



SHANDON-SAN JUAN WATER DISTRICT SHANDON-SAN JUAN GSA

SPECIAL MEETING AGENDA

February 25, 2025

NOTICE IS HEREBY GIVEN that the Board of Directors of the Shandon-San Juan Water District/Shandon-San Juan Groundwater Sustainability Agency will hold a special meeting at **9:00 A.M.** on **Tuesday, February 25, 2025**, at the Illy Lodge at Illy Sunnyslope Farms located at 3385 Truesdale Rd., Shandon, CA 93461. **This is a multiagency meeting with Estrella-El Pomar-Creston Water District pursuant to Government Code Section 54954(b)(3).** The public is invited to attend in person or utilize the virtual options noted below.¹

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. **Discuss and Consider Adoption of Two Versions of the Joint Exercise of Powers Agreement for Administration of the Paso Robles Area Groundwater Sub-Basin Groundwater Sustainability Plan and Creating the Paso Robles Area Groundwater Authority and Authorize President Cunha to Sign both Versions.**
 - a. 4-Party JPA Agreement between SSJWD, EPCWD, County of SLO, and City of Paso Robles
 - b. 5-Party JPA Agreement between SSJWD, EPCWD, County of SLO, City of Paso Robles, San Miguel CSD
5. **Consent Agenda**
 - a. Meeting Minutes – January 22, 2025 SSJWD Regular Meeting
 - b. Secretary/Treasurer’s Report – February 20, 2025
6. **Director’s Reports**
 - a. WRAC
7. **Discuss and Consider Submitting Ballots for LAFCO Special District Member Election**
 - a. Special District Member Election for Seat Term Through December 2026 – Select One
 - i. Candidates: Owen Davis (SMCSD), Ed Eby (Nipomo CSD), Debra Scott (Cambria CSD)
 - b. Special District Member Election for Seat Term Through December 2028 – Select One
 - i. Candidates: Robert Ens (Cayucos Sanitary District), Navid Fardanesh (Templeton CSD)
 - c. Deadline for SSJWD to Cast Both Ballots is April 18, 2026
8. **Next Regularly Scheduled Meeting – Wednesday, March 26, 2025 at 9am**
9. **Adjourn**

¹ 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.

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. 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.

**JOINT EXERCISE OF POWERS AGREEMENT
FOR ADMINISTRATION OF
THE PASE 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

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; 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; 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 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.

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.

4.3 Notice of Agreement. Within thirty (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 thirty (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 4.4 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:

- 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 4.76 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 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 or the Secretary in coordination with the Executive Director or other designee 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 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 ~~shall will~~ constitute a quorum. In the absence of a quorum, any meeting of the Board of Directors may be adjourned by a vote of the simple majority of Directors present, but no other business may be transacted.

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; (4) adoption of any fee(s) and any actions related thereto pursuant to Section 4.5(f) above; (5) appointment of an Executive Director pursuant to Section 4.10 above; (6) appointment of legal counsel pursuant to Section 4.5(h) above; (7) procurement of any loan pursuant to Section 4.5(i) above and (8) acquisition of any real property pursuant to Section 4.5(i) above.

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

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 and Members. The funds of the Authority may be used to defend, indemnify and hold harmless the Authority, any Member and any Director and Alternate Director, and any 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.

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 ~~of the~~ 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 of Directors by 4/5 vote. The Board shall requisition the payments of funds only upon approval ~~of~~ 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 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 Liability and Indemnification.

9.1.1. In accordance with Government Code section 6508.1, the debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and not the Members. The Members do not intend hereby to be obligated either jointly or severally for the debts, liabilities and obligations of the Authority, except as may be specifically provided in Government Code section 895.2. Provided, however, if any Member(s), under such applicable law, is held liable for the acts or omissions of the Authority, such Member(s) shall be entitled to contribution from the other Members so that after said contribution each Member shall bear an equal share of such liability.

9.1.2. 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 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.

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: _____

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
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:**

By: _____

Its: _____

Date: _____

EXHIBIT A

[map still being prepared and will be included prior to execution]

**JOINT EXERCISE OF POWERS AGREEMENT
FOR ADMINISTRATION OF
THE PASE 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 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.

