



# Agenda

## San Miguel Community Services District

### BOARD OF DIRECTORS

Anthony Kalvans, President

John Green, Director

Gib Buckman, Director

Larry Reuck, Vice President

Joseph Parent, Director

**THURSDAY MARCH 30, 2017 6:00 P.M.**

### SPECIAL AND REGULAR MEETING AGENDA

**SMCSD Boardroom**

**1150 Mission St.**

**San Miguel, CA 93451**

**Cell Phones:** As a courtesy to others, please silence your cell phone or pager during the meeting and engage in conversations outside the Boardroom.

**Americans with Disabilities Act:** If you need special assistance to participate in this meeting, please contact the CSD Clerk at (805) 467-3388. Notification 48 hours in advance will enable the CSD to make reasonable arrangements to ensure accessibility to this meeting. Assisted listening devices are available for the hearing impaired.

**Public Comment:** Please complete a "Request to Speak" form located at the podium in the boardroom in order to address the Board of Directors on any agenda item. Comments are limited to three minutes, unless you have registered your organization with CSD Clerk prior to the meeting. If you wish to speak on an item not on the agenda, you may do so under "Oral Communications." Any member of the public may address the Board of Directors on items on the Consent Calendar. Please complete a "Request to Speak" form as noted above and mark which item number you wish to address.

**Meeting Schedule:** Regular Board of Director meetings are generally held in the SMCSD Boardroom on the fourth Thursday of each month at 7:00 P.M. Agendas are also posted at: [www.sanmiguelcsd.org](http://www.sanmiguelcsd.org)

**Agendas:** Agenda packets are available for the public inspection 72 hours prior to the scheduled meeting at the Counter/ San Miguel CSD office located at 1150 Mission St., San Miguel, during normal business hours. Any agenda-related writings or documents provided to a majority of the Board of Directors after distribution of the agenda packet are available for public inspection at the same time at the counter/ San Miguel CSD office at 1150 Mission St., San Miguel, during normal business hours.

- I. Call to Order: 6:00 PM**
- II. Pledge of Allegiance:**
- III. Roll Call:**
- IV. Adoption of Special and Regular Meeting Agenda**

**V. Public Comment and Communications (for items not on the agenda):**

Persons wishing to speak on a matter not on the agenda may be heard now; however, no action will be taken until placed on a future agenda. Speakers are limited to three minutes. Please complete a "Request to Speak" form and place in basket provided.

**VI. ADJOURN TO CLOSED SESSION:**

**A. CLOSED SESSION AGENDA:**

**1. CONFERENCE WITH DISTRICT GENERAL COUNSEL**

Existing Litigation

Pursuant to Government Code 54956.9 paragraph (1) (d)

Title: San Luis Obispo County Employees' Association vs. San Miguel Community Services District, Case No. LA-CE-1073-M

**2. CONFERENCE WITH LABOR AGREEMENT NEGOTIATORS**

Pursuant to Government Code Section 54957.6

Agency Representatives: General Manager and District General Counsel

Employee Organization: San Luis Obispo County Employees Association

Title: Memorandum of Understanding Negotiations with Association

**B. RECONVENE TO OPEN SESSION**

**C. REPORT OUT OF CLOSED SESSION**

**3. Report out of Closed Session by District General Counsel**

**VII. Call to Order for Regular Board Meeting (approximately 7:00 pm)**

**VIII. Public Comment and Communications: (Items Not on Agenda):**

Persons wishing to speak on a matter not on the agenda may be heard now. Speakers are limited to three minutes. Please complete a "Request to Speak" form and place in basket provided. Speakers who want to speak on an agenda item listed below should complete a "Request to Speak" form and place in basket provided.

**IX. Staff & Committee Reports – Receive & File:**

**Non-District Reports:**

- |  |           |
|--|-----------|
| 1. San Luis Obispo County Sheriff                      | No Report |
| 2. San Luis Obispo County Board of Supervisors         | No Report |
| 3. San Luis Obispo County Planning and/or Public Works | No Report |
| 4. San Miguel Area Advisory Council                    | No Report |
| 5. Camp Roberts—Army National Guard                    | No Report |

**District Staff & Committee Reports:**

- |                                   |                  |                 |
|-----------------------------------|------------------|-----------------|
| 6. General Manager                | (Mr. Gentry)     | Verbal          |
| 7. District General Counsel       | (Attorney White) | Verbal          |
| 8. Dist Engr/Utility Services Mgr | (Mr. Reely)      | Report Attached |
| 9. Fire Chief                     | (Chief Roberson) | Report Attached |

- |     |  |                 |
|-----|--|-----------------|
| 10. | Finance/Budget Committee (Chair Reuck)         | Report Attached |
| 11. | Organization/Personnel Committee (Chair Green) | Report Attached |
| 12. | Equipment & Facilities Comm. (Chair Parent)    | Report by Chair |
| 13. | GSA Advisory Committee (Chair-vacant)          | Meeting TBD     |

**X. CONSENT ITEMS:**

The items listed below are scheduled for consideration as a group and one vote. Any Director or a member of the public may request an item be withdrawn from the Consent Agenda to discuss or to change the recommended course of action. Unless an item is pulled for separate consideration by the Board, the following items are recommended for approval without further discussion.

- 14. Approval of Board Meeting Minutes:**
- 14 a Special and Regular Board Meeting Minutes for January 23, 2017**
  - 14 b Special Board Meeting Minutes for January 26, 2017**
  - 14 c Special and Regular Board Meeting Minutes for February 9, 2017**
  - 14 d Regular Board Meeting Minutes for February 23, 2017**
  - 14 e Special Board Meeting Minutes for March 16, 2017**

**XI. BOARD ACTION ITEMS:**

- 15. Review and Discuss Resolution No 2017-06 authorizing and approving a compensation adjustment/merit step increase for 1 eligible employee**

**Staff Recommendation:** Review a recommendation to Board for authorization to authorize the requested compensation/merit step increase for 1 eligible employee.

**Public Comments:** (Hear public comments prior to Board Action)

M \_\_\_\_\_ S \_\_\_\_\_ V \_\_\_\_\_

- 16. Letter of Opposition to Estrella-El Pomar-Creston Water District Formation**

**Staff Recommendation:** Review and Discuss a letter of opposition to Estrella-El Pomar-Creston Water District Formation.

**Public Comments:** (Hear public comments prior to Board Action)

M \_\_\_\_\_ S \_\_\_\_\_ V \_\_\_\_\_

**XII. BOARD COMMENT:**

This section is intended as an opportunity for Board members to make brief announcements, request information from staff, request future agenda item(s) and/or report on their own activities related to District business. No action is to be taken until an item is placed on a future agenda.

**XIII. ADJOURNMENT**

**Time:** \_\_\_\_\_

**ATTEST:**

STATE OF CALIFORNIA            )  
COUNTY OF SAN LUIS OBISPO   ) ss.  
COMMUNITY OF SAN MIGUEL    )

**I, Tamara Parent, Account Clerk/Operations Coordinator of San Miguel Community Services District, hereby certify that I caused the posting of this agenda at the SMCSO office on March 24, 2017.**

**Date: March 24, 2017**

*Tamara Parent*

**Tamara Parent, Account Clerk II/Operations Coordinator**

**Next Scheduled Regular Board Meeting is April 27, 2017.**



## MONSOON CONSULTANTS

P.O. Box 151 San Luis Obispo, CA 93406  
(805) 476-6168 [www.monsoonconsultants.com](http://www.monsoonconsultants.com)

### **SAN MIGUEL COMMUNITY SERVICES DISTRICT**

Darrell Gentry, General Manager  
Post Office Box 180  
San Miguel, CA 93451  
(805) 467-3300

### **BOARD OF DIRECTORS**

John Green, President  
Larry Reuck, Vice President  
Anthony Kalvans  
Gib Buckman  
Travis Dawes

### **Re: DISTRICT ENGINEER / UTILITY SERVICES MANAGER REPORT - MARCH 2017**

Gentlemen:

The following is a summary of the activities performed and the status of relevant issues which pertain to the duties and responsibilities of this position:

#### **OVERVIEW**

The District produced approximately 4.7 MGAL (6278 CCF) of water during the month of February 2017. No major failures or unexpected major expenditures were encountered within the water, wastewater, or street lighting systems during the month. In addition to routine operations and maintenance duties, our utility staff worked to install approximately 500-LF of new 8" PVC water main in "K" Street, in conjunction with the municipal park improvement construction project. The DE and Utility Supervisor interviewed five (5) candidates for the vacant positions of Utility Worker and Operator. Based on the results of the interviews the candidates were ranked and forwarded to the GM with recommendations for employment. The top two candidates were offered positions with the District and both candidates declined, indicating that the offered compensation was inadequate to meet their current needs and expectations. Subsequently, an offer of employment was made to the next ranked candidate, who has accepted an employment offer for the Utility Worker position.

#### **MEETING PARTICIPATION**

A brief summary of relevant issues that were discussed during meetings attended by the DE and Utility Supervisor during the previous month are summarized below. (Note that routine meetings with SMCS staff are not included):

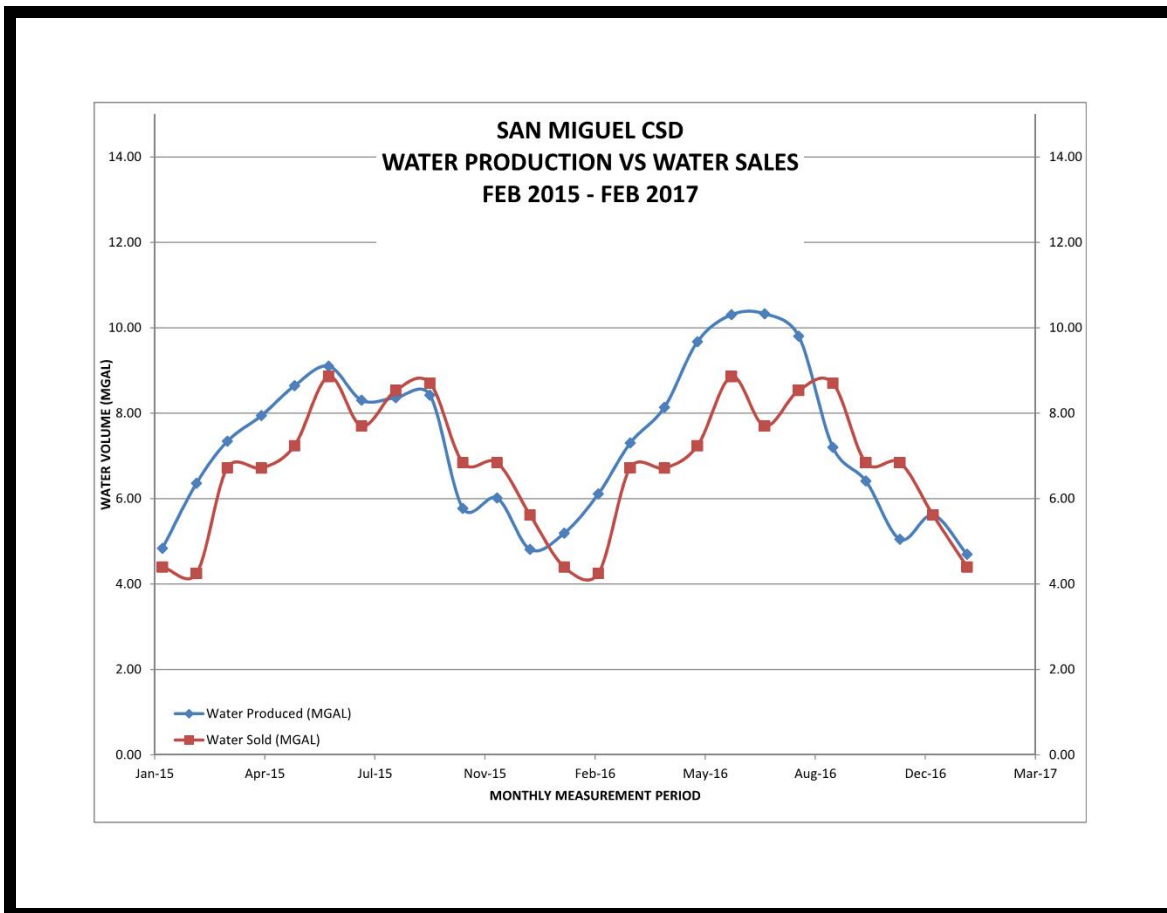
1. March 22, 2017: The GM, DE and Utility Supervisor attended a meeting with Jordan Garbayo and Jon Griesser from the SLO County Energy Programs to discuss a project to upgrade of the current aerators in the Primary Treatment

**CIVIL ENGINEERING / HYDROLOGY**

Ponds at the WWTP. The project is needed to meet the requirements of our operating permit as well to reduce energy costs at the WWTP. By upgrading to a fine bubble aeration / blower system, it will be possible to reduce our aeration horse power by approximately 40%. This upgrade will also help maintain the required level Dissolved Oxygen (DO) in the ponds, DO is a requirement of our permit and helps facilitate the breakdown of solids in the ponds. The SLO County staff indicated that under their program, the District could receive the design, engineering and bidding documents at no cost. In addition, the project equipment and installation costs could be financed at 0% through a PG&E program, with debt repayment to be made from energy cost saving over a multi-year period. The County staff indicated that they would provide additional information regarding this assistance / funding opportunity and have offered to make a presentation to the Finance & Budget and the Equipment & Facilities Committees. This project is included in the FY 2017-2018 CIP.

### **60-DAY WATER PRODUCTION SURVEY**

The following graph depict the water production and sales for the proceeding 2-months.



### **CAPITAL IMPROVEMENT PROGRAM**

The following is a summary of the principal activities that were related to the Capital Improvements Program during the previous month:

1. Capital Improvement Projects / Outlays Program for FY 2017-18 & 2018-19: The DE and Utility Supervisor continued to refine and revise the proposed capital improvement projects outlays for the water, wastewater and street lighting departments. The Utility Supervisor performed supplemental research and compiled documentation, manufacturer's data sheets, and cost data in support of the proposed CIP.
2. San Lawrence Terrace Arsenic Blending Pipeline & Tank Improvements: The DE and the Utilities Supervisor have reviewed and the initial plan set which was submitted by the Wallace Group. This plan set is considered approximately 60% complete. A list of comments, questions and request for clarifications has been prepared and will be provided to the Wallace Group for their review. The DE will meet with the Wallace Group project manager to discuss the project on March 27, 2017.
3. San Miguel Park / "L" Street Improvements: The County's contractor (G Sosa Construction), is mobilized and has made substantial progress, given the recent weather conditions. The widening of "L" Street is approximately 50% complete and the "K" Street pavement has been removed. Utility staff has initiated the replacement of approximately 500-LF of existing 6" C.I. water main replacement within "K" Street in the area of the park. This waterline replacement work is expected to be completed in early April. The fire hydrant relocation on "L" Street may still be required, pending the results of a survey.
4. Waterline Replacement on 11th Street & UPRR and 10th Street & Mission: A CDBG application was submitted in October, to request funding for the water main upgrade, crossing beneath UPRR at 11th Street. This has become a critical project based on recent observations and required repairs on this water main. This project is included in the FY 2017-2018 CIP.

## **DEVELOPMENT**

The following is a summary of private development projects that are either in-progress or planned that staff is currently reviewing or inspecting during Construction:

- a) Butterfield Downtown Mixed Use: Butterfield submitted plans for a mixed use project on Mission Street. Staff conducted preliminary review of the plans, and met with Mr. Butterfield to discuss the project. Final plan check comments were issued in November 2009, and District Staff/District Engineer and Fire Chief signed and approved the plans at that time. Recent discussions with the Developer indicate the possibility that early phases of the Project may be moving forward in the near future. A meeting with the developer and his engineer has been tentatively set for March 28, 2017.
- b) People's Self Help (Tract 2527, formerly Mission Garden Estates): Plans for this 60 Lot residential development project have been approved and a preconstruction meeting was held 12/6/16. The contractor has initiated the clearing, grubbing and earthworks phase of the project, although progress has been delayed (and temporarily suspended) due to recent weather conditions.
- c) Nino (formerly Ritter): This 60-Lot residential development project, Tract 2637, is complete with all phases of infrastructure improvements. All phases of infrastructure have been installed and inspected. Phase 2-3 home construction is underway, and fees have been paid for most of phase 2. Phase 2 and 3 home construction is under way.

- d) People's Self Help (Tract 2710). This is a 24 Lot residential subdivision. Construction of water and sewer lines have been completed, tested and passed inspection. Homes are now under construction and they will be building in groups of 8 at once. The District is providing lateral inspections as needed.
- e) Hasting Family Trust, Tract 2647. This is a 12 Lot residential subdivision. All infrastructure improvements have been completed and individual lots are in progress of being sold. The tract map is satisfied and recorded.
- f) 972 K Street/Commercial (Dollar General Store). A Preliminary will serve was issued and the District has reviewed and approved plans. The property closed escrow February 2017. The contractor has mobilized on-site and clearing, grubbing & earthworks phase of the project is underway. Construction progress has been delayed / suspended due to weather conditions.
- g) Tract 2779 (Fortune Co. - 34 lots) – The original developer has submitted revised plans to the county for review. The ownership of the project as recently changed and Nino is now the developer. A meeting with District staff has been requested by the new developer to discuss moving the project forward. We anticipate the meeting to occur in late March or early April, 2017.
- h) 968 "L" Street – 4-unit development – a preliminary will serve was issued and the District is waiting on complete plans. Project is stalled due to issues at the County.

### **GROUNDWATER SUSTAINABILITY AGENCY**

The District's application to form a Groundwater Sustainability Agency (GSA) is under review by the DWR. Pending approval of our GSA formation, we will initiate the process of developing a Groundwater Sustainability Plan (GSP). We have made contact with DWR regarding their Sustainability Groundwater Planning Grant Program which offers GSA's grant funding to assist with the GSP development. We have been informed that the DWR anticipates releasing a Draft Proposal Solicitation Package for the Prop 1 SGWP Grant Program in the Spring 2017 which will provide additional information on eligibility.

### **STAFFING / RECRUITING**

Given our recent experience trying to fill our Operator and Utility Worker vacancies, the DE is in the process of performing an analysis of comparative salaries for these positions within the Central Coastal region of California. We have contacted several small CSD and municipal agencies within the region and have requested current pay scales for similar positions within their districts / agencies. When the research is complete, the DE will prepare a summary report, including recommendations, to the GM for his review.

### **OPERATIONAL & MAINTENANCE ISSUES**

#### **Well Status:**

MCL = maximum contaminate level ----- ppb = parts per billion ----- ppm = parts per million

- SLT well Arsenic levels are: 10 ppb; MCL is 10 ppb Sampled 2/27/17
- SLT well Nitrate levels are: 3.2 ppb; MCL is 45 ppb Sampled 7/18/16
- Arsenic levels on Oak Drive are: 8 ppb; MCL is 10 ppb Sampled 2/27/17
- Well 3 and 4 are both in operation.



- Well 4 water static level: 66.2 Pumping level 97.2 (3/17)
- SLT Water static level 171.4' 11/16

**State Water Resources Control Board (SWRCB):**

- Effective 1/17/17 the state is requiring that all water districts sample for lead and copper at any K-12 schools that they supply water to, upon request of those schools. The testing is to consist of 5 samples throughout the school, including any subsequent confirmation test. This testing is to be at the expense of the water district but funding is available to help schools upgrade or replace plumbing to comply with drinking water standards.

**Water System Status:**

- Water leaks this month:0      This year: 0      Total last year: 6  
 Water related calls through the alarm company after hours this month: 2    this Year: 4
- SLT Well is being run to system, blending in the Terrace Tank. Current trending is shown in chart attached.

**Sewer System Status:**

- Sewer overflows this month: 0      this year: 0  
 Sewer related calls through the alarm company this month:4      this Year: 14

**WWTP Status:**

- We will begin pumping sludge again at the end of the month.

**Lighting Status:**

- Nothing to update

**SCADA:**

- Installation of the system has been completed per contract and the system is now operating as designed, we are receiving all the alarms and are able to make adjustments remotely via a tablet. Corrections have been made to correct issues that were discovered during the initial installation and replacement of the backup float system at the Wastewater Treatment Plant that was discovered to be faulty is currently scheduled for mid-January. We still have to address an oversight in the reporting ability of the SCADA system, but we are working with TESCO to determine the most efficient and cost effective way to move forward and to receive the necessary reports. An item was originally scheduled for E&F for 1/12/17 to discuss SCADA but was rescheduled by the GM.
- Through this implementation of SCADA we have made several adjustments to our pumping schedule to reduce energy cost by pumping in off peak periods, and by running wells longer to reduce startups.
- Through increase time in operation the SCADA system will allow operations to become more efficient as we get more data to show what the system is actually doing on a continual basis.
- Recently we have had a couple of SCADA communication failures, TESCO determined that they needed to update the firmware on the PLCs which was completed at the beginning of the month.

**Miscellaneous:**

- District utility staff continuing raising valves and manholes around town

- Caltrans in San Miguel: Caltrans is underway on improvements to the HWY 101 corridor, for what will be a 2-year project. We have received notice of road closures; notices are available in the office.

I would like to take this opportunity to thank each of you and District staff that will review the information contained in this report. If there are any questions or you wish to discuss, please do not hesitate to contact me.

Respectfully Submitted,

**MONSOON CONSULTANTS**

*Blaine T. Reely*

Blaine T. Reely, Ph.D., P.E.  
President, Monsoon Consultants

March 22, 2017

Date



## San Miguel Community Services District Board of Directors Meeting

### Staff Report

March 30, 2017

AGENDA ITEM: IX 9

**SUBJECT: Fire Chief Report for February 2017**

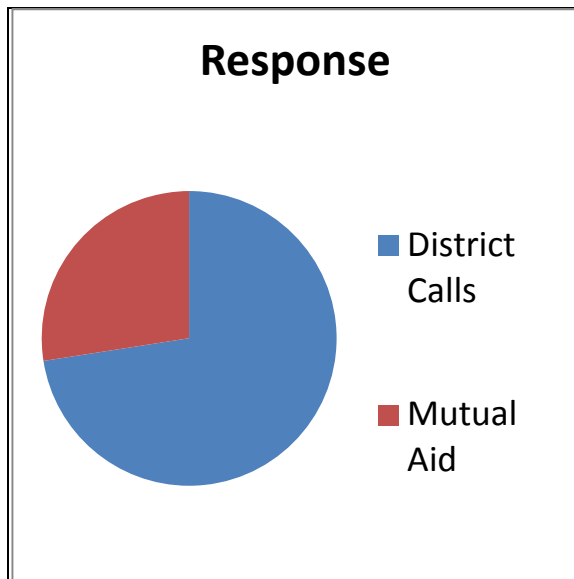
**STAFF RECOMMENDATION:** Receive and File Monthly Reports for the Fire Department

**INCIDENT RESPONSE:**

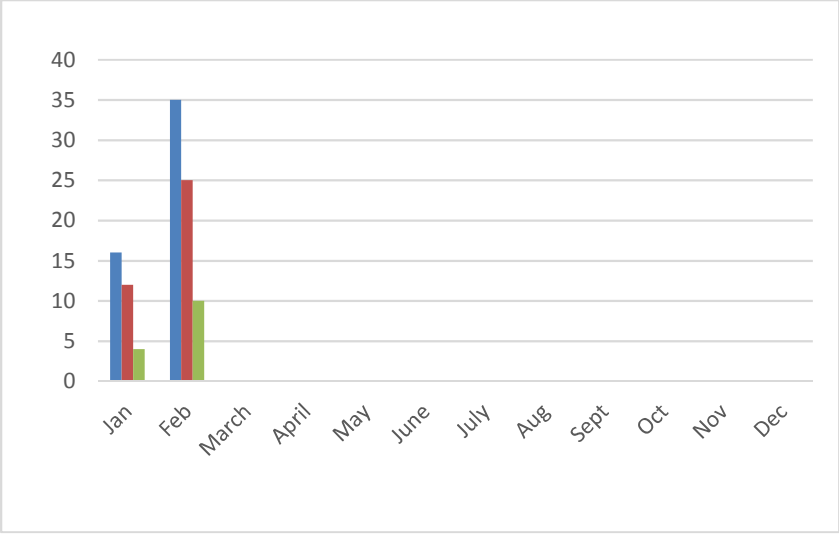
- Total Incidents for February 2017     **35**
- Average Calls per Month in 2017     **25.4**
- Total calls for the year to date       **51**

Emergency Response Man Hours in January = <b>97</b>	2016 total	127
Stand-By Man Hours for January = 35		<u>69</u>
	<b>Total hr.</b>	<b>196</b>

Emergency Response Man Hours = <b>2.7 hr.</b> Per call for February	<b>2.4 hr.</b> Per call for the year
Stand-By Average per Call = <b>1.4 hr.</b> Per call for, February	<b>1.8 hr.</b> Per call for the year

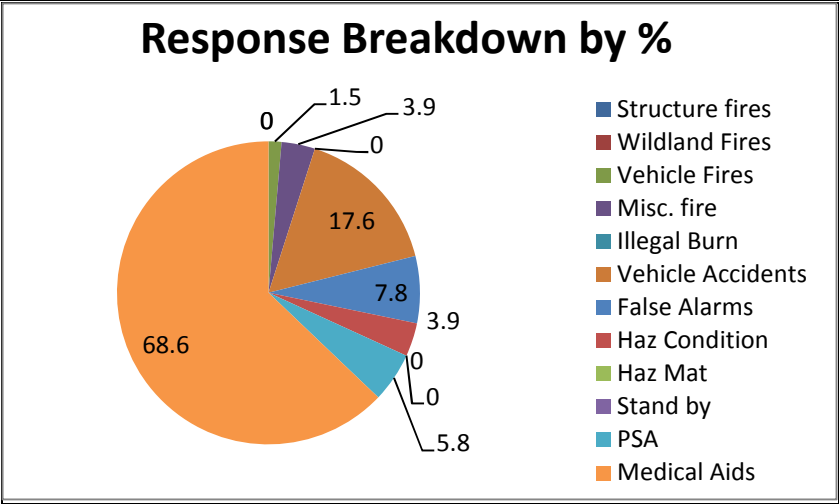


	February	YTD
District calls	25 = <b>71.4%</b>	37 = <b>72.5%</b>
Mutual aid calls	10 = <b>28.6%</b>	14 = <b>27.5%</b>
Assist Camp Roberts	<b>1</b>	<b>2</b>



For 51 calls for 2 Months in 2017

District Calls	72.5%
Mutual Aid	27.5%
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	
Structure fires	0%
Wildland Fires	0%
Vehicle Fires	1.5%
Misc. fire	3.9%
Illegal Burn	0%
Vehicle Accidents	17.6%
False Alarms	7.8%
Haz Condition	3.9%
Haz Mat	0%
Stand by	0%
PSA	5.8%
Medical Aids	68.6%



**Personnel:**

1 Chief Hours: 82 hours and 16 days of 24-hour coverage.  
 1 Asst. Chief: 30 hours and 14 days of 24-hour coverage.

We currently have 17 active members.

- 3 Fire Captains
- 2 Engineers
- 12 Firefighters

3 drills 17 members, 51/102 attendance 50% Drill Attendance  
 Year average attendance 8.5 members per drill

51 calls, 17 members, 196/867 responders, 22.6% Response Attendance, with three missed calls  
 February 35 calls, 17 members 132/595 responders, 22.1% average 2017 annual response. 3.8

## Equipment:

- All equipment is in service.
  1. (TIC) Thermal Imaging Camera have been purchased.

## Activities:

### February

<u>Date</u>	<u>Subject Matter</u>
-------------	-----------------------

7	Annual Physical Agility
14	Pump Operations
21	SCBA / Air Aware / Fit Test
28	Association Meeting

<u>Date</u>	<u>Other activities</u>	<u>Time</u>
-------------	-------------------------	-------------

19	BUZZ run at Camp BOB	All Day
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### March

<u>Date</u>	<u>Subject Matter</u>
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7	Hose Loads and Pulls, Small and Large Lines
14	Auto Extrication/ Patient Removal
21	Vehicle Fires Attack
28	Association Meeting

<u>Date</u>	<u>Other activities</u>	<u>Time</u>
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## Information:

Prepared By:

*Rob Roberson*

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Rob Roberson, Fire Chief

Approved By:

*Darrell W. Gentry*

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Darrell W. Gentry, General Mgr.

	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEP		OCT		NOV		DEC		TOTAL	
	District	Mutual Aid	District	Mutual Aid	District	Mutual Aid	District	Mutual Aid	District	Mutual Aid	District	Mutual Aid	District	Mutual Aid	District	Mutual Aid	District	Mutual Aid	District	Mutual Aid	District	Mutual Aid	District	Mutual Aid	District	Mutual Aid
Structure Fires	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Veg. Fires	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vehicle Fires	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Misc. Fires	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0
Illegal Burning	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vehicle Accidents	1	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	6
False Alarms	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2
Hazardous Condition	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Hazardous Materials	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Standby	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pub.Svc.Asst.	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0
Medical Aids	9	2	16	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25	10
<b>Call TOTALS</b>	12	4	25	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37	14
	<b>16</b>		<b>35</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>51</b>	
<i>CPR</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mutual Aid SLO/Mon.	4	0	8	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14
Camp Bob Asst.	1		1		0		0		0		0		0		0		0		0		0		0		2	
Average Calls Per	<i>Month</i>		25.5	<i>Day</i>		1	<i>SLO Co. MA</i>				12	<i>Montrey Co. MA</i>				2	<i>CPR TOTAL</i>						0			

# FIRE EQUIPMENT

## 2017 MILEAGE / FUEL REPORT

IX-9-3

Mileage/ Fuel	January		February		March		April		May		June		Total		Avg. MPG
	mi.	gal.	mi.	gal.	mi.	gal.	mi.	gal.	mi.	gal.	mi.	gal.	mi.	gal.	
<b>Diesel</b>															
E-8696	9	0	64	0									73	0	#DIV/0!
E-8687	0	0	15	0									15	0	#DIV/0!
E-8668	68	0	44	14.6									112	14.6	7.7
<b>6 Month Total</b>												<b>200</b>	<b>14.6</b>	<b>13.7</b>	
<b>Gas</b>															
U-8630													0	0	#DIV/0!
C-8600	694	26.4	466	29.6									1160	56	20.7
<b>6 Month Total</b>												<b>1160</b>	<b>56</b>	<b>20.7</b>	

Mileage / Fuel	July		August		September		October		November		December		Total		Avg. MPG
	mi.	gal.	mi.	gal.	mi.	gal.	mi.	gal.	mi.	gal.	mi.	gal.	mi.	gal.	
<b>Diesel</b>															
E-8696													73	0	#DIV/0!
E-8687													15	0	#DIV/0!
E-8668													112	14.6	7.7
<b>6 Month Total</b>												<b>200</b>	<b>14.6</b>	<b>13.7</b>	
<b>Gas</b>															
U-8630													0	0	#DIV/0!
C-8600													1160	56	20.7
<b>6 Month Total</b>												<b>1160</b>	<b>56</b>	<b>20.7</b>	

YTD 2016 Total	mi.	gal.	Avg. MPG
<b>Diesel</b>	<b>400</b>	<b>29.2</b>	<b>13.7</b>
<b>Gas</b>	<b>2320</b>	<b>112</b>	<b>20.7</b>



**ORGANIZATION & PERSONNEL COMMITTEE  
SUMMARY NOTES  
For March 24, 2017 Meeting**

**(Corrected and Amended—There was a meeting on March 3 2017.  
Notes will be provided for a later Board Review.  
There was no meeting in February)**

**I. Call to Order:**

Chair Green called the meeting to order at 9:10 AM.

**II. Pledge of Allegiance:**

Director Green lead the Pledge of Allegiance.

**III. Roll Call:**

Committee Member Parent was excused for this meeting. Directors Green and Reuck, designated alternate to Committee, were present were present.

Also in attendance: General Manager Gentry and Account Clerk 2/Operations Coordinator Parent.

**IV. Oral and Written Communications:**

There were no persons in attendance wishing to speak on a matter not on the agenda.

**V. AGENDA**

**1. Review and Discuss approval of revisions to District Utility Billing, late fees, appeal and collection policy and procedures**

General Manager Gentry introduced this request item and gave an overview of submitted written report. GM pointed out that this revision includes new procedures and policies related to utility billing, late fees appeal and collection policies and procedures. The appeal process spells out a formal appeal process for ratepayers disputing any utility charge, which may ultimately be heard by the General Manager then the Board of Directors.

A proposed collection process using the County Tax Collector is a part of this proposed revision. The Board of Directors would make this determination to collect any unpaid utility billing through the tax rolls after conducting a hearing procedure.



Chair Green asked if the District currently collects a reconnect fee. Account Clerk/Operations Coordinator Parent replied that the District does charge a reconnect fee of \$60 for water that has been shut-off and \$37 for sewer shut-offs.

Chair also asked about segregated deposits accounting. GM replied that the UB program does separate the customer deposits but would have to look at the accounting program to see how the funds are shown and what report provides that information.

There was brief discussion about the legal procedures of the public hearing process. GM answered that the process would be like the weed abatement hearing process to have the uncollectible utility bills assessed against individual property tax rolls.

Director Reuck asked about the current procedures for late pays. GM described the current procedures that involve making direct phone calls to unpaid customers after the present 10-day late period. Those direct calls are made by the Account Clerk and have been done since 2014 as a means of reducing and eliminating late pay accounts. What is missing, currently, is an appeal process and a formal collection system, in the event, that all other methods fail.

Chair Green stated that he has been confronted by several property owners asking why the District attempts to collect against them for their tenants that leave unpaid bills. GM stated that this situation is a common one and should also be addressed because there is concern that vacating tenants are leaving more unpaid bills than other category of ratepayers.

There was discussion about changing the tenant base rate to reflect a formula approach that approximates a base rate x 2 plus a 10% penalty assessment and using 5 days, instead of 10 days for late pay notices. Discussions also include changing deposits for service to a minimum of \$200.00 and include a clause or provision addressing uninhabitable residence and relief of monthly water and sewer charges with specific conditions stated in an "uninhabitable residence" situation, such as: mold, medical emergency, i.e.: coma or other similar conditions, that involve the resident(s) being hospitalized and unable to make payments, flooding and/or fire destruction. Director Reuck spoke about his own medical situation as an example of medical conditions.

GM indicated that these circumstances were not considered in developing these proposed changes, but agreed that such circumstances could lead to unpaid bills that might need a relief mechanism or process. Staff could research and bring back additional information. Committee also asked staff to look at seasonal situations as well as but indicated that there might not be a means to provide relief in this area.

Staff asked to bring back in April, if there is time to complete added work in time for packet distribution, otherwise bring back in May.

## **2. Review and Discussion of General Manager's Report on Union Credit Card Use.**

GM gave a brief report of the submitted written report. GM reported that the use of Union Gas, fleet card, have been assigned to key personnel by card id and number. These cards can also be used by Fire personnel during local events and training to gas up fire vehicles. For away trips, such as wildland fires, another credit card is available for their use. The Union account provides monthly reports specific on each card purchase, odometer reading for each vehicle and id of assigned driver.

A specific safe is available in the Apparatus Bay for credit card storage and retrieval during weekends for fire fighter use in out of district fire events.

The new Bank of West credit card has been received but is not being widely distributed or used because there is a need to set up a District Board policy on credit card usage. A draft of a proposed policy is scheduled for an April Committee meeting before a Board meeting in May. GM reported that there was no requested Committee action needed since this was a status report only.

Committee members unanimously agreed to bring a credit card policy forward for their review and discussion and thanked GM for the status report.

There were no public comments or requests to speak on this item.

## **VI. COMMITTEE COMMENT:**

Chair Green asked GM to speak about upcoming Committee agenda items. GM replied that the credit card policy, a review of salaries for surrounding agencies and the Board Handbook unless there are no specific questions of the Board members. If there are no specific Board questions or comments regarding the Board Handbook that has been circulated, then item will be scheduled for Board action in April. If there are questions or comments, then item will come back to Committee for added work/analysis.

Chair asked GM to check with Director Parent about his availability for an O & P Committee meeting in April. There were no other Committee comments to consider.

Chair adjourned the meeting at 9:56 AM.

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## **EQUIPMENT & FACILITIES COMMITTEE**

March 27, 2017

Comments to the SMCSB Board of Directors for March 30<sup>th</sup> 2017 special meeting.

Fellow Directors,

I write this with apologies for my inability to attend the meeting this Thursday.

The Consent Items I still have issues with due to lack of clear language in some of the writing and inaccurate accounts of some of the statements made. I feel that with my earlier complaints concerning these, I was left without direction on a topic that I had little understanding as to how the procedure is supposed to work. I will continue to learn the proper way of doing things. That said, I do not oppose the consent items being passed as we have other things that need to move forward. They are “close enough” and we need to spend our time on less petty things.

And speaking of moving forward, I was planning on writing some comments for the Board Action Items, and am surprised to see them whittled down to one single item to which I have a conflict of interest. I will not comment on that, and will instead comment on having a Board meeting agenda with so little on it; when so much is going on with the long list of competing priorities the district faces.

I think that this meeting was put together too hastily considering conflicts with District staff and Director’s ability to attend were known of well in advance. This meeting should have been rescheduled several weeks and possibly even months ago.

A better job needs to be done with scheduling. There are not that many people to get on the same page at the same time.

This month’s E&F committee meeting was ultimately cancelled due to an inability to bring a minimum of three people into the same place at the same time.

I have rescheduled the missed opportunity for the first week in April, and will from this point on produce my own committee chair written report and minutes from the meeting for the other Directors’ informational purposes.

Please feel free to contact me anytime by phone or email if you would like to talk.

Thank you.

-Joseph Parent



SAN MIGUEL COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
January 23, 2017 SPECIAL MEETING MINUTES

MEETING HELD AT DISTRICT OFFICES  
1150 MISSION STREET  
SAN MIGUEL, CA 93451

- I. Meeting Called to Order by Vice-President Reuck —2:00 pm
- II. **Pledge of Allegiance:** lead by Director Buckman
- III. **Roll Call:** Directors Present: Buckman, Parent and Reuck.  
Directors Absent: Green, Kalvans  
District Staff in attendance: General Manager Gentry

Director Kalvans arrived late at 2:06 pm and assumed President position for meeting purposes.

- IV. **Adoption of Special Meeting Agenda:**  
Motion by Director Buckman to adopt Special Meeting Agenda as presented. Seconded by Director Buckman. Motion was approved by voice vote of 4 AYES, 0 NOES and 1 Absent.

- V. **Public Comment and Communications:** (for items not on the agenda)

There were no other public requests to speak.

President Kalvans asked the General Manager to introduce the Action Item.

- VI. **Board Action Item:**

- 1. **Review and Discuss of Finance & Budget Committee recommendation to award a sole source bid contract for FY Auditing Services to Moss, Levy & Hartzheim, LLP**

General Manager stated this request was to consider a Finance & Budget Committee recommendation to award a sole source bid contract for replacement financial audit services. The recommendation is to award these services to Moss, Levy & Hartzheim (MLH) based on their experience and qualifications to perform these services. The award would be for a new year term beginning with FY 2015-16 thru FY 2017-2018.

GM indicated that MLH understands the reasons for this action and request is due to the sudden termination of former auditor. MLH also understood the need for rapid completion of the 2015-16 Financial Audit Report and has committed to a work schedule that can complete their work in

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March or April. GM gave the staff recommendation to award as recommended by the Finance & Budget Committee.

GM stated that Adam Guise from MLH was here to answer any questions of the Board and introduced Mr. Guise to address the Board.

Adam Guise, MLH representative, introduced himself and gave a brief overview of the firm's work experience, knowledge of the District, its experience preparing these desired services for other special districts, cities and public agencies. He spoke about the wide and diverse experience of the firm's staff. He also states the firm understands the urgency in completing this audit and indicated that the firm has committed resources and people to perform the work. Mr. Guise also stated that the future year audits will be more timely, especially given recent changes in state law requirements.

Board members asked him to explain the firm's knowledge and experience with audit work done for special districts. Mr. Guise described the firm's work experience with CSD's near to San Miguel, including Cambria, Heritage Ranch, South San Luis Obispo Sanitation and others.

Director Buckman asked Mr. Guise about his firm's working experience with and/or knowledge of Black Mountain accounting system and whether or he knew of anyone who could assist the District. Mr. Guise stated that he was not certain that he knew any person and is also uncertain about any other agencies or cities using the system.

President Kalvans asked Mr. Guise about the Board receiving a management letter with the firm's opinion and notes about District financial operations. Mr. Guise replied that such a letter is a standard practice in the business. Firm will be reviewing a management letter with General Manager and the Board once the audit is in draft or near draft form.

The final version of the management letter will be presented to the Board with the final audit report and the auditor's opinion statement regarding the District's financial condition(s).

Director Reuck stated that District needs to get this done.

Director Green asked if there was any recourse against former auditors if there was anything significant found in MLH's review. Mr. Guise stated, unfortunately, he could not advise but had serious doubts except for a formal complaint to the state board.

He also asked if MLH had any concerns about the staff being responsive to their requests for documents. Mr. Guise replied that he did not, at this time, have any expressed concerns. Staff had, thus far, given responsive answers as needed and timely deliveries.

Director Green made a Motion to approve the award of bid contract for a 3-year term to Moss Levy & Harzheim for performing annual financial auditing services and appropriate additional funds as presented in written report, Seconded by Director Reuck. Motion was approved by a roll call vote of 5 AYES, 0 NOES

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**VII. BOARD COMMENT:**

President Kalvans asked if there were any Board comments.

