



# SHANDON-SAN JUAN WATER DISTRICT SHANDON-SAN JUAN GSA

## MEETING AGENDA January 22, 2025

The Board of Directors of the Shandon-San Juan Water District/Shandon-San Juan Groundwater Sustainability Agency will hold a regularly scheduled meeting at **9:00 A.M.** on **Wednesday, January 22, 2025**, at the Illy Lodge at Illy Sunnyslope Farms located at 3385 Truesdale Rd., Shandon, CA 93461. Virtual options are available for public participation.<sup>1</sup>

**Alternate Location:** Director Miller will participate in the meeting via teleconference from 132 E. Carrillo Street, Santa Barbara, 93101.

### Virtual Options for Public Participation:

<https://us06web.zoom.us/j/81384828713?pwd=5jBzq7ATL9rAdRzK7GvzsBG7p6r5qg.1>

**Meeting ID:** 813 8482 8713 **Passcode:** 511022 **Dial:** (669) 900-6833

**To view supporting documents, go to:** <https://www.ssjwd.org/agendas-minutes>

1. **Call to Order**
2. **Roll Call**
3. **Public Comment**
4. **Consent Agenda**
  - a. Meeting Minutes – November 20, 2024 SSJWD Regular Meeting
  - b. Secretary/Treasurer’s Report – January 17, 2025
  - c. Authorize SSJWD Treasurer to Transfer \$120,000 from Checking Account to Investment Account
5. **Director’s Reports**
6. **Paso Basin Cooperative Committee Updates on SGMA/GSP Implementation**
  - a. [5-year GSP Periodic Evaluation](#) – Due to DWR by January 31, 2025
  - b. [Blended Irrigation Water Supply Feasibility Study](#) – Public Comment Period Ends February 7, 2025
  - c. State Water Project Feasibility Study
  - d. Rate Study and 5 Year Budget
  - e. Governance Structure – Draft JPA Agreement
  - f. Results of MILR Program Questionnaire
  - g. Regular PBCC Meeting: January 22, 2025 @ 4pm
7. **Consider Adoption of the Joint Exercise of Powers Agreement For Administration of the Paso Robles Area Groundwater Subbasin Groundwater Sustainability Plan**
8. **Applications to State Water Resources Control Board (SWRCB) for Supplemental Water**
  - a. Update from Subcommittee
9. **Request for Nominations for LAFCO Seats for Special District Members**
  - a. SSJWD Directors are Eligible
  - b. Two Open LAFCO Seats:
    - i. Two-year term to fill vacancy expiring December 2026

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<sup>1</sup> SSJGSA/SSJWD will make reasonable efforts to make the meeting accessible virtually; however, if one of the virtual options are unavailable due to technological issues, you are invited to take advantage of the other options, including in-person attendance.

- ii. Four-year term expiring December 2028
- c. Nomination Period: December 9, 2024 – February 7, 2024

**10. Next Regularly Scheduled Meeting – February 26, 2025**

**11. Adjourn**

*NOTE: In compliance with the American with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), if you need special assistance to access the meeting room or otherwise participate at this meeting, including auxiliary aids or services, please contact Bertoux & Co. 930 Nysted Dr. St. A Solvang, CA 93463 805-451-0841 [admin@ssjwd.org](mailto:admin@ssjwd.org). Notification of at least forty-eight (48) hours prior to the meeting will help enable reasonable arrangements to ensure accessibility to the meeting. Copies of Meeting Documents can be found on our District Website <https://www.ssjwd.org/> or requested by contacting Bertoux & Co. 930 Nysted Dr. St. A Solvang, CA 93463 805-451-0841 [admin@ssjwd.org](mailto:admin@ssjwd.org).*



# SHANDON-SAN JUAN WATER DISTRICT

## SHANDON-SAN JUAN GSA

### UNAPPROVED MEETING MINUTES November 20, 2024 Regular Meeting

The Board of Directors of the Shandon-San Juan Water District (SSJWD) and Shandon-San Juan Groundwater Sustainability Agency (SSJGSA) held a regularly scheduled meeting on Wednesday, November 20, 2024, at the Illy Lodge at Illy Sunnyslope Farms located at 3385 Truesdale Rd., Shandon, CA 93461. As a courtesy, virtual options were made available for public participation. The agenda and all supporting documents were posted at <https://www.ssjwd.org/agendas-minutes>.

#### **I. Call to Order**

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President Cunha called the meeting to order at 9:03am on Wednesday, November 20, 2024.

#### **II. Roll Call**

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Directors Present:	Willy Cunha	Steve Sinton
	Ray Shady	Matt Turrentine

Directors Absent: Marshall Miller

#### **III. Public Comment**

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No public comments received.

#### **IV. Consent Agenda**

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The following motion was made by Director Sinton, seconded by Director Turrentine, and passed 4-0 with a roll call vote.

**MOTION – Approve the minutes from the regular Board meeting on September 25, 2024 and the Secretary/Treasurer’s Report dated November 15, 2024, as presented.**

#### **V. Director’s Reports**

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A. WRAC – The Water Resources Advisory Committee met on November 7, 2024. The WRAC received a presentation from the Coastal San Luis RCD and the Upper Salinas-Las Tablas RCD regarding the Mobile Irrigation Lab program.

#### **VI. Paso Basin Cooperative Committee (PBCC) Updates on SGMA/GSP Implementation**

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A. 5-year GSP Periodic Evaluation: SGMA requires periodic evaluation of approved GSPs at least every 5 years. The periodic evaluation represents the GSAs’ written assessment of GSP implementation and adaptive management to date. The public is encouraged to review and provide input. The public comment period is November 15, 2024 through December 20, 2024. The Periodic Evaluation and appendices can be viewed at: <https://www.ssjwd.org/gsp5yeareval>

B. Blended Irrigation Water Supply Project: Water Systems Consulting (WSC) presented the draft preliminary engineering report at the September 25, 2024 PBCC meeting. A significant cost investment is required to achieve the project’s goals. At the November 20, 2024 PBCC meeting, SWC will present updates on the project scope and budget, next steps, and timeline. It is anticipated that the public comment period for the report will open in mid-December 2024.

C. Rate Study: The preliminary rate model accounts for three potential fee types: 10730.2 (Prop 218) funding all costs, 10730 (Prop 26) funding Program Administration only, 10730.2 (Prop 218) funding for projects and management actions only. Two rate approaches are shown for each fee type: a ‘stepped’ rate approach and an ‘averaged’ rate approach. Costs are apportioned according to service / benefit received by each extractor category (more detail forthcoming). The five-year budget continues to be discussed at the PBCC Staff level and fine-tuned. SCI Consulting will present an update to the PBCC at the special meeting on December 16, 2024. The study is anticipated to be complete by January 2025.

EPCGSA submitted a comment letter, dated November 14, 2024, to the PBCC regarding the five-year budget included in the Rate Study. EPCGSA encouraged PBCC staff to re-evaluate the budget structure to focus on Administrative costs, scale back the Projects and Management actions section, and exclude projects such as the Blended Water Project, State Water Project and MILR Program.

D. Governance Structure: County legal counsel continues to work on drafting a Joint Powers Agreement that, if adopted by the individual GSAs, would supplant the current MOA that governs the PBCC. The PBCC will receive an update at the special meeting scheduled for December 16, 2024.

E. Upcoming PBCC Meetings

- Regular PBCC Meeting: Wednesday, November 20, 2024 at 4pm at Paso Robles Council Chambers
- Special PBCC Meeting: Monday, December 16, 2024 at 2pm at Paso Robles Culinary Arts Academy
- PBCC Town Hall Meeting: Monday, December 16, 2024 at 5:30pm at Paso Robles Culinary Arts Academy

#### **VII. SSJWD Applications to State Water Resources Control Board for Supplemental Water**

Update from Subcommittee: The applications were resubmitted on July 29, 2024. SSJWD has not received any comments from the State Water Resources Control Board. SSJWD will continue local outreach efforts to garner support for the projects and is planning to schedule a follow up meeting with the City of San Luis Obispo.

#### **VIII. Next Meeting**

The next regularly scheduled Board of Directors meeting is Wednesday, January 22, 2025 at 9am.

#### **IX. Adjourn**

President Cunha adjourned the meeting at 10:03am.

**Accepted:**

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Stephanie Bertoux, Secretary  
January 22, 2025



# SHANDON-SAN JUAN WATER DISTRICT

## SHANDON-SAN JUAN GSA

### Secretary/Treasurer's Report: November 15, 2024 – January 17, 2025

Date: January 17, 2025

To: Shandon-San Juan Water District Board of Directors

From: Stephanie Bertoux, District Secretary/Treasurer/Assessor

#### Assessments and Income:

On July 24, 2024, SSJWD levied assessments for FY 24-25 totaling \$401,140.26. Invoices were sent to landowners on August 15, 2024, November 15, 2024, and January 10, 2025. Assessments are due by January 24, 2025 after which time a 5% penalty and costs will be added.

#### Account Receivable:

The A/R total for FY 24-25 Assessments to-date is \$81,107.48.

#### Expenses

Expenses for the period totaled \$42,969.20.

- \$21,751.52 for November invoices
- \$21,217.68 for December invoices

#### FY 2024-25 Budget Summary – Year to Date

	FY 24-25 Budget	FY 24-25 YTD
Income	\$401,140.26	\$320,032.87
Expenses	\$351,085.28	\$151,439.46
Contingency (10%)	\$35,108.53	\$0
YE Balance	\$14,946.45	N/A

#### District Assets as of January 17, 2025:

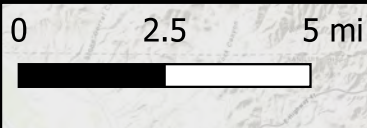
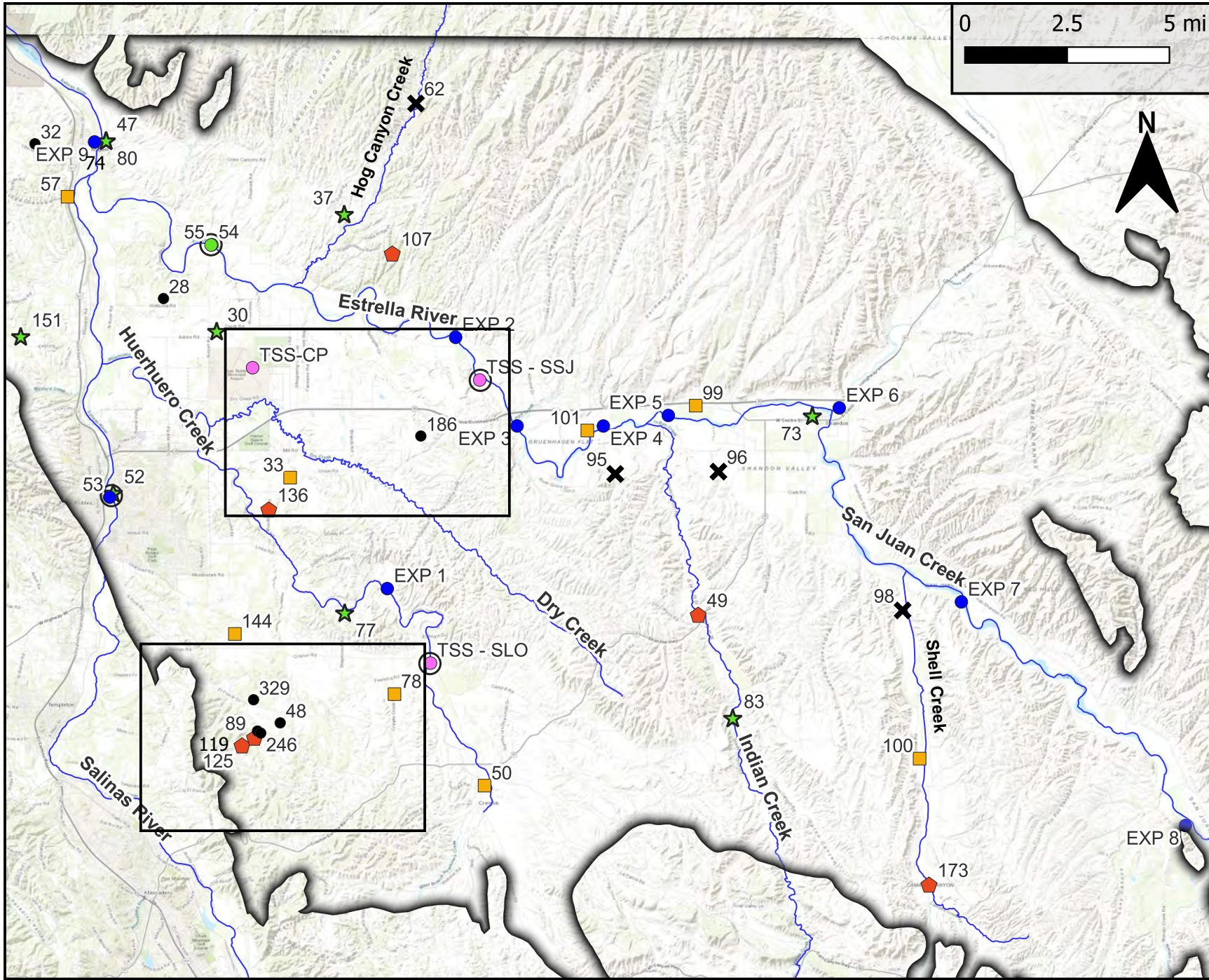
Total Cash Position: \$777,925.23

- Bank Balance: After paying expenses noted above, the District has a cash position of \$368,842.36
- Investment Account Balance: \$409,082.87
  - \$400,000 – initial investment on July 1, 2024.
  - \$9,082.87 – earned July 1- December 31, 2024 (reinvested)
- Board to consider transferring additional funds to investment account. Agenda item for January 22, 2025.

### **Board Training & Certifications**

- Form 700s (Conflict of Interest Statements) are due April 1 of each year. Directors must file with the County of SLO and the FPPC.
  - County of SLO – file electronically with Netfile. Each Director should have received an email from the County. <https://www.netfile.com/corp/> Select Local Filer Log In from the white, pull down Log-In Button in top right corner.
  - With SB1156 now in effect (as of January 1, 2025), Board members are required to file Form 700s with the Fair Political Practices Commission (FPPC) in addition to the County of SLO. The SSJWD account is set up. Each Director should have received an email from FPPC with log-in information. <https://form700.fppc.ca.gov/>
- Ethics Training is required every two years. <https://localethics.fppc.ca.gov/login.aspx>.
- Sexual Harassment Training is required every two years.

