

Estrella-El Pomar-Creston Water District (EPCWD)
Regular Meeting Minutes
Wednesday, February 21, 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: Laurie Gage, District Administrator
Ernest Conant, Young Wooldridge (by phone)
Kari Wagner, The Wallace Group

Guests: ~~See attached list~~

ITEM 1: CALL TO ORDER

The meeting was called to order at 3:36PM by Hilary Graves.

ITEM 2: REVIEW AND APPROVE MINUTES OF JANUARY 10, 2018 MEETING

MOTION TO APPROVE MINUTES WITH CORRECTION made by Jerry Reaugh, seconded by Al Webster, passed unanimously.

ITEM 3: OPEN HEARING TO CONDUCT PROP 218 BALLOT PROTEST HEARING

- a. Ernest Conant reviewed the overall process, and noted that the proceedings are being recorded. He summarized the process as follows: (i) Kari Wagner of The Wallace Group will summarize her Engineering Report and the changes reviewed and recommended prior to the hearing; (ii) The public comment portion will be opened. (iii) Kari will accept changes and ballots offered at this time; (iv) Once the hearing is closed, the Board will consider a motion to accept changes recommended by Kari, or brought forth through the hearing, and then the roll will be completed; and (v) Kari will count ballots and return the results to the Board by the end of the meeting. Jerry Reaugh asked what would happen if the ballot count is not complete by the end of the meeting and Ernest Conant indicated that the Board could accept results at the next Board meeting. Jerry Reaugh asked for clarification between the assessment roll and the operating budget and Ernest Conant responded that the Prop 218 vote establishes the maximum rate but does not mean that the Board must assess at the full amount. The Board will adopt an operating budget at a future meeting.
- b. Kari Wagner of The Wallace Group introduced herself as the assessment engineer for the Prop 218 ballot process. She explained that the roll was created in part from an updated database for gross acreage. Irrigated acreage also came from the County. Since the Engineers Report and the roll were accepted by the Board, Kari has processed property change request forms through the morning today and those changes are included in the provided updated roll, which are summarized in a February 20, 2018 memorandum provided to the Board. Any changes that come in with ballots will be provided to the Board to be individually accepted or rejected. Kari will open and verify ballots and at the end of the meeting will provide the results. She verified that the District has met the 45-day hearing process.
- c. Dana Merrill opened the public hearing for any comments and changes to the preliminary roll. There was no public comment.
- d. Ernest Conant asked if there were any ballots to be presented or changes. There were none. Dana Merrill closed the public hearing.
- e. Kari provided a list of the changes (see attached memorandum dated February 20, 2018).

MOTION to accept the roll as amended per memorandum from Kari Wagner dated February 20, 2018 made by Jerry Reaugh, seconded by Hilary Graves, passed unanimously.

ITEM 4: CLOSE HEARING TO CONDUCT PROP 218 BALLOT PROTEST PROCEEDING

ITEM 5: OPEN GENERAL MEETING

Dana Merrill opened the general meeting at 3:51PM

ITEM 6: REVIEW AND ACCEPT OPERATING PROCEDURES

Proposed Operating Procedures were provided in the agenda packet. Dana Merrill summarized the list of procedures. Jerry Reaugh proposed a change to the item regarding check signatures which would indicate that checks written to an individual (or an entity associated with an individual) authorized to sign on the account could not be signed by that individual. Jerry Reaugh explained that the approximately \$11,000 in funds in the checking account were transferred from the Estrella-El Pomar-Creston Formation Committee as a donation.

MOTION to accept the amended Operating Procedures by Al Webster, seconded by Lee Nesbitt, passed unanimously.

ITEM 7: DISCUSSION AND CONSIDERATION OF DESIGNATION OF VOTING DELEGATE TO THE SAN LUIS OBISPO CHAPTER OF THE CSDA MEETING ON FEBRUARY 23, 2018, AND FOR THE NOMINATION OF A DIRECTOR FOR THE LAFCO SPECIAL DISTRICT SEAT SELECTION PROCESS

Dana Merrill discussed the CSDA (California Special District Association). Dana Merrill thinks it might be premature to join. A general discussion ensued.