There were no Board comments.

**VIII. ADJOURNMENT**

President Kalvans adjourned the meeting at 2:58 pm.

###



SAN MIGUEL COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
JANUARY 26, 2017 SPECIAL MEETING MINUTES

MEETING HELD AT DISTRICT OFFICES  
1150 MISSION STREET

SAN MIGUEL, CA 93451

**I. Call to Order:**

Meeting called to order by President Kalvans at 6:02 PM.

**II. Pledge of Allegiance:**

Director Buckman asked to lead the Pledge of Allegiance.

**III. Roll Call:**

Directors Present: Buckman, Green, Parent and Reuck. Absent: Parent  
Director Parent arrived late at 6:05pm.

District Staff Attending: General Manager Gentry, Fire Chief Roberson and Utility Services Supervisor Dodds

District General Counsel: Doug White and Karl Schweikert.

**IV. Adoption of Special Meeting Agenda:**

Director Buckman made a motion to amend the agenda to include a special resolution, Resolution No 2017-02 Recognizing the special services rendered by Fire Department, and to adopt Special Meeting Agenda as amended, Seconded by Director Reuck. Motion was approved by voice vote of 5 AYES and 0 NOES.

**V. Public Comment and Communications (for items not on the agenda):**

There were no public requests or persons wishing to speak to the Board.

**VI. ADJOURN TO CLOSED SESSION:**

President Kalvans announced adjournment to Closed Session with General Counsel on matters related to:

**A. CLOSED SESSION AGENDA:**

**1. CONFERENCE WITH DISTRICT GENERAL COUNSEL**

**Anticipated Litigation**

Pursuant to Government Code Section 54956.7 (2) (d) (2 cases)

Title: District General Counsel, and

**2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Pursuant to Government Code Section 54957(b) (1):

Title: General Manager

**B. RECONVENE TO OPEN SESSION**

President Kalvans reconvene to open session at 6:57pm and announced a short break by Board.

President Kalvans reconvened Board members at 7:03pm and asked General Counsel to report out of closed Session.

**C. REPORT OUT OF CLOSED SESSION**

General Counsel reported that there was no reportable action out of Closed Session.

President Kalvans announced the first public comment and communication and asked if there was anyone present wishing to speak to the Board on an item not on the agenda.

Scott Young, a resident, spoke about the Firefighters Association's support of the community and the value the Association has given since the late 1880's. He also spoke about 5 items not on the agenda and asked the Board to follow up with action. The 5 items were There were no requests to speak and no person requested to speak to the Board.

**IX. Staff & Committee Reports:**

President Kalvans requested Non-District and District Reports be given.

**Non-District Reports:**

**San Luis Obispo County Sheriff**

There was no written report submitted and no representative present to address the Board.

**San Luis Obispo County Board of Supervisors**

There was no written report submitted and no representative present to address the Board.

**San Luis Obispo County Planning and/or Public Works**

There was no written report submitted and no representative present to address the Board.

**San Miguel Area Advisory Council**

President Kalvans gave a short verbal report from last Advisory Council meeting. He stated that the Council is revisiting the Transportation Rules and continuing public concerns about the Wellsona Road intersection and number of accidents.

**Camp Roberts—Army National Guard**

There was no written report submitted and no representative present to address the Board.

**District Staff & Committee Reports:**

**General Manager (Mr. Gentry)**

GM reported that mandatory Board training sessions on sexual harassment and ethics have been scheduled with District General Counsel.

President Kalvans asked if there were any Board comments or questions regarding the GM report. There were no Board comments or questions.



Scott Young, a resident, spoke in comment that the GM's report should be written, not verbal in his opinion. He also commented about the District's use of Wallace Group as District Engineers.

President Kalvans asked if GM wanted to reply. GM Gentry stated that the District has made a recent change in District Engineer services and notified Wallace Group of Board intent and action to terminate their services. The new District Engineer/Utility Services Manager will be joining the Board at its next monthly meeting.

His second comment was about legal expenses being excessive and wanted to know if the District and Board received an itemized invoice statement for these expenses. He believed that the District might be able to find a local attorney to provide these services cheaper and stop what he sees as a "spending spree" by the attorneys.

He also asked the Board to consider street lighting in alleys, using social media as an information tool, using video broadcasting of Board meetings to be more transparent, setting committee meetings in the evenings, exploring the development of an alternative location for District Administrative staffing and questions the need for added staff. Lastly, he commented that the Board must use property tax dollars received for fire services for Fire Department budgeting, not excessive legal expenses.

### **District General Counsel**

General Counsel Schweikert spoke about Churchwell White's lobbying services, which are free to the District and spoke use of Skype technology to reduce legal expenses. Lastly Counsel spoke about the March report by the Little Hoover Commission that President Kalvans had asked about in terms of implications for special district. He mentioned that the Commission's findings may or may not lead to legislation that could affect the District. No legislation is presently pending.

President Kalvans asked if there was any public comment.

No public comment was given.

### **Utility Supervisor**

Supervisor Dodds stated a written report was submitted in the Board agenda packet. He asked if there were any questions.

Director Buckman asked if our well level have come up because of recent heavy rains. Mr. Dodds replied that there has been an estimated 10 rise since the rain began.

Director Parent asked about the floats at the treatment plant and the recent Change Order. He wanted to know the progress of installation and asked Supervisor to follow up for E & F Committee and Board information.

President Kalvans asked if there were any public comments on this report.

Travis Dodds, a resident and former Board member, asked what happens if the SCADA system fails and is failing on some level presently. President Kalvans asked Supervisor Dodds to respond.

Supervisor Dodds stated that the SCADA hardware and software are under warranty and are being fixed at no cost to the District.

Scott Young, a resident, asked about why the Community Cleanup item is on this report since it is an Association activities. Director Buckman stated that the District front and back office staff are used, from time to time, to assist. Director Green indicated that he is not aware of an issue and does not believe any action is needed. General Manager indicated that this regular community clean-up is not a CSD activity and agrees with Mr. Young that any reporting on this matter should be left up to the Association, not the District.

Laverne Buckman, a resident, commented on the SCADA installation and asked that future reports on this item contain a better descriptive statement. She also agreed with previous speaker that the community clean-up is a function of the Association, not the District and sees no need to track it in this report.

#### Fire Chief

Chief Roberson stated a copy of written report is included in the Board's packet. He also spoke about his concern that legal expenses are being paid for by fire funds and the Department is not responsible for these legal expenses as they are being incurred. He identified that there have been some lapses in coverage and response to calls.

Chief went on to explain and admit that he, independently, contacted the County Tax Collector and spoke to them about his belief that fire funds were being misspent and the specific use intended for such funds by the taxpayers. He stated his understanding that the CSD is the succeeding special district for the prior fire district but he believes that the CSD is dependent on the Fire Department funding that comes because of firefighting activities on behalf of District. He spoke about Fire Department being needed. He is aware that there is a need to look at options for coverage and is willing to evaluate all options for coverage-related issues.

Chief indicated that he and GM had spoken, in the past and again recently, about how property tax and other fire-related revenues are accounted for in the annual budgets and used for Department purposes. He admitted that there may be some confusion or misunderstanding about how a budget is supposed to work but he has listened to GM and General Counsel comments about the District is now one district, not separate districts. Chief stated that it is his opinion that expenses, not related to fire specifically, should not be a burden of Fire Department or its budget.

He also stated that the GM never stated that thermal imaging cameras should not be purchased but should be a specific item in next budget process and has supported purchasing as a budgeted expense. He has heard how, if the District is sued in court, then the entire District is financially responsible. He has a disagreement with that statement. He knows the Department has been frugal and will continue to do so.

Director Buckman asked GM and General Counsel to explain how the entire District, including the Fire Department, is affected by a lawsuit.

General Counsel White replied that any lawsuit filed against the CSD does indeed affect the Fire Department equally with all District departments. This would be the same situation, if a lawsuit was filed against some fire related event that led to a lawsuit being filed in court. The other CSD departments would have to share, financially, and defend the case. This has been true since the 2000 formation of the CSD.

President Kalvans stated that it is important that the Chief and General Manager continue working on mutual understanding of the budgeting process.

President Kalvans asked for public comment on Fire Chief report.

Laverne Buckman, a resident, commented on the Chief's report and asked that the Board to consider adding a year's end report on calls and ensure that the percentages stated in the report are adequately explained or correctly report. She noted that some numbers do not match up.

Ms. Buckman also commented that the legal expenses should be re-visited by the Board because she believed that the Fire Chief's argument deserves some Board consideration because a lawsuit related to water issues should not be an expense for the Fire Department.

Scott Young, a resident, read from written statement and asked the Board about why the GM blocked the purchase of the thermal imaging cameras and commented on the importance of using this equipment for the protection and safety of public and firefighters. He asked the Board to support purchasing thermal imaging cameras for District.

Travis Dawes, a resident and former Board Member, commented that he supports the Board approving the purchase of thermal imaging cameras.

Director Buckman asked about past request to purchase these cameras. Assistant Fire Chief Dodds stated that historically this equipment has not been approved by Board in past budgets. Director Buckman asked that this item be place on the next agenda for Board action. GM responded that this purchase item is already being reviewed by E & F Committee and is scheduled for next month's Board meeting.

There were no further comments or questions.

#### **District Engineer/Utility Services Manager**

The final report by Wallace Group is submitted in the Board's agenda packet. General Manager asked if there were any questions by the Board and stated that next month, new reporting would be done by Dr. Reely, Monsoon Consulting.

Dr. Reely commented that this report will be changed to reflect engineering and utility services activities occurring throughout the month. He asked for Board input and suggestions for any changes or information that they might view as important to them. He looks forward to serving the District, if the contract agreement is approved later this agenda.

There were no Board comments or questions. There were also no public requests to speak or comments received.

### **Finance & Budget Committee**

Chair Reuck stated that the written report on Committee activities is in the Board's packet. Committee is still working on financial reports, monthly and year-to-date, resolution to data entries. Committee is making progress but wants to make certain that all changes are done before sending to Board.

President Kalvans asked for any public comments or questions.

Scott Young, a resident, pointed out that the Committee's meeting time is not convenient and asked the Board to reconsider evening meetings. He also stated that District should use an outside firm for all accounting and billing.

Laverne Buckman, a resident, stated that the Committee is working to understand all accounting functions for Black Mountain System. She stated, as an example, the legal expenses are not properly shown in categories and sub-categories that are needed and important to track for things like Steinbeck case. Committee is trying to get the figures in the right categories; things are closer but must be more precise.

Travis Dawes, a resident and former Board Member, commented that it is important that people understand that legal expenses are being used to defend the entire District and protect ratepayer interests. He also spoke about the need to get the figures into the right categories, which is the work being done by the Committee. He asked why the thermal imaging cameras discussion was only occurring tonight because over the past two years of his involvement, there has been no purchase request that he recalls.

There were no other public comments.

### **Organization and Personnel Committee**

Chair Green stated that the Committee meeting was scheduled for January 27<sup>th</sup> and meeting will be reported next month.

### **Equipment & Facilities Committee**

Chair Parent reported that there is a written report in Board's packet but he finds the report misses a lot of information. Also, spoke about the site visit to District facilities that Committee took with Supervisor. He asked if there were any questions by the Board on the report.

President Kalvans asked the E & F Committee to consider street lighting in the alleys. Chair Parent stated that the item will set for review and discussion. GM replied that he has made note of request and will have it scheduled for E & F review.

President Kalvans asked if there were any public comments or questions.

Scott Young, a resident, spoke about the value of Director Parent's water expertise to the Board, which should be fully utilized.

### **Water Resources Advisory Committee**

Representative Kalvans reported that there had been no meeting.

President Kalvans announced that now is the time to consider Consent Items that are listed and would be considered as a group and acted on by a single vote. He also asked if there were any items to be pulled for discussion by a Board Member. Hearing none, President Kalvans began the Special Presentation and asked Mr. Dawes, former Board Member to join him in front.

### **CONSENT ITEMS:**

- 15. Special Presentation:** Certificate of Appreciation to Former Board Member Dawes for Service to the District

President Kalvans presented a certificate of appreciation for his service to District residents and businesses. President Kalvans spoke about Mr. Dawes stepping up to serve when the District needed to fill a vacancy and gave freely of his time and energy to the job.

Mr. Dawes thanked the Board for the Certificate and made comments about his service.

President Kalvans announced the Board Action Items on the agenda and asked the GM to introduce the first item.

### **XI. BOARD ACTION ITEMS:**

- 16. Discuss and Recommend a bid contract for District Engineer/Utility Services Management Services to Monsoon Consultants.**

GM Gentry stated that written report is in the Board's packet and comments now would be supplemental to that report. GM indicated this item was to consider a bid award for ongoing professional engineering and utility service management services. A competitive bidding process using RFP's to solicit and receive bids was used.

The F & B Committee reviewed the bids received at its January 20<sup>th</sup> meeting and unanimously recommended that the Board approve contract award to Monsoon Consultants for these desired services. GM described an overview of the Monsoon Consultants response to RFP and indicated that the chief benefits to SMCS D were the lower hourly rate for Monsoon in the first year; highly experienced engineering firm in areas of hydraulic modeling, geotechnical, civil engineering and water/wastewater day-to-day operations.

GM introduced Dr. Blaine Reely from Monsoon Consultants. Dr. Reely gave a brief overview of the firm, their local experience for other public agencies, the location of firm headquarters in San Luis Obispo city and the firm's overall experience for desired services, including his background in public works/engineering departments for municipalities. GM stated the recommendation to award of District Engineer/Utility Services Management services contract to Monsoon Consultants and asked the Board approve Resolution No 2017-01 as presented.

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He understands that there are challenges ahead for SMCS D in terms of the water basin, and expansion of the wastewater treatment plant. He asked if there were any questions by the Board.

Director Parent asked about his managerial experience as well as what managerial functions and duties would he be responsible for.

Dr. Reely described his professional experience in departmental management for public works and engineering departments in municipalities. Also, stated that specific managerial duties or task were yet to be assigned but does expect to be attending Board meetings as required. Attendance costs are factored into the hourly. He will also be on-site during the normal work week to work with Utility Supervisor and General Manager on specific department and project-related tasks or assignments.

Director Buckman asked about what he knows of older reports on water for this area, specifically an old Army Corps report on Salinas River and this basin. Dr. Reely answered that he was not specifically aware of such a report but did have contacts available that might be able to identify the location of such a report. He would check on it.

President Kalvans asked about his knowledge of SGMA requirements. Dr. Reely replied that his involvement on SGMA matters and requirements is not extensive; knows about the Act and its purpose but has not been working on any specific studies or assignments. He is aware that SMCS D is seeking state recognition of its own GSA and will be involved with the next stage, a GSP or sustainability plan for its portion of the Paso Robles Basin.

President Kalvans asked if there were any public comments.

Laverne Buckman, a resident, commented about Director Parent's remark about the duties involving utility services and whether that meant something. GM responded that the purpose of Utility Services Manager functions was to oversee and establish newer planning, such as SSMP and Master Planning documents, assist with departmental operational needs and functions, assist with grants, prepare engineering plans and designs, oversee the wastewater treatment plant expansion project from concept to construction.

Travis Dawes, a resident, asked if Monsoon Consultant can handle the additional work that is being discussed. Board President asked Dr. Reely to answer this question. Dr. Reely stated that his firm has already begun the process of doing the work requested for this position and will serve, on-site, to assist with or complete assigned tasks. Again, he re-stated his firm experience and qualifications.

There were no further comments.

Director Green made a motion to approve **Resolution No 2017-01** as presented, Seconded by Director Reuck. **Motion was approved by roll call vote: 5 AYES, 0 NOES.**

President Kalvans asked GM to introduce the next Item for discussion.

**17. Review and Discuss Proposal for Public Members to serve on Standing Committees**

GM introduce this item for Board discussion and gave a brief overview of the submitted written report. He pointed out the background origin of this item was a Board request to involve more members of the community. Also, gave a brief review of Board's authority for these appointments, should the Board wish to make them.

GM stated the recommendation is to discuss and provide direction to staff as may be needed. Also, reminded the Board the two individuals who had express interests in serving on this Citizens Budget Review Advisory Committee were Laverne Buckman and Travis Dawes.

Director Reuck commented, as an F & B Committee member, he thought this was a good idea and supports approval. He thinks both persons can help with F & B's work.

Director Green asked about the lack of more persons applying and what had been done to get the word out. GM indicated that printed announcements had been posted at the post office, District office and outside bulletin board. Also, believed that a notice was on District webpage but was corrected about that information.

Directors commented that more outreach was needed because they would like to see other people in town getting involved.

Director Green stated that he would like to see noticing kept open and recirculated in a broader means to see if other people could be attracted to apply and serve.

President Kalvans agreed with Director Green's statement about keeping the invitation to join and serve as an open solicitation. District General Counsel White stated that the Board could do that and still appoint individuals this evening, if that is what the Board wants to do, subject to Board decision.

President Kalvans asked for public comments.

Travis Dawes, a resident, spoke about his willingness to serve but thought the Board should consider a term without limitations of meeting a few times a month or year. He thinks it is important to have year-long involvement, rather than just at budget time.

Scott Young, a resident, agrees with GM's recommendation to set up this Committee and to find as many qualified people as possible to serve.

Laverne Buckman, a resident, stated that she can say that Discover San Miguel webpage to put out an announcement about the formation of this Committee and how to apply. She got the information from District office.

There were no further public comments.

President Kalvans indicated that he would appoint, with Board consent, Laverne Buckman and Travis Dawes, to this Citizen's Committee and asked to structure the Committee work to year-

round term; to serve with criteria outlined and presented in written report to Board. Also, to have staff continue open solicitations for more participation with reporting back, as needed, to O & P Committee and Board.

Board consented to appointments as presented with the added understanding and statement by President. Consent was given by unanimous voice vote in favor of appointments and added direction to staff.

President Kalvans asked the GM to introduce the next item.

**18. Discuss a General Manager's Report on Estrella-El Pomar-Creston Water District Formation**

GM stated that a written report about the status of the Estrella-El Pomar-Creston Water District (hereafter called EPC) is under review by the Local Agency Formation Commission (LAFCO).

GM described the implications for SMCSD regarding the encroachment of another water district jurisdictional boundary to the east, west and south of SMCSD. Also, spoke about the need to create or change an existing committee to deal with GSA related issues and matters, including this type of agency formation that is directly tied to water and Basin overdraft issues and matters.

Director Parent spoke about the need to be protective of District's boundaries and asked whether application to LAFCO was made. GM directed his attention to the written report.

Director Buckman stated that this proposed new water district is not a good idea and thinks it is important for SMCSD to do something to stop or change what is being done to include properties that are within SMCSD's influence or close enough to be provided services by the District.

Director Reuck agrees that it is important to protect District boundaries as well as the resource.

President Kalvans asked if there were any public comments.

Laverne Buckman spoke about the Board's need to send a letter to LAFCO opposing the formation that would include all the proposed properties as currently shown. She stated that there has been no talk yet about why it is attractive for these owners to join this proposed water district.

Scott Young, a resident, spoke about SMCSD being inclusive of other community members to serve or help with GSA related matters on water, even outside of the CSD boundaries.

Directors resume comments with discussion about converting Water Conservation Ad-Hoc Committee to a GSA Advisory Committee comprised of Directors Green and Kalvans. Gave direction to GM to work on setting up a meeting and get organized for GSA matters.

Directors also discussed putting together a town hall meeting for informational purposes and directed staff to prepare a letter to LAFCO regarding the proposed EPC water district formation.



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President Kalvans introduce the added agenda item and spoke about the reason this item was needed and added to the agenda. He asked for this item because there is an apparent need for the Board to show its ongoing support of the volunteer firefighters on behalf of the entire San Miguel community. Therefore, he is presenting Resolution No. 2017-02 in support of SMCSD firefighters and requests Board support and approval.

**19. Discuss approving Resolution No 2017-02 In Support of SMCSD Firefighters**

There were no Board or public member comments or questions.

President Kalvans made a motion to approve the submitted resolution, seconded by Director Buckman. Motion approved by roll call vote: 5 AYES, 0 NOES>

**XII. BOARD COMMENT:**

President Kalvans asked if there were any further Board comments to be made. There were no Board comments.

President Kalvans adjourned meeting at 9:27 pm.

###



SAN MIGUEL COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
February 9, 2017 SPECIAL MEETING MINUTES

MEETING HELD AT DISTRICT OFFICES  
1150 MISSION STREET  
SAN MIGUEL, CA 93451

- I. Meeting Called to Order by President Kalvans—6:00 pm
- II. **Pledge of Allegiance:** lead by President Kalvans
- III. **Roll Call:** Directors Present: Buckman, Green, Kalvans, Parent and Reuck.  
  
District Staff in attendance: General Manager Gentry, District General Counsels Schweikert and Helane Seikaly (participating via Skype video conference call)
- IV. **Adoption of Special Meeting Agenda:**  
Motion by Director Green to adopt Special Meeting Agenda as presented. Seconded by Director Buckman. Motion was approved by voice vote of 5 AYES and 0 NOES.
- V. **Public Comment and Communications:** (for items not on the agenda)

There were no other public requests to speak.

- VI. **ADJOURN TO CLOSED SESSION:**  
President Kalvans announced Closed Session and adjourned at 6:03 pm for the following discussion items:

- A. **CLOSED SESSION AGENDA:**
  - 1. **CONFERENCE WITH DISTRICT GENERAL COUNSEL**  
**Anticipated Litigation**  
Pursuant to Government Code Section 54956.7 (2) (d) (3 cases)  
Title: District General Counsel

Director Parent recused himself at 6:47 pm from last Closed Session item discussions due to potential conflict of interest and left the building.

- B. **RECONVENE TO OPEN SESSION**  
President Kalvans reconvened Board meeting to open session at 7:13 pm. He asked District General Counsel to report out of Closed Session.

**C. REPORT OUT OF CLOSED SESSION**

2. Report out of Closed Session by District General Counsel—District General Counsel stated that there was no reportable action out of Closed Session.

**VII. BOARD COMMENT:**

President Kalvans asked if there were any Board comments.

There were no Board comments.

**VIII. ADJOURNMENT**

President Kalvans adjourned the meeting at 7:17pm.

###



SAN MIGUEL COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
February 23, 2017 REGULAR MEETING MINUTES

MEETING HELD AT DISTRICT OFFICES  
1150 MISSION STREET  
SAN MIGUEL, CA 93451

- I. Meeting Called to Order by President Kalvans—7:01 pm
- II. Pledge of Allegiance: lead by President Kalvans
- III. **Roll Call:** Directors Present: Buckman, Green, Kalvans, Parent and Reuck.  
  
District Staff in attendance: General Manager Gentry, District General Counsel Schweikert (participating via Skype video conference call), Fire Chief Roberson, District Engineer/Utility Services Manager Reely
- IV. **Adoption of Regular Meeting Agendas:**  
Motion by Director Green to adopt Regular Meeting Agenda as presented. Seconded by Director Buckman. Motion was approved by vote of 5 AYES and 0 NOES.
- V. **Public Comment and Communications:**  
Laverne Buckman spoke about missing minutes for January meeting which will mean two minutes will have to be done next month.  
  
Scott Young spoke about District needs to have more PR that gives more information to the public and asked the Board to look into it.  
  
There were no other public requests to speak.
- VI. **Staff & Committee Reports:**  
**Non-District Reports:**  
  
San Luis Obispo County Sheriff  
There was no report submitted or person representing the Sheriff's Department in attendance.  
  
San Luis Obispo County Board of Supervisors  
There was no report submitted or person representing the Supervisor in attendance.

**San Luis Obispo County Planning and/or Public Works**

There was no report submitted or person representing the County Departments in attendance.

**San Miguel Area Advisory Council**

There was no report submitted or given.

**Camp Roberts—Army National Guard**

There was no report submitted or person representing Camp Roberts in attendance.

**District Staff & Committee Reports:**

**General Manager Report (Mr. Gentry)**

GM provided a verbal report on upcoming Form 700 filing deadline; financial audit work is proceeding smoothly but intensively with a scheduled April completion; and finally spoke about the need to secure an Actuarial service for the financial audit. Actuarial price quote is up to a maximum of \$2,000.

President Kalvans asked if there were any public comments or questions.

**PUBLIC COMMENT:**

Laverne Buckman, resident, asked if the actuarial service costs had not been reviewed and approved. President Kalvans asked GM to respond. GM indicated that this evening is the first opportunity to speak about these services but the service quote is within the GM's authority as detailed in District Purchasing Policies. The real need for these services is tied to the current annual audit being done now and is at the urging of the District's financial auditor to get it done now and not wait.

There were no other public comments or questions.

**District General Counsel Report (Attorney Schweikert)**

General Counsel stated that firm is still working on the Steinbeck litigation matters.

President Kalvans asked if there were any public comments or questions.

There were no public comments or questions.

**District Engineer/Utility Services Manager (Mr. Reely)**

GM advised the Board that District Engineer/Utility Services Manager, Dr. Reely. Will be presenting both reports, Engineer's and Utility Services, which will continue to be combined for future meetings.

Engineer/Manager Reely spoke about the submitted report and how in future meetings the two reports will be combined into one report from Engineer/Manager. He described briefly what activities he has been involved since the Board approved the change in Engineering services. The transition from Wallace Group is going very smoothly. Engineer/Manager has had a tour of District facilities; been involved with grant proposal discussions with GM, Utility Supervisor and State Water Resources Board about funding

of WWTP expansion planning; has reviewed and is continuing to review District documents, including Master Plans, other grant funding applications and a proposed Capital Projects listing for FY 2017-18.

Director Parent asked about how and who compiled this report. Dr. Reely replied that he had prepared but did have some assistance by former engineer and Mr. Dodds.

President Kalvans asked if there were any public comments or questions.

#### **PUBLIC COMMENT**

Laverne Buckman asked the Board if the GM had spoken to new Engineer/Manager about the Finance & Budget Committee's discussions on the proposed Capital Projects list.

Dr Reely replied yes, there had been lots of discussion with GM and Utility Supervisor Dodds as well as former engineer, Mr. Tanaka.

There were no other questions by Board.

#### **Fire Chief Report (Chief Roberson)**

Chief Roberson stated that his report is submitted for Board's review and asked if there were any questions. GM advised the Board that Fire Chief was not able to attend meeting due to work conflict and indicated that a written report is submitted with agenda packet. GM asked if there were any questions by the Board that would need to be followed up with further reporting.

Chief Roberson clarified some information included with the report, specifically the numbers listed under personnel is meant to show the number of volunteers responding for drills and calls. He gave an example.

There were no questions by Board.

#### **PUBLIC COMMENT**

Laverne Buckman, a resident, thanked Rob for his clarifications on the numbers and percentage related to personnel. She asked about consequences of not answering calls or attending drills. Chief Roberson answered the question as directed by Board. He stated that a volunteer, who misses consecutive drill/training meetings or does not make calls, is likely to receive a written notice from Chief. If performance and/or attendance does not improve then a letter vacating their volunteer status is sent out.

There were no further questions from the public.

#### **Finance/Budget Committee Report (Chair Reuck)**

Chair stated that the Committee had met earlier this week to review and discuss agenda items, some were on this evening's agenda for Board consideration. He also stated that the Committee will be doing extra meetings to review monthly and YTD financial

reports, review of draft audit report once it is available; and to begin discussion and review of FY 2017-18 budgets. He asked if there were any questions.

There were no Board questions.

President Kalvans asked if there were any public questions or comments.

### **PUBLIC COMMENT**

Laverne Buckman, resident, spoke about the last Finance & Budget Committee meeting and need to get the monthly and YTD financial report reviews done based on accurate Black Mountain reporting.

#### **Organization/Personnel Committee (Chair Green)**

Chair reported that a written report was in the Board's packet and asked if there were any questions.

Director Parent stated that these summary notes were not complete or accurate. He would like to see the Committee have a discussion about these report formats and contents because he is not happy with this report. He believes there is a lot missing.

Chair Green asked him what was missing since many of the items on that agenda were scheduled to come back to the Committee. Director Parent replied that he would have to look at the previous agenda to know.

Chair Green asked GM to put on a future Committee agenda. GM noted that item is so noted for a future agenda discussion.

#### **Equipment & Facilities Committee (Chair Parent)**

Chair reported that there is a written report in packet and noted that some items are on this agenda for Board action.

President Kalvans asked if there were any Board questions prior to opening for public comment. There was no Board comment or questions.

### **PUBLIC COMMENT**

Scott Young, resident and volunteer firefighter, made comment about written notes referencing his remarks at that meeting. He believes his statement was "The world, he come from, capital expenses are a million dollars or more. He also noted that these Committee meetings should be held at a time where it is more convenient for the public, such as evening time. Lastly, he spoke about a GM description that seemed to apply a label of "spoiled children" to firefighters and he was offended, if that is the case.

Chair Parent commented that he did not feel that way but does sense the formation of a dispute. He wants to head that off as quickly as possible. Director Reuck stated that he concurs with Chair's statement but he did not see or hear the reference given as a "put-down" of firefighters or referring to firefighters directly.

President Kalvans asked the Chair about reviewing street lighting in alleyways and whether or not the Committee can do a review at its next meeting. Chair Parent stated that it can be done. GM replied that an agenda item for next meeting is now listed.

**GSA Advisory Committee (Chair - Vacant)**

There has been no scheduled meeting of this advisory committee.

**XII. CONSENT ITEMS:**

President Kalvans announced that now is the time to consider all items listed under Consent. He asked the Board had any items to be pulled for discussion but if there were none then a motion to approve the Consent Items would be in order.

**Items 14 a – c**

Director Parent asked for Items 14 a through c be pulled because he believes that there is a lot missing from these minutes and wants to discuss contents of minutes.

General Counsel Schweikert commented that the Board could pull these items from Consent and table for corrections to be made for a later Consent Calendar or set an agenda item for Board discussion on format and content.

Director Green made a motion to set an agenda discussion on the format and contents of Board minutes to determine what is appropriate for future and these minutes, seconded by Director Parent.

President Kalvans asked the Board to delay a vote until the public had an opportunity to address the Board.

**PUBLIC COMMENT**

Laverne Buckman, resident, stated that she believes this discussion is important. She would like the Board to determine what goes into minutes.

Motion made by Director Green was acted on by voice vote. Vote to approve motion was unanimous consent of Board.

**Item 15**

President Kalvans asked for a motion on remaining Consent Item, # 15, Resolution No 2017-02 reaffirming appreciation and support to the San Miguel Fire Department.

Motion to approve as presented made by Director Green, seconded by Director Buckman. Motion was approved by unanimous voice vote and consent of Board.

**VIII. BOARD ACTION ITEMS:**

President Kalvans asked GM to introduce the first item for discussion.



**Item 16.** GM introduced this item as consideration of **Resolution No 2017-03** to establish calendar year 2017 Fireworks fees. GM spoke about the staff recommendation to approve as presented and asked the Fire Chief to present the full report.

Chief Roberson stated that the written report summarized the request for the resolution. He also explained how this action is in keeping with past years and stated that 4<sup>th</sup> is on a Tuesday this year which means that will be allowing firework sales on 1<sup>st</sup> til the 4<sup>th</sup>. Fees proposed are the same as last year's. He asked if there were any Board questions.

Director Parent asked the Chief to repeat the dates again. Chief replied with July 1<sup>st</sup> to 4<sup>th</sup> as the sale dates. The fees are listed in the written report. Chief spoke about the program's past success.

President Kalvans asked the Chief about the availability of a 3<sup>rd</sup> permit this year. Chief indicated that he believes past years have shown that two permits is more realistic than applying and paying for a 3<sup>rd</sup> permit then not having a vendor. Would cost the Department money.

Director Buckman asked the Chief about the program deadlines. Chief replied that the dates were a part of the next report to be acted on by the Board.

President Kalvans asked if there were any public comments or questions.

There were no public comments.

Director Green made a comment that the dates should be decided before the fees are approved.

Director Green made a motion to approve Resolution No 2017-02 as presented establishing the 2017 Fireworks fee charges, seconded by Director Parent. Motion was approved by roll call vote, 5 AYES, 0 NOES.

President Kalvans asked GM to introduce the next Item.

**17.** GM introduced this agenda item as consideration of to approve **Resolution No. 2017-04** establishing the dates to sell fireworks and the application period. GM spoke about the staff recommendation to approve as presented and asked the Fire Chief to present the full report.

Chief Roberson stated that the written report, as submitted, spells out the dates clearly. The noted change from past years was to commence sales on July 1<sup>st</sup> and ending on July 4<sup>th</sup> at midnight. He asked the Board to approve.

Board discussed whether or not there was sufficient time for getting applications for permit to sell fireworks in to the District since resolution states from February 1<sup>st</sup> to March 31<sup>st</sup>. Board members questioned Chief about possibility of changing the dates.

General Counsel offered a change that could be used to allow completed applications to be received by April 30<sup>th</sup> 2017 as an amendment to the submitted resolution.

President Kalvans asked if there were any public questions or comments.

Scott Young, resident and firefighter, commented about the process to get dates altered for sale dates but would like the Board to approve the request.

There were no other public comments or questions.

Director Green made a motion to amend the Resolution as presented to state that applications would need to be completed by April 30<sup>th</sup>, seconded by Director Parent. Motion was approved by roll call vote, 5 AYES, 0 NOES.

President Kalvans asked GM to introduce the next Item.

18. GM stated that this request is to Discuss and Approve Purchase of Thermal Imaging cameras for Fire Department. GM stated that the Equipment & Facilities Committee had reviewed this item at its February 17<sup>th</sup> meeting. The Committee unanimously agreed to recommend the Board approve an appropriation of not-to-exceed \$18,447 including tax for 2 thermal cameras from the Fire Impact fees available. There is no doubt about the value of these camera units to fighting fires and protecting lives.

GM asked the Fire Chief to present the report and highlight the details in the submitted written report. Chief Roberson stated that he had added discussion with GM and believes it is important to note that the GM does not and did not oppose acquiring this equipment. There may be a case of misunderstanding how budgeting process is done. Any confusion that may have existed does not exist now.

**Fire Chief Analysis:**

In the fire service, great efforts have been made in making fighting fire as safe as possible thru fire safety gear and equipment with new technologies. Time and exposure to the dangerous elements with newer safety gear and equipment can be reduced with use of TIC equipment.

Firefighters are already limited time in a burning structure due to the amount of air in their SCBA, a thermal image camera (TIC) can speed the process up drastically and reduce the time exposed by giving the firefighter the ability to see through smoke and dark buildings.

TIC units has become a standard piece of fire safety equipment in emergency serves and is a very versatile tool, through its ability to detect temperature variations. TIC units can ensure that all heat and fire extension has been suppressed after fire attack.

In other application, TIC units can detect gas leaks or fluid levels in a container from a distance without getting up close. The TIC is also capable of finding victims in a car

accident and can even identify how many victims were in a car if they have fled the scene thru heat signatures in the seats where the bodies were prior to the accident.

This specific brand (Bullard) is built and designed for the firefighting environment. Where other brand may appear to provide the same function, the Bullard TIC's have been tested, warrantied and widely used throughout fire service.

**General Manager's Analysis and Recommendation:**

The E & F Committee recommended the purchase of these 2 TIC units now rather than wait for the next fiscal year budgeting process.

The purchase of the requested equipment should be a part of the customary budget approval process used by the Board and Standing Committees. A process that has been used effectively for the past 2 years to control expenses while providing needed or budget requested equipment or facilities. This practice is consistent with financial accounting practices and requirements. There have been no requests for this purchase in the past 2 years of fiscal budgeting.

The quote of \$18,447 including tax, if 2 cameras are necessary for operational purposes. Purchase would require an appropriation from Fire Impact fee account as recommended by the E & F Committee. Fire Impact fees available are available and exceed \$41,000. This request will reduce that amount accordingly. Use of Fire Impact fees is allowed for equipment and facilities.

President Kalvans announced now is the time for public comment on this item.

**Public Comments:**

Scott Young, a resident, thanked the Board for acting on this request. He spoke in favor of purchasing this equipment now rather than waiting. He also discussed the value in fire protection and firefighter safety that comes from using this equipment. He stated that he thought it was sensible to use available fire impact monies available and supported its use.

There were no other public comments or requests to speak.

Director Green made a motion to approve the purchase of 2 Thermal Imaging cameras with funding coming from Fire Impact fees, seconded by Director Kalvans. Motion was approved by roll call vote, 5 AYES, 0 NOES, 0 ABSENT.

President Kalvans asked GM to introduce the next Item.

19. GM stated this request involves a discussion about appointing public members to serving on a Citizen's Budget Oversight Review Ad-Hoc Committee and establish the Committee's oversight responsibilities. GM also spoke about the written report mitted

for the Board's discussion which provides further details on how to structure this Committee and the authority of the Board to appoint persons to the Committee.

The Board requested this item be brought back as an action item and consideration of making appointments to this Committee.

The purpose of this Committee is soliciting public input into the District's budgeting process and allow for citizen input prior to the annual budget adoption by the Board.

This Committee is supplemental to the Finance & Budget Committee and is obligated to make advisory recommendations to the Board of Directors during its consideration and adoption of the annual budgets. This Committee role is advisory only. Finance & Budget Committee should also receive and review these recommendations prior to forwarding its recommendations to the Board of Directors.

This Committee should have as its primary responsibility to:

- 1) Review and provide input for proposed annual budgets for operations & maintenance, capital projects and expenses, capital reserve maintenance and restricted fund allocations, such as Vehicle Replacement, Investment, Connection fee use and any other restricted funds.
- 2) Review and provide input for staffing levels and salaries/wages, benefits and contract labor.
- 3) Committee should use District public noticing and posting of agendas and packet materials as a standard practice, including noticing and posting of special meeting notices and subject to the provisions/requirements of the Brown Act.
- 4) Committee members shall not be eligible for a stipend or other compensation.
- 5) Committee members, as appointees, shall be subject to filing of Form 700 Disclosure annual forms, including assuming and leaving appointed office as required by law.

This Committee will meet only at times when the budget is being formulated, primarily from the months of March to June each year and again in January to review mid-year adjustments, if any are needed.

GM stated that there were 2 individuals who expressed an earlier interest, at the January Board meeting, in serving on this Committee. Additional persons may, at this Board meeting, request to be interviewed or answer questions about their experience in fiscal matters and want to serve on this Committee. If that should occur, the Board should consider any such person(s) appearing before the Board and before the Board makes its appointment.

The two individual previously expressing an interest in serving are: Travis Dawes and Laverne Buckman. The Board should determine what their interest and availability is. The Board may also determine that added time should be given to allow other candidates to appear and be considered by the Board before making any appointments.

Staff recommends that Board discuss and make appointments to Citizen's Budget Oversight Review Ad-Hoc Committee and establish purpose and responsibilities.

President Kalvans asked if there were any Board questions. Director Green asked if the Board could make the term different from the staff recommendation. General Counsel stated, in reply, that it is possible to make this Committee's term longer or as needed, if that is preferred by the Board.

Director Parent asked how extensive was the notice of solicitation for this Committee. GM replied that there was a posting at the District office, at the Post Office location and in the District's, outdoor bulletin board. GM also believed that we posted a notice on District website but was corrected later that no webpage posting had occurred.

He stated that he believes that this is a good idea but would like to see more participation on the Committee by more community residents. The issue of staffing levels is difficult enough now; does not want to see the current process worsen when this is an administrative task.

Director Green commented that he did not believe that enough posting and notice had been done and would like to see more done.

Directors Reuck and Buckman spoke in favor of creating this Citizen's Committee as presented but added support for getting more people involved.

President Kalvans asked if there were any other comments. There were none.

President Kalvans asked if there were any persons who wanted to speak on this item.

**Public Comments:**

Laverne Buckman, a resident, spoke in favor of creating this Committee and believes this Committee should be a longer term than presented in the report. She also spoke about this Committee offering input on how and what staffing needs.

Scott Young, a resident, asked for more information on how the notice was posted and how the Board should continue to consider all potential candidates. He asked the Board to do more outreach.

Director Green made a motion to appoint 2 candidates, Laverne Buckman and Travis Dawes, to this Citizen's Committee as presented and added a requirement that public notice seeking other persons to be consider be continued by staff, seconded by Director Buckman. Motion carried by a roll call vote of 5 AYES, 0 NOES, 0 ABSENT.

President Kalvans asked the General Manager to introduce the next Item.

20. General Manager stated this request is to consider authorizing the release of a job announcement and recruitment of administrative position. GM also stated that the submitted written report asks for Board authority, per existing Board policy, to initiate a job announcement and recruitment of the proposed administrative position that included in this year's FY budget.

President Kalvans asked if there were Board questions. Board members asked to hear from the public first before discussing further.

President Kalvans asked if there were any public comments.

**Public Comments:**

Scott Young, a resident, asked the Board about how many people are needed for the CSD functions. He also wanted the Board to consider outsourcing as many CSD positions as possible. He believed that local knowledge in local firms would be less costly than hiring additional people. He also wants the Board if they know where and how any new people can be housed in this building. He hoped the Board would consider "streamlining the system" before adding any new people.

Director Green asked Mr. Young what outsourcing meant to him. Mr. Young responded by stating, his previous description of getting local knowledge in local firms as most cost effective but offered no other specifics.

Laverne Buckman, a resident, asked the Board to not do this action as presented. She agrees that outsourcing may be a better option and should be investigated before hiring a person.