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 **thirty (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 **thirty (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 **4.4** 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:

- 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 4.76 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, 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 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 or until superseded by the Five-Party Agreement as defined and described in Section 9.10 below.

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. 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 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 or the Secretary in coordination with the Executive Director or other designee 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 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 ~~shall~~will constitute a quorum. In the absence of a quorum, any meeting of the Board of Directors may be

adjourned by a vote of the simple majority of Directors present, but no other business may be transacted.

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

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 SMCS D’s obligations under Section 9.1 of the MOA, should the SMCS D 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 SMCS D. 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 and Members. The funds of the Authority may be used to defend, indemnify and hold harmless the Authority, any Member and any Director and Alternate Director, and any 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 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 ~~of the~~ 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 of Directors by 4/5 vote. 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 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 Liability and Indemnification.

9.1.1. In accordance with Government Code section 6508.1, the debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and not the Members. The Members do not intend hereby to be obligated either jointly or severally for the debts, liabilities and obligations of the Authority, except as may be specifically provided in Government Code section 895.2. Provided, however, if any Member(s), under such applicable law, is held liable for the acts or omissions of the Authority, such Member(s) shall be entitled to contribution from the other Members so that after said contribution each Member shall bear an equal share of such liability.

9.1.2. 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 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 and without limiting any additional revisions that may be negotiated, 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 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; Action by SMCSO on or before March 4February 28, 2025. 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 SMCSO 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 SMCSO 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 SMCSO's choice not to become a Member as of the Effective Date, including, but not limited to, the SMCSO's continued obligation to fund the consultant costs identified in Section 7.1 above and consistent with Section 9.1 of the MOA which states that "a [p]arty that has withdrawn from the MOA shall remain obligated to pay its percentage cost share of expenses and obligations as outlined in the current budget incurred, accrued or encumbered up to the date the party provided notice of withdrawal, including, but not limited to, its cost share obligation under any existing consultant contract for which the City has issued a notice to proceed." If and only if the Members and SMCSO each execute a Joint Exercise of Powers Agreement for Administration of the Paso Robles Area Groundwater Subbasin Groundwater Sustainability Plan on or before March 4February 28, 2025 that includes all five (5) as Members ("Five-Party Agreement"), the Five-Party Agreement shall supersede this Agreement. If no such Five-Party Agreement is so executed by the time prescribed, then SMCSO may become a member only in accordance with Section 5.2 of this Agreement.

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: _____

**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: _____

Its: _____

Date: _____

ESTRELLA-EL POMAR-CRESTON WATER DISTRICT

By: _____

Date: _____

Contact information: _____

APPROVED AS TO FORM AND LEGAL
EFFECT:

By: _____

Its: _____

Date: _____

EXHIBIT A

[map still being prepared and will be included prior to execution]



SHANDON-SAN JUAN WATER DISTRICT

SHANDON-SAN JUAN GSA

UNAPPROVED MEETING MINUTES January 22, 2025 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, January 22, 2025, 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

President Cunha called the meeting to order at 9:04am on Wednesday, January 22, 2025.

II. Roll Call

Directors Present:	Willy Cunha	Steve Sinton
	Marshall Miller	Matt Turrentine

Directors Present Virtually: Ray Shady. Director Shady's remote location was not noticed on the agenda. Director Shady participated in discussion but did not vote on any agenda items.

III. Public Comment

No public comments received.

IV. Consent Agenda

Director Sinton noted one correction to the November 20, 2024 meeting minutes – Item VI.B: Water Systems Consulting acronym (WSC) is misspelled in the second sentence. 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 November 20, 2024 with the correction noted, the Secretary/Treasurer's Report dated January 17, 2025, and authorize SSJWD Treasurer to transfer \$120,000 from the checking account to the investment account.

V. Director's Reports

None.

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

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 comment period closed on December 20, 2024. The Periodic Evaluation will be submitted to DWR by the January 30, 2025 deadline. The Periodic Evaluation and appendices can be viewed at:

<https://www.ssjwd.org/gsp5yeareval>.