Laurie Gage, District Administrator, explained that the SLO Chapter of the CSDA serves as the selection committee for the LAFCO special director seat and the EPCWD can appoint a voting delegate to serve as part of the selection committee. Al Webster offered to serve as the voting delegate.

MOTION to approve Al Webster as voting delegate to the SLO chapter of the CSDA nominating committee made by Jerry Reaugh, seconded by Hilary Graves, passed unanimously.

Jerry Reaugh offered that it seemed premature to nominate a candidate for the LAFCO special director alternate seat, and consensus agreed.

ITEM 8: DISCUSS AUTHORIZATION OF LETTER FROM THE EPCWD TO THE SLO COUNTY BOARD OF SUPERVISORS REQUESTING MEMBERSHIP IN THE COUNTY WATER RESOURCES ADVISORY COMMITTEE (WRAC).

Jerry Reaugh suggested deferring the issue to a later meeting. Maria Kelly pointed out that the approval by the Board of Supervisors is a consent item, and suggested that it would be a good idea to continue to move the process forward.

MOTION to send formal letter to the Board of Supervisors to request participation by EPCWD on the WRAC made by Al Webster, seconded by Hilary Graves, passed unanimously.

ITEM 9: REVIEW AND APPROVE AUTHORIZATION OFFERING PRE-PAYMENT OF/DEPOSIT ON FUTURE ASSESSMENTS

Dana Merrill explained that there is a need for funds prior to the assessments being made and that accepting prepayment of assessments in advance of formal assessment billing needs to be authorized. Jerry Reaugh offered that the operating budget is being developed, and operating funds are needed now. Authorizing pre-payment would allow the District to contact members to offer pre-payment. Jerry Reaugh believes that the assessments will be less than the maximum assessment authorized by the Prop 218 ballot process. Hilary Graves expressed concern as if the Board of Supervisors does not relinquish authority over the service area and EPCWD does not become the GSA, it may have to dissolve, and accepting prepayment of assessments may be premature. Dana Merrill explained that there is a year before that could potentially come into effect, and that there are costs that must be paid.

Perhaps a pro-rata assessment in the event that GSA status is denied, with a refund once all bills are paid.

MOTION to authorize pre-payment of future assessments made by Al Webster, seconded by Lee Nesbitt, passed unanimously.

ITEM 10: DISCUSSION OF PROPOSAL FROM HUB INTERNATIONAL INSURANCE SERVICES, INC. FOR DIRECTOR AND OFFICERS, AND COMMERCIAL LIABILITY INSURANCE COVERAGE

Dana Merrill described the package of insurance coverage including general liability and directors and officers coverage at a cost of \$7,299.24. Hilary Graves asked how the coverage would be used. Dana Merrill and Jerry Reaugh explained it covers errors made by the directors and officers, offering some examples.

MOTION to purchase general liability and directors and officers coverage from HUB International Insurance Services, Inc. made by Jerry Reaugh, seconded by Al Webster, passed unanimously.

ITEM 11: UPDATE ITEM; MEETING WITH DWR REPRESENTATIVES ON JANUARY 24, 2018

Hilary Graves and Dana Merrill attended a meeting with Department of Water Resources officials. The officials expressed appreciation of being kept updated and informed of our progress, and they appreciated the map of our service area. The officials are aware of the concern over the EPCWD serving as GSA with 30% basin representation. Al Webster asked if the DWR would provide a letter in support of our becoming the GSA for our service area and Hilary Graves explained that the DWR explained that the first agency to apply for GSA status is the one DWR recognizes until changed.

ITEM 12: CONSIDER AND APPROVE RESOLUTION CONFIRMING RESULTS FROM PROP 218 BALLOT PROTEST PROCEEDING AS TALLIED AND PRESENTED BY KARI WAGNER

Item deferred to end of the meeting.