She also spoke about the need to have a list of positions in District and to use the F & B Committee to determine staffing needs. She is aware that current employees are not happy and thinks it is a problem to be addressed.

There were no other public comments.

Director Green commented that outsourcing was not explored and added remarks about investigating potential for outsourcing for accounting or other functions. He believes this option should be investigated further before deciding about this position as presented.

Director Parent commented that he is hesitant about this position because he does not have enough information. He believes that salary levels are a problem; thinks a salary survey is needed; and the lack of a labor agreement is also a problem for the District. All these factors are having an impact on employees.

President Kalvans stated that he believes a need is to have more attention given to how minutes are taken, who takes, and what is the cost. He thinks that it may be time for the

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District Board to have a dedicated Board Secretary or Clerk to attend meetings' take minutes by transcription and prepare written minutes currently done by GM. Thinks there may be other options, such as outsourcing this task for instance.

Director Green made a motion to refer this item back to the O & P Committee for additional evaluation of outsourcing possibilities for Board consideration, seconded by Director Buckman. Motion was approved by voice vote, 5AYES and 0 NOES.

**IX. BOARD COMMENT:**

President Kalvans asked if there were any Board comments.

Director Buckman commented that he was prepared to suggest addressing employee morale concerns but will pass on it for now.

Director Green commented about be sure to use the microphones as turned on so the light is on and is being recorded.

Director Reuck had no comments.

Director Parent spoke about his continuing concern about no labor agreement being in place. He believes much of the current situation is due to a lack of an MOU agreement.

President Kalvans asked how the District could improve its ISO rating and asked the Fire Chief to provide some information to the Board. Fire Chief replied that some information could be provided for a future meeting and spoke about using District vehicles to promote the District website address by displaying it on the vehicles. GM advised the Board that we will investigate the idea and bring back information to the Board.

There were no other Board comments.

**XV. ADJOURNMENT:**

President Kalvans adjourned the meeting at 9:17 pm.

###



SAN MIGUEL COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
MARCH 16, 2017 SPECIAL MEETING MINUTES

MEETING HELD AT DISTRICT OFFICES  
1150 MISSION STREET  
SAN MIGUEL, CA 93451

**I. Call to Order:**

Meeting called to order by President Kalvans at 6:02 PM

**II. Pledge of Allegiance:**

Director Buckman was asked to lead the Pledge of Allegiance.

**III. Roll Call:** Directors Present: Buckman, Kalvans and Reuck. Absent: Green and Parent

District Staff Attending: General Manager Gentry,  
District General Counsel: Helane Seikaly and Karl Sweikert participated via  
Skype video conference call.

Others in Attendance: None

**IV. Adoption of Special Meeting Agenda:**

Director Buckman made a motion to adopt Special Meeting Agenda as presented,  
Seconded by Director Reuck. Motion was approved by voice vote of 3 AYES, 2 ABSENT  
and 0 NOES.

**V. Public Comment and Communications (for items not on the agenda):**

There were no public requests or persons wishing to speak to the Board.

**VI. BOARD ACTION:**

1. Review and Confirm General Manager's recommendations for selected candidates—Utility Services Department.

President Kalvans asked the General Manager to introduce this Item and state the Staff Recommendation. General Manager announced that this item was to fulfill an urgent need for 2 vacant positions in the Utility Services Department. One position is the replacement of Utility Operator 2, full time and the second position is a budgeted, new position of Utility Worker, part time.



A written report was submitted for the Board's review addressing the qualifications and experience of the selected candidates for the 2 positions. Both candidates have water distribution and/or treatment certifications but will need to obtain wastewater certificates within a year from date of hire to meet District operational needs.

Both candidates were interviewed by the District Engineer/Utility Services Manager and Utility Services Supervisor. There were a total of 6 interview candidates and all candidates were scored and ranked. The 2 selected candidates were scored and ranked higher than other interviewed candidates by having strong construction and water industry experience.

GM has recommended Board authority to make job offers to both select candidates with higher Step Level compensation as noted in the report. GM stated that there are some increase in cost due to the proposed higher compensation level, but believes the higher rates are warranted based on their existing certifications, if the proposed job offers are accepted and all pre-hire requirements are satisfactory.

The Board's action to authorize making the job offers as proposed will initiate immediate action to complete pre-hire screening as soon as possible. If pre-hire screening is completed in a timely manner, it is possible that one or both candidates would be starting work on or about the first week in April.

President Kalvans asked if there were any Board questions of General Manager. There were no other questions.

**VII. BOARD COMMENT:**

There were no further Board comments.

**VIII. ADJOURNMENT:**

President Kalvans adjourned the Board meeting at 7:04 PM.

###



# San Miguel Community Services District Board of Directors

## Staff Report

March 30, 2017

AGENDA ITEM: XI. 15

**SUBJECT:** Review and Discuss Approving **Resolution No 2017- 06** authorizing a compensation adjustment for an eligible non-management, non-confidential employee for step/merit increase in compensation

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### **STAFF RECOMMENDATION:**

Review and Discuss a recommendation to the Board of Directors for approving Resolution No 2017-xx authorizing a compensation adjustment for 1 employee eligible for step increase.

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### **BACKGROUND:**

The Finance & Budget Committee reviewed this item at its March 16<sup>th</sup> meeting and recommended that the Board approve this compensation adjustment. Annual performance evaluation of active District personnel and salary adjustments are required by District Personnel Policies. Board adopted policy requires that such adjustments shall be authorized by Board prior to any change in status, including a merit or step pay increase. This salary adjustment request is in line with Board policies for such changes in status. Operations & Personnel Committee will not be considering this request due to a potential conflict of interest and did not forward a recommendation to the Board.

Annual performance evaluation of the Account Clerk 2/Operations Coordinator position, has been completed with a satisfactory rating and new performance goals set for the next annual review period. There was an authorized a merit increase in March 2016, which was late for the annual review and resulted in retroactive pay back to February 2016.

The employee has completed specific tasks and goals as specified in 2016-2017 goals, a part of last year's evaluation statement. The next annual performance evaluation period, new, specific goals in reducing errors, broader skill training, understanding of special district operations and laws have been identified for achievement by the next evaluation period. Employee performance for the position requirements and duties performed is at performance expectations.

Personnel Policy state that step or merit increase in compensation may be authorized based on General Manager's recommendation with a satisfactory annual performance evaluation. This request is seeking authorization for a step increases effective with next payroll period, after Board

approval, from current Step 1 (\$18.22) to Step 2 (\$19.13). This increase is retroactive to February 7, 2017, which results in an adjustment to 3 1/2 past pay periods totaling \$247.52.

Personnel Policies state that step or merit increases in compensation may be authorized based on General Manager's recommendation and satisfactory performance evaluation.

**FISCAL IMPACT:**

The cost of this merit or step increase for remainder of FY 2016-17 (6 pay periods assuming Board approval on March 30<sup>th</sup>) is \$9,183 on a yearly basis. Merit increases were anticipated and projected for the FY 2016-17 budget expenses.

**ACTION DISCUSSION:**

Staff recommends that the Board approve the attached Resolution authorizing this requested change in status for merit increase to compensation to Account Clerk 2/Operations Coordinator position effective and retroactive to February 7, 2017.

PREPARED BY:

*Darrell W. Gentry*

---

General Manager

Attachment: **Resolution No 2017-06**



**RESOLUTION NO. 2017-06**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUEL COMMUNITY SERVICES DISTRICT APPROVING AND AUTHORIZING A CHANGE IN COMPENSATION FOR 1 ELIGIBLE EMPLOYEE**

**WHEREAS**, the San Miguel Community Services District (“SMCSD”) has adopted District Personnel Policies effective November 2014 requiring and changes in related compensation to be approved by the Board of Directors (“Board”); and

**WHEREAS**, the District General Manager (“Manager”) has responsibility for recommending any change in compensation to the Board, pursuant to Board policies; and

**WHEREAS**, the Manager has recommended a compensation adjustments for one (1) eligible employee as specified in a written report dated March 30, 2017 to the Board; and

**NOW THEREFORE, BE IT RESOLVED**, by the Board approves and authorizes the recommended compensation adjustment retroactively, as specified in written report to the Board dated March 30, 2017.

**PASSED AND ADOPTED** by the Board of Directors on a motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_ by the following roll call vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAINING:**

The foregoing Resolution is hereby passed and adopted this 30th day of March, 2017.

\_\_\_\_\_  
Anthony Kalvans, President  
Board of Directors

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Darrell W. Gentry, General Manager  
and Secretary to the Board

\_\_\_\_\_  
Doug White, District General Counsel



# San Miguel Community Services District Board of Directors

## Staff Report

March 30, 2017

AGENDA ITEM: XI. 16

**SUBJECT:** Review and Discuss Authorizing a Letter of Opposition to Estrella-El Pomar-Creston Water District Formation

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### **STAFF RECOMMENDATION:**

Review and Discuss authorizing a letter of opposition to the proposed Estrella-El Pomar-Creston Water District Formation.

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### **BACKGROUND:**

The San Luis Obispo Local Agency Formation Commission (SLO LAFCO) is holding a public hearing regarding the formation of the proposed Estrella-El Pomar-Creston (EPC) Water District on April 6, 2017. The proposed EPC Water District was previously reviewed by the Board of Directors. A primary purpose behind this proposed district is to be eligible to form a Groundwater Sustainability Agency in compliance with SGMA (Sustainable Groundwater Management Act) and carry out implementation of a Groundwater Sustainability Plan leading to restoring groundwater basin to less than overdraft conditions.

The proposed EPC Water District is proposed by landowners willing to form and fund the District. Participation in the District is voluntary. The LAFCO report received, on Monday, March 27<sup>th</sup>, is the first opportunity to know LAFCO's position and recommendation in support of the EPC District formation or to review the details of an engineer's report filed in support of the proposed district.

This LAFCO report states that, "For the District to be formed, the formation and funding must be approved by landowners. The formation vote is based on landowners within the proposed district boundaries. The funding is proposed to be a property assessment voted on by the landowners and pursuant to Proposition 218 requirements.

This EPC Water District will have a Sphere of Influence (SOI) established, later, by separate LAFCO action. This SOI will determine where other land ownership properties that can be annexed into the EPC after formation.

If this District is not formed, then the County will be responsible for managing groundwater resources in those areas. The County has stated, publically, that it would manage the groundwater basin under SGMA without charging the landowners in the Basin. The proposed EPC district would impose its own GSA fees for irrigated and non-irrigated lands.

The powers and authority of LAFCO for the formation process are spelled out in the attached LAFCO on page B-1-7. LAFCO has the discretion to approve (with or without conditions) the formation of a water district. LAFCO may adopt conditions of approval that would apply to the Water District, such as set modified jurisdictional boundaries where there is potential effect of the formation on adjacent areas, including resources and other service districts in place. The Water District Act statutes do allow for non-contiguous properties within 2 miles of the proposed boundary to be included. LAFCO is also including potential latent powers for EPC Water District to provide sewer services in the future.

In the situation of the properties, proposed for EPC, there are properties located to the west, southeast and east of existing SMCSO boundaries which effect the established governing structure and services for water and/or sewer. There is no opportunity for a more up-to-date SOI for SMCSO to be done prior to this formation occurring under the present LAFCO recommendation in support.

There are presently 34 owner requests for inclusion in the EPC District representing an estimated 1,742 acres. LAFCO may consider additions or subtractions during the hearing process. **Figure 2** in the attached LAFCO report shows the properties that have opted to be included or excluded. LAFCO Board may approve the formation, modify the proposed formation including modifying the proposed boundaries or disapprove the proposed formation

The proposed EPC Water District would establish a potential SOI that is in direct conflict with SMCSO service areas and any revision of SOI for SMCSO. SMCSO can assert that we can provide GSA services to those parcels located adjacent to our existing boundaries at a lower cost than the proposed EPC (see attached report). EPC maximum assessment is not to exceed \$35 per irrigated acre, while 1.69% of that proposed assessment for non-irrigated acreage would also be charged to land owners plus \$7.50 per acre for residential-commercial. The boundaries of the EPC District are not yet certain and can be modified by the LAFCO Board.

Also, SMCSO can ensure that groundwater use between San Miguel and abutting land owner properties do not result in negative groundwater effects because the SMCSO GSP will provide direct implementation of groundwater basin projects that would be beneficial to SMCSO customers, the Basin and potentially, those identified properties located west, southeast and east of existing SMCSO boundaries.

**FISCAL IMPACT:**

If the Board authorizes a letter of opposition to be prepared, then District General Counsel will be directed to prepare this letter and make an appearance at the LAFCO public hearing on April 6, 2017. The projected cost of General Counsel services are an estimated 6-12 hours plus travel expenses for LAFCO hearing attendance.

**ACTION DISCUSSION:**

Staff recommends that the Board review and discuss authorizing a letter of opposition be prepared and sent to SLO LAFCO Board. The SMCSD Board is requested to discuss the authorization as a statement of opposition to the formation unless specific conditions or modifications are made by SLO LAFCO Board that would reduce or eliminate future jurisdictional service area problems between SMCSD and the proposed EPC Water District.

PREPARED BY:

*Darrell W. Gentry*

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General Manager

Attachment: Arguments for Inclusion in a Draft Letter of Opposition by SMCSD Board  
LAFCO Report for public hearing on EPC Formation  
Copy of Proposed EPC District boundaries as shown in LAFCO Report

**Arguments for Inclusion in a Letter of Opposition to SLO LAFCO Board of Directors re:  
EPC Water District -LAFCO File No. 4-R-16**

1. The proposed EPC Water District would establish a potential SOI that is in direct conflict with SMCSD service areas and any revision of SOI for SMCSD. SMCSD can assert that we can provide GSA services to those parcels located adjacent to our existing boundaries at a lower cost than the proposed EPC. EPC maximum assessment is not to exceed \$35 per irrigated acre, while 1.69% of that proposed assessment for non-irrigated acreage would also be charged to land owners plus \$7.50 per acre for residential-commercial. SMCSD has calculated its current costs for pumping and distribution are at an equivalent per acre cost of \$17.00 - \$20.00. It is rational, therefore, to state that SMCSD costs are less than the proposed rates in the EPC Formation proposal.
2. The boundaries of the EPC District are not yet certain and can be modified by the LAFCO Board.
3. Also, SMCSD can ensure that groundwater use between San Miguel and abutting land owner properties do not result in negative groundwater effects or the Estrella sub-basin area of the Paso Robles Groundwater Basin as described in State Water Resources Board Bulletin No. 118. because the SMCSD GSP will provide direct implementation of groundwater basin projects that would be beneficial to SMCSD customers, the Basin and potentially, those identified properties located west, southeast and east of existing SMCSD boundaries.
4. LAFCO analysis fails to consider the effect of the proposed formation on adjacent areas, including social, economic and existing local governmental structure, such as SMCSD.
5. Government Code Section 56668 specifies that LAFCO must review both present cost and adequacy of the services and probable future needs for those services, including considering the effects of the proposed formation on the services and costs of those services provided already in adjacent areas, such the SMCSD GSA and district jurisdiction.
6. There are 15 different factors under Government Code Section 56668 that need to be demonstrated and evident for this proposed formation. While the Engineer's Report submitted by Wallace Group on behalf of EPC Formation, consider some of these factors, it does not include an assessment of the effect of the proposed formation on adjacent, particularly economic or governance related issues, such as negative impacts to SMCSD to expand or not expand its SOI area based on rationale, documented analysis. There is a presumption that SMCSD will not be expanded in the future, thus the analysis is not provided or done for purpose of public disclosure and discussion.





**LAFCO - San Luis Obispo - Local Agency Formation Commission**  
*SLO LAFCO - Serving the Area of San Luis Obispo County*

**TO: MEMBERS, FORMATION COMMISSION**  
**FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER** *(DC)*  
**DATE: APRIL 6, 2017**  
**SUBJECT: FORMATION OF THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT - LAFCO FILE NO. 4-R-16**

**COMMISSIONERS**

Chairman  
MARSHALL OCHYLSKI  
Special District Member

Vice-Chairman  
ED WAAGE  
City Member

DEBBIE ARNOLD  
County Member

LYNN COMPTON  
County Member

ROBERT ENNS  
Special District Member

ROBERTA FONZI  
City Member

TOM MURRAY  
Public Member

**ALTERNATES**

ED EBY  
Special District Member

ADAM HILL  
County Member

JAMIE L. IRONS  
City Member

HEATHER JENSEN  
Public Member

**STAFF**

DAVID CHURCH  
Executive Officer

RAYMOND A. BIERING  
Legal Counsel

MIKE PRATER  
Senior Analyst

DONNA J. BLOYD  
Commission Clerk

**1. Introduction**

This is a public hearing of the Local Agency Formation Commission (LAFCO) regarding the formation of the proposed Estrella-El Pomar-Creston (EPC) Water District. The topics to be covered are found in the Table of Contents to the right along with various attachments. A public notice of this hearing has been provided to both property owners and registered voters within the proposed Water District boundary and within 300 feet of the exterior boundary. A notice has also been published in the local newspaper. The law requires only a newspaper notice if over 1000 notices are being mailed. Over 1400 postcards were mailed directly to landowners and registered voters in the Water District and within the 300 foot buffer. The noticing requirements have been exceeded. Today's meeting has also been announced on the LAFCO Homepage since late February.

If formed, the proposed EPC Water District would be responsible for helping to stabilize the Paso Robles Groundwater Basin by complying with the new state law the Sustainable Groundwater Management Act (SGMA). SGMA requires that all medium and high priority basins (Paso Robles is a High Priority Basin) be managed by a Groundwater Sustainability Agency (or agencies) with a Groundwater Sustainability Plan (GSP) created by the GSA(s). The proposed Water District intends to become a GSA.

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**Attachments**

- A- Plan for Services
- B- Proposed Boundary Map
- C- Draft Engineer Report Benefit Assessment for 218
- D- Powers Analysis
- E- Notice of Exemption
- F- Inclusion/Exclusion Requests
- G- LAFCO Factors & Policies
- H- Draft Resolution
- I - Comment Letters

The County, along with other agencies in the area, is in the process of forming the governing structure for managing the Paso Robles Groundwater Basin. The governing structure includes multiple GSAs and the preparation of a single Groundwater Sustainability Plan (GSP). A Memorandum of Agreement is being crafted to establish the GSAs in the Basin and will include: County of San Luis Obispo, City of Paso Robles, San Miguel CSD, and the Shandon-San Juan Water District. The EPC Water District would request DWR to grant it GSA status. Once granted, the District would become part of the agencies working toward SGMA compliance.

California Water Districts are formed and governed by landowners and are subject to the State Water Code 34000 et al (Principal Act) and any LAFCO conditions. Some key facts about this proposed Water District:

- The Estrella-El Pomar-Creston Water District is proposed only by landowners willing to form and fund the District. Participation in the EPC Water District is voluntary;
- Written consent by a landowner is required to be added to the Sphere of Influence of the District; a property must be in the SOI first to be annexed into the District. This condition maintains the voluntary landowner governing structure;
- Funding for the Water District is only from the landowners within the District;
- If formed, the landowners would be required to adhere to the policies, regulations and fees adopted by the Water District's Board of Directors; and
- The District cannot transfer "any water" outside the Paso Robles Groundwater Basin.

The EPC Water District would establish a local government agency for managing the portion of the Paso Robles Groundwater Basin for those landowners who want this type of structure. Those landowners not within a Water District would be managed by the County Flood Control District, a City, other Special District or by the State. The County Board of Supervisors decided to fund SGMA compliance activities for unmanaged areas that are not in a District or a City. The possible formation of the Shandon and EPC Water Districts was included as part of this decision. This decision may be revisited by the Board of Supervisors.

The Water District would have authority and jurisdiction only over those landowners and properties inside its service area boundaries. For the District to be formed, the formation and funding, must both be approved by landowners. The formation vote is based on landowners within the Water District's boundary based on a one vote per one acre basis. The funding is proposed to be a property assessment voted on by the landowners within the proposed Water District's boundary, and pursuant to Proposition 218. The District Board of Directors is required to conduct a successful Proposition 218 process within one year or be dissolved. The one year period may be extended by LAFCO upon request.

## 2. Sustainable Groundwater Management Act

The Sustainable Groundwater Management Act (SMGA) amended the Water Code and was signed by Governor Jerry Brown on September 16, 2014. It went into effect on January 1, 2015. SGMA provides the framework for sustainable management of groundwater supplies by local authorities, with a provision for state intervention and enforcement if the groundwater resources are not being managed effectively by local agencies. The Act calls for Groundwater Sustainability Agencies to be formed by June 2017 with Groundwater Sustainability Plans to be adopted by January 31, 2020.

SGMA requires the formation of local Groundwater Sustainability Agencies (GSAs) that must assess conditions in their local water basins and adopt locally-based management plans; Groundwater Sustainability Plans (GSPs). The Act establishes a 20-year horizon for GSAs to implement plans and achieve long-term groundwater sustainability. The County Public Works Department is coordinating the formation of GSAs for five medium to high priority basins in San Luis Obispo County. The County must confirm responsibility for being the GSA by July 1, 2017. DWR determined that three basins are in critical overdraft: Cuyama Valley, Los Osos, and Paso Robles. The following dates are for the implementation of SMGA:

- January 1, 2016: Adopt basin boundary adjustment regulations
- April 1, 2016: Adjudicated basins submit judgments/decrees
- January 1, 2017: Publish groundwater sustainability best mgt. practices
- Early 2017: Update Bulletin 118 boundaries/re-prioritize basins
- June 30, 2017: Establish GSAs-notice sent to DWR
- July 1, 2017: Identify probationary basins: basins without a GSA
- January 31, 2020: Submit GSPs-High/Medium Basins in Critical Overdraft
- January 31, 2020: No adopted GSP= State considers probationary status
- January 31, 2022: Submit adopted GSPs for other basins

### Groundwater Sustainability Agency (GSA) Powers-Functions

SMGA provides a GSA with certain powers and functions to allow it to sustainably manage a groundwater basin. The Water Code lists the Powers and Authorities for GSAs. Below is a summary of the powers:

- May adopt rules, regulations, ordinances, resolutions for the purposes of the Act.
- May conduct investigations to carry out the requirements of the Act. Section 10725.4

- May require the registration of wells. Section 10725.6
- May require the installation of water-measuring devices on all groundwater wells within the basin boundaries at the expense of the operator or owner. Section 10725.8
- May require annual extraction statements or other reasonable methods to determine groundwater extractions. Section 10725.8 (c) and (d)
- May impose well spacing requirements and control extractions by regulating, limiting or suspending extractions from individual groundwater wells. Section 10726.4 (a)(1) and (2)
- May assess fees to establish and implement local groundwater management plans. Section 10725.4 (a)(3)
- Local agencies may request that the Department of Water Resources (DWR) revise the boundaries of a basin, including establishing new sub-basins. The request shall include information to be specified by DWR in regulations by January 1, 2016, to support the request. Section 10722.2 (a)
- May identify de minimus user (less than 2 acre feet) to be exempt from SGMA.

The primary purpose of the proposed EPC Water District is to allow a group of willing landowners, only within the Water District's boundaries, the ability to comply with SGMA. DWR determines if a GSA application is complete or not. If not, the GSA must work out the issues with its application. SGMA requires that all agencies that manage water in the Basin to coordinate their GSP's. DWR will oversee compliance and ensure that these plans are coordinated and GSA's are formed.

The proposed Water District would provide a local agency to manage the groundwater resources within a certain area of the Paso Robles Groundwater Basin. The proposed Water District has groundwater management authority as either a stand-alone GSA (if granted by DWR) or as part of a larger GSA. Under SGMA, the proposed EPC Water District as a GSA, in coordination with other GSAs in the basin, would take actions that achieve basin-wide sustainability goals. If the proposed Water District is not formed, management of the groundwater resources in those areas would be at the discretion of the County. The County has recently indicated that it would manage the groundwater basin under SGMA without charging landowners in the Basin.

## **Groundwater Sustainability Plans**

The California Department of Water Resources has adopted regulations with regard to the preparation of a Groundwater Sustainability Plan (GSPs). These regulations specify the components of the plans and identify the provisions of interagency coordination agreements. In other words, what does a GSP contain and how does an interagency

agreement work? The regulations also provide for the process of gathering information and data as well as the procedures for submitting the plan to DWR and review of the adopted plan by DWR. The contents of a GSP are substantial and include, but are not limited to the following:

1. Administrative Information
  - a. Executive Summary-Plan Overview and Basin Description
  - b. List of References and Technical Studies
  - c. Agency Information-Organization Structure, Management Implements Plan
  - d. Description of the Plan Area-Areas managed by the Agency Exclusively
  - e. Notice and Communication-for development of the plan with agencies, etc.
2. Basin Setting-Physical setting, current conditions, data gaps, Engineer/Geologist
  - a. Hydrogeologic Conceptual Model: Technical Details
  - b. Groundwater Conditions-Current and Historic
  - c. Water Budget-total annual volume of groundwater - Inflows and Outflows
  - d. Overdraft Conditions-Estimate of Sustainable Yield
  - e. Significant Technical Information-Projected Water Budgets
  - f. Management Areas-Define Management Areas
3. Sustainable Management Criteria
  - a. Introduction to Criteria
  - b. Sustainability Goal-Absence of undesirable results in 20 years
  - c. Undesirable Results
  - d. Minimum Thresholds
  - e. Measureable Objectives
4. Monitoring Networks
  - a. Introduction to Monitoring Networks
  - b. Description Monitoring Network
  - c. Representative Monitoring
  - d. Assessment and Improvement of Monitoring Network
  - e. Reporting Monitoring Data to the DWR
5. Projects and Management Actions
  - a. Description of projects and management actions to benefit the Basin
  - b. Measurable Objectives
  - c. If overdraft exists, description of actions to be taken
  - d. Summary of permitting/regulatory process for each project
  - e. Status of each project-timeline for implementation
  - f. Explanation of expected benefits-how they will be evaluated
  - g. How projects will be accomplished-reliability of outside water sources
  - h. Legal authority required for each project/management area
  - i. Estimated cost for each project and management area
  - j. Description of extractions and recharge Basin to address drought situation
6. DWR Evaluation and Assessment
  - a. Submit adopted GSP for evaluation-submittal date is assigned by DWR
  - b. Adopted GSP is posted on DWR website within 20 days of adoption

- c. Public Comment period of no less than 60 days
  - d. GSP shall be evaluated within 2 years of submittal-written assessment posted
  - e. GSP shall be determined “approved” or “incomplete” or “inadequate” by DWR
  - f. 180 days to respond to incomplete determination
  - g. Criteria for Plan Evaluation: Plan submitted on-time, Plan is complete as required by SGMA-including coordination agreement, GSP(s) cover the entire basin, reasonable measureable goals and objectives, reasonable measures and schedules to eliminate data gaps, feasibility of projects and management actions, reasonable assessment of overdraft, number of other criteria
  - h. Periodic review at least every 5 years
  - i. Review of Annual Reports and Plan Amendments
7. Annual Report and Periodic Evaluations
    - a. Due April 1 of each year following plan adoption
    - b. Contents: Groundwater elevation data, monitoring wells, hydrographs, amount of groundwater extraction, Total water use, change in groundwater storage, etc.
  8. Interagency Agreements
    - a. Interbasin Agreements: Two or more agencies agree on sustainability goals.
    - b. Coordination Agreements: contents, water budget, submitted with GSPs, etc.

It is important to note that the GSP is a document(s) that intends to comprehensively address management of the entire Paso Robles Groundwater Basin. All GSAs would be required to participate and coordinate in the preparation and submittal of the GSP. DWR will review and either approve the Plan, or determine it to be incomplete or inadequate. The Plan would include the proposed projects and management actions to be implemented under the Groundwater Sustainability Agencies (GSAs). The GSAs and GSP will be used to achieve the goal of sustainably managing the Basin over the long term. If formed, the proposed EPC Water District would identify projects, policies and management actions that it would undertake to help achieve these goals.

## Coordination Agreement

Under SGMA local agencies are responsible for developing and implementing GSPs. A local agency can request to become a GSA, or a combination of local agencies can form a GSA through a joint powers agreement (JPA) or other agreement. Depending on the number of GSAs within a basin, there are options for preparing a GSP.

- Single GSA developing a single GSP
- Multiple GSAs developing a single GSP (**Current Paso Basin path**)
- Multiple GSAs developing multiple GSPs, with a coordination agreement

Once an entire basin is covered by one or more GSAs, the first action of each GSA is to begin discussing and coordinating activities related to the development and implementation of the GSP(s). A Coordination Agreement (MOA) ensures that the GSP is developed and implemented utilizing the same data and methodologies. Also, the

elements of the GSPs necessary to achieve the sustainability goals for the basin are developed consistently. A Coordination Agreement:

- Is required for multiple GSAs preparing multiple GSPs
- Is recommended for multiple GSAs preparing a single GSP
- Identifies a Plan Manager as the point of contact with DWR

The agreement is being developed. The County, Cities and Special Districts with water authority in the basin are discussing this now. The proponents of the Shandon-San Juan and EPC Water Districts are also involved in the discussion.

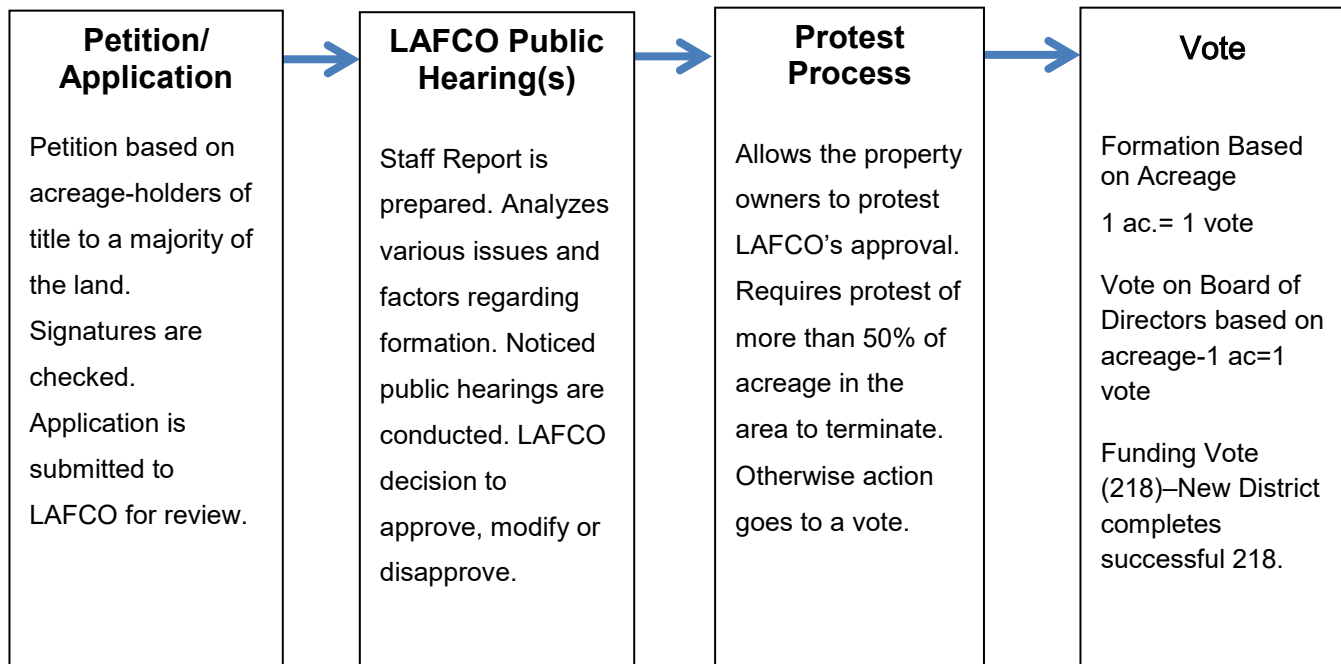
### **3. LAFCO Formation Process**

The Notice of Intent to Circulate a Petition was filed with LAFCO on August 18, 2016 and the applicant gathered signatures for the petition and submitted them to LAFCO for verification. The petition process allows the applicants six months to submit the petitions from the date when the first signature is signed on the petition. In this case the first signature was gathered on September 26, 2016 and the petition was submitted to LAFCO on January 3, 2017. This is within the six month period. The petitions were sent to be examined by the County Assessor's Office to compare the names and Assessor's Parcel Numbers on the petition to the most recent tax roll. The Assessor's office found that the names and parcels numbers included 100% of the landowners petitioning to be within the District.

The petition, application, and fees have been submitted to LAFCO. The initial 30-day review period was completed with additional information requested and submitted. The formation process and powers of the proposed Water District are described in the Water and Government Codes Sections 34000 et al and 56000 et al (CKH Act), respectively. The petition is adequate and a certificate of sufficiency was filed by the Executive Officer on February 8, 2017.

The Water Code (34000 et al) is the Principal Act for forming and administering a California Water District. If LAFCO approves the formation, the landowners (based on a one acre-one vote formula) within the boundary would vote on whether to form the Water District or not. Under the CKH Act, LAFCO has the discretion to approve (with or without conditions), modify, or deny the application for forming such a district. LAFCO may also adopt conditions of approval that would apply to the Water District.

**Figure 1 -Formation Process**



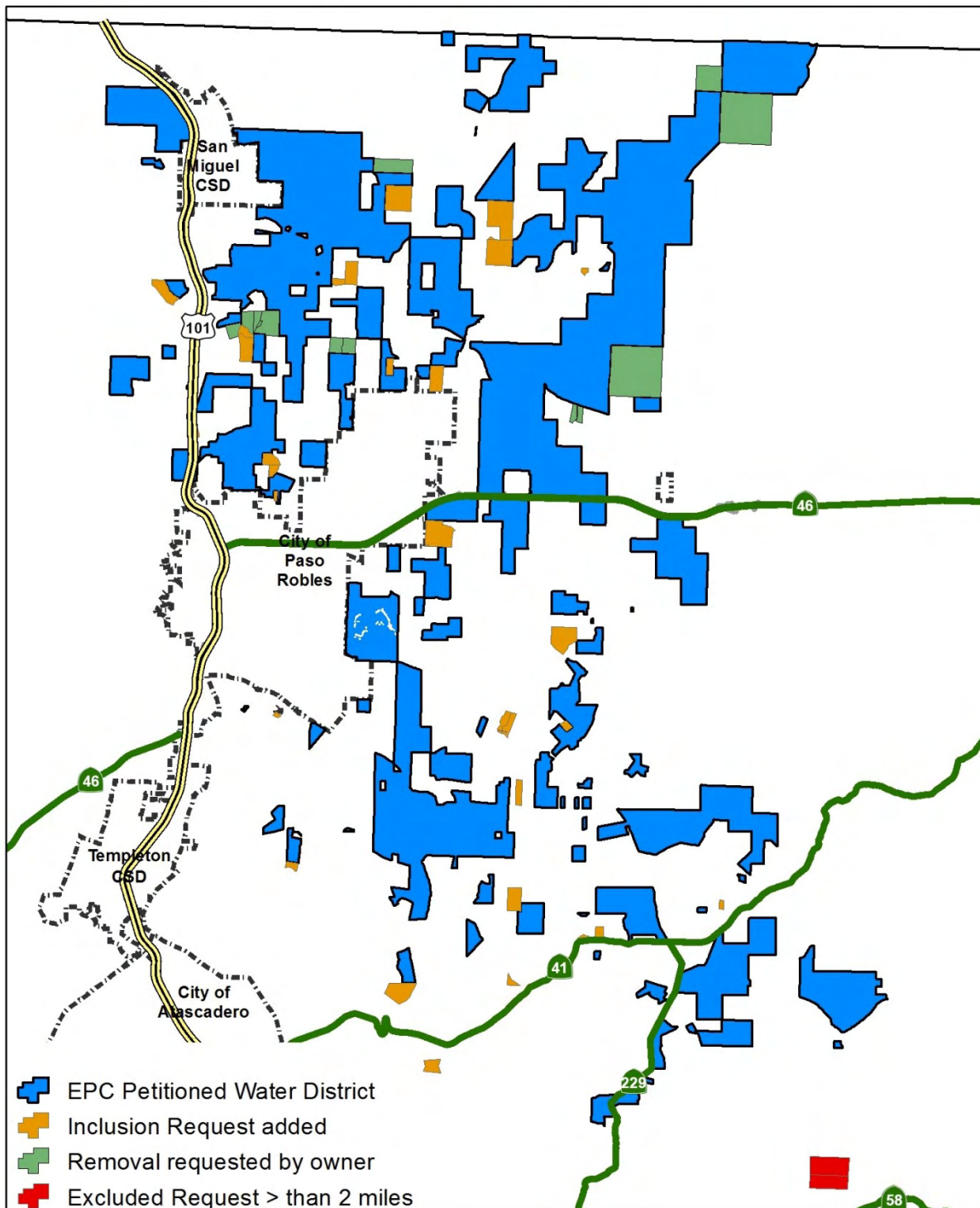
#### 4. Boundaries

**Service Area.** The service area is the boundary where the proposed Water District would have jurisdiction and authority. LAFCO determines the service area and sphere of influence boundaries of a proposed district. At the writing of this report, the service area boundary proposed by the applicants is approximately 38,622 acres (16,519 acres irrigated) and is based on only those landowners who voluntarily signed the petition to form the Water District or have requested to be included. So far 34 requests for inclusion have been submitted for a total of 1,742 acres. Others may also wish to join or be removed from the Water District during the LAFCO process. Four landowners have opted out of the District totaling 1,946 acres. LAFCO may consider any additions or subtractions during the hearing process. This means 100% of the landowners within the proposed Water District would be in favor of forming and funding the Water District.

The voluntary landowner Water District proposal results in an irregular service area boundary. The Principal Act for forming a California Water District allows LAFCO to approve a non-contiguous boundary if the proposed Water District service areas are within two miles of each other. The proposed service area and current pattern is consistent with the two mile requirement with the exception of two parcels. Staff has reviewed the proposed parcels and found that only two parcels are outside the two-mile requirement. The next page shows a map with the landowners who have signed the petition, requested inclusion or exclusion in/out of the proposed boundary of the Water District.



Figure 2 Estrella-El Pomar-Creston Water District  
Proposed Service Area & Sphere of Influence



As proposed the Water District would serve an area of about 38,622 acres of the Paso Robles Groundwater Basin. The area of the proposed Water District boundary makes up about 7% of the Basin within the County when using DWR's Bulletin 118. If the boundary is approved as proposed the areas around and in between the Water District would be subject to the County for SGMA compliance. A landowner(s) who wants to annex into the Water District at a later date can submit an application to LAFCO for consideration. If formed, the Water District can request a Sphere of Influence amendment of property(s) through a resolution of application. However, written consent by the landowner is required for inclusion in the Sphere of Influence. A property must be in the District's SOI for it to be annexed. This maintains the voluntary nature of the District and prevents the EPC Water District from proposing annexation of landowners/areas into the District without their consent. LAFCO would review and evaluate the SOI/annexation proposals according to the CKH Act. A reduced fee schedule has been adopted by LAFCO to allow for a SOI Amendment and Annexation to be processed at a reasonable fee for consenting landowners.

**Service Area Recommendation.** Staff recommends that the service area boundary include those landowners who have signed the petition to form the Water District and landowners who have submitted a written request to be included in the proposed District. Exceptions include the following:

- 1) Two parcels within the Rancho Salinas Mutual Benefit Water Company (Figure 3)
- 2) The proposed boundary should include adding the residential lots that are part of the Huero-Huero Mutual Water Company (45 acres see Figure 4). These are currently owned by one land owner at this point.
- 3) Two southern parcels are greater than 2 miles from the service area (Figure 5).

Landowners who have requested to be removed from the Water District are reflected in the proposed boundary map (13 parcels totaling 1,946 acres). Future SOI amendments would require written consent by the landowner, preserving the rights of landowners to only join the Water District if they consent. The applicant is required to submit a revised boundary map and legal description reflecting the Commissions approved boundary.