<b>Director</b>	<b>COI – Form 700 FPPC <i>(Required Annually by April 1)</i></b>	<b>COI – Form 700 County of SLO <i>(Required Annually by April 1)</i></b>	<b>Ethics Training <i>(Required Every 2 Years)</i></b>	<b>Sexual Harassment Training <i>(Required Every 2 Years)</i></b>
Willy Cunha	Completed 01/09/25	Completed 01/13/25	<b>Due by 02/15/25</b>	<b>Due by 02/01/25</b>
Marshall Miller			<b>Due by 02/15/25</b>	<b>Due by 03/10/25</b>
Ray Shady			Due by 09/23/25	Due by 09/23/26
Steve Sinton			<b>Due by 02/15/25</b>	<b>Due by 03/10/25</b>
Matt Turrentine			<b>Due by 03/19/25</b>	<b>Due by 03/10/25</b>



### Explanation

- Paso Basin Boundary
- Telemetry Installed
- Ready for Install
- Sounding tube
- Pull pump and add sounding tube
- No Telemetry Authorized
- Obstructed/no access
- TSS wells
- Alluvial monitoring wells (ready for install)
- Paso/alluvial monitoring pairs
- Dry well areas

Note: TSS wells will have telemetry installed by DWR

Basemap: ESRI Topography  
Horizontal Datum: WGS84

**Figure 1**  
**Telemetry Installation Status for the Expanded Monitoring Well Network**  
**Paso Robles Basin**  
**Cleath-Harris Geologists**



# PASO ROBLES GROUNDWATER BASIN

## COST OF SERVICE STUDY PROGRESS UPDATE

JANUARY 22, 2025



# AGENDA

1. Consumptive Groundwater Use Baseline
2. Preliminary Rate Scenarios
3. Other Considerations



# CONSUMPTIVE GROUNDWATER USE BASELINE

# HISTORICAL CROP ACREAGE AND ET OF APPLIED WATER (I)

- Provided by LandIQ in order to calculate a historical baseline of consumptive groundwater use.

Key
Irrigated Crops
Non-Irrigated Crops

Crop Type	Irrigated	Acreage Totals					Annual ET (AF/Acre)
		WY 2023	WY 2022	WY 2021	WY 2020	WY 2019	
Grapes	Yes	34,655	32,393	32,925	33,666	35,310	1.10
Miscellaneous Grain and Hay	Yes	10,859	8,751	7,856	11,819	14,561	0.08
Unclassified Fallow	No	6,287	9,798	12,175	19,257	14,462	0.00
Mixed Pasture	Yes	1,060	899	1,333	1,622	1,854	3.60
Almonds	No	1,788	1,335	1,747	1,766	1,772	0.00
Alfalfa and Alfalfa Mixtures	Yes	1,555	1,443	1,334	1,252	1,553	3.38
Miscellaneous Truck Crops	Yes	225	112	90	127	705	1.67
Olives	Yes	444	432	392	369	385	2.02
Carrots	Yes	577	381	838	447	296	1.43
Walnuts	Yes	50	50	97	97	241	3.08
Young Perennials	Yes	22	28	281	228	238	1.67
Lettuce/Leafy Greens	Yes	0	0	0	0	221	1.67
Pistachios	Yes	1,207	934	620	492	185	3.08
Corn, Sorghum and Sudan	Yes	34	82	2	0	180	2.33
Safflower	Yes	96	100	97	114	166	0.08
Onions and Garlic	Yes	29	452	46	0	143	1.67
Miscellaneous Grasses	Yes	135	203	159	3	102	3.60
Cole Crops	Yes	0	0	0	0	56	1.67
Flowers, Nursery and Christmas Tree Farms	Yes	18	3	7	7	52	2.20
Miscellaneous Deciduous	Yes	77	58	58	67	51	3.08
Apples	Yes	49	49	35	35	40	3.08
Pomegranates	Yes	17	14	46	39	38	2.02
Miscellaneous Subtropical Fruits	Yes	8	19	41	28	32	2.02
Wheat	Yes	8	8	0	0	10	0.08
Citrus	Yes	0	3	3	2	2	2.02
Avocados	Yes	0	0	3	2	0	1.80
Beans (Dry)	Yes	23	0	0	144	0	1.90
Greenhouse	Yes	0	0	1	1	0	2.20
Idle - Long-Term	No	8,956	3,134	3,042	0	0	0.00
Idle - Short-Term	No	10,116	14,089	9,778	0	0	0.00
Melons, Squash and Cucumbers	Yes	6	6	30	0	0	1.67
Miscellaneous Field Crops	Yes	0	16	0	0	0	1.32
Peaches/Nectarines	Yes	7	7	0	0	0	3.08
Potatoes	Yes	0	0	120	0	0	2.90
Sunflowers	Yes	0	0	25	0	0	1.13
Turf	Yes	6	6	0	0	0	3.38
<b>Total</b>	<b>NA</b>	<b>78,315</b>	<b>74,805</b>	<b>73,180</b>	<b>71,585</b>	<b>72,655</b>	<b>NA</b>

# HISTORICAL CROP ACREAGE AND ET OF APPLIED WATER (2)

- Provided by LandIQ in order to calculate a historical baseline of consumptive groundwater use.

Key
Irrigated Crops
Non-Irrigated Crops

Crop Type	ET of Applied Water (Consumptive Use)					
	WY 2023	WY 2022	WY 2021	WY 2020	WY 2019	Average
Grapes	38,120	35,632	36,217	37,033	38,841	37,169
Miscellaneous Grain and Hay	814	656	589	886	1,092	808
Unclassified Fallow	0	0	0	0	0	0
Mixed Pasture	3,815	3,236	4,798	5,840	6,675	4,873
Almonds	0	0	0	0	0	0
Alfalfa and Alfalfa Mixtures	5,248	4,869	4,503	4,226	5,242	4,818
Miscellaneous Truck Crops	376	187	150	212	1,179	421
Olives	899	875	794	746	778	819
Carrots	823	543	1,194	638	422	724
Walnuts	155	155	300	300	743	330
Young Perennials	37	48	469	381	398	267
Lettuce/Leafy Greens	0	0	0	0	369	74
Pistachios	3,719	2,878	1,909	1,515	568	2,118
Corn, Sorghum and Sudan	78	190	6	0	419	139
Safflower	7	8	7	9	12	9
Onions and Garlic	49	755	77	0	239	224
Miscellaneous Grasses	485	731	571	12	369	434
Cole Crops	0	0	0	0	93	19
Flowers, Nursery and Christmas Tree Farms	40	7	15	15	115	38
Miscellaneous Deciduous	236	178	180	206	158	191
Apples	151	151	107	107	122	127
Pomegranates	34	28	93	80	78	63
Miscellaneous Subtropical Fruits	16	38	83	57	64	51
Wheat	1	1	0	0	1	0
Citrus	0	6	6	4	4	4
Avocados	0	0	5	4	0	2
Beans (Dry)	44	0	0	274	0	64
Greenhouse	0	0	3	3	0	1
Idle - Long-Term	0	0	0	0	0	0
Idle - Short-Term	0	0	0	0	0	0
Melons, Squash and Cucumbers	10	10	51	0	0	14
Miscellaneous Field Crops	0	21	0	0	0	4
Peaches/Nectarines	21	21	0	0	0	8
Potatoes	0	0	348	0	0	70
Sunflowers	0	0	28	0	0	6
Turf	22	22	0	0	0	9
<b>Total</b>	<b>55,202</b>	<b>51,244</b>	<b>52,502</b>	<b>52,545</b>	<b>57,982</b>	<b>53,895</b>

# CONSUMPTIVE GROUNDWATER USE FOR RATE CALCULATION

Projected Consumed Groundwater Use	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Based on Five-Year Average 2019-2023 (AF)	Year 1	Year 2	Year 3	Year 4	Year 5
Total Groundwater Use	56,991	54,296	51,602	48,907	46,212
Rural Domestic GW Use	1,846	1,846	1,846	1,846	1,846
Non-De Minimis GW Use	55,145	52,450	49,755	47,060	44,366
Water System GW Use	1,250	1,250	1,250	1,250	1,250
Agricultural / Commercial GW Use	53,895	51,200	48,505	45,811	43,116

- Agricultural/Commercial GW use:
  - Calculated from a 5-year average of consumptive use (from LandIQ baseline).
  - Projected reduction of 20% over 5 years (5% reduction each year).
- Water System GW use:
  - Calculated by taking an 8-year average of water system GW use and multiplying it by the agricultural consumptive use multiplier (consumptive Ag GW use is 74% of Applied Ag GW use).
- Rural Domestic GW use:
  - Calculated by multiplying an updated Rural Domestic GW use estimate (2,483 AFY) by the agricultural consumptive use multiplier (74%).
- Non-De Minimis GW use:
  - Sum of Agricultural/Commercial and Water System GW use.
- Total GW Use
  - Sum of Agricultural/Commercial, Water System GW use, and Rural Domestic GW use.



# PRELIMINARY RATE SCENARIOS

# BUDGET SCENARIOS

## Full Implementation Budget

- Budget as presented to the PBCC in December – included for reference.

## Budget Scenario 3

- Budget with both Alternative Water Supply Projects removed (SWP and Blended Water Supply Programs).

## Budget Scenario 5

- Alternative Budget Approach.

## Budget Scenario 3 Modified

- Alternative Water Supply Projects Removed;
- Additional Funding for MILR and Water Conservation Programs.

# EXTRACTOR CATEGORIES

- Rural Domestic Extractors.
  - Property owners utilizing groundwater for residential purposes.
- Municipal / Urban Extractors.
  - Water systems utilizing groundwater to serve water customers.
- Commercial Extractors.
  - Property owners utilizing groundwater for commercial purposes (small subset of Basin parcels).
- Agricultural Extractors.
  - Property owners utilizing groundwater for agricultural irrigation.



# SCENARIO I: FULL IMPLEMENTATION BUDGET

- Budget as presented to the PBCC in December (included for reference).

Key
Base Costs (all extractor categories)
Supplemental Non-De Minimis Costs (water system, agricultural, commercial extractors)
Supplemental Agricultural / Commercial Costs (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average
<b>Program Administration</b>						
	% Increase					
SGMA-Required		2.5%	2.5%	2.5%	2.5%	
Annual Report WY2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
Ongoing Basin Monitoring Operations & Maintenance	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144	\$ 315,380
Data Management System (DMS)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
SGMA-Required Subtotal	\$635,000	\$700,875	\$717,147	\$933,826	\$1,250,921	\$ 847,554
<b>Administrative</b>						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Technical Consultant(s) to support administrative services	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
Outreach Program	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Website Creation and Management	\$15,000	\$2,500	\$2,563	\$2,627	\$2,692	\$ 5,076
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$826,500	\$851,838	\$873,133	\$894,962	\$917,336	\$ 872,754
Program Administration Subtotal	\$1,461,500	\$1,552,713	\$1,590,280	\$1,828,787	\$2,168,257	\$ 1,720,307
<b>Projects and Management Actions</b>						
<b>Regulatory Projects</b>						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
Well Verification/Registration Program	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
<b>Demand Reduction Projects</b>						
MIR Program	\$500,000	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$ 1,150,000
Demand Management Program	\$100,000	\$150,000	\$150,000	\$100,000	\$100,000	\$ 120,000
Water Conservation and Irrigation Efficiency Program	\$50,000	\$50,000	\$75,000	\$75,000	\$75,000	\$ 65,000
<b>Alternative Water Supply Projects</b>						
Blended Irrigation Water Supply Infrastructure Costs	\$5,631,000	\$5,631,000	\$5,631,000	\$5,631,000	\$5,631,000	\$ 5,631,000
SWP Supply Program	\$50,000	\$2,000,000	\$2,500,000	\$3,000,000	\$5,000,000	\$ 2,510,000
Groundwater Recharge Program	\$25,000	\$150,000	\$150,000	\$1,000,000	\$1,000,000	\$ 465,000
Project Feasibility Reserve	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Subtotal	\$6,706,000	\$9,089,750	\$9,873,719	\$11,682,912	\$14,192,335	\$ 10,308,943
Total	\$8,167,500	\$10,642,463	\$11,463,999	\$13,511,699	\$16,360,592	\$ 12,029,250
Base Costs	\$ 1,511,500	\$ 1,603,963	\$ 1,642,812	\$ 1,882,632	\$ 2,223,448	\$ 1,772,871
Supplemental Non-De Minimis Costs	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 105,127
Supplemental Agricultural / Commercial Costs	\$ 6,556,000	\$ 8,936,000	\$ 9,716,125	\$11,521,378	\$14,026,763	\$ 10,151,253

# SCENARIO 3: REDUCED PROJECT COST BUDGET

- Both alternative water supply programs removed from budget (State Water Supply Program and Blended Water Supply Program).

Key
Base Costs (all extractor categories)
Supplemental Non-De Minimis Costs (water system, agricultural, commercial extractors)
Supplemental Agricultural / Commercial Costs (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average
<b>Program Administration</b>						
	% Increase					
SGMA-Required		2.5%	2.5%	2.5%	2.5%	
Annual Report WY2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
Ongoing Basin Monitoring Operations & Maintenance	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144	\$ 315,380
Data Management System (DMS)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
SGMA-Required Subtotal	\$635,000	\$700,875	\$717,147	\$933,826	\$1,250,921	\$ 847,554
<b>Administrative</b>						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Technical Consultant(s) to support administrative services	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
Outreach Program	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Website Creation and Management	\$15,000	\$2,500	\$2,563	\$2,627	\$2,692	\$ 5,076
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$826,500	\$851,838	\$873,133	\$894,962	\$917,336	\$ 872,754
Program Administration Subtotal	\$1,461,500	\$1,552,713	\$1,590,280	\$1,828,787	\$2,168,257	\$ 1,720,307
<b>Projects and Management Actions</b>						
<b>Regulatory Projects</b>						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
Well Verification/Registration Program	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
<b>Demand Reduction Projects</b>						
MILR Program	\$500,000	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$ 1,150,000
Demand Management Program	\$100,000	\$150,000	\$150,000	\$100,000	\$100,000	\$ 120,000
Water Conservation and Irrigation Efficiency Program	\$50,000	\$50,000	\$75,000	\$75,000	\$75,000	\$ 65,000
<b>Alternative Water Supply Projects</b>						
Blended Irrigation Water Supply Infrastructure Costs	\$0	\$0	\$0	\$0	\$0	\$ -
SWP Supply Program	\$0	\$0	\$0	\$0	\$0	\$ -
Groundwater Recharge Program	\$25,000	\$150,000	\$150,000	\$1,000,000	\$1,000,000	\$ 465,000
Project Feasability Reserve	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Subtotal	\$1,025,000	\$1,458,750	\$1,742,719	\$3,051,912	\$3,561,335	\$ 2,167,943
Total	\$2,486,500	\$3,011,463	\$3,332,999	\$4,880,699	\$5,729,592	\$ 3,888,250
<b>Summary</b>						
Base Costs	\$ 1,511,500	\$ 1,603,963	\$ 1,642,812	\$ 1,882,632	\$ 2,223,448	\$ 1,772,871
Supplemental Non-De Minimis Costs	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 105,127
Supplemental Agricultural / Commercial Costs	\$ 875,000	\$ 1,305,000	\$ 1,585,125	\$ 2,890,378	\$ 3,395,763	\$ 2,010,253

# SCENARIO 3: REDUCED PROJECT COST BUDGET RATES

1. 10730.2 Funding All Costs		FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Year 1 Revenue	
Averaged Rate	Charge Basis	Year 1	Year 2	Year 3	Year 4	Year 5	Revenue by Category	Total - All Revenue
Domestic Rate	Per AF	\$31	\$33	\$34	\$36	\$38	\$57,439	\$3,888,250
Water System Rate	Per AF	\$33	\$35	\$36	\$38	\$41	\$41,263	
Agricultural / Commercial Rate	Per AF	\$70	\$74	\$78	\$82	\$87	\$3,789,549	

# SCENARIO 5: ALTERNATIVE BUDGET APPROACH

- Budget reorganized based on an alternative approach.
- “Prudent Reserve” provides potential project funding during first 5 years of fee program.