B. Rate Study Update: SCI Consulting will present an update on the Rate Study at the January 22, 2025 meeting that will include the consumptive groundwater use baseline (consumptive groundwater use by crop type for rate calculation), preliminary rate scenarios by extractor category (domestic, agricultural/commercial, and water system) based on various budget scenarios, and the timeline of a potential Prop 218. PBCC Staff

recommends budget scenario 3A – an average annual budget of \$4.3 million over the next five years – as the preferred rate structure to be used to complete the study. The proposed budget would cover critical operating expenses related to ongoing SGMA reporting and compliance and does not include funding for supplemental water projects.

C. Multi-Use Irrigated Land Repurposing (MILR) Program Update: With assistance from Land IQ, PBCC Staff continues to work on defining the scope of the MILR Program.

D. Upcoming PBCC Meeting: Wednesday, January 22, 2025 at 4pm at Paso Robles Council Chambers

VII. Joint Powers Authority Agreement

The Board reviewed and discussed the draft 4-party and 5-party JPA Agreements dated January 20, 2025. The JPA Agreements are subject to consideration and approval by individual Paso Robles Area Groundwater Sustainability Agencies. The underlined text in Section 6.8 of the 5-party JPA Agreement is a new proposed provision “requiring a 4/5 vote of the Board of Directors for: (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.” Other GSA partners have expressed concerns with this voting structure.

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

MOTION – Approve the 5-party Joint Powers Authority Agreement dated January 20, 2025 and further authorize Director Turrentine - SSJGSA’s representative on the Paso Basin Cooperative Committee - to make minor adjustments to the agreement to areas not affecting Agricultural interests, if needed, to accommodate concerns of the other GSAs.

VIII. SSJWD Applications to State Water Resources Control Board for Supplemental Water

Update from Subcommittee: None.

IX. Nominations for LAFCO Seats for Special District Members

SSJWD Directors are eligible to fill two open seats for special district members on the San Luis Obispo Local Agency Formation Commission (LAFCO). One seat is for a two-year term set to expire in December 2026 and another seat that would serve through 2028. The nomination period closes on February 7, 2025. SSJWD Directors will not be running for the open seats.

X. Next Meeting

The next regularly scheduled Board of Directors meeting is Wednesday, February 26, 2025 at 9am. Due to a scheduling conflict, the meeting may be moved to Tuesday, February 25, 2025 at 9am.

IX. Adjourn

President Cunha adjourned the meeting at 10:27am.

Accepted:

Stephanie Bertoux, Secretary
February 25, 2025



SHANDON-SAN JUAN WATER DISTRICT

SHANDON-SAN JUAN GSA

Secretary/Treasurer's Report: January 18, 2025 – February 20, 2025

Date: February 20, 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 2024-25 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.

FY 2024-25 Assessments collected for the period totaled \$82,491.42.

Account Receivable:

The A/R total for FY 2024-25 Assessments to-date is \$762.09.

Expenses

Expenses for the period totaled \$24,559.92.

FY 2024-25 Budget Summary – Year to Date

	FY 24-25 Budget	FY 24-25 YTD
Income	\$401,140.26	\$400,378.17
Expenses	\$351,085.28	\$175,999.38
Contingency (10%)	\$35,108.53	\$0
YE Balance	\$14,946.45	N/A

District Assets as of February 20, 2025:

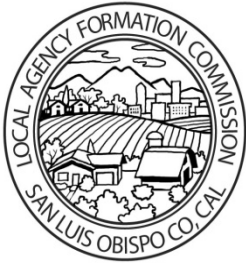
Total Cash Position: \$841,830.63

- Bank Balance: After paying expenses noted above, the District has a cash position of \$311,210.68
- Investment Account Balance: \$530,619.95
 - \$400,000 – initial investment on July 1, 2024.
 - \$120,000 – investment authorized by SSJWD Board on January 22, 2025.
 - \$10,619.95 – earned July 1, 2024 – January 31, 2025 (reinvested)

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.

