



San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION

**FROM: ROB FITZROY, EXECUTIVE OFFICER; AND,
BRIAN PIERIK, LEGAL COUNSEL**

DATE: OCTOBER 19, 2023

**SUBJECT: INFORMATIONAL REPORT ON LAFCO FILE NO. 4-R-16 |
FORMATION OF THE ESTRELLA-EL POMAR-CRESTON WATER
DISTRICT – CONDITION COMPLIANCE**

RECOMMENDATION

Action 1: Receive and file an informational report on LAFCO No. 4-R-16 Estrella-El Pomar-Creston Water District and compliance with conditions of approval.

COMMISSION DIRECTION

On August 17, 2023, at a regularly scheduled meeting, the Commission provided staff direction to return with a report on certain conditions of approval under which the Estrella-El Pomar-Creston Water District was formed. Commission direction was in response to public comment provided during the comment period for items not on the agenda.

Public comment was related to the Estrella-El Pomar-Creston Water District's (EPCWD) eligibility to participate in the Paso Basin Cooperative Committee as established by the Memorandum of Agreement of the Groundwater Sustainability Agencies (GSA) overlying the Paso Robles Groundwater Basin. Concerns were expressed regarding LAFCO's Condition of Approval #5, within Resolution No. 2019-02, relating to EPCWD's ability to participate in the Paso Basin Cooperative Committee.

Direction was provided by the Commission to return with an item on the matter.

BACKGROUND

The EPCWD was formed by a petition of landowners under the provisions of government code section 56000 et. Seq. The primary purpose of the EPCWD at the time it was formed was to allow willing landowners the ability to comply with the Sustainable Groundwater Management Act (SMGA) by forming a water district

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that would ultimately also function as a GSA under SGMA as allowed by the law. SGMA, which went into effect on January 1, 2015, provides the framework for sustainable management of groundwater supplies by local authorities, with a provision for state intervention and enforcement if the groundwater resources are not being managed effectively by local agencies. SGMA required GSAs to be formed by June 2017 with Groundwater Sustainability Plans (GSP) to be adopted by January 31, 2020.

In 2017, because multiple agencies were to be involved in the preparation of the GSP for the Paso Robles Groundwater Basin pursuant to the requirements of SGMA, the GSAs at that time entered into a Memorandum of Agreement (MOA). These GSAs included the County of San Luis Obispo, City of Paso Robles, Heritage Ranch Community Services District, San Miguel Community Services District, and Shandon San Juan Water District (collectively, the “Parties”). EPCWD was not a Party to the MOA because it was not a GSA at the time.

Relevant sections of the 2017 MOA as they relate to this staff report include the following.

As per Section 1 of the 2017 MOA, “the purpose of [the] MOA is to establish a committee to develop a single GSP that will be considered for adoption by each individual Party and subsequently submitted to DWR for approval.”

Section 3 of the 2017 MOA provided that if EPCWD is formed and decided to become a GSA, and the Board of Supervisors decided to withdraw as the GSA within the boundaries of EPCWD, the EPCWD may become a party to the MOA by executing Exhibit A to the MOA provided that the Board of Supervisors has accepted Exhibit A and decided to withdraw as the GSA within the EPCWD boundaries.

Section 4 of the 2017 MOA provided that all Parties to the MOA comprise the “Paso Basin Cooperative Committee”. The activities of the Paso Basin Cooperative Committee included but were not limited to input on the development of the GSP, selecting consultants to assist with preparation of the GSP, setting annual budgets of the committee, developing tasks, policies and measures for the committee, and other activities.

Section 4.9 of the MOA stated that the Paso Basin Cooperative Committee has no powers, delegated authority, land use authority or other authority otherwise granted to a bonified governmental agency. Any action items that require governmental agency approval, such as an amendment to the GSP, would require the approval from the elected legislative body of that respective agency, e.g. a county, city or district.

In 2020, the MOA was amended and is the current MOA as of the release date of this staff report. Sections 1, 2, 4.9, and 12.2 of the MOA were modified at that time.

The GSAs overlying the Paso Robles Groundwater Basin have since prepared a single GSP for the Paso Robles Groundwater Basin and the GSP was approved by State DWR on June 20, 2023. In

addition, EPCWD was recognized by State DWR on September 20, 2023, as the exclusive GSA within its defined boundaries. LAFCO has no involvement in GSA determinations.

TIMELINE OF EVENTS

The actions related to the formation of the EPCWD are extensive, span over several years, and include multiple agencies. For ease, a chronology of events related to EPCWD's formation is summarized below. Relevant documents to each summary point are attached to this report. Staff analysis and conclusions are provided following this summary.

1. **April 6, 2017** - LAFCO approved the formation of EPCWD via Resolution 2017-02 (Attachment A – LAFCO Staff report, Attachment B Resolution 2017-02). The approval included 13 conditions of approval as contained in LAFCO Resolution 2017-02.
2. **September 2017** - A MOA was created and signed by the five GSAs within the Paso Basin. Signatories included the County of San Luis Obispo, City of Paso Robles, Heritage Ranch Community Services District, San Miguel Community Services District, and Shandon San Juan Water District (See Attachment C). This MOA established the “Paso Basin Cooperative Committee” intended to foster agency coordination as they prepared a single GSP for the Paso Robles Groundwater Basin. Section 3 of the MOA states that if EPCWD decides to become a GSA within its service areas and the Board of Supervisors decides to withdraw as the GSA within said area, EPCWD may become a member of the MOA by executing Exhibit A and provided that the Board of Supervisors has accepted Exhibit A as a part of its decision to withdraw as the GSA within the EPCWD boundaries. Per Section 4.3 of the MOA, EPCWD shall be a member to the Paso Basin Cooperative Committee once a Party to the MOA.
3. **December 2017** - Certificate of Completion was recorded with the County Clerk Recorder, this action effectuated EPCWD becoming a water district, this action would also allow EPCWD to become a GSA under the provisions of SGMA (Attachment D).
4. **November 2018** – LAFCO prepared a staff report (Attachment E) on compliance of the 13 conditions of approval required by Resolution 2017-02. At this meeting, the Commission gave staff direction to come back with revised conditions to replace Condition #11. Condition #11 of Resolution 2017-02 stated:
The Water District, if formed, shall provide documentation that it has been identified as a Groundwater Sustainability Agency (GSA), or a GSA partner, pursuant to the Sustainable Groundwater Management Act, Water Code section 10720 et. seq. If the District does not become a GSA, or is not part of a GSA within one year of the Certificate of Completion being filed, the District shall be dissolved. LAFCO may extend this deadline upon request by the District.
5. **February 2019** - LAFCO approved Resolution 2019-02 (Attachment F) that added 6 new conditions to replace the original condition #11. This included a new condition established by LAFCO, Condition of Approval #5, that states “The EPCWD shall not become a member of the

Paso Basin Cooperative Committee under the current MOA". The "current MOA" was in reference to the MOA established in 2017, which was in effect at the time the new Condition of Approval #5 was written. It should be noted that at the time the new conditions were added, the MOA was set to automatically expire upon adoption of the GSP.

6. **March 2019** – EPCWD approved a resolution accepting the 6 new conditions associated with the February 2019 LAFCO resolution (Attachment G). This included the new condition established by LAFCO, Condition of Approval #5 that states "The EPCWD shall not become a member of the Paso Basin Cooperative Committee under the current MOA". The "current MOA" was in reference to the 2017 MOA noted above, which was in effect at the time Condition of Approval #5 was written. At that time, the 2017 MOA was set to automatically expire upon adoption of the GSP.
7. **January 2020** - The MOA established in 2017 was amended in 2020 and signed by 4 parties (GSAs) (Attachment H). Heritage Ranch Community Services District withdrew from the MOA at this time. The MOA, as amended in 2020, did not modify Section 3 or Section 4.3 of the 2017 MOA noted above in the Background section of this report. Section 3 and 4.3 of the MOA states that if EPCWD decides to become a GSA within its service areas and the Board of Supervisors decides to withdraw as the GSA within said area, EPCWD may become a member of the MOA by executing Exhibit A and provided that the Board of Supervisors has accepted Exhibit A as a part of its decision to withdraw as the GSA within the EPCWD boundaries. In addition, Section 1 was modified to remove language that would have automatically terminated the MOA upon approval of the GSP by State DWR. Language was added to Section 1 of the MOA that would allow the MOA to serve as a basis for continued cooperation from adoption of the GSP and development of a long-term governance framework/structure.
8. **May 2023** – EPCWD signed Exhibit A (Attachment I) to the currently in effect MOA as amended in 2020 to become a Party to the MOA, which once signed and accepted by the Board of Supervisors as a part of an action to withdraw as the GSA, would allow membership to the Paso Basin Cooperative Committee per Section 4.3 of the MOA.
9. **June 6, 2023** – The Board of Supervisors took action to relinquish GSA authority within the EPCWD boundaries to allow EPCWD to become a GSA (Attachment J). This action also accepted Exhibit A of the MOA, upon which action added EPCWD to the MOA effective immediately and as a result granted membership to the Paso Basin Cooperative Committee per Section 4.3 of the MOA.
10. **June 2023** – On June 20, 2023, State DWR approved the GSP for the Paso Robles Groundwater Basin (<https://sgma.water.ca.gov/portal/gsp/status>).
11. **September 2023** - After a 90-day noticing period, on September 20, 2023, EPCWD became recognized by State DWR as the exclusive GSA within its defined boundaries (<https://sgma.water.ca.gov/portal/gsa/all>). LAFCO has no involvement in GSA determinations.

CONDITION COMPLIANCE ANALYSIS

As noted above, in February 2019, LAFCO approved Resolution 2019-02 (Attachment F). This resolution added 6 new conditions of approval to replace original condition #11. The 6 conditions of approval are as follows and include staff comment on each condition's status:

1. The EPCWD shall be a district as allowed under the California Water District Law Code (Water Code § 34000 et seq.) and as determined by and subject to LAFCO Conditions of Approval (Resolution 2017-02).

(Staff Comment: Condition met)

2. The LAFCO approval does not grant to EPCWD any additional power or authority beyond the law.

(Staff Comment: Condition met)

3. The EPCWD shall not become a Groundwater Sustainability Agency (GSA) as provided for in the Sustainable Groundwater Management Act (SGMA, Water Code § 10720 et seq.) prior to the approval by the State Department of Water Resources (DWR) of the Groundwater Sustainability Plan (GSP) or January 31, 2022, whichever is earlier.

(Staff Comment: On June 20, 2023, DWR approved the GSP for the Paso Robles Groundwater Basin. Therefore, this condition is no longer applicable because the GSP has been adopted. EPCWD is not precluded by this condition to become a GSA. As noted, on September 20, 2023, DWR recognized EPCWD as the exclusive GSA within its boundaries. LAFCO has no involvement in GSA determinations.)

4. The EPCWD shall not become a Party to the Memorandum of Agreement (MOA) entered into by the GSAs within the Paso Robles Groundwater Basin in September 2017 prior to the approval by the DWR of the GSP or January 31, 2022, whichever is earlier.

(Staff Comment: As of June 20, 2023, DWR has approved the GSP for the Paso Robles Groundwater Basin. As such, this condition is no longer applicable because the GSP has been adopted and the 2017 MOA is no longer in effect.)

5. The EPCWD shall not become a member of the Paso Basin Cooperative Committee established under the current MOA.

(Staff Comment: Unlike conditions #3 and #4, this condition does not include any reference to timing, such as "prior to the approval by DWR".

Instead, Condition #5 includes a phrase “under the current MOA” and this phrase affects its applicability today. The “current” MOA at the time the condition was written was the 2017 MOA. Based on the language in the 2017 MOA, the MOA was set to terminate upon adoption of the GSP. Since February 2019, when the Condition #5 was established by LAFCO, the 2017 MOA was modified in January 2020. In terms of legal form and effect, it is now the currently in effect MOA and the 2017 MOA referenced in the Condition is no longer applicable.)

6. The District shall comply with SGMA and the subsequent GSP as implemented by the existing GSA with authority in its service area.

(Staff Comment: Condition currently being met. EPCWD is now recognized by State DWR as the exclusive GSA within EPCWD boundaries.)

SUMMARY AND CONCLUSION

In December 2017, EPCWD became a water district when the Certificate of Completion was filed, as approved and conditioned by LAFCO. As a water district, EPCWD is eligible to become a GSA under the provisions of SGMA. LAFCO has no involvement in GSA determinations.

From approximately 2017 to 2023, the County was the GSA within the boundaries of EPCWD. The County previously did not wish to withdraw as the GSA within the EPCWD boundaries.

As of June 2023, the Board of Supervisors took action to withdraw as the GSA within EPCWD boundaries. A boundary adjustment was submitted to State DWR, and EPCWD has since been designated by State DWR as the exclusive GSA within its defined boundaries. EPCWD executed Exhibit A to the 2020 MOA, and the Board of Supervisors accepted Exhibit A as a part of its action to withdraw as the GSA on June 6, 2023. The action by the Board of Supervisors effectively allowed EPCWD to become a GSA and a Party to the 2020 MOA.

The primary question on this matter is whether EPCWD is in conflict with Condition of Approval #5, which states that EPCWD “shall not become a member of the Paso Basin Cooperative Committee established under the current MOA”. LAFCO established Condition of Approval #5 in February 2019. The 2017 MOA, which was in effect at the time the Condition was written, is no longer in effect, therefore EPCWD may participate in the Paso Basin Cooperative Committee and is not in conflict with Condition of Approval #5. In terms of legal form and effect, the MOA as amended in 2020 is now the current MOA. Therefore, LAFCO cannot preclude EPCWD from being member of the Paso Basin Cooperative Committee under the provisions of Condition #5.

Attachment B: LAFCO Resolution 2017-02 – Approving Formation of EPCWD – April 6, 2017

Attachment C: 2017 Memorandum of Agreement

Attachment D: LAFCO Certificate of Completion – Filed December 2017

Attachment E: 2018 LAFCO Staff Report on Condition Compliance of EPCWD

Attachment F: 2019 LAFCO Resolution 2019-02 – Establishing New Conditions of Approval

Attachment G: EPCWD Resolution Accepting New Conditions of Approval

Attachment H: 2020 Memorandum of Agreement as Amended

Attachment I: 2023 Exhibit A of the 2020 Memorandum of Agreement Executed by EPCWD

Attachment J: Board of Supervisors Resolution 2023-142 Withdrawing as GSA and Accepting Exhibit A of the 2020 Memorandum of Agreement

Attachment A

LAFCO Staff Report on
Formation of EPCWD - April 6,
2017



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

TO: MEMBERS, FORMATION COMMISSION
FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER *(DC)*
DATE: APRIL 6, 2017
SUBJECT: FORMATION OF THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT - LAFCO FILE NO. 4-R-16

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1. Introduction

This is a public hearing of the Local Agency Formation Commission (LAFCO) regarding the formation of the proposed Estrella-El Pomar-Creston (EPC) Water District. The topics to be covered are found in the Table of Contents to the right along with various attachments. A public notice of this hearing has been provided to both property owners and registered voters within the proposed Water District boundary and within 300 feet of the exterior boundary. A notice has also been published in the local newspaper. The law requires only a newspaper notice if over 1000 notices are being mailed. Over 1400 postcards were mailed directly to landowners and registered voters in the Water District and within the 300 foot buffer. The noticing requirements have been exceeded. Today's meeting has also been announced on the LAFCO Homepage since late February.

If formed, the proposed EPC Water District would be responsible for helping to stabilize the Paso Robles Groundwater Basin by complying with the new state law the Sustainable Groundwater Management Act (SGMA). SGMA requires that all medium and high priority basins (Paso Robles is a High Priority Basin) be managed by a Groundwater Sustainability Agency (or agencies) with a Groundwater Sustainability Plan (GSP) created by the GSA(s). The proposed Water District intends to become a GSA.

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Attachments

- A- Plan for Services
- B- Proposed Boundary Map
- C- Draft Engineer Report Benefit Assessment for 218
- D- Powers Analysis
- E- Notice of Exemption
- F- Inclusion/Exclusion Requests
- G- LAFCO Factors & Policies
- H- Draft Resolution
- I - Comment Letters

The County, along with other agencies in the area, is in the process of forming the governing structure for managing the Paso Robles Groundwater Basin. The governing structure includes multiple GSAs and the preparation of a single Groundwater Sustainability Plan (GSP). A Memorandum of Agreement is being crafted to establish the GSAs in the Basin and will include: County of San Luis Obispo, City of Paso Robles, San Miguel CSD, and the Shandon-San Juan Water District. The EPC Water District would request DWR to grant it GSA status. Once granted, the District would become part of the agencies working toward SGMA compliance.

California Water Districts are formed and governed by landowners and are subject to the State Water Code 34000 et al (Principal Act) and any LAFCO conditions. Some key facts about this proposed Water District:

- The Estrella-El Pomar-Creston Water District is proposed only by landowners willing to form and fund the District. Participation in the EPC Water District is voluntary;
- Written consent by a landowner is required to be added to the Sphere of Influence of the District; a property must be in the SOI first to be annexed into the District. This condition maintains the voluntary landowner governing structure;
- Funding for the Water District is only from the landowners within the District;
- If formed, the landowners would be required to adhere to the policies, regulations and fees adopted by the Water District's Board of Directors; and
- The District cannot transfer "any water" outside the Paso Robles Groundwater Basin.

