

ITEM 2

MINUTES OF THE TUSCAN WATER DISTRICT

Special Meeting of Wednesday, October 2, 2024; 9:00 a.m.

Chico State University Farm, 311 Nicholas C Schouten Lane, Room 104, Chico, CA 95928

MEETING MINUTES

The meeting was called to order at 9:02 a.m.

Roll Call:

- Board members present: Andrew Mendonca, Rayme Antonowich, Jim Paiva, Rich McGowan, Craig Knight, Brian Mori, Bill Chance
- Absent: Todd Turley, Steve Koehnen
- Public: Kamie Loeser, Steve Lucas, Danny Kerns, Emily Alma, Joe Hughes, Tovey Giezentanner

Item 2 – Meeting Minutes for the TWD Board Meeting on August 21, 2024.

- Action requested: Review and take appropriate action.
- Board comment: None
- Public comment: None
- Board Action: Voted 6-0 to approve: Knight motion, McGowan second.

Item 3 – Financial Issues

- Action requested: Review invoices and take appropriate action
- Board discussion: Rayme inquired about the financial status, asking: “If we approve these invoices, where do we stand in terms of funding the remaining activities, including the Prop 218 process, relative to our approved budget?” Staff provided a response and directed board members to Item 3 in the Agenda Packet.
- Public comment: None
- Board Action: Voted 7-0 to approve all items
 - District Counsel – Antonowich motion, Paiva second.
 - Staff – Mendonca motion, Antonowich second
 - Provost & Pritchard – Knight motion, Chance second

Item 4 – Presentation and Discussion of the Draft Engineer’s Report for the Proposed Proposition 218 Special Benefit Assessment

- Action requested: Receive the Draft Engineer’s Report, invite public comment, and provide direction or feedback to staff. No formal action was requested.
- Staff Report: Staff introduced the draft Engineer's Report and provided an overview of key issues, including:
 - The LAFCO condition requiring TWD to enact a revenue-generating measure of at least \$445,600/year on all land within the District, with the stipulation that failure to enact this measure would result in the District’s dissolution.
 - A 3.5% annual increase for General and Administrative Expenses during the first five years.
 - After five years, the maximum special benefit assessment will remain unchanged unless further approval is obtained through a new Prop 218 process.
 - The TWD Board’s discretion to set the annual special benefit assessment rate lower than the approved maximum rate.
 - An overview of Prop 218 requirements for passing a special benefit assessment.

ITEM 2

- The District's anticipated annual expenses, including General and Administrative Expenses, Litigation Support, Technical Support, Lobbying, Funding Advocacy, and a Reserve.
- A summary of the Five-Year Projected Budget.
- An outline of the purpose for the special benefit assessment and specific and direct special benefits to each landowner within the District, such as Local Control, Representation, Funding Advocacy, and Groundwater Rights Protection.
- An overview of the Assessment Structure and Proposed Assessment Roll.
- The necessary next steps for the Board, including approving the Engineer's Report, setting a public hearing, and authorizing a Proposition 218 Mailed Ballot Election.
- Board Comment:
 - McGowan – is a 3.5% inflation rate normal or common? Loeser – Vina GSA has a 3% inflation rate. Lucas – This is common with other special district budgets.
 - Antonowich – What legal hurdles remain? Hughes – legal challenges typically come from procedural mistakes.
 - Knight – to confirm, a LAFCO condition requires that we pass a revenue measure for at least \$445,600 or more up to \$10 per acre, but the Board can decide to assess less than the maximum assessment rate. Response: Yes.
 - Board members asked for clarification re: increases to the budget after 5 years.
 - Board members asked for clarification regarding the Maximum Assessment Rate Schedule and how votes would be calculated for counting purposes.
- Public Comment:
 - Emily Alma:
 - Can I get a copy of the Draft Engineer's Report? Response – yes, here's a hard copy. Also the report is online at the website.
 - Some domestic well owners are confused with the competing Prop 218 assessments. Consider adding info into the ballot packet that differentiates between the Vina GSA Prop 218 fee and TWD special benefit assessment.
 - Kamie Loeser & Rayme Antonowich: Perhaps a one-pager in the ballot packet would help.
 - Danny Kerns: Confirmed that the 3.5% inflation rate only applies to the General and Administrative category of the budget. The inflation rate is not applied to other categories, including litigation support, technical support, funding advocacy, and the reserve.

Item 5 – Board member requests for future agenda topics & announcements.

- The next board meeting will be on October 16, 2024, at 9:00 a.m.
- Knight: Question to Joe – please provide some feedback on lawsuits in the Central Valley (Kings, Kern, Tulare)

Item 7 – Public Comment. None.

Meeting adjourned at 9:55 a.m.