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



San Luis Obispo Local Agency Formation Commission

Serving the Area of San Luis Obispo County

COMMISSIONERS

Chair

STEVE GREGORY
City Member

Vice-Chair

HEATHER MORENO
County Member

DAWN ORTIZ-LEGG
County Member

ROBERT ENNS
Special District Member

VACANT
Special District Member

ED WAAGE
City Member

DAVID WATSON
Public Member

ALTERNATES

BRUCE GIBSON
County Member

CARLA WIXOM
City Member

ED EBY
Special District Member

MICHAEL DRAZE
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Analyst

MELISSA MORRIS
Commission Clerk

HOLLY WHATLEY
Legal Counsel

TO: EACH INDEPENDENT SPECIAL DISTRICT

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: FEBRUARY 19, 2025

RE: ELECTION FOR LAFCO SPECIAL DISTRICT MEMBER

Summary: A nomination period for two vacant LAFCO Regular Member Special District seats ran from December 9, 2024, to February 7, 2025. A total of five nominations were received. Three individuals have been nominated for the Regular Special District seat term through December 2026, and two individuals have been nominated for the Regular Special District seat term through December 2028. As such, an election is required. The candidates are as follows, with resumes and statement of interest attached:

- **LAFCO Seat Term Through December 2026:**
 - Owen Davis, San Miguel Community Services District
 - Ed Eby, Nipomo Community Services District
 - Debra Scott, Cambria Community Services District
- **LAFCO Seat Term Through December 2028:**
 - Robert Enns, Cayucos Sanitary District
 - Navid Fardanesh, Templeton Community Services District

Election Voting Instructions: Each district may submit a total of two ballots, that is, one ballot for each of the open seats, see the attached ballots for your use. The election period will commence on February 19, 2025, and end on April 18, 2025. **BALLOTS ARE DUE APRIL 18, 2025, at 5:00 PM.** If your District wishes to submit ballots, please place this item on the agenda at a meeting of your Board of Directors as soon as possible, or if you have already been delegated by your Board, you may submit a ballot on behalf of your district.

Ballots will be tallied at the end of the voting period within 7 days. Eighteen ballots are required for a quorum. If a quorum is not met, the Executive Officer must extend the balloting for 60 days. If a quorum is not met after the extension period, the Executive Officer may extend the balloting period again or may use alternative methods such as only counting the ballots received if less than 18, for example tallying the result from 12 ballots instead of 18.

The completed ballot forms may be submitted to the LAFCO office via mail, or e-mail: mmorris@slo.lafco.ca.gov. Please make sure the form is signed by the Board President or General Manager.

Thank you and please contact us with any questions.

Attachments: Ballots & Supplemental Nominee Information

cc. Holly Whatley, LAFCO Legal Counsel
Members of the Local Agency Formation Commission



**San Luis Obispo
Local Agency Formation Commission**

1042 Pacific Street, Suite A, San Luis Obispo, CA 93401

Tel: (805) 781-5795 | www.slo.lafco.ca.gov

**BALLOT FOR LAFCO
SPECIAL DISTRICT MEMBER ELECTION
FOR SEAT TERM THROUGH DECEMBER 2026**

The _____
(Insert Name of Special District)

hereby selects the following individual for the Special District Member seat term through
December 2026 on the San Luis Obispo Local Agency Formation Commission (choose one):

- ☐ Owen Davis, San Miguel Community Services District
- ☐ Ed Eby, Nipomo Community Services District
- ☐ Debra Scott, Cambria Community Services District

The Board of Director's action was taken on an agenda item on:

Insert Date of Board Agenda and Action Item

General Manager or Chairman/President Signature

Date



**San Luis Obispo
Local Agency Formation Commission**

1042 Pacific Street, Suite A, San Luis Obispo, CA 93401

Tel: (805) 781-5795 | www.slo.lafco.ca.gov

**BALLOT FOR LAFCO
SPECIAL DISTRICT MEMBER ELECTION
FOR SEAT TERM THROUGH DECEMBER 2028**

The _____
(Insert Name of Special District)

hereby selects the following individual for the Special District Member seat term through
December 2028 on the San Luis Obispo Local Agency Formation Commission (choose one):

- ☐ Robert Enns, Cayucos Sanitary District
- ☐ Navid Fardanesh, Templeton Community Services District

The Board of Director's action was taken on an agenda item on:

Insert Date of Board Agenda and Action Item

General Manager or Chairman/President Signature

Date

Attachment A

Owen Davis Statement of Interest
San Miguel Community Services District
LAFCO Seat Term through December 2026

To: Rob Fitzroy
SLO, LAFCO, CA, 900
2-13-25

Hello Fellow CITIZENS,

I Am very INTERESTED IN GAINING A SEAT
on LAFCO SPECIAL DISTRICT.