The EPC Water District would establish a local government agency for managing the portion of the Paso Robles Groundwater Basin for those landowners who want this type of structure. Those landowners not within a Water District would be managed by the County Flood Control District, a City, other Special District or by the State. The County Board of Supervisors decided to fund SGMA compliance activities for unmanaged areas that are not in a District or a City. The possible formation of the Shandon and EPC Water Districts was included as part of this decision. This decision may be revisited by the Board of Supervisors.

The Water District would have authority and jurisdiction only over those landowners and properties inside its service area boundaries. For the District to be formed, the formation and funding, must both be approved by landowners. The formation vote is based on landowners within the Water District's boundary based on a one vote per one acre basis. The funding is proposed to be a property assessment voted on by the landowners within the proposed Water District's boundary, and pursuant to Proposition 218. The District Board of Directors is required to conduct a successful Proposition 218 process within one year or be dissolved. The one year period may be extended by LAFCO upon request.

2. Sustainable Groundwater Management Act

The Sustainable Groundwater Management Act (SMGA) amended the Water Code and was signed by Governor Jerry Brown on September 16, 2014. It went into effect on January 1, 2015. SGMA provides the framework for sustainable management of groundwater supplies by local authorities, with a provision for state intervention and enforcement if the groundwater resources are not being managed effectively by local agencies. The Act calls for Groundwater Sustainability Agencies to be formed by June 2017 with Groundwater Sustainability Plans to be adopted by January 31, 2020.

SGMA requires the formation of local Groundwater Sustainability Agencies (GSAs) that must assess conditions in their local water basins and adopt locally-based management plans; Groundwater Sustainability Plans (GSPs). The Act establishes a 20-year horizon for GSAs to implement plans and achieve long-term groundwater sustainability. The County Public Works Department is coordinating the formation of GSAs for five medium to high priority basins in San Luis Obispo County. The County must confirm responsibility for being the GSA by July 1, 2017. DWR determined that three basins are in critical overdraft: Cuyama Valley, Los Osos, and Paso Robles. The following dates are for the implementation of SMGA:

- January 1, 2016: Adopt basin boundary adjustment regulations
- April 1, 2016: Adjudicated basins submit judgments/decree
- January 1, 2017: Publish groundwater sustainability best mgt. practices
- Early 2017: Update Bulletin 118 boundaries/re-prioritize basins
- June 30, 2017: Establish GSAs-notice sent to DWR
- July 1, 2017: Identify probationary basins: basins without a GSA
- January 31, 2020: Submit GSPs-High/Medium Basins in Critical Overdraft
- January 31, 2020: No adopted GSP= State considers probationary status
- January 31, 2022: Submit adopted GSPs for other basins

Groundwater Sustainability Agency (GSA) Powers-Functions

SMGA provides a GSA with certain powers and functions to allow it to sustainably manage a groundwater basin. The Water Code lists the Powers and Authorities for GSAs. Below is a summary of the powers:

- May adopt rules, regulations, ordinances, resolutions for the purposes of the Act.
- May conduct investigations to carry out the requirements of the Act. Section 10725.4

- May require the registration of wells. Section 10725.6
- May require the installation of water-measuring devices on all groundwater wells within the basin boundaries at the expense of the operator or owner. Section 10725.8
- May require annual extraction statements or other reasonable methods to determine groundwater extractions. Section 10725.8 (c) and (d)
- May impose well spacing requirements and control extractions by regulating, limiting or suspending extractions from individual groundwater wells. Section 10726.4 (a)(1) and (2)
- May assess fees to establish and implement local groundwater management plans. Section 10725.4 (a)(3)
- Local agencies may request that the Department of Water Resources (DWR) revise the boundaries of a basin, including establishing new sub-basins. The request shall include information to be specified by DWR in regulations by January 1, 2016, to support the request. Section 10722.2 (a)
- May identify de minimus user (less than 2 acre feet) to be exempt from SGMA.

The primary purpose of the proposed EPC Water District is to allow a group of willing landowners, only within the Water District's boundaries, the ability to comply with SGMA. DWR determines if a GSA application is complete or not. If not, the GSA must work out the issues with its application. SGMA requires that all agencies that manage water in the Basin to coordinate their GSP's. DWR will oversee compliance and ensure that these plans are coordinated and GSA's are formed.

The proposed Water District would provide a local agency to manage the groundwater resources within a certain area of the Paso Robles Groundwater Basin. The proposed Water District has groundwater management authority as either a stand-alone GSA (if granted by DWR) or as part of a larger GSA. Under SGMA, the proposed EPC Water District as a GSA, in coordination with other GSAs in the basin, would take actions that achieve basin-wide sustainability goals. If the proposed Water District is not formed, management of the groundwater resources in those areas would be at the discretion of the County. The County has recently indicated that it would manage the groundwater basin under SGMA without charging landowners in the Basin.

Groundwater Sustainability Plans

The California Department of Water Resources has adopted regulations with regard to the preparation of a Groundwater Sustainability Plan (GSPs). These regulations specify the components of the plans and identify the provisions of interagency coordination agreements. In other words, what does a GSP contain and how does an interagency

agreement work? The regulations also provide for the process of gathering information and data as well as the procedures for submitting the plan to DWR and review of the adopted plan by DWR. The contents of a GSP are substantial and include, but are not limited to the following:

1. Administrative Information
 - a. Executive Summary-Plan Overview and Basin Description
 - b. List of References and Technical Studies
 - c. Agency Information-Organization Structure, Management Implements Plan
 - d. Description of the Plan Area-Areas managed by the Agency Exclusively
 - e. Notice and Communication-for development of the plan with agencies, etc.
2. Basin Setting-Physical setting, current conditions, data gaps, Engineer/Geologist
 - a. Hydrogeologic Conceptual Model: Technical Details
 - b. Groundwater Conditions-Current and Historic
 - c. Water Budget-total annual volume of groundwater - Inflows and Outflows
 - d. Overdraft Conditions-Estimate of Sustainable Yield
 - e. Significant Technical Information-Projected Water Budgets
 - f. Management Areas-Define Management Areas
3. Sustainable Management Criteria
 - a. Introduction to Criteria
 - b. Sustainability Goal-Absence of undesirable results in 20 years
 - c. Undesirable Results
 - d. Minimum Thresholds
 - e. Measureable Objectives
4. Monitoring Networks
 - a. Introduction to Monitoring Networks
 - b. Description Monitoring Network
 - c. Representative Monitoring
 - d. Assessment and Improvement of Monitoring Network
 - e. Reporting Monitoring Data to the DWR
5. Projects and Management Actions
 - a. Description of projects and management actions to benefit the Basin
 - b. Measurable Objectives
 - c. If overdraft exists, description of actions to be taken
 - d. Summary of permitting/regulatory process for each project
 - e. Status of each project-timeline for implementation
 - f. Explanation of expected benefits-how they will be evaluated
 - g. How projects will be accomplished-reliability of outside water sources
 - h. Legal authority required for each project/management area
 - i. Estimated cost for each project and management area
 - j. Description of extractions and recharge Basin to address drought situation
6. DWR Evaluation and Assessment
 - a. Submit adopted GSP for evaluation-submittal date is assigned by DWR
 - b. Adopted GSP is posted on DWR website within 20 days of adoption

- c. Public Comment period of no less than 60 days
 - d. GSP shall be evaluated within 2 years of submittal-written assessment posted
 - e. GSP shall be determined “approved” or “incomplete” or “inadequate” by DWR
 - f. 180 days to respond to incomplete determination
 - g. Criteria for Plan Evaluation: Plan submitted on-time, Plan is complete as required by SGMA-including coordination agreement, GSP(s) cover the entire basin, reasonable measureable goals and objectives, reasonable measures and schedules to eliminate data gaps, feasibility of projects and management actions, reasonable assessment of overdraft, number of other criteria
 - h. Periodic review at least every 5 years
 - i. Review of Annual Reports and Plan Amendments
7. Annual Report and Periodic Evaluations
- a. Due April 1 of each year following plan adoption
 - b. Contents: Groundwater elevation data, monitoring wells, hydrographs, amount of groundwater extraction, Total water use, change in groundwater storage, etc.
8. Interagency Agreements
- a. Interbasin Agreements: Two or more agencies agree on sustainability goals.
 - b. Coordination Agreements: contents, water budget, submitted with GSPs, etc.

It is important to note that the GSP is a document(s) that intends to comprehensively address management of the entire Paso Robles Groundwater Basin. All GSAs would be required to participate and coordinate in the preparation and submittal of the GSP. DWR will review and either approve the Plan, or determine it to be incomplete or inadequate. The Plan would include the proposed projects and management actions to be implemented under the Groundwater Sustainability Agencies (GSAs). The GSAs and GSP will be used to achieve the goal of sustainably managing the Basin over the long term. If formed, the proposed EPC Water District would identify projects, policies and management actions that it would undertake to help achieve these goals.

Coordination Agreement

Under SGMA local agencies are responsible for developing and implementing GSPs. A local agency can request to become a GSA, or a combination of local agencies can form a GSA through a joint powers agreement (JPA) or other agreement. Depending on the number of GSAs within a basin, there are options for preparing a GSP.

- Single GSA developing a single GSP
- Multiple GSAs developing a single GSP (**Current Paso Basin path**)
- Multiple GSAs developing multiple GSPs, with a coordination agreement

Once an entire basin is covered by one or more GSAs, the first action of each GSA is to begin discussing and coordinating activities related to the development and implementation of the GSP(s). A Coordination Agreement (MOA) ensures that the GSP is developed and implemented utilizing the same data and methodologies. Also, the

elements of the GSPs necessary to achieve the sustainability goals for the basin are developed consistently. A Coordination Agreement:

- Is required for multiple GSAs preparing multiple GSPs
- Is recommended for multiple GSAs preparing a single GSP
- Identifies a Plan Manager as the point of contact with DWR

The agreement is being developed. The County, Cities and Special Districts with water authority in the basin are discussing this now. The proponents of the Shandon-San Juan and EPC Water Districts are also involved in the discussion.

3. LAFCO Formation Process

The Notice of Intent to Circulate a Petition was filed with LAFCO on August 18, 2016 and the applicant gathered signatures for the petition and submitted them to LAFCO for verification. The petition process allows the applicants six months to submit the petitions from the date when the first signature is signed on the petition. In this case the first signature was gathered on September 26, 2016 and the petition was submitted to LAFCO on January 3, 2017. This is within the six month period. The petitions were sent to be examined by the County Assessor's Office to compare the names and Assessor's Parcel Numbers on the petition to the most recent tax roll. The Assessor's office found that the names and parcels numbers included 100% of the landowners petitioning to be within the District.

The petition, application, and fees have been submitted to LAFCO. The initial 30-day review period was completed with additional information requested and submitted. The formation process and powers of the proposed Water District are described in the Water and Government Codes Sections 34000 et al and 56000 et al (CKH Act), respectively. The petition is adequate and a certificate of sufficiency was filed by the Executive Officer on February 8, 2017.

The Water Code (34000 et al) is the Principal Act for forming and administering a California Water District. If LAFCO approves the formation, the landowners (based on a one acre-one vote formula) within the boundary would vote on whether to form the Water District or not. Under the CKH Act, LAFCO has the discretion to approve (with or without conditions), modify, or deny the application for forming such a district. LAFCO may also adopt conditions of approval that would apply to the Water District.

Figure 1 -Formation Process

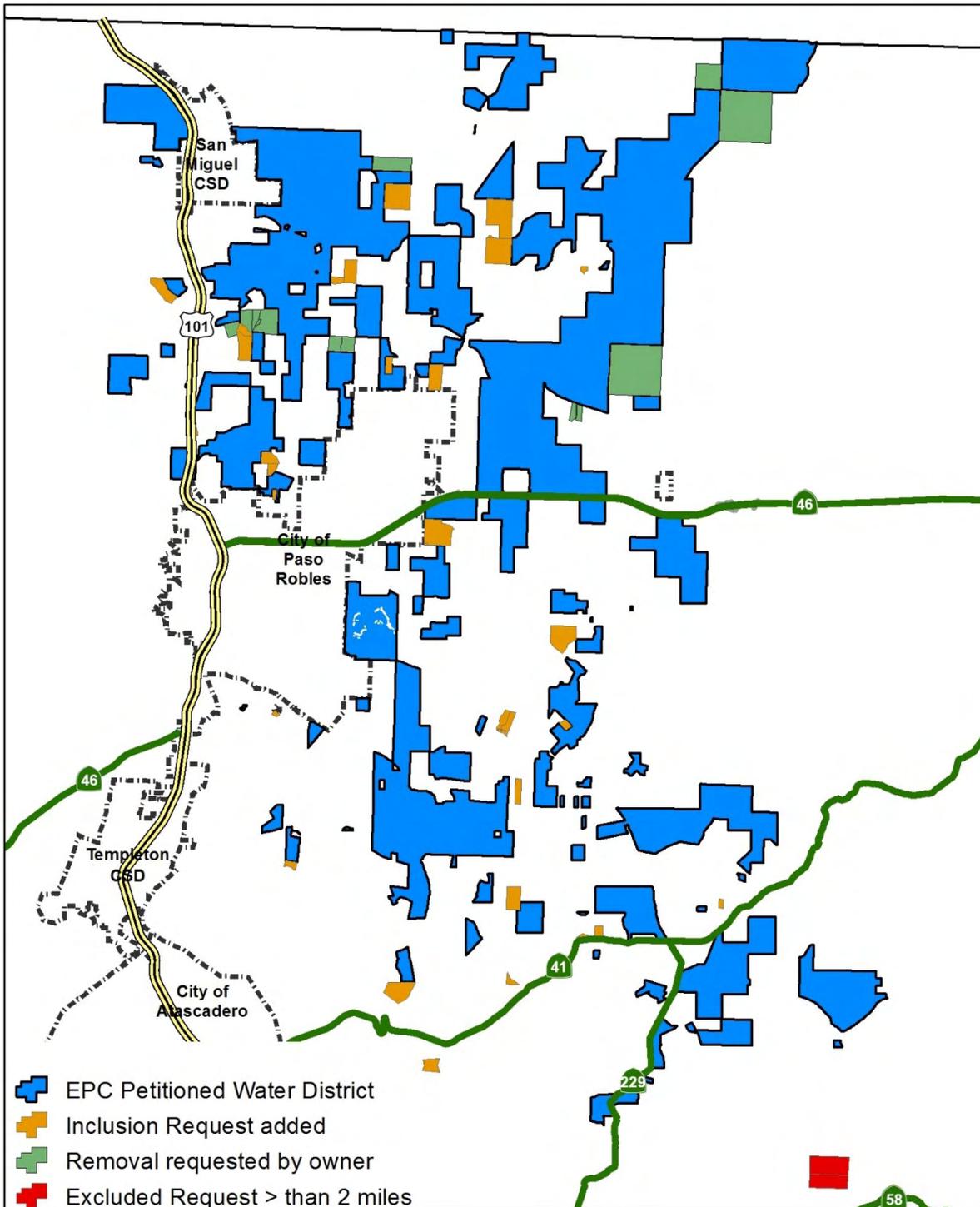


4. Boundaries

Service Area. The service area is the boundary where the proposed Water District would have jurisdiction and authority. LAFCO determines the service area and sphere of influence boundaries of a proposed district. At the writing of this report, the service area boundary proposed by the applicants is approximately 38,622 acres (16,519 acres irrigated) and is based on only those landowners who voluntarily signed the petition to form the Water District or have requested to be included. So far 34 requests for inclusion have been submitted for a total of 1,742 acres. Others may also wish to join or be removed from the Water District during the LAFCO process. Four landowners have opted out of the District totaling 1,946 acres. LAFCO may consider any additions or subtractions during the hearing process. This means 100% of the landowners within the proposed Water District would be in favor of forming and funding the Water District.

The voluntary landowner Water District proposal results in an irregular service area boundary. The Principal Act for forming a California Water District allows LAFCO to approve a non-contiguous boundary if the proposed Water District service areas are within two miles of each other. The proposed service area and current pattern is consistent with the two mile requirement with the exception of two parcels. Staff has reviewed the proposed parcels and found that only two parcels are outside the two-mile requirement. The next page shows a map with the landowners who have signed the petition, requested inclusion or exclusion in/out of the proposed boundary of the Water District.

Figure 2 Estrella-El Pomar-Creston Water District
Proposed Service Area & Sphere of Influence



As proposed the Water District would serve an area of about 38,622 acres of the Paso Robles Groundwater Basin. The area of the proposed Water District boundary makes up about 7% of the Basin within the County when using DWR's Bulletin 118. If the boundary is approved as proposed the areas around and in between the Water District would be subject to the County for SGMA compliance. A landowner(s) who wants to annex into the Water District at a later date can submit an application to LAFCO for consideration. If formed, the Water District can request a Sphere of Influence amendment of property(s) through a resolution of application. However, written consent by the landowner is required for inclusion in the Sphere of Influence. A property must be in the District's SOI for it to be annexed. This maintains the voluntary nature of the District and prevents the EPC Water District from proposing annexation of landowners/areas into the District without their consent. LAFCO would review and evaluate the SOI/annexation proposals according to the CKH Act. A reduced fee schedule has been adopted by LAFCO to allow for a SOI Amendment and Annexation to be processed at a reasonable fee for consenting landowners.

Service Area Recommendation. Staff recommends that the service area boundary include those landowners who have signed the petition to form the Water District and landowners who have submitted a written request to be included in the proposed District. Exceptions include the following:

- 1) Two parcels within the Rancho Salinas Mutual Benefit Water Company (Figure 3)
- 2) The proposed boundary should include adding the residential lots that are part of the Huero-Huero Mutual Water Company (45 acres see Figure 4). These are currently owned by one land owner at this point.
- 3) Two southern parcels are greater than 2 miles from the service area (Figure 5).

