accepted:


Dana Merrill, President

1-10-18

Date