Figure 3

Estrella-El Pomar-Creston Water District

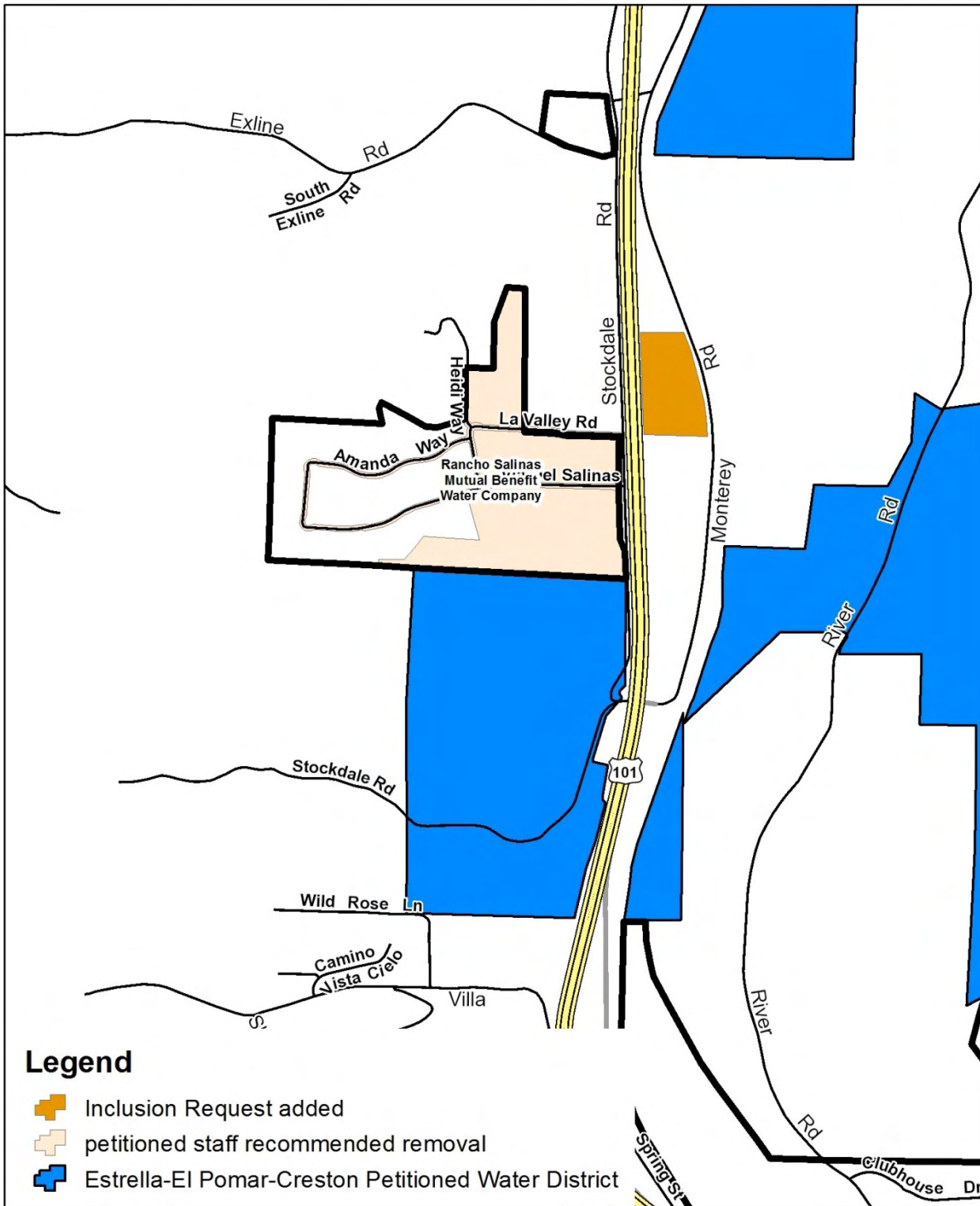


Figure 4

Estrella-El Pomar-Creston Water District

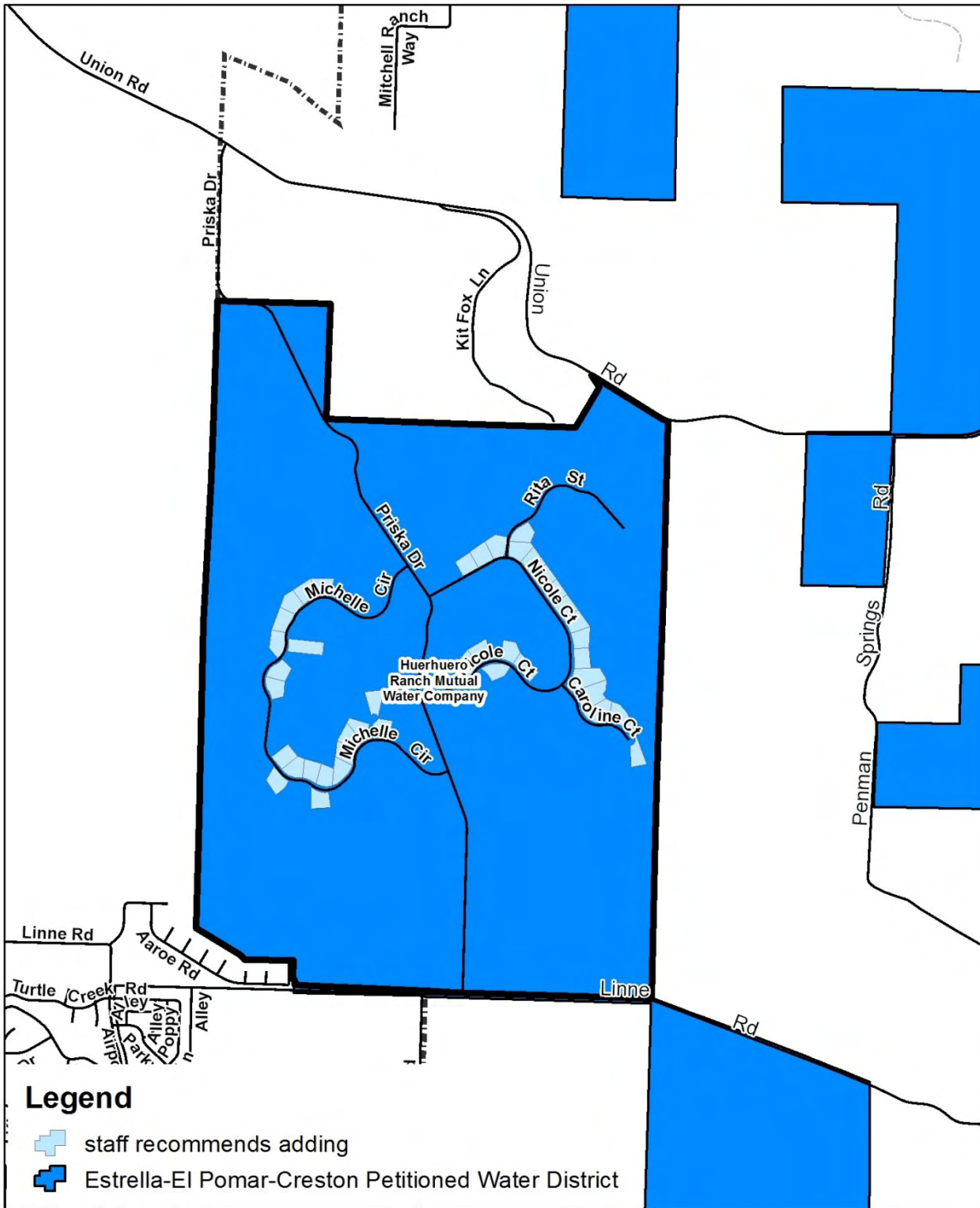
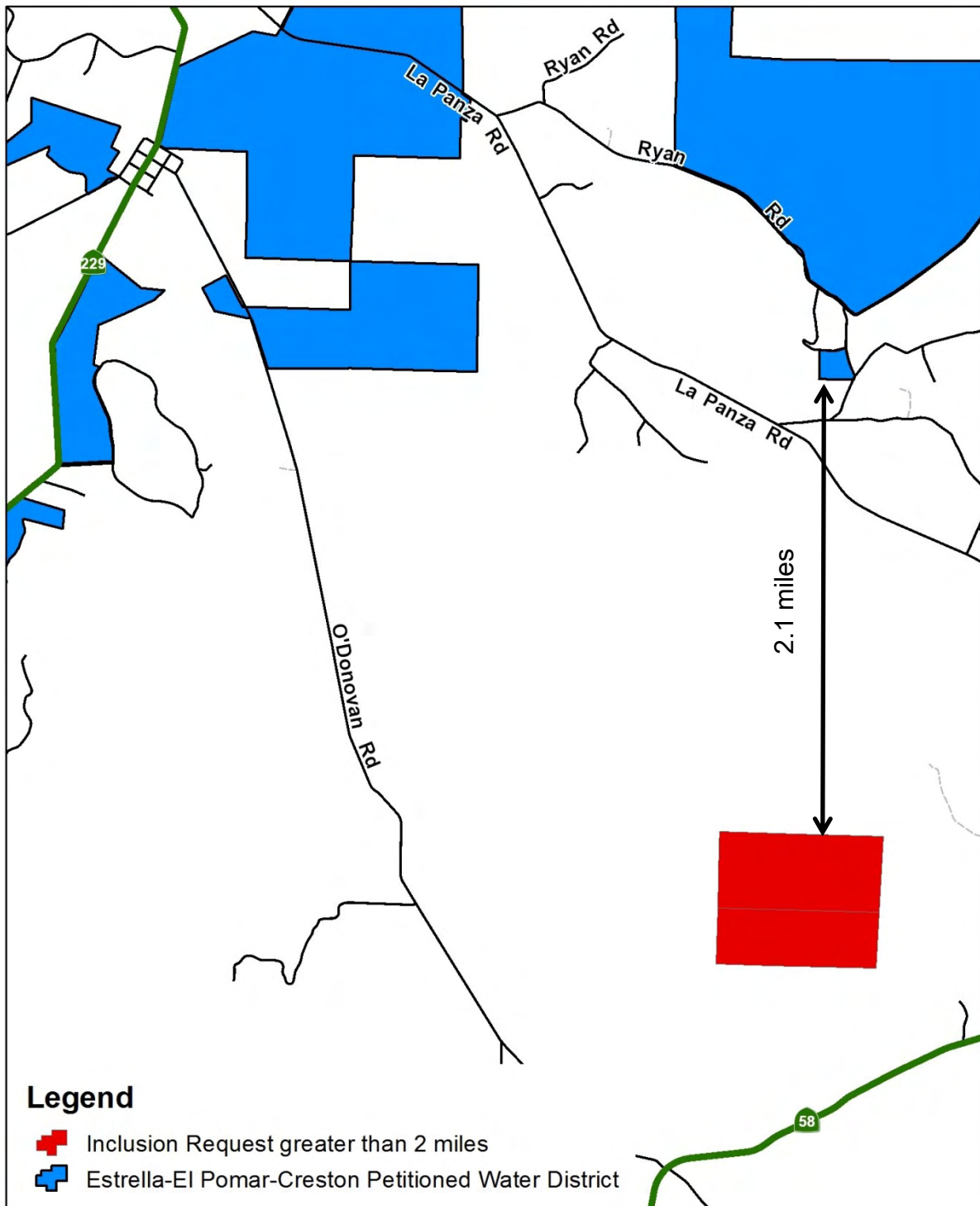


Figure 5

### Estrella-El Pomar-Creston Water District



**Sphere of Influence.** A Sphere of Influence (SOI) is a planning boundary for a jurisdiction that is established by LAFCO and identifies areas that might be annexed in the future. The SOI areas would not be under the authority or regulation of the proposed Water District. It provides the landowner, the jurisdiction, and the public information about what areas could be annexed in the future. The Commission has several options with regard to establishing the SOI for the Water District:

1. Establish the SOI as coterminous (the same as) with the service area boundary with the recognition that LAFCO will update the SOI in five years as part of the SOI Update program. Areas can be added to the Water District's SOI and eventually annexed. Also, if any areas need to be added to the Water District between formation and the first SOI update this can be done by amending the SOI and processing the annexation.
2. The Commission could choose to determine the SOI for the Water District within one year of approval of the Water District. This would give the Commission time to gather more information about the SOI.
3. Lastly, the Commission could establish a SOI based on those landowners who request to be in the SOI.

**Sphere of Influence Recommendation.** Staff recommends option number one (coterminous SOI) because the SOI can be adjusted as needed after more information is available. If more areas need to be added, the SOI can be amended or updated. A condition of approval requiring written landowner consent for inclusion in future SOI amendments is proposed to ensure the voluntary landowner nature of the Water District. LAFCO reviews the Sphere of Influence every five years and the Sphere could be updated at that point in time with written landowner consent.

## 5. Powers – Attachment D

**Powers.** LAFCO has the authority to determine powers for Special Districts. San Luis Obispo LAFCO has done this in the formation of several Community Services Districts over the years. A District can only use powers that are identified in the Principal Act (State Law) that governs a District. Powers that are not in the Principal Act cannot be implemented by the District. LAFCO cannot eliminate a power from the Principal Act, but it can restrict the use of a power using a condition of approval, or by identifying active and inactive powers of a proposed District. CKH Act authorizes LAFCOs to determine a power as active or inactive through the formation process in 56425(i). The LAFCO procedure for reviewing and approving powers and authorities is the Latent Powers Activation process. For example when a District is formed, certain powers are activated with others being determined as inactive. The active powers are identified and the inactive powers are defined as "latent". These powers can be activated through the LAFCO activation process as described in GC Section 56824.10. This process requires that the Water District submit a resolution of application, plan for services and a budget

to LAFCO for consideration. LAFCO has discretion to approve, modify or deny the application to activate a power.

**Powers Analysis-Attachment D.** The powers and functions that the proposed Water District's Board of Directors may exercise are listed in the Water Code 34000 et al - California Water District. Attachment D has the powers listed along with staff analysis regarding activation of each power or function. At its discretion, LAFCO may activate some or all of these powers. It is recommended that all powers be activated with the exception of the Water District's capability to provide sewer services and transfer/move/export water outside of the Paso Robles Groundwater Basin. A condition of approval prohibiting the transfer/movement/export is also proposed in the Staff Report.

The issue of exporting groundwater outside the Paso Robles Groundwater Basin to other areas has been raised by numerous individuals and organizations. The purpose of the proposed Water District is to balance and stabilize the groundwater resources in the Basin consistent with SGMA. Exporting groundwater resources to areas outside the Basin would likely cause an imbalance and destabilization of the Basin. It is recommended that a condition of formation be approved stating that any transfer, export or movement of the Paso Robles Groundwater Basin's "water" (any water) outside of the Basin be strictly prohibited. Also, the County requires a discretionary permit to move water outside the Basin. Further, the District will be part of the overall effort to monitor, manage and regulate groundwater with other agencies and oversight from DWR.

The proposed Water District would be prohibited from moving "any water" outside the basin, any water that is moved into the Water District service area would have to remain in the basin. This effectively prohibits the Water District from storing water for resale outside of the Basin's boundaries. The water would only be used within the Paso Robles Groundwater Basin, benefiting landowners, agriculturists and residents overlying the Basin.

**Powers Recommendation.** To ensure that the Water District is able to complete its duties and responsibilities, the powers of the Water District should be activated as described in Attachment D with the exception of the authority to provide sewer service and the ability to move water outside the Paso Basin.

## 6. Budget & Financing-Attachment C

The EPC Water District's financial plan is documented in Attachment A, Plan for Services and Attachment C, Draft Engineering Report. LAFCO requires that both the funding and formation of the Water District be approved by the landowners for the Water District to be formed. The financing discussion is broken into two parts; 1) the proposed Water District Budget prepared by the applicant and 2) the proposed funding mechanism for the Water District.

## Proposed Water District Budget

The proposed Water District Budget is found in Attachment C. The proposed Water District's Budget covers a five-year period and is based, in part, on previous water districts applications. The CKH Act does not require a specific number of years to be covered by a budget. In past formations (Ground Squirrel Hollow CSD, Cayucos CSD), LAFCO has formed a district using a one-year budget based on the financing being approved at the same time as formation consideration. The five-year budget represents the best estimate of costs at this point in time. The Budget has been prepared by a professional engineering consultant with experience in these types of activities.

The five-year budget proposed by the applicants assumes that staff would be hired on a contractual basis using consultants and other contractors. The budget ranges from \$487,190 in the first year to \$523,376 in the fifth year with an average of \$504,833. The major expenses include:

- Administrator/General Manager (part-time contract basis-\$80,000-93,000)
- Contract Office Manager (part-time, contract basis-\$24,000-\$28,077)
- Contract GSP/Hydrogeological (Consultant - \$100,000)
- GSP creation and implementation (Consultant - \$80,000)
- Contract Legal Services (\$60,000)
- Contingency Fund (\$47,000)

The five-year initial budget provides numerous other line items that would be expected in the day-to-day operations of the proposed Water District. The Draft Engineering Report in Attachment C provides a more detailed description and justification of the various line items for the proposed EPC Water District.

The initial budget submitted by the applicant represents a practical approach to the initial set-up of the Water District and implementation of SGMA. It would appear that the costs are rational. The initial five-year budget provides an adequate financial plan which can be used by the new Water District, public and the Commission in making formation and funding decisions.

The new Board of Directors would have discretion over how funds are allocated and future spending. The new Board would be responsible for hiring Staff, or any consultants. The proposed Water District would make decisions about future projects and programs and would be subject to Proposition 218 and other state laws. The initial budget is for the set up and day-to-day operations of the Water District for the purpose of compliance with SGMA and appears adequate.



**Five Year Operating Expenditures for the Estrella-El Pomar-Creston Water District**  
**Initial Budget anticipated expenses for the service provided**

Budget No.	Budget item description	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
1	General Manager	\$80,000	\$83,200	\$86,528	\$89,989	\$93,589
2	Clerical part time	\$24,000	\$24,960	\$25,958	\$26,997	\$28,077
3	Employment taxes and benefits Consultant	\$36,400	\$37,856	\$39,370	\$40,945	\$42,583
4	Engineer/Geohydrologist	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
5	GSP create and implement	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
6	Legal Services	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
7	Office Lease	\$12,000	\$12,480	\$12,979	\$13,498	\$14,038
8	Utilities	\$3,000	\$3,120	\$3,245	\$3,375	\$3,510
9	IT and GIS Support	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
10	Conferences/Training	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
11	Travel	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
12	Insurance	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
13	Auditing/financial reporting	\$4,500	\$5,000	\$5,000	\$5,000	\$5,500
14	Office Supplies	\$2,000	\$1,500	\$1,500	\$1,500	\$1,500
15	Postage/Printing Telephone/Computer Internet service	\$5,000	\$5,000	\$5,000	\$5,000	\$3,000
16	Office Equipment	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
17	Well Meter Data Analysis	\$0	\$5,000	\$6,000	\$6,000	\$8,000
18	District Formation and Board Elections	\$4,000	\$0	\$4,000	\$0	\$4,000
19	LAFCO District Fees	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
20	Contingency 10 %	\$44,290	\$45,012	\$46,158	\$46,430	\$47,580
	<b>TOTAL</b>	<b>\$487,190</b>	<b>\$495,128</b>	<b>\$507,739</b>	<b>\$510,734</b>	<b>\$523,376</b>
				<b>Five Year Average:</b>		<b>\$504,833</b>

Notes:

All the voluntary members of the District are agreeing to a maximum assessment not to exceed \$35.00/acre (irrigated) and 1.69% of that proposed assessment for non-irrigated acreage.

Personnel and some other costs have an inflationary increase of 4% per year

A 10% contingency fund has been included

Home sites and commercial sites would be assessed separately

It is anticipated that maximum funding authorization could generate \$500,000 or more per annum if needed.

Reduction of expenditures for staff and consultant services can be achieved by sharing some of those duties with other GSA's.

## Financing

The proponents are proposing a Benefit Assessment as the method for funding the Water District. The costs would be borne by the landowners within the proposed Water District according to the formula found in the Draft Engineer’s Report-Benefit Assessment Evaluation for California Proposition 218 in Attachment C. The formula is summarized in the table below. A Benefit Assessment was selected because this is a landowner-voter Water District that is governed by a Board of Directors who are landowners or their representatives. Also, the proponent indicates that all parcels will have a special benefit by having influence in SGMA compliance as a GSA. Benefit Assessments are used by local governments to pay the costs of providing services to a particular community or area. These charges are based on the concept of assessing only those properties that directly benefit from the services or improvements financed.

<b>Summary of the Funding Formula-Maximum Assessments</b>			
	<b>Acres</b>	<b>Per Acre</b>	<b>Maximum</b>
<b>Irrigated Agriculture</b>	16,519	\$35.00	\$578,165
<b>Non-Irrigated Agricultural</b>	22,103	\$ 0.59	\$13,040
<b>Residential-Commercial</b>	200/unit	\$ 7.50	\$1,500
<b>Totals</b>	<b>38,622</b>		<b>\$592,705</b>

Updated 3-23-17

Prior to creating a new assessment, a final professional engineer’s report outlining the proposed area, proposed project costs, annual cost to each property, and the benefit formula used to determine each property’s share of the cost will be prepared and considered by the EPC’s Board of Directors. Then, all owners of property within the proposed assessment district must be mailed a detailed notice of public hearing and a ballot with which to voice their approval or disapproval of the proposed Water District at least 45-days prior to the hearing. Ballots are weighted according to the proportional financial obligation of the affected property (benefit units). If the Water District is approved, and the assessment is created, it will be billed on the property tax bills each year. It is recommended that a condition of approval that requires the EPC Water District to complete a successful Proposition 218 for the Water District to be formed. If the Proposition 218 completed by the proposed Water District is not successful, the Water District would be subject to dissolution.

**Why allow the District to complete the Proposition 218 after the formation vote?** Proposition 218 requires that a Public Agency complete this process. When it involves an agency as the applicant (such as the County), that public agency completes the Proposition 218 funding procedure. The formation vote would form the Water District as a Public Agency and so it could complete the Proposition 218 process once formed. When formation involves petitioners that are registered voters with a special tax (like Groundsquirrel Hollow CSD formation) it is administratively much easier for the County to complete both the formation and funding process concurrently because there are

registered voters within the boundaries of the new district. The counting of registered voters is a relatively simple process compared to the administering of a benefit assessment tax being placed on the landowners who reside within the district.

LAFCO's proposed condition of approval gives the Water District up to a year to complete the 218 process or be subject to dissolution. Since the Proposition 218 funding formula was agreed to by 100% of the landowners when they signed the petition it is highly likely that the funding will pass. If the Commission would like to require the formation and funding vote to be completed at the same time, County Public Works and the Clerks Office, in cooperation with the applicant, would be the likely agencies to help complete the proposition 218 process. This is an extra layer of administration, costs and potential liability that would involve County Public Works and the County Clerk's Office in completing the formation and funding votes at the same time. If the newly formed EPC Water District completes the Proposition 218 process, the costs, liability, and compliance with the 218 procedures are the full responsibility of the District. The proposed Water District would likely hire a consultant to complete the 218 process.

LAFCO has discretion over this condition of approval and can require that Proposition 218 be completed at the same time as formation, if the Commission so chooses. In this situation allowing the Water District to complete the Proposition 218 allows for landowner discretion in voting on the funding, decreases the County's involvement in the process, and fulfills the requirements of Proposition 218.

**Budget Recommendation.** The Draft Engineer's Report in Attachment C provides the reasonable rationale for the budget and the formula for the revenues. It provides adequate information for LAFCO and landowner decision-making with regard to the formation of the Water District. The Water District would be required to complete a successful Benefit Assessment (Proposition 218) process. Ultimately the landowners within the proposed Water District boundary would be deciding if they believe the funding formula to be fair, equitable, and reasonable.

## 7. Governance Issues

One of the challenges in implementing the Sustainable Management Groundwater Act (SGMA) is the potential for dividing a region or area into divisions that might make cooperation a challenge. Inter-Agency cooperation is needed for the Basin to be managed in a sustainable manner and for the agencies to meet the SGMA requirements.

The current governing situation for the Paso Robles Basin includes a number of local government agencies including the San Miguel and Heritage Ranch CSDs, City of Paso Robles, County of San Luis Obispo-Flood Control District, Shandon-San Juan Water District and possibly the proposed Estrella-El Pomar-Creston (EPC) Water District. The

County, along with help from DWR has been conducting organizing meetings with regard to the implementation of the Sustainable Groundwater Management Act (SGMA). Each local agency intends to be a Groundwater Sustainability Agency (GSA). These meetings have included representatives from the proposed Shandon and EPC Water Districts.

The local agencies intend to prepare one Groundwater Sustainability Plan with each agency responsible for its own service area. A memorandum of agreement (MOA) would set up the structure and procedures. Any unmanaged areas (white areas) would be subject to the County in regard to SGMA compliance. The unmanaged areas could annex into a proposed Water District at a later date if they choose too. Ultimately the Department of Water Resources would decide if the basin is being adequately managed. DWR could intervene and place the Basin, or parts of the Basin, on probationary status if the GSP does not address SGMA compliance.

Managing the Basin in this manner is the result of several factors: 1) SGMA encouraging local agencies to manage groundwater resources, 2) Desire by local landowners to have a level of influence and control over the management of groundwater in the Basin, and 3) Desire by existing jurisdictions to influence and control the groundwater resources. There are potential challenges and benefits to the management of the Basin in this manner.

The local agencies may want to take separate and possibly conflicting actions in preparing the Groundwater Sustainable Plan (GSP). This could lead to disagreement among the agencies with regard to how best to manage the Basin. Another challenge might be that one or more of the local agencies take actions (or plans to) that are harmful or detrimental to the Basin such as: over pumping, moving water outside of the Basin, a proposal to sell water to others outside of the Basin. The time and resources it takes to organize into GSAs is a hurdle as well. It should be noted that SGMA requires that the GSP be coordinated with other agencies in the Basin.

Due to SGMA, the local agencies will likely come to agreement with regard to the management of the Basin. Also by having more willing landowners represented and additional financial resources this may be helpful in managing the Basin. The authority will be dispersed and not centralized. If the two water districts are formed, they could bring an estimated \$700,000 in funding for district operational costs and preparation of a GSP within those areas. This reduces the overall cost of the surrounding unmanaged areas to the County. Also about 190,000 acres of the Basin would be managed by local water districts giving those landowners a voice at the SGMA table and reducing the overall acreage that needs to be managed by the County or possibly the State. The local agencies may, as part of the Memorandum of Agreement, identify a procedure for addressing these situations. The GSAs could work together to prevent actions adverse to the Basin, with each jurisdiction agreeing to consult with the other about various water resource proposals. With DWR acting as the oversight agency, the GSAs have a strong incentive to comply and work together.

All GSP(s) are subject to DWR review as is the formation of a GSA. If a GSP, or part of a GSP, is found to be inadequate, the Basin (or parts of a basin) can be subject to state intervention or probation. GSAs will not be allowed to overlap one another. An individual GSA could be placed on probation if a portion of a GSP is not adequate. There are three likely scenarios (maybe more): 1) The GSP is corrected by the GSA and local management continues; 2) The State intervenes on a portion of the Basin and compliance is achieved, 3) The entire Basin is placed in probationary status. Under SGMA any jurisdiction taking an action that is adverse to the Basin is taking the risk of violating SGMA's key principles of improving the condition of the Basin. This violation could lead to enforcement action by the State Water Resources Board.

Examples of regional/local agencies that have come together to manage resources include: Council of Governments (Transportation), Air Pollution Control Districts (Air Quality) and Integrated Waste Management Agencies (Solid Waste). All of these agencies are administered under a Joint Power Authority or other agreement. They have all been organized under a State Law calling for management of a particular resource or to address the allocation of resources (COGs). Over the years, many of these organizations have pulled together the interests of individual jurisdictions into a more cohesive plan for managing a particular resource or issue.

## 8. Conditions of Approval

The following conditions of approval are recommended if the proposed EPC Water District is approved:

### Conditions of Approval

1. That the name of the Water District shall be the Estrella-El Pomar-Creston Water District.
2. That the Board of Directors of the Estrella-El Pomar-Creston Water District be composed of five members elected as provided for in the California Water District Law, Water Code Section 34000 et. seq. The initial Board of Directors will be elected pursuant to the Water Code sections 34700; and
3. That pursuant to the applicable Water Code Sections the Estrella-El Pomar-Creston Water District is authorized to exercise all powers and authorities subject to the following restrictions:
  - a. The Water District's powers to export, transfer, or move water underlying the Water District outside the Paso Robles Groundwater Basin shall not be active and are subject to condition number five of this approval. For purposes of this Condition and Condition number five, "groundwater" shall have the meaning set forth in Water Code Section 10721(g).

- b. The Water District's powers under Part 5 Powers and Purpose; Chapter 2; Powers; Article 5; Sewers: [35500 - 35509] of the California Water Code shall be deemed inactive or latent. The Water District could request that LAFCO activate these powers in the future.
4. That formation of the Estrella-EI Pomar-Creston Water District shall be contingent upon a successful vote on the formation pursuant to Water Code Section 34500 and the EPC Water District completing a successful benefit assessment to fund the activities of the Water District. If the Proposition 218 proceeding is not successfully conducted by the Water District within one year of the certificate of completion, the Water District shall be subject to dissolution. LAFCO may extend this deadline upon request by the Water District.
5. The EPC Water District shall be prohibited from exporting, transferring, or moving water underlying the Water District (including groundwater pumped into an above ground storage facility) to areas outside of the Paso Robles Groundwater Basin.
6. That specific projects proposed by the Estrella-EI Pomar-Creston Water District shall be analyzed and evaluated in accordance with applicable laws prior to construction.
7. Prior to filing the Certificate of Completion, a revised legal description and boundary map(s) shall be submitted to reflect the service area and sphere of influence boundaries of the Water District as adopted by the Commission.
8. That the effective date of the Estrella-EI Pomar-Creston Water District will be determined by the certification of the election results by the Board of Supervisors and the filing of the certificate of completion by the LAFCO Executive Officer with the County Clerk-Recorder's office.
9. That the EPC Water District set the appropriations limit as soon as feasibly possible consistent with Government Code Section 57000.
10. That the Sphere of Influence of the Estrella-EI Pomar-Creston Water District shall be co-terminus to the Service Area boundary. Future amendments and/or updates to the SOI shall only include properties that have submitted written landowner consent.
11. The Water District, if formed, shall provide documentation that it has been identified as a Groundwater Sustainability Agency (GSA), or a GSA partner, pursuant to the Sustainable Groundwater Management Act, Water Code section 10720 et. seq. If the District does not become a GSA, or is not part of a GSA within one year of the Certificate of Completion being filed, the District shall be dissolved. LAFCO may extend this deadline upon request by the District.

## 9. LAFCO Role and Options

The following section discusses LAFCO's role and options with regard to the formation of the proposed EPC Water District.

**LAFCO's Role.** When LAFCOs were created, the State Legislature gave LAFCOs the authority to form districts, incorporate cities, and complete other "changes of organization". LAFCO's role when forming a district is to determine if the District should be formed, what the boundaries should be, and what powers should the District have based on a plan for services, budget and other information submitted by the applicant. The Cortese-Knox-Hertzberg Act gives the Commission "broad discretion in light of the record" in making these determinations. It is incumbent on each Commissioner to use her/his independent judgement in making these decisions. The Staff Report and attachments are prepared for consideration by the Commission, the public and the applicant. The record includes reports and documentation submitted, oral and written public testimony provided and any other information provided to the Commission. The Commission's decision is legislative, meaning that each Commissioner has broad discretion in considering her/his decision and that LAFCO is performing a legislative task as delegated to it by the State of California.

**Approve or Modify.** LAFCO has discretion to modify a proposal with regard to its boundaries, powers and functions or approve the proposal as submitted. Several conditions of approval are recommended and can be considered modifying the proposal. For example; the Water District must complete a successful Proposition 218 process to be formed, the Water District shall not have the authority to move or transport water outside the basin, and the expansion of the Water District's sphere of influence is subject to written landowner consent. These modifications are within LAFCO's legislative discretion and help the proposal to be consistent with local circumstances and conditions.

**Approval.** Special Districts are a form of local government created by a local community to meet a specific need or provide a particular service. Inadequate tax bases and competing demands for existing taxes make it difficult for cities and counties to provide all the services their citizen's desire. When residents or landowners want new services or higher levels of existing services, they can petition LAFCO to form a district. LAFCO policies 2.1.9, 2.5.2 and the Cortese-Knox-Hertzberg Act also call for LAFCO to provide a rationale for the formation of a new government structure. In this case, the following determinations provide a rationale for consistency with LAFCO policies and the CKH Act:

- **Management of local groundwater resources.** The proposed EPC Water District would have a landowner voter Board of Directors that would be focused on making decisions about the groundwater resources in the unincorporated service area of the Paso Robles Basin. The proposed Board of Directors would include five landowners or their representatives. This Water District would

become a GSA and work with other stakeholders in the Basin in managing the groundwater resources under SGMA. It would provide the landowners in this Boundary with a seat at the Groundwater Sustainability table.

- **Focus on Groundwater Management.** The proposed EPC Water District offers the opportunity for landowners to manage the groundwater resource. Numerous studies show that the Paso Robles Groundwater Basin is in decline and is in need of a more focused management effort. It is in the best interests of all users of the Basin to better manage the groundwater resources.
- **Landowner Resources.** The landowners proposing the Water District are willing to fund and form the Water District to sustainably manage the groundwater resources. This brings more resources to the management of the Basin. The County would not be responsible for the entire Basin. The Water District would assist in complying with SGMA. The two Water Districts, Shandon (\$300,000) and EPC (\$500,000), could bring in an estimated \$800,000 annually to help prepare a Groundwater Sustainability Plan and comply with SGMA. This is money that the County would not have to spend on SGMA compliance activities and areas that will not have to be managed by the County.
- **Local agency.** The EPC Water District would establish a local public agency of voluntary landowners that would sustainably manage the groundwater resource under its area. The Water District would work within the State Law with other agencies to provide for the reasonable use of water, pursue supply solutions, and to raise funds for planning and projects that comply with SGMA.
- **Voice at the table.** The proposed EPC Water District would establish a local agency to work within the State's legal framework on behalf of its landowners for the sustainable management of the Basin's groundwater resources. This voice would assist in the management of local groundwater resources.

The Cortese-Knox-Hertzberg Act calls for LAFCOs to make decisions based on local conditions and circumstances. The EPC Water District, if created, would be based on local conditions, and provides for a governing structure that, if formed by the landowners, can help manage their portion of the groundwater in the Paso Robles Groundwater Basin.

**Denial.** The Commission has broad discretion in making its decisions and could consider denying the formation. Below are some considerations for denial:

- Fragmented and duplicative management of the Basin. Creating the EPC Water District could contribute to a more fragmented governing situation for the Basin. The County, Cities and Special Districts already exist and could manage the Basin. Adding another district could be perceived as duplicative to the management of the resources. The landowners have options of joining the



Shandon-San Juan Water District or the County Flood Control District for SGMA compliance.

- The County Flood Control District could manage the Basin. The County has a Water Resources division that could undertake the management of the Basin. The County's Public Works staff is capable and competent, and if directed by the Board of Supervisors could manage the Basin and comply with SGMA. It may take additional staff and consultants, but the County is certainly capable of SGMA compliance. The County Board of Supervisors recently indicated that it would provide SGMA compliance for unmanaged areas without charging any fees for this service.
- It has been suggested that the landowners proposing the Water District should not be allowed to manage the Basin because of their links to corporations and other special interests.
- The State may be a short-term management agency option dependent on the fees and fines it charges. The State may indeed intervene for a period of time but it would prefer that local agencies management the groundwater resources in the long term.
- The proposed Water District will be used to take the groundwater and export it outside of the Basin to other areas for a profit. (The County requires a permit for such an action, the Water District is prohibited from moving water outside the Basin, and the GSA/GSP would also be involved.)

These are some of the justifications provided for denial. The Commission can choose to explore these and other reasons for denial. (LAFCO has broad discretion in light of the record to make its decision. If the Commission denies the application, Staff would recommend returning with a resolution and determinations supporting that direction.)

## 10. Environmental Determination – Attachment E

**Environmental Determination.** LAFCO is the Lead Agency for the proposed Formation of the Water District and adoption of a Sphere of Influence. The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). The formation of the Water District qualifies for a CEQA exemption under 15378(b)(4). Additionally, the SOI qualifies for a general rule exemption from environmental review based upon CEQA Regulation Section 15061(b)(3) and Section 15262.

The creation of a water district for the purpose of creating a funding mechanism is exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(4), or alternatively Section 15061(b)(3) which provides: "The creation of government funding mechanisms

or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment". The newly formed water district would become a Groundwater Sustainability Agency (GSA) and work with the surrounding local agencies for its portion of the groundwater basin. Part of the responsibilities of a GSA is compliance with the SGMA Act which includes the preparation of a Groundwater Sustainability Plan (GSP), under CEQA the adoption of a GSP is a Statutory Exemption § 15282(v). The purpose of any GSP would be the protection, restoration, or enhancement of groundwater resources. The Water District is being formed to stabilize the Basin through compliance with SGMA and preparation of a Groundwater Sustainability Plan.

If formed, the Water District would be required to complete additional CEQA review for any future identified capital projects or implementation actions under the future adopted GSP. The regulatory process involves procedures to prepare a GSP for the protection of the resources and environment. It is speculative to try and envision what future capital projects would be undertaken by the Water District. The newly formed Water District would have to go through the Capital Improvement planning process which would include permitting and CEQA compliance.

The Sphere of Influence boundary does not involve, authorize or permit the siting or construction of any facilities. CEQA Regulation Section 15061(b)(3) states "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." A Sphere of Influence is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". A SOI is generally considered a 20-year, long-range planning tool and has no legal binding effect to authorize annexation or future improvements. CEQA Regulation Section 15262 includes an exemption for projects involving only planning studies for possible future actions. Any annexation into the Water District would require further CEQA review and action by LAFCO.

## **11. Recommendation**

The Commission has the discretion to approve, modify or deny the proposed application. It is respectfully recommended that the Commission consider the following recommendation for approval:

1. Approve the Statutory Exemption as the environmental determination pursuant to the California Environmental Quality Act (CEQA).
2. Conditionally approve, by resolution, the formation of the Estrella-El Pomar-Creston Basin Water District subject to: a vote of the landowners as described by Water

Code 34000 et al and a successful Proposition 218 proceeding to fund the Water District.

3. Conditionally approve, by resolution, the Formation of the Estrella-El Pomar-Creston Water District with the attached conditions of approval found in staff report section 8 Conditions of Approval above and included in the attached resolution.
4. That an "Opt-In" boundary be used to establish the service area for the Water District with any changes approved by the Commission. This would be documented in a condition of approval indicating that the applicants shall submit a revised boundary map and legal description that reflects the final boundary. The opt-in nature of the Water District shall be preserved with the condition of approval to require written landowner consent for any Sphere of Influence action taken by LAFCO.
5. Adopt a Sphere of Influence (SOI) for the Estrella-El Pomar-Creston Water District that is coterminous to the Service Area boundary and found in Attachment B. It is further recommended that the Commission adopt the following as its written statement of determinations:
  - a. The present and planned land uses in the area:

The Water District is anticipated to only provide groundwater management services to residents and growers within the service boundary. The SOI is proposed to be the same as the service area. The SOI does not anticipate or cause any changes to the present and planned land uses in the area. The Water District has no authority over land use decisions in the area.
  - b. Present and probable need for public facilities and services in the area:

If formed, the new Water District may consider the need for public facilities and services in the future. The SOI does not extend beyond the service area of the proposed Water District and it is difficult to speculate what public facilities might be constructed in the future.
  - c. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:

Presently, the Water District has no public facilities. If formed, the Water District would have adequate resources to provide services within the boundaries of the District. The Water District would call for a groundwater sustainability plan to be prepared and adopted for compliance with SGMA.
  - d. Existence of social or economic communities of interest in the area if the Commission determines that they are relevant to the agency:

If formed, each place or area that is served by the Water District has a unique mix of social and economic communities of interest. The Water District would provide its groundwater management services to these communities of interest

such as businesses, non-profits, farms and vineyards, and rural residences. These organizations, groups and individuals along with the Water District make up the fabric of the community.

- e. Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities:

The Water District would have a variety of economic diversity that live within the Water District's service area and surrounding area including within or adjacent to the Sphere of Influence. The Sphere of Influence is coterminous to the Service Area and does not qualify under the definition of disadvantaged community for the present and probable need for public facilities and services.

# **Attachment A**

## Plan for Services

# **Estrella, El Pomar, Creston Water District (District) PLAN FOR SERVICES**

## **Background**

The County led initiative to create a Basin wide District failed dramatically in the formation election. Presently there is not a practical path to create a Basin Wide District and even less hope to successfully fund one. The rapidly approaching June 30th 2017 deadline for creating a GSA to manage our area leaves this local District Formation effort as one of our few viable alternatives. The District will be a significant part of the SGMA solution for the Paso Robles Groundwater Basin and will focus on groundwater sustainability for the agricultural related users in the proposed District. It is anticipated that there will be a group of GSAs working together under an MOU or JPA that will be the guiding body responsible for the Basin as a whole. The State has already set standards and will closely oversee the activities of the GSA(s).

## **Description of Services to be provided by the new District:**

The initial services provided by the District can be generalized as compliance with the Sustainable Groundwater Management Act (SGMA) and its goals. In addition, the District will operate as a California Water District supporting the needs of agriculture, ranching, grazing and open lands. If formed, the proposed Water District would be responsible for helping to stabilize the Paso Robles Groundwater Basin by complying with the new state law.

SGMA requires that the Paso Robles Groundwater Basin (a High Priority Basin) be managed by a Groundwater Sustainability Agency (GSA) with a Groundwater Sustainability Plan (GSP) created by the GSA. The proposed Water District would either become a GSA and/or be part of a GSA that manages the Basin. The deadline for forming a GSA is June 30, 2017. The County, along with other agencies, is in the process of forming a GSA for the Paso Robles Groundwater Basin. The applicants are in discussions with the County and other agencies about the best approach and structure for creating the GSA.

California Water Districts are formed and governed by landowners and are subject to the State Water Code 34000 et al. The Estrella, El Pomar Creston Water District is being proposed to include only landowners willing to form and fund the District. Therefore, participation in the Water District is voluntary. If formed, the landowners would be required to adhere to the policies and regulations adopted by the new Board of Directors.

The Water District would establish a local government agency for managing the portion of the Paso Robles Groundwater Basin for those landowners who want this type of structure. The Water District would have authority and jurisdiction only over those landowners and properties inside its boundaries. For the Water District to be formed, both the formation and funding must be approved by landowners. Formation depends

on voter approval by landowners within the Water District's boundary on a one vote per acre basis. The funding is proposed to be a benefit assessment voted on by the landowners within the proposed Water District's boundary and pursuant to Proposition 218.