Landowners who have requested to be removed from the Water District are reflected in the proposed boundary map (13 parcels totaling 1,946 acres). Future SOI amendments would require written consent by the landowner, preserving the rights of landowners to only join the Water District if they consent. The applicant is required to submit a revised boundary map and legal description reflecting the Commissions approved boundary.

Figure 3 Estrella-El Pomar-Creston Water District

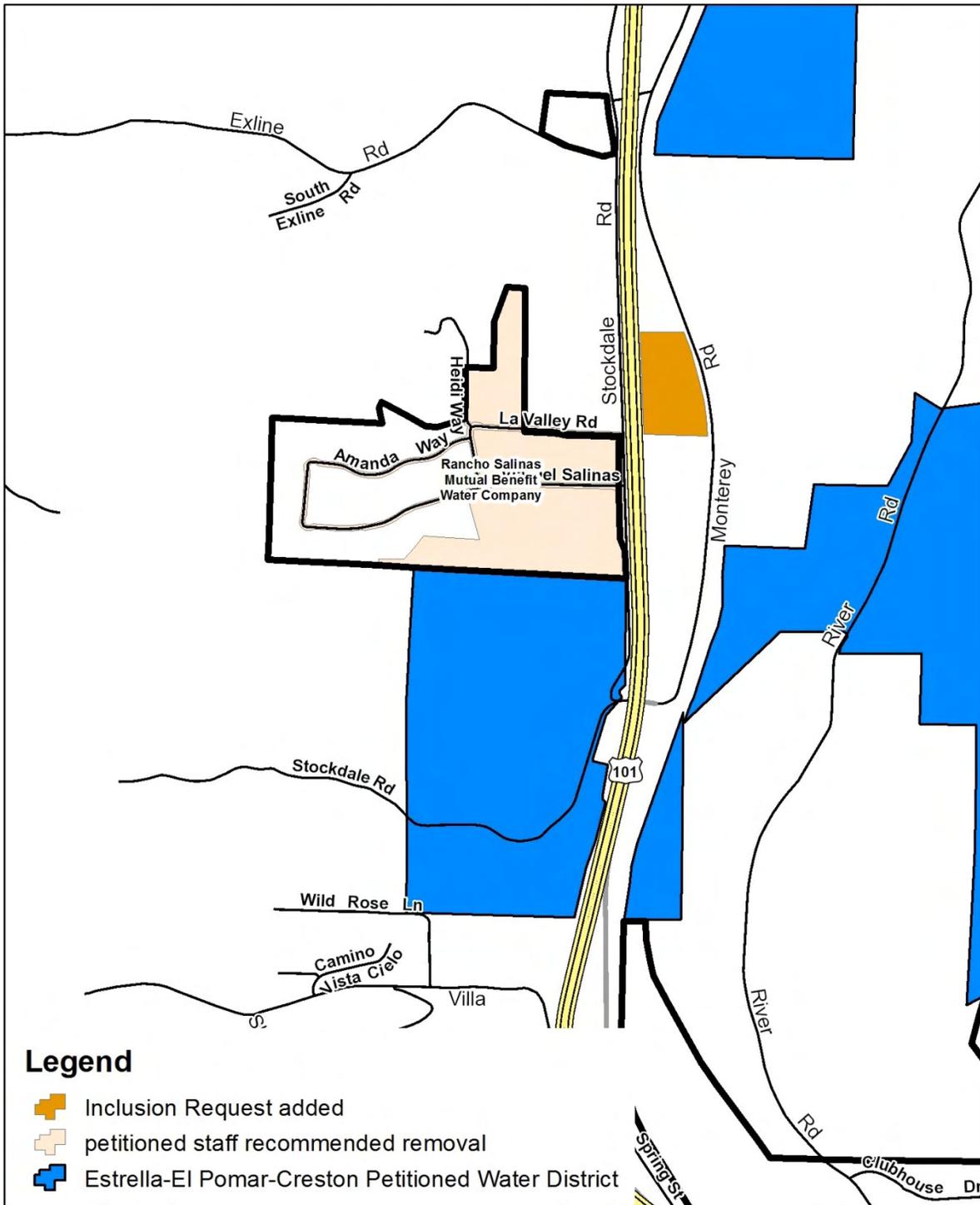


Figure 4

Estrella-El Pomar-Creston Water District

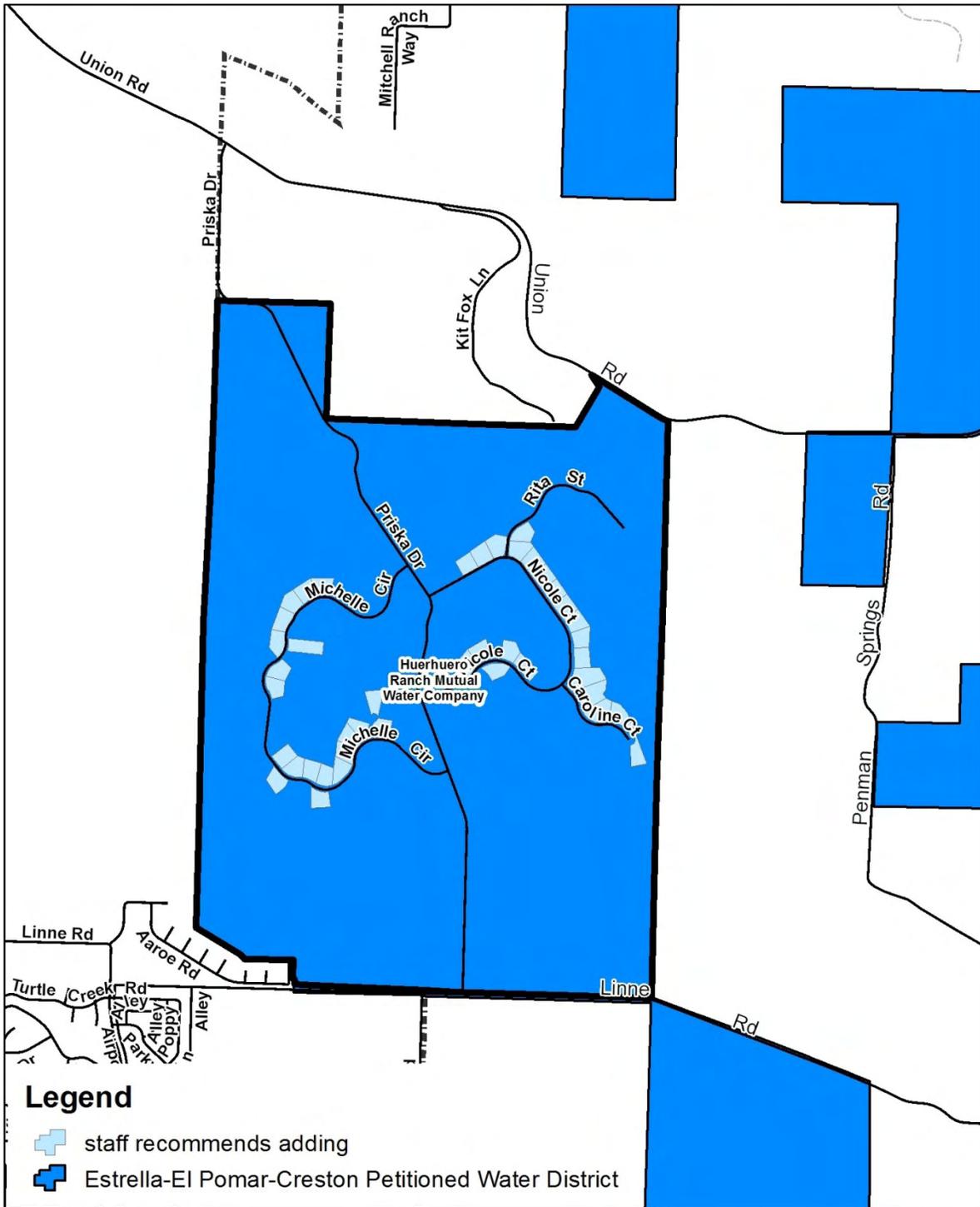
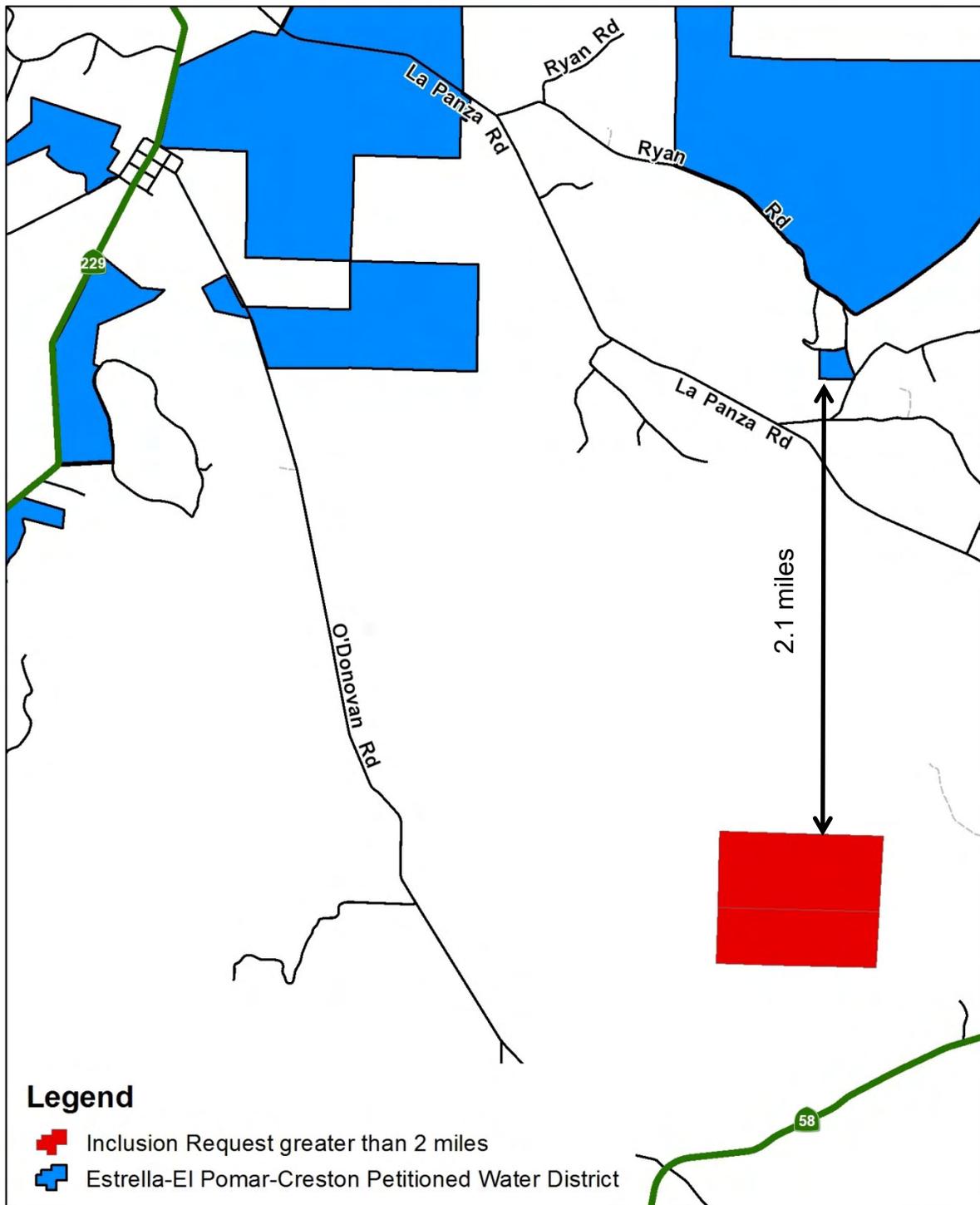


Figure 5

Estrella-El Pomar-Creston Water District



Sphere of Influence. A Sphere of Influence (SOI) is a planning boundary for a jurisdiction that is established by LAFCO and identifies areas that might be annexed in the future. The SOI areas would not be under the authority or regulation of the proposed Water District. It provides the landowner, the jurisdiction, and the public information about what areas could be annexed in the future. The Commission has several options with regard to establishing the SOI for the Water District:

1. Establish the SOI as coterminous (the same as) with the service area boundary with the recognition that LAFCO will update the SOI in five years as part of the SOI Update program. Areas can be added to the Water District's SOI and eventually annexed. Also, if any areas need to be added to the Water District between formation and the first SOI update this can be done by amending the SOI and processing the annexation.
2. The Commission could choose to determine the SOI for the Water District within one year of approval of the Water District. This would give the Commission time to gather more information about the SOI.
3. Lastly, the Commission could establish a SOI based on those landowners who request to be in the SOI.

Sphere of Influence Recommendation. Staff recommends option number one (coterminous SOI) because the SOI can be adjusted as needed after more information is available. If more areas need to be added, the SOI can be amended or updated. A condition of approval requiring written landowner consent for inclusion in future SOI amendments is proposed to ensure the voluntary landowner nature of the Water District. LAFCO reviews the Sphere of Influence every five years and the Sphere could be updated at that point in time with written landowner consent.

5. Powers – Attachment D

Powers. LAFCO has the authority to determine powers for Special Districts. San Luis Obispo LAFCO has done this in the formation of several Community Services Districts over the years. A District can only use powers that are identified in the Principal Act (State Law) that governs a District. Powers that are not in the Principal Act cannot be implemented by the District. LAFCO cannot eliminate a power from the Principal Act, but it can restrict the use of a power using a condition of approval, or by identifying active and inactive powers of a proposed District. CKH Act authorizes LAFCOs to determine a power as active or inactive through the formation process in 56425(i). The LAFCO procedure for reviewing and approving powers and authorities is the Latent Powers Activation process. For example when a District is formed, certain powers are activated with others being determined as inactive. The active powers are identified and the inactive powers are defined as "latent". These powers can be activated through the LAFCO activation process as described in GC Section 56824.10. This process requires that the Water District submit a resolution of application, plan for services and a budget

to LAFCO for consideration. LAFCO has discretion to approve, modify or deny the application to activate a power.

Powers Analysis-Attachment D. The powers and functions that the proposed Water District's Board of Directors may exercise are listed in the Water Code 34000 et al - California Water District. Attachment D has the powers listed along with staff analysis regarding activation of each power or function. At its discretion, LAFCO may activate some or all of these powers. It is recommended that all powers be activated with the exception of the Water District's capability to provide sewer services and transfer/move/export water outside of the Paso Robles Groundwater Basin. A condition of approval prohibiting the transfer/movement/export is also proposed in the Staff Report.

The issue of exporting groundwater outside the Paso Robles Groundwater Basin to other areas has been raised by numerous individuals and organizations. The purpose of the proposed Water District is to balance and stabilize the groundwater resources in the Basin consistent with SGMA. Exporting groundwater resources to areas outside the Basin would likely cause an imbalance and destabilization of the Basin. It is recommended that a condition of formation be approved stating that any transfer, export or movement of the Paso Robles Groundwater Basin's "water" (any water) outside of the Basin be strictly prohibited. Also, the County requires a discretionary permit to move water outside the Basin. Further, the District will be part of the overall effort to monitor, manage and regulate groundwater with other agencies and oversight from DWR.

The proposed Water District would be prohibited from moving "any water" outside the basin, any water that is moved into the Water District service area would have to remain in the basin. This effectively prohibits the Water District from storing water for resale outside of the Basin's boundaries. The water would only be used within the Paso Robles Groundwater Basin, benefiting landowners, agriculturists and residents overlying the Basin.

Powers Recommendation. To ensure that the Water District is able to complete its duties and responsibilities, the powers of the Water District should be activated as described in Attachment D with the exception of the authority to provide sewer service and the ability to move water outside the Paso Basin.

6. Budget & Financing-Attachment C

The EPC Water District's financial plan is documented in Attachment A, Plan for Services and Attachment C, Draft Engineering Report. LAFCO requires that both the funding and formation of the Water District be approved by the landowners for the Water District to be formed. The financing discussion is broken into two parts; 1) the proposed Water District Budget prepared by the applicant and 2) the proposed funding mechanism for the Water District.

Proposed Water District Budget

The proposed Water District Budget is found in Attachment C. The proposed Water District's Budget covers a five-year period and is based, in part, on previous water districts applications. The CKH Act does not require a specific number of years to be covered by a budget. In past formations (Ground Squirrel Hollow CSD, Cayucos CSD), LAFCO has formed a district using a one-year budget based on the financing being approved at the same time as formation consideration. The five-year budget represents the best estimate of costs at this point in time. The Budget has been prepared by a professional engineering consultant with experience in these types of activities.

The five-year budget proposed by the applicants assumes that staff would be hired on a contractual basis using consultants and other contractors. The budget ranges from \$487,190 in the first year to \$523,376 in the fifth year with an average of \$504,833. The major expenses include:

- Administrator/General Manager (part-time contract basis-\$80,000-93,000)
- Contract Office Manager (part-time, contract basis-\$24,000-\$28,077)
- Contract GSP/Hydrogeological (Consultant - \$100,000)
- GSP creation and implementation (Consultant - \$80,000)
- Contract Legal Services (\$60,000)
- Contingency Fund (\$47,000)

The five-year initial budget provides numerous other line items that would be expected in the day-to-day operations of the proposed Water District. The Draft Engineering Report in Attachment C provides a more detailed description and justification of the various line items for the proposed EPC Water District.