Key
Base Costs (all extractor categories)
Supplemental Non-De Minimis Costs (water system, agricultural, commercial extractors)
Supplemental Agricultural / Commercial Costs (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average
<b>Program Administration</b>	% Increase					
SGMA-Required & Reporting		2.5%	2.5%	2.5%	2.5%	
Annual Report WY2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
10% Contingency	\$89,400	\$97,395	\$99,705	\$122,072	\$154,499	\$ 112,614
SGMA-Required Subtotal	\$199,400	\$260,145	\$265,274	\$490,530	\$825,918	\$ 408,253
<b>Administrative</b>						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
Office Space (including utilities, janitorial, etc.)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Consultant(s) to support Basin Management	\$100,000	\$102,500	\$105,063	\$107,689	\$110,381	\$ 105,127
Outreach Program	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Website Creation and Management	\$30,000	\$20,800	\$21,320	\$21,853	\$22,399	\$ 23,274
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$784,000	\$811,200	\$831,480	\$852,267	\$873,574	\$ 830,504
Program Administration Subtotal	\$983,400	\$1,071,345	\$1,096,754	\$1,342,797	\$1,699,492	\$ 1,238,758
<b>Operations, Management Actions, &amp; Programs</b>						
<b>Operations</b>						
Ongoing Basin Monitoring Operations & Maintenance	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Data Management System (DMS)	\$50,000	\$40,000	\$41,000	\$42,025	\$43,076	\$ 43,220
Technical Consultants Support	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
<b>Regulatory Projects</b>						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$175,000	\$179,375	\$183,859	\$188,456	\$193,167	\$ 183,971
<b>Demand Reduction Projects</b>						
Extractor Management, Basin Performance	\$400,000	\$200,000	\$225,000	\$250,000	\$275,000	\$ 270,000
<b>Other Programs</b>						
"Prudent Reserve" for Future Projects and Programs	\$750,000	\$800,000	\$850,000	\$900,000	\$950,000	\$ 850,000
Recognized Programs & Projects for consideration:						
MILR/Fallowing						
MILR/Land Repurposing						
Well Verification/Registration Program						
Water Conservation and Irrigation Efficiency Program						
Groundwater Recharge Program						
Other Potential Programs						
Subtotal	\$1,975,000	\$1,834,375	\$1,930,234	\$2,026,615	\$2,123,531	\$ 1,977,951
Total	\$2,958,400	\$2,905,720	\$3,026,988	\$3,369,412	\$3,823,023	\$ 3,216,709
Base Costs	\$ 1,633,400	\$ 1,726,345	\$ 1,768,129	\$ 2,030,956	\$ 2,404,855	\$ 1,912,737
Supplemental Non-De Minimis Costs	\$ 575,000	\$ 379,375	\$ 408,859	\$ 438,456	\$ 468,167	\$ 453,971
Supplemental Agricultural / Commercial Costs	\$ 750,000	\$ 800,000	\$ 850,000	\$ 900,000	\$ 950,000	\$ 850,000

# SCENARIO 5: ALTERNATIVE BUDGET APPROACH RATES

1. 10730.2 Funding All Costs		FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Year 1 Revenue	
Averaged Rate	Charge Basis	Year 1	Year 2	Year 3	Year 4	Year 5	Revenue by Category	Total - All Revenue
Domestic Rate	Per AF	\$34	\$35	\$37	\$39	\$41	\$61,970	\$3,216,709
Water System Rate	Per AF	\$42	\$44	\$46	\$49	\$52	\$52,236	
Agricultural / Commercial Rate	Per AF	\$58	\$60	\$64	\$67	\$71	\$3,102,502	

# SCENARIO 3 : REDUCED PROJECT COST BUDGET MODIFIED

- Both alternative water supply programs removed from budget (State Water Supply Program and Blended Water Supply Program).

→ Additional funding provided for:

- MILR Program (additional \$2,000,000 over 5 years).
- Water Conservation and Irrigation Efficiency Program (additional \$375,000 over 5 years).

Key
Base Costs (all extractor categories)
Supplemental Non-De Minimis Costs (water system, agricultural, commercial extractors)
Supplemental Agricultural / Commercial Costs (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average
<b>Program Administration</b>	% Increase					
SGMA-Required	2.5%					
Annual Report WY2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
Ongoing Basin Monitoring Operations & Maintenance	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144	\$ 315,380
Data Management System (DMS)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
SGMA-Required Subtotal	\$635,000	\$700,875	\$717,147	\$933,826	\$1,250,921	\$ 847,554
<b>Administrative</b>						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Technical Consultant(s) to support administrative services	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
Outreach Program	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Website Creation and Management	\$15,000	\$2,500	\$2,563	\$2,627	\$2,692	\$ 5,076
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$826,500	\$851,838	\$873,133	\$894,962	\$917,336	\$ 872,754
Program Administration Subtotal	\$1,461,500	\$1,552,713	\$1,590,280	\$1,828,787	\$2,168,257	\$ 1,720,307
<b>Projects and Management Actions</b>						
<b>Regulatory Projects</b>						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
Well Verification/Registration Program	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
<b>Demand Reduction Projects</b>						
MILR Program	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000	\$ 1,550,000
Demand Management Program	\$100,000	\$150,000	\$150,000	\$100,000	\$100,000	\$ 120,000
Water Conservation and Irrigation Efficiency Program	\$100,000	\$100,000	\$150,000	\$150,000	\$200,000	\$ 140,000
<b>Alternative Water Supply Projects</b>						
Blended Irrigation Water Supply Infrastructure Costs	\$0	\$0	\$0	\$0	\$0	\$ -
SWP Supply Program	\$0	\$0	\$0	\$0	\$0	\$ -
Groundwater Recharge Program	\$25,000	\$150,000	\$150,000	\$1,000,000	\$1,000,000	\$ 465,000
Project Feasibility Reserve	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Subtotal	\$1,325,000	\$1,758,750	\$2,317,719	\$3,626,912	\$4,186,335	\$ 2,642,943
Total	\$2,786,500	\$3,311,463	\$3,907,999	\$5,455,699	\$6,354,592	\$ 4,363,250
Base Costs	\$ 1,511,500	\$ 1,603,963	\$ 1,642,812	\$ 1,882,632	\$ 2,223,448	\$ 1,772,871
Supplemental Non-De Minimis Costs	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 105,127
Supplemental Agricultural / Commercial Costs	\$ 1,175,000	\$ 1,605,000	\$ 2,160,125	\$ 3,465,378	\$ 4,020,763	\$ 2,485,253

# SCENARIO 3 : REDUCED PROJECT COST BUDGET *MODIFIED* RATES

1. 10730.2 Funding All Costs		FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Year 1 Revenue	
Averaged Rate	Charge Basis	Year 1	Year 2	Year 3	Year 4	Year 5	Revenue by Category	Total - All Revenue
Domestic Rate	Per AF	\$31	\$33	\$34	\$36	\$38	\$57,439	\$4,363,250
Water System Rate	Per AF	\$33	\$35	\$36	\$38	\$41	\$41,263	
Agricultural / Commercial Rate	Per AF	\$79	\$83	\$88	\$93	\$98	\$4,264,549	

# RATE COMPARISON

Budget Scenarios		Scenario 1	Scenario 3	Scenario 5	Scenario 3 - Modified
		Full Implementation Budget (For Reference)	Alternative Water Supply Projects Removed	Alternative Approach	Alternative Water Supply Projects Removed; Additional Funding for MLR and Water Conservation Programs
Total Budget		\$12,029,250	\$3,888,250	\$3,216,709	\$4,363,250
Extractor Category	Charge Basis	Rate	Rate	Rate	Rate
Domestic Rate	Per AF	\$34	\$34	\$37	\$34
Water System Rate	Per AF	\$36	\$36	\$46	\$36
Agricultural / Commercial Rate	Per AF	\$246	\$78	\$64	\$88

## Notes:

- Year 3 rates are shown for simplicity.
- The fee study will establish the *maximum* budget amount and rates that can be charged each year. The PBCC / Successor Agency will determine the annual budget and rates each year, which may be lower than the maximum.



# RURAL DOMESTIC GROUNDWATER RATES

- The updated estimate of rural domestic groundwater use produces an applied water amount of 0.62 AFY.
- A preliminary consumptive use calculation reduces this amount by 26% to 0.46 AFY.
- Multiplying this preliminary consumptive use estimate by a rate of \$35 produces an annual charge of about **\$16 per rural domestic parcel**. Or \$1.35 per month.
- This amount would then be either charged to domestic extractors directly or paid for by PBCC members.

Potential Domestic Rate	\$35.00
Domestic Applied GW Use Estimate	0.62 AFY
Domestic Consumptive GW Use Estimate	0.46 AFY
Potential Annual Domestic Fee Amount	\$16.14



# OTHER CONSIDERATIONS

# FEE IMPLEMENTATION TIMING & POTENTIAL FUNDING GAP

- Fee implementation will likely be completed in time for placement on the 2025-26 tax bills (August 2025).
- Tax roll revenue is typically distributed in two installments – around January and around May.
- Should the successor agency to the PBCC elect to utilize this method of collection (this is recommended), funds will not begin to be distributed by the County until around January 2026.
  - ***This would bring about a 6-month funding gap in FY 2025-26.***

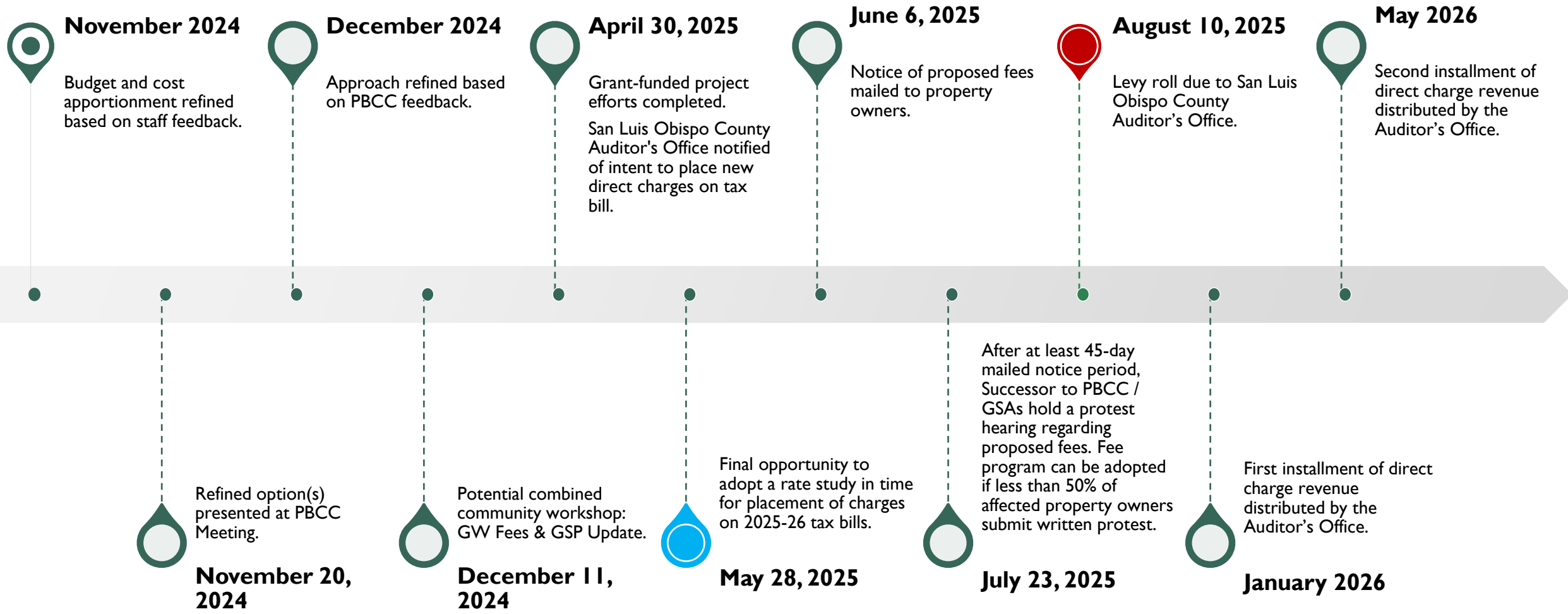
## Potential solution:

- GSAs could contribute funding based on their apportioned costs **determined by the fee study.**
  - Funds could be a continued contribution to the PBCC or successor agency.
  - Funds could be repaid to member agencies once tax bill revenue is distributed by the County – although this could produce further cash flow issues in Q1 of 2025.

## NOTE ON DE MINIMIS (DOMESTIC) EXTRACTORS:

- Per Proposition 218 requirements, cost apportionment must relate to the benefit or service being provided to those being charged (groundwater extractors).
- Today's preliminary cost apportionment attempts to account for the relatively minimal service / benefit provided to domestic extractors. However, some costs (such as Program Administration and Domestic Well Impact Mitigation) likely provide a service / benefit to these extractors.
- Although GSA staff initially expressed a desire that de minimis users not be required to pay a fee, this approach would likely require the GSAs to absorb the costs allocated to these users in the rate study.
- Due to challenges associated with the GSAs covering these costs, staff is now considering the possibility of charging these extractors.
- Depending on the final estimate of groundwater use per residence, this charge will likely be minimal.