I Feel I could Ad Very much, with MY
VAST Experience, Agriculture, Irrigation,
Design, Building, Farm Management.

Served U S Army December 1963 Til December 1966
Served IN Korea AS A Tanker June 1964-July 1965

I HAVE BEEN A Director on The San Miguel CSD
Board From December 2022 To current.

MY GOAL HAS BEEN TO CONTROL The what
I Feel IS unnecessary And out of control
SPending of The People of San miguel's Money

From
Owen DAVIS
P.O. Box 391
San Miguel, CA.
93451
(805) 674-5429

Thank You
Owen Davis
2-13-25

EMAIL
ONODAVIS@Gmail.com.

Attachment B

Ed Eby Statement of Interest
Nipomo Community Services District
LAFCO Seat Term through December 2026

Ed Eby

Nominee for LAFCO Special District Member



San Luis Obispo County Activities

- 15 years as LAFCO Special District Member and Alternate
- 18 years as Nipomo Community Services District (NCSD) Director and current Board President
- 18 years as Member and Alternate, Water Resources Advisory Committee (WRAC)

Statement of Interest and Background

My primary interest on LAFCO has been to assure that annexations are supported by robust municipal services and provide benefits to the annexing parties.

The NCSD successfully reached an agreement with a developer to completely reimburse us for our infrastructure costs to support 1,300-1,400 new homes in a recent annexation. For that annexation, we were successful in negotiating a property tax sharing agreement with the County opposing their initial position that special districts had no claim to property taxes from newly annexed parcels.

At the Nipomo Community Services District, I have supported and directed a multi-million-dollar project to bring an additional 3,000 acre-feet of water per year to the Nipomo Mesa, totally rebuilding our sewer plant, and merging the Black Lake Village and Town sewer plants.

Prior to my 1999 retirement from Hughes Space and Communications Co., I spent 35 years as a design engineer and program manager in Southern California's aerospace industry. I am a UCLA graduate with Bachelor of Science and Master of Science in Engineering degrees, and post-graduate studies in technical and management programs. I have lived in Nipomo for the last 24 years. In my spare time, I enjoy hiking and growing fruits, vegetables, and native plants.

Attachment C

Debra Scott Resume
Cambria Community Services District
LAFCO Seat Term through December 2026

Debra S. Scott, M.S.N., A.P.R.N., F.R.E.

[REDACTED]
Cambria, California 93428
[REDACTED]
[REDACTED]

PROFESSIONAL WORK HISTORY

2016-current	SELF EMPLOYED Nurse Consultant, Nurse Psychotherapist, Educator Scott Consulting and Investments, LLC California and Nevada LLC
1996-2016	NEVADA STATE BOARD OF NURSING, Reno, Nevada 2002-2016 Executive Director 1996-2002 Associate Executive Director for Nursing Practice
1994-2002	PRIVATE PRACTICE, Nurse Psychotherapist
1994-1996	BHC WILLOW SPRINGS RESIDENTIAL CENTER FOR ADOLESCENTS AND CHILDREN, Reno, Nevada Director of Clinical Services/Nurse Executive
1993-1994	NME MILL CREEK HOSPITAL, Visalia, California Director of Clinical Services
1989-1993	CPC SIERRA GATEWAY HOSPITAL, Fresno, California Director of Clinical Services, 1993 Director of Nursing Services, 1990-1993 Adolescent Nursing Coordinator, 1989-1990
1985-1991	Faron's Viking Market Co-owner, Financial officer
1985-1989	KINGSVIEW CENTER, Reedley, California Supervising RN
1984-1985	VALLEY MEDICAL CENTER, Fresno, California Staff RN I