The initial budget submitted by the applicant represents a practical approach to the initial set-up of the Water District and implementation of SGMA. It would appear that the costs are rational. The initial five-year budget provides an adequate financial plan which can be used by the new Water District, public and the Commission in making formation and funding decisions.

The new Board of Directors would have discretion over how funds are allocated and future spending. The new Board would be responsible for hiring Staff, or any consultants. The proposed Water District would make decisions about future projects and programs and would be subject to Proposition 218 and other state laws. The initial budget is for the set up and day-to-day operations of the Water District for the purpose of compliance with SGMA and appears adequate.

Five Year Operating Expenditures for the Estrella-El Pomar-Creston Water District
Initial Budget anticipated expenses for the service provided

Budget No.	Budget item description	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
1	General Manager	\$80,000	\$83,200	\$86,528	\$89,989	\$93,589
2	Clerical part time	\$24,000	\$24,960	\$25,958	\$26,997	\$28,077
3	Employment taxes and benefits Consultant	\$36,400	\$37,856	\$39,370	\$40,945	\$42,583
4	Engineer/Geohydrologist	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
5	GSP create and implement	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
6	Legal Services	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
7	Office Lease	\$12,000	\$12,480	\$12,979	\$13,498	\$14,038
8	Utilities	\$3,000	\$3,120	\$3,245	\$3,375	\$3,510
9	IT and GIS Support	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
10	Conferences/Training	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
11	Travel	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
12	Insurance	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
13	Auditing/financial reporting	\$4,500	\$5,000	\$5,000	\$5,000	\$5,500
14	Office Supplies	\$2,000	\$1,500	\$1,500	\$1,500	\$1,500
15	Postage/Printing Telephone/Computer Internet service	\$5,000	\$5,000	\$5,000	\$5,000	\$3,000
16		\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
17	Office Equipment	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
18	Well Meter Data Analysis District Formation and Board Elections	\$0	\$5,000	\$6,000	\$6,000	\$8,000
19		\$4,000	\$0	\$4,000	\$0	\$4,000
20	LAFCO District Fees	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
21	Contingency 10 %	\$44,290	\$45,012	\$46,158	\$46,430	\$47,580
	TOTAL	\$487,190	\$495,128	\$507,739	\$510,734	\$523,376
				Five Year Average:		\$504,833

Notes:

All the voluntary members of the District are agreeing to a maximum assessment not to exceed \$35.00/acre (irrigated) and 1.69% of that proposed assessment for non-irrigated acreage.

Personnel and some other costs have an inflationary increase of 4% per year

A 10% contingency fund has been included

Home sites and commercial sites would be assessed separately

It is anticipated that maximum funding authorization could generate \$500,000 or more per annum if needed.

Reduction of expenditures for staff and consultant services can be achieved by sharing some of those duties with other GSA's.

Financing

The proponents are proposing a Benefit Assessment as the method for funding the Water District. The costs would be borne by the landowners within the proposed Water District according to the formula found in the Draft Engineer’s Report-Benefit Assessment Evaluation for California Proposition 218 in Attachment C. The formula is summarized in the table below. A Benefit Assessment was selected because this is a landowner-voter Water District that is governed by a Board of Directors who are landowners or their representatives. Also, the proponent indicates that all parcels will have a special benefit by having influence in SGMA compliance as a GSA. Benefit Assessments are used by local governments to pay the costs of providing services to a particular community or area. These charges are based on the concept of assessing only those properties that directly benefit from the services or improvements financed.

Summary of the Funding Formula-Maximum Assessments			
	Acres	Per Acre	Maximum
Irrigated Agriculture	16,519	\$35.00	\$578,165
Non-Irrigated Agricultural	22,103	\$ 0.59	\$13,040
Residential-Commercial	200/unit	\$ 7.50	\$1,500
Totals	38,622		\$592,705

Updated 3-23-17

Prior to creating a new assessment, a final professional engineer’s report outlining the proposed area, proposed project costs, annual cost to each property, and the benefit formula used to determine each property’s share of the cost will be prepared and considered by the EPC’s Board of Directors. Then, all owners of property within the proposed assessment district must be mailed a detailed notice of public hearing and a ballot with which to voice their approval or disapproval of the proposed Water District at least 45-days prior to the hearing. Ballots are weighted according to the proportional financial obligation of the affected property (benefit units). If the Water District is approved, and the assessment is created, it will be billed on the property tax bills each year. It is recommended that a condition of approval that requires the EPC Water District to complete a successful Proposition 218 for the Water District to be formed. If the Proposition 218 completed by the proposed Water District is not successful, the Water District would be subject to dissolution.

Why allow the District to complete the Proposition 218 after the formation vote? Proposition 218 requires that a Public Agency complete this process. When it involves an agency as the applicant (such as the County), that public agency completes the Proposition 218 funding procedure. The formation vote would form the Water District as a Public Agency and so it could complete the Proposition 218 process once formed. When formation involves petitioners that are registered voters with a special tax (like Groundsquirrel Hollow CSD formation) it is administratively much easier for the County to complete both the formation and funding process concurrently because there are

registered voters within the boundaries of the new district. The counting of registered voters is a relatively simple process compared to the administering of a benefit assessment tax being placed on the landowners who reside within the district.

LAFCO's proposed condition of approval gives the Water District up to a year to complete the 218 process or be subject to dissolution. Since the Proposition 218 funding formula was agreed to by 100% of the landowners when they signed the petition it is highly likely that the funding will pass. If the Commission would like to require the formation and funding vote to be completed at the same time, County Public Works and the Clerks Office, in cooperation with the applicant, would be the likely agencies to help complete the proposition 218 process. This is an extra layer of administration, costs and potential liability that would involve County Public Works and the County Clerk's Office in completing the formation and funding votes at the same time. If the newly formed EPC Water District completes the Proposition 218 process, the costs, liability, and compliance with the 218 procedures are the full responsibility of the District. The proposed Water District would likely hire a consultant to complete the 218 process.

LAFCO has discretion over this condition of approval and can require that Proposition 218 be completed at the same time as formation, if the Commission so chooses. In this situation allowing the Water District to complete the Proposition 218 allows for landowner discretion in voting on the funding, decreases the County's involvement in the process, and fulfills the requirements of Proposition 218.

Budget Recommendation. The Draft Engineer's Report in Attachment C provides the reasonable rationale for the budget and the formula for the revenues. It provides adequate information for LAFCO and landowner decision-making with regard to the formation of the Water District. The Water District would be required to complete a successful Benefit Assessment (Proposition 218) process. Ultimately the landowners within the proposed Water District boundary would be deciding if they believe the funding formula to be fair, equitable, and reasonable.

7. Governance Issues

One of the challenges in implementing the Sustainable Management Groundwater Act (SGMA) is the potential for dividing a region or area into divisions that might make cooperation a challenge. Inter-Agency cooperation is needed for the Basin to be managed in a sustainable manner and for the agencies to meet the SGMA requirements.

The current governing situation for the Paso Robles Basin includes a number of local government agencies including the San Miguel and Heritage Ranch CSDs, City of Paso Robles, County of San Luis Obispo-Flood Control District, Shandon-San Juan Water District and possibly the proposed Estrella-El Pomar-Creston (EPC) Water District. The

County, along with help from DWR has been conducting organizing meetings with regard to the implementation of the Sustainable Groundwater Management Act (SGMA). Each local agency intends to be a Groundwater Sustainability Agency (GSA). These meetings have included representatives from the proposed Shandon and EPC Water Districts.

The local agencies intend to prepare one Groundwater Sustainability Plan with each agency responsible for its own service area. A memorandum of agreement (MOA) would set up the structure and procedures. Any unmanaged areas (white areas) would be subject to the County in regard to SGMA compliance. The unmanaged areas could annex into a proposed Water District at a later date if they choose too. Ultimately the Department of Water Resources would decide if the basin is being adequately managed. DWR could intervene and place the Basin, or parts of the Basin, on probationary status if the GSP does not address SGMA compliance.

Managing the Basin in this manner is the result of several factors: 1) SGMA encouraging local agencies to manage groundwater resources, 2) Desire by local landowners to have a level of influence and control over the management of groundwater in the Basin, and 3) Desire by existing jurisdictions to influence and control the groundwater resources. There are potential challenges and benefits to the management of the Basin in this manner.

The local agencies may want to take separate and possibly conflicting actions in preparing the Groundwater Sustainable Plan (GSP). This could lead to disagreement among the agencies with regard to how best to manage the Basin. Another challenge might be that one or more of the local agencies take actions (or plans to) that are harmful or detrimental to the Basin such as: over pumping, moving water outside of the Basin, a proposal to sell water to others outside of the Basin. The time and resources it takes to organize into GSAs is a hurdle as well. It should be noted that SGMA requires that the GSP be coordinated with other agencies in the Basin.

Due to SGMA, the local agencies will likely come to agreement with regard to the management of the Basin. Also by having more willing landowners represented and additional financial resources this may be helpful in managing the Basin. The authority will be dispersed and not centralized. If the two water districts are formed, they could bring an estimated \$700,000 in funding for district operational costs and preparation of a GSP within those areas. This reduces the overall cost of the surrounding unmanaged areas to the County. Also about 190,000 acres of the Basin would be managed by local water districts giving those landowners a voice at the SGMA table and reducing the overall acreage that needs to be managed by the County or possibly the State. The local agencies may, as part of the Memorandum of Agreement, identify a procedure for addressing these situations. The GSAs could work together to prevent actions adverse to the Basin, with each jurisdiction agreeing to consult with the other about various water resource proposals. With DWR acting as the oversight agency, the GSAs have a strong incentive to comply and work together.

All GSP(s) are subject to DWR review as is the formation of a GSA. If a GSP, or part of a GSP, is found to be inadequate, the Basin (or parts of a basin) can be subject to state intervention or probation. GSAs will not be allowed to overlap one another. An individual GSA could be placed on probation if a portion of a GSP is not adequate. There are three likely scenarios (maybe more): 1) The GSP is corrected by the GSA and local management continues; 2) The State intervenes on a portion of the Basin and compliance is achieved, 3) The entire Basin is placed in probationary status. Under SGMA any jurisdiction taking an action that is adverse to the Basin is taking the risk of violating SGMA's key principles of improving the condition of the Basin. This violation could lead to enforcement action by the State Water Resources Board.

Examples of regional/local agencies that have come together to manage resources include: Council of Governments (Transportation), Air Pollution Control Districts (Air Quality) and Integrated Waste Management Agencies (Solid Waste). All of these agencies are administered under a Joint Power Authority or other agreement. They have all been organized under a State Law calling for management of a particular resource or to address the allocation of resources (COGs). Over the years, many of these organizations have pulled together the interests of individual jurisdictions into a more cohesive plan for managing a particular resource or issue.

8. Conditions of Approval

The following conditions of approval are recommended if the proposed EPC Water District is approved:

Conditions of Approval

1. That the name of the Water District shall be the Estrella-El Pomar-Creston Water District.
2. That the Board of Directors of the Estrella-El Pomar-Creston Water District be composed of five members elected as provided for in the California Water District Law, Water Code Section 34000 et. seq. The initial Board of Directors will be elected pursuant to the Water Code sections 34700; and
3. That pursuant to the applicable Water Code Sections the Estrella-El Pomar-Creston Water District is authorized to exercise all powers and authorities subject to the following restrictions:
 - a. The Water District's powers to export, transfer, or move water underlying the Water District outside the Paso Robles Groundwater Basin shall not be active and are subject to condition number five of this approval. For purposes of this Condition and Condition number five, "groundwater" shall have the meaning set forth in Water Code Section 10721(g).

- b. The Water District's powers under Part 5 Powers and Purpose; Chapter 2; Powers; Article 5; Sewers: [35500 - 35509] of the California Water Code shall be deemed inactive or latent. The Water District could request that LAFCO activate these powers in the future.
4. That formation of the Estrella-EI Pomar-Creston Water District shall be contingent upon a successful vote on the formation pursuant to Water Code Section 34500 and the EPC Water District completing a successful benefit assessment to fund the activities of the Water District. If the Proposition 218 proceeding is not successfully conducted by the Water District within one year of the certificate of completion, the Water District shall be subject to dissolution. LAFCO may extend this deadline upon request by the Water District.
5. The EPC Water District shall be prohibited from exporting, transferring, or moving water underlying the Water District (including groundwater pumped into an above ground storage facility) to areas outside of the Paso Robles Groundwater Basin.
6. That specific projects proposed by the Estrella-EI Pomar-Creston Water District shall be analyzed and evaluated in accordance with applicable laws prior to construction.
7. Prior to filing the Certificate of Completion, a revised legal description and boundary map(s) shall be submitted to reflect the service area and sphere of influence boundaries of the Water District as adopted by the Commission.
8. That the effective date of the Estrella-EI Pomar-Creston Water District will be determined by the certification of the election results by the Board of Supervisors and the filing of the certificate of completion by the LAFCO Executive Officer with the County Clerk-Recorder's office.
9. That the EPC Water District set the appropriations limit as soon as feasibly possible consistent with Government Code Section 57000.
10. That the Sphere of Influence of the Estrella-EI Pomar-Creston Water District shall be co-terminus to the Service Area boundary. Future amendments and/or updates to the SOI shall only include properties that have submitted written landowner consent.
11. The Water District, if formed, shall provide documentation that it has been identified as a Groundwater Sustainability Agency (GSA), or a GSA partner, pursuant to the Sustainable Groundwater Management Act, Water Code section 10720 et. seq. If the District does not become a GSA, or is not part of a GSA within one year of the Certificate of Completion being filed, the District shall be dissolved. LAFCO may extend this deadline upon request by the District.

9. LAFCO Role and Options

The following section discusses LAFCO's role and options with regard to the formation of the proposed EPC Water District.

LAFCO's Role. When LAFCOs were created, the State Legislature gave LAFCOs the authority to form districts, incorporate cities, and complete other "changes of organization". LAFCO's role when forming a district is to determine if the District should be formed, what the boundaries should be, and what powers should the District have based on a plan for services, budget and other information submitted by the applicant. The Cortese-Knox-Hertzberg Act gives the Commission "broad discretion in light of the record" in making these determinations. It is incumbent on each Commissioner to use her/his independent judgement in making these decisions. The Staff Report and attachments are prepared for consideration by the Commission, the public and the applicant. The record includes reports and documentation submitted, oral and written public testimony provided and any other information provided to the Commission. The Commission's decision is legislative, meaning that each Commissioner has broad discretion in considering her/his decision and that LAFCO is performing a legislative task as delegated to it by the State of California.

Approve or Modify. LAFCO has discretion to modify a proposal with regard to its boundaries, powers and functions or approve the proposal as submitted. Several conditions of approval are recommended and can be considered modifying the proposal. For example; the Water District must complete a successful Proposition 218 process to be formed, the Water District shall not have the authority to move or transport water outside the basin, and the expansion of the Water District's sphere of influence is subject to written landowner consent. These modifications are within LAFCO's legislative discretion and help the proposal to be consistent with local circumstances and conditions.

Approval. Special Districts are a form of local government created by a local community to meet a specific need or provide a particular service. Inadequate tax bases and competing demands for existing taxes make it difficult for cities and counties to provide all the services their citizen's desire. When residents or landowners want new services or higher levels of existing services, they can petition LAFCO to form a district. LAFCO policies 2.1.9, 2.5.2 and the Cortese-Knox-Hertzberg Act also call for LAFCO to provide a rationale for the formation of a new government structure. In this case, the following determinations provide a rationale for consistency with LAFCO policies and the CKH Act:

- **Management of local groundwater resources.** The proposed EPC Water District would have a landowner voter Board of Directors that would be focused on making decisions about the groundwater resources in the unincorporated service area of the Paso Robles Basin. The proposed Board of Directors would include five landowners or their representatives. This Water District would

become a GSA and work with other stakeholders in the Basin in managing the groundwater resources under SGMA. It would provide the landowners in this Boundary with a seat at the Groundwater Sustainability table.

- **Focus on Groundwater Management.** The proposed EPC Water District offers the opportunity for landowners to manage the groundwater resource. Numerous studies show that the Paso Robles Groundwater Basin is in decline and is in need of a more focused management effort. It is in the best interests of all users of the Basin to better manage the groundwater resources.
- **Landowner Resources.** The landowners proposing the Water District are willing to fund and form the Water District to sustainably manage the groundwater resources. This brings more resources to the management of the Basin. The County would not be responsible for the entire Basin. The Water District would assist in complying with SGMA. The two Water Districts, Shandon (\$300,000) and EPC (\$500,000), could bring in an estimated \$800,000 annually to help prepare a Groundwater Sustainability Plan and comply with SGMA. This is money that the County would not have to spend on SGMA compliance activities and areas that will not have to be managed by the County.
- **Local agency.** The EPC Water District would establish a local public agency of voluntary landowners that would sustainably manage the groundwater resource under its area. The Water District would work within the State Law with other agencies to provide for the reasonable use of water, pursue supply solutions, and to raise funds for planning and projects that comply with SGMA.
- **Voice at the table.** The proposed EPC Water District would establish a local agency to work within the State's legal framework on behalf of its landowners for the sustainable management of the Basin's groundwater resources. This voice would assist in the management of local groundwater resources.

The Cortese-Knox-Hertzberg Act calls for LAFCOs to make decisions based on local conditions and circumstances. The EPC Water District, if created, would be based on local conditions, and provides for a governing structure that, if formed by the landowners, can help manage their portion of the groundwater in the Paso Robles Groundwater Basin.