# WATER CODE 10730.2 (PROP 218) FEE IMPLEMENTATION TIMELINE





# QUESTIONS / DISCUSSION

COST OF SERVICE STUDY PROGRESS UPDATE

JANUARY 22, 2025

**JOINT EXERCISE OF POWERS AGREEMENT  
FOR ADMINISTRATION OF  
THE PASO ROBLES AREA GROUNDWATER SUBBASIN  
GROUNDWATER SUSTAINABILITY PLAN**

THIS AGREEMENT is entered into pursuant to the Joint Exercise of Powers Act, Government Code §§ 6500 et seq. (“JPA Act”), by and among the Paso Robles Area Groundwater Subbasin Groundwater Sustainability Agencies (“GSAs”): the City of El Paso de Robles (“City”), the San Miguel Community Services District (“SMCSD”), the County of San Luis Obispo (“County”), the Shandon-San Juan Water District (“SSJWD”) and the Estrella-El Pomar-Creston Water District (“EPCWD”) (each referred to individually as a “Member” and collectively as the “Members”), for the purposes of forming a joint powers agency to serve as the groundwater authority for the Paso Robles Area Groundwater Subbasin.

**RECITALS**

**WHEREAS**, on September 16, 2014, Governor Jerry Brown signed into law Senate Bills (“SB”) 1168 and 1319 and Assembly Bill (“AB”) 1739, known collectively as the Sustainable Groundwater Management Act (Water Code §§ 10720 et seq.) (“SGMA”), which became effective on January 1, 2015 and which has been and may continue to be amended from time to time; and

**WHEREAS**, SGMA requires the establishment of a GSA or GSAs for all basins designated as medium or high priority by the California Department of Water Resources (“DWR”) on or before June 30, 2017; and

**WHEREAS**, SGMA further requires the adoption of a Groundwater Sustainability Plan (“GSP”) or coordinated GSPs for all basins designated by DWR as high or medium priority basins and subject to critical conditions of overdraft on or before January 31, 2020; and

**WHEREAS**, DWR designated the Paso Robles Area Subbasin (DWR Bulletin 118 Basin No. 3-004.06) (“Basin”) as a high priority basin subject to critical conditions of overdraft; and

**WHEREAS**, each of the Members is a GSA duly established in accordance with SGMA within its respective service area overlying the Basin; and

**DRAFT – SUBJECT TO CONSIDERATION AND APPROVAL BY INDIVIDUAL PASO ROBLES AREA GROUNDWATER SUSTAINABILITY AGENCIES (1/20/25)**

**WHEREAS**, the Members, with the exception of EPCWD, previously entered into a Memorandum of Agreement Regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin (“MOA”) on or about September 20, 2017 and an Amendment No. 1 to the MOA on or about March 13, 2020 for purposes of coordinating preparation of a single GSP for the Basin and for continued cooperation pending development of a long-term governance structure, including, but not limited to, through the Paso Basin Cooperative Committee (“PBCC”), an advisory committee created thereunder; and

**WHEREAS**, the EPCWD became a party to the MOA on or about June 6, 2023, and all of the Members entered into an Amendment No. 2 to the MOA on or about July 9, 2024 expressly permitting the County to contract with consultants on behalf of the PBCC subject to the terms and conditions of the MOA while the Members continued to explore long-term governance options; and

**WHEREAS**, the Members collectively developed, and each Member separately adopted, a single GSP to sustainably manage the Basin underlying their combined service area which was first submitted to DWR on January 30, 2020 with the exception of EPCWD which was not yet a GSA; and

**WHEREAS**, in response to comments provided by DWR, each of the Members separately adopted a single updated GSP (the “GSP”), except for EPCWD;

**WHEREAS**, the EPCWD has since agreed to implement the GSP within its service area; and

**WHEREAS**, the updated GSP was formally approved by letter from DWR on June 20, 2023; and

**WHEREAS**, each of the Members desires to create a single entity to perform GSP / SGMA administrative and regulatory compliance actions, development and implementation of certain management actions as described herein and establishment of the funding necessary to support said actions; and

**WHEREAS**, more specifically, the Members are entering into this Agreement to form the Paso Robles Area Groundwater Authority, a public entity separate and apart from the Members, to serve as the more formal governance structure anticipated under the MOA, which MOA is now outdated and is being replaced hereby.



**DRAFT – SUBJECT TO CONSIDERATION AND APPROVAL BY INDIVIDUAL PASO ROBLES AREA GROUNDWATER SUSTAINABILITY AGENCIES (1/20/25)**

**NOW, THEREFORE**, in consideration of the mutual promises, covenants and conditions set forth herein, the Members agree as follows:

**ARTICLE 1: INCORPORATION OF RECITALS**

- 1.1 The foregoing recitals are true and correct and are incorporated herein by reference.

**ARTICLE 2: DEFINITIONS**

The following terms shall have the following meanings for purposes of this Agreement:

- 2.1 “Agreement” means this Joint Exercise of Powers Agreement forming the Paso Robles Area Groundwater Authority for the Paso Robles Area Groundwater Subbasin.
- 2.2 “Authority” means the Paso Robles Area Groundwater Authority formed pursuant to this Agreement.
- 2.3 “Basin” means the Paso Robles Area Groundwater Subbasin, California Department of Water Resources Basin No. 3-004.06 as its boundaries may be modified from time to time in accordance with Water Code section 10722.2.
- 2.4 “Board of Directors” or “Board” means the governing body of the Authority as established by Article 6.1 of this Agreement.
- 2.5 “Bulletin 118” means DWR’s report entitled “California Groundwater: Bulletin 118” updated in 2016 and 2022, and as it may be subsequently updated or revised in accordance with Water Code section 12924.
- 2.6 “Director(s)” and “Alternate Director(s)” means a Director or Alternate Director appointed by a Member pursuant to Articles 6.1 and 6.2 of this Agreement.
- 2.7 “DWR” means the California Department of Water Resources.
- 2.8 “Effective Date” is the date this Agreement has been signed by all of the Members.

**DRAFT – SUBJECT TO CONSIDERATION AND APPROVAL BY INDIVIDUAL PASO ROBLES AREA GROUNDWATER SUSTAINABILITY AGENCIES (1/20/25)**

2.9 “Groundwater Sustainability Plan” or “GSP” means the Groundwater Sustainability Plan, as defined by SGMA in Water Code section 10727 et seq., adopted for the Basin and approved by DWR on June 20, 2023, and as may be subsequently amended by the Members.

2.10 “Joint Exercise of Powers Act” or “JPA Act” means Government Code section 6500 et seq., as amended from time to time.

2.11 “Member” means any of the signatories to this Agreement, and “Members” means all of the Signatories to this Agreement. Each Member is a GSA duly established in accordance with SGMA.

2.12 “Memorandum of Agreement” or “MOA” means the September 20, 2017 Memorandum of Agreement Regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin, including any amendments thereto.

2.13 “Officer(s)” means the Chair, Vice Chair, or Secretary of the Authority to be appointed by the Board of Directors pursuant to Article 6.5 of this Agreement.

2.14 “SGMA” means the Sustainable Groundwater Management Act of 2014 and all regulations adopted under the legislation (SB 1168, SB 1319 and AB 1739) that collectively comprises the Act, as that legislation and those regulations may be amended from time to time.

2.15 “State” means the State of California.

**ARTICLE 3: PURPOSE**

3.1 The purpose of this Agreement is to establish the Paso Robles Area Groundwater Authority and to set forth the terms and conditions under which the Authority is authorized to implement the GSP and otherwise manage the Basin under SGMA within the collective service area of the Members. This Agreement also sets forth, without limitation, how the Authority will be funded and the way it will operate. Nothing in this Agreement is intended to modify, limit, or otherwise interfere with individual Members’ municipal water use, authorities, or rights, including, but not limited to: police powers; land use authorities; well construction authorities; authorities to adopt or amend the GSP; authorities or rights regarding their respective water supplies and assets (including recycled water); and authorities or rights regarding their respective facilities, operations, or water management beyond those projects and initiatives identified in the

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GSP. By entering this Agreement, the Members make no commitment to contribute their water supply assets as part of the implementation of the GSP.

**ARTICLE 4: CREATION OF THE AUTHORITY**

4.1 Qualification of Members. Each Member certifies and declares that it is a public agency (as defined in Government Code Section 6500 et seq.) that is authorized to be a party to a joint exercise of powers agreement. Each Member certifies and declares that it is a GSA duly formed and existing pursuant to SGMA.

4.2 Creation of Authority. Pursuant to the JPA Act, the Members hereby create a joint powers agency which shall be known as the Paso Robles Area Groundwater Authority. The boundaries of the Authority shall be coterminous with the collective areas over which each Member is the GSA as of the Effective Date as depicted in Exhibit A attached hereto and incorporated herein by this reference or as may be modified over time. This Agreement forms the Authority as a public entity that is a separate and distinct legal entity from the Members.

4.3 Notice of Agreement. Within 30 days after the Effective Date, and after any amendment hereto, the County on behalf of the Authority shall cause a notice of this Agreement to be prepared and filed with the office of the California Secretary of State containing the information required by Government Code section 6503.5. Within 30 days after the Effective Date, the County on behalf of the Authority shall cause a statement of the information concerning the Authority, required by Government Code section 53051, to be filed with the office of the California Secretary of State and with the County Clerk, setting forth the facts required to be stated pursuant to Government Code section 53051, subd. (a).

4.4 Purposes of Authority. The purpose of the Authority is to establish the mechanism by which the Members will jointly carry out and fund (consistent with the provisions of Article 7 of this Agreement), certain administrative and regulatory functions under SGMA as well as development and implementation of certain management actions through coordinated exercise of the powers thereunder and other joint powers within the Basin subject to the limitations set forth herein. Nothing in this Section is intended to modify, limit, or otherwise interfere with individual Members' municipal water use, authorities, or rights as set forth in Section 3.1 above.

4.5 Initial Powers of Authority. The following are the initial authorities granted to the Authority and for which further individual Member approval is not required:

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- a. Completion of the regulatory requirements under SGMA including, but not limited to, preparing and submitting the annual reports described in section 356.2 of Title 23 of the California Code of Regulations (“CCR”) and section 9.3.1.3 of the GSP and the five-year GSP evaluations described in 23 CCR section 356.4 and section 9.3.1.4 of the GSP and serving as the plan manager as defined in 23 CCR section 351(z) in connection therewith.
- b. Development and implementation of the Communication and Engagement Plan set forth in Appendix M of the GSP and to otherwise undertake stakeholder outreach; however, this shall not preclude any Member from undertaking additional stakeholder outreach within its boundaries.
- c. Development and implementation of the Data Gap Plan set forth in Appendix L2 of the GSP and to otherwise develop and implement an enhanced monitoring program, provided that any update to the monitoring program shall not be in contravention of existing confidentiality or any other obligations under the existing San Luis Obispo Flood Control and Water Conservation District (“FCWCD”) Water Level Measuring Program as determined by the County Director of Public Works or designee.
- d. Development and implementation of a voluntary groundwater demand reduction program, which may include fallowing and other water demand reduction or land repurposing strategies as described in section 9.3.4 of the GSP; and development and implementation of a mandatory demand reduction program should the voluntary program prove inadequate.
- e. Development and adoption of an annual budget to exercise the authorities granted hereunder or as may be delegated by the Members in accordance with Section 4.6 below provided that nothing herein shall authorize the Authority to require Member contributions beyond those specifically identified in Section 7.1 below or otherwise approved by a 4/5 vote of the Board of Directors consistent with Section 6.8(3) below.
- f. Development and adoption of a plan to fund exercise of the authorities granted hereunder or as may be subsequently delegated by the Members, including but not limited to, adoption by the Authority of a fee(s) pursuant

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to Water Code section 10730 et seq. and all actions necessary for the Authority to establish and collect said fee(s) and application and receipt of grant funds.

- g. Adoption or establishment of rules, regulations, policies, bylaws and procedures related to exercise of the authorities granted hereunder or as may be subsequently delegated by the Members, including, but not limited to, adoption of a procurement and purchasing policy and a conflict of interest code.
- h. Retention of consultants, contractors, or employees to assist the Authority in carrying out its purposes and day-to-day operations, including, without limitation, a financial consultant, legal counsel, accountant, administrative personnel, hydrogeologist, executive director, or other specialty services as may be deemed appropriate to carry out the terms of this Agreement and as more specifically set forth in Section 4.10 below.
- i. Perform all other acts reasonably necessary for the Authority to exercise the powers of the authority set forth in this Section 4.5 or as subsequently delegated pursuant to Section 4.7 below. Without limiting any other provision of this Agreement, this includes authorization to: make and enter contracts; employ agents and employees; acquire, hold or dispose of property; incur debts, liabilities or obligations; and to sue or be sued in the Authority's own name.

4.6 Restriction on Exercise of Powers Designation. For purposes of Government Code section 6509, all powers of the Authority shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed on the County, and in the event of the withdrawal of the County as a Member under this Agreement, then the manner of exercising the Authority's powers shall be exercised subject to those restrictions imposed on the City.

4.7. Additional Powers-Subsequent Implementation Activities. With the exception of activities within the authorities set forth in Section 4.5 above or necessary for the full exercise thereof, the Authority shall not undertake any GSP implementation activities within the service area of a particular Member(s) or that impact water use within the service area of a particular Member(s) without that Member(s)' prior written approval; and the Authority shall not undertake any Basin-wide GSP implementation activities with the exception of activities within the authorities set forth in Section 4.5 above or necessary for the full exercise thereof unless approved by the governing bodies of at least 4 of the 5 Members. Said approval or future

delegation shall not be deemed and need not require an amendment to this Agreement unless said activities cannot be conducted consistent with the terms of this Agreement. However, nothing herein prohibits any Member from exercising its individual authority to enact an ordinance or regulation imposing mandatory extraction limitations or other demand reduction measures in furtherance of GSP implementation within its service area. In addition, without limiting the foregoing, nothing herein shall be construed as authorizing the Authority to acquire a right to appropriate or otherwise receive surface water from Santa Margarita Lake, Lake Nacimiento or the Salinas River or to utilize infrastructure owned or operated by any Member or the FCWCD related thereto without their prior approval.

4.8 Term. This Agreement shall be effective as of the Effective Date and shall remain in effect until terminated in accordance with Section 8.2 or Section 8.3 of this Agreement.