EDUCATION

Master of Science in Nursing, Clinical Specialty in Psychiatric Nursing, California State University, Fresno (1994)
Bachelor of Science in Nursing, California State University, Fresno (1985)
Graduated Cum Laude - California State University, Fresno
Fellow, Institute of Regulatory Excellence, National Council of State Boards of Nursing (2008)

LICENSURE, CERTIFICATIONS

California Registered Nursing License: #RN378009
Nevada Registered Nursing License: #RN25195
Nevada Advanced Practice Registered Nurse License: #291
Council on Licensure, Enforcement and Regulation, Certified Investigator-Level II
Continuing Education Provider: #NV000737

PROFESSIONAL ASSOCIATIONS, RECOGNITIONS

Nursing Institute of Nevada, Charter member
Nevada Action Coalition, co-lead, 2013-present
Alumni Association, California State University, Fresno, member
Sigma Theta Tau, previous member
Nevada Nurses Association, Member
NNA Legislative Committee, Member
Nevada Nurses Foundation, Endowed Member
National Council of State Boards of Nursing (NCSBN), Board of Directors,
Director at Large, 2009-2011
Area I Director, 2011-2013
International Council of Nurses, Global Nursing Leadership Institute 2009,
Participant, Geneva, Switzerland
Nevada Alliance for Nursing Excellence, Member
Treasurer, 2010-2013
NCSBN Regulatory Achievement Award, 2013
Nevada Nurses Foundation Acknowledgement, 2014
Nevada Women's Fund, Debra Scott Scholarship, Recognition, 2015
American Association of Nurse Practitioners (AANP), Member
AANP 2013 State Award for Excellence Recipient
Nevada Action Coalition, founding member, 2015-present

COMMITTEES, COUNCILS, TASK FORCES, VOLUNTEER WORK

Cambria Community

Cambria Community Chorale, member since 2017, Board treasurer 2022-present
Cambria Community Presbyterian Church, member, serve on Worship Team
Cambria Community Services District, Policy Committee member since 2021, Chair 2023-25
Cambria Community Services District, Board of Directors 2022, President, 2024-present
Cambria Arts Center, member and volunteer since 2020
Cambria Joselyn Center, member since 2017
Cambria Homeless Animal Rescue Team (HART) volunteer/foster 2022

Nevada State Board of Nursing

1994-1996 Disability Advisory Committee, Member
1996-2002 Disability Advisory Committee, Chair

1996-2014	Nurse Practice Advisory Committee, Chair
2002-2016	Advanced Practice Advisory Committee, Chair
2016-2017	Disability Advisory Committee, Member

California Board of Registered Nursing

1991-1993 Diversion Program Consultant

National Council of State Boards of Nursing

2003-2004	Practice, Regulation, and Education Model Revision Subcommittee
2006-2007	Continued Competence Advisory Panel Member
2008-2009	Continued Competence Committee, Chair
2009	Committee on Regulatory Excellence, Board Liaison
2010	Committee on Nurse Licensure Models, Board Liaison
2012	Executive Officer Leadership Succession Committee
2013-2014	NCSBN Leadership Academy Committee
2014-2015	Nurse Licensure Compact Legislative Strategy Team
2015-2016	Nurse Licensure Compact Regulatory Work Group

Nevada State

2004-2016	Nevada Health Professions Council, coordinator
2007	Nevada Legislative Healthcare Advisory Task Force
2008	Nevada Attorney General's Regulatory Boards Blue Ribbon Task Force
2011-2016	Governors Workforce Investment Board – Health Care Sector Council, Vice Chair
2013-2014	National Governors Association Veterans' Licensing and Certification Policy Academy
2014	Nevada Division of Public Health, Behavioral Health Pipeline Committee
2013-2016	Nevada Organization of Nurse Leaders, Ex-officio board member
2015-2016	Nevada Ebola Task Force, Chair
2018-2020	Governor's Commission on Behavioral Health, Commissioner
2018-2020	System of Care Subcommittee of the Commission on Behavioral Health, Co-chair
2019-2020	Nevada Alliance for Nursing Excellence, northern co-chair
2019-2020	Nevada Nurses Association, Board member, Director at Large

References upon request.