Denial. The Commission has broad discretion in making its decisions and could consider denying the formation. Below are some considerations for denial:

- Fragmented and duplicative management of the Basin. Creating the EPC Water District could contribute to a more fragmented governing situation for the Basin. The County, Cities and Special Districts already exist and could manage the Basin. Adding another district could be perceived as duplicative to the management of the resources. The landowners have options of joining the

Shandon-San Juan Water District or the County Flood Control District for SGMA compliance.

- The County Flood Control District could manage the Basin. The County has a Water Resources division that could undertake the management of the Basin. The County's Public Works staff is capable and competent, and if directed by the Board of Supervisors could manage the Basin and comply with SGMA. It may take additional staff and consultants, but the County is certainly capable of SGMA compliance. The County Board of Supervisors recently indicated that it would provide SGMA compliance for unmanaged areas without charging any fees for this service.
- It has been suggested that the landowners proposing the Water District should not be allowed to manage the Basin because of their links to corporations and other special interests.
- The State may be a short-term management agency option dependent on the fees and fines it charges. The State may indeed intervene for a period of time but it would prefer that local agencies management the groundwater resources in the long term.
- The proposed Water District will be used to take the groundwater and export it outside of the Basin to other areas for a profit. (The County requires a permit for such an action, the Water District is prohibited from moving water outside the Basin, and the GSA/GSP would also be involved.)

These are some of the justifications provided for denial. The Commission can choose to explore these and other reasons for denial. (LAFCO has broad discretion in light of the record to make its decision. If the Commission denies the application, Staff would recommend returning with a resolution and determinations supporting that direction.)

10. Environmental Determination – Attachment E

Environmental Determination. LAFCO is the Lead Agency for the proposed Formation of the Water District and adoption of a Sphere of Influence. The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). The formation of the Water District qualifies for a CEQA exemption under 15378(b)(4). Additionally, the SOI qualifies for a general rule exemption from environmental review based upon CEQA Regulation Section 15061(b)(3) and Section 15262.

The creation of a water district for the purpose of creating a funding mechanism is exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(4), or alternatively Section 15061(b)(3) which provides: "The creation of government funding mechanisms

or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment". The newly formed water district would become a Groundwater Sustainability Agency (GSA) and work with the surrounding local agencies for its portion of the groundwater basin. Part of the responsibilities of a GSA is compliance with the SGMA Act which includes the preparation of a Groundwater Sustainability Plan (GSP), under CEQA the adoption of a GSP is a Statutory Exemption § 15282(v). The purpose of any GSP would be the protection, restoration, or enhancement of groundwater resources. The Water District is being formed to stabilize the Basin through compliance with SGMA and preparation of a Groundwater Sustainability Plan.

If formed, the Water District would be required to complete additional CEQA review for any future identified capital projects or implementation actions under the future adopted GSP. The regulatory process involves procedures to prepare a GSP for the protection of the resources and environment. It is speculative to try and envision what future capital projects would be undertaken by the Water District. The newly formed Water District would have to go through the Capital Improvement planning process which would include permitting and CEQA compliance.

The Sphere of Influence boundary does not involve, authorize or permit the siting or construction of any facilities. CEQA Regulation Section 15061(b)(3) states "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." A Sphere of Influence is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". A SOI is generally considered a 20-year, long-range planning tool and has no legal binding effect to authorize annexation or future improvements. CEQA Regulation Section 15262 includes an exemption for projects involving only planning studies for possible future actions. Any annexation into the Water District would require further CEQA review and action by LAFCO.

11. Recommendation

The Commission has the discretion to approve, modify or deny the proposed application. It is respectfully recommended that the Commission consider the following recommendation for approval:

1. Approve the Statutory Exemption as the environmental determination pursuant to the California Environmental Quality Act (CEQA).
2. Conditionally approve, by resolution, the formation of the Estrella-El Pomar-Creston Basin Water District subject to: a vote of the landowners as described by Water

Code 34000 et al and a successful Proposition 218 proceeding to fund the Water District.

3. Conditionally approve, by resolution, the Formation of the Estrella-El Pomar-Creston Water District with the attached conditions of approval found in staff report section 8 Conditions of Approval above and included in the attached resolution.
4. That an “Opt-In” boundary be used to establish the service area for the Water District with any changes approved by the Commission. This would be documented in a condition of approval indicating that the applicants shall submit a revised boundary map and legal description that reflects the final boundary. The opt-in nature of the Water District shall be preserved with the condition of approval to require written landowner consent for any Sphere of Influence action taken by LAFCO.
5. Adopt a Sphere of Influence (SOI) for the Estrella-El Pomar-Creston Water District that is coterminous to the Service Area boundary and found in Attachment B. It is further recommended that the Commission adopt the following as its written statement of determinations:
 - a. The present and planned land uses in the area:

The Water District is anticipated to only provide groundwater management services to residents and growers within the service boundary. The SOI is proposed to be the same as the service area. The SOI does not anticipate or cause any changes to the present and planned land uses in the area. The Water District has no authority over land use decisions in the area.
 - b. Present and probable need for public facilities and services in the area:

If formed, the new Water District may consider the need for public facilities and services in the future. The SOI does not extend beyond the service area of the proposed Water District and it is difficult to speculate what public facilities might be constructed in the future.
 - c. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:

Presently, the Water District has no public facilities. If formed, the Water District would have adequate resources to provide services within the boundaries of the District. The Water District would call for a groundwater sustainability plan to be prepared and adopted for compliance with SGMA.
 - d. Existence of social or economic communities of interest in the area if the Commission determines that they are relevant to the agency:

If formed, each place or area that is served by the Water District has a unique mix of social and economic communities of interest. The Water District would provide its groundwater management services to these communities of interest

such as businesses, non-profits, farms and vineyards, and rural residences. These organizations, groups and individuals along with the Water District make up the fabric of the community.

- e. Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities:

The Water District would have a variety of economic diversity that live within the Water District's service area and surrounding area including within or adjacent to the Sphere of Influence. The Sphere of Influence is coterminous to the Service Area and does not qualify under the definition of disadvantaged community for the present and probable need for public facilities and services.

Attachment A

Plan for Services

Estrella, El Pomar, Creston Water District (District) PLAN FOR SERVICES

Background

The County led initiative to create a Basin wide District failed dramatically in the formation election. Presently there is not a practical path to create a Basin Wide District and even less hope to successfully fund one. The rapidly approaching June 30th 2017 deadline for creating a GSA to manage our area leaves this local District Formation effort as one of our few viable alternatives. The District will be a significant part of the SGMA solution for the Paso Robles Groundwater Basin and will focus on groundwater sustainability for the agricultural related users in the proposed District. It is anticipated that there will be a group of GSAs working together under an MOU or JPA that will be the guiding body responsible for the Basin as a whole. The State has already set standards and will closely oversee the activities of the GSA(s).

Description of Services to be provided by the new District:

The initial services provided by the District can be generalized as compliance with the Sustainable Groundwater Management Act (SGMA) and its goals. In addition, the District will operate as a California Water District supporting the needs of agriculture, ranching, grazing and open lands. If formed, the proposed Water District would be responsible for helping to stabilize the Paso Robles Groundwater Basin by complying with the new state law.

SGMA requires that the Paso Robles Groundwater Basin (a High Priority Basin) be managed by a Groundwater Sustainability Agency (GSA) with a Groundwater Sustainability Plan (GSP) created by the GSA. The proposed Water District would either become a GSA and/or be part of a GSA that manages the Basin. The deadline for forming a GSA is June 30, 2017. The County, along with other agencies, is in the process of forming a GSA for the Paso Robles Groundwater Basin. The applicants are in discussions with the County and other agencies about the best approach and structure for creating the GSA.

California Water Districts are formed and governed by landowners and are subject to the State Water Code 34000 et al. The Estrella, El Pomar Creston Water District is being proposed to include only landowners willing to form and fund the District. Therefore, participation in the Water District is voluntary. If formed, the landowners would be required to adhere to the policies and regulations adopted by the new Board of Directors.

The Water District would establish a local government agency for managing the portion of the Paso Robles Groundwater Basin for those landowners who want this type of structure. The Water District would have authority and jurisdiction only over those landowners and properties inside its boundaries. For the Water District to be formed, both the formation and funding must be approved by landowners. Formation depends

on voter approval by landowners within the Water District's boundary on a one vote per acre basis. The funding is proposed to be a benefit assessment voted on by the landowners within the proposed Water District's boundary and pursuant to Proposition 218.

Over a period of time, District services may include:

1. At every step of the SGMA process, representing the best interests of the members of the District while complying with State Law and working to ensure a sustainable source of water for all our area residents, farmers and neighbors for generations to come.
2. Working with the other agencies involved in managing groundwater in the Paso Robles Basin that are forming a GSA(s) and then cooperating to write the GSP(s) that will be critical in the sustainable management of the basin.
3. Collecting and reporting pumping data to the Board of Directors (Board) and Department of Water Resources (DWR).
4. In cooperation with existing California Stabilized Groundwater Elevation Monitoring (CASGEM) and SLO County efforts, collecting water level readings from across the District on a regular basis.
5. Compiling, analyzing and reporting that Data to the Board and DWR.
6. Enumerating wells with known screen elevations to track over time to help define aquifers.
7. Working to ensure the accuracy of the pumping data and to promote the necessity to have meters on ag wells.
8. To take water samples from these wells across seasons and years to document the nature of the aquifers feeding the basin and to document water quality in the basin's water.
9. To analyze and report the water quality data to the County, DWR and the State Water Quality Control Board.
10. Acquiring existing and new studies of the basin, the aquifers that feed it and the underground limits or boundaries that contain it. Reporting this data to DWR and SLO County.
11. To hire technical experts to analyze these various data streams and collect other data needed to define our basin. To create the technical reports required by DWR.
12. Documenting our groundwater management over time and reporting the ongoing results to DWR.
13. Promoting existing and developing local Best Management Practices (BMPs) for the conservation of water. Creating policies to ensure their implementation.
14. Identifying existing and developing new BMPs for improving water infiltration and recharge. Encouraging and ensuring implementation of those practices.
15. Pursuing projects to increase water infiltration in wet years to improve the total water supply available and to gradually raise water levels to former elevations.

16. Using all the powers given to a Water District to develop fair and equitable extraction limits to maintain sustainable groundwater levels in each portion of the District. When groundwater conditions necessitate it, implementing those extraction limits.
17. Enforcing District ordinances, rules or regulations.
18. If opportunities to acquire outside sources of water at economically feasible prices arise, to consider pursuing them.

Indicate when services can be extended to the affected area

These Services will be carried out across the District. They will commence directly after District Formation and election of a Board of Directors. However it is important to note that the District is aimed at providing these services to agricultural oriented properties and will not be able to service rural subdivisions and small domestic water customers that are not associated with agriculture.

Boundary of the New District

The boundary of the District is the Estrella, El Pomar, and Creston areas delineated in the SLO County studies of the Paso Robles Groundwater Basin. This area is defined by the area adjacent to the Cities of Paso Robles and Atascadero and excludes those cities, the CSDs and existing water districts in the boundary of the proposed district. The proposed boundary ranges north to the Monterey County line and southerly to the general area of Hwy 229. It includes portions of the Estrella and Salinas Rivers and includes those portions of their watersheds that lay within the State DWR Bulletin 118 Boundaries of the Paso Robles Ground Water Basin

An indication of any improvement of structures, roads, sewer or water facilities, or other conditions the district would impose or require within the affected territory if the District is formed

Beyond requiring meters on production wells no such improvements related to groundwater sustainability are anticipated to be imposed until after the development of the GSP. Under the SGMA, the final GSP must be submitted to DWR by 2020.

Identification of existing service providers, if any, and the potential fiscal impact to the customers of those existing providers

There is no existing provider of sustainable groundwater management services specifically described in SGMA in the proposed District. However, the County Flood Control District has adopted a Groundwater Management Plan pursuant to AB 3030 which is currently in effect. The County had adopted an Urgency Ordinance, No. 3246, that restricted new uses of groundwater within the Paso Basin and has supplanted that with Ordinances 3306, 3307, 3308 and 3309 all controlling different aspects of new water use within the Basin. Further the SLO County BOS has directed Public Work Staff to focus "on building GSAs with willing and eligible partner agencies." Aside from the foregoing, the area currently has individual well owners managing groundwater without the collaboration of others. There are, however, other existing water purveyors in the Paso Basin which will work collaboratively with the new District on matters related to groundwater management and SGMA compliance. These

agencies will work together under the framework of a "master" GSA or Group of GSAs coordinating the development of a GSP(s) under a MOU or other type of agreement.

Plan for financing the establishment of the new district:

Total estimated cost to provide services within the special district's boundaries:

Presently the estimated cost to provide District services is an average annual budget of \$500,000 for the first five years. A detailed budget is provided below. The projected Budget will be sufficient to successfully implement these steps in cooperation with other agencies. Once groundwater extraction metering has been established, if the District's Board so directs, the funding could switch to use basis. The Board may also pursue public and private grants to supplement the basic services outlined above to expand on potential conservation and water supplementation opportunities.

Estimated cost of the services to customers within the special district's jurisdictional boundaries:

A final determination of the funding mechanism under Proposition 218 (and the manner in which to impose a levy) has not been made at this time; therefore, the allocation of the \$500,000 annual budget has not been finalized. However, a licensed and experienced consulting firm, Wallace Group, is performing the necessary analysis.

Identification and description of the revenue sources. Discuss the stability of the revenue sources and future availability:

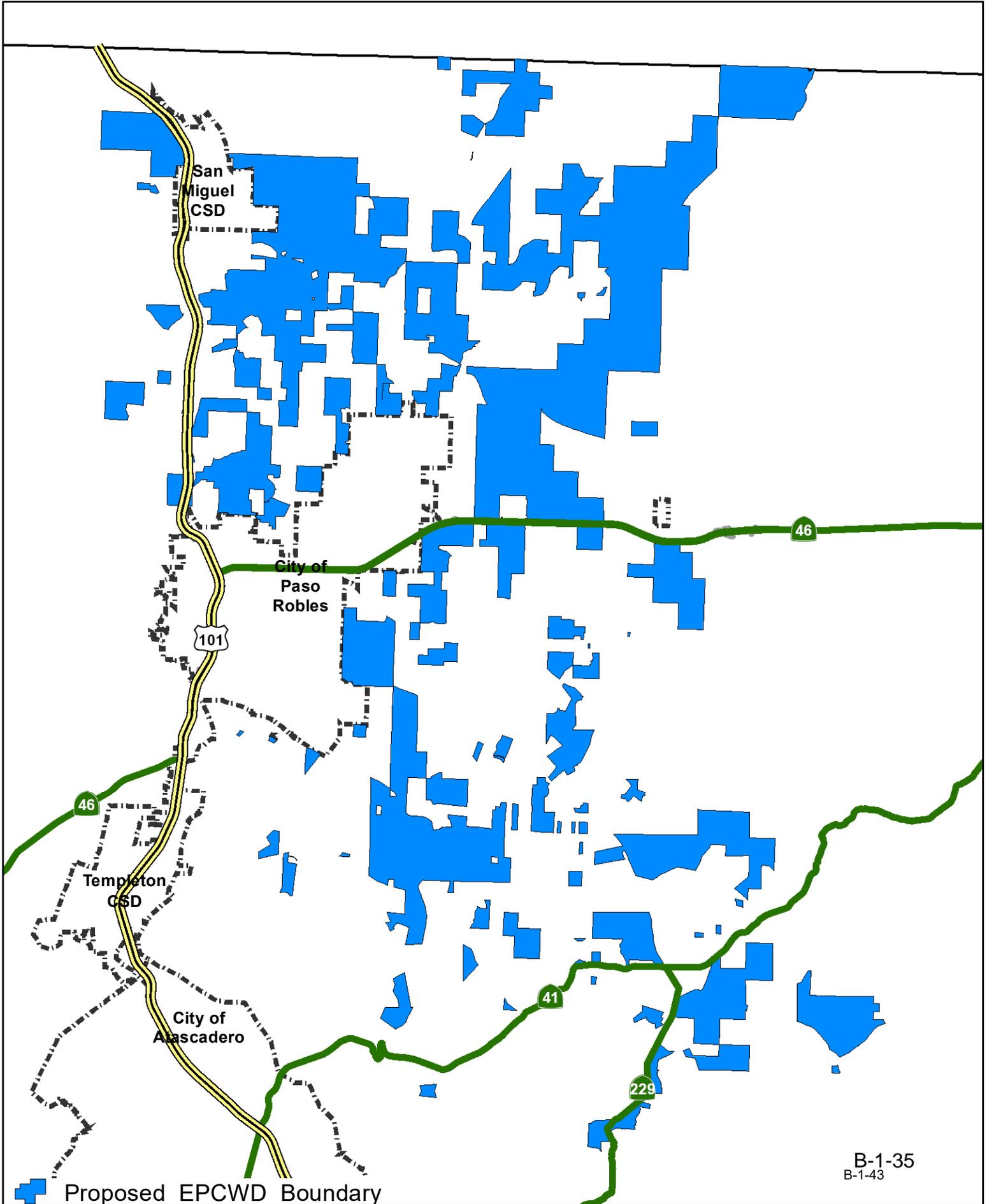
Special Benefit Assessments, pursuant to Proposition 218, will provide a stable source of revenue. Additionally, the State will be releasing grants to fund groundwater sustainability projects and to assist in SGMA compliance, and it is reasonable to assume the District will be competitive for many of these grants. The initial budget does not account for a grant award, but a grant would be a welcome source of funding and help with the overall financing of compliance with SGMA.