Over a period of time, District services may include:

1. At every step of the SGMA process, representing the best interests of the members of the District while complying with State Law and working to ensure a sustainable source of water for all our area residents, farmers and neighbors for generations to come.
2. Working with the other agencies involved in managing groundwater in the Paso Robles Basin that are forming a GSA(s) and then cooperating to write the GSP(s) that will be critical in the sustainable management of the basin.
3. Collecting and reporting pumping data to the Board of Directors (Board) and Department of Water Resources (DWR).
4. In cooperation with existing California Stabilized Groundwater Elevation Monitoring (CASGEM) and SLO County efforts, collecting water level readings from across the District on a regular basis.
5. Compiling, analyzing and reporting that Data to the Board and DWR.
6. Enumerating wells with known screen elevations to track over time to help define aquifers.
7. Working to ensure the accuracy of the pumping data and to promote the necessity to have meters on ag wells.
8. To take water samples from these wells across seasons and years to document the nature of the aquifers feeding the basin and to document water quality in the basin's water.
9. To analyze and report the water quality data to the County, DWR and the State Water Quality Control Board.
10. Acquiring existing and new studies of the basin, the aquifers that feed it and the underground limits or boundaries that contain it. Reporting this data to DWR and SLO County.
11. To hire technical experts to analyze these various data streams and collect other data needed to define our basin. To create the technical reports required by DWR.
12. Documenting our groundwater management over time and reporting the ongoing results to DWR.
13. Promoting existing and developing local Best Management Practices (BMPs) for the conservation of water. Creating policies to ensure their implementation.
14. Identifying existing and developing new BMPs for improving water infiltration and recharge. Encouraging and ensuring implementation of those practices.
15. Pursuing projects to increase water infiltration in wet years to improve the total water supply available and to gradually raise water levels to former elevations.

16. Using all the powers given to a Water District to develop fair and equitable extraction limits to maintain sustainable groundwater levels in each portion of the District. When groundwater conditions necessitate it, implementing those extraction limits.
17. Enforcing District ordinances, rules or regulations.
18. If opportunities to acquire outside sources of water at economically feasible prices arise, to consider pursuing them.

**Indicate when services can be extended to the affected area**

These Services will be carried out across the District. They will commence directly after District Formation and election of a Board of Directors. However it is important to note that the District is aimed at providing these services to agricultural oriented properties and will not be able to service rural subdivisions and small domestic water customers that are not associated with agriculture.

**Boundary of the New District**

The boundary of the District is the Estrella, El Pomar, and Creston areas delineated in the SLO County studies of the Paso Robles Groundwater Basin. This area is defined by the area adjacent to the Cities of Paso Robles and Atascadero and excludes those cities, the CSDs and existing water districts in the boundary of the proposed district. The proposed boundary ranges north to the Monterey County line and southerly to the general area of Hwy 229. It includes portions of the Estrella and Salinas Rivers and includes those portions of their watersheds that lay within the State DWR Bulletin 118 Boundaries of the Paso Robles Ground Water Basin

**An indication of any improvement of structures, roads, sewer or water facilities, or other conditions the district would impose or require within the affected territory if the District is formed**

Beyond requiring meters on production wells no such improvements related to groundwater sustainability are anticipated to be imposed until after the development of the GSP. Under the SGMA, the final GSP must be submitted to DWR by 2020.

**Identification of existing service providers, if any, and the potential fiscal impact to the customers of those existing providers**

There is no existing provider of sustainable groundwater management services specifically described in SGMA in the proposed District. However, the County Flood Control District has adopted a Groundwater Management Plan pursuant to AB 3030 which is currently in effect. The County had adopted an Urgency Ordinance, No. 3246, that restricted new uses of groundwater within the Paso Basin and has supplanted that with Ordinances 3306, 3307, 3308 and 3309 all controlling different aspects of new water use within the Basin. Further the SLO County BOS has directed Public Work Staff to focus "on building GSAs with willing and eligible partner agencies." Aside from the foregoing, the area currently has individual well owners managing groundwater without the collaboration of others. There are, however, other existing water purveyors in the Paso Basin which will work collaboratively with the new District on matters related to groundwater management and SGMA compliance. These



agencies will work together under the framework of a "master" GSA or Group of GSAs coordinating the development of a GSP(s) under a MOU or other type of agreement.

**Plan for financing the establishment of the new district:**

**Total estimated cost to provide services within the special district's boundaries:**

Presently the estimated cost to provide District services is an average annual budget of \$500,000 for the first five years. A detailed budget is provided below. The projected Budget will be sufficient to successfully implement these steps in cooperation with other agencies. Once groundwater extraction metering has been established, if the District's Board so directs, the funding could switch to use basis. The Board may also pursue public and private grants to supplement the basic services outlined above to expand on potential conservation and water supplementation opportunities.

**Estimated cost of the services to customers within the special district's jurisdictional boundaries:**

A final determination of the funding mechanism under Proposition 218 (and the manner in which to impose a levy) has not been made at this time; therefore, the allocation of the \$500,000 annual budget has not been finalized. However, a licensed and experienced consulting firm, Wallace Group, is performing the necessary analysis.

**Identification and description of the revenue sources. Discuss the stability of the revenue sources and future availability:**

Special Benefit Assessments, pursuant to Proposition 218, will provide a stable source of revenue. Additionally, the State will be releasing grants to fund groundwater sustainability projects and to assist in SGMA compliance, and it is reasonable to assume the District will be competitive for many of these grants. The initial budget does not account for a grant award, but a grant would be a welcome source of funding and help with the overall financing of compliance with SGMA.

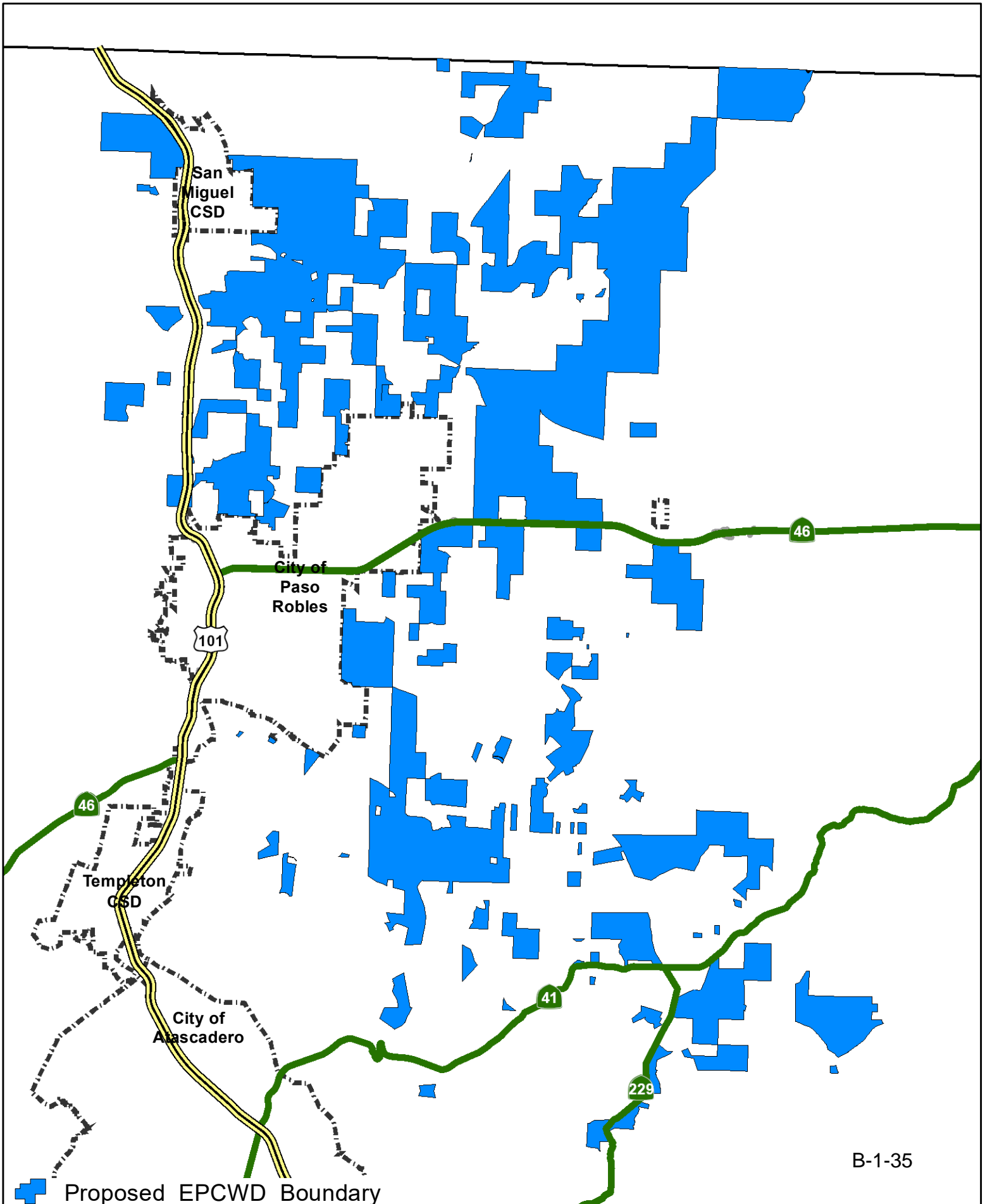
**Powers requested for the District:**

The District requests all the powers usual to a California Water District with the exclusion of the ability to export water beyond the Boundaries of the Paso Robles Ground Water Basin.

# **Attachment B**

## Proposed Boundary Map

# Estrella-El Pomar-Creston Water District Proposed Service Area & Sphere of Influence



# **Attachment C**

## Engineer Report/Budget

**Engineer's Report  
For the  
Estrella, El Pomar, Creston California  
Water District**

*A California Water District (WC 34000 et seq)*

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PREPARED BY



WALLACE GROUP

**Benefit Assessment Evaluation  
California Proposition 218**

**March 2017**

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## ***Engineer's Report***

### ***Estrella, El Pomar, Creston California Water District A California Water District Pursuant to Water Code Section 34000 et seq***

#### **CERTIFICATION**

##### **Professional Engineer**

This report was prepared by, or under the direction of, the following Professional Engineer in accordance with the provisions of Section 6700 of the Business and Professions Code of the State of California.

##### **Civil Engineer:**

---

John L Wallace, PE 33965  
*Civil Engineer*  
Wallace Group

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## 1.0 Introduction and Background

Local agencies, including water districts, may be formed to manage groundwater under authority granted in the California Water Code or other applicable State statutes. In 2014, the State Legislature established a three-bill package known as the Sustainable Groundwater Management Act (SGMA). SGMA provides a framework of authorities and actions for local, sustainable management of groundwater, with a backstop for state intervention if necessary to protect groundwater basins. SGMA defines sustainable groundwater management as “the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.” This act builds upon the existing groundwater management provisions of AB 3030 (1992), SB 1938 (2002), AB 359 (2011), and SB X7 6 (2009).

The proposed District petition boundary (Exhibit A) is located entirely in San Luis Obispo County and the area of interest is comprised of over 40,000 acres. The purpose of the proposed District is **“to sustainably manage, protect and enhance the groundwater resource as an adjunct to each property within the District while preserving the ability of existing agricultural lands to remain productive.”** The proposed Estrella, El Pomar, Creston Water District would be formed as a California Water District (WC 34000) focusing primarily on the agriculture use of groundwater. The proposed district will need approval by the Local Agency Formation Commission (LAFCO) of San Luis Obispo County as provided for by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

*California Water Districts are formed pursuant to the California Water Code Sections 34000 –38501, the California Water Law. Formation proceedings may be initiated by the holders of title to a majority in area of land which is capable of using water beneficially for irrigation, domestic, industrial or municipal purposes and which can be serviced from common sources of supply and by the same system of works. (Water Code Section 35153)*

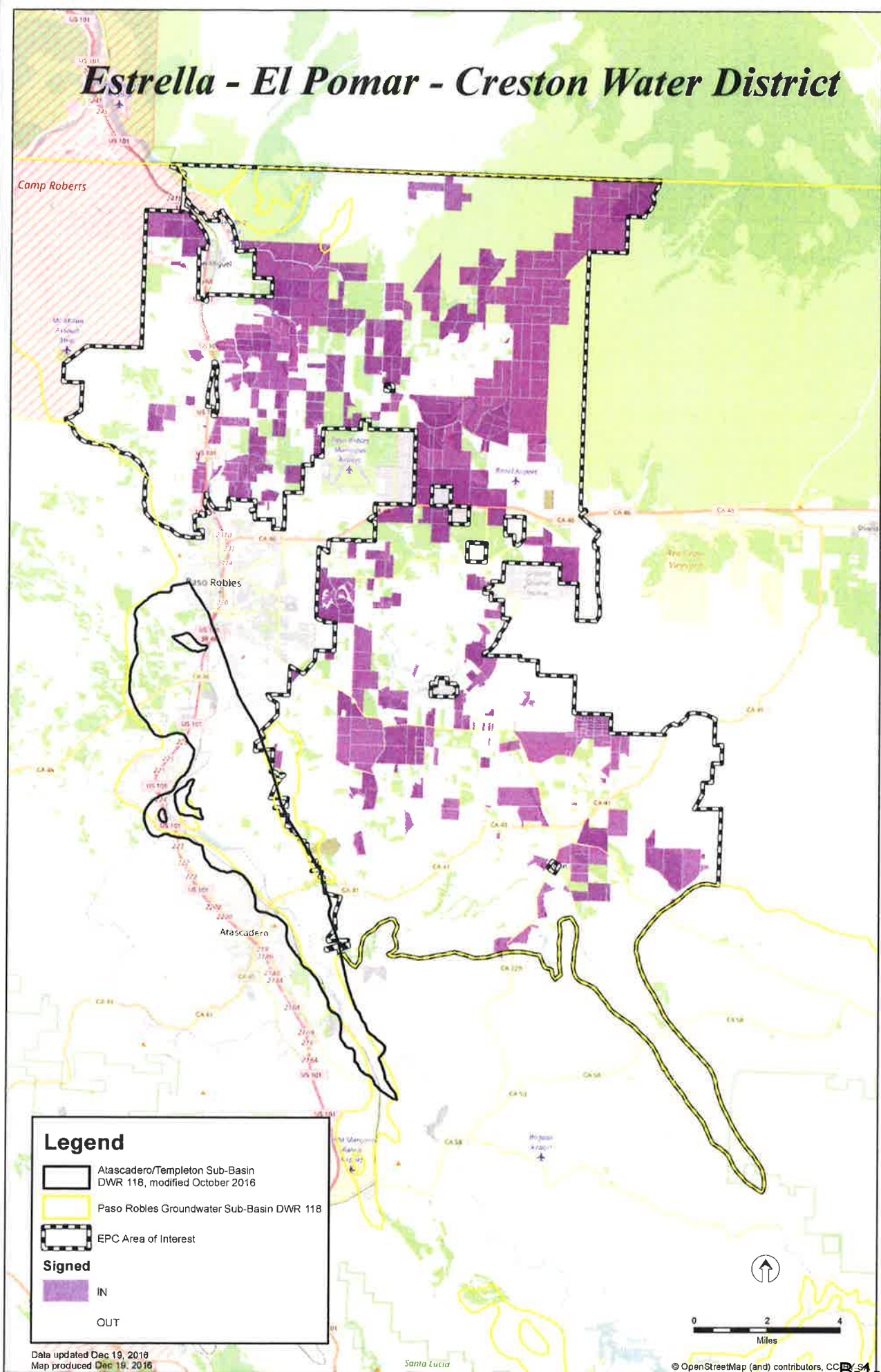
It is noted that the Estrella, El Pomar, Creston Water District (District) is being formed initially to effectuate compliance with the Sustainable Groundwater Management Act of 2014 and provide its landowners local representation through a Groundwater Sustainability Agency (GSA) and ultimately to prepare a Groundwater Sustainable Plan (GSP) in conjunction with other GSAs within the Paso Robles Groundwater Basin. The District will have various powers and ultimately may become involved in matters not directly related to SGMA compliance, but for the foreseeable future and for which a proposed special assessment is being levied, its focus will be on SGMA compliance.

Following are maps: the first, Exhibit A, shows the approximate petition Boundary Map of the Proposed Estrella, El Pomar, Creston Water District, a second map, Exhibit B, providing a reference map for the Paso Robles Groundwater Basin (reference DWR Bulletin 118), and a third map, Exhibit C showing boundaries of other proposed GSA’s as initially proposed in the Paso Robles Groundwater Basin. Note these boundaries are changing over time and will not become final until ultimately approved by the State Department of Water Resources.

**1.1 Exhibit A – Boundary Map, Proposed Estrella, El Pomar, Creston Water District**

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# Estrella - El Pomar - Creston Water District



## Legend

- Atascadero/Templeton Sub-Basin  
DWR 118, modified October 2016
- Paso Robles Groundwater Sub-Basin  
DWR 118
- EPC Area of Interest
- Signed**
  - IN
  - OUT

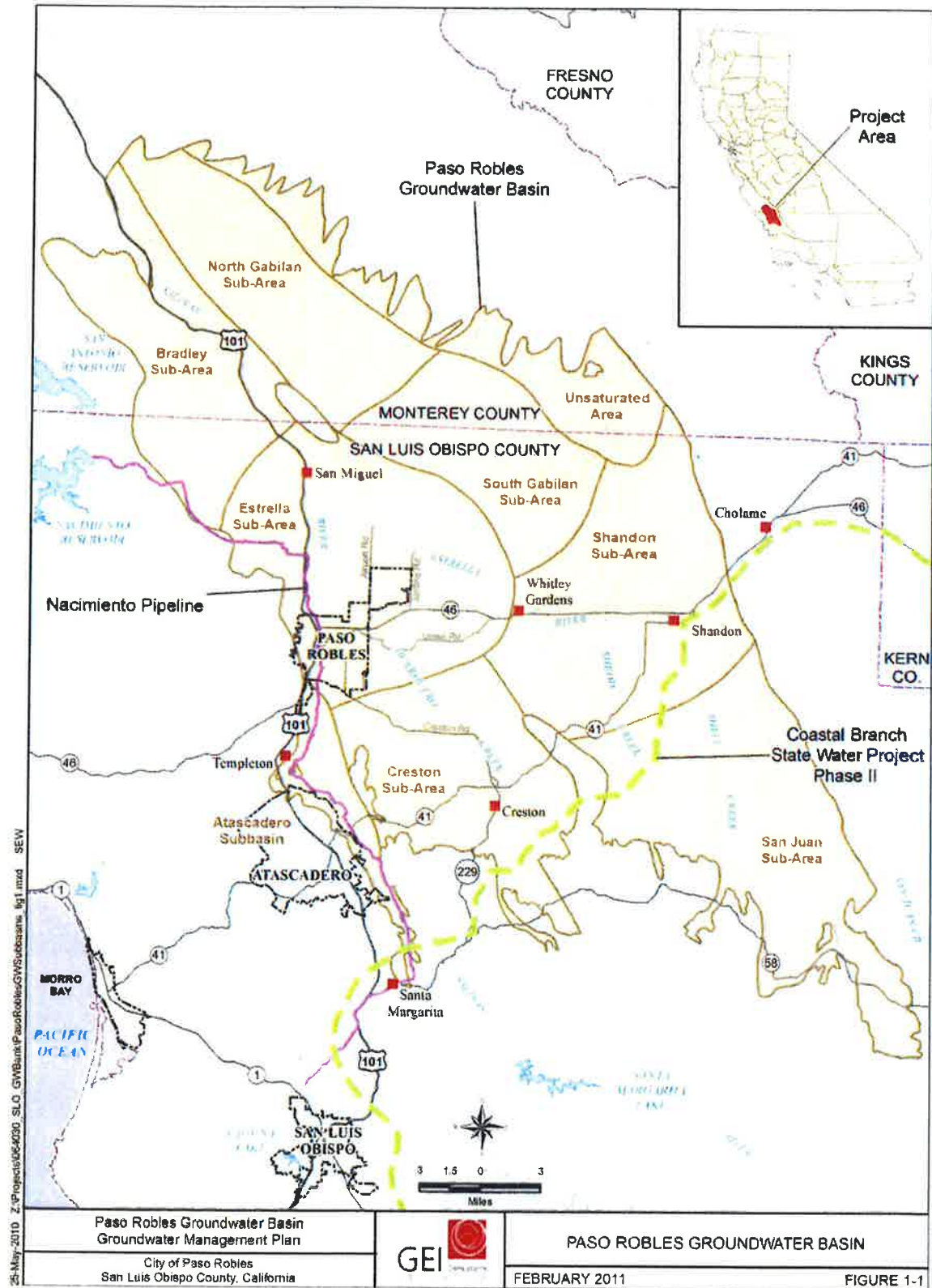
Data updated Dec 19, 2016  
Map produced Dec 19, 2016



## 1.2 Exhibit B – Paso Robles Groundwater Basin Map

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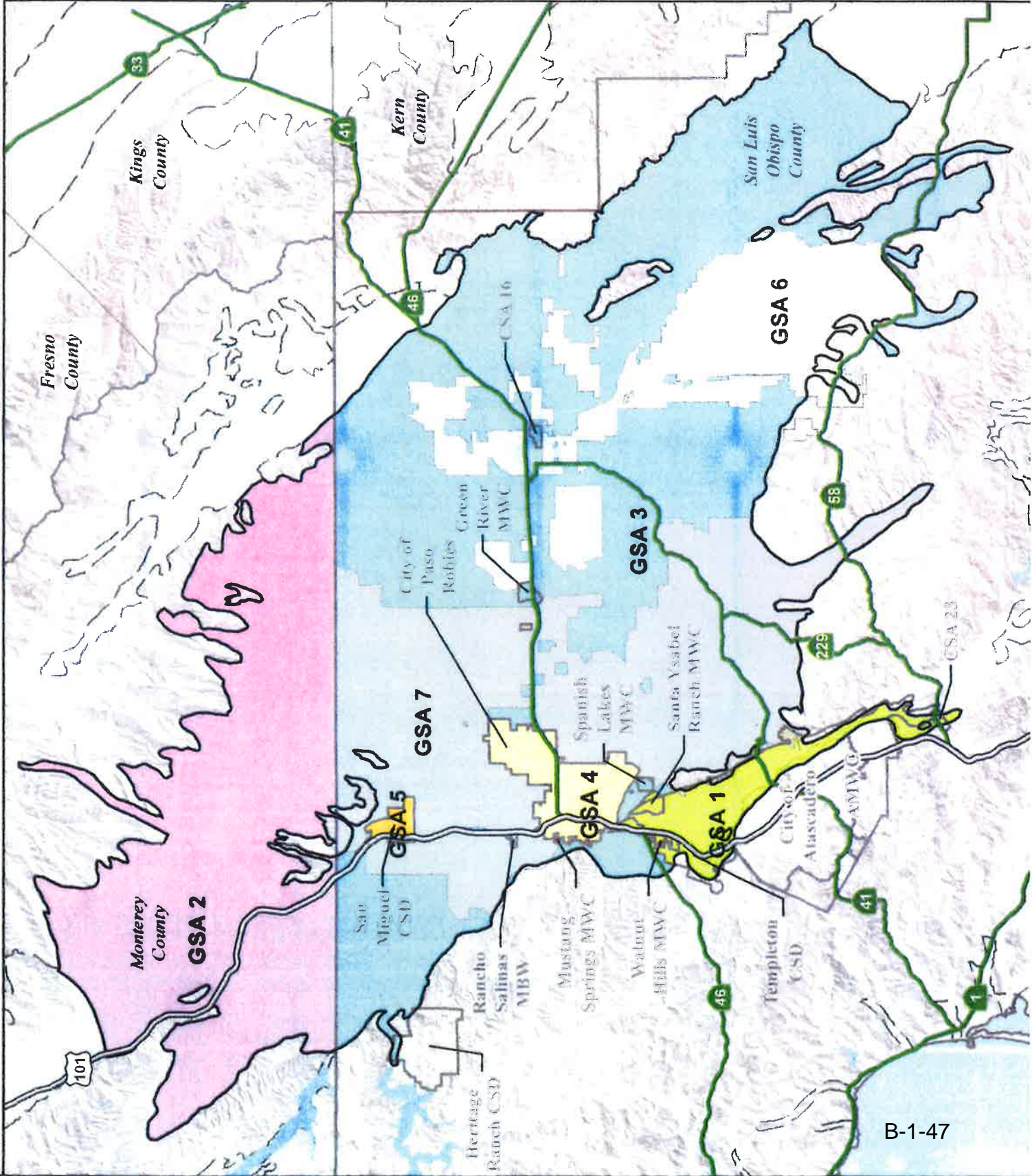
Figure 1-1. Paso Robles Groundwater Basin



### 1.3 Exhibit C – Paso Robles Area Groundwater Basin – Conceptual GSA Model

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# DWR Bulletin 118 - Paso Robles Area Groundwater Basin - Conceptual GSA Model



**Conceptual Model**

- GSA 1
- GSA 2
- GSA 3
- GSA 4
- GSA 5

GSA 6 (Approx. boundary of proposed Shandon-San Juan Water District)

GSA 7 (Approx. boundary of proposed Estrella-El Pomar-Creston Water District)

Local Agencies & Mutual Water Co.

DWR - Bulletin 118 Paso Robles Area Basin

Department of Water Resources (DWR) - Bulletin 118 Groundwater Basins



## 1.4 LAFCO Application/Process

As an initial part of the LAFCO application process, a Notice of Intent to circulate petitions is submitted to Lafco. Petitions are then circulated to property owners that are voluntarily wishing to be part of the proposed District. Once the petitions are submitted to LAFCO and verified by the County Assessor (acreage) and County Clerk Recorder (ownership) and a District boundary map provided, LAFCO will conduct a public hearing to consider the conditional approval of the District formation including a proposed funding method (Engineer's Report). Once conditional approval by LAFCO is reached, an election date will be set for the District's official formation.

The governing body, which is established by law to administer the operation of a California Water District, is comprised of a five-member elected board of directors, each of whom must be a landowner within the District or the legal representative or designee of a landowner within the District.

It is anticipated that LAFCO will condition the formation of the District on the establishment of a mechanism to fund the District's operations. It is proposed that a "special assessment" be provided for District funding in accordance with Proposition 218. A special assessment is defined as "a particular and distinct benefit over and above general benefits conferred on real property located in the District..." It is the intent of the District to recognize and assess the cost of those special benefits conferred on the parcels within the proposed District and to exclude any general benefits that might accrue.

## 2.0 Regulatory Requirements, Proposition 218

In November of 1996, a California Constitutional initiative titled Proposition 218 was approved by the voters of the State. The primary intent of the initiative was to ensure that all taxes and most charges on property owners were subject to voter approval. Proposition 218 applies to general taxes that were imposed in 1995 or 1996 without a vote of the people, or the raising of new taxes, assessments, or property-related fees after 1996. More recently, a July 24, 2006 decision by the California Supreme Court, commonly known as the Bighorn decision, served to clarify to some degree that a public agency's volumetric charges for ongoing water deliveries are "property-related" fees and charges. As such, volumetric charges are subject to similar procedures and requirements amended to the California Constitution by the passage of Proposition 218, referred to as "majority protest proceedings", as distinguished from what is commonly referred to as an "assessment ballot proceeding", the subject of this report.

To assess the lands included in the Estrella, El Pomar, and Creston Water District and comply with the requirements of Proposition 218, a number of steps must be performed. Information regarding the proposed assessment, including an assessment ballot, must be mailed to every participating property owner. The District must then conduct a public hearing with no less than 45 days between the mailing of the notice and the hearing. At the public hearing, the District will consider all protests against the proposed assessment and tabulate ballots. The assessment will not be levied if, upon the conclusion of the hearing, ballots submitted in opposition to the proposed assessment exceed the ballots submitted in favor of the increase. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation (assessment) on the affected properties. If a majority of the ballots received (weighted in proportion to the assessment liability) are in favor of the assessment, the District may act to make the assessment effective.



## 2.1 Benefits Provided by the District

Proposition 218 makes a distinction between general and special benefits provided by a project or service. A general benefit is defined as something that benefits the general public, such as ambulance service, libraries, police stations, or business improvements. A special benefit is defined as a particular benefit to land and buildings. Only costs arising from special benefits can be assessed and 100% recovered by the assessed fee.

In the case of the proposed Estrella, El Pomar, and Creston Water District, all parcels within the District will have a special benefit conferred upon them by virtue of formation of a GSA and having direct and local influence over the development of the GSP. This is a particular and distinct benefit, and it is this primary benefit upon which an assessment will be levied.

Other special benefits may include:

- The opportunity to organize and assert local control in the implementation of the Sustainable Groundwater Management Act (“SGMA” Water Code sections 10720 et seq.) process as a State recognized Groundwater Sustainability Agency (GSA);
- The opportunity as a public agency to apply and receive State and Federal grant and loan funding for water management planning and improvements within the District;
- The opportunity as a public agency to secure supplemental water to improve conditions within the District; and
- Consistent with SGMA, developing and implementing a plan to ensure sustainable groundwater resource management within the District

It is notable that the District is being formed entirely by voluntary participation of property owners within the proposed boundaries; a map of the potential District boundary is attached as Exhibit A. No parcels outside of the District will receive the benefits of SGMA compliance from the District. Likewise, those parcels within the District’s area of interest that do not wish to participate, will be excluded from the District, and thus, among other things, will not be able to participate in the election of District directors who will direct the preparation of the GSP specifically on behalf of the District. Accordingly, in this context, SGMA compliance is not a general benefit.

## 3.0 Proposed District Budget and Funding

District proponents have prepared the anticipated costs and income necessary to fund the operations of the proposed District in accordance with Proposition 218, Section XIII D of the California State Constitution. A preliminary budget is shown in **Table 1**. In order to more clearly relate the proposed budget expenditures to the special benefits accruing to properties that participate in the District, a description of Budget Items is provided in Section 3.1.

### 3.1 Description of Budget Items

#### 1. General Manager (GM)

A person with managerial expertise will coordinate the establishment of the District and with property owners of each parcel for administration of their groundwater interests and District activities. The GM will also coordinate with other GSA’s in the Paso Robles Groundwater Basin (PRGWB) as required by SGMA, to ensure that the parcels within the District are protected and in compliance with SGMA. There is no other agency or manager doing this on behalf of the

parcels within the District. Most of the full time managerial work for the District will be deferred until actual formation and election of a Board of Directors has been completed in the second or third quarter of 2017. In the meantime, a part time manager may be appropriate. Alternatively several GSA's may elect to share management staff in order to reduce expenses. A 4% annual salary increase has also been programmed as a part of this line item.

**2. Clerical (part time)**

A clerical (part time) clerk will compile records, provide support to the GM in their duties and provide individual property owners with information on their groundwater (GW) interests. Similar to the Manager's position, this position might be shared with other GSA's. A 4% annual salary increase in this line item has also been included. Salary savings in 2017 for both positions (General Manager and Clerical) along with related taxes and benefits may be carried over to subsequent budget years as ultimately approved by the District's Board of Directors.

**3. Employment Taxes and Benefits**

This item provides for the required regulatory employment taxes and potential benefits for the District's employees, currently envisioned as the General Manager and Clerical assistance. This amount was estimated to be 35% of the salary costs.

**4. Consultant Engineer/Geohydrologist**

An Engineer and/or GW Geohydrologist consultant will need to be engaged to provide the necessary technical support and studies to help administer the District on behalf of the property owners within the District. The consultant will also provide technical advice and support for the coordination required between other GSA's within the PRGWB. This item could also provide for shared expenses with other GSA's and DWR for further boundary adjustments and groundwater basin studies. The tasks undertaken will also lead to the development of a GSP as required by SGMA by January 31, 2020. As required, this plan will need to be coordinated with other GSA's in the PRGWB.

**5. Groundwater Sustainable Plan, Create and Implement (GSP)**

The District will need to develop and implement a GSP within three years, by January 31, 2020, to manage the groundwater basin and to remain in compliance with SGMA. The GSP will identify project(s) that will relate to the overall protection of the groundwater basin (GWB) for property owners in the District and to be coordinated with other GSA's within the PRGWB. A portion of these costs are included in the Consultant cost above, and likely shared with other GSA's within the basin, but it is anticipated that other consultants will need to be involved for environmental and other activities.

**6. Legal Services**

There will be a substantial need for legal services in order to establish the District and to provide the necessary on-going legal support to remain in compliance with SGMA and to ensure that the District's activities are compliant with Proposition 218. It is also anticipated that there will be several legal agreements such as a memorandum of agreement (MOA) providing funding and governance coordination with other GSA's for their respective responsibilities under SGMA and to coordinate those activities with DWR and the County.

**7. Office Lease**

Office facilities will benefit all property owners within the District and will provide a centralized location to disseminate information for the management of the District and for implementation of the GSP. Anticipated lease costs increase 4% per year.

**8. Utilities**

Some utilities costs (water, sewer) for office space may be included as part of the office lease. However, the budget does provide for minor utility costs for the office not included with the office space.

**9. IT and GIS Support**

IT support will provide the necessary expertise to document and provide maintenance of the database of individual properties and their assessments. This item also included the necessary expertise for processing mapping displays for parcel mapping and potential District boundary changes.

**10. Conferences/Training**

There will be a need for on-going training for the implementation of the GSA and to transfer that training into informational and regulatory activities for each of the parcels in the District. In addition, there will be necessary coordination and meetings with other GSA managers and the County and State for administration of the GSA and later, the GSP's. Some of this expense could be part of the salary costs for staff, but this will also provide for District Management and Directors and consultants to meet with the County and other GSA's to coordinate District activities for requirements under the Countywide Water Conservation Program, SGMA requirements, GSP development and outreach activities for interagency agreements.

**11. Travel**

Travel expenses will be incurred to meet w/the State Department of Water Resources (DWR) and County of San Luis Obispo representatives and with property owners so as to ensure compliance with SGMA as it affects the individual assessments. Meeting with the DWR in Sacramento for boundary adjustments and presentation of hydrologic information will be necessary in order to prepare for the initiation of a GSP. It is also anticipated that travel to various administrative and training groups will be necessary for the on-going administration of the District.

**12. Insurance**

Insurance will be necessary to protect the general activities of the District and the individual property owners for activities conducted on their properties. Directors and Officers insurance is also included in this budget item.

**13. Auditing/Financial Reporting**

As a governmental agency, the District will be required to perform and submit annual audits compiled by an independent third party qualified CPA and submitted to the County of San Luis Obispo and the State Controller's office. This budget estimate is consistent with other small district audits performed in SLO County.

**14. Office Supplies**

Office supplies are a necessary operating expense to support the normal office duties and administration of the assessments for each parcel.

**15. Postage/Printing**

Postage and printing of assessments and public notices are necessary requirements for legal notifications required for each property owner.

**16. Telephone/Computer Internet Service**

These costs are necessary for communications with each property owner and with the regulatory agencies.

**17. Office Equipment**

Office equipment is necessary for office activities to support and administer the assessments for all property owners.

**18. Well Meter Data Analysis**

The metering of wells for each parcel producing above a certain yield will ultimately be required as part of SGMA compliance and most likely be integral to the implementation of the GSP. This item may also provide for compliance via a field review program.

**19. District Formation and Board Elections**

Legal notices and property owner absentee elections are necessary for each assessee to elect a governing board of directors for the District and to vote on other District matters. These costs are directly related to the number of voters required for each process, i.e. formation, approval (majority protest process—prop. 218) of proposed assessments and election of the Board of Directors. It is anticipated that some of these items can be combined on a single ballot.

**20. LAFCO District Fees**

Formation costs and LAFCO fees are applicable for the inclusion of each parcel in the proposed district, later it is anticipated there will be annexations or de-annexations and perhaps changes to the Sphere of Influence for the District over the first several years. Also included in this item are the annual apportionment of LAFCO operating budgets charged to all special districts in the County.

**21. Contingency**

A contingency fund of 10% is being set aside for budgeting purposes to augment any of the other items above.

### 3.2 Table 1-Preliminary Budget

Five Year Operating Expenditures for the Estrella, El Pomar, Creston, California Water District  
Initial budget and anticipated expenses for the service provided.

Budget No.	Budget item description	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
1	General Manager	\$80,000	\$83,200	\$86,528	\$89,989	\$93,589
2	Clerical part time	\$24,000	\$24,960	\$25,958	\$26,997	\$28,077
3	Employment taxes and benefits	\$36,400	\$37,856	\$39,370	\$40,945	\$42,583
4	Consultant Engineer/Geohydrologist	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
5	GSP create and implement	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
6	Legal Services	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
7	Office Lease	\$12,000	\$12,480	\$12,979	\$13,498	\$14,038
8	Utilities	\$3,000	\$3,120	\$3,245	\$3,375	\$3,510
9	IT and GIS Support	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
10	Conferences/Training	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
11	Travel	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
12	Insurance	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
13	Auditing/financial reporting	\$4,500	\$5,000	\$5,000	\$5,000	\$5,500
14	Office Supplies	\$2,000	\$1,500	\$1,500	\$1,500	\$1,500
15	Postage/Printing	\$5,000	\$5,000	\$5,000	\$5,000	\$3,000
16	Telephone/Computer Internet service	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
17	Office Equipment	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
18	Well Meter Data Analysis	\$0	\$5,000	\$6,000	\$6,000	\$8,000
19	District Formation and Board Elections	\$4,000	\$0	\$4,000	\$0	\$4,000
20	LAFCO District Fees	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
21	Contingency 10 %	\$44,290	\$45,012	\$46,158	\$46,430	\$47,580
	<b>TOTAL</b>	<b>\$487,190</b>	<b>\$495,128</b>	<b>\$507,739</b>	<b>\$510,734</b>	<b>\$523,376</b>
				<b>Five Year Average:</b>		<b>\$504,833</b>

Notes:

- All the voluntary members of the District are agreeing to a maximum assessment not to exceed \$35.00/acre (irrigated) and 1.69% of that proposed assessment for non-irrigated acreage.
- Personnel and some other costs have an inflationary increase of 4% per year
- A 10% contingency fund has been included
- Home sites and commercial sites would be assessed separately.
- It is anticipated that maximum funding authorization could generate \$500,000 or more per annum if needed.
- Reduction of expenditures for staff and consultant services can be achieved by sharing some of those duties with other GSA's.

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## 4.0 Determination of Benefit Assessments

The following sections discuss the determination of the benefit assessments:

### 4.1 Classes of Assessments

Four classes of assessments are proposed: Irrigated Agriculture, Non-irrigated Agriculture, Residential, and Commercial Operations. They are described in more detail below:

#### **Irrigated Agriculture**

Properties with **irrigated agriculture** receive a greater benefit from the availability and sustainable management of the groundwater basin compared to non-irrigated properties. Because cropping patterns and weather variations combine to affect the amount of acreage to be irrigated, left fallow or utilized for a different crop, assessments are not differentiated between the types of crop. Also, for the purposes of this report, **irrigated agriculture is defined as that property being irrigated with groundwater extracted from the Paso Robles Groundwater Basin.**

Therefore, it is anticipated that categorizing properties as irrigated vs. non-irrigated will serve to provide a funding source for the development of a GSA for the purpose of SGMA compliance. If a more discrete assessment is to be used in the future, irrigated crops can be categorized as to type according to Geographical Information System (GIS) information developed for the Paso Robles Groundwater Basin Study (PRGWB). That analysis based water usage on seven different categories.<sup>1</sup> i.e.: alfalfa, citrus, deciduous, nursery, irrigated pasture, vegetables and vineyards. It excluded non-irrigated land use such as open space or grazing.

However it is important to note that some properties will rotate in and out of applied irrigation depending upon cropping patterns, weather and emergency irrigation needs. In order to calculate and set assessments, it is anticipated that property owners and lessees will declare their intention for irrigation for the next year. The District will maintain an on-going database of all parcels and irrigated acreage within parcels. The current County database for all participating parcels will be used for the initial source of information but will be adjusted for each year of assessments.

Also, because the decision to irrigate or not will also vary according to a specific property's unforeseen needs, there will need to be an appeal process established and a credit/debit system put in place to adjust assessments that need modification. These adjustments can be made as part of the on-going administration of the District by the Board of Directors with input from property owners.

Finally, because the decision to irrigate or not will vary according to a specific property's unforeseen or emergency needs, a one-time irrigation of ¼ AF/ac or less will not be considered as "irrigated agriculture" and will not change the parcel status from non-irrigated to irrigated.

#### **Non-Irrigated Agriculture**

Rangeland/grazing/open space, i.e. **non-irrigated agriculture** land use relies much less on ground water, however, groundwater is needed in some cases to provide for livestock operations. Estimates for water usage on non-irrigated properties is being calculated by the project proponents based on the grazing livestock carrying capacity for this area.<sup>2</sup> It is noted that notwithstanding the minimal use of groundwater, non-irrigated lands do receive a special benefit from being within the District and from

<sup>1</sup> Paso Robles Groundwater Basin Model Update, Geoscience/Todd Groundwater, December 19, 2014

<sup>2</sup> No reference was able to be provided by the SLO County Dept of Agriculture, estimate provided by project proponents  
WG Project 1360-0001

being directly represented in the SGMA process as non-irrigated lands do have overlying groundwater rights and, in the future may rely on groundwater to a greater degree than now. Also as outlined above in addressing the rotation of parcels, or portions of parcels, in and out of irrigation, a database will be maintained to modify assessments accordingly. So even though there may be irrigation facilities (pipes etc.) available to a parcel or portion of the parcel, if no irrigation is applied, then that acreage will be treated as non-irrigated.

