

# PRIOR

To: Shandon-San Juan Water District  
Estrella-El Pomar-Creston Water District

From: Steve Sinton  
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Subject: PRIOR Funds

After polling the members of PRIOR as to what to do with the remaining funds in the PRIOR bank account (\$11,270.33), the majority supported distributing the funds equally to the two Water Districts (Shandon-San Juan and Estrella-El Pomar-Creston) which cover the Paso Robles Groundwater Basin.

The PRIOR funds were collected to either pay for litigation fees to prevent claims of prescription against overlying landowners, or an agreement that tolled any such claims for the lifetime of an agreement. With the completion of the Paso Robles Groundwater Basin Agreement dated 2005, PRIOR accomplished its mission and remaining funds were only used to pay for a post office box, postage, legal fees and recording landowners who subsequently joined the agreement. No new applications nor financial transactions have occurred in over 5 years. The Memorandum of Operating Principles provided that surplus funds be kept in a non-interest bearing account, so the funds were losing value over time.

While these two Water Districts were not formed to protect overlying landowners from governmental claims of prescription in the Paso Basin, they are organized to seek ways to protect those same landowners from draconian cuts in water use. Therefore, we have determined that transferring the remaining funds to these entities most closely reflects the intent of the PRIOR members.