Powers requested for the District:

The District requests all the powers usual to a California Water District with the exclusion of the ability to export water beyond the Boundaries of the Paso Robles Ground Water Basin.

Attachment B
Proposed Boundary Map

Estrella-El Pomar-Creston Water District Proposed Service Area & Sphere of Influence



Attachment C

Engineer Report/Budget

**Engineer's Report
For the
Estrella, El Pomar, Creston California
Water District**

A California Water District (WC 34000 et seq)

DRAFT

PREPARED BY



WALLACE GROUP

**Benefit Assessment Evaluation
California Proposition 218**

March 2017

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Engineer's Report

Estrella, El Pomar, Creston California Water District A California Water District Pursuant to Water Code Section 34000 et seq

CERTIFICATION

Professional Engineer

This report was prepared by, or under the direction of, the following Professional Engineer in accordance with the provisions of Section 6700 of the Business and Professions Code of the State of California.

Civil Engineer:

John L Wallace, PE 33965
Civil Engineer
Wallace Group

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1.0 Introduction and Background

Local agencies, including water districts, may be formed to manage groundwater under authority granted in the California Water Code or other applicable State statutes. In 2014, the State Legislature established a three-bill package known as the Sustainable Groundwater Management Act (SGMA). SGMA provides a framework of authorities and actions for local, sustainable management of groundwater, with a backstop for state intervention if necessary to protect groundwater basins. SGMA defines sustainable groundwater management as “the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.” This act builds upon the existing groundwater management provisions of AB 3030 (1992), SB 1938 (2002), AB 359 (2011), and SB X7 6 (2009).

The proposed District petition boundary (Exhibit A) is located entirely in San Luis Obispo County and the area of interest is comprised of over 40,000 acres. The purpose of the proposed District is **“to sustainably manage, protect and enhance the groundwater resource as an adjunct to each property within the District while preserving the ability of existing agricultural lands to remain productive.”** The proposed Estrella, El Pomar, Creston Water District would be formed as a California Water District (WC 34000) focusing primarily on the agriculture use of groundwater. The proposed district will need approval by the Local Agency Formation Commission (LAFCO) of San Luis Obispo County as provided for by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

California Water Districts are formed pursuant to the California Water Code Sections 34000 –38501, the California Water Law. Formation proceedings may be initiated by the holders of title to a majority in area of land which is capable of using water beneficially for irrigation, domestic, industrial or municipal purposes and which can be serviced from common sources of supply and by the same system of works. (Water Code Section 35153)

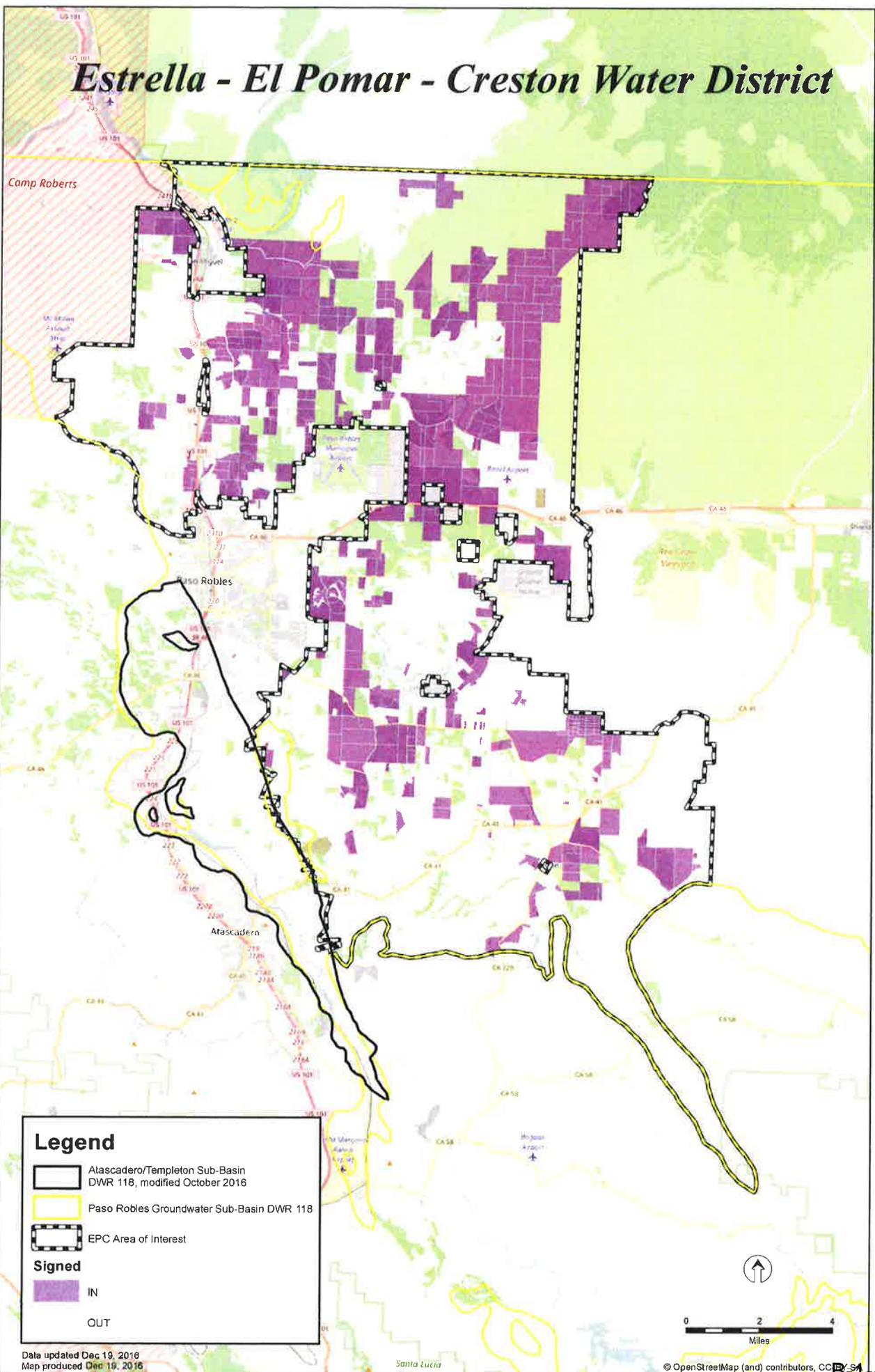
It is noted that the Estrella, El Pomar, Creston Water District (District) is being formed initially to effectuate compliance with the Sustainable Groundwater Management Act of 2014 and provide its landowners local representation through a Groundwater Sustainability Agency (GSA) and ultimately to prepare a Groundwater Sustainable Plan (GSP) in conjunction with other GSAs within the Paso Robles Groundwater Basin. The District will have various powers and ultimately may become involved in matters not directly related to SGMA compliance, but for the foreseeable future and for which a proposed special assessment is being levied, its focus will be on SGMA compliance.

Following are maps: the first, Exhibit A, shows the approximate petition Boundary Map of the Proposed Estrella, El Pomar, Creston Water District, a second map, Exhibit B, providing a reference map for the Paso Robles Groundwater Basin (reference DWR Bulletin 118), and a third map, Exhibit C showing boundaries of other proposed GSA’s as initially proposed in the Paso Robles Groundwater Basin. Note these boundaries are changing over time and will not become final until ultimately approved by the State Department of Water Resources.

1.1 Exhibit A – Boundary Map, Proposed Estrella, El Pomar, Creston Water District

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Estrella - El Pomar - Creston Water District



Legend

-  Atascadero/Templeton Sub-Basin
DWR 118, modified October 2016
-  Paso Robles Groundwater Sub-Basin DWR 118
-  EPC Area of Interest
- Signed**
-  IN
-  OUT

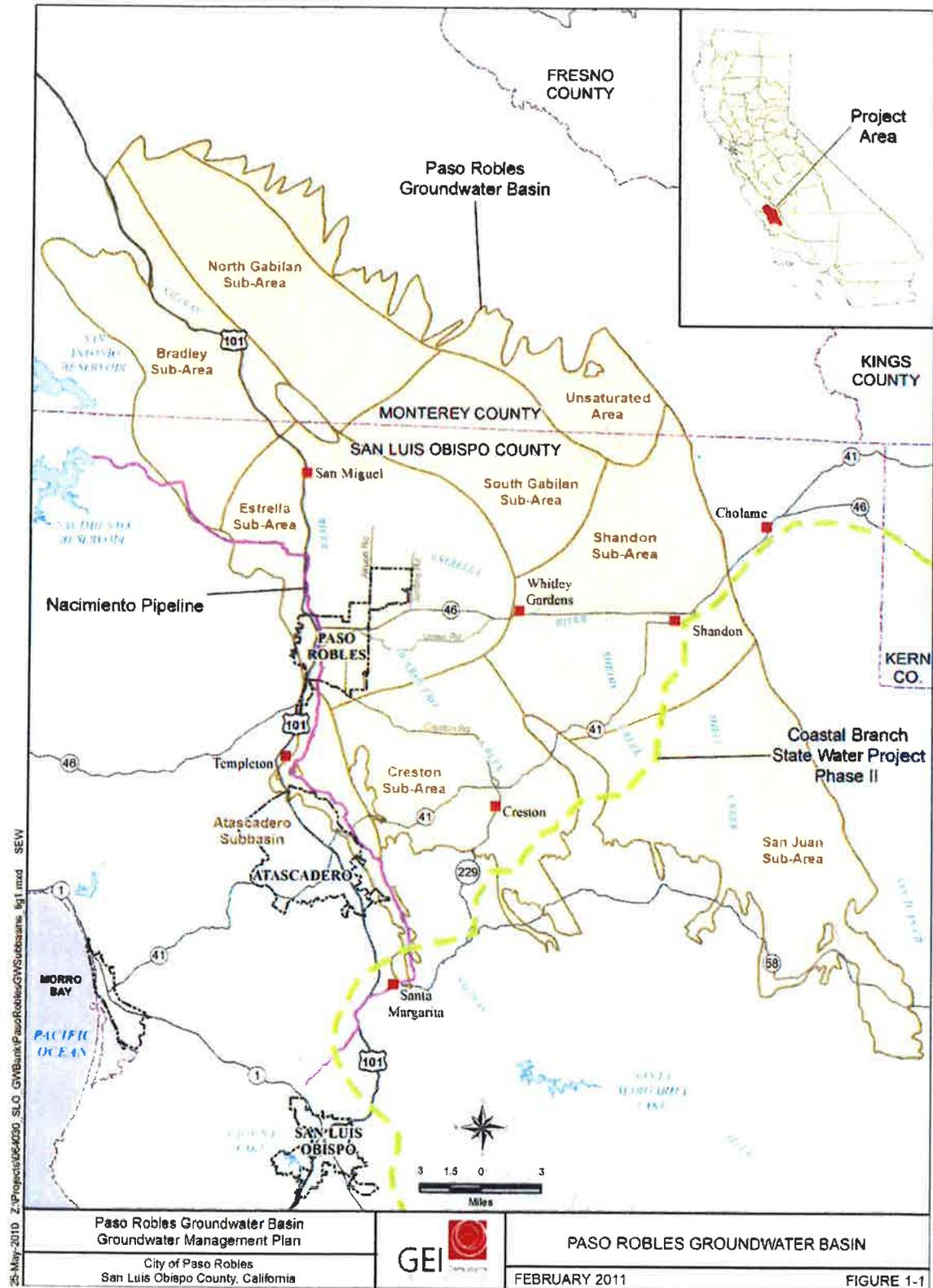
Data updated Dec 19, 2016
Map produced Dec 19, 2016



1.2 Exhibit B – Paso Robles Groundwater Basin Map

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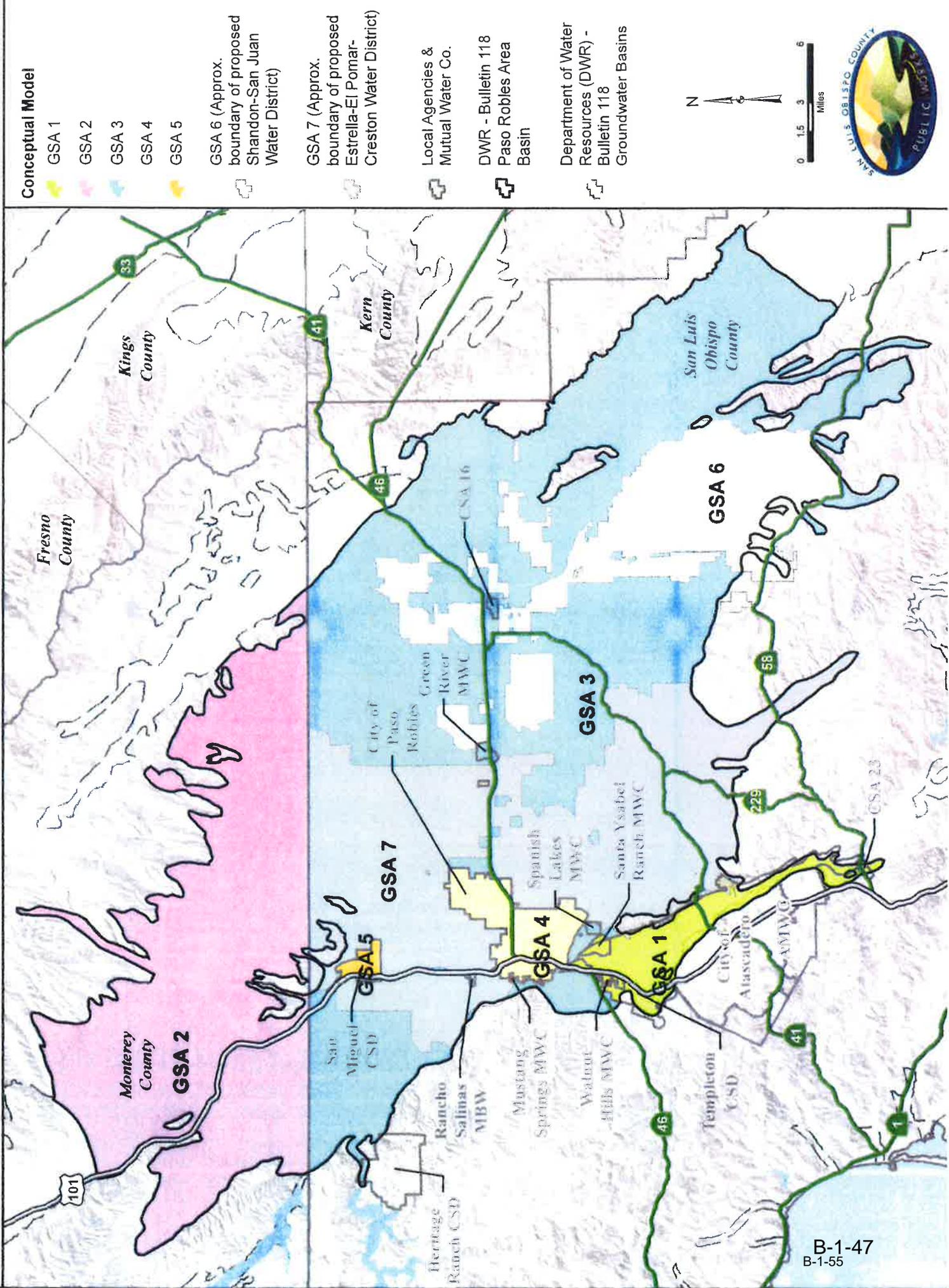
Figure 1-1. Paso Robles Groundwater Basin



1.3 Exhibit C – Paso Robles Area Groundwater Basin – Conceptual GSA Model

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DWR Bulletin 118 - Paso Robles Area Groundwater Basin - Conceptual GSA Model



- Conceptual Model**
- GSA 1
 - GSA 2
 - GSA 3
 - GSA 4
 - GSA 5

GSA 6 (Approx. boundary of proposed Shandon-San Juan Water District)

GSA 7 (Approx. boundary of proposed Estrella-El Pomar-Creston Water District)

Local Agencies & Mutual Water Co.

DWR - Bulletin 118 Paso Robles Area Basin

Department of Water Resources (DWR) - Bulletin 118 Groundwater Basins



1.4 LAFCO Application/Process

As an initial part of the LAFCO application process, a Notice of Intent to circulate petitions is submitted to Lafco. Petitions are then circulated to property owners that are voluntarily wishing to be part of the proposed District. Once the petitions are submitted to LAFCO and verified by the County Assessor (acreage) and County Clerk Recorder (ownership) and a District boundary map provided, LAFCO will conduct a public hearing to consider the conditional approval of the District formation including a proposed funding method (Engineer's Report). Once conditional approval by LAFCO is reached, an election date will be set for the District's official formation.

The governing body, which is established by law to administer the operation of a California Water District, is comprised of a five-member elected board of directors, each of whom must be a landowner within the District or the legal representative or designee of a landowner within the District.

It is anticipated that LAFCO will condition the formation of the District on the establishment of a mechanism to fund the District's operations. It is proposed that a "special assessment" be provided for District funding in accordance with Proposition 218. A special assessment is defined as "a particular and distinct benefit over and above general benefits conferred on real property located in the District..." It is the intent of the District to recognize and assess the cost of those special benefits conferred on the parcels within the proposed District and to exclude any general benefits that might accrue.