**Residential**

**Residential development** depends upon a potable, adequate water supply for household needs and therefore will receive an assessment. The PRGWB studies provided research to estimate the average water usage for rural homesteads.<sup>3</sup> However, because the District is focused on the agricultural operations/properties, it is not foreseen that the District will have the capability to serve small lot rural subdivisions

**Commercial Operations**

**Commercial operations** depend upon a potable supply for workers and customers alike, similar to residential uses associated with agricultural operations. However, the water usage for these land uses will need to be determined on a case by case basis. For initial funding purposes, commercial uses are proposed to be assessed as if they were a residential use.

**4.2 Water Use Factors**

The following provides a discussion on the water use factors identified for each assessment class.

**Irrigated Agriculture**

The Estrella, El Pomar, Creston Water District is home to hundreds of acres of farmed land with a variety of crops. The water use for these crops varies and thus an average water use has been determined for Irrigated Agriculture. The water use for the crops that are typically farmed in the District are as follows:

Land Use Category	Ave. Water Use Factor (AF/acre/yr)
Alfalfa	4.8
Citrus	2.3
Deciduous	4.1
Nursery	2.4
Irrigated Pasture	5.0
Vegetables	3.9
Vineyards	1.8
Total	24.3
<b>Average</b>	<b>3.5</b>

\*Source: applied water factors, SLO County, Paso Robles Groundwater Basin Model Update, 2014, Table 10<sup>4</sup>

**The water usage of 1.0 AFY will be utilized as one benefit unit for the purposes of establishing an assessment spread.**

**Non-Irrigated Agriculture**

<sup>3</sup> Ibid, PRGWB Model Update, December 19, 2014

<sup>4</sup> Ibid, PRGWB Model Update, December 19, 2014, Table 10



Depending on the terrain and carrying capacity of the land, non-irrigated agriculture can be dry farmed for hay, other non-irrigated crops, and for grazing. These uses are minimal and are best evaluated as a cattle grazing operation. These operations typically utilize between 0.03 and 0.003 AFY/ac and therefore are minimal users. However, the project proponents have provided an estimate of local non-irrigated water usage as a percentage of irrigated usage; ie. 1.69% of Irrigated Agriculture Usage. This results in 0.06 AFY/ac (1.69% x 3.5 AFY/ac = 0.06 AFY/ac) for a benefit unit to calculate an assessment to be applied to non-irrigated agriculture.

### Residential

Residences nominally use 0.29 AFY indoor and 0.46 AFY outdoor for a total of 0.75 AFY per residence in rural hot areas of the county<sup>5</sup>. Therefore, it is assumed that a rural residence is equivalent to: (0.75 AFY/3.5AFY) or 21.4% of water usage for an acre of irrigated crop.

### Commercial Operations

Commercial Operation uses will be evaluated as a resident if a small operation on a small lot. Larger commercial users will need to be evaluated on a case by case basis.

## 4.3 Voluntary Funding

The District will be formed on a voluntary basis. **All the voluntary members of the District will be asked to agree to a maximum funding assessment not to exceed \$35.00/acre for irrigated agriculture. Non-irrigated agriculture parcels will be assessed at 1.69% of irrigated agriculture’s cost, or \$0.59/acre. Each residence or commercial operation will be assessed at \$7.50 (maximum) for each unit (0.75AFY/3.5AFY = 21.4% of an irrigated acre assessment = 21.4% x \$35 = \$7.50).** However, as a basic minimum cost, **all ownerships**, whether made up of one parcel or many parcels will have a minimum assessment of **up to \$50 per ownership**, depending on the overall administrative costs to service the GSA. These rates are within the same order of magnitude of the data developed above and are proportional to the special benefit received by each category of parcel based on water usage per parcel. It is noted that one parcel may be assessed for all three classes.

## 4.4 Benefit Units

A benefit unit is a method of calculating a property’s proportional share of the assessment costs. **One benefit unit (BU) is equivalent to the use of 1.0 Acre-foot of water/year.** Table 2 identifies the total number of benefit units assigned to each Assessment Class utilizing the target acreages in each category petitioning at this time. These acreages will vary until District formation is approved.

Table 2-Assessment Class and Total Benefit Units

Assessment Class	Total Acreage or Units (estimated)		Water Use Factor AFY	Benefit Units (rounded)
Irrigated Agriculture	16,500	Acres	3.50	57,750
Non-irrigated Agriculture	24,300	Acres	0.06	1,460
Residential and Commercial Operations	200	Each	0.75	150
<b>Total Benefit Units</b>				<b>59,360</b>

<sup>5</sup> Ibid, PRGWB Model Update, December 19, 2014, Table 13 Rural Residential Water Demand, SLO County, WG Project 1360-0001  
Estrella, El Pomar, Creston Water Dist A CA Water Dist (WC 34000 et seq)  
Engineer’s Report-Benefit Assess Eval

## 4.5 Maximum Assessments

Table 3 identifies the total maximum assessment value for each assessment class and the revenue that could be generated if the maximum assessment proposed on the District properties is collected.

Table 3-Total Maximum Assessments

Assessment Class	Total Units (Estimated)		Maximum Asmt per Unit (\$)	Total Assessment (\$)
Irrigated Agriculture	16,500	Acres	35.00	577,500
Non-Irrigated Agriculture	24,300	Acres	0.59	14,337
Residential and Commercial Operations	200	Each	7.50	1,500
<b>Maximum Assessment Potentially Collected</b> (*approximately \$1,200 more revenue can be added for minimum charges of \$50/ownership)				<b>\$ 593,337*</b>

Acknowledging that the maximum, not to exceed total assessment of **\$593,337** is more than the estimated average annual budget of **\$504,833**, it is anticipated that the target participating acreage will be more than adequate to meet the average budget needs. Therefore, Table 4 calculates potential revenue based on the value of each class of benefit units.

Table 4-Assessments for Budget

Assessment Class	Total Benefit Units (from Table 2)		Calculated Cost per Benefit Unit (from Table 2) (\$)	Total Assessment (\$)
Irrigated Agriculture	57,750	BU	8.51	491,453
Non-Irrigated Agriculture	1,460	BU	8.51	12,425
Residential and Commercial Operations	150	Each	8.51	1,277
Basic cost per ownership (minimum cost per ownership)	estimated		<u>Estimated additional revenue from those ownerships below \$50 minimum total assessment</u>	(not included at this time*)
<b>Possible Assessment Collected to meet budget</b> <b>* (total revenue <u>excludes</u> min assessment amount of \$50 for ownerships with total assessments below \$50. The total assessment shown is approximately the same as the average annual budget of \$504,833. (differs because of rounding)</b>				<b>*\$ 505,155</b>

Using the cost per Benefit Unit approach for the anticipated water usage per class of use results in:

- Irrigated Agriculture:  $3.5\text{AFY/ac} = (3.5 \text{ BU}) \times \$8.51/\text{BU} = \$29.79/\text{ac}$  of irrigated land.
- Non-Irrigated Agriculture:  $0.06 \text{ AFY/ac} = (0.06 \text{ BU}) \times \$8.51/\text{BU} = \$0.51/\text{ac}$  of non-irrigated land.
- Residential/Commercial:  $0.75 \text{ AFY/unit} = (0.75 \text{ BU}) \times \$8.51 = \$6.38 /\text{unit}$ .
- However a minimum charge for all ownerships (regardless of number of parcels and resulting assessment) will be assessed \$50 ea. if the total assessments for that ownership is less than \$50.

Therefore, the following assessments could be made in order to meet the estimated cost of the five year average annual budget:

Table 5--Assessment Class and Cost per Acre of Land and Residential/Commercial Units

Assessment Class	Water Use Factor/Benefit Units		Assessment per Benefit Unit	Assessment \$/ac Or \$ per R/C unit
			\$	
Irrigated Agriculture	3.5	BU	8.51	29.79
Non-irrigated Agriculture	0.06	BU	8.51	0.51
Residential and Commercial Operations	.75	BU	8.51	6.38
<b>Note</b> that minimum assessment to be \$50/ownership				

It is important to note that these calculations will vary depending on the final acreage and number of residential/commercial units that come into the District.

## 5.0 Next Steps

- The Applicant (proponents) have filed with LAFCO, a Notice of Intent and circulated a Petition for the formation of the District. Those petitions with signatures of landowners will need to be filed with and checked by the County Assessor within six months of when the first signature is affixed to the petition. However, it is anticipated that LAFCO will receive the signed petitions in March of 2017 and signatures verified by the County Assessor in April of 2017.
- It is anticipated that the LAFCO hearing for conditional District formation will be held in January or April 2017. At that time the Commission may conditionally approve the District and set a notice for the required protest hearing for the formation hearing.
- Assuming that over 50% of the acreage held by landowners in the proposed District are in favor of formation, it is anticipated that the election of the Board and final formation of the District will occur in June 2017 or later. After which, the new district and the Board of Directors can proceed with the Prop 218 funding process for a determining if a majority protest of the proposed assessment amount is received.

- DWR theoretically needs to approve the formation of the District's GSA by June of 2017. However, it is anticipated this will not happen until later in 2017. In the meantime, the District proponents will be coordinating SGMA requirements with the County of San Luis Obispo and other GSA's in the Paso Robles Groundwater Basin for funding and administrative opportunities.

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## Appendix A      General Information on the Formation of a California Water District

The process of forming a California Water District consists of these basic steps:

California Water Districts are formed pursuant to the California Water Code, Sections 34000- 38501. The law for forming a California Water District was developed in 1951 to allow large landowners to manage the water resources in their area.

**Statutory Background:** The formation of a California Water District to manage the Estrella, El Pomar, Creston Groundwater Basin, by forming a California Water District, is a process guided largely by two laws: The California Water District Law - Water Code 34000-38501, and the Cortese-Knox- Hertzberg Act Government Code 56000, et al. The San Luis Obispo Local Agency Formation Commission (SLOLAFCO) has authority to consider the application for forming the District under the Cortese-Knox-Hertzberg Act. Other agencies involved in the processing of the application are the offices of County Assessor and Clerk-Recorder. The Assessor's Office provides information and verification regarding the ownership and acreage in the area. The Clerk Recorder's Office conducts the election that are required to form the District at the direction of the County Board of Supervisors.

### **Formation Process:**

#### **Petition, Noticing and Public Hearing:**

**Petition:** The formation process for California Water Districts, is initiated by a petition signed by the holders of title to a majority of land that is capable of using water beneficially for irrigation, domestic, industrial, or municipal purposes, and that can be serviced from common sources of supply and be the same system of works.

**LAFCO Hearing:** When the application is complete, LAFCO conducts a noticed public hearing. After hearing public testimony, the Commission may approve, modify, or deny the proposed formation. If it is approved, the Commission also will adopt any terms and conditions for the formation, and establish a sphere of influence for the new district.

**Protest Hearing:** Following LAFCO Approval, the District formation is scheduled for a conducting authority (protest) hearing where no further modifications may be made. At the conducting authority stage, without a majority protest based on acreage owned, the conducting authority (LAFCO) shall make an order doing the following (34306):

- Establishing and describing the district boundaries.
- Describing land to be excluded from the district.
- Naming the proposed district.

### **Formation Election:**

After making the order, the Board of Supervisors shall be directed by LAFCO to call and give notice of an election for the formation of the District and election of the Board of Directors. The following are entitled to vote (34400 and 57000):

- Only the holder of title to land in the proposed district may vote. The vote may be in person or by proxy. (Rule for voting by proxy are set forth in Section 35005 of the Water Code).
- Each voter shall vote on the acreage of the land which he or she holds title.

If after the election, a majority of all of the votes cast favor the formation of the district, the territory shall be formed as a district (34500).

### **Funding of the District:**

After the Formation Election for initiating the district and election of the board of directors, the District will conduct a proposition 218 special assessment proceedings to fund the operations of the District. This will be done in accordance with the proposition 218 majority protest provisions and will pass or fail based on the amount of assessments being assigned to all of the properties.

### **Boundaries:**

The boundaries of a California Water District may include the following land located in one or more counties (34153)

**Governing Body:** The governing body, which is established to administer the operation of a California Water District, is initially composed of a five-member elected Board of Directors, (WC-34708), each of whom must be a landowner within the District. The Board may be modified by the District through a future action to include 7 or 9 members, or changed to be a register voter elected Board of Directors.

### **Powers/Functions:**

The primary powers of a California Water District include:

- The acquisition and operation of water works for the production, storage, transmission and distribution of water for irrigation, domestic, industrial and municipal purposes, and any drainage or reclamation works connected with such undertakings.
- Acquire and operate facilities and services for the collection, treatment, and disposal of sewage, waste, and storm waters. (In the case of the proposed district, no request has been made or approved by Lafco for sewage services).

Five Year Operating Expenditures for the Estrella, El Pomar, Creston, California Water District  
Initial budget and anticipated expenses for the service provided.

Budget No.	Budget item description	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
1	General Manager	\$80,000	\$83,200	\$86,528	\$89,989	\$93,589
2	Clerical part time	\$24,000	\$24,960	\$25,958	\$26,997	\$28,077
3	Employment taxes and benefits	\$36,400	\$37,856	\$39,370	\$40,945	\$42,583
4	Consultant Engineer/Geohydrologist	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
5	GSP create and implement	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
6	Legal Services	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
7	Office Lease	\$12,000	\$12,480	\$12,979	\$13,498	\$14,038
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12	Insurance	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
13	Auditing/financial reporting	\$4,500	\$5,000	\$5,000	\$5,000	\$5,500
14	Office Supplies	\$2,000	\$1,500	\$1,500	\$1,500	\$1,500
15	Postage/Printing	\$5,000	\$5,000	\$5,000	\$5,000	\$3,000
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20	LAFCO District Fees	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
21	Contingency 10 %	\$44,290	\$45,012	\$46,158	\$46,430	\$47,580
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				<b>Five Year Average:</b>		<b>\$504,833</b>

Notes:

All the voluntary members of the District are agreeing to a maximum assessment not to exceed \$35.00/acre (irrigated) and 1.69% of that proposed assessment for non-irrigated acreage.

Personnel and some other costs have an inflationary increase of 4% per year

A 10% contingency fund has been included

Home sites and commercial sites would be assessed separately

It is anticipated that maximum funding authorization could generate \$500,000 or more per annum if needed.

Reduction of expenditures for staff and consultant services can be achieved by sharing some of those duties with other GSA's.

# **Attachment D**

## Powers Analysis



# Attachment D

## Analysis of Powers

### Proposed Estrella-El Pomar-Creston Water District

The proposed Water District would derive its powers and authorities from the California Water Code as reviewed and approved by LAFCO. The following analysis describes the powers in the Water Code, includes a brief analysis of that power and recommends whether the power should be active or inactive. The analysis below reviews each power found in the Water Code for California Water Districts.

#### **Part 5 Powers and Purpose; Chapter 2; Powers; Article 1; Powers Generally:**

**WC-35400.** Each district has the power generally to perform all acts necessary or proper to carry out fully the provisions of this division.

- **Analysis:** This code section gives the water district authority to perform all acts necessary to carry out fully the provisions. It is recommended that this authority be active. These include the ability to contract for services, finance projects, and administer funds.

**WC-35401.** A district may acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works connected therewith or incidental thereto.

- **Analysis:** This code section allows the Water District to plan, construct, maintain, improve, or operate water systems. It is recommended that this authority be active.

**WC-35402.** A district shall not contract for the construction of irrigation works nor construct the irrigation works by employees of the district, if the cost of the construction is paid out of the proceeds of bonds of the district, until an election has been held to determine whether or not the bonds shall be issued.

- **Analysis:** This code section requires an election process to occur before the Water District can proceed with irrigation works if the costs are paid out under bonds. It is recommended that this authority be active.

**WC-35403.** A district may contract to perform any agreement for the transfer or delivery pursuant to Chapter 5 of this part of any irrigation system, canals, rights of way, or other property owned or acquired by the district in exchange for the right to receive and use water or a water supply to be furnished to the district by the other party.

- **Analysis:** This code section allows the Water District to contract to perform any agreement. Local government jurisdiction's commonly contract with licensed professionals to perform waterworks activities. It is recommended that this authority be active. By condition, The District is prohibited from moving/transferring/exporting any water outside of the Paso Robles Basin.

**WC-35404.** A district may enter for the purposes of the district upon any land.

- **Analysis:** This code section allows the Water District entry on property for the purposes of District. This is a common ability of local governments the right to enter property to do Water District business. It is recommended that this authority be active.

**WC-35405.** A district may take conveyances, contracts, leases, or other assurances for property acquired by the district pursuant to this division.

- **Analysis:** This code section allows the Water District to contract or lease property acquired by the district. This is a common ability of local governments to lease property owned by the Water District. It is recommended that this authority be active.

**WC-35406.** (a) A district may execute, by its president and secretary, all contracts and other documents necessary to carry out the powers and purposes of the district.

(b) The board of a district may delegate and redelegate to officers and employees of the district, under the conditions and restrictions as shall be determined by the board, the power to bind the district by contract and execute contracts on behalf of the district.

- **Analysis:** This code section allows the proposed Water District president and secretary to execute all contracts or other documents. It is common to grant the president or secretary the ability to sign documents on behalf of the Water District. It is recommended that this authority be active.

**WC-35407.** A district may commence and maintain any actions and proceedings to carry out its purposes or protect its interests and may defend any action or proceeding brought against it.

- **Analysis:** This code section allows the proposed Water District to defend any action taken to carry out its purposes. It is recommended that this authority be active.

**WC-35408.** A district may commence, maintain, intervene in, compromise and assume the costs of any action or proceeding involving or affecting the ownership or use of waters or water rights within the district used or useful for any purpose of the district or a benefit to any land.

- **Analysis:** This code section requires the proposed Water District to assume the cost of any action taken to carry out its purposes that may affect others. It is recommended that this authority be active.

**WC-35409.** A district may commence, maintain, intervene in, defend and compromise actions and proceedings to prevent interference with or diminution of the natural flow of any stream or natural subterranean supply of waters which may:

- (a) Be used or be useful for any purpose of the district;
- (b) Be of common benefit to the land or its inhabitants; or
- (c) Endanger the inhabitants or land.

- **Analysis:** This code section allows the proposed Water District to prevent interference with the natural flow of its water supplies. It is recommended that this authority be active.

**WC-35410.** The board of a district whose corporate area, in whole or in part, is included within a metropolitan water district may in any fiscal year declare its intention to pay out of its district funds the whole or a stated percentage of the amount of taxes to be derived from the area of such metropolitan water district within the district as such amount of taxes shall be fixed in the next succeeding fiscal year by resolution of the board of directors of such metropolitan water district. District receipts from any source, including assessments, acreage assessments and standby charges, may be used to pay said metropolitan tax. A district may provide for the levy, collection and enforcement of any district or improvement district assessment, acreage assessment or standby charge for the payment of said metropolitan water district tax in the same manner as other district or improvement district assessments and standby charges.

- **Analysis:** This code section allows the proposed Water District to declare its intention to pay out of its Water District funds the amount of taxes to be derived from the area. It is recommended that this authority be active. Please note there is no metropolitan water district in the area. Also proposition 218 and State Law apply in the levying of taxes.

**WC-35410.1.** In addition to and as an alternative procedure to the levy and collection of assessments and standby charges, a district may fix and collect acreage assessments in an amount determined by the board for each acre of land and for parcels less than one acre within a district or improvement district. These acreage assessments shall be levied only for the payment of the whole or any part of a metropolitan water district tax. The resolution fixing the acreage assessment shall be adopted by the board only after adoption of a resolution setting forth the schedule of such acreage assessments proposed to be established and after notice and hearing in the form and manner prescribed by the board. The acreage assessment shall be levied, collected and enforced in the same manner as provided in Article 4 (commencing with Section 35470) of this chapter for standby charges.

- **Analysis:** This code section allows the Water District to collect acreage assessments. Charging for water use is common for water agencies to cover costs and manage the resource and would be subject to proposition 218. It is recommended that this authority be active.

**WC-35410.2.** If there is more than one tax code area for the levy of said metropolitan water district tax within a district, an improvement district may be formed in the manner provided in Chapter 4.9 (commencing at Section 36410), of Part 6 of this division for any or all of said tax code areas for the purpose of providing for the payment of the whole or part of the metropolitan water district tax attributable to any tax code area. After the hearing on the resolution of intention as provided in Section 36415, or as said hearing may be continued, the board may by resolution order the improvement district formed. Thereafter in any year the board may elect to pay, from receipts, assessments or standby charges or any combination thereof levied exclusively in said improvement district, the whole or a stated percentage of the metropolitan tax for the next succeeding fiscal year attributable to the area within said improvement district, provided, that it takes similar action with respect to all other said tax code areas.

- **Analysis:** This code section allows the proposed Water District to establish an Improvement District. Improvement Districts are commonly formed to identify specific areas that require diverse management. It is recommended that this authority be active.

**WC-35411.** A district may disseminate information to the public concerning the rights, properties, and activities of the district.

- **Analysis:** This code section allows the proposed Water District to disseminate information about the District and its activities. It is common for local agencies to provide information about what it does. It is recommended that this authority be active.

**WC-35413.** (a) In order to enforce the provisions of any ordinance of the district, including an ordinance fixing charges for the furnishing of commodities or services, or to enforce any district rule or regulation adopted by the board of directors pursuant to Section 35421 or 35423 pertaining to the sale or distribution of water, the district may correct any violation of an ordinance of the district or of the rule or regulation. The district may also petition the superior court for the issuance of a preliminary or permanent injunction, or both, as may be appropriate, restraining any person from the continued violation of any ordinance, rule, or regulation, of the district or for the issuance of an order stopping or disconnecting a service if the charges for that service are unpaid at the time specified in the ordinance, rule, or regulation.

(b) The district may enter upon the private property of any person within the jurisdiction of the district in order to investigate possible violations of an ordinance of the district or law, rule, or regulation described in subdivision (a). The investigation shall be made with the consent of the owner or tenant of the property or, if consent is refused, with a warrant duly issued pursuant to the procedures set forth in Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure, except that, notwithstanding Section 1822.52 of the Code of Civil Procedure, the warrant shall be issued only upon probable cause.

(c) The district shall notify the county or city building inspector, county health inspector, or other affected county or city employee or office, in writing, within a reasonable time if an actual violation of a district, city, or county ordinance is discovered during the investigation.

- **Analysis:** This code section allows the Water District to enforce its ordinances or rules and correct any violations. Local government jurisdictions commonly have this capability to enforce their regulations. It is recommended that this authority be active.

## **Part 5 Powers and Purpose; Chapter 2; Powers; Article 2; Water Distribution:**

**WC-35420.** All water distributed for irrigation purposes, except as otherwise provided in this article, shall be apportioned ratably to each holder of title to land upon the basis of the ratio which the last assessment against his land for district purposes bears to the whole sum assessed in the district for district purposes.

- **Analysis:** This code section establishes a fair share ratio for assessments to each holder of title to land for district purposes. It is recommended that this authority be active.

**WC-35421.** Water sold to holders of title to land pursuant to Section 35470 shall be apportioned ratably to each holder of title to land making application therefor under such rules and regulations as the board may from time to time establish.

- **Analysis:** This code section requires the sale of water to holders of title of land to be established based on the cost and value of the service and be apportioned as such. It is recommended that this authority be active. Current state laws would apply.

**WC-35422.** Where revenue bonds have been issued payable from revenues to be derived from the sale of water for the irrigation of land all water distributed for irrigation purposes shall be apportioned ratably to each holder of title to land making application therefor pursuant to rules and regulations established by the board.

- **Analysis:** This code section requires all water derived from the revenue under bonds be distributed to each holder of title of land requesting water and paying for that water proportionately. It is recommended that this authority be active.

**WC-35422.5.** As an alternative, and in addition, to other methods set forth in this article regarding the apportionment of water, a district may enter into long-term water service contracts with the holders of title to land for the apportionment of all or any part of its water supply. Long-term water service contracts may provide that all water charges provided for, when due, are a lien on the land in the nature of assessments and may be collected and enforced in the manner provided in this division for the collection and enforcement of assessments. Any lien pursuant to this section has the same force, effect, and priority as an assessment lien, if the contract is recorded in the office of the county recorder in the county in which the land is located.

- **Analysis:** This code section allows for long-term contracts to supply water/service to holders of title of land and have the assessments collected as a lien on the land. Having a consistent known amount of water under a long-term contract would benefit a landowner. It is recommended that this authority be active.

**WC-35423.** A district may establish, print, and distribute equitable rules and regulations for the sale and distribution of water. A district may provide therein that water shall not be furnished to (1) persons who violate the rules and regulations or against whom there are delinquent water, standby, facility, or other charges, or penalties or interest on any such charges, or (2) land against which there is a delinquent assessment.

- **Analysis:** This code section allows the district to establish rules and regulations for the sale and distribution of water. It also allows the district to establish rules if violation or delinquent assessments occur. It is recommended that this authority be active. The District is prohibited from moving any water outside of the Paso Robles Basin.

**WC-35424.** After equitable rules and regulations for the distribution of water have been published once a week for two weeks in a newspaper of general circulation published in each affected county, any violation thereof is a misdemeanor and the violator shall, upon conviction thereof, be subject to a fine of not less than fifty dollars (\$50) and not more than two hundred dollars (\$200). When equitable rules and regulations for the distribution of water are amended, the district may publish a summary of the amendments to the rules and regulations with an Internet address and a physical location where the complete text of the amended rules and regulations may be viewed.

- **Analysis:** This code section requires the district to publish the rules and regulations for general circulation. Once published violations may be fined. It is recommended that this authority be active.

**WC-35425.** If its board deems it to be for the best interests of the district, a district may enter into a contract for the lease, sale, or use of any surplus water not then necessary for use within the district, for use either within or without the district.

- **Analysis:** This code section allows the district to enter into contract for the sale of surplus water. It is recommended the sale or use of surplus water not be allowed outside of the basin boundary as conditioned. It is recommended that this authority be active with the condition of no export.

**WC-35427.** Nothing in this article authorizes the sale of any water right.

- **Analysis:** This code section does not authorize or take away any water rights. It is recommended that this authority be active.

**WC-35428.** No right in any water or water right owned by the district shall be acquired by use permitted under this article.

- **Analysis:** This code section does not authorize the districts water rights to be acquired. It is recommended that this authority be active.

**WC-35429.** The board may grant to the owner or lessee of a right to the use of any water permission to store the water in any reservoir of the district or to carry it through any conduit of the district.

- **Analysis:** This code section authorizes the district to work with an owner or lessee the right or permission to store water or carry water through the districts infrastructure. It is recommended that this authority be active. The District is prohibited from moving any water outside of the Paso Robles Basin.

## **Part 5 Powers and Purpose; Chapter 2; Powers; Article 3; Application for Water:**

**WC-35450.** A district may fix and change a date prior to which applications for water for the ensuing irrigation season are to be received for all crops, or for annual crops and new plantings, and may require a cash deposit to be made at the time of application for each acre for which application is made.

- **Analysis:** This code section authorizes the district to set the date for water application for the season and require a deposit for water. It is recommended that this authority be active.

**WC-35451.** The action of a district fixing or changing any date prior to which applications for water are to be received is ineffective until notice of the date is given by publication once a week for two successive weeks in a newspaper published in the office county. The date fixed is effective for each year thereafter unless changed by the board.

- **Analysis:** This code section requires the district to publish the set dates for water applications for general circulation prior to taking effect. This date would be the same each year unless a new date is set and published. It is recommended that this authority be active.

**WC-35452.** The cash deposit shall, in the discretion of the board, be forfeited as to each acre not using the water applied for if the district has a sufficient supply of water available at the time the water is to be used.

- **Analysis:** This code section authorizes the district to forfeit the deposit for any unused water applied for if sufficient supply is available. It is recommended that this authority be active.

**WC-35453.** In the event of water shortage the district may, with respect to the shortage area, give preference to or serve only the land for which application was filed prior to the application date fixed and the land for which no application was required.

- **Analysis:** This code section allows the district to establish a priority based on the water applications in the event of a shortage. It is recommended that this authority be active.

**WC-35454.** If the available water is inadequate to serve all of the land as to which applications for water are filed pursuant to Section 35450, the district may require the owners of land which is proposed to be planted to annual crops or to new plantings to take a proportionate percentage reduction in the water they would normally use thereon and may require the owners of land which is planted to permanent crops to take a reasonable proportionate percentage reduction in the water they would normally use in an amount not exceeding the percentage reduction required of plantings to annual crops and new plantings. The provisions of this section shall be effective only if more than one-half of the district's revenue for that year will be derived from charges made for the sale of water.

- **Analysis:** This code section allows the district to establish a proportional percentage reduction on the water normally used if inadequate water is available to serve all applications for water. It is recommended that this authority be active.

**WC-35454.5.** In any year in which the board of a district not having meters or other volumetric measuring instruments or facilities to measure substantially all agricultural water to be delivered concludes the available water supply will be inadequate to serve all land entitled to service that will probably desire such service, the district may establish reasonable annual water requirements for growing each type of crop grown or likely to be grown in the district in that year; determine the maximum acreage of each crop that each holder of title to land, or his duly authorized agent or tenant, may irrigate with district water by dividing the quantity of water apportioned or apportionable to him by such reasonable annual water requirements so established by the district; limit the acreage of each crop that each such holder of title to land, or his duly authorized agent or tenant, may irrigate with district water to the maximum acreage or acreages so determined; and refuse to deliver water to, or assess penalties on, a holder of title to land, or his duly authorized agent or tenant, who uses district water on a greater acreage of such crops. Nothing in this section shall prohibit or limit the application of the provisions of Section 35453 or 35454. This section provides a means of measuring

the allocation of water to lands based on the type of crop grown and does not authorize a district to designate the crops to be grown on such land.

- **Analysis:** This code section allows the district to establish reasonable annual water requirements if volumetric measuring concludes the available water supply will be inadequate to serve all land entitled. It is recommended that this authority be active.

**WC-35455.** Nothing in this article restricts or limits existing powers of a district to control and provide for distribution of water.

- **Analysis:** This code section allows the district under existing powers to control (or limit) the distribution of water to serve all land entitled. It is recommended that this authority be active. The District is prohibited from moving any water outside of the Paso Robles Basin.

### **Part 5 Powers and Purpose; Chapter 2; Powers; Article 4; Charges:**

**WC-35470.** Any district formed on or after July 30, 1917, may, in lieu in whole or in part of raising money for district purposes by assessment, make water available to the holders of title to land or the occupants thereon, and may fix and collect charges therefor. Pursuant to the notice, protest, and hearing procedures in Section 53753 of the Government Code, the charges may include standby charges to holders of title to land to which water may be made available, whether the water is actually used or not. The charges may vary in different months and in different localities of the district to correspond to the cost and value of the service, and the district may use so much of the proceeds of the charges as may be necessary to defray the ordinary operation or maintenance expenses of the district and for any other lawful district purpose.

- **Analysis:** This code section allows the district to collect charges in addition to raising money by assessments for making water available to holders of title to land or the occupant consistent with Prop 218. It is recommended that this authority be active.

**WC-35470.1.** If the procedures set forth in this article as it read at the time a standby charge was established were followed, the district may, by resolution, continue the charge pursuant to this article in successive years at the same rate. If new, increased, or extended assessments are proposed, the board shall comply with the notice, protest, and hearing procedures in Section 53753 of the Government Code.

- **Analysis:** This code section allows the district to collect standby charges consistent with Prop 218. It is recommended that this authority be active.

**WC-35470.5.** The district may, by resolution, provide that a penalty not in excess of 10 percent shall be added to water, standby, facility, or other charges which are delinquent, and the delinquent charges shall bear interest at a rate not in excess of 1<sup>1</sup>/<sub>2</sub> percent per month. For purposes of this section, the district shall establish the period or date after which the charges shall become delinquent if they remain unpaid. The delinquency dates established in Part 7 (commencing with Section 36550) and Part 7.5 (commencing with Section 37200) for unpaid assessments, which may include standby or other charges for the use of district water that has been made a part of the assessment, shall not apply to the addition of penalties and interest to delinquent charges, pursuant to this section.



- **Analysis:** This code section allows the district by resolution to add a penalty not to exceed 10% to delinquent charges. It is recommended that this authority be active.

**WC-35471.** Any funds derived pursuant to Section 35470 in excess of the amount necessary for operating or maintenance expenses and other lawful district purposes shall be applied by the treasurer upon the payment of interest on general obligation bonds or to create a sinking fund.

- **Analysis:** This code section allows the district to create a sinking fund or apply excess funds to pay interest or bonds. It is recommended that this authority be active.

**WC-35472.** For the purpose of providing funds to pay revenue bonds and interest when due the board shall fix and collect charges for the sale of water.

- **Analysis:** This code section allows the district to collect charges for the sale of water to pay interest or bonds. It is recommended that this authority be active.

**WC-35473.** The charges to pay revenue bonds and interest thereon when due shall be fixed by the board before April 1st of each year.

- **Analysis:** This code section requires the district to set a fixed date before April 1st of each year to set charges to pay interest or bonds. It is recommended that this authority be active. This is subject to current state law.

**WC-35474.** The charges to pay revenue bonds and interest thereon shall be fixed by the board upon a flat rate per acre or connection or on a metered basis or on a combination of a flat rate and metered basis and shall be sufficient to raise the amount specified on the face of the bonds when issued and one year's interest thereon unless the district has accumulated a surplus fund in the treasury of the district which is available for the payment of all bonds and interest that will accrue for payment during the current year, in which event the charges may be made so that the aggregate amount to be raised by the sale of water when added to the surplus fund equals the face value of the bonds that will mature within one year and the interest thereon.

- **Analysis:** This code section requires the district to set a flat rate or connection or a metered basis charge or combination to re-pay bonds and interest. It is recommended that this authority be active. This is subject to current state law.

**WC-35475.** The charges to pay revenue bonds and interest thereon may include a stand-by or carrying charge notwithstanding the water is not actually used, under such rules and regulations as the board may prescribe.

- **Analysis:** This code section allows the district to charge stand-by or carrying charges to re-pay bonds and interest even if the water is not used. It is recommended that this authority be active. This is subject to current state law.

**WC-35476.** The charges to pay revenue bonds and interest thereon may be made payable in advance before service of water is made to the land.

- **Analysis:** This code section allows in advance payments to re-pay bonds and interest before service of water is made. It is recommended that this authority be active.

**WC-35477.** The collection of charges to pay revenue bonds and interest thereon shall be continued each year until all revenue bonds, together with interest thereon, are fully redeemed and paid.

- **Analysis:** This code section allows the district to charge for payment of bonds and interest each year until fully redeemed and paid. It is recommended that this authority be active.

**WC-35478.** All revenue bond redemption and interest charges are a first lien on all revenues received from the sale of water unless the district, by a limitation clearly expressed in the ballots used at the election at which the bonds are voted and in all the bonds, limits the charge and lien to a part of the revenues of the district or to a fixed portion of all revenues from the sale and use of water.

- **Analysis:** This code section allows all revenue to re-pay bonds and interest to be a first lien from the sale of water unless the district clearly expresses in a ballot to limit the charge and lien to part of the revenue. It is recommended that this authority be active.

**WC-35479.** The district may elect, if it is using the alternative provisions for levy, collection and enforcement of district assessments by the county as provided in Part 7.5 hereof, to have the county levy and collect standby charges. If the district so elects, it shall certify to the county auditor of each county in which the district is located and the county assessor in each county in which the district is located on or before the fourth Monday in August of each year in which a standby charge is to be levied and collected for the fiscal year commencing on that July 1, the following information for purposes of such levy, assessment and collection:

- (a) The amount of the acreage standby charge levied by the district, both by acre and total amount estimated to be collected for the entire district;
- (b) The assessee parcels and assessee names for each parcel of land in the district against whom a standby charge is being levied and the acreage assessed to such person according to the district records, and the total amount of the charge to be paid by each assessee parcel.

- **Analysis:** This code section allows the district to use an alternative levy provision to have the county collect charges. It is recommended that this authority be active. This is subject to current State Law.

**WC-35480.** The county assessor and county auditor shall thereafter add to the tax bills for each assessee and assessee parcel as so certified, in addition to the other charges, the standby charges of the district.

- **Analysis:** If section WC-35479 is used then this code section allows the county assessor and auditor to add charges to the tax bill to each assessee and parcel. It is recommended that this authority be active.

**WC-35481.** The county tax collector and treasurer shall thereupon collect, receive and disburse to the district the standby charges as collected with the regular tax payments to the county.

- **Analysis:** If section WC-35479 is used then this code section requires the county tax collector and treasurer to collect charges and disburse them to the district. It is recommended that this authority be active.

**WC-35482.** No district furnishing water for residential use to a tenant shall seek to recover any charges or penalties for the furnishing of water to or for the tenant’s residential use from any subsequent tenant on account of nonpayment of charges by a previous tenant. The district may, however, require that service to subsequent tenants be furnished on the account of the landlord or property owner.

- **Analysis:** This code section does not allow the district to recover any charges or penalties for furnishing water to subsequent accounts of nonpayment of previous tenant’s. The district may however, require subsequent tenants service be furnished on a landlord or property owners account. It is recommended that this authority be active.

**Part 5 Powers and Purpose; Chapter 2; Powers; Article 5; Sewers: [35500 - 35509]**

This section describes the collection, treatment, and disposal of sewage, waste, and storm water as services that may be provided by the District. Sewer services are recommended to not be an active power. This would mean sewer powers would be inactive or latent. The District could request LAFCO activate these powers in the future.

# **Attachment E**

## Notice of Exemption

## ATTACHMENT E NOTICE OF EXEMPTION

**TO:** Office of Planning and Research  
1400 Tenth Street, Room 121  
Sacramento, CA 95814

**FROM:** San Luis Obispo LAFCO  
1042 Pacific Street  
San Luis Obispo, CA 93401

Tommy Gong, County Clerk  
County of San Luis Obispo  
County Government Center  
San Luis Obispo, CA 93401

**CONTACT:** David Church, AICP, Executive Officer  
(805) 781-5795

**Project Title:** Formation of the Estrella-EI Pomar-Creston Water District and establishment of a Sphere of Influence Boundary.

**Project Location and Description.** The proposed Estrella-EI Pomar-Creston Water District is approximately 40,000 acres. Generally lies east of the City of Paso Robles and includes the unincorporated properties of the landowners wanting to participant that overlie the basin. LAFCO will consider the formation of a California Water District to manage a portion of the Paso Robles Groundwater Basin consistent with the water code and CKH. The SOI is a 20-year growth boundary that includes areas that may be served by a District in the future. The SOI is recommended to be coterminous with the Estrella-EI Pomar-Creston Water District boundary.

**Public Agency Approving Project.** The Local Agency Formation Commission (LAFCO) of San Luis Obispo County will hold a public hearing on this item on April 6, 2017 in the County Board of Supervisors Chambers in San Luis Obispo, at the County Government Center, located at the corner of Monterey and Santa Rosa Streets. A 21-day notice was published in the Tribune.

**Environmental Determination.** LAFCO is the Lead Agency for the proposed Formation and adoption of a Sphere of Influence. The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). The formation of the Water District qualifies for a CEQA exemption under 15378(b)(4). Additionally, the SOI qualifies for a general rule exemption from environmental review based upon CEQA Regulation Section 15061(b)(3) and Section 15262.

**Reasons for Exemption.** The creation of a Water District for the purpose of creating a funding mechanism is exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(4), or alternatively Section 15061(b)(3) which provides: "The creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment". The newly formed water district would become a Groundwater Sustainability Agency (GSA) or become partners with the surrounding local agencies for its portion of the groundwater basin. Part of the responsibilities of a GSA is compliance with the SGMA Act which includes the preparation of a Groundwater Sustainability Plan (GSP), under CEQA the adoption of a GSP is a Statutory Exemption § 15282(v). The purpose of any GSP would be the protection, restoration, or enhancement of groundwater resources. The District is being formed to stabilize the basin through compliance with SGMA and preparation of a Groundwater Sustainability Plan.

If formed, the Water District would complete additional CEQA review for any future identified capital projects or implementation actions under the future adopted GSP. The regulatory process involves procedures to prepare a GSP for the protection of the resources and environment. It is speculative to try and envision what future capital projects would be undertaken by the District. The newly formed District has to go through the Capital Improvement planning process which would include permitting and CEQA compliance.

The Sphere of Influence boundary does not involve, authorize or permit the siting or construction of any facilities. CEQA Regulation Section 15061(b)(3) states "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it

can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." A Sphere of Influence is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". A SOI is generally considered a 20-year, long-range planning tool and has no legal binding effect to authorize annexation or future improvements. CEQA Regulation Section 15262 includes an exemption for projects involving only planning studies for possible future actions. Any annexation into the District would require further CEQA review and action by LAFCO.

\_\_\_\_\_  
David Church, AICP, Executive Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
File No. 4-R-16

**Attachment F**  
Inclusion/Exclusion Request

3/20/2017

To San Luis Obispo LAFCO: MAR 22 2017

I request that ~~the~~  
all of the parcels owned  
by the McDonald Ranch  
Partnership in San Luis  
Obispo be taken out of  
of the District (EPC).