4.9 Role of Member Agencies. Although it is anticipated that the Authority will hire its own staff, the Members will provide support to the Board of Directors by making information and meeting facilities available, Member resources permitting and subject to the execution of any necessary acknowledgement of confidentiality agreement(s) (e.g. with respect to confidential private well data). The Members will endeavor to respond quickly to any recommendations or requests made by the Board of Directors or its staff.

4.10 Executive Director and Employees. The Board may appoint an Executive Director or other designated manager (“Executive Director”) or other employees.

- a. The Executive Director’s compensation shall be determined by the Board.
- b. The Executive Director shall serve at the pleasure of the Board and shall be responsible to the Board for the proper and efficient administration of the Authority. The Executive Director shall have the powers designated by the Board.
- c. The Executive Director shall serve until s/he resigns or the Board terminates her/his appointment.
- d. The Board shall have the power to employ such other consultants or personnel as set forth in Section 4.5(h) above.

## **ARTICLE 5: MEMBERSHIP**

5.1 Members. The Members of the Authority shall be:

- a. City of El Paso de Robles;
- b. San Miguel Community Services District;
- c. County of San Luis Obispo;
- d. Shandon-San Juan Water District; and
- e. Estrella-El Pomar-Creston Water District

as long as they have not, pursuant to the provisions hereof, withdrawn from this Agreement.

5.2 New Members. Any local agency, as defined by SGMA, that is not a Member on the Effective Date of this Agreement may become a Member upon all of the following:

- a. Amendment of the Agreement in accordance with Section 9.2;
- b. Successful enactment / establishment within the service area of the local agency of any applicable fee(s) or charges on extraction that have been levied by the Authority; and
- c. The local agency is presumed to be the exclusive GSA within its service area as described in Water Code section 10723.8 and adoption of the GSP by the local agency.

## **ARTICLE 6: GOVERNANCE**

6.1 Board of Directors. The business of the Authority will be conducted by a Board of Directors that is hereby established and that shall be initially composed of one primary representative appointed by each Member. Without amending this Agreement, the composition of the Board of Directors shall be altered from time to time to reflect the withdrawal of any Member or the admission of a Member pursuant to Section 5.2. Members of the Board of Directors are required to be members of the governing board of the appointing Member.

6.2 Alternate Directors. Each Member shall designate one alternate to serve in the absence of that Member’s primary representative on the Board of Directors. Alternate Directors shall not vote or participate in any deliberations unless appearing as a substitute for a Director due to absence or conflict of interest. If the Director is not present, or if the Director has a conflict of interest which precludes participation by the Director in any decision-making process of the Board, the Alternate Director appointed to act in his/her place shall assume all rights of the Director and shall have the authority to act in his/her absence, including casting votes on matters before the Board. Alternate Directors are required to be members of the governing board of the appointing Member.

6.3 Statement of Economic Interests. All primary members of the Board of Directors and all alternates shall file a Statement of Economic Interests (FPPC Form 700). Each Member shall notify the Authority in writing of its designated primary and alternate representatives on the Board of Directors.

6.4 Term of Directors. Each Member of the Board of Directors will serve until replaced by the appointing Member.

6.5 Officers. The Board of Directors shall elect a Chair, Vice Chair, and Secretary. Officers shall be elected at the first Board meeting, and thereafter at the first Board meeting following January 1st of each year.

- a. Chair. The Chair shall preside at all meetings of the Board of Directors.
- b. Vice Chair. The Vice Chair shall exercise all powers of the Chair in the Chair’s absence or inability to act.
- c. Secretary. The Secretary shall keep minutes of the Board of Director meetings.

Consistent with Government Code section 6505.6, it is anticipated that the Authority will appoint its Executive Director as Treasurer and Auditor of the Authority to comply with the duties and responsibilities of the offices as set forth in Government Code section 6505.1 and 6505.5, including, without limitation, causing an annual independent audit to be made by a certified public accountant, or public accountant, in compliance with Government Code section 6505. Nothing herein shall be construed as limiting the Executive Director’s ability to otherwise retain the services of an accountant or bookkeeper to assist him or her in fulfillment of the obligations hereunder in a manner consistent with Authority procurement procedures or as



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otherwise authorized by the Board of Directors. In addition, nothing herein shall be construed as preventing the Authority from appointing someone other than the Executive Director as Treasurer and Auditor consistent with Government Code section 6505.6. At the first meeting of the Board of Directors, the Authority shall appoint one of the officers specifically identified above to the position of interim Treasurer and Auditor to comply with the duties and responsibilities described above pending retention of an Executive Director to serve in such position.

6.6 Powers and Limitations. All the powers and authority of the Authority shall be exercised by the Board, subject, however, to the rights reserved by the Members as set forth in this Agreement.

6.7 Quorum. A majority of the Members of the Board of Directors will constitute a quorum.

6.8 Voting. On all matters considered by the Authority, each Director shall have one vote and action shall require a majority vote of the Board of Directors subject to the following matters, which shall require a 4/5 vote of the Board of Directors: (1) approval of the annual budget and any amendment or adjustment thereto; (2) decisions related to the imposition of mandatory limitations on groundwater extractions; and (3) decisions related to requiring Member contributions beyond those identified in Section 7.1 to cover the cost of any budgeted costs not covered by extraction fees. In addition to the foregoing and notwithstanding any other provision of this Agreement, including any provision related to voting thresholds for Board of Director action, any action by the Board of Directors shall further require the affirmative vote of at least two (2) of the three (3) Directors (or Alternate Directors) appointed by the County, the SSJWD and the EPCWD.

6.9 Meetings. The Board of Directors shall provide for regular and special meetings in accordance with Chapter 9, Division 2, Title 5 of the Government Code (the “Ralph M. Brown Act” commencing at section 54950), and any subsequent amendments of those provisions.

6.10 By-Laws. The Board of Directors may adopt by-laws to supplement this Agreement. In the event of conflict between this Agreement and the by-laws, the provisions of this Agreement shall govern.

6.11 Advisory Committees. The Board of Directors may establish one or more advisory committees, technical committees or other committees for any purpose.

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6.12 Compensation. No Director or member of an advisory committee shall be compensated by the Authority for preparation for or attendance at meetings of the Board of Directors or meetings of any committee created by the Board. Nothing in this Section 6.12 is intended to prohibit a Member from compensating its representatives on the Board of Directors or on a committee for attending such meetings.

**ARTICLE 7: FINANCIAL PROVISIONS**

7.1 Contributions and Expenses. It is anticipated that the vast majority of costs associated with the GSP implementation activities described herein will be funded through a fee(s) on all extractors within the Basin under Water Code section 10730 et seq. in effect not later than December 2025. Thus, the Members agree to contribute the Members’ share of costs allocated under the Fiscal Year 2024-2025 PBCC budget previously approved by each of the Members under the terms of the MOA (“FY 2024-2025 PBCC Budget”) to the Authority’s initial and Fiscal Year 2025-2026 budgets. To the extent the FY 2024-2025 PBCC Budget is insufficient to cover Authority costs through December 2025 and additional funding has been approved by a 4/5 vote of the Board of Directors, the Members agree to contribute to the additional funding based on the same percentage shares approved by the Members in connection with the FY 2024-2025 PBCC Budget for costs through December 2025. Payment will be made to the Treasurer or interim Treasurer.

7.2 Liability of Board and Officers. The funds of the Authority may be used to defend, indemnify and hold harmless the Authority, and any Director, officer, employee, or agent for actions taken within the scope of the authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance including, but not limited to, directors and officers liability insurance.

7.3 Repayment of Funds. No refund or repayment of the funds set forth in Section 7.1 above or otherwise approved by a 4/5 vote of the Board of Directors consistent with Section 6.8(3) above will be made to a Member ceasing to be a Member of this Agreement pursuant to a withdrawal described in Section 8.1 except as expressly required thereby.

7.4 Budget. The Authority’s fiscal year shall run from July 1 through June 30. Each fiscal year, the Board shall adopt a budget for the Authority for the ensuing fiscal year. Within ninety (90) days of the Effective Date of this Agreement, the Board shall adopt an initial budget that is consistent with the FY 2024-2025 PBCC Budget. Thereafter, a budget shall be adopted no later than April 30 of the preceding fiscal year.

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7.5 Depository. The Treasurer shall (i) be the depository of the Authority, (ii) have custody of all funds of the Authority, and (iii) have the duties and obligations of the Treasurer as set forth in Section 6.5 above. All funds of the Authority shall be held in separate accounts in the name of the Authority and shall not be commingled with funds of any Member or any other person or entity.

7.6 Accounting. Full books and accounts shall be maintained for the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. The books and records of the Authority shall be open to inspection by the Members at all reasonable times, and by bondholders and lenders as and to the extent provided by resolution or indenture.

7.7 Auditor. The Auditor shall have the duties and obligations as Auditor of the Authority as set forth in Section 6.5 above. The Auditor shall ensure strict accountability of all receipts and disbursements of the Authority. Copies of reports from the annual audit described in Section 6.5 above shall be filed with the State Controller and each Member within six (6) months of the end of the fiscal year under examination.

7.8 Expenditures. All expenditures within the designations and limitations of the applicable approved budget shall be made upon the approval of any officer so authorized by the Authority Board of Directors. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the approval and written order of the Board. The Board shall requisition the payments of funds only upon approval or claims or disbursements and requisition for payment in accordance with policies and procedures adopted by the Board.

**ARTICLE 8: CHANGES TO MEMBERSHIP, WITHDRAWAL AND TERMINATION**

8.1 Withdrawal of Members.

8.1.1. Automatic Withdrawal. A Member shall be deemed to have unilaterally withdrawn from this Agreement at the time it ceases to exist as a GSA provided that said withdrawal shall not be effective unless and until another Member(s) elects to include the withdrawing Member's service area within their boundaries such that fees can continue to be collected therein. However, this requirement shall not apply if the Member ceases to be a GSA because its service area is no longer subject to SGMA.

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8.1.2. Voluntary Withdrawal. A Member may, in its sole discretion, unilaterally choose to withdraw from the Authority, effective upon ninety (90) days' prior written notice to the Authority provided that the withdrawing Member shall remain obligated to pay a percentage share of costs as outlined in the current Authority annual budget incurred, accrued or encumbered up to the date the withdrawing Member provides notice of withdrawal in an amount equal to the percentage of fees collected within the withdrawing Member's service area. The withdrawing Member will thereafter be solely responsible for funding SGMA compliance and GSP implementation within its service area. Notwithstanding the foregoing or anything in this Agreement to the contrary, the Authority shall not rely on funding from any Member that does not concur with (i) an approved annual budget, (ii) an amendment to the budget, or (iii) a Member contribution described in Section 6.8(3) above, and the non-concurring Member shall not be liable for any costs that are incurred, accrued or encumbered following the non-concurring Member's vote against an approved annual budget, amendment to the budget, or Member contribution, provided the non-concurring Member notices its intent to withdraw from the Authority in the manner provided for in this Section 8.1.2 within thirty (30) days of the Authority's approval of any annual budget, amendment to the budget, or Member contribution.

8.1.3. Voting following a Member's Withdrawal. In the event of the withdrawal of a Member, such that four Members will remain, each of the four remaining Directors shall continue to have one vote and any action that requires a 4/5 vote of the Board of Directors under the terms of this Agreement shall thereafter require the affirmative vote of three of the Directors regardless of how many Members are present and voting. In the event of subsequent withdrawals, the remaining Members shall amend this Agreement in accordance with Section 9.2 below to address voting thresholds and other procedural matters. Without limiting Section 8.3 below, the failure of the remaining Members to agree to an amendment within sixty (60) days of the effective date of withdrawal will result in automatic termination of this Agreement.

8.2 Automatic Termination. This Agreement will automatically terminate on June 30, 2026 if the Authority has not yet established a fee or fees to fund its activities as described above. However, nothing herein shall be construed as preventing the Members or a subset thereof from entering into a subsequent agreement related to Basin management and implementation of the GSP. In the event of automatic termination under this Section 8.2, each of the Members shall remain obligated to pay the contributions described in Section 7.1 or otherwise approved by a 4/5 vote of the Board of Directors consistent with Section 6.8(3) above accrued or encumbered prior to the date of termination.

8.3 Termination. This Agreement and the Authority may be terminated by the written consent of four of the five Members subject to the terms and conditions herein. Approval of a Member is valid only after that Member’s governing body approves the termination at a public meeting. Neither individual Directors nor individual members of the Members’ governing boards have the authority, express or implied, to terminate this Agreement. In the event of termination under this Section 8.3, each of the Members shall remain obligated to pay the contributions described in Section 7.1 above or otherwise approved by a 4/5 vote of the Board of Directors consistent with Section 6.8(3) above accrued or encumbered prior to the date of termination.

8.4 Disposition of Property upon Termination. Upon termination of this Agreement, the assets of the Authority shall be transferred to the Authority’s successor, provided that a public entity will succeed the Authority, or in the event that there is no successor public entity, to the Members in proportion to the contributions made by each Member. If the successor public entity will not assume all of the Authority’s assets, the Board shall distribute the Authority’s assets between the successor entity and the Members in proportion to the obligation described in Section 7.1 above or as otherwise approved by a 4/5 vote of the Board of Directors consistent with Section 6.8(3) above. With respect to revenue collected by the Authority through a fee(s) on extractors within the Basin, upon termination of this Agreement in the event of no successor public entity, the Board shall distribute any such revenue on hand to the Members in proportion to the amount of revenue collected from extractors within each Member’s service area or as otherwise required by law.

8.5 Use of Data and GSP. Upon withdrawal or termination, any Member shall be entitled to use any data or other information developed by the Authority during its time as a Member after signing and subject to an acknowledgement of confidentiality agreement with the Authority, FCWCD, County and any other Member or agency that provided confidential data to the Authority that prohibits the Member from disclosing confidential information, including but not limited to private well data, or privileged communications, including, but not limited to, attorney-client communications, or from otherwise making a disclosure in contravention of applicable law or agreement and that requires the Member to indemnify the providing parties from any breach of this prohibition.

## **ARTICLE 9: MISCELLANEOUS PROVISIONS**

9.1 Indemnification. The Authority shall hold harmless, defend and indemnify the Members, and their agents, officers and employees from and against any liability, claims,

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actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property arising out of the activities of the Authority, or its agents, officers and employees under this Agreement. These indemnification obligations shall continue beyond the Term of this Agreement, as defined in Section 4.8 above, as to any acts or omissions occurring before or under this Agreement or any extension of this Agreement.