2.0 Regulatory Requirements, Proposition 218

In November of 1996, a California Constitutional initiative titled Proposition 218 was approved by the voters of the State. The primary intent of the initiative was to ensure that all taxes and most charges on property owners were subject to voter approval. Proposition 218 applies to general taxes that were imposed in 1995 or 1996 without a vote of the people, or the raising of new taxes, assessments, or property-related fees after 1996. More recently, a July 24, 2006 decision by the California Supreme Court, commonly known as the Bighorn decision, served to clarify to some degree that a public agency's volumetric charges for ongoing water deliveries are "property-related" fees and charges. As such, volumetric charges are subject to similar procedures and requirements amended to the California Constitution by the passage of Proposition 218, referred to a "majority protest proceedings", as distinguished from what is commonly referred to as an "assessment ballot proceeding", the subject of this report.

To assess the lands included in the Estrella, El Pomar, and Creston Water District and comply with the requirements of Proposition 218, a number of steps must be performed. Information regarding the proposed assessment, including an assessment ballot, must be mailed to every participating property owner. The District must then conduct a public hearing with no less than 45 days between the mailing of the notice and the hearing. At the public hearing, the District will consider all protests against the proposed assessment and tabulate ballots. The assessment will not be levied if, upon the conclusion of the hearing, ballots submitted in opposition to the proposed assessment exceed the ballots submitted in favor of the increase. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation (assessment) on the affected properties. If a majority of the ballots received (weighted in proportion to the assessment liability) are in favor of the assessment, the District may act to make the assessment effective.

2.1 Benefits Provided by the District

Proposition 218 makes a distinction between general and special benefits provided by a project or service. A general benefit is defined as something that benefits the general public, such as ambulance service, libraries, police stations, or business improvements. A special benefit is defined as a particular benefit to land and buildings. Only costs arising from special benefits can be assessed and 100% recovered by the assessed fee.

In the case of the proposed Estrella, El Pomar, and Creston Water District, all parcels within the District will have a special benefit conferred upon them by virtue of formation of a GSA and having direct and local influence over the development of the GSP. This is a particular and distinct benefit, and it is this primary benefit upon which an assessment will be levied.

Other special benefits may include:

- The opportunity to organize and assert local control in the implementation of the Sustainable Groundwater Management Act (“SGMA” Water Code sections 10720 et seq.) process as a State recognized Groundwater Sustainability Agency (GSA);
- The opportunity as a public agency to apply and receive State and Federal grant and loan funding for water management planning and improvements within the District;
- The opportunity as a public agency to secure supplemental water to improve conditions within the District; and
- Consistent with SGMA, developing and implementing a plan to ensure sustainable groundwater resource management within the District

It is notable that the District is being formed entirely by voluntary participation of property owners within the proposed boundaries; a map of the potential District boundary is attached as Exhibit A. No parcels outside of the District will receive the benefits of SGMA compliance from the District. Likewise, those parcels within the District’s area of interest that do not wish to participate, will be excluded from the District, and thus, among other things, will not be able to participate in the election of District directors who will direct the preparation of the GSP specifically on behalf of the District. Accordingly, in this context, SGMA compliance is not a general benefit.

3.0 Proposed District Budget and Funding

District proponents have prepared the anticipated costs and income necessary to fund the operations of the proposed District in accordance with Proposition 218, Section XIII D of the California State Constitution. A preliminary budget is shown in **Table 1**. In order to more clearly relate the proposed budget expenditures to the special benefits accruing to properties that participate in the District, a description of Budget Items is provided in Section 3.1.

3.1 Description of Budget Items

1. General Manager (GM)

A person with managerial expertise will coordinate the establishment of the District and with property owners of each parcel for administration of their groundwater interests and District activities. The GM will also coordinate with other GSA’s in the Paso Robles Groundwater Basin (PRGWB) as required by SGMA, to ensure that the parcels within the District are protected and in compliance with SGMA. There is no other agency or manager doing this on behalf of the

parcels within the District. Most of the full time managerial work for the District will be deferred until actual formation and election of a Board of Directors has been completed in the second or third quarter of 2017. In the meantime, a part time manager may be appropriate. Alternatively several GSA's may elect to share management staff in order to reduce expenses. A 4% annual salary increase has also been programmed as a part of this line item.

2. Clerical (part time)

A clerical (part time) clerk will compile records, provide support to the GM in their duties and provide individual property owners with information on their groundwater (GW) interests. Similar to the Manager's position, this position might be shared with other GSA's. A 4% annual salary increase in this line item has also been included. Salary savings in 2017 for both positions (General Manager and Clerical) along with related taxes and benefits may be carried over to subsequent budget years as ultimately approved by the District's Board of Directors.

3. Employment Taxes and Benefits

This item provides for the required regulatory employment taxes and potential benefits for the District's employees, currently envisioned as the General Manager and Clerical assistance. This amount was estimated to be 35% of the salary costs.

4. Consultant Engineer/Geohydrologist

An Engineer and/or GW Geohydrologist consultant will need to be engaged to provide the necessary technical support and studies to help administer the District on behalf of the property owners within the District. The consultant will also provide technical advice and support for the coordination required between other GSA's within the PRGWB. This item could also provide for shared expenses with other GSA's and DWR for further boundary adjustments and groundwater basin studies. The tasks undertaken will also lead to the development of a GSP as required by SGMA by January 31, 2020. As required, this plan will need to be coordinated with other GSA's in the PRGWB.

5. Groundwater Sustainable Plan, Create and Implement (GSP)

The District will need to develop and implement a GSP within three years, by January 31, 2020, to manage the groundwater basin and to remain in compliance with SGMA. The GSP will identify project(s) that will relate to the overall protection of the groundwater basin (GWB) for property owners in the District and to be coordinated with other GSA's within the PRGWB. A portion of these costs are included in the Consultant cost above, and likely shared with other GSA's within the basin, but it is anticipated that other consultants will need to be involved for environmental and other activities.

6. Legal Services

There will be a substantial need for legal services in order to establish the District and to provide the necessary on-going legal support to remain in compliance with SGMA and to ensure that the District's activities are compliant with Proposition 218. It is also anticipated that there will be several legal agreements such as a memorandum of agreement (MOA) providing funding and governance coordination with other GSA's for their respective responsibilities under SGMA and to coordinate those activities with DWR and the County.

7. Office Lease

Office facilities will benefit all property owners within the District and will provide a centralized location to disseminate information for the management of the District and for implementation of the GSP. Anticipated lease costs increase 4% per year.

8. Utilities

Some utilities costs (water, sewer) for office space may be included as part of the office lease. However, the budget does provide for minor utility costs for the office not included with the office space.

9. IT and GIS Support

IT support will provide the necessary expertise to document and provide maintenance of the database of individual properties and their assessments. This item also included the necessary expertise for processing mapping displays for parcel mapping and potential District boundary changes.

10. Conferences/Training

There will be a need for on-going training for the implementation of the GSA and to transfer that training into informational and regulatory activities for each of the parcels in the District. In addition, there will be necessary coordination and meetings with other GSA managers and the County and State for administration of the GSA and later, the GSP's. Some of this expense could be part of the salary costs for staff, but this will also provide for District Management and Directors and consultants to meet with the County and other GSA's to coordinate District activities for requirements under the Countywide Water Conservation Program, SGMA requirements, GSP development and outreach activities for interagency agreements.

11. Travel

Travel expenses will be incurred to meet w/the State Department of Water Resources (DWR) and County of San Luis Obispo representatives and with property owners so as to ensure compliance with SGMA as it affects the individual assessments. Meeting with the DWR in Sacramento for boundary adjustments and presentation of hydrologic information will be necessary in order to prepare for the initiation of a GSP. It is also anticipated that travel to various administrative and training groups will be necessary for the on-going administration of the District.

12. Insurance

Insurance will be necessary to protect the general activities of the District and the individual property owners for activities conducted on their properties. Directors and Officers insurance is also included in this budget item.

13. Auditing/Financial Reporting

As a governmental agency, the District will be required to perform and submit annual audits compiled by an independent third party qualified CPA and submitted to the County of San Luis Obispo and the State Controller's office. This budget estimate is consistent with other small district audits performed in SLO County.

14. Office Supplies

Office supplies are a necessary operating expense to support the normal office duties and administration of the assessments for each parcel.

15. Postage/Printing

Postage and printing of assessments and public notices are necessary requirements for legal notifications required for each property owner.

16. Telephone/Computer Internet Service

These costs are necessary for communications with each property owner and with the regulatory agencies.

17. Office Equipment

Office equipment is necessary for office activities to support and administer the assessments for all property owners.

18. Well Meter Data Analysis

The metering of wells for each parcel producing above a certain yield will ultimately be required as part of SGMA compliance and most likely be integral to the implementation of the GSP. This item may also provide for compliance via a field review program.

19. District Formation and Board Elections

Legal notices and property owner absentee elections are necessary for each assessee to elect a governing board of directors for the District and to vote on other District matters. These costs are directly related to the number of voters required for each process, i.e. formation, approval (majority protest process—prop. 218) of proposed assessments and election of the Board of Directors. It is anticipated that some of these items can be combined on a single ballot.

20. LAFCO District Fees

Formation costs and LAFCO fees are applicable for the inclusion of each parcel in the proposed district, later it is anticipated there will be annexations or de-annexations and perhaps changes to the Sphere of Influence for the District over the first several years. Also included in this item are the annual apportionment of LAFCO operating budgets charged to all special districts in the County.

21. Contingency

A contingency fund of 10% is being set aside for budgeting purposes to augment any of the other items above.

3.2 Table 1-Preliminary Budget

Five Year Operating Expenditures for the Estrella, El Pomar, Creston, California Water District
Initial budget and anticipated expenses for the service provided.

Budget No.	Budget item description	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
1	General Manager	\$80,000	\$83,200	\$86,528	\$89,989	\$93,589
2	Clerical part time	\$24,000	\$24,960	\$25,958	\$26,997	\$28,077
3	Employment taxes and benefits	\$36,400	\$37,856	\$39,370	\$40,945	\$42,583
4	Consultant Engineer/Geohydrologist	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
5	GSP create and implement	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
6	Legal Services	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
7	Office Lease	\$12,000	\$12,480	\$12,979	\$13,498	\$14,038
8	Utilities	\$3,000	\$3,120	\$3,245	\$3,375	\$3,510
9	IT and GIS Support	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
10	Conferences/Training	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
11	Travel	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
12	Insurance	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
13	Auditing/financial reporting	\$4,500	\$5,000	\$5,000	\$5,000	\$5,500
14	Office Supplies	\$2,000	\$1,500	\$1,500	\$1,500	\$1,500
15	Postage/Printing	\$5,000	\$5,000	\$5,000	\$5,000	\$3,000
16	Telephone/Computer Internet service	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
17	Office Equipment	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
18	Well Meter Data Analysis	\$0	\$5,000	\$6,000	\$6,000	\$8,000
19	District Formation and Board Elections	\$4,000	\$0	\$4,000	\$0	\$4,000
20	LAFCO District Fees	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
21	Contingency 10 %	\$44,290	\$45,012	\$46,158	\$46,430	\$47,580
	TOTAL	\$487,190	\$495,128	\$507,739	\$510,734	\$523,376
				Five Year Average:		\$504,833

Notes:

- All the voluntary members of the District are agreeing to a maximum assessment not to exceed \$35.00/acre (irrigated) and 1.69% of that proposed assessment for non-irrigated acreage.
- Personnel and some other costs have an inflationary increase of 4% per year
- A 10% contingency fund has been included
- Home sites and commercial sites would be assessed separately.
- It is anticipated that maximum funding authorization could generate \$500,000 or more per annum if needed.
- Reduction of expenditures for staff and consultant services can be achieved by sharing some of those duties with other GSA's.

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4.0 Determination of Benefit Assessments

The following sections discuss the determination of the benefit assessments:

4.1 Classes of Assessments

Four classes of assessments are proposed: Irrigated Agriculture, Non-irrigated Agriculture, Residential, and Commercial Operations. They are described in more detail below:

Irrigated Agriculture

Properties with **irrigated agriculture** receive a greater benefit from the availability and sustainable management of the groundwater basin compared to non-irrigated properties. Because cropping patterns and weather variations combine to affect the amount of acreage to be irrigated, left fallow or utilized for a different crop, assessments are not differentiated between the types of crop. Also, for the purposes of this report, **irrigated agriculture is defined as that property being irrigated with groundwater extracted from the Paso Robles Groundwater Basin.**

Therefore, it is anticipated that categorizing properties as irrigated vs. non-irrigated will serve to provide a funding source for the development of a GSA for the purpose of SGMA compliance. If a more discrete assessment is to be used in the future, irrigated crops can be categorized as to type according to Geographical Information System (GIS) information developed for the Paso Robles Groundwater Basin Study (PRGWB). That analysis based water usage on seven different categories.¹ i.e.: alfalfa, citrus, deciduous, nursery, irrigated pasture, vegetables and vineyards. It excluded non-irrigated land use such as open space or grazing.

However it is important to note that some properties will rotate in and out of applied irrigation depending upon cropping patterns, weather and emergency irrigation needs. In order to calculate and set assessments, it is anticipated that property owners and lessees will declare their intention for irrigation for the next year. The District will maintain an on-going database of all parcels and irrigated acreage within parcels. The current County database for all participating parcels will be used for the initial source of information but will be adjusted for each year of assessments.

Also, because the decision to irrigate or not will also vary according to a specific property's unforeseen needs, there will need to be an appeal process established and a credit/debit system put in place to adjust assessments that need modification. These adjustments can be made as part of the on-going administration of the District by the Board of Directors with input from property owners.

Finally, because the decision to irrigate or not will vary according to a specific property's unforeseen or emergency needs, a one-time irrigation of $\frac{1}{4}$ AF/ac or less will not be considered as "irrigated agriculture" and will not change the parcel status from non-irrigated to irrigated.

Non-Irrigated Agriculture

Rangeland/grazing/open space, i.e. **non-irrigated agriculture** land use relies much less on ground water, however, groundwater is needed in some cases to provide for livestock operations. Estimates for water usage on non-irrigated properties is being calculated by the project proponents based on the grazing livestock carrying capacity for this area.² It is noted that notwithstanding the minimal use of groundwater, non-irrigated lands do receive a special benefit from being within the District and from

¹ Paso Robles Groundwater Basin Model Update, Geoscience/Todd Groundwater, December 19, 2014

² No reference was able to be provided by the SLO County Dept of Agriculture, estimate provided by project proponents
WG Project 1360-0001

being directly represented in the SGMA process as non-irrigated lands do have overlying groundwater rights and, in the future may rely on groundwater to a greater degree than now. Also as outlined above in addressing the rotation of parcels, or portions of parcels, in and out of irrigation, a database will be maintained to modify assessments accordingly. So even though there may be irrigation facilities (pipes etc.) available to a parcel or portion of the parcel, if no irrigation is applied, then that acreage will be treated as non-irrigated.

Residential

Residential development depends upon a potable, adequate water supply for household needs and therefore will receive an assessment. The PRGWB studies provided research to estimate the average water usage for rural homesteads.³ However, because the District is focused on the agricultural operations/properties, it is not foreseen that the District will have the capability to serve small lot rural subdivisions

Commercial Operations

Commercial operations depend upon a potable supply for workers and customers alike, similar to residential uses associated with agricultural operations. However, the water usage for these land uses will need to be determined on a case by case basis. For initial funding purposes, commercial uses are proposed to be assessed as if they were a residential use.

4.2 Water Use Factors

The following provides a discussion on the water use factors identified for each assessment class.

Irrigated Agriculture

The Estrella, El Pomar, Creston Water District is home to hundreds of acres of farmed land with a variety of crops. The water use for these crops varies and thus an average water use has been determined for Irrigated Agriculture. The water use for the crops that are typically farmed in the District are as follows:

Land Use Category	Ave. Water Use Factor (AF/acre/yr)
Alfalfa	4.8
Citrus	2.3
Deciduous	4.1
Nursery	2.4
Irrigated Pasture	5.0
Vegetables	3.9
Vineyards	1.8
Total	24.3
Average	3.5

*Source: applied water factors, SLO County, Paso Robles Groundwater Basin Model Update, 2014, Table 10⁴

The water usage of 1.0 AFY will be utilized as one benefit unit for the purposes of establishing an assessment spread.

Non-Irrigated Agriculture

³ Ibid, PRGWB Model Update, December 19, 2014

⁴ Ibid, PRGWB Model Update, December 19, 2014, Table 10

Depending on the terrain and carrying capacity of the land, non-irrigated agriculture can be dry farmed for hay, other non-irrigated crops, and for grazing. These uses are minimal and are best evaluated as a cattle grazing operation. These operations typically utilize between 0.03 and 0.003 AFY/ac and therefore are minimal users. However, the project proponents have provided an estimate of local non-irrigated water usage as a percentage of irrigated usage; ie. 1.69% of Irrigated Agriculture Usage. This results in 0.06 AFY/ac (1.69% x 3.5 AFY/ac = 0.06 AFY/ac) for a benefit unit to calculate an assessment to be applied to non-irrigated agriculture.

Residential

Residences nominally use 0.29 AFY indoor and 0.46 AFY outdoor for a total of 0.75 AFY per residence in rural hot areas of the county⁵. Therefore, it is assumed that a rural residence is equivalent to: (0.75 AFY/3.5AFY) or 21.4% of water usage for an acre of irrigated crop.

Commercial Operations

Commercial Operation uses will be evaluated as a resident if a small operation on a small lot. Larger commercial users will need to be evaluated on a case by case basis.

