

1335 West "I" Street  
PO Box 1231  
Los Banos, CA 93635



(209) 826-1421  
Fax (209) 826-3184  
www.ccidwater.org

**BOARD OF DIRECTORS**

**JAMES O'BANION**  
President

**STEVE BELL**  
Vice President

**CHRIS FAGUNDES**

**ERIC FONTANA**

**KIRK JENSEN**

**CHRIS WHITE**  
General Manager

**GREGG RICE**  
Secretary-Controller

**MINASIAN, MEITH, SOARES,  
SEXTON & COOPER, LLP**  
Legal Counsel

## **PROPOSITION 218 ASSESSMENT ELECTION NOTICE**

**To:** All CCID Landowners

**From:** Board of Directors

**Date:** May 1, 2013

**Subject:** Proposition 218 Assessment Election and Public Hearing – June 25, 2013

### **WESTSIDE WATERSHED COALITION**

Since 2004, the vast majority of land served by CCID has been part of the Westside San Joaquin River Watershed Coalition, which was formed to help meet regulations issued by the Central Valley Regional Water Quality Control Board concerning drain water discharges. Each July, the District updates the list of all CCID lands that are included in the Coalition. The membership list includes in-District parcels and Class 2 lands, which do not have CCID water rights, but can receive water service from the District on an "if and when available" basis. Under the Irrigated Lands Regulatory Program lands can be signed up for membership by either the landowner or the tenant. The updated membership list is then forwarded to the Regional Board, which allocates its annual charges to CCID based on the number of acres included. To date, the District has covered all costs of membership in the Coalition. For the Coalition's 2012-13 Fiscal Year, that amount was \$426,682.

As you may be aware, the Regional Board is in the process of amending the Irrigated Lands Regulatory Program to impose additional requirements for monitoring and reporting of drain water discharges, and there will be a significant increase in the cost to comply with the program. Our consultants expect that new provisions will be implemented each year from Fiscal Year 2013-14 through Fiscal Year 2017-18, with the costs rising each year as well. As can be seen in the table on the next page, for the first year of the new regulatory program, CCID's share of the costs is expected to rise by \$0.88 per acre. After the program is fully implemented in five years, the increased cost of service is estimated to be as much as \$4.88 per acre more than at present. The District is committed to continuing its present level of financial participation, but proposes to recover the increased fees charged by the Regional Board and Westside Watershed Coalition by means of an assessment against the parcels that are members of the Coalition.

### **ENGINEER'S REPORT**

Our consulting firm, Summers Engineering, Inc., has prepared an Engineer's Report that describes in more detail the reasons for the proposed assessment, and the cost calculations. A copy of the report is available for inspection and copying at the District office, and it can be viewed on our website, [www.ccidwater.org](http://www.ccidwater.org). You may also request a copy by calling the Main Office of the District at (209) 826-1421.

**THE PROPOSED ASSESSMENT**

As of last July’s report, there were 136,757 acres within CCID that were covered by the Westside Watershed Coalition. If the proposed assessment is approved by the District’s landowners, based on the most recent estimates, the assessment against each in-District parcel that is in the Coalition for the 2013-14 fiscal year would be \$0.88 per gross acre. Future costs are estimated to increase by no more than \$1.00 per acre per year, so that for the fifth year of the new program and beyond, the annual assessment would not exceed \$4.88 per acre. The assessment will be collected at a rate not to exceed \$4.88 per acre per year for all years following FY2017-2018, for so long as the District participates in the Coalition. If future annual costs to participate in the Coalition, not including those paid directly by CCID, exceed \$4.88 per acre per year, any future increases to the assessment rate would require a new Proposition 218 election.

**CCID Lands in the Westside Coalition**  
**Ag Waiver Costs and Proposed Assessments**

Year	Estimated Cost of Service to CCID	Acreeage	Proposed Increased Landowner Assessment per Acre	Increased Landowner Assessment Revenue	Service Cost Paid by CCID
FY2013-14	\$547,028	136,757	\$0.88	\$120,346	\$426,682
FY2014-15	\$683,785	136,757	\$1.88	\$257,103	\$426,682
FY2015-16	\$820,542	136,757	\$2.88	\$393,860	\$426,682
FY2016-17	\$957,299	136,757	\$3.88	\$530,617	\$426,682
FY2017-18	\$1,094,056	136,757	\$4.88	\$667,374	\$426,682
FY2018 -	unknown	136,757	\$4.88	\$667,374	unknown

Note that the annual assessment amount collected will be tied to the actual bills that are charged by the Westside Watershed Coalition and Regional Board for continued participation. It is possible that the actual costs could be less than projected; if so, the annual assessment will be reduced accordingly and each property owner’s assessment will be reduced pro rata. In any event, the amount of the assessment cannot exceed \$4.88 per acre per year.

It is proposed that the annual assessments will be generated as soon as practical following the annual update of the Coalition membership list. If approved by the landowners, the first assessment would take place on or about August 1, 2013, and would be due 30 days later. Unpaid assessment bills would be treated as any other bill of the District, subject to 1% per month finance charges, compounded monthly, and withholding of water service the following year if not paid by January 1.