9.2 Amendments. This Agreement may be amended from time to time by the consent of the Members. Minor Amendments may be made by consent of a majority of the Members, whereas all other amendments shall require unanimous consent of all Members. A “Minor Amendment” is one that does not change the overall substance of this Agreement and does not affect the rights and/or obligations of any or all of the Members, or that is required simply to comply with the procedural requirements of the JPA Act or other applicable law; all other amendments shall be considered “Major Amendments.” Approval of a Member is valid only after that Member’s governing body approves the amendment at a public meeting. Neither individual Directors nor individual members of the Members’ governing boards have the authority, express or implied, to amend, modify, waive or in any way alter this Agreement or the terms and conditions hereof. To provide non-concurring Members an opportunity to withdraw from the Authority, any amendment to this Agreement shall be binding on all Members thirty (30) days after the required concurrence has been obtained.

9.3 Binding on Successors. Except as otherwise provided in this Agreement, the rights and duties of the Members may not be assigned or delegated without the written consent of four of the five Members. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Authority then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members hereto.

9.4 Notice. Any notice or instrument required to be given or delivered under this Agreement may be made by: (a) depositing the same in any United States Post Office, postage prepaid, and shall be deemed to have been received at the expiration of 72 hours after its deposit in the United States Post Office; (b) transmission by facsimile copy to the addressee; (c) transmission by electronic mail; or (d) personal delivery. On the signature page of this Agreement, each party shall provide contact information for the purpose of notification and said contact information can be updated by written notice to each Member in accordance with this Section 9.4.

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9.5 Counterparts. This Agreement may be executed by the Members in separate counterparts, each of which when so executed and delivered shall be an original. All such counterparts shall together constitute but one and the same instrument.

9.6 Choice of Law. This Agreement shall be governed by the laws of the State of California.

9.7 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement is held to be unlawful, invalid or unenforceable, it is hereby agreed by the Members that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

9.8 Headings. The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Members to this Agreement.

9.9 Construction and Interpretation. This Agreement has been arrived at through negotiation and each Member has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Member shall not apply in the construction or interpretation of this Agreement.

9.10 Entire Agreement. This Agreement constitutes the entire agreement among the Members and supersedes all prior agreements and understandings, written or oral. By entering into this Agreement, the Members agree that they are hereby unanimously terminating the MOA pursuant to Section 9.1. of the MOA and the existence of the PBCC.

**IN WITNESS WHEREOF**, the parties hereto have caused the Agreement to be executed on the dates set forth below:

CITY OF EL PASO DE ROBLES

By: \_\_\_\_\_

Date: \_\_\_\_\_

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ROBLES AREA GROUNDWATER SUSTAINABILITY AGENCIES (1/20/25)**

Contact information: \_\_\_\_\_

APPROVED AS TO FORM AND LEGAL  
EFFECT:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

SHANDON SAN JUAN WATER DISTRICT

By: \_\_\_\_\_

Date: \_\_\_\_\_

Contact information: \_\_\_\_\_

APPROVED AS TO FORM AND LEGAL  
EFFECT:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

COUNTY OF SAN LUIS OBISPO

By: \_\_\_\_\_

Date: \_\_\_\_\_

Contact information: \_\_\_\_\_

APPROVED AS TO FORM AND LEGAL



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ROBLES AREA GROUNDWATER SUSTAINABILITY AGENCIES (1/20/25)**

EFFECT:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

SAN MIGUEL COMMUNITY SERVICES DISTRICT

By: \_\_\_\_\_

Date: \_\_\_\_\_

Contact information: \_\_\_\_\_

APPROVED AS TO FORM AND LEGAL  
EFFECT:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

ESTRELLA-EL POMAR-CRESTON WATER DISTRICT

By: \_\_\_\_\_

Date: \_\_\_\_\_

Contact information: \_\_\_\_\_

APPROVED AS TO FORM AND LEGAL  
EFFECT:

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By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**DRAFT**

**EXHIBIT A**

**JOINT EXERCISE OF POWERS AGREEMENT  
FOR ADMINISTRATION OF  
THE PASO ROBLES AREA GROUNDWATER SUBBASIN  
GROUNDWATER SUSTAINABILITY PLAN**

THIS AGREEMENT is entered into pursuant to the Joint Exercise of Powers Act, Government Code §§ 6500 et seq. (“JPA Act”), by and among the following Groundwater Sustainability Agencies (“GSAs”) within the Paso Robles Area Groundwater Subbasin : the City of El Paso de Robles (“City”), the County of San Luis Obispo (“County”), the Shandon-San Juan Water District (“SSJWD”) and the Estrella-El Pomar-Creston Water District (“EPCWD”) (each referred to individually as a “Member” and collectively as the “Members”), for the purposes of forming a joint powers agency to serve as the groundwater authority within their combined service area within the Paso Robles Area Groundwater Subbasin.

**RECITALS**

**WHEREAS**, on September 16, 2014, Governor Jerry Brown signed into law Senate Bills (“SB”) 1168 and 1319 and Assembly Bill (“AB”) 1739, known collectively as the Sustainable Groundwater Management Act (Water Code §§ 10720 et seq.) (“SGMA”), which became effective on January 1, 2015 and which has been and may continue to be amended from time to time; and

**WHEREAS**, SGMA requires the establishment of a GSA or GSAs for all basins designated as medium or high priority by the California Department of Water Resources (“DWR”) on or before June 30, 2017; and

**WHEREAS**, SGMA further requires the adoption of a Groundwater Sustainability Plan (“GSP”) or coordinated GSPs for all basins designated by DWR as high or medium priority basins and subject to critical conditions of overdraft on or before January 31, 2020; and

**WHEREAS**, DWR designated the Paso Robles Area Subbasin (DWR Bulletin 118 Basin No. 3-004.06) (“Basin”) as a high priority basin subject to critical conditions of overdraft; and

**WHEREAS**, each of the Members is a GSA duly established in accordance with SGMA within its respective service area overlying the Basin; and

**WHEREAS**, the Members, with the exception of EPCWD, and the San Miguel Community Services District (“SMCSD”), previously entered into a Memorandum of Agreement

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Regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin (“MOA”) on or about September 20, 2017 and an Amendment No. 1 to the MOA on or about March 13, 2020 for purposes of coordinating preparation of a single GSP for the Basin and for continued cooperation pending development of a long-term governance structure, including, but not limited to, through the Paso Basin Cooperative Committee (“PBCC”), an advisory committee created thereunder; and

**WHEREAS**, the EPCWD became a party to the MOA on or about June 6, 2023, and all of the Members and the SMCSD entered into an Amendment No. 2 to the MOA on or about July 9, 2024 expressly permitting the County to contract with consultants on behalf of the PBCC subject to the terms and conditions of the MOA while the Members and SMCSD continued to explore long-term governance options; and

**WHEREAS**, the Members, together with the SMCSD, collectively developed, and separately adopted, a single GSP to sustainably manage the Basin underlying their combined service area which was first submitted to DWR on January 30, 2020 with the exception of the EPCWD which was not yet a GSA; and

**WHEREAS**, in response to comments provided by DWR, each of the Members and SMCSD separately adopted a single updated GSP (the “GSP”), except for EPCWD; and

**WHEREAS**, the EPCWD has since agreed to implement the GSP within its service area; and

**WHEREAS**, the updated GSP was formally approved by letter from DWR on June 20, 2023; and

**WHEREAS**, each of the Members desires to create a single entity to perform GSP / SGMA administrative and regulatory compliance actions, development and implementation of certain management actions as described herein and establishment of the funding necessary to support said actions within their combined service area within the Basin; and

**WHEREAS**, more specifically, the Members are entering into this Agreement to form the Paso Robles Area Groundwater Authority, a public entity separate and apart from the Members, to serve as the more formal governance structure anticipated under the MOA, which MOA is now outdated and is being replaced hereby.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants and conditions set forth herein, the Members agree as follows:

**ARTICLE 1: INCORPORATION OF RECITALS**

- 1.1 The foregoing recitals are true and correct and are incorporated herein by reference.

**ARTICLE 2: DEFINITIONS**

The following terms shall have the following meanings for purposes of this Agreement:

- 2.1 “Agreement” means this Joint Exercise of Powers Agreement forming the Paso Robles Area Groundwater Authority for the Members’ combined service area within the Basin.
- 2.2 “Authority” means the Paso Robles Area Groundwater Authority formed pursuant to this Agreement.
- 2.3 “Basin” means the Paso Robles Area Groundwater Subbasin, California Department of Water Resources Basin No. 3-004.06 as its boundaries may be modified from time to time in accordance with Water Code section 10722.2.
- 2.4 “Board of Directors” or “Board” means the governing body of the Authority as established by Article 6.1 of this Agreement.
- 2.5 “Bulletin 118” means DWR’s report entitled “California Groundwater: Bulletin 118” updated in 2016 and 2022, and as it may be subsequently updated or revised in accordance with Water Code section 12924.
- 2.6 “Director(s)” and “Alternate Director(s)” means a Director or Alternate Director appointed by a Member pursuant to Articles 6.1 and 6.2 of this Agreement.
- 2.7 “DWR” means the California Department of Water Resources.
- 2.8 “Effective Date” is the date this Agreement has been signed by all of the Members.

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2.9 “Groundwater Sustainability Plan” or “GSP” means the Groundwater Sustainability Plan, as defined by SGMA in Water Code section 10727 et seq., adopted for the Basin and approved by DWR on June 20, 2023, and as may be subsequently amended by the Members.

2.10 “Joint Exercise of Powers Act” or “JPA Act” means Government Code section 6500 et seq., as amended from time to time.

2.11 “Member” means any of the signatories to this Agreement, and “Members” means all of the Signatories to this Agreement. Each Member is a GSA duly established in accordance with SGMA.

2.12 “Memorandum of Agreement” or “MOA” means the September 20, 2017 Memorandum of Agreement Regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin, including any amendments thereto.

2.13 “Officer(s)” means the Chair, Vice Chair, or Secretary of the Authority to be appointed by the Board of Directors pursuant to Article 6.5 of this Agreement.

2.14 “SGMA” means the Sustainable Groundwater Management Act of 2014 and all regulations adopted under the legislation (SB 1168, SB 1319 and AB 1739) that collectively comprises the Act, as that legislation and those regulations may be amended from time to time.

2.15 “State” means the State of California.

**ARTICLE 3: PURPOSE**

3.1 The purpose of this Agreement is to establish the Paso Robles Area Groundwater Authority and to set forth the terms and conditions under which the Authority is authorized to implement the GSP and otherwise manage the Basin under SGMA within the collective service area of the Members. This Agreement also sets forth, without limitation, how the Authority will be funded and the way it will operate. Nothing in this Agreement is intended to modify, limit, or otherwise interfere with individual Members’ municipal water use, authorities, or rights, including, but not limited to: police powers; land use authorities; well construction authorities; authorities to adopt or amend the GSP; authorities or rights regarding their respective water supplies and assets (including recycled water); and authorities or rights regarding their respective facilities, operations, or water management beyond those projects and initiatives identified in the GSP. By entering this Agreement, the Members make no commitment to contribute their water supply assets as part of the implementation of the GSP.

**ARTICLE 4: CREATION OF THE AUTHORITY**

4.1 Qualification of Members. Each Member certifies and declares that it is a public agency (as defined in Government Code Section 6500 et seq.) that is authorized to be a party to a joint exercise of powers agreement. Each Member certifies and declares that it is a GSA duly formed and existing pursuant to SGMA.

4.2 Creation of Authority. Pursuant to the JPA Act, the Members hereby create a joint powers agency which shall be known as the Paso Robles Area Groundwater Authority. The boundaries of the Authority shall be coterminous with the collective areas over which each Member is the GSA as of the Effective Date as depicted in Exhibit A attached hereto and incorporated herein by this reference or as may be modified over time. This Agreement forms the Authority as a public entity that is a separate and distinct legal entity from the Members. Should other local agencies become new Members of the Authority pursuant to Section 5.2 below after the Effective Date, the boundaries of the Authority shall be updated to include their service areas within the Basin.

4.3 Notice of Agreement. Within 30 days after the Effective Date, and after any amendment hereto, the County on behalf of the Authority shall cause a notice of this Agreement to be prepared and filed with the office of the California Secretary of State containing the information required by Government Code section 6503.5. Within 30 days after the Effective Date, the County on behalf of the Authority shall cause a statement of the information concerning the Authority, required by Government Code section 53051, to be filed with the office of the California Secretary of State and with the County Clerk, setting forth the facts required to be stated pursuant to Government Code section 53051, subd. (a).

4.4 Purposes of Authority. The purpose of the Authority is to establish the mechanism by which the Members will jointly carry out and fund (consistent with the provisions of Article 7 of this Agreement), certain administrative and regulatory functions under SGMA as well as development and implementation of certain management actions through coordinated exercise of the powers thereunder and other joint powers within the Basin subject to the limitations set forth herein. Nothing in this Section is intended to modify, limit, or otherwise interfere with individual Members' municipal water use, authorities, or rights as set forth in Section 3.1 above.

4.5 Initial Powers of Authority. The following are the initial authorities granted to the Authority and for which further individual Member approval is not required:

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- a. Completion of the regulatory requirements under SGMA including, but not limited to, preparing and submitting the annual reports described in section 356.2 of Title 23 of the California Code of Regulations (“CCR”) and section 9.3.1.3 of the GSP and the five-year GSP evaluations described in 23 CCR section 356.4 and section 9.3.1.4 of the GSP and serving as the plan manager on behalf of the Members as defined in 23 CCR section 351(z) in connection therewith.
- b. Development and implementation of the Communication and Engagement Plan set forth in Appendix M of the GSP and to otherwise undertake stakeholder outreach within the Members’ combined service area; however, this shall not preclude any Member from undertaking additional stakeholder outreach within its boundaries.
- c. Development and implementation of the Data Gap Plan set forth in Appendix L2 of the GSP and to otherwise develop and implement an enhanced monitoring program within the Members’ combined service area, provided that any update to the monitoring program shall not be in contravention of existing confidentiality or any other obligations under the existing San Luis Obispo Flood Control and Water Conservation District (“FCWCD”) Water Level Measuring Program as determined by the County Director of Public Works or designee.
- d. Development and implementation of a voluntary groundwater demand reduction program within the Members’ combined service area, which may include fallowing and other water demand reduction or land repurposing strategies as described in section 9.3.4 of the GSP; and development and implementation of a mandatory demand reduction program should the voluntary program prove inadequate.
- e. Development and adoption of an annual budget to exercise the authorities granted hereunder or as may be delegated by the Members in accordance with Section 4.6 below provided that nothing herein shall authorize the Authority to require Member contributions beyond those specifically identified in Section 7.1 below or otherwise approved by an affirmative vote of three (3) of the Directors consistent with Section 6.8(3) below.
- f. Development and adoption of a plan to fund exercise of the authorities granted hereunder or as may be subsequently delegated by the Members,



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including but not limited to, adoption by the Authority of a fee(s) pursuant to Water Code section 10730 et seq. and all actions necessary for the Authority to establish and collect said fee(s) and application and receipt of grant funds.