Attachment D

Robert Enns Bio
Cayucos Sanitary District
LAFCO Seat Term through December 2028

Mr. Enns has served on LAFCO since 2013 and has made significant contributions to LAFCO in that time. Mr. Enns graduated from California Polytechnic State University in 1968 with a degree in Industrial Technology from the School of Engineering. He is licensed in California as General Engineering Contractor, General Building Contractor, and Pipeline Contractor with extensive experience in commercial and residential construction and development. He has owned and operated Robert B. Enns Construction, Inc., for the past 40 years.

Mr. Enns has been serving on the Cayucos Sanitary District Board since 1991, most of those years as President. He is very involved in his community and is part of several local organizations including the Cayucos Rotary and LAFCO.

Attachment E

Navid Fardanesh Statement of Interest & Resume
Templeton Community Services District
LAFCO Seat Term through December 2028

My name is Navid Fardanesh and I am a director on the Templeton Community Services District (TCSD) Board. I am also a former city planning commissioner in Ripon, California for six years, and had the opportunity to participate in the development of policies to facilitate thoughtful commercial and residential development. As a passionate advocate for creating and implementing well-designed growth plans, I was humbled and excited to receive the LAFCO nomination from my fellow TCSD directors. During my nine years with the TCSD board, including currently as the chairperson, I have gained a thorough understanding of the various challenges that special districts encounter. If elected to LAFCO, one of my goals is to communicate these challenges to the fellow commission members. I would also like to help the special districts utilize LAFCO services through increased communication to achieve their goals. As the representative for the special districts, I would support input from each special district. I would also encourage the commission to discuss each district's goals and then facilitate an efficient process for allocating our limited resources to develop our communities in a manner that our residents will be proud to call San Luis Obispo County their home.

My family and I have lived in our wonderful county since 2012. My wife, Cynthia, is the CFO for the Paso Robles Housing Authority and our children are proud alumni of Templeton High School and Cal Poly San Luis Obispo. As a retired dentist, I am grateful to live in this community. Outside my TCSD director position, I am a proud member of Templeton Lions Club, a volunteer barista at Atascadero Bible Church's Sunroom cafe, and a hobby winemaker with my amazing neighbors. I would like to be your voice on LAFCO and would appreciate your vote. If you have any questions, please email me at navidfardanesh@gmail.com.

Navid Fardanesh, D.D.S.
Templeton, CA
navidfardanesh@gmail.com

Civic Service Experience

Templeton Community Services District Board, 2016 - current
Chairperson, 2023 - current

Atascadero Ground Basin Sustainability Agency Committee, 2018 - current
Chairperson, 2024 - current

Ripon Planning Commission, 2009 - 2014
Chairperson, 2012 - 2014

Professional Work Experience

Dentist, CHC of Central Coast, San Luis Obispo County, CA, 2017 - 2019

Oral Health Program Manager, San Luis Obispo Public Health, 2015 - 2017

Dentist / Practice Owner, Ripon, CA, 2003 - 2014

Dentist / Practice Owner, Danville, CA, 1999 - 2003

Associate Dentist, Fairfield, CA, 1997 - 1999

Education

University of California, San Francisco, 1997
Doctorate of Dental Surgery
Bachelors of Science, Dental Sciences

University of California, Davis, 1993
Bachelors of Science, Biological Sciences

Community Service

Atascadero Bible Church, Sunroom Cafe, Volunteer Barista, 2024 - current
Templeton Lions Club, 2014 - current

Club President, 2016 - 2019

Templeton 4-H Club, Community Service Project Leader, 2014 - 2016

Templeton Chamber of Commerce, 2014 - 2017

Ripon Lions Club, 2006 - 2014

Board Treasurer, 2010 - 2014, Board Director, 2008 - 2010

Ripon Chamber of Commerce, 2003 - 2012

Board President, 2004 - 2007, Board Vice President, 2008

Other Interests

Gardening, hobby winemaking hiking, reading