Thank you,

John Wapple

218 C St.

Gula City, CA 95991

Managing Partner of  
the McDonald Ranch  
Partnership

cell 530 813 2051



James R. and Debra A. Saunders  
7310 North River Rd  
Paso Robles, California 93446  
805-423-1291 C  
805-467-2234 O

March 20, 2017  
David Church, Executive Director  
San Luis Obispo-Local Agency Formation Commission  
County of San Luis Obispo  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

RE: Proposed Estella-El Pomar-Creston Water District

Dear Mr. Church,

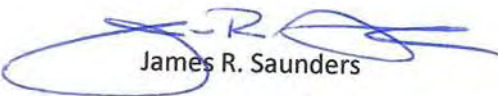
Pursuant my telephone conversation with you, I am writing you this formal request.

I previously signed petition for the inclusion in the proposed Estella-El Pomar-Creston Water District; however, since that time, I have made the determination that this is not in the best interest for my property and my heirs.

The purpose of this letter is to advise you that I have no longer wish to be part of the water district, and I hereby notice LAFCO of my withdrawal and revocation from the pending Estrella- El-Pomar-Creston water district petition regarding our property APN's 027-144-012,015,020,021,023 respectively.

I respectfully request that you provide me with acknowledgment of my request for withdrawal and revocation has been granted.

Sincerely,

  
James R. Saunders

  
Debra A. Saunders

CC: EPC Dana Merrill  
Roderick A Rodewald Esq, Diehl & Rodewald PC  
Tom Madden, AMMG PC

FEB 27 2017

JENNIFER SONI  
1659 COPENHAGEN DR. SUITE A  
SOLVANG, CA 93463  
805.423.1134

February 21, 2017

Jennifer Soni  
Physical Address: 7320 Cross Canyons Rd., San Miguel, CA 93451  
Mailing Address: 1659 Copenhagen Dr. Suite A, Solvang, CA 93463  
Contact Number: 805.423.1134

David Church, Executive Director  
San Luis Obispo-Local Agency Formation Commission  
County of San Luis Obispo  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

RE: Proposed Estella-Al Pomar-Creston Water District

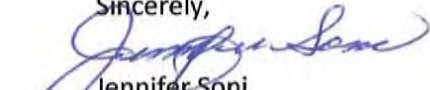
Dear Mr. Church,

I previously signed petition for the inclusion in the proposed Estella-El Pomar-Creston Water District; however, since that time, I have made the determination that this is not in the best interest for my property and my heirs.

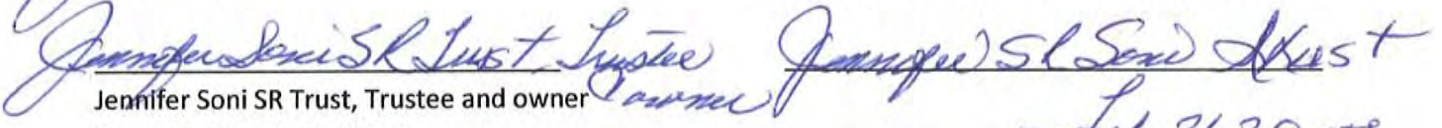
The purpose of this letter is to advise you that I have no interest in being part of the water district, and I hereby serve notice of my withdrawal, revocation from the pending Estrella- El-Pomar-Creston water district, of the petition relating to my property APN 027-071-01 on 7320 Cross Canyons Road, San Miguel, CA 93451 that is held in trust as the: Jennifer S R Soni Trust.

I trust that you will acknowledge my request without delay and obviate any necessity to involve Counsel in this matter. I request that you provide me with written notification that my request for withdrawal and revocation has been granted.

Sincerely,

  
Jennifer Soni

Jennifer SR Soni Trust      Date: February 21, 2017



Jennifer Soni SR Trust, Trustee and owner

CC: Cindy Steinbeck POWR

Janet Wallace AMMCGLAW

EPC Dana Merrill

*Feb. 21, 2017*

PLEASE SIGN NAME ON 2<sup>nd</sup> LINE  
 PLEASE PRINT NAME ON 4<sup>th</sup> LINE

Owner Name (Assessor database) <b>SONI JENNIFER S R TRE</b>	Owner Address (Assessor database) <b>1659 COPENHAGEN DR #A SOLVANG CA 93463</b>
Signature of Owner <i>Jennifer Soni</i>	Signature of Owner, if needed
Date Signed <i>12-8-16</i>	Date Signed
Print Name of Signator <i>Jennifer Soni S R TRE</i>	Print Name of Signator
Print title or authority of Signator <i>BIOPACT</i>	Print title or Authority of Signator
Print mailing address of signator, if different <i>1659 COPENHAGEN DR. SUITE A SOLVANG, CA 93463</i>	Print mailing address of signator, if different

As a signer of this Petition, I hereby certify that I have read the content of the Petition and request that proceedings be taken for the proposal as provided by said Petition.

APN	Acres
027-071-010	128.3

APN	Acres

APN	Acres

If this Ballot has been received by mail and no Circulator is available the Land Owner can either attest to the language below or have their signature notarized.

I declare that I am entitled to complete this Petition and that I am a "landowner" or the "legal representative" of a landowner as defined in California Water Code sections 37905 and 37913. I declare under penalty of perjury under the laws of the State of California that the foregoing declarations are true and correct.

December 8, 2016  
Date

Jennifer Soni S R Tre  
Name (please print)

Jennifer Soni, owner  
Signature

Second Signature (if necessary)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature

027-071-010  
Address or APN(s)

## Mike Prater

---

**From:** David Church <dchurch@slolafco.com>  
**Sent:** Monday, February 06, 2017 4:25 PM  
**To:** 'shelly domingos'  
**Cc:** Mike Prater  
**Subject:** RE:

No Problem. We will remove your properties from the District. Thanks for letting us know.

**David Church, AICP**  
San Luis Obispo LAFCO  
Executive Officer  
805-788-2096

---

**From:** shelly domingos [<mailto:shelly@tdfarming.com>]  
**Sent:** Monday, February 6, 2017 4:11 PM  
**To:** [dchurch@slolafco.com](mailto:dchurch@slolafco.com)  
**Subject:**

Dear David- We are emailing you to ask to be removed from the Estrella Water District formation. We recently signed the paperwork to join the district, but have since chosen our minds.

The properties we would like removed are:

Georgeanna Domingos located at 5085 Martingale Cir San Miguel , ca 93451  
Anthony J Domingos located at 5010 Martingale Cir San Miguel, Ca 93451  
Brave Oak Vineyard LLC located at 6775 Airport Rd Paso Robles, Ca

We sorry for the inconvenience.

Sincerely ,  
Tony & Georgeanna Domingos  
805-391-3171

JAN 30 2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

Steven N Beck  
Signature \_\_\_\_\_ 2<sup>nd</sup> Signature, if necessary \_\_\_\_\_

Steven N Beck  
Name printed \_\_\_\_\_ Name printed \_\_\_\_\_

1/25/2017  
Date signed \_\_\_\_\_ Date signed \_\_\_\_\_

Owner, Pres  
Authorizing title \_\_\_\_\_ Authorizing title \_\_\_\_\_

\_\_\_\_\_  
Phone number \_\_\_\_\_ Phone number \_\_\_\_\_

Your Mailing Address, if different from address listed below

Landowner: **BECK STEVEN N TRE ETAL** PO BOX 426  
CRESTON CA 93432

**APN's:**  
043-323-002 127.0 ,

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

<u>Robert Thomas</u>	_____
Signature	2 <sup>nd</sup> Signature, if necessary
<u>Robert Thomas</u>	_____
Name printed	Name printed
<u>1-20-17</u>	_____
Date signed	Date signed
<u>owner</u>	_____
Authorizing title	Authorizing title
<u>(805) 466-7753</u>	_____
Phone number	Phone number
<u>P.O. Box 1343 Templeton, CA 93465</u>	
Your Mailing Address, if different from address listed below	

Landowner: Robert Thomas

**APN's:**

<u>34-451-02</u>	_____
<u>7010 Old Adobe Way, Templeton, CA 93465</u>	
_____	

JAN 17 2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Sincerely,

Debra R Compton

Signature

2<sup>nd</sup> Signature, if necessary

Debra R Compton

Name printed

Name printed

owner

Authorizing title

Authorizing title

1-12-17

Date

Date

805 467-3158

Phone number

Phone number

7051 Cross Canyons RD, San Miguel, CA 93451

Mailing Address

Landowner: **ROSENBERG NUT FARM LLC**

APN's:

027-071-023 ,



JAN 30 2017

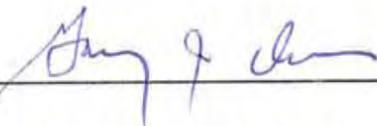
Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

Signature		2 <sup>nd</sup> Signature, if necessary	
Name printed	GARY J. DAVIS	Name printed	
Date signed	1/26/17	Date signed	
Authorizing title	Owner	Authorizing title	
Phone number	805-238-0745	Phone number	

Your Mailing Address, if different from address listed below

Landowner:	<b>DAVIS GARY J TRE ETAL</b>	6988 N RIVER RD		
		PASO ROBLES	CA	93446

**APN's:**

026-105-001 82.8 , 027-144-019 26.0 ,

~~027-144-019 26.0~~

JAN 27 2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature

2<sup>nd</sup> Signature, if necessary

Ryan Tannhill

Name printed

Name printed

1/20/17

Date signed

Date signed

Managing Member RMT Enterprises LLC

Authorizing title

Authorizing title

(805) 610-5161

Phone number

Phone number

Your Mailing Address, if different from address listed below

Landowner: **RMT ENTERPRISES LLC**

5875 STOCKDALE RD

PASO ROBLES

CA

93446

APN's:

027-145-019 73.7 ,

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Sincerely,

<u>Joe Beato</u>	_____
Signature	2 <sup>nd</sup> Signature, if necessary
<u>Joe Beato</u>	_____
Name printed	Name printed
<u>Owner</u>	_____
Authorizing title	Authorizing title
<u>1. 16. 2017</u>	_____
Date	Date
<u>805-478-4937</u>	_____
Phone number	Phone number
<u>4680 Tower Road Paso Robles, Ca. 93441</u>	
Mailing Address	

Landowner: **BEATO JOSEPH L TRE ETAL**

APN's:

015-015-006 , 034-241-005 ,

BDA.

1-17-2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Sincerely,

William F. John  
Signature

William F. John  
Name printed

Partner  
Authorizing title

1/13/17  
Date

805-459-0970  
Phone number

705 Wilderness Lane  
Mailing Address

Jalene John  
2<sup>nd</sup> Signature, if necessary

Jalene John  
Name printed

Partner  
Authorizing title

1/13/17  
Date

805-610-7316  
Phone number

Paso Robles, Ca. 93446  
Mailing Address

Landowner: **WILD J LLC**

APN's:

026-183-040,

25.6 acres

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Sincerely,

Donald M. Marks  
Signature

\_\_\_\_\_  
2<sup>nd</sup> Signature, if necessary

Donald M. Marks  
Name printed

\_\_\_\_\_  
Name printed

\_\_\_\_\_  
Authorizing title

\_\_\_\_\_  
Authorizing title

1-13-2017  
Date

\_\_\_\_\_  
Date

805-610-9040  
Phone number

\_\_\_\_\_  
Phone number

1938 OLIVE ST. PASO ROBLES, CA 93446  
Mailing Address

Landowner: MARKS DONALD M TRE ETAL

APN's:

015-015-004,  
39.2 Acres

JAN 30 2017

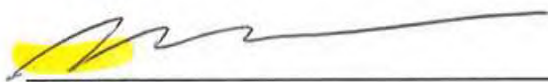
Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

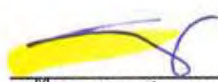
Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature



2<sup>nd</sup> Signature, if necessary

JEFFREY J. CROWLEY

Name printed

SARAH A. CROWLEY

Name printed

1/25/17

Date signed

1/25/17

Date signed

OWNER

Authorizing title

OWNER

Authorizing title

Phone number

Phone number

Your Mailing Address, if different from address listed below

Landowner: CROWLEY JEFFREY J & SARAH A 7601 EL VERANO DR  
BAKERSFIELD CA 93309

APN's:  
035-091-038 37.2 ,

PLEASE SIGN NAME ON 2<sup>nd</sup> LINE  
PLEASE PRINT NAME ON 4<sup>th</sup> LINE

Owner Name (Assessor database) <b>BECK STEVEN N &amp; DEBORAH E</b>	Owner Address (Assessor database) <b>1941 WILDING LANE SLO CA 93401</b>
Signature of Owner <i>Steven N Beck</i>	Signature of Owner, if needed <i>Deborah E. Beck</i>
Date Signed <i>12/19/16</i>	Date Signed <i>12/20/16</i>
Print Name of Signator <i>Steven N Beck</i>	Print Name of Signator <i>Deborah E. Beck</i>
Print title or authority of Signator	Print title or Authority of Signator
Print mailing address of signator, if different	Print mailing address of signator, if different

As a signer of this Petition, I hereby certify that I have read the content of the Petition and request that proceedings be taken for the proposal as provided by said Petition.

APN	Acres
043-311-013	174.6

APN	Acres

APN	Acres

If this Ballot has been received by mail and no Circulator is available the Land Owner can either attest to the language below or have their signature notarized.

I declare that I am entitled to complete this Petition and that I am a "landowner" or the "legal representative" of a landowner as defined in California Water Code sections 37905 and 37913. I declare under penalty of perjury under the laws of the State of California that the foregoing declarations are true and correct.

12/19/16  
Date

Steven N Beck  
Name (please print)

Steven N Beck  
Signature

**Second Signature** (if necessary)

12/12/16  
Date

Deborah E Beck  
Name (please print)

Deborah E. Beck  
Signature

043-311-013  
Address or APN(s)



FEB 07 2017

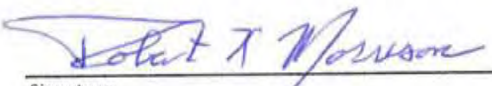
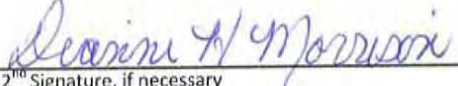
Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

	
Signature	2 <sup>nd</sup> Signature, if necessary
<u>Robert K. MORRISON</u>	<u>Dianne H Morrison</u>
Name printed	Name printed
<u>2-6-2017</u>	<u>2-6-2017</u>
Date signed	Date signed
<u>Owner</u>	<u>Owner</u>
Authorizing title	Authorizing title
<u>805 235 6796</u>	<u>805 238 9509</u>
Phone number	Phone number

Your Mailing Address, if different from address listed below

Landowner: **MORRISON ROBERT K TRE ETAL** 9110 CAMATTA CREEK RD  
SANTA MARGARITA CA 93453

APN's:  
035-041-023 16.6 , 035-061-032 35.1 , 035-061-033 32.0 ,

FEB 07 2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

<u>Peter R. Dodsworth</u> Signature	<u>Maria Cobo</u> 2 <sup>nd</sup> Signature, if necessary
<u>PETER R. DODSWORTH</u> Name printed	<u>MARIA COBO</u> Name printed
<u>2nd February 2017</u> Date signed	<u>2/2/17</u> Date signed
<u>OWNER</u> Authorizing title	<u>AUTHORIZED REPRESENTATIVE</u> Authorizing title
<u>707-494-1186</u> Phone number	<u>707-548-6720</u> Phone number

Your Mailing Address, if different from address listed below

Landowner: **DODSWORTH PETER ETUX**

PO BOX 970

TEMPLETON

CA

93465

APN's:

034-491-002 113.0 ,

FEB 03 2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

*Donald H. Morris*  
Signature

DONALD H. MORRIS  
Name printed

1 Feb 2017  
Date signed

OWNER  
Authorizing title

805 495 9669  
Phone number

*Shirley J. Morris*  
2<sup>nd</sup> Signature, if necessary

SHIRLEY J. MORRIS  
Name printed

1 Feb 2017  
Date signed

OWNER  
Authorizing title

805 495 9669  
Phone number

Your Mailing Address, if different from address listed below

Landowner: MORRIS DONALD H & SHIRLEY J 267 SCARBOROUGH ST.  
THOUSAND OAKS CA 91361

APN's:  
020-012-004 21.8 , 020-012-007 1.1 , 026-161-003 41.2 ,

FEB 03 2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

Signature

Anthony J. Domingos

Name printed

1/25/17

Date signed

2<sup>nd</sup> Signature, if necessary

Michelle S. Domingos

Name printed

1/25/17

Date signed

Authorizing title

Authorizing title

Phone number

Phone number

Your Mailing Address, if different from address listed below

Landowner: **DOMINGOS ANTHONY J & MICHELLE S** 5010 MARTINGALE  
SAN MIGUEL CA 93451

**APN's:**

015-023-011 23.4 ,

PLEASE SIGN NAME ON 2<sup>nd</sup> LINE  
 PLEASE PRINT NAME ON 4<sup>th</sup> LINE

Owner Name (Assessor database) <b>DOMINGOS ANTHONY J &amp; MICHELLE S</b>	Owner Address (Assessor database) <b>5010 MARTINGALE SAN MIGUEL CA 93451</b>
Signature of Owner <i>(Handwritten Signature)</i>	Signature of Owner, if needed
Date Signed <i>12/23/16</i>	Date Signed <i>12/23/16</i>
Print Name of Signator <i>Anthony J. Domingos</i>	Print Name of Signator <i>Michelle S. Domingos</i>
Print title or authority of Signator <i>owner</i>	Print title or Authority of Signator <i>owner</i>
Print mailing address of signator, if different <i>5010 martingale Cir San Miguel, Ca 93451</i>	Print mailing address of signator, if different

As a signer of this Petition, I hereby certify that I have read the content of the Petition and request that proceedings be taken for the proposal as provided by said Petition.

APN	Acres
015-023-011	23.4

APN	Acres


APN	Acres

**If this Ballot has been received by mail and no Circulator is available the Land Owner can either attest to the language below or have their signature notarized.**

I declare that I am entitled to complete this Petition and that I am a "landowner" or the "legal representative" of a landowner as defined in California Water Code sections 37905 and 37913. I declare under penalty of perjury under the laws of the State of California that the foregoing declarations are true and correct.

12/23/16  
Date

Anthony J. Domingos  
Name (please print)

  
Signature

**Second Signature** (if necessary)

12/23/16  
Date

Michelle S. Domingos  
Name (please print)

\_\_\_\_\_  
Signature

015-023-011  
Address or APN(s)

FEB 02 2017


Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.



Regards,

 Signature	_____	2 <sup>nd</sup> Signature, if necessary	_____
Robert J. Pettis Name printed	_____	Name printed	_____
Jan 31, 2017 Date signed	_____	Date signed	_____
Trustee Authorizing title	_____	Authorizing title	_____
805-239-2902 Phone number	_____	Phone number	_____
PO Box 466, Creston, CA 93432 Your Mailing Address, if different from address listed below			

Landowner: PETTIS ROBERT J TRE ETAL 4740 DEVONSHIRE LN  
PASO ROBLES CA 93446

APN's:  
042-191-053 10.3 ,

PLEASE SIGN NAME ON 2<sup>nd</sup> LINE  
PLEASE PRINT NAME ON 4<sup>th</sup> LINE

Owner Name (Assessor database) <b>BECK STEVEN N &amp; DEBORAH E</b>	Owner Address (Assessor database) <b>1941 WILDING LANE</b> <b>SLO CA 93401</b>
Signature of Owner 	Signature of Owner, if needed 
Date Signed <b>12/19/16</b>	Date Signed <b>12/20/16</b>
Print Name of Signator <b>Steven N Beck</b>	Print Name of Signator <b>Deborah E Beck</b>
Print title or authority of Signator	Print title or Authority of Signator
Print mailing address of signator, if different	Print mailing address of signator, if different

As a signer of this Petition, I hereby certify that I have read the content of the Petition and request that proceedings be taken for the proposal as provided by said Petition.

APN	Acres
043-311-013	174.6

APN	Acres

APN	Acres



If this Ballot has been received by mail and no Circulator is available the Land Owner can either attest to the language below or have their signature notarized.

I declare that I am entitled to complete this Petition and that I am a "landowner" or the "legal representative" of a landowner as defined in California Water Code sections 37905 and 37913. I declare under penalty of perjury under the laws of the State of California that the foregoing declarations are true and correct.

12/19/16  
Date

Steven N Beck  
Name (please print)

Steven N Beck  
Signature

**Second Signature** (if necessary)

12/12/16  
Date

Deborah E Beck  
Name (please print)

Deborah E. Beck  
Signature

043-311-013  
Address or APN(s)

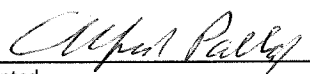
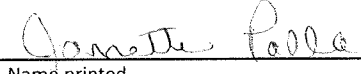
Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

Signature	2 <sup>nd</sup> Signature, if necessary
	
Name printed	Name printed
Alfred Palla Jr	Janette Palla
Date signed	Date signed
2-6-2017	2-6-2017
Authorizing title	Authorizing title
OWNER	OWNER
Phone number	Phone number
661 7645520	661 7645520
Your Mailing Address, if different from address listed below	

Landowner: **PALLA ALFRED JR & JANETTE** 327 CORN CAMP RD  
BUTTONWILLOW CA 93206

APN's:  
019-282-005 201.3 ,

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401


FEB 08 2017

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

Signature		2 <sup>nd</sup> Signature, if necessary	
Name printed	Kathleen M Tucker	Name printed	
Date signed	2/5/17	Date signed	
Authorizing title	Manager Adas Vineyard LLC	Authorizing title	
Phone number	805-674-3793	Phone number	
Your Mailing Address, if different from address listed below	PO Box 3029, Paso Robles, Ca 93447		

Landowner: **ADAS VINEYARD LLC**

77441 INDIAN VALLEY RD

SAN MIGUEL

CA

93451

**APN's:**

026-141-008 11.7 ,

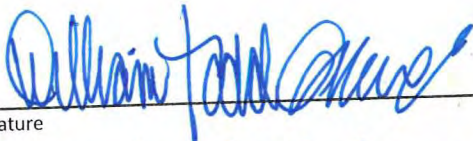
Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the pro  
El Pomar-Creston Water District. Please let us know if you require any add

Regards,

	2 <sup>nd</sup> Signature, if ne
Signature	
<u>William Todd Greene</u>	Name printed
Name printed	
<u>1-27-17</u>	Date signed
Date signed	
<u>Trustee, Greene Family Trust</u>	Authorizing title
Authorizing title	
<u>949-400-0344</u>	Phone number
Phone number	

Your Mailing Address, if different from address listed below

Landowner: **GREENE WILLIAM T TRE ETAL** 6270 LOMITAS R  
ATASCADERO

APN's:

035-111-011 26.2 ,

B-1-108

FEB 09 2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature

2<sup>nd</sup> Signature, if necessary

William Todd Greene

Name printed

Name printed

1-27-17

Date signed

Date signed

Trustee, Greene Family Trust

Authorizing title

Authorizing title

949-400-0344

Phone number

Phone number

Your Mailing Address, if different from address listed below

Landowner: **GREENE WILLIAM T TRE ETAL** 6270 LOMITAS RD  
ATASCADERO CA 93422

APN's:  
035-111-011 26.2 ,



FEB 09 2017


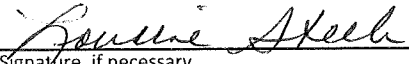
Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

<p> _____ Signature</p> <p><u>Lee C. Steele</u> _____ Name printed</p> <p><u>2/6/17</u> _____ Date signed</p> <p><u>owner/trustee</u> _____ Authorizing title</p> <p><u>617-901-1101</u> _____ Phone number</p> <p><u>same</u> _____ Your Mailing Address, if different from address listed below</p>	<p> _____ 2<sup>nd</sup> Signature, if necessary</p> <p><u>Lorraine P. Steele</u> _____ Name printed</p> <p><u>2/6/17</u> _____ Date signed</p> <p><u>owner/trustee</u> _____ Authorizing title</p> <p><u>617-335-5080</u> _____ Phone number</p> <p><u>same</u> _____ Your Mailing Address, if different from address listed below</p>
--	---

Landowner: **STEELE LEE C TRE ETAL**

3 DURHAM ST  
BOSTON MA 2115

**APN's:**

027-191-028 ~~19.6~~,  
28.0  
(see attached)

# Property Information Search Results

One matching record was found for APN 027-191-028.

<u>Assessment Number</u>	<u>Owner Name</u>	<u>Community</u>	<u>Structure Type</u>	
027191028	Steele Lee & Lorraine	Rural El Pomar-Estrella	Residence	<a href="#">Select</a>

Assessment Information for the 2011/2012 Tax Year		Property Information as of March 1, 1989			
Assessment Number:	027-191-028	Primary Structure	Miscellaneous Improvements		
Owner Name:	Steele Lee & Lorraine	Structure Type:	Residence		
Street Address:	(Protected per CA Govt Code Section 6254.21)	Assessed Value:	1,114,929	Original Size:	372
Community Code:	Rural El Pomar-Estrella	Land Value:	703,599	Addition Size:	1,489
Tax Rate Area:	104-015	Improvements:	402,056	Total Living Area:	1,861
Parcel Size:	20 Acres	Personal Property:	9,274	Year Built:	1940
Link to Map:	<a href="#">027191028</a>	Fixtures Value:	0	Bedrooms:	3
		Total Exemption:	0	Bathrooms:	2
		Net:	1,114,929	Levels:	1
				Parking:	Carport
				Description:	Storage Barn
				Size:	0
				Description:	Flatwork
				Description:	Patio

**Disclaimer:**

The data contained in this database is deemed reliable but not guaranteed. This information should be used for informational use only and does not constitute a legal document for the description of these properties. Every effort has been made to ensure the accuracy of this data; however, this material may be slightly dated which would have an impact on its accuracy. The San Luis Obispo County Assessor's Office disclaims any responsibility or liability for any direct or indirect damages resulting from the use of this data.



Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

Harry E Fralich

Signature

HARRY E FRALICH

Name printed

2-6-17

Date signed

OWNER - GEN MGR.

Authorizing title

(805) 610-8420

Phone number

Ruth E Fralich

2<sup>nd</sup> Signature, if necessary

Ruth E FRALICH

Name printed

2-6-17

Date signed

CO-OWNER

Authorizing title

(805) 610-8420

Phone number

750 LUPINE LANE, TEMPLETON, CA 93465

Your Mailing Address, if different from address listed below

Landowner: FRALICH HARRY E TRE ETAL

750 LUPINE LN

TEMPLETON

CA

93465

APN's:

033-241-015 18.7 ,

FEB 14 2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

*John C. Falcone, Trustee*  
\_\_\_\_\_  
Signature

John C. Falcone  
\_\_\_\_\_  
Name printed

2/6/17  
\_\_\_\_\_  
Date signed

\_\_\_\_\_  
Authorizing title

805 686 9545 or 805 698 7913 cell  
\_\_\_\_\_  
Phone number

*Helen H. Falcone, Trustee*  
\_\_\_\_\_  
2<sup>nd</sup> Signature, if necessary

HELEN H. FALCONE  
\_\_\_\_\_  
Name printed

2-6-2017  
\_\_\_\_\_  
Date signed

TRUSTEE  
\_\_\_\_\_  
Authorizing title

(805) 350-0397  
\_\_\_\_\_  
Phone number

Your Mailing Address, if different from address listed below

Landowner: **FALCONE JOHN C TRE ETAL** 3211 LONG VALLEY RD  
SANTA YNEZ CA 93460

APN's:  
035-301-003 ~~12.6~~ 11.00 acres

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401


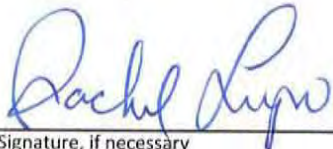
FEB 15 2017

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

 _____ Signature	 _____ 2 <sup>nd</sup> Signature, if necessary
Chris J. Lupu _____ Name printed	Rachel Lupu _____ Name printed
2/13/17 _____ Date signed	2/13/17 _____ Date signed
Owner _____ Authorizing title	Owner _____ Authorizing title
(800) 628-1319 _____ Phone number	_____ Phone number

\_\_\_\_\_  
Your Mailing Address, if different from address listed below

Landowner: **LUPO CHRISTOPHER J & RACHEL** 2656 HIGHRIDGE DR  
CHINO HILLS CA 91709

APN's:  
033-311-023 80.8 ,

FEB 17 2017


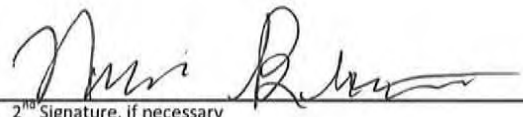
Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

	
Signature	2 <sup>nd</sup> Signature, if necessary
<u>Carlos Garcia</u>	<u>Nataly Beltran</u>
Name printed	Name printed
<u>2-14-17</u>	<u>2-14-17</u>
Date signed	Date signed
<u>Owner</u>	<u>Owner</u>
Authorizing title	Authorizing title
<u>805-391-3230</u>	<u>805-588-1865</u>
Phone number	Phone number
<u>PO #89</u>	<u>Templeton, CA 93465</u>
Your Mailing Address, if different from address listed below	

Landowner: Carlos Garcia and Nataly Beltran

APN's:

015-133-031  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If this Ballot has been received by mail and no Circulator is available the Land Owner can either attest to the language below or have their signature notarized.

I declare that I am entitled to complete this Petition and that I am a "landowner" or the "legal representative" of a landowner as defined in California Water Code sections 37905 and 37913. I declare under penalty of perjury under the laws of the State of California that the foregoing declarations are true and correct.

1/31/17  
Date

M. D. MECKER  
Name (please print)

*M. D. Mecker*  
Signature

Second Signature (if necessary)

1/31/17  
Date

CAROL R. MECKER  
Name (please print)

*Carol R Mecker*  
Signature

6585 VAN DOLLEN ROAD

SAN MIGUEL, CA 93457  
Address or APN(s)

PLEASE SIGN NAME ON 2<sup>nd</sup> LINE  
 PLEASE PRINT NAME ON 4<sup>th</sup> LINE

Owner Name (Assessor database) <b>MEEKER MARTIN D &amp; CAROL R</b>	Owner Address (Assessor database) <b>6585 VON DOLLEN RD SAN MIGUEL CA 93451</b>
Signature of Owner <i>[Handwritten Signature]</i>	Signature of Owner, if needed <i>Carol Meeker</i>
Date Signed <i>1/31/17</i>	Date Signed <i>1/31/17</i>
Print Name of Signator <i>M.D. MEEKER</i>	Print Name of Signator <i>CAROL R. MEEKER</i>
Print title or authority of Signator <i>OWNER</i>	Print title or Authority of Signator <i>OWNER</i>
Print mailing address of signator, if different <i>_____</i>	Print mailing address of signator, if different <i>_____</i>

As a signer of this Petition, I hereby certify that I have read the content of the Petition and request that proceedings be taken for the proposal as provided by said Petition.

APN	Acres
019-282-003	159.9
019-282-004	2.8

APN	Acres

APN	Acres

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

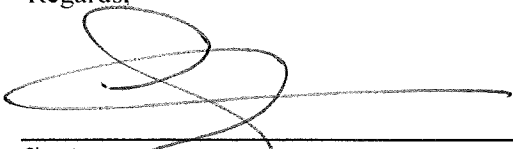
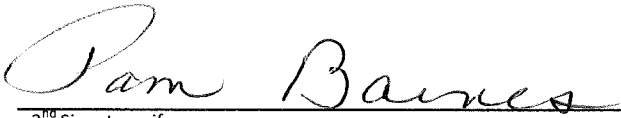

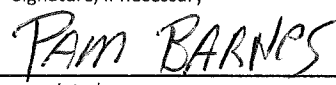
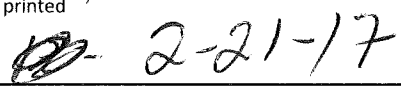



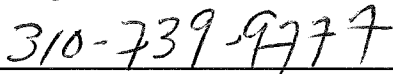
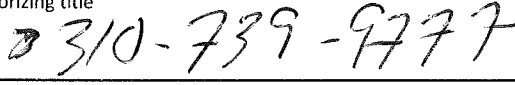


FEB 27 2017

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

	
Signature	2 <sup>nd</sup> Signature, if necessary
	
Name printed	Name printed
	
Date signed	Date signed
	
Authorizing title	Authorizing title
	
Phone number	Phone number
	
Your Mailing Address, if different from address listed below	

Landowner: **BARNES TERRY R TRE ETAL**

615 CAMINO VINA  
PASO ROBLES

CA 93446

APN's:

035-032-027 129.6 ,

FEB 27 2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I represent an investment group that recently purchased the properties listed below.  
I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-  
El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature

2nd Signature, if necessary

LAKHVIR S. SRANI

Name printed

Name printed

02/20/2017

Date signed

Date signed

Managing Member

Authorizing title

Authorizing title

559.846.8983

Phone number

Phone number

1750 N. Siskiyou Ave, Kerman, CA 93630

Your Mailing Address, if different from address listed below

Landowner: SRANI Vineyards, LLC

APN's:

015-031-015 1.7 , 015-031-063 160.6



2017003835

RECORDING REQUESTED BY:  
First American Title Company

MAIL TAX STATEMENT  
AND WHEN RECORDED MAIL DOCUMENT TO:  
Sran Vineyards , LLC  
1750 N. Siskiyou Avenue  
Kerman, CA 93630

Tommy Gong  
San Luis Obispo - County Clerk-Recorder  
01/25/2017 08:00 AM

Recorded at the request of:  
FIRST AMERICAN TITLE COMPANY

Titles: 1 Pages: 3

Fees: \$30.00  
Taxes: \$4400.00  
Total: \$4430.00



Space Above This Line for Recorder's Use Only

A.P.N.: 015-031-015 and 015-031-063

File No.: 4009-5278999 (LB)  
SURVEY MONUMENT FEE \$10.00

**GRANT DEED**

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX \$4,400.00; CITY TRANSFER TAX \$;  
SURVEY MONUMENT FEE \$

- computed on the consideration or full value of property conveyed, OR
- computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
- unincorporated area;  City of , and



FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Margaret Burrell Hall, Successor Trustee of the Robert L. Hall Living Trust dated September 26, 2006**

hereby GRANTS to **Sran Vineyards , LLC, a California limited liability company**

the following described property in the unincorporated area of , County of **San Luis Obispo**, State of **California**:

**PARCEL A: [APN: 015-031-015]**

**THAT PORTION OF THE SOUTHEAST 1/4 OF SECTION 19, TOWNSHIP 26 SOUTH, RANGE 13 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:**

**COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 19; THENCE 22 RODS EAST TO A POINT ON THE SOUTH LINE OF SECTION 19, THENCE 12 RODS DUE NORTH TO A POINT; THENCE 22 RODS DUE WEST TO A POINT ON THE WEST LINE OF SECTION 19; THENCE SOUTH 12 RODS TO THE TRUE POINT OF BEGINNING.**

**EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN LUIS OBISPO IN INSTRUMENT RECORDED SEPTEMBER 11, 1897 IN BOOK 34, PAGE 589 OF DEEDS.**

**PARCEL B: [APN: 015-031-063]**

**PARCEL 1 OF AMENDED PARCEL MAP COAL 96-0076, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED DECEMBER 16, 1996 IN BOOK 52, PAGE 35 OF PARCEL MAPS, AND AMENDED PARCEL MAP RECORDED APRIL 16, 1999 IN BOOK 53, PAGE 85 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.**

Mail Tax Statements To: **SAME AS ABOVE**

MAR 03 2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature

2<sup>nd</sup> Signature, if necessary

Candice Reinertson

Name printed

Name printed

2/28/17

Date signed

Date signed

General Manager

Authorizing title

Authorizing title

805-467-0086

Phone number

Phone number

7450 Estrella Rd, San Miguel, CA 93451

Your Mailing Address, if different from address listed below

Landowner: RIVERSTAR WINERY LLC

2424 OAKDALE AVE

SAN FRAN

CA

94124

APN's:

027-191-016 72.1 ,

MAR 06 2017

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Sincerely,

John Hunter  
Signature

Kathleen C. Hunter  
2<sup>nd</sup> Signature, if necessary

John Hunter  
Name printed

Kathleen C. Hunter  
Name printed

Owner  
Authorizing title

Owner  
Authorizing title

3-4-17  
Date

3-4-17  
Date

805-712-2092  
Phone number

805-712-1405  
Phone number

6063 Hawk Ridge Place San Miguel CA 93451  
Mailing Address

Landowner: HUNTER T JOHN & KATHLEEN C

APN's:

019-311-018 , 9.8 ,

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401


MAR 09 2017

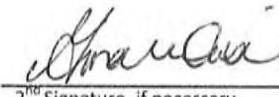
Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

  
Signature

  
2<sup>nd</sup> Signature, if necessary

Faye Ernestine Dusí  
Name printed

Gina M. Dusí  
Name printed

3/6/17  
Date signed

3/6/17  
Date signed

Authorizing title

Authorizing title

805 238 0671  
Phone number

805 610 9036  
Phone number

Your Mailing Address, if different from address listed below

Landowner: **DUSI FAYE E TRE**

4625 BELMONT LN  
PASO ROBLES

CA 93446

APN's:

025-436-037 81.3 ,

**INSIDE CITY OF PASO ROBLES**

Mr. David Church  
LAFCO Executive Officer  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

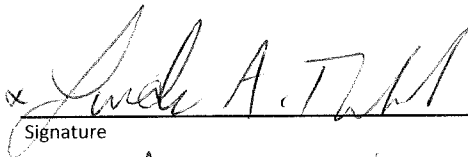
MAR 14 2017

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature

2<sup>nd</sup> Signature, if necessary

Linda A. Tubb

Name printed

Name printed

3-12-17

Date signed

Date signed

Trustee

Authorizing title

Authorizing title

805-674-1239

Phone number

Phone number

Your Mailing Address, if different from address listed below

Landowner: **TUBB LINDA A TRE ETAL**

1640 CIRCLE B RD

PASO ROBLES

CA

93446

APN's:

020-011-033 8.0 ,

B-1-125,

MAR 23 2017

March 21, 2017

MAR 23 2017

San Luis Obispo LAFCO  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401  
Attn: Mr. David Church

Subject: Petition to Join Estrella-El Pomar-Creston Water District GSA

Dear Mr. Church:

I have been informed that this letter would suffice for a petition to join the subject GSA. We are located in the unincorporated rural area just south of the City of Paso Robles within the El Pomar AVA. We have a 5 acre vineyard on our property. Wells on the property provide domestic water as well as irrigation for the vineyard. We are not served by the city.

The property address and SLO County Tax Assessor information is as follows:

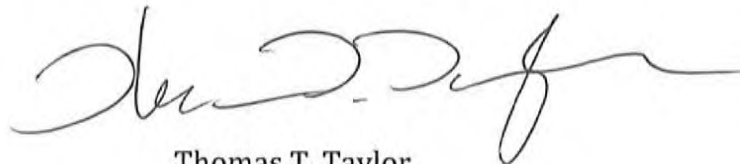
TAYLOR THOMAS T TRE ETAL  
1725 CUMBRE RD  
PASO ROBLES, CA 93446-4929

ASS. # 020-461-035

Legal Description: TR 969 LT 14

I can be reached via email at [ttedford50@gmail.com](mailto:ttedford50@gmail.com), or by telephone at (805) 434-7538 if you have any questions or require additional information. Postal correspondence can be sent to the address above, which is also our residence. Thank you for your time.

Sincerely,



Thomas T. Taylor

# **Attachment G**

## LAFCO Factors & Policies

## ATTACHMENT G

### LAFCO Proposal Review Factors - Government Code 56668

#### The Formation of the Estrella-El Pomar-Creston Water District 4-R-16

The Cortese-Knox Hertzberg Act requires that the following factors be considered by LAFCO in its decision making process. No one factor is to be considered more highly than another; however one factor may be more important depending on the circumstances of a proposal. These factors are to be “considered” by the Commission and weighed and balanced in the decision-making process.

**Factor (a)** Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

**Response.** Population forecasts for the North County area are derived from projections prepared by the San Luis Obispo Council of Governments (SLOCOG) in July 2014. The Table below provides an estimate of the County’s current (2014) and projected future population estimated by the San Luis Obispo Council of Governments for regional planning purposes. Future population is provided in five-year increments beginning in 2015 and continuing into the future to the year 2040. The seven incorporated cities in San Luis Obispo County (Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo) account for approximately 55% of the county’s total population (2010 Census). The population of the unincorporated County is concentrated in the urban areas of Avila Beach, Cambria, Cayucos, Los Osos, Nipomo, Oceano, Santa Margarita, San Miguel, Shandon and Templeton.

The proposed Estrella-El Pomar-Creston Water District would include unincorporated areas north and east of the urban areas of the cities located in northern San Luis Obispo County.

The tables below shows populations inside the Basin and outside the Basin based on the San Luis Obispo Council of Governments (SLOCOG) 2000 and 2010 U.S. Census block data. In addition, Table 1 shows the estimated population change from 2000-2010 inside and surrounding the Basin. Estimates were used based on data for the communities that overly and surround the basin. Some communities are partially within the Basin and so estimates may not accurately reflect actual population numbers. In addition, to the size of the Basin’s geographic boundary, the population information below may vary as it does not conform to existing jurisdictional boundaries.