- g. Adoption or establishment of rules, regulations, policies, bylaws and procedures related to exercise of the authorities granted hereunder or as may be subsequently delegated by the Members, including, but not limited to, adoption of a procurement and purchasing policy and a conflict of interest code.
- h. Retention of consultants, contractors, or employees to assist the Authority in carrying out its purposes and day-to-day operations, including, without limitation, a financial consultant, legal counsel, accountant, administrative personnel, hydrogeologist, executive director, or other specialty services as may be deemed appropriate to carry out the terms of this Agreement and as more specifically set forth in Section 4.10 below.
- i. Perform all other acts reasonably necessary for the Authority to exercise the powers of the authority set forth in this Section 4.5 or as subsequently delegated pursuant to Section 4.7 below. Without limiting any other provision of this Agreement, this includes authorization to: make and enter contracts; employ agents and employees; acquire, hold or dispose of property; incur debts, liabilities or obligations; and to sue or be sued in the Authority's own name.

4.6 Restriction on Exercise of Powers Designation. For purposes of Government Code section 6509, all powers of the Authority shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed on the County, and in the event of the withdrawal of the County as a Member under this Agreement, then the manner of exercising the Authority's powers shall be exercised subject to those restrictions imposed on the City.

4.7. Additional Powers-Subsequent Implementation Activities. With the exception of activities within the authorities set forth in Section 4.5 above or necessary for the full exercise thereof, the Authority shall not undertake any GSP implementation activities within the service area of a particular Member(s) or that impact water use within the service area of a particular Member(s) without that Member(s)' prior written approval; and the Authority shall not undertake any GSP implementation activities throughout the Members' combined service area with the exception of activities within the authorities set forth in Section 4.5 above or necessary for the

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full exercise thereof unless approved by the governing bodies of at least three (3) of the four (4) Members. Said approval or future delegation shall not be deemed and need not require an amendment to this Agreement unless said activities cannot be conducted consistent with the terms of this Agreement. However, nothing herein prohibits any Member from exercising its individual authority to enact an ordinance or regulation imposing mandatory extraction limitations or other demand reduction measures in furtherance of GSP implementation within its service area. In addition, without limiting the foregoing, nothing herein shall be construed as authorizing the Authority to acquire a right to appropriate or otherwise receive surface water from Santa Margarita Lake, Lake Nacimiento or the Salinas River or to utilize infrastructure owned or operated by any Member or the FCWCD related thereto without their prior approval.

4.8 Term. This Agreement shall be effective as of the Effective Date and shall remain in effect until terminated in accordance with Section 8.2 or Section 8.3 of this Agreement.

4.9 Role of Member Agencies. Although it is anticipated that the Authority will hire its own staff, the Members will provide support to the Board of Directors by making information and meeting facilities available, Member resources permitting and subject to the execution of any necessary acknowledgement of confidentiality agreement(s) (e.g. with respect to confidential private well data). The Members will endeavor to respond quickly to any recommendations or requests made by the Board of Directors or its staff.

4.10 Executive Director and Employees. The Board may appoint an Executive Director or other designated manager (“Executive Director”) or other employees.

- a. The Executive Director’s compensation shall be determined by the Board.
- b. The Executive Director shall serve at the pleasure of the Board and shall be responsible to the Board for the proper and efficient administration of the Authority. The Executive Director shall have the powers designated by the Board.
- c. The Executive Director shall serve until s/he resigns or the Board terminates her/his appointment.
- d. The Board shall have the power to employ such other consultants or personnel as set forth in Section 4.5(h) above.

**ARTICLE 5: MEMBERSHIP**

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5.1 Members. The Members of the Authority shall be:

- a. City of El Paso de Robles;
- b. County of San Luis Obispo;
- c. Shandon-San Juan Water District; and
- d. Estrella-El Pomar-Creston Water District

as long as they have not, pursuant to the provisions hereof, withdrawn from this Agreement.

5.2 New Members. Any local agency, as defined by SGMA, that is not a Member on the Effective Date of this Agreement may become a Member upon all of the following:

- a. Amendment of the Agreement in accordance with Section 9.2;
- b. Successful enactment / establishment within the service area of the local agency of any applicable fee(s) or charges on extraction that have been levied by the Authority; and
- c. The local agency is presumed to be the exclusive GSA within its service area as described in Water Code section 10723.8 and adoption of the GSP by the local agency.

**ARTICLE 6: GOVERNANCE**

6.1 Board of Directors. The business of the Authority will be conducted by a Board of Directors that is hereby established and that shall be initially composed of one primary representative appointed by each Member. Without amending this Agreement, the composition of the Board of Directors shall be altered from time to time to reflect the withdrawal of any Member or the admission of a Member pursuant to Section 5.2. Members of the Board of Directors are required to be members of the governing board of the appointing Member.

6.2 Alternate Directors. Each Member shall designate one alternate to serve in the absence of that Member's primary representative on the Board of Directors. Alternate Directors shall not vote or participate in any deliberations unless appearing as a substitute for a Director due to absence or conflict of interest. If the Director is not present, or if the Director has a

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conflict of interest which precludes participation by the Director in any decision-making process of the Board, the Alternate Director appointed to act in his/her place shall assume all rights of the Director and shall have the authority to act in his/her absence, including casting votes on matters before the Board. Alternate Directors are required to be members of the governing board of the appointing Member.

6.3 Statement of Economic Interests. All primary members of the Board of Directors and all alternates shall file a Statement of Economic Interests (FPPC Form 700). Each Member shall notify the Authority in writing of its designated primary and alternate representatives on the Board of Directors.

6.4 Term of Directors. Each Member of the Board of Directors will serve until replaced by the appointing Member.

6.5 Officers. The Board of Directors shall elect a Chair, Vice Chair, and Secretary. Officers shall be elected at the first Board meeting, and thereafter at the first Board meeting following January 1st of each year.

- a. Chair. The Chair shall preside at all meetings of the Board of Directors.
- b. Vice Chair. The Vice Chair shall exercise all powers of the Chair in the Chair's absence or inability to act.
- c. Secretary. The Secretary shall keep minutes of the Board of Director meetings.

Consistent with Government Code section 6505.6, it is anticipated that the Authority will appoint its Executive Director as Treasurer and Auditor of the Authority to comply with the duties and responsibilities of the offices as set forth in Government Code section 6505.1 and 6505.5, including, without limitation, causing an annual independent audit to be made by a certified public accountant, or public accountant, in compliance with Government Code section 6505. Nothing herein shall be construed as limiting the Executive Director's ability to otherwise retain the services of an accountant or bookkeeper to assist him or her in fulfillment of the obligations hereunder in a manner consistent with Authority procurement procedures or as otherwise authorized by the Board of Directors. In addition, nothing herein shall be construed as preventing the Authority from appointing someone other than the Executive Director as Treasurer and Auditor consistent with Government Code section 6505.6. At the first meeting of the Board of Directors, the Authority shall appoint one of the officers specifically identified above to the position of interim Treasurer and Auditor to comply with the duties and

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responsibilities described above pending retention of an Executive Director to serve in such position.

6.6 Powers and Limitations. All the powers and authority of the Authority shall be exercised by the Board, subject, however, to the rights reserved by the Members as set forth in this Agreement.

6.7 Quorum. A majority of the Members of the Board of Directors will constitute a quorum.

6.8 Voting. On all matters considered by the Authority, each Director shall have one vote and action shall require a majority vote of the Board of Directors subject to the following matters, which shall require the affirmative vote of three (3) Directors regardless of how many Directors are present and voting: (1) approval of the annual budget and any amendment or adjustment thereto; (2) decisions related to the imposition of mandatory limitations on groundwater extractions; and (3) decisions related to requiring Member contributions beyond those identified in Section 7.1 to cover the cost of any budgeted costs not covered by extraction fees.

6.9 Meetings. The Board of Directors shall provide for regular and special meetings in accordance with Chapter 9, Division 2, Title 5 of the Government Code (the “Ralph M. Brown Act” commencing at section 54950), and any subsequent amendments of those provisions.

6.10 By-Laws. The Board of Directors may adopt by-laws to supplement this Agreement. In the event of conflict between this Agreement and the by-laws, the provisions of this Agreement shall govern.

6.11 Advisory Committees. The Board of Directors may establish one or more advisory committees, technical committees or other committees for any purpose.

6.12 Compensation. No Director or member of an advisory committee shall be compensated by the Authority for preparation for or attendance at meetings of the Board of Directors or meetings of any committee created by the Board. Nothing in this Section 6.12 is intended to prohibit a Member from compensating its representatives on the Board of Directors or on a committee for attending such meetings.

**ARTICLE 7: FINANCIAL PROVISIONS**

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7.1 Contributions and Expenses. It is anticipated that the vast majority of costs associated with the GSP implementation activities described herein will be funded through a fee(s) on all extractors within the Members’ combined service area within the Basin under Water Code section 10730 et seq. in effect not later than December 2025. Thus, the Members agree to contribute the Members’ share of costs allocated under the Fiscal Year 2024-2025 PBCC budget previously approved by each of the Members under the terms of the MOA (“FY 2024-2025 PBCC Budget”) to the Authority’s initial and Fiscal Year 2025-2026 budgets. In addition, and without limiting the SMCSD’s obligations under the MOA, should the SMCSD fail to continue to pay its share of consultant costs for the annual report and five-year GSP evaluation under development as of the Effective Date and included in the FY 2024-2025 PBCC Budget, the Members agree to contribute a pro rata share of said costs based on the same percentage shares approved by the Members in connection with said budget while the Members pursue any and all available remedies against SMCSD. To the extent the FY 2024-2025 PBCC Budget is insufficient to cover Authority costs through December 2025 and additional funding has been approved by an affirmative vote of three (3) of the four (4) Directors, the Members agree to contribute to the additional funding based on the same percentage shares approved by the Members in connection with the FY 2024-2025 PBCC Budget for costs through December 2025. Payment will be made to the Treasurer or interim Treasurer.

7.2 Liability of Board and Officers. The funds of the Authority may be used to defend, indemnify and hold harmless the Authority, and any Director, officer, employee, or agent for actions taken within the scope of the authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance including, but not limited to, directors and officers liability insurance.

7.3 Repayment of Funds. No refund or repayment of the funds set forth in Section 7.1 above or otherwise approved by an affirmative vote of three (3) of the four (4) Directors consistent with Section 6.8(3) above will be made to a Member ceasing to be a Member of this Agreement pursuant to a withdrawal described in Section 8.1 except as expressly required thereby.

7.4 Budget. The Authority’s fiscal year shall run from July 1 through June 30. Each fiscal year, the Board shall adopt a budget for the Authority for the ensuing fiscal year. Within ninety (90) days of the Effective Date of this Agreement, the Board shall adopt an initial budget that is consistent with the FY 2024-2025 PBCC Budget. Thereafter, a budget shall be adopted no later than April 30 of the preceding fiscal year.

7.5 Depositary. The Treasurer shall (i) be the depositary of the Authority, (ii) have custody of all funds of the Authority, and (iii) have the duties and obligations of the Treasurer as

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set forth in Section 6.5 above. All funds of the Authority shall be held in separate accounts in the name of the Authority and shall not be commingled with funds of any Member or any other person or entity.

7.6 Accounting. Full books and accounts shall be maintained for the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. The books and records of the Authority shall be open to inspection by the Members at all reasonable times, and by bondholders and lenders as and to the extent provided by resolution or indenture.

7.7 Auditor. The Auditor shall have the duties and obligations as Auditor of the Authority as set forth in Section 6.5 above. The Auditor shall ensure strict accountability of all receipts and disbursements of the Authority. Copies of reports from the annual audit described in Section 6.5 above shall be filed with the State Controller and each Member within six (6) months of the end of the fiscal year under examination.

7.8 Expenditures. All expenditures within the designations and limitations of the applicable approved budget shall be made upon the approval of any officer so authorized by the Authority Board of Directors. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the approval and written order of the Board. The Board shall requisition the payments of funds only upon approval or claims or disbursements and requisition for payment in accordance with policies and procedures adopted by the Board.

**ARTICLE 8: CHANGES TO MEMBERSHIP, WITHDRAWAL AND TERMINATION**

8.1 Withdrawal of Members.

8.1.1. Automatic Withdrawal. A Member shall be deemed to have unilaterally withdrawn from this Agreement at the time it ceases to exist as a GSA provided that said withdrawal shall not be effective unless and until another Member(s) elects to include the withdrawing Member's service area within their boundaries such that fees can continue to be collected therein. However, this requirement shall not apply if the Member ceases to be a GSA because its service area is no longer subject to SGMA.

8.1.2. Voluntary Withdrawal. A Member may, in its sole discretion, unilaterally choose to withdraw from the Authority, effective upon ninety (90) days' prior written notice to the Authority provided that the withdrawing Member shall remain obligated to pay a percentage share of costs as outlined in the current Authority annual budget

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incurred, accrued or encumbered up to the date the withdrawing Member provides notice of withdrawal in an amount equal to the percentage of fees collected within the withdrawing Member’s service area. The withdrawing Member will thereafter be solely responsible for funding SGMA compliance and GSP implementation within its service area. Notwithstanding the foregoing or anything in this Agreement to the contrary, the Authority shall not rely on funding from any Member that does not concur with (i) an approved annual budget, (ii) an amendment to the budget, or (iii) a Member contribution described in Section 6.8(3) above, and the non-concurring Member shall not be liable for any costs that are incurred, accrued or encumbered following the non-concurring Member’s vote against an approved annual budget, amendment to the budget, or Member contribution, provided the non-concurring Member notices its intent to withdraw from the Authority in the manner provided for in this Section 8.1.2 within thirty (30) days of the Authority’s approval of any annual budget, amendment to the budget, or Member contribution.

8.1.3. Voting following a Member’s Withdrawal. In the event of the withdrawal of a Member, such that three (3) Members will remain, the remaining Members shall amend this Agreement in accordance with Section 9.2 below to address voting thresholds and other procedural matters. Without limiting Section 8.3 below, the failure of the remaining Members to agree to an amendment within sixty (60) days of the effective date of withdrawal will result in automatic termination of this Agreement.

