

**Estrella-El Pomar-Creston Water District (EPCWD)**

**Regular Meeting Minutes**

**June 8, 2022**

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

**ATTENDANCE**

Directors Present:

Dana Merrill (by videoconference)  
Lee Nesbitt (by videoconference)  
Jerry Reaugh (by videoconference)  
Hilary Graves (absent)  
Herb Rowland (by videoconference)

Others present:

Brett Stroud  
Guests (by phone, in person, videoconference)

**ITEM 1: CALL TO ORDER**

The meeting was called to order at 3:01 PM by Dana Merrill.

**ITEM 2: CONSIDER MOTION TO RENEW AB361 TO CONTINUE HOLDING TELECONFERENCE MEETINGS (GOVERNMENT CODE SECTION 54953(e) FOR THE REASONS STATED IN RESOLUTION 2022-003.**

MOTION TO RENEW AB361 TO CONTINUE HOLDING TELECONFERENCE MEETINGS (GOVERNMENT CODE SECTION 54953(e) FOR THE REASONS STATED IN RESOLUTION 2022-003 made by Lee Nesbitt, seconded by

Herb Rowland, roll call vote:

Dana Merrill – yes  
Hilary Graves – absent  
Jerry Reaugh – yes  
Lee Nesbitt – yes  
Herb Rowland - yes

Motion passed 4-0.

**ITEM 3: REVIEW AND APPROVE MINUTES OF THE MAY 11, 2022 MEETING**

MOTION TO APPROVE MINUTES OF THE MAY 11, 2022 MEETING made by Jerry Reaugh, seconded by Lee Nesbitt, roll call vote:

Dana Merrill – yes  
Jerry Reaugh – yes  
Hilary Graves – absent  
Lee Nesbitt – yes  
Herb Rowland – abstain

Motion passed 3-0-1 abstention.

**ITEM 4: PUBLIC COMMENT**

No public comment was presented.

## **ITEM 5: UPDATE ITEMS**

### **a. Governor's Executive Order #N-7-22 regarding new wells in the Paso Basin**

Dana Merrill reported that the Shandon-San Juan Water District has adopted a self-certification policy. The County is holding well permits to see if criteria are being met including hydrogeologic study and sign-off from the GSA. There may be legislation in process to replace the Executive Order upon expiration.

### **b. Water Neutral New Development ordinance status (Paso Basin Land Use Management Area Planting Ordinance)**

Dana Merrill reported that there may be an extension of the existing ordinance sunset date in order to assure that there is no "gap" issue. The increase from 5 AF to 25 AF for the minimum exemption may be an issue for the EIR which is in process.

### **c. Groundwater Levels Monitoring program**

Jerry Reaugh reported that the first and second rounds of readings have been taken and the next are scheduled for August 17 and November 16.

### **d. Continuous Monitoring program status**

Jerry Reaugh reported that EPCWD has one prospective well for continuous monitoring, and the District is looking for a second. Blaine Reely has proposed a joint effort between EPCWD, SSJWD and the County as an advisory committee on this program.

### **e. State Water Consulting project**

Provost & Pritchard is in place to help the District look at the feasibility of State water. The District has sent a letter to Blaine Reely to consider updating the GSP with consideration of State Water as a supplemental option in a higher priority position. One idea would be to take the unclaimed State Water in the County's allocation and pay for a bigger buffer; in good rain years, this could be utilized for recharge in the Basin.

### **f. Water Resources Advisory Committee Meeting June 1, 2022**

Lee Nesbitt reported that there was a discussion of the Governor's Executive Order #N-7-22 including well interference, destruction of existing failed wells to be replaced with wells with the same specifications, and that the County is looking at emergency well replacements on a case-by-case basis. There was a presentation about rain water recapture and underground storage.

## **ITEM 6: BRETT STROUD (YOUNG-WOOLDRIDGE) DISCUSSION ON RATE STRUCTURE OPTIONS, ALLOCATIONS, AND ALTERNATIVE STRATEGIES TO REDUCE PUMPING, AND OVERVIEW OF HOW OTHER GSAs ARE HANDLING THESE ISSUES**

Brett Stroud presented a detailed overview of the topic beginning with the funding authority of GSAs, garnered either through statutory authority (such as through SGMA) or Constitutional compliance (such as through Prop 218/26 processes). SGMA gives GSAs authority to impose fees to fund administrative, non-program activities, and volumetric fees for projects. Constitutional compliance authorizes penalties, liens, etc. He went on to describe the ballot assessment types of fees, as well as Prop 26 non-tax fees. For some of these, there is a relationship between the burden and the benefit. Other GSAs have established administrative type fees on a per-acre basis, per-well basis, and extraction fees. Assessments for projects have been seen to be charged on extraction fee basis, extraction budgets with penalties, new land surcharges, and improvement districts.

Jerry Reaugh asked for an explanation of enforcement mechanisms. Dana Merrill asked where there was

any power to restrict extractions.

Brett Stroud went on to discuss allocations, which can be based on a variety of factors, and he stressed that SGMA does not alter water rights. Some GSAs have utilized allocation based on dividing up the gross yield; some have chosen to look at historic use. Some GSAs are charging what it costs to replace the water. Fees cannot be used as a disincentive; the collected fees, whatever basis is used, must be utilized for something. There followed a general discussion of enforcement, as all allocation approaches are likely to create dissatisfaction among at least some of the users. Penalties are one enforcement approach. Patricia Wilmore asked whether setting up a project in a specific location (not over the entire Basin) creates an issue because of direct and indirect benefit and charging fees across the entire Basin; Brett Stroud said that the courts have found it is acceptable to charge the same fee as there is indirect benefit to those not in the immediate area of the project.

#### **ITEM 7: TREASURER'S REPORT**

- a. **Monthly Financial Status Report**
- b. **Approve Resolution 2022-004 to submit past due assessment accounts to the County for collection**

MOTION TO APPROVE RESOLUTION 2022-004 TO SUBMIT PAST DUE ASSESSMENT ACCOUNTS TO THE COUNTY FOR COLLECTION made by Herb Rowland, seconded by Lee Nesbitt, roll call vote:

Dana Merrill – yes  
Jerry Reaugh – yes  
Herb Rowland – yes  
Lee Nesbitt – yes  
Hilary Graves – absent

Motion passed 4-0.

#### **ITEM 8: NEW BUSINESS**

Dana Merrill would like to schedule a discussion to follow up on the GSP. Jerry Reaugh would like the power point slides and transcript of the recording of today's presentation by Brett Stroud to be made available.

#### **ITEM 9: SCHEDULE NEXT MEETING JULY 13, 2022**

#### **ITEM 1: ADJOURNMENT**

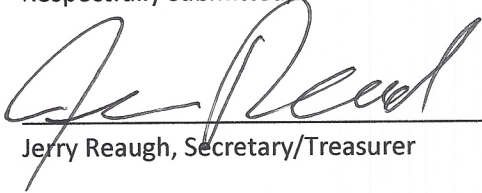
MOTION TO ADJOURN made by Jerry Reaugh, seconded by Lee Nesbitt, roll call vote:

Dana Merrill – yes  
Hilary Graves – absent  
Herb Rowland – yes  
Lee Nesbitt – yes  
Jerry Reaugh – yes


Motion passed 4-0.

Meeting adjourned at 4:18 PM.

Respectfully submitted,

  
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Jerry Reaugh, Secretary/Treasurer

Accepted:

  
\_\_\_\_\_  
Dana Merrill, President

7-17-22  
\_\_\_\_\_  
Date