**Table 1**

**Population Estimates and Growth Rate Change Inside and Outside the Basin**

	Estimate Population 2000 <sup>1</sup>	Estimate Population 2010 <sup>1</sup>	Net Increase in Population 2000-2010	Percent Growth Increase
<b>Inside Basin</b>	40,713	49,370	<b>+8,657</b>	<b>21.2%</b>
<b>Surrounding Basin</b>	48,707	52,890	<b>+3,393</b>	<b>8.5%</b>

<sup>1</sup> Source: SLOCOG 2000 and 2010 U.S. CensusData.

Table 2 shows the estimated projected populations for the incorporated and unincorporated communities within and adjacent to the Basin based on SLOCOG projections for the different planning communities. Exact estimates for projected populations within and outside the Basin are not attainable due to lack of data. The estimates show the most recent 2010 U.S. Census data and projected populations for the next decade (2015-2025), including the percent growth. It should be noted that the majority of growth is within the Basin.

**Table 2**  
**Projected Populations for the Incorporated and Unincorporated**  
**Areas within the Basin**

	Year				Percent Growth Increase
	2010	2015	2020	2025	
<b>Unincorporated</b>					
Adelaida	4,101	4,468	4,802	5,091	<b>24.1%</b>
El Pomar/Estrella	9,859	10,922	11,934	12,839	<b>30.2%</b>
Las Pilitas	1,505	1,535	1,544	1,543	<b>2.5%</b>
Salinas River	5,190	5,296	5,330	5,330	<b>2.7%</b>
San Miguel	1,838	2,027	2,205	2,393	<b>30.2%</b>
Santa Margarita	1,394	1,432	1,450	1,459	<b>4.7%</b>
Shandon	1,258	1,818	2,590	3,682	<b>192.7%</b>
Shandon-Carrizo	1,602	1,621	1,619	1,608	<b>0.4%</b>
Templeton	5,683	6,177	6,461	6,743	<b>18.7%</b>
<b>Incorporated</b>					
Atascadero	26,986	27,366	28,003	28,940	<b>7.2%</b>
Paso Robles	29,624	30,522	32,137	33,905	<b>14.5</b>
<b>Total</b>	<b>92,645</b>	<b>96,911</b>	<b>101,862</b>	<b>107,351</b>	<b>15.9%</b>

Source: San Luis Obispo County 2040 Population, Housing & Employment Forecast. SLOCOG, 2011.

**Factor (b)** The need for organized community services, the present cost and adequacy of governmental services and controls in the area, probable future needs for those services and controls, probable effect of the proposed incorporation, formation, annexation, or exclusion and alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

**Response.** The new State Law, Sustainable Groundwater Management Act (SGMA), requires that a Groundwater Sustainability Agency be formed to manage the basins groundwater resources. One of the purposes of the new District would be to comply with the State Law and provide a local agency to manage the resources within its portion of the basin. If the District is not formed, management of the groundwater resources would be at the discretion of the County acting as the Flood Control District. The County proposes to provide SGMA compliance services for those properties not in a District or City. The cost to manage and prepare a Groundwater Sustainability Plan (GSP) has not been determined at this time. The GSP would outline the regulations and controls to manage the basin.

**Factor (c)** The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

**Response.** The County and County acting as the Flood Control District currently govern the unincorporated portions of the Paso Robles Basin. Under the Sustainable Groundwater Management Act (SGMA) the governmental entities that regulate water resources would need to work together and coordinate a Groundwater Sustainability Plan (GSP) that manages the basin as a whole. Forming the Estrella-El Pomar-Creston Water District would add an additional public agency to coordinate the efforts with the other agencies. If the new District is not formed the responsibility would fall back to the County, if the County decided not to provide SGMA services, then the State would regulate the basin under SGMA.

**Factor (d)** The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.

**Response.** The following are the San Luis Obispo LAFCO Policies for Special District Formations and a brief analysis of the proposal under these policies:

**Policy 1.** There is a demonstrated need for services or controls which can be provided by a special district.

**Analysis.** A new Special Water District would allow for a landowners Board of Directors that would decide on what services and controls are needed. The Paso Robles Basin is identified as a high priority basin and must meet the requirements of SGMA. A local district would be best suited to adopt rules and regulations that comply with SGMA.

**Policy 2.** There is no alternative which would provide for the required service in a more reasonable manner.

**Analysis.** The alternative to a local agency made up of landowners and residents from the area would be the County acting as the Flood Control District. This alternative would provide for an equal level of service. The main difference is the make-up of the Board of Directors and responsiveness to their constituency.

**Policy 3.** There will be sufficient revenue to adequately finance the required services or controls.

**Analysis.** As part of the formation vote the landowners would be conditioned to also pass a Prop 218 vote to fund the needed services. The initial funding is estimated at an average of \$500,000 dollars to fund operations and develop a Groundwater Sustainability Plan over a five year period. As additional services are determined additional funding options would be voted on by the landowners and would be used to help comply with SGMA.

**Policy 4.** The proposal does not represent a conflict with the reasonable and logical expansion of adjacent governmental agencies.

**Analysis.** The proposed boundary for the Estrella-El Pomar-Creston Water District would generally follow the unincorporated areas within the Basin. The portion of the basin that include urban areas or incorporated Cities would not conflict with the district's boundary. A small portion east of the City of Paso Robles would overlie the City's Sphere of Influence.

**Policy 5.** The boundary configuration will not create or result in areas difficult to serve.

**Analysis.** In 2002 the County conducted an investigation and generated a report commonly called the FUGRO report that defined the extents of the Paso Robles Basin and sub-basins. The sub-basins of Estrella-El Pomar-Creston boundaries would be generally the service boundary of the new District with the exceptions of those landowners that do not wish to be in the district. Under current policy, these areas would be managed by the County. Because the proposed services are initially intended to comply with SGMA and all agencies will coordinate a GSP the level of service is adequate given the checkerboard service boundary.

**Policy 6.** The boundaries of the proposed formation must be definite and certain and must conform to lines of assessment whenever possible. The boundaries must not conflict with boundaries of other public agencies possessing the same powers unless properly justified.

**Analysis.** The proposed formation is defined and certain and conforms to lines of

assessment. The boundaries do not conflict with other public agencies with similar powers.

**Factor (e)** The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

**Response.** The proposed formation is defined and certain and conforms to lines of assessment. The boundaries do not conflict with other public agencies with similar powers. The proposed District complies with the Principle Act that has district boundary areas within 2-miles of another district boundary area. The boundary is described as a patch-work but can be served by the district. The other properties included in the basin would be served by the County.

**Factor (f)** Consistency with City or County General and Specific Plans.

**Response.** The land uses are not anticipated to change based on the formation of the water district. The water district would include unincorporated land under the County's jurisdiction. The land use designations would not change and the formation of a water district would be consistent with City and County General Plans.

Table 3 below shows the land use designations of the parcels within the Basin boundary and contiguous to the Basin.

**Table 3**  
**Land Use Designations within and Contiguous to the Basin**

Land Use Designation Within Basin			
Agriculture	Public Facilities	Recreation	Residential Single Family
City	Commercial Retail	Residential Suburban	
Open Space	Commercial Service	Rural Lands	
Rural Residential	Industrial	Residential Multi-Family	
Land Use Designation Contiguous to Basin			
Agriculture	City	Public Facilities	Rural Residential
Open Space	Residential Suburban	Rural Lands	

Source: San Luis Obispo County Geographic Information Systems Data

**Factor (g)** The Sphere of Influence of any local agency which may be applicable to the proposal being reviewed.

**Response.** The City of Atascadero Sphere of Influence does not include areas within the proposed water district boundary. The Templeton CSD Sphere of Influence or the County Service Area 16 – Shandon do not include areas within the proposed water district boundary. The City of Paso Robles Sphere of Influence would share a small area just east of the city limit line.

**Factor (h)** The comments of any affected local agency or other public agency.

**Response.** No Comments were received from any affected agencies

**Factor (i)** The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

COUNT	PER PARCEL CHARGE	RATE	REVENUE GENERATED	% OF TOTAL
498	Total parcels	\$ 0	\$ 0	0%
<b>PER ACRE CHARGE</b>				
22,103	Non-Irrigated Acres (ALL)	\$ 0.59	\$ 13,040	2%
16,519	Irrigated Acres	\$ 35	\$ 578,165	97%
200	Residential/Commercial	\$ 7.50	\$ 1,500	>1%
<b>TOTAL</b>			<b>\$ 592,705</b>	<b>100%</b>

**Response.** A Prop 218 ballot that would include a benefit assessment based on irrigated or non-irrigated status. The table above shows the breakdown. The ballot would be voted on by the landowners' vote of approval or non-protest.

**Factor (j)** Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

**Response.** The purpose of the new Water District would be to manage the unincorporated portion of the basin users and develop a Groundwater Sustainability Plan that is consistent with other agencies that have similar powers to effectively manage the entire basin as a whole. To the extent additional water supplies are made available to supplement the needs of the users would be a decision made by the future Board of Directors. The new State Law under SGMA outlines a process to ensure the GSP would achieve its goals with oversight by the Department of Water Resources and State Water Quality Control Board to step in and take action if needed.

**Factor (k)** The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

**Response.** The new Water District boundaries would remain within the unincorporated County and not affect nearby Cities from achieving their fair share of regional housing needs. The County will continue to exercise its land use authority for issuing residential permits. The new Water District would be put in place to continue monitoring and reporting on the basins health and adopt rules and ordinances for various ways to manage the basin which may include but not limited to installation of metering flow devices, well extraction allocations, and surcharges for extractions. The new District would not affect achieving the fair share of regional housing needs.

**Factor (m)** Any information or comments from the landowner or owners.

**Response.** This proposal includes 100% landowner consent to be part of the district. The protest and final voting process allows for the landowners to vote on the formation of the new District and the funding plan.

**Factor (n)** Any information relating to existing land use designations.

**Response.** The general proposed boundary covers approximately 111 square miles with various land uses from residential to agriculture and others. No land use designation would change with the proposed formation of this Water District.

**Factor (o)** Environmental Justice. The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

**Response.** The formation of the Water District would not treat individuals differently. The services provided by the new District would be to the benefit of all people within the districts boundary.

# **Attachment H**

## Draft Resolution

**IN THE LOCAL AGENCY FORMATION COMMISSION  
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

Date: \_\_\_\_\_

**PRESENT:**

**ABSENT:**

**RESOLUTION NO. 2017-XX**

**RESOLUTION MAKING DETERMINATIONS AND APPROVING THE  
FORMATION OF THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT, SPHERE OF  
INFLUENCE, AND ENVIRONMENTAL DETERMINATION**

The following resolution is now offered:

**WHEREAS**, a Petition of Application signed by 100 percent of the landowners in the proposed Water District was filed with the Commission to initiate the change of organization; and

**WHEREAS**, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) for consideration of a proposal for the formation of the Estrella-El Pomar-Creston Water District as shown in Exhibit "A" attached hereto and made a part hereof; and

**WHEREAS**, the formation of the Estrella-El Pomar-Creston Water District, a Water District as defined in the California Water Code, Section 34000 et seq., has been filed with the Executive Officer of the Local Agency Formation Commission of San Luis Obispo County, California by petition, and said application complied with all the requirements of law and the Commission; and

**WHEREAS**, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

**WHEREAS**, the matter was set and noticed for public hearing at 9:00 a.m. on April 6<sup>th</sup> in the County of San Luis Obispo Board of Supervisors Chambers; and

**WHEREAS**, this Commission has considered the application materials, studies,



attachments, and other documentation at the April 6, 2017 public hearings which is incorporated by reference herein; and

**WHEREAS**, on April 6, 2017 this Commission heard and received, all oral and written protests, objections and evidence, which were made, presented or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter concerning this proposal; and

**WHEREAS** the Commission hereby finds that the formation of Water District will not have a significant effect on the environment, and is Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under 15378(b)(4). Additionally, the SOI qualifies for a general rule exemption from environmental review based upon CEQA Regulation Section 15061(b)(3) and Section 15262.; and

**WHEREAS**, the Commission duly considered the proposal and finds that the formation should be approved with the following conditions:

1. The following conditions of approval are recommended if the proposed EPC Water District is approved:
  1. That the name of the Water District shall be the Estrella-El Pomar-Creston Water District.
  2. That the Board of Directors of the Estrella-El Pomar-Creston Water District be composed of five members elected as provided for in the California Water District Law, Water Code Section 34000 et. seq. The initial Board of Directors will be elected pursuant to the Water Code sections 34700; and
  3. That pursuant to the applicable Water Code Sections the Estrella-El Pomar-Creston Water District is authorized to exercise all powers and authorities subject to the following restrictions:
    - a. The Water District's powers to export, transfer, or move water underlying the Water District outside the Paso Robles Groundwater Basin shall not be active and are subject to condition number five of this approval. For purposes of this Condition and Condition number five, "groundwater" shall have the meaning set forth in Water Code Section 10721(g).
    - b. The Water District's powers under Part 5 Powers and Purpose; Chapter 2; Powers; Article 5; Sewers: [35500 - 35509] of the California Water Code

shall be deemed inactive or latent. The Water District could request that LAFCO activate these powers in the future.

4. That formation of the Estrella-El Pomar-Creston Water District shall be contingent upon a successful vote on the formation pursuant to Water Code Section 34500 and the EPC Water District completing a successful benefit assessment to fund the activities of the Water District. If the Proposition 218 proceeding is not successfully conducted by the Water District within one year of the certificate of completion, the Water District shall be subject to dissolution. LAFCO may extend this deadline upon request by the Water District.
5. The EPC Water District shall be prohibited from exporting, transferring, or moving water underlying the Water District (including groundwater pumped into an above ground storage facility) to areas outside of the Paso Robles Groundwater Basin.
6. That specific projects proposed by the Estrella-El Pomar-Creston Water District shall be analyzed and evaluated in accordance with applicable laws prior to construction.
7. That a revised legal description and boundary map(s) be submitted to reflect the service area and sphere of influence boundaries of the Water District as adopted by the Commission.
8. That the effective date of the Estrella-El Pomar-Creston Water District will be determined by the certification of the election results by the Board of Supervisors and the filing of the certificate of completion by the LAFCO Executive Officer with the County Clerk-Recorder's office.
9. That the EPC Water District set the appropriations limit as soon as feasibly possible consistent with Government Code Section 57000.
10. That the Sphere of Influence of the Estrella-El Pomar-Creston Water District shall be co-terminus to the Service Area boundary. Future amendments and/or updates of the SOI shall only include properties that have submitted written landowner consent.
11. The Water District, if formed, shall provide documentation that it has been identified as a Groundwater Sustainability Agency (GSA), or a GSA partner, pursuant to the Sustainable Groundwater Management Act, Water Code section 10720 et. seq. If the District does not become a GSA, or is not part of a GSA within one year of the Certificate of Completion being filed, the District shall be dissolved. LAFCO may extend this deadline upon request by the District.

**NOW, THEREFORE,** the San Luis Obispo County Local Agency Formation Commission determines the following:

1. The territory comprises approximately 40,000 acres and is found to be inhabited (having more than twelve registered voters) as defined in §56046 of the Government Code.
2. The formation of the District is assigned the following distinctive short-form designation: **Estrella-El Pomar-Creston Water District**
3. Based on the evidence, analysis, and conclusions set forth in this resolution and the Executive Officer's report, the Commission finds that the formation of this District serves to further the purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 including, but not limited to, the following: efficiently providing government services and facilitating the orderly formation and development of local agencies based upon local conditions and circumstances.
4. The Commission determines, based upon the services currently provided to the affected territory, that the Estrella-El Pomar-Creston Water District can feasibly provide the needed services in a more efficient and accountable manner than the County of San Luis Obispo.
5. The Commission adopts the determinations regarding consistency with LAFCO law and Commission Policies contained in the staff report for this proposal and incorporates them by reference herein.
6. The affected territory within which the special election shall be held includes the entire area within the boundaries of the proposed Water District, as described by Exhibit A attached hereto.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.
2. That the Categorical Exemption prepared for this project is hereby approved as complete and adequate and as having been prepared in accordance with the provisions of the California Environmental Quality Act.
3. The Executive Officer, on behalf of the Commission and in compliance with this resolution and State law, hereby requests that the San Luis Obispo County Board of Supervisors direct the County Elections Official to conduct the necessary election, setting the matter for consideration of the voters of the affected territory on a date consistent election law and the Cortese-Knox-Hertzberg Act. The Executive Officer is directed to coordinate with the County Clerk to formulate the election questions consistent with the Commission's determinations set forth herein.



## **Exhibit A**

### Map and Legal Description of the Estrella-El Pomar-Creston Water District

DRAFT

# **Attachment I**

## Comment Letters

## Donna Bloyd

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**From:** Farmerrjb <farmerrjb@aol.com>  
**Sent:** Wednesday, March 1, 2017 12:13 PM  
**To:** darnold@co.slo.ca.us; lcompton@co.ca.us; rfonzi@atascadero.org;  
ewaage@pismobeach.org; mochylski@losososcsd.org; rbeci3421@gmail.com;  
tmurrayinslo@gmail.com  
**Cc:** dchurch@slolafco.com; mprater@slolafco.com; dbloyd@slolafco.com  
**Subject:** Proposed Estrella/El Pomar/Creston Water District

Dear Supervisor/Commissioner,

I am writing to you with regards to the proposed Estrella/El Pomar/Creston Water District that is coming before LAFCo.

I am a member of the Creston Advisory Body (CAB) and live in the Creston community. CAB represents over 1400 of the assessed parcels per the PR Basin, or 25%. We have repeatedly weighed in on the topic of forming a water district over the PR Basin with a resounding "No!" We are aware of the SGMA requirements for managing the PR Basin and we have concluded that the County of San Luis Obispo will better represent the interests of the residents who live over the PR Basin when it comes to managing the PR Basin.

The latest water district being proposed (Estrella/El Pomar/Creston) is being pushed by the same group of people that pushed the Paso Robles Water District that we voted on last year and rejected it by a vote of over 70%, a fairly clear message. We would much prefer that the Basin be managed by the County and representatives that are elected by the people over the Basin at large.

It should be noted that many (maybe even a majority) of those pushing for this latest district own land here but do not live here. The PR Groundwater Advisory Committee (also known for a time as the Blue Ribbon Committee) that was pushing for a Basin wide district was made up of primarily corporate vineyard interests and entities from cities, etc. that already had water districts. When petitioned, they refused to allow members of advisory committees (such as CAB) representing residents over the Basin a seat on that committee. If formed we believe the proposed water district coming before LAFCo would continue forward **without** the best interests of the majority of the residents of the PR Basin, just as they did when they were part of the PR Groundwater Advisory Committee.

Rural residents over the PR Groundwater Basin own more than 80% of the parcels over the Basin and use less than 15% of the perennial yield for the Basin. The people proposing the district use over 80% of the perennial yield and want to manage the district. They own less than 20% of the parcels and are essentially the problem. Their previous proposals would have placed the preponderance of the burden (water restrictions and assessments for acquiring new water sources) on the backs of the rural residents over the PR Basin.

We don't see how such a district could be managed effectively considering the "Swiss Cheese" nature of the proposed district. Two properties side by side, whether in the proposed district or not, are going to be effected similarly by any impacts, or measures, put in place to control water supply. The large pumpers already are impacting the wells of rural residents over the Basin and seem to have little regard for their plight. They have done little to cut back on their usage or restrict future planting. We have to assume that they would continue to operate in this ineffective manner.

Before any water district could be considered they need to show what kind of conservation measures they are willing to assume on their properties that would substantially help recharge the Basin.

I would like to ask you to deny the application for the Estrella/El Pomar/Creston Water District on the grounds that the majority of the people who live over the PR Basin have already declared that they do not want such a district. They prefer to have the County of San Luis Obispo manage the Paso Roble Groundwater Basin.

Thanks for your time,  
Roy Barba

## Donna Bloyd

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**From:** Maria Lorca <maria7551@charter.net>  
**Sent:** Thursday, February 23, 2017 8:21 AM  
**To:** Donna Bloyd  
**Subject:** Proposed Estrella/El Pomar/Creston water district

Donna,

Please distribute this comment to the LAFCO Commissioners and staff.

Thank you,

Maria Lorca  
PO Box 502, Creston  
226-7551

Dear LAFCO Commissioners,

This is to ask that you reject the water district proposed for the Creston area.

Approval of this district would allow one group of landowners with deep pockets and deep wells to "bigfoot" their rural residential neighbors.

Their plan to dominate basin management decisions has already been overwhelmingly rejected by voters.

Respectfully,

Maria Lorca  
Creston landowner  
Creston Advisory alternate member  
Member Basin Blue Ribbon Committee  
Alternate member Basin Advisory Committee Member Basin Supply Options Subcommittee



## Donna Bloyd

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**From:** Kim Lachance <luckydanes@sbcglobal.net>  
**Sent:** Thursday, February 23, 2017 7:04 PM  
**To:** lcompton@co.slo.ca.us; rfonzi@atascadero.org; ewaage@pismobeach.org;  
mochylski@losososcsd.org; rbeci3421@gmail.com  
**Cc:** DChurch@SLOLAFCO.com; MPrater@SLOLAFCO.com; DBloyd@SLOLAFCO.com  
**Subject:** Potential for El Pomar Creston Water District

Dear Commissioners,

This is a request to have my opinion recorded. I discourage any attempt at formation of yet another water district over the Paso Robles Basin. I think the overlayers of this basin spoke loud and clear last year when there was a vote put to the residents of this area and an overwhelming 70+% of the land owners voted a resounding NO to efforts similar to what you are potentially attempting to allow once again. The majority has spoken it's time for the minority to listen and take heed. Rural residents over the Basin own more than 80% of the parcels and use less than 15% perennial yield. Those who propose this district use over 80% of the perennial yield and want to manage the district. Kind of sounds like putting the fox in charge of the hen house to me.

No No and No again to this preposterous attempt to once again take over and manage what isn't theirs to begin with.

Done, end of story.

Thank you for your time and attention  
Kim Lachance

## Donna Bloyd

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**From:** sarah leon <sjl335@yahoo.com>  
**Sent:** Wednesday, February 22, 2017 11:11 AM  
**To:** dbloyd@slolafco.com  
**Subject:** Estrella/El Pomar/Creston Water District

Dear Supervisor/Commissioner

I am writing to you with regards to the proposed Estrella/El Pomar/Creston Water District that is coming before LAFCo.

CAB represents over 1400 of the assessed parcels per the PR Basin, or 25%. We have repeatedly weighed in on the topic of forming a water district over the PR Basin with a resounding “No!” We are aware of the SGMA requirements for managing the PR Basin and we have concluded that the County of San Luis Obispo will better represent the interests of the residents who live over the PR Basin when it comes to managing the PR Basin.

The latest water district being proposed (Estrella/El Pomar/Creston) is being pushed by the same group of people that pushed the Paso Robles Water District that we voted on last year and rejected it by a vote of over 70%, a fairly clear message. We would much prefer that the Basin be managed by the County and representatives that are elected by the people over the Basin at large.

It should be noted that many (maybe even a majority) of those pushing for this latest district own land here but do not live here. The PR Groundwater Advisory Committee (also known for a time as the Blue Ribbon Committee) that was pushing for a Basin wide district was made up of primarily corporate vineyard interests and entities that from cities, etc. that already had water districts. When petitioned, they refused to allow members of advisory committees (such as CAB) representing residents over the Basin a seat on that committee. If formed we believe the proposed water district coming before LAFCo would continue forward without the best interests of the majority of the residents of the PR Basin, just as they did when they were part of the PR Groundwater Advisory Committee. This new Advisory Committee is pushing for 1 acre = 1 vote; therefore, only the vineyards/corporations have the power to do whatever they choose with us little property owners, having no say nor power in their decision to control the water.

Rural residents over the PR Groundwater Basin own more than 80% of the parcels over the Basin and use less than 15% of the perennial yield for the Basin. The people proposing the district use over 80% of the perennial yield and want to manage the district. They own less than 20% of the parcels and are essentially the problem. Their previous proposals would have placed the preponderance of the burden (water restrictions and assessments for acquiring new water sources) on the backs of the rural residents over the PR Basin.

We don't see how such a district could be managed effectively considering the “Swiss Cheese” nature of the proposed district. Two properties side by side, whether in the proposed district or not, are going to be effected similarly by any impacts, or measures, put in place to control water supply. The large pumpers already are impacting the wells of rural residents over the Basin and seem to have little regard for their plight. They have done little to cut back on their usage or restrict future planting. We have to assume that they would continue to operate in this ineffective manner.

Before any water district can be considered, the proponents must be able to show how the district would be paid for. Additionally they need to show what kind of conservation measures they are willing to assume on their properties that would substantially help recharge the Basin.

I would like to ask you to deny the application for the Estrella/El Pomar/Creston Water District on the grounds that the majority of the people who live over the PR Basin have already declared that they do not want such a district. They prefer to have the County of San Luis Obispo manage the Paso Roble Groundwater Basin.

Thanks for your attention to this matter,  
Sarah Leon  
Resident of Templeton/El Pomar

## Donna Bloyd

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**From:** Dianne <pasodj@aol.com>  
**Sent:** Wednesday, February 22, 2017 11:59 AM  
**To:** biering@ammcglaw.com  
**Cc:** dchurch@slolafco.com; mprater@slolafco.com; dbloyd@slolafco.com; darnold@co.slo.ca.us; lcompton@co.slo.ca.us; rfonzi@atascadero.org; ewaage@pismobeach.org; mochylski@losososcscsd.org; rbeci3421@gmail.com; tmurrayinslo@gmail.com  
**Subject:** Proposed Water District

Dear Supervisor/Commissioner,

Good day. I must echo the concerns of Sheila Lyons, chairperson of the Creston Advisory Body. Like her, I am confused as to how a water district that was clearly rejected by over 70% of local residents, can be considered? We have let it be known that our preference would be for the County to manage the Paso Robles Basin. The proposed Estrella/El Pomar/Creston water district is once again being pushed through by the very same people that tried to push the one that was voted down. And once again, a group that does NOT reside in the area, but continues to plant and pump with complete disregard for their neighbor. The best interest of the locals must be considered above all. PLEASE be diligent in protecting the Basin from being sold to the highest bidder. Thank you for your time and consideration.

Grace and Peace  
Dianne Jackson  
805-591-9951  
Sent from my iPad.

## Donna Bloyd

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**From:** Joseph Sulse <jsulse@gmail.com>  
**Sent:** Wednesday, February 22, 2017 7:43 AM  
**To:** darnold@co.slo.ca.us; lcompton@co.slo.ca.us; rfonzi@atascadero.org; ewaage@pismobeach.org; mochylski@losososcsd.org; rbeci3421@gmail.com; tmurrayinslo@gmail.com; David Church; MPrater@slolafco.com; DBloyd@slolafco.com  
**Subject:** Vote NO! Estrella/El Pomar/Creston proposed water district

LAFCO Commissioners,

I am a landowner residing in the Creston area and writing you all to voice my opposition to the proposed Estrella/El Pomar/Creston water district. The county has already had a special election on this subject and the vote was a clear 70% against. The voters have spoken, they want the county to manage the district. Please respect the will of the people and vote NO on this district.

Joseph Sulse  
6191 Calle Las Colinas  
Creston, CA 93432

## Donna Bloyd

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**From:** David Church <dchurch@slolafco.com>  
**Sent:** Wednesday, February 22, 2017 8:19 AM  
**To:** 'Donna Bloyd'  
**Subject:** FW: Estrella/El Pomar/Estrella Water District

David Church, AICP  
San Luis Obispo LAFCO  
Executive Officer  
805-788-2096

**From:** judy blankenship [<mailto:panachevineyard@gmail.com>]  
**Sent:** Tuesday, February 21, 2017 7:03 PM  
**To:** [mochyiski@lososcscd.com](mailto:mochyiski@lososcscd.com); [ewaage@pismoceach.org](mailto:ewaage@pismoceach.org); [rfonzi@atascadero.org](mailto:rfonzi@atascadero.org); [lcompton@co.clo.ca.us](mailto:lcompton@co.clo.ca.us); [darnold@co.clo.ca.us](mailto:darnold@co.clo.ca.us)  
**Subject:** Estrella/El Pomar/Estrella Water District

LAFCO Commissioners:

The community of Creston has longed for a voice in this issue but were denied a seat on the Advisory Committee. The Creston community voted an overwhelming "NO" vote on the topic of forming a water district. The proponents of this proposal are the same as those who favored the original water district which was struck down by over 70%. I believe this is the indication needed to say, we do not want the water district proposal that has been submitted to LAFCO.

It is our preference that the County of SLO manage the Paso Robles Groundwater Basin, not the special interest and large vineyard owners that have submitted this application.

We ask that this application pending before LAFCO be denied.

Respectfully,  
Tom & Judy Blankenship  
Creston residents

## Donna Bloyd

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**From:** Tommy & Kathy Carter <lavan3539@gmail.com>  
**Sent:** Tuesday, February 21, 2017 10:31 PM  
**To:** dbloyd@slolafco.com  
**Subject:** water district

Dear Commission Clerk Bloyd,

This is in regard to the proposed water district currently under consideration for approval by LAFCO. We do NOT want a water district. The last water district proposed cost the county and the taxpayers a lot of money, and was voted down by a large majority of the citizens within the proposed district.

Since California requires that the county be in compliance with Sigma, we feel that County Flood Control is doing an eminent job and will continue to do so.

Those wanting a water district also want to control it, but everyone gets to pay for - not just the ones who want it and it would be the beneficiaries of it.

We respectfully request that you vote down this proposed water district. Again, we do NOT want it.

Very truly yours,  
Tommy and Kathryn Carter  
Creston

March 6, 2017

Commissioner Debbie Arnold  
Commissioner Roberta Fonzi  
Commissioner Ed Waage  
Commissioner Marshal Ochylski  
Commissioner Robert Enns  
Commissioner Tom Murray  
Commissioner Lynn Compton

Dear Commissioners,

I am writing to urge your approval for the formation of the Estrella-EI Pomar-Creston Water District (EPCWD). As a landowner in the Paso Robles Basin, the opportunity to have decisions about groundwater management made at the most local level possible makes the most sense, and is the reason why we have opted in to the new proposed district.

In fact, the opt-in nature of the EPCWD is one of its most sensible provisions as it creates "a coalition of the willing" (not my quote, though I'd dearly love to take credit for it), those with the same approach and mindset to management. Yes, it is being moved forward primarily by agricultural interests, but take a look at the number of small landowners who have opted in so far, realizing that their voice will be heard more effectively with this most local management. If we are to successfully manage the basin, we need the cooperation and support of ag users to help create the solution.

Those opposed will point out that the majority of the overlies voted against funding and forming a local water district in March 2016. Fine then, let them choose to be managed by the County. At some point, they will be tested with a Prop 218 vote and unless there is some vast shift in the views of the overlies opposed to paying for any management as evidenced by the previous funding vote failure, it will likely fail, leaving management to the State. I prefer to be part of more local management.

Those who have opted in may not take the time to individually contact you to show their support; I say that just by the nature of their opting in, they have clearly expressed their support of the district. And there are



many who have not opted in, but would like to see the district formed if only to have a choice down the line if the necessary Prop 218 vote fails.

Thank you for your time and consideration.

Laurie Gage  
5715 Linne Road  
Paso Robles, CA 93446  
[fullsail@onemain.com](mailto:fullsail@onemain.com)  
805-238-2802

## Mike Prater

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**From:** David <dchurch@slolafco.com>  
**Sent:** Friday, March 10, 2017 8:20 PM  
**To:** Donna Bloyd  
**Subject:** Fwd: water district public hearing

Please put in the opposition comments file. Thanks.

Get [Outlook for Android](#)

----- Forwarded message -----

**From:** "Brad Nave" <[bnave@navemd.com](mailto:bnave@navemd.com)>  
**Date:** Fri, Mar 10, 2017 at 6:46 PM -0800  
**Subject:** water district public hearing  
**To:** <[dchurch@slolafco.com](mailto:dchurch@slolafco.com)>

Re: San Luis Obispo LAFCO Public Hearing April 6, 2017

I am submitting this letter in response to the public notice we received in the mail regarding the public hearing. Please accept this communication to voice my complete opposition to the proposed water district being promoted/considered. If you recall, not long ago, the idea of a water district was proposed and put on the ballot for the public to vote on. Overwhelmingly, the voters struck it down and sent a clear voice that they were strongly opposed to a district formation. The county and local city Gov spent millions upon millions promoting the previous district push and all to be struck down by the voters. This was another huge waste of tax payer money on top of the fact that it was shown to not really serve the people as it was being promoted.

Similarly, I am just as opposed to this new water district, apparently being discussed. As we learned during the previous failed district, the county and localities already have an appropriate mechanism for management and accountability to our underground water aquifer. Any new agency or district will just create more layers of cost and bureaucracy that is not needed at the expense of individual property owners rights. The county, supervisors and all the rest are already elected to do so and we have the county flood control district. I know the mailer said, "Only landowners who want to be in the District are recommended for inclusion in the District." Yes I am sure it will always be this way, and you can opt in or out at your leisure...Sure, that is how Government always works. We have seen temporary taxes that never go away, and Gov growth that never is reined back when we are having huge deficits.

I do not understand why politicians and gov. don't listen to the people when they speak. The last district was voted down with a large voice of opposition and this last presidential election, which is gov by our electoral college, was a huge voice of the American people saying they want Gov reined in and more accountability and less regulation and oversight that is not needed. I wish Calif. And our local politicians would get the message. We could have such a great and prosperous Golden state instead of what we are seeing and one that is counter incentive to working hard and is driving business out of the state.

Thank you for listening to my position.

A concerned citizen,

March 20, 2017

Commissioners Debbie Arnold, Roberta Fonzi, Ed Waage, Marshal Ochylski, Robert Enns, Tom Murray, Lynn Compton,

Cc: Mr. David Church, LAFCO Executive Officer

Re: The proposed Estrella-El Pomar-Creston Water District

Dear Commissioners,

I urge you to approve the formation of this district as it reflects the wishes of those landowners who voluntarily want to be represented by their fellow landowners versus being under the control of the County. One only has to look at videos or read about recent County Supervisor meetings to realize that this is not only a body that has great difficulty in managing itself, it is politically polarized and is consistently at cross purposes as how to comply with the new State Groundwater Management law.

Also, as a resident in the Creston Advisory Body area I want to state clearly that they do not represent me on this issue nor do they speak for many of my neighbors. In the past year, neither I nor any of my neighbors that I know of have been asked for comment or received anything from them on this topic. I realize that Basin residents resoundingly rejected the proposed water district last year. This however is a completely different process which the CAB board has chosen to ignore. By agreeing to join this district, members have already agreed to assess themselves under a Prop 218 vote. It is virtually identical to the Shandon-San Juan Water District formation process that you approved just a few months ago.

It is ludicrous and ignorant of the CAB board, or for anyone, to think that a landowner who joins the district will get more water than their neighbor who wants to stay under County jurisdiction. Water Districts and other managing agencies within the Paso Basin are required by State law to equitably share the resource and sustainably manage the Basin. Binding agreements between Basin agencies must reflect that the water policy of one cannot adversely affect others. These agreements must also be approved by the State. The main benefits of being part of this district is that members will have the opportunity to see equal representation with the other Basin agencies and lower assessments as the district has the potential to manage itself more efficiently up here than can the County's ponderous bureaucratic process down in San Luis Obispo.

For this simple reason alone, I ask you to approve the formation of this district.

Sincerely,

Robert F. Brown  
7995 Melody Mountain Lane  
Paso Robles, CA 93446

March 21, 2017

Commissioner Debbie Arnold  
Commissioner Roberta Fonzi  
Commissioner Ed Waage  
Commissioner Robert Enns  
Commissioner Tom Murray  
Commissioner Lynn Compton

Dear Commissioners,

I write to implore your approval for the formation of the Estrella-El Pomar-Creston Water District (EPCWD). I have lived in the North County since 1962 and have always been involved in water, for ranching, farming and just living with this all important substance. For the last twenty seven years my wife and I have farmed on the Hurerhuero Creek, utilizing the most efficient systems and timing to minimize the amount of water we use. For those years I have measured our well's depth at rest and full discharge many times each year.

Some immutable facts about the Paso Robles basin: 1 - it is in severe overdraft, 2 - much of its waters are hard, heavy in minerals, or worse; the sub basin (the Monterey Formation) is of much worse quality, 3 - the use of "salt re-charge" water softeners from homes to hotels are contaminating the basin with ever more amounts of salts, 4 - the "recharge rates", a.k.a. percolation is very poor over most of the basin, 5 - much water being pumped is "ancient" having taken many centuries to percolate to depth, 6 - most important our basin is extremely diversified and so requires many strategies to safely and fairly solve its challenges.

For the sake of all our futures and most importantly the generations to come we must create an entity whose sole task is to fix the problem. To do it right requires a great deal of research and a lot of smart involved folks working together on one goal. There is simply no other viable, fair, or practical solution other than to form the EPCWD.

Thank each of you for your service and I expect your support for the EPCWD.

Bill Spencer  
5750 El Pharo Drive  
Paso Robles, CA 3446  
805-239-1124

MAR 22 2017

March 16, 2017

San Luis Obispo County LAFCO Board  
1042 Pacific St. Ste. A  
San Luis Obispo, CA 93401

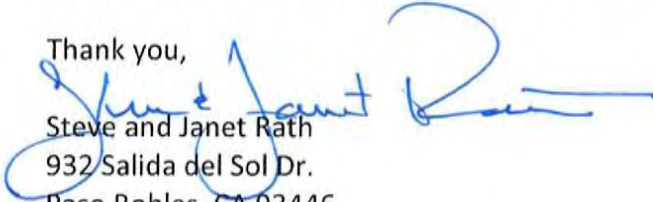
Subject: Request Approval for Formation of Estrella-El Pomar-Creston Water District  
April 6, LAFCO Meeting Agenda

Dear Chairman Ochylski and Board Members,

We own land and farm 130 acres of vineyards within the Paso Robles Basin. We strongly support formation of the Estrella-El Pomar-Creston Water District. It's important to manage our water resources now and into the future and to have local representation in the formation of the Groundwater Sustainable Plan, (GSP) in accordance with SGMA.

We request your vote of support for the formation of the Water District.

Thank you,

  
Steve and Janet Rath  
932 Salida del Sol Dr.  
Paso Robles, CA 93446

B-1-158

## Mike Prater

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**From:** David Church <dchurch@slolafco.com>  
**Sent:** Monday, March 06, 2017 8:39 AM  
**To:** 'Donna Bloyd'  
**Subject:** FW: Proposed Estrella/El Pomar/Creston Water District

I mean this one.

**David Church, AICP**  
San Luis Obispo LAFCO  
Executive Officer  
805-788-2096

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**From:** Sheila Lyons [<mailto:salyons1951@gmail.com>]  
**Sent:** Friday, February 17, 2017 11:34 AM  
**To:** David Church  
**Subject:** Proposed Estrella/El Pomar/Creston Water District

Dear Commissioner Church,

I am writing to you with regards to the proposed Estrella/El Pomar/Creston Water District that is coming before LAFCo.

I am the chairperson of the Creston Advisory Body (CAB) and live in the Creston community. CAB represents over 1400 of the assessed parcels per the PR Basin, or 25%. We have repeatedly weighed in on the topic of forming a water district over the PR Basin with a resounding “No!” We are aware of the SGMA requirements for managing the PR Basin and we have concluded that the County of San Luis Obispo will better represent the interests of the residents who live over the PR Basin when it comes to managing the PR Basin.

The latest water district being proposed (Estrella/El Pomar/Creston) is being pushed by the same group of people that pushed the Paso Robles Water District that we voted on last year and rejected it by a vote of over 70%, a fairly clear message. We would much prefer that the Basin be managed by the County and representatives that are elected by the people over the Basin at large.

It should be noted that many (maybe even a majority) of those pushing for this latest district own land here but do not live here. The PR Groundwater Advisory Committee (also known for a time as the Blue Ribbon Committee) that was pushing for a Basin wide district was made up of primarily corporate vineyard interests and entities that from cities, etc. that already had water districts. When petitioned, they refused to allow members of advisory committees (such as CAB) representing residents over the Basin a seat on that committee. If formed we believe the proposed water district coming before LAFCo would continue forward without the best interests of the majority of the residents of the PR Basin, just as they did when they were part of the PR Groundwater Advisory Committee.

Rural residents over the PR Groundwater Basin own more than 80% of the parcels over the Basin and use less than 15% of the perennial yield for the Basin. The people proposing the district use over 80% of the perennial yield and want to manage the district. They own less than 20% of the parcels and are essentially the problem. Their previous proposals would have placed the preponderance of the burden (water restrictions and assessments for acquiring new water sources) on the backs of the rural residents over the PR Basin.

We don't see how such a district could be managed effectively considering the "Swiss Cheese" nature of the proposed district. Two properties side by side, whether in the proposed district or not, are going to be effected similarly by any impacts, or measures, put in place to control water supply. The large pumpers already are impacting the wells of rural residents over the Basin and seem to have little regard for their plight. They have done little to cut back on their usage or restrict future planting. We have to assume that they would continue to operate in this ineffective manner.

Before any water district can be considered, the proponents must be able to show how the district would be paid for. Additionally they need to show what kind of conservation measures they are willing to assume on their properties that would substantially help recharge the Basin.

I would like to ask you to deny the application for the Estrella/El Pomar/Creston Water District on the grounds that the majority of the people who live over the PR Basin have already declared that they do not want such a district. They prefer to have the County of San Luis Obispo manage the Paso Roble Groundwater Basin.

Thanks for your attention to this matter,  
Sheila Lyons  
Resident of Creston