8.2 Automatic Termination. This Agreement will automatically terminate on June 30, 2026 if the Authority has not yet established a fee or fees to fund its activities as described above. However, nothing herein shall be construed as preventing the Members or a subset thereof from entering into a subsequent agreement related to Basin management and implementation of the GSP. In the event of automatic termination under this Section 8.2, each of the Members shall remain obligated to pay the contributions described in Section 7.1 or otherwise approved by an affirmative vote of three (3) Directors consistent with Section 6.8(3) above accrued or encumbered prior to the date of termination.

8.3 Termination. This Agreement and the Authority may be terminated by the written consent of three (3) of the four (4) Members subject to the terms and conditions herein. Approval of a Member is valid only after that Member’s governing body approves the termination at a public meeting. Neither individual Directors nor individual members of the Members’ governing boards have the authority, express or implied, to terminate this Agreement. In the event of termination under this Section 8.3, each of the Members shall remain obligated to pay the contributions described in Section 7.1 above or otherwise approved by an affirmative vote of



three (3) of the Directors consistent with Section 6.8(3) above accrued or encumbered prior to the date of termination.

8.4 Disposition of Property upon Termination. Upon termination of this Agreement, the assets of the Authority shall be transferred to the Authority’s successor, provided that a public entity will succeed the Authority, or in the event that there is no successor public entity, to the Members in proportion to the contributions made by each Member. If the successor public entity will not assume all of the Authority’s assets, the Board shall distribute the Authority’s assets between the successor entity and the Members in proportion to the obligation described in Section 7.1 above or as otherwise approved by an affirmative vote of three (3) of the Directors consistent with Section 6.8(3) above. With respect to revenue collected by the Authority through a fee(s) on extractors within the Basin, upon termination of this Agreement in the event of no successor public entity, the Board shall distribute any such revenue on hand to the Members in proportion to the amount of revenue collected from extractors within each Member’s service area or as otherwise required by law.

8.5 Use of Data and GSP. Upon withdrawal or termination, any Member shall be entitled to use any data or other information developed by the Authority during its time as a Member after signing and subject to an acknowledgement of confidentiality agreement with the Authority, FCWCD, County and any other Member or agency that provided confidential data to the Authority that prohibits the Member from disclosing confidential information, including but not limited to private well data, or privileged communications, including, but not limited to, attorney-client communications, or from otherwise making a disclosure in contravention of applicable law or agreement and that requires the Member to indemnify the providing parties from any breach of this prohibition.

## **ARTICLE 9: MISCELLANEOUS PROVISIONS**

9.1 Indemnification. The Authority shall hold harmless, defend and indemnify the Members, and their agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property arising out of the activities of the Authority, or its agents, officers and employees under this Agreement. These indemnification obligations shall continue beyond the Term of this Agreement, as defined in Section 4.8 above, as to any acts or omissions occurring before or under this Agreement or any extension of this Agreement.

9.2 Amendments. This Agreement may be amended from time to time by the consent of the Members. Minor Amendments may be made by consent of a majority of the Members, whereas all other amendments shall require unanimous consent of all Members. A “Minor

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Amendment” is one that does not change the overall substance of this Agreement and does not affect the rights and/or obligations of any or all of the Members, or that is required simply to comply with the procedural requirements of the JPA Act or other applicable law; all other amendments shall be considered “Major Amendments.” Approval of a Member is valid only after that Member’s governing body approves the amendment at a public meeting. Neither individual Directors nor individual members of the Members’ governing boards have the authority, express or implied, to amend, modify, waive or in any way alter this Agreement or the terms and conditions hereof. To provide non-concurring Members an opportunity to withdraw from the Authority, any amendment to this Agreement shall be binding on all Members thirty (30) days after the required concurrence has been obtained. If an amendment to the Agreement results in there being more than four (4) Members, it is anticipated that said amendment will also revise all of the provisions of this Agreement requiring the affirmative vote of (3) of the four (4) Directors regardless of the number of Directors voting to requiring a 4/5 vote of the Board of Directors.

9.3 Binding on Successors. Except as otherwise provided in this Agreement, the rights and duties of the Members may not be assigned or delegated without the written consent of three (3) of the four (4) Members. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Authority then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members hereto.

9.4 Notice. Any notice or instrument required to be given or delivered under this Agreement may be made by: (a) depositing the same in any United States Post Office, postage prepaid, and shall be deemed to have been received at the expiration of 72 hours after its deposit in the United States Post Office; (b) transmission by facsimile copy to the addressee; (c) transmission by electronic mail; or (d) personal delivery. On the signature page of this Agreement, each party shall provide contact information for the purpose of notification and said contact information can be updated by written notice to each Member in accordance with this Section 9.4.

9.5 Counterparts. This Agreement may be executed by the Members in separate counterparts, each of which when so executed and delivered shall be an original. All such counterparts shall together constitute but one and the same instrument.

9.6 Choice of Law. This Agreement shall be governed by the laws of the State of California.

9.7 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement is held to be unlawful, invalid or unenforceable, it is hereby agreed by the Members

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that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

9.8 Headings. The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Members to this Agreement.

9.9 Construction and Interpretation. This Agreement has been arrived at through negotiation and each Member has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Member shall not apply in the construction or interpretation of this Agreement.

9.10 Entire Agreement and Termination of MOA and Existence of PBCC. This Agreement constitutes the entire agreement among the Members and supersedes all prior agreements and understandings, written or oral. Execution of this Agreement by all of the Members shall constitute each Member’s written consent to terminate the MOA pursuant to section 9.2 of the MOA. Should the SMCSD refuse to consent to the termination of the MOA, then execution of this Agreement by the Members shall constitute each Member’s decision to withdrawal from the MOA, and the County shall provide notice of said collective action to the SMCSD in accordance with section 9.1 of the MOA. Without limiting the powers of the Authority set forth in section 4.5 above, the Authority is hereby authorized to take actions necessary to resolve administrative matters related to SMCSD’s choice not to become a Member as of the Effective Date, including, but not limited to, the SMCSD’s continued obligation to fund the consultant costs identified in Section 7.1 above.

**IN WITNESS WHEREOF**, the parties hereto have caused the Agreement to be executed on the dates set forth below:

CITY OF EL PASO DE ROBLES

By: \_\_\_\_\_

Date: \_\_\_\_\_

Contact information: \_\_\_\_\_

**DRAFT – SUBJECT TO CONSIDERATION AND APPROVAL BY INDIVIDUAL PASO  
ROBLES AREA GROUNDWATER SUSTAINABILITY AGENCIES (1/20/25)**

APPROVED AS TO FORM AND LEGAL  
EFFECT:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

SHANDON SAN JUAN WATER DISTRICT

By: \_\_\_\_\_

Date: \_\_\_\_\_

Contact information: \_\_\_\_\_

APPROVED AS TO FORM AND LEGAL  
EFFECT:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

COUNTY OF SAN LUIS OBISPO

By: \_\_\_\_\_

Date: \_\_\_\_\_

Contact information: \_\_\_\_\_

APPROVED AS TO FORM AND LEGAL  
EFFECT:

By: \_\_\_\_\_

**DRAFT – SUBJECT TO CONSIDERATION AND APPROVAL BY INDIVIDUAL PASO  
ROBLES AREA GROUNDWATER SUSTAINABILITY AGENCIES (1/20/25)**

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**ESTRELLA-EL POMAR-CRESTON WATER DISTRICT**

By: \_\_\_\_\_

Date: \_\_\_\_\_

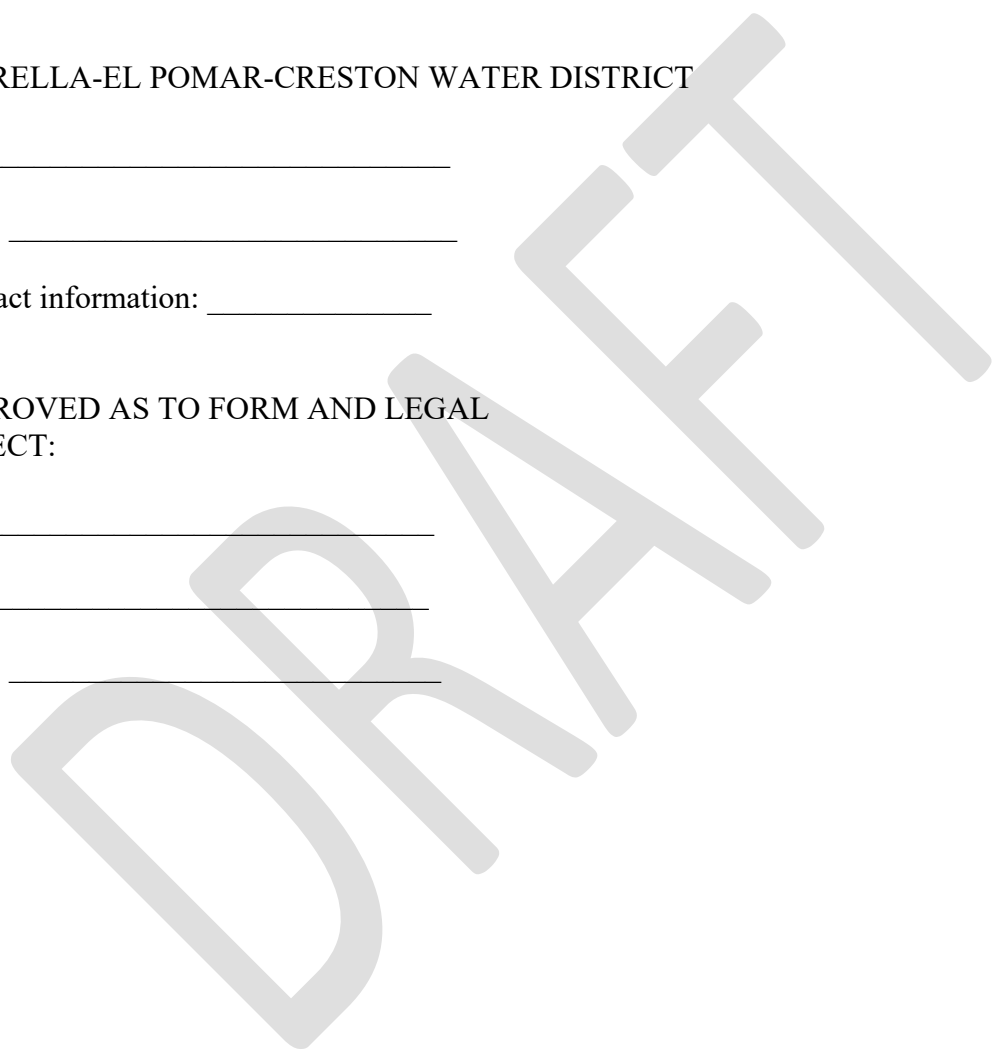
Contact information: \_\_\_\_\_

**APPROVED AS TO FORM AND LEGAL  
EFFECT:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT A**

DRAFT



San Luis Obispo Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

**COMMISSIONERS**

Chairperson  
VACANT  
Special District Member

Vice-Chair  
STEVE GREGORY  
City Member

DEBBIE ARNOLD  
County Member

JIMMY PAULDING  
County Member

ROBERT ENNS  
Special District Member

ED WAAGE  
City Member

VACANT  
Public Member

**ALTERNATES**

DAWN ORTIZ-LEGG  
County Member

ED EBY  
Special District Member

CARLA WIXOM  
City Member

David Watson  
Public Member

**STAFF**

ROB FITZROY  
Executive Officer

IMELDA MARQUEZ  
Analyst

MORGAN BING  
Analyst

HOLLY WHATLEY  
Legal Counsel

**TO: INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE**

**FROM: ROB FITZROY, EXECUTIVE OFFICER**

**DATE: DECEMBER 6, 2024**

**RE: REQUEST FOR NOMINATIONS FOR LAFCO SEATS**

**Background.** This nomination period is for two Regular Special District seats on LAFCO. One seat is for a two-year term set to expire in December 2026 and another seat that would serve through 2028. Commissioner Marshall Ochylski, after 12 years of dedicated service, has stepped down from his LAFCO Special District seat that was set to expire in 2026; thus creating a vacancy for the remainder of this term through December 2026. Robert Enns' four-year term expires December 2024. This seat is available for the standard four-year term and would serve through December 2028. The Cortese-Knox-Hertzberg Act allows an existing Commissioner (in this instance Robert Enns) to remain on LAFCO until the nomination and election process is complete. The existing member may also re-run should they wish to and are eligible.

**Instructions.** Each Special District may nominate one candidate for each seat. The nominated candidate must be an elected Board of Director of your respective District. If your District wishes to nominate a candidate, please schedule this request for nominations on an agenda for a meeting of your Board of Directors as soon as possible, or if you have already been delegated by your Board as the representative of your District, you may submit a nomination on behalf of your District. Nomination forms are required to be submitted by the end of the nomination period. **The nomination period is 60 days and begins on December 9, 2024, and ends on February 7, 2024, at 5:00 p.m.** The completed nomination form may be submitted to the LAFCO office via mail or [e-mail: mbing@slo.lafco.ca.gov](mailto:mbing@slo.lafco.ca.gov). Please make sure the form is signed by the Board President or General Manager and the Nominee.

If more than one nomination for either of the open positions is received, it is required by law hold an election. The Executive Officer shall prepare a ballot election and send it by email to each Special District with voting instructions at the conclusion of the nomination period. If an election is required, the governing body of each Special District will have the opportunity to cast a vote for any of the nominees. Further communications will be provided based on the results of the nomination period if an election is required.

A nomination form is attached to assist your District in the nomination process. Also, please view the LAFCO website ([slo.lafco.ca.gov](http://slo.lafco.ca.gov)) for additional information about LAFCO. Please call 805-788-2096 if you have any questions.

cc: Members of the Commission  
Holly Whatley, LAFCO Legal Counsel



**San Luis Obispo Local Agency Formation Commission**  
*SLO LAFCO - Serving the Area of San Luis Obispo County*

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**NOMINATION FOR LAFCO**

**SPECIAL DISTRICT MEMBER**

The \_\_\_\_\_  
(Insert Name of Special District)

Hereby nominates \_\_\_\_\_ as a nominee to serve as the  
(Insert Name of Nominee)

Special District Member on the San Luis Obispo Local Agency Formation Commission (SLOLAFCO).

For the following Seat (Please select on or both if interested):

- Fill the four-year term set to expire December 2028
- Fill the vacant seat set to expire in December 2026

The Board of Director's action (if applicable) was taken on an agenda item on:

\_\_\_\_\_  
(Insert Date of Board Agenda and Action)

\_\_\_\_\_  
(General Manager or Chairman/President)

\_\_\_\_\_  
(Email address)

\_\_\_\_\_  
(Signature-Nominee)