ITEM 13: PUBLIC COMMENT

Randy Diffenbaugh encouraged more outreach for support letters for the March 6 Board of Supervisors meeting. He indicated that the opposition is well organized and we need to show support by showing up at the meeting. Jerry Reaugh suggested another letter campaign.

Jerry Reaugh discussed the Cooperative Committee meeting and the topics the opposition brought up during that meeting which resulted in the Committee postponing the decision to hire the selected candidate (Hydrometrics) to write the GSP. A general discussion of the nature of the opposition ensued.

ITEM 14: DISCUSSION OF FOLLOW-UP ITEMS FOR FUTURE MEETING

- a. Adoption of a Conflict of Interest Code within 6 months, with Forms 700 submitted by Directors in the meantime.
- b. Consider joining "district" organization in Sacramento.

NO ACTION TAKEN

ITEM 15: NEW BUSINESS

Jerry Reaugh suggested that, pending the results of the March 6 Board of Supervisors meeting, the Board consider ways to move forward. He indicated the need for a preliminary budget which could be adjusted later.

Jerry Reaugh asked to agendize a letter that has been received from a member regarding forming a new water district.

ITEM 16: SCHEDULE NEXT MEETING

MOTION to set the date and time for the next regular Board meeting for March 14, 2018 at 3:30PM made by Jerry Reaugh, seconded by Hilary Graves, passed unanimously.

ITEM 17: ANNOUNCEMENTS

Hilary Graves attended a recent Creston Advisory Body meeting where she offered to be the point of contact for the EPCWD.

ITEM 12: CONSIDER AND APPROVE RESOLUTION CONFIRMING RESULTS FROM PROP 218 BALLOT PROTEST PROCEEDING AS TALLIED AND PRESENTED BY KARI WAGNER

Kari Wager reported the results of the protest ballots, indicating that these were preliminary results yet to be verified. She indicted overwhelming approval. She then presented a list of individual issues and changes received

during the ballot process, and if accepted by the Board, will be indicated in the updated roll. The totals were as follows:

Total \$585,407.58 available in votes

Yes votes: \$371,988.48

No votes: \$ 7,553.97

MOTION to accept the results of the Prop 218 ballot protest proceeding if there are no significant changes made by Jerry Reaugh, seconded by Al Webster, passed unanimously.

Kari indicated that any changes will be memoed. Levy of assessment was deferred to a future meeting.

ITEM 18: ADJOURNMENT

MOTION to adjourn made by Al Webster, seconded by Lee Nesbitt, passed unanimously. Meeting adjourned at 5:17PM

Respectfully submitted,



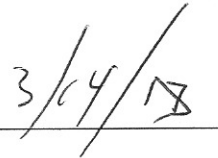
Jerry Reaugh, Secretary/Treasurer

Accepted:



Dana Merrill, President

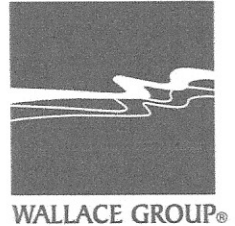
Date



3/14/18

MEMORANDUM

Estrella, El Pomar, Creston Water District



Date: February 20, 2018

To: EPC Water District Board

From: Kari Wagner, PE

Subject: Corrections to the Engineer's Report and Roll

The Board for the Estrella, El Pomar, Creston Water District approved the Engineer's Report on January 10, 2018. The ballots for the Proposition 218 hearing were mailed out on January 12, 2018. The ballots included updates to each property owners overall parcel based on the County Assessor Records received on December 11, 2017. Since the mailing of the ballots, the following corrections have been made to the Assessment Roll:

CIVIL AND
TRANSPORTATION
ENGINEERING

CONSTRUCTION
MANAGEMENT

LANDSCAPE
ARCHITECTURE

MECHANICAL
ENGINEERING

PLANNING

PUBLIC WORKS
ADMINISTRATION

SURVEYING /
GIS SOLUTIONS

WATER RESOURCES

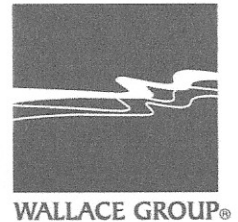
Assessment & APN Number	Property Owner	Change Requested	Current Information	New Information
#109 043 171 018	Ohana Vineyards	Update Irrigated Land	Irrigated: 0 acres	Irrigated: 10 acres
			Non-Irrigated: 10 acres	Non-Irrigated: 0 acres
#159 015 014 001	Sunshine Agriculture Incorporated	Updated Irrigated Land	Irrigated: 0 acres	Irrigated: 82.3 acres
			Non-Irrigated: 137.33 acres	Non-Irrigated: 55.03 acres
#159 015 014 002	Sunshine Agriculture Incorporated	Updated Irrigated Land	Irrigated: 125 acres	Irrigated: 124.00 acres
			Non-Irrigated: 24.62 acres	Non-Irrigated: 25.62 acres
#159 015 014 003	Sunshine Agriculture Incorporated	Updated Irrigated Land	Irrigated: 0 acres	Irrigated: 26.30 acres
			Non-Irrigated: 40.71 acres	Non-Irrigated: 14.41 acres
#159 015 014 004	Sunshine Agriculture Incorporated	Updated Irrigated Land	Irrigated: 0 acres	Irrigated: 66.5 acres
			Non-Irrigated: 66.5 acres	Non-Irrigated: 11.40 acres

WALLACE GROUP
A California Corporation

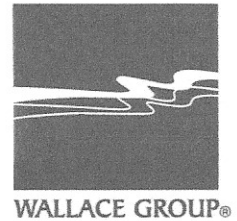
612 CLARION CT
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T 805 544-4011
F 805 544-4294

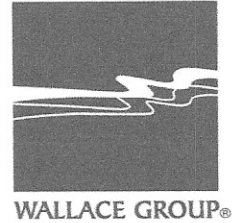
www.wallacegroup.us



Assessment & APN Number	Property Owner	Change Requested	Current Information	New Information
#159 015 014 007	Sunshine Agriculture Incorporated	Updated Irrigated Land	Irrigated: 3 acres	Irrigated: 4.3 acres
			Non-Irrigated: 12.43 acres	Non-Irrigated: 11.13 acres
#159 015 014 008	Sunshine Agriculture Incorporated	Updated Irrigated Land	Irrigated: 13 acres	Irrigated: 49.80 acres
			Non-Irrigated: 50.89 acres	Non-Irrigated: 14.09 acres
#133 043 273 009	Romelflanger Michael V Tre Etal	Updated Irrigated Land	Irrigated: 32.95 acres	Irrigated: 19.00 acres
			Non-Irrigated: 67.05 acres	Non-Irrigated: 81.00 acres
#111 019 282 005	Palla ALgred Jr & Janette	Updated Irrigated Land	Irrigated: 0.00 acres	Irrigated: 0.00 acres
			Non-Irrigated: 199.20 acres	Non-Irrigated: 200.10 acres
#044 033 221 003	Estate Vineyards LLC	Updated Irrigated Land	Irrigated: 221.65 acres	Irrigated: 212.83 acres
			Non-Irrigated: 41.11 acres	Non-Irrigated: 49.93 acres
#044 033 291 020	Estate Vineyards LLC	Updated Irrigated Land	Irrigated: 64.63 acres	Irrigated: 63.62 acres
			Non-Irrigated: 8.04 acres	Non-Irrigated: 9.05 acres
#044 033 181 006	Estate Vineyards LLC	Updated Irrigated Land	Irrigated: 11.44 acres	Irrigated: 10.89 acres
			Non-Irrigated: 1.43 acres	Non-Irrigated: 1.98 acres
#044 033 181 018	Estate Vineyards LLC	Updated Irrigated Land	Irrigated: 137.17 acres	Irrigated: 133.10 acres
			Non-Irrigated: 40.78 acres	Non-Irrigated: 44.85 acres
#044 033 221 001	Estate Vineyards LLC	Updated Irrigated Land	Irrigated: 202.94 acres	Irrigated: 207.90 acres
			Non-Irrigated: 15.69 acres	Non-Irrigated: 10.73 acres



