

**MINUTES OF THE TUSCAN WATER DISTRICT REGULAR MEETING**

Meeting of Wednesday, May 15, 2024; 9:00 a.m.

North Valley Agricultural Services 4936 Bell Road, Chico, CA 95973

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**AGENDA**

The meeting was called to order at 9:01 a.m.

## Attendance:

- Board members present: Steve Koehnen, Rich McGowan, Andrew Mendonca, Todd Turley, Brian Mori, James Paiva Jr.
- Board members absent: Craig Knight, Rayme Antonowich, Ed McLaughlin
- Staff present: Joe Hughes (by Zoom), Tovey Giezentanner
- Public present: Steve Lucas (Butte LAFCO), Scott Brown (Larsen, Wurzel & Associates), Kamie Loeser (Butte County Department of Water and Resource Conservation), Emily Alma (landowner within TWD)

Item 4: Review and approve minutes for the April 17, 2024, TWD Board meeting:

- Public Comment: None.
- **Approved 6-0** (Mendonca Motion, Mori Second), with the following modifications:
  - Attorney to provide a draft legal services agreement at the next meeting.
  - Staff has been engaged pursuant to the work scope identified in the [TWD Staff Support Contract Solicitation](#).

Item 5a: Management Ad Hoc Committee Report – Location

- Staff and members of the Management Ad Hoc Committee provided a brief overview of two potential meeting locations.
- Public Comment: Emily Alma – sounds good.
- **Resolution 24-02 was approved 6-0** (Mori Motion, Turley Second) confirming the Chico State University Farm location.
  - Staff was directed to update and finalize the Resolution with the relevant location information.

Item 5b: Management Ad Hoc Committee – Prop 218 Consultant

- Staff and members of the Management Ad Hoc Committee provided a brief overview of the three firms interviewed by the Management Ad Hoc Committee for the purpose of assisting with the enactment of a special assessment or other revenue measure to generate sufficient annual revenue for the ongoing operation of the District (LAFCO Condition 12).
- Public comments:
  - Kamie Loeser commented that she was familiar with Provost & Pritchard and that they were experienced.
  - Scott Brown indicated his firm (Larsen, Wurzel & Associates) does work for many smaller districts – ag, flood control, and mutual water districts – and a few larger districts as well, like SAFCA.
- **Board voted 6-0 to engage Provost & Pritchard (P&P)**, (Turley Motion, Mori Second) and asked P&P to return at a future board meeting with the following:
  - Provide an overview of the public process, timeline and cost.
  - Provide a standard contract for review and approval.

Item 6a: Finance Ad Hoc Committee Report on Proposed Policy

- Turley provided an overview of a proposed policy to allow landowners within the district to voluntarily contribute financially to the district's needs ahead of a successful assessment vote or other established long-term funding mechanism.
  - Hughes: This policy must be for everyone – can't be for just one property.
  - Hughes: Suggested removing the 'reimbursement' language from the proposed policy
  - Staff and attorney will revise the policy language as discussed at the meeting and return with a Resolution for Board consideration at a future board meeting.

Item 7a: LAFCO Condition 6(b)

- Staff provided an overview of LAFCO Condition 6b, which requires TWD to submit an Application to LAFCO by August 1, 2024, to conduct a municipal service review (MSR) and determine the long-term sphere of influence.
- Public Comment: None.
- **Board voted 6-0 (Mori Motion, Mendonca Second):**
  - To approve Resolution 24-03 authorizing submission of an Application
  - To send a deposit check to LAFCO to initiate the review process, once an account is set up and funds have been deposited into the account.

Item 7b: LAFCO Condition 9

- Staff provided an overview of LAFCO Condition 9, which requires TWD to adopt a resolution by August 1, 2024, requesting the Board of Supervisors to establish electoral divisions based on equal size (acres).
  - **Question:** Staff was asked how the map was created.
  - **Response:** The map was created in 2021 by a local GIS analyst at the request of TWD petitioners. This action was taken in anticipation of a LAFCO condition of approval. The map aims to establish districts of roughly equal acreage while respecting parcels sizes and shapes, as well as other natural and man-made boundaries such as roads, creeks, railroad, and other infrastructure.
  - **Question:** Staff was asked how the map would be adjusted, once M&T acreage is removed from Area 5.
  - **Response:** The same local GIS analyst will be tasked with adjusting the map. This will likely involve reallocating acreage from Areas 6 and 7 to Area 5. Since Areas 6 and 7 currently have slightly above-average acreage, redistributing some of their land to Area 5 should result in a more balanced final map.
- Public Comment:
  - Steve Lucas: I like the idea that it was done by a 3<sup>rd</sup> party GIS analyst in 2021 and does not appear to show favoritism.
  - Kamie Loeser: Agree with Steve's comment.
  - Emily Alma: Concerned with disparity between small and large farmers.
    - Turley: This condition – moving from at-large seats to geographically-based seats – responds to that concern.
    - Kamie Loeser: Several Areas have greater density/higher population. This approach allows smaller landowners an opportunity in those Areas to work together to gain representation on the Board, if desired.
- **Board voted 6-0 (Turley Motion, Koehnen Second):**
  - To approve the map but modified as described above to reallocate acreage from Areas 6 and 7 to Area 5.
  - To return in June or July with a resolution for Board approval.