**EXEMPTIONS FROM THE ASSESSMENT**

The annual assessment will be charged only to in-District parcels that are included on the membership list of the Westside Watershed Coalition. There are various categories of properties that have dealings with CCID that will be excluded from being billed the annual assessment:

Non-Members of the Coalition. There are several hundred mostly small parcels that are in CCID, but are not irrigated, and therefore have chosen not to join the Coalition. Those parcels will not subject to the annual assessment.

Dairies. For many years, dairies have fallen under a separate regulatory program of the Regional Board. Because of this, parcels that are covered by the dairy program will be exempt from CCID's assessment **if they submit to the District a copy of their latest Annual Dairy Report** to comply with the Waste Discharge Requirements, which is due each July.

Camp 13 Drainage District. Approximately 5,300 acres within CCID are also within the Camp 13 Drainage District, an area northwest of Firebaugh that is heavily regulated by the Regional Board as part of the Grassland Basin Drainers. This acreage will be exempt from paying the assessment to CCID.

Class 2 Lands. Although Class 2 lands receive water through CCID facilities, and their drain water discharges generally comingle with in-District drainage, these parcels are not within the District's boundaries, and therefore cannot be subject to a District assessment. However, because those parcels do discharge drain water, most of them have elected to be members of the Westside Watershed Coalition. Class 2 water users will be billed for their equal proportionate share of the annual costs, but as a regular District bill, and not an assessment.

## **PROPOSITION 218 ELECTION RULES**

The California Constitution specifies that implementing or increasing an assessment is subject to a landowner vote entitled a Proposition 218 election. **Owners of all land in the District that would be immediately subject to the assessment, or that could feasibly be subject to the assessment in future years, whether or not it is presently included in the Westside Watershed Coalition, are eligible to vote in this Proposition 218 election.**

Under the Proposition 218 rules, each landowner's vote is weighted according to the proportional financial obligation of the affected parcel. Because the assessment is imposed on a per-acre basis, the financial obligation is proportional to the number of gross acres that would be subject to the assessment. For this reason, the District will weigh each vote according to the number of acres owned by each affected landowner. For example, if you own one acre of land in CCID, your Yes or No vote will count as one vote. If you own 20.5 acres in CCID, your Yes or No vote will count as 20.5 votes.

Enclosed with this notice is a ballot that shows the number of acres within the CCID boundaries that are shown on the District's records as being owned by you. You are asked to (1) vote Yes or No on the question; (2) sign the ballot; and (3) return the ballot sealed in the enclosed return envelope, in person or by mail, to the District in time for the close of the election. In order to be counted, ballots must be received in the District office, 1335 West I Street, Los Banos, no later than **11:00 a.m. PDT on Tuesday, June 25, 2013.** Postmarks will not be accepted.

On the ballot, we have listed all of the parcels that you own, along with the gross acreage of each. Also noted is whether each parcel is presently a member of the Westside Watershed Coalition, and thus subject to being billed for the annual assessment. Based on this information we have computed what your 2013-14 assessment bill would be, if the election succeeds, at the expected rate of \$0.88 per acre. **Please note that the amounts shown are for illustration only, and are not to be paid.**

The District cross-references the CCID records with the County tax rolls to confirm ownership, and we believe the ballots reflect the most updated ownership information. But the County records are not always current, and mistakes can happen. If the ballot you have received does not accurately reflect your actual ownership interests, please contact the District and provide updated ownership information, so that an amended ballot can be prepared and issued to you and/or to the correct owners. Only landowners are entitled to vote in the election.

### **EFFECT IF PROPOSITION 218 ELECTION FAILS**

If a majority of the votes received by the deadline date, weighted by acreage, oppose the proposal, there will be no assessment to provide funds for the increased costs of the Westside Watershed Coalition, and the CCID Board of Directors will terminate its role in the Coalition. If the Coalition is dissolved, the individual landowners and growers in the District will be responsible for performing their own monitoring of drain water, and reporting directly to the Regional Board, at a significantly increased cost, likely to start out at more than \$11.00 per acre per year. (Please see the Engineer's Report for more details on the estimated costs of individual compliance.)

### **PUBLIC HEARING**

The CCID Board of Directors will conduct a public hearing upon the proposed assessment for landowners, commencing at 10:00 a.m. on Tuesday, June 25, 2013, at the District's Main Office, 1335 West I Street, Los Banos, CA 93635.

At the hearing, Board members, the District staff and the District's Engineer will be available to explain the need to set an assessment rate and to answer your questions. The Board will consider all protests, including written or oral statements. Landowners who wish to change or withdraw their ballot may do so prior to the close of the public hearing.

After the Board has considered all public testimony offered during the hearing, but not prior to 11:00 a.m., the ballots will be opened and counted by District staff in public view.

### **QUESTIONS OR COMMENTS**

If you have questions or concerns related to the information contained in this letter or the assessment election, we encourage you to contact any Director, or Chris White, General Manager, at (209) 826-1421, during normal District business hours.