Assessment & APN Number	Property Owner	Change Requested	Current Information	New Information
#181 035 361 003	Windfall Investors LLC A CA LLC	Updated Irrigated Land	Irrigated: 366.05 acres	Irrigated: 346.05 acres
			Non-Irrigated: 431.95 acres	Non-Irrigated: 333.95 acres
#094 033 201 017	Mandava Family Vineyards	Correction to Property Outside Bulletin 118	Irrigated: 37.42 acres	Irrigated: 36.40 acres
			Non-Irrigated: 18.44 acres	Non-Irrigated: 0.00 acres
			Outside Bulletin 118: 24.70	Outside Bulletin 118: 44.16
#050 033 241 015	Fralich Harry E Tre Etal	Correction to Property Outside Bulletin 118	Irrigated: 1.00 acres	Irrigated: 0.00 acres
			Non-Irrigated: 0.00 acres	Non-Irrigated: 0.00 acres
			Outside Bulletin 118: 18.70	Outside Bulletin 118: 19.70
#115 026 104 045	Pehl John P Tre	Updated Irrigated Land	Irrigated: 8.02 acres	Irrigated: 21.00 acres
			Non-Irrigated: 24.41 acres	Non-Irrigated: 11.43 acres
#115 026 104 044	Pehl John P Tre	Updated Irrigated Land	Irrigated: 0.86 acres	Irrigated: 9.15 acres
			Non-Irrigated: 29.29 acres	Non-Irrigated: 21.00 acres
#038 026-141-049	Diffenbaugh Randall L & Julie L	Updated Irrigated Land	Irrigated: 0.00 acres	Irrigated: 8.00 acres
			Non-Irrigated: 15.55 acres	Non-Irrigated: 7.55 acres
#038 026-141-050	Diffenbaugh Randall L & Julie L	Updated Irrigated Land	Irrigated: 0.00 acres	Irrigated: 8.50 acres
			Non-Irrigated: 15.59 acres	Non-Irrigated: 7.09 acres
#038 026-151-004	Diffenbaugh Randall L & Julie L	Updated Irrigated Land	Irrigated: 0.00 acres	Irrigated: 37.00 acres
			Non-Irrigated: 12.50 acres	Non-Irrigated: 24.50 acres
#038 026-141-050	Diffenbaugh Randall L & Julie L	Updated Irrigated Land	Irrigated: 0.00 acres	Irrigated: 79.00 acres
			Non-Irrigated: 96.00 acres	Non-Irrigated: 17.00 acres



With the requested changes identified, Table 2 and Table 3 are modified as follows:

Table 2-Assessment Class and Total Benefit Units

Assessment Class	Total Acreage or Units (rounded)		Water Use Factor AFY	Benefit Units (rounded)
Irrigated Agriculture	16,310	Acres	3.50	57,085
Non-irrigated Agriculture	20,665	Acres	0.06	1,240
Residential and Commercial Operations	209	Each	0.75	157
Non-Overlying	195	Acres	0	0
Total Benefit Units				58,482

Table 3-Total Maximum Assessments

Assessment Class	Total Units (Estimated)		Maximum Asmt per Unit (\$)	Total Assessment (\$)
Irrigated Agriculture	16,310	Acres	35.00	570,850
Non-Irrigated Agriculture	20,665	Acres	0.59	12,190
Residential and Commercial Operations	209	Each	7.50	1,570
Maximum Assessment Potentially Collected (*approximately \$800 more revenue can be added for minimum charges of \$50/ownership)				\$ 584,610 *