Item 8a: Consider Request to detach territory from the District

- Staff provided an overview of the issue, i.e.,
  - In February 2022, M&T requested that LAFCO remove several M&T parcels from the planned TWD because the acreage sits in the Butte Subbasin, which has its own Groundwater Sustainability Agency and Groundwater Sustainability Plan and, therefore, its own set of issues and potential solutions for achieving groundwater sustainability and regulatory constraints.
  - At the time, petitioners asked M&T to keep its acreage in the district so that it wouldn't be forced to amend the map and legal description at the time, adding more time and cost to the formation process. Petitioners expected that the M&T acreage could be removed post formation.
  - Removing acreage from a special district can happen by Agency Resolution or by Landowner Petition. LAFCO prefers that acreage detachment occur via Agency Resolution, if possible.
  - Board questions: Who will pay? Can LAFCO move quickly? Should we wait until after the Prop 218 process?
- Public Comment:
  - Steve Lucas: Just be mindful that when you take action to remove acreage, you'll need to justify the action.
- **Direction to staff:**
  - Discuss with AGUBC to see if it will cover the cost.

10:45 a.m. *Paiva departs. 5 board members remaining.*

Item 8b: Accept letter from Ed McLaughlin resigning from the Tuscan Water District Board of Directors

- Joe Hughes provided the following context for the discussion:
  - For a vacancy in the middle of a term, the Board has 60 days to fill the vacancy, or the Board of Supervisors can make the appointment.
  - Posting requirements:
    - Post the vacancy in 3 conspicuous public places within the District
    - Notify the County
    - Post on the Website
- Board discussion:
  - Perhaps we should just reach out to the other two people who ran for the Board during the formation process.
  - DID and Eastside Water District recently filled mid-term vacant board positions.
  - McGowan formed an ad hoc committee (Mori, Mendonca, McGowan) to solicit applications and potentially interview candidates prior to the next meeting.
- Public comment:
  - Steve Lucas: Be sure to post a notice of vacancy.
- **Board voted 5-0 (Koehnen Motion, Mori Second)**
  - To "accept the resignation letter, effective today [May 15, 2024]."

Item 9a: Review invoices

- Board reviewed invoices from the attorney and staff
- Board directed the attorney to:
  - Provide a legal services agreement at the next board meeting.
  - Provide a revised invoice for work performed after April 17.
- Board directed staff to provide a revised invoice for work performed after April 17.

### Item 9b: Review Butte County Farm Bureau Annual Summer BBQ Sponsorship Request

- Board discussed the BCFB request, and sponsorship requests in general.
- Strong support was expressed for the BCFB and its mission.
- At the same time, there were questions about whether TWD should sponsor organizations.
- **The Board directed staff to:**
  - Draft a regret letter to BCFB for this event.
  - Return to the Board with a Draft Sponsorship Policy at a future board meeting.

### Item 10: Update on meeting about impact of Vina GSA Fee Study on non-irrigated lands

- McGowan and staff provided a brief update on a meeting with Supervisor Kimmelshue and several landowners of non-irrigated landowners who also have land within the TWD.

### Item 11: Other reports from Board members:

- Management Committee Update: The Management Committee has successfully completed its charge and fulfilled its purpose. The Committee has been disbanded having accomplished its specific tasks.

### Item 12: Requests of Board members for future agenda topics

- Staff was directed to send out reminder emails regarding Form 700.
- Attorney was directed to provide an update at a future meeting on draft Bylaws and a Conflict-of-Interest policy.
- Staff was directed to solicit a final cost for updating the website and check and determine if there is funding from AGUBC to pay this cost.

### Item 13: Public Comment

- Kamie Loeser provided a brief overview of the Vina GSA Fee Study, i.e.,
  - Vina GSA is initiating a new Fee Study.
  - Hansford Economic Consultants has been hired and will conduct extensive community outreach – stakeholder groups, one-on-one, and small group meetings.