4.3 Voluntary Funding

The District will be formed on a voluntary basis. **All the voluntary members of the District will be asked to agree to a maximum funding assessment not to exceed \$35.00/acre for irrigated agriculture. Non-irrigated agriculture parcels will be assessed at 1.69% of irrigated agriculture’s cost, or \$0.59/acre. Each residence or commercial operation will be assessed at \$7.50 (maximum) for each unit (0.75AFY/3.5AFY = 21.4% of an irrigated acre assessment = 21.4% x \$35 = \$7.50).** However, as a basic minimum cost, **all ownerships**, whether made up of one parcel or many parcels will have a minimum assessment of **up to \$50 per ownership**, depending on the overall administrative costs to service the GSA. These rates are within the same order of magnitude of the data developed above and are proportional to the special benefit received by each category of parcel based on water usage per parcel. It is noted that one parcel may be assessed for all three classes.

4.4 Benefit Units

A benefit unit is a method of calculating a property’s proportional share of the assessment costs. **One benefit unit (BU) is equivalent to the use of 1.0 Acre-foot of water/year.** Table 2 identifies the total number of benefit units assigned to each Assessment Class utilizing the target acreages in each category petitioning at this time. These acreages will vary until District formation is approved.

Table 2-Assessment Class and Total Benefit Units

Assessment Class	Total Acreage or Units (estimated)		Water Use Factor AFY	Benefit Units (rounded)
Irrigated Agriculture	16,500	Acres	3.50	57,750
Non-irrigated Agriculture	24,300	Acres	0.06	1,460
Residential and Commercial Operations	200	Each	0.75	150
Total Benefit Units				59,360

⁵ Ibid, PRGWB Model Update, December 19, 2014, Table 13 Rural Residential Water Demand, SLO County, WG Project 1360-0001
Estrella, El Pomar, Creston Water Dist A CA Water Dist (WC 34000 et seq)
Engineer’s Report-Benefit Assess Eval

4.5 Maximum Assessments

Table 3 identifies the total maximum assessment value for each assessment class and the revenue that could be generated if the maximum assessment proposed on the District properties is collected.

Table 3-Total Maximum Assessments

Assessment Class	Total Units (Estimated)		Maximum Asmt per Unit (\$)	Total Assessment (\$)
Irrigated Agriculture	16,500	Acres	35.00	577,500
Non-Irrigated Agriculture	24,300	Acres	0.59	14,337
Residential and Commercial Operations	200	Each	7.50	1,500
Maximum Assessment Potentially Collected (*approximately \$1,200 more revenue can be added for minimum charges of \$50/ownership)				\$ 593,337*

Acknowledging that the maximum, not to exceed total assessment of **\$593,337** is more than the estimated average annual budget of **\$504,833**, it is anticipated that the target participating acreage will be more than adequate to meet the average budget needs. Therefore, Table 4 calculates potential revenue based on the value of each class of benefit units.

Table 4-Assessments for Budget

Assessment Class	Total Benefit Units (from Table 2)		Calculated Cost per Benefit Unit (from Table 2) (\$)	Total Assessment (\$)
Irrigated Agriculture	57,750	BU	8.51	491,453
Non-Irrigated Agriculture	1,460	BU	8.51	12,425
Residential and Commercial Operations	150	Each	8.51	1,277
Basic cost per ownership (minimum cost per ownership)	estimated		<u>Estimated additional revenue from those ownerships below \$50 minimum total assessment</u>	(not included at this time*)
Possible Assessment Collected to meet budget * (total revenue <u>excludes</u> min assessment amount of \$50 for ownerships with total assessments below \$50. The total assessment shown is approximately the same as the average annual budget of \$504,833. (differs because of rounding)				*\$ 505,155

Using the cost per Benefit Unit approach for the anticipated water usage per class of use results in:

- Irrigated Agriculture: $3.5\text{AFY/ac} = (3.5 \text{ BU}) \times \$8.51/\text{BU} = \$29.79/\text{ac}$ of irrigated land.
- Non-Irrigated Agriculture: $0.06 \text{ AFY/ac} = (0.06 \text{ BU}) \times \$8.51/\text{BU} = \$0.51/\text{ac}$ of non-irrigated land.
- Residential/Commercial: $0.75 \text{ AFY/unit} = (0.75 \text{ BU}) \times \$8.51 = \$6.38 /\text{unit}$.
- However a minimum charge for all ownerships (regardless of number of parcels and resulting assessment) will be assessed \$50 ea. if the total assessments for that ownership is less than \$50.

Therefore, the following assessments could be made in order to meet the estimated cost of the five year average annual budget:

Table 5--Assessment Class and Cost per Acre of Land and Residential/Commercial Units

Assessment Class	Water Use Factor/Benefit Units		Assessment per Benefit Unit	Assessment \$/ac Or \$ per R/C unit
			\$	
Irrigated Agriculture	3.5	BU	8.51	29.79
Non-irrigated Agriculture	0.06	BU	8.51	0.51
Residential and Commercial Operations	.75	BU	8.51	6.38
Note that minimum assessment to be \$50/ownership				

It is important to note that these calculations will vary depending on the final acreage and number of residential/commercial units that come into the District.

5.0 Next Steps

- The Applicant (proponents) have filed with LAFCO, a Notice of Intent and circulated a Petition for the formation of the District. Those petitions with signatures of landowners will need to be filed with and checked by the County Assessor within six months of when the first signature is affixed to the petition. However, it is anticipated that LAFCO will receive the signed petitions in March of 2017 and signatures verified by the County Assessor in April of 2017.
- It is anticipated that the LAFCO hearing for conditional District formation will be held in January or April 2017. At that time the Commission may conditionally approve the District and set a notice for the required protest hearing for the formation hearing.
- Assuming that over 50% of the acreage held by landowners in the proposed District are in favor of formation, it is anticipated that the election of the Board and final formation of the District will occur in June 2017 or later. After which, the new district and the Board of Directors can proceed with the Prop 218 funding process for a determining if a majority protest of the proposed assessment amount is received.

- DWR theoretically needs to approve the formation of the District's GSA by June of 2017. However, it is anticipated this will not happen until later in 2017. In the meantime, the District proponents will be coordinating SGMA requirements with the County of San Luis Obispo and other GSA's in the Paso Robles Groundwater Basin for funding and administrative opportunities.

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Appendix A General Information on the Formation of a California Water District

The process of forming a California Water District consists of these basic steps:

California Water Districts are formed pursuant to the California Water Code, Sections 34000- 38501. The law for forming a California Water District was developed in 1951 to allow large landowners to manage the water resources in their area.

Statutory Background: The formation of a California Water District to manage the Estrella, El Pomar, Creston Groundwater Basin, by forming a California Water District, is a process guided largely by two laws: The California Water District Law - Water Code 34000-38501, and the Cortese-Knox- Hertzberg Act Government Code 56000, et al. The San Luis Obispo Local Agency Formation Commission (SLOLAFCO) has authority to consider the application for forming the District under the Cortese-Knox-Hertzberg Act. Other agencies involved in the processing of the application are the offices of County Assessor and Clerk-Recorder. The Assessor's Office provides information and verification regarding the ownership and acreage in the area. The Clerk Recorder's Office conducts the election that are required to form the District at the direction of the County Board of Supervisors.

Formation Process:

Petition, Noticing and Public Hearing:

Petition: The formation process for California Water Districts, is initiated by a petition signed by the holders of title to a majority of land that is capable of using water beneficially for irrigation, domestic, industrial, or municipal purposes, and that can be serviced from common sources of supply and be the same system of works.

LAFCO Hearing: When the application is complete, LAFCO conducts a noticed public hearing. After hearing public testimony, the Commission may approve, modify, or deny the proposed formation. If it is approved, the Commission also will adopt any terms and conditions for the formation, and establish a sphere of influence for the new district.

Protest Hearing: Following LAFCO Approval, the District formation is scheduled for a conducting authority (protest) hearing where no further modifications may be made. At the conducting authority stage, without a majority protest based on acreage owned, the conducting authority (LAFCO) shall make an order doing the following (34306):

- Establishing and describing the district boundaries.
- Describing land to be excluded from the district.
- Naming the proposed district.

Formation Election:

After making the order, the Board of Supervisors shall be directed by LAFCO to call and give notice of an election for the formation of the District and election of the Board of Directors. The following are entitled to vote (34400 and 57000):

- Only the holder of title to land in the proposed district may vote. The vote may be in person or by proxy. (Rule for voting by proxy are set forth in Section 35005 of the Water Code).
- Each voter shall vote on the acreage of the land which he or she holds title.

If after the election, a majority of all of the votes cast favor the formation of the district, the territory shall be formed as a district (34500).

Funding of the District:

After the Formation Election for initiating the district and election of the board of directors, the District will conduct a proposition 218 special assessment proceedings to fund the operations of the District. This will be done in accordance with the proposition 218 majority protest provisions and will pass or fail based on the amount of assessments being assigned to all of the properties.

Boundaries:

The boundaries of a California Water District may include the following land located in one or more counties (34153)

Governing Body: The governing body, which is established to administer the operation of a California Water District, is initially composed of a five-member elected Board of Directors, (WC-34708), each of whom must be a landowner within the District. The Board may be modified by the District through a future action to include 7 or 9 members, or changed to be a register voter elected Board of Directors.

Powers/Functions:

The primary powers of a California Water District include:

- The acquisition and operation of water works for the production, storage, transmission and distribution of water for irrigation, domestic, industrial and municipal purposes, and any drainage or reclamation works connected with such undertakings.
- Acquire and operate facilities and services for the collection, treatment, and disposal of sewage, waste, and storm waters. (In the case of the proposed district, no request has been made or approved by Lafco for sewage services).

Five Year Operating Expenditures for the Estrella, El Pomar, Creston, California Water District
Initial budget and anticipated expenses for the service provided.

Budget No.	Budget item description	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
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12	Insurance	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
13	Auditing/financial reporting	\$4,500	\$5,000	\$5,000	\$5,000	\$5,500
14	Office Supplies	\$2,000	\$1,500	\$1,500	\$1,500	\$1,500
15	Postage/Printing	\$5,000	\$5,000	\$5,000	\$5,000	\$3,000
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19	District Formation and Board Elections	\$4,000	\$0	\$4,000	\$0	\$4,000
20	LAFCO District Fees	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
21	Contingency 10 %	\$44,290	\$45,012	\$46,158	\$46,430	\$47,580
	TOTAL	\$487,190	\$495,128	\$507,739	\$510,734	\$523,376
				Five Year Average:		\$504,833

Notes:

All the voluntary members of the District are agreeing to a maximum assessment not to exceed \$35.00/acre (irrigated) and 1.69% of that proposed assessment for non-irrigated acreage.

Personnel and some other costs have an inflationary increase of 4% per year

A 10% contingency fund has been included

Home sites and commercial sites would be assessed separately

It is anticipated that maximum funding authorization could generate \$500,000 or more per annum if needed.

Reduction of expenditures for staff and consultant services can be achieved by sharing some of those duties with other GSA's.

Attachment D

Powers Analysis

Attachment D

Analysis of Powers

Proposed Estrella-El Pomar-Creston Water District

The proposed Water District would derive its powers and authorities from the California Water Code as reviewed and approved by LAFCO. The following analysis describes the powers in the Water Code, includes a brief analysis of that power and recommends whether the power should be active or inactive. The analysis below reviews each power found in the Water Code for California Water Districts.

Part 5 Powers and Purpose; Chapter 2; Powers; Article 1; Powers Generally:

WC-35400. Each district has the power generally to perform all acts necessary or proper to carry out fully the provisions of this division.

- **Analysis:** This code section gives the water district authority to perform all acts necessary to carry out fully the provisions. It is recommended that this authority be active. These include the ability to contract for services, finance projects, and administer funds.

WC-35401. A district may acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works connected therewith or incidental thereto.

- **Analysis:** This code section allows the Water District to plan, construct, maintain, improve, or operate water systems. It is recommended that this authority be active.

WC-35402. A district shall not contract for the construction of irrigation works nor construct the irrigation works by employees of the district, if the cost of the construction is paid out of the proceeds of bonds of the district, until an election has been held to determine whether or not the bonds shall be issued.

- **Analysis:** This code section requires an election process to occur before the Water District can proceed with irrigation works if the costs are paid out under bonds. It is recommended that this authority be active.

WC-35403. A district may contract to perform any agreement for the transfer or delivery pursuant to Chapter 5 of this part of any irrigation system, canals, rights of way, or other property owned or acquired by the district in exchange for the right to receive and use water or a water supply to be furnished to the district by the other party.

- **Analysis:** This code section allows the Water District to contract to perform any agreement. Local government jurisdiction's commonly contract with licensed professionals to perform waterworks activities. It is recommended that this authority be active. By condition, The District is prohibited from moving/transferring/exporting any water outside of the Paso Robles Basin.

WC-35404. A district may enter for the purposes of the district upon any land.

- **Analysis:** This code section allows the Water District entry on property for the purposes of District. This is a common ability of local governments the right to enter property to do Water District business. It is recommended that this authority be active.

WC-35405. A district may take conveyances, contracts, leases, or other assurances for property acquired by the district pursuant to this division.

- **Analysis:** This code section allows the Water District to contract or lease property acquired by the district. This is a common ability of local governments to lease property owned by the Water District. It is recommended that this authority be active.

WC-35406. (a) A district may execute, by its president and secretary, all contracts and other documents necessary to carry out the powers and purposes of the district.

(b) The board of a district may delegate and redelegate to officers and employees of the district, under the conditions and restrictions as shall be determined by the board, the power to bind the district by contract and execute contracts on behalf of the district.

- **Analysis:** This code section allows the proposed Water District president and secretary to execute all contracts or other documents. It is common to grant the president or secretary the ability to sign documents on behalf of the Water District. It is recommended that this authority be active.

WC-35407. A district may commence and maintain any actions and proceedings to carry out its purposes or protect its interests and may defend any action or proceeding brought against it.

- **Analysis:** This code section allows the proposed Water District to defend any action taken to carry out its purposes. It is recommended that this authority be active.

WC-35408. A district may commence, maintain, intervene in, compromise and assume the costs of any action or proceeding involving or affecting the ownership or use of waters or water rights within the district used or useful for any purpose of the district or a benefit to any land.

- **Analysis:** This code section requires the proposed Water District to assume the cost of any action taken to carry out its purposes that may affect others. It is recommended that this authority be active.

WC-35409. A district may commence, maintain, intervene in, defend and compromise actions and proceedings to prevent interference with or diminution of the natural flow of any stream or natural subterranean supply of waters which may:

- (a) Be used or be useful for any purpose of the district;
- (b) Be of common benefit to the land or its inhabitants; or
- (c) Endanger the inhabitants or land.

- **Analysis:** This code section allows the proposed Water District to prevent interference with the natural flow of its water supplies. It is recommended that this authority be active.

WC-35410. The board of a district whose corporate area, in whole or in part, is included within a metropolitan water district may in any fiscal year declare its intention to pay out of its district funds the whole or a stated percentage of the amount of taxes to be derived from the area of such metropolitan water district within the district as such amount of taxes shall be fixed in the next succeeding fiscal year by resolution of the board of directors of such metropolitan water district. District receipts from any source, including assessments, acreage assessments and standby charges, may be used to pay said metropolitan tax. A district may provide for the levy, collection and enforcement of any district or improvement district assessment, acreage assessment or standby charge for the payment of said metropolitan water district tax in the same manner as other district or improvement district assessments and standby charges.

- **Analysis:** This code section allows the proposed Water District to declare its intention to pay out of its Water District funds the amount of taxes to be derived from the area. It is recommended that this authority be active. Please note there is no metropolitan water district in the area. Also proposition 218 and State Law apply in the levying of taxes.

WC-35410.1. In addition to and as an alternative procedure to the levy and collection of assessments and standby charges, a district may fix and collect acreage assessments in an amount determined by the board for each acre of land and for parcels less than one acre within a district or improvement district. These acreage assessments shall be levied only for the payment of the whole or any part of a metropolitan water district tax. The resolution fixing the acreage assessment shall be adopted by the board only after adoption of a resolution setting forth the schedule of such acreage assessments proposed to be established and after notice and hearing in the form and manner prescribed by the board. The acreage assessment shall be levied, collected and enforced in the same manner as provided in Article 4 (commencing with Section 35470) of this chapter for standby charges.

- **Analysis:** This code section allows the Water District to collect acreage assessments. Charging for water use is common for water agencies to cover costs and manage the resource and would be subject to proposition 218. It is recommended that this authority be active.

WC-35410.2. If there is more than one tax code area for the levy of said metropolitan water district tax within a district, an improvement district may be formed in the manner provided in Chapter 4.9 (commencing at Section 36410), of Part 6 of this division for any or all of said tax code areas for the purpose of providing for the payment of the whole or part of the metropolitan water district tax attributable to any tax code area. After the hearing on the resolution of intention as provided in Section 36415, or as said hearing may be continued, the board may by resolution order the improvement district formed. Thereafter in any year the board may elect to pay, from receipts, assessments or standby charges or any combination thereof levied exclusively in said improvement district, the whole or a stated percentage of the metropolitan tax for the next succeeding fiscal year attributable to the area within said improvement district, provided, that it takes similar action with respect to all other said tax code areas.

- **Analysis:** This code section allows the proposed Water District to establish an Improvement District. Improvement Districts are commonly formed to identify specific areas that require diverse management. It is recommended that this authority be active.

WC-35411. A district may disseminate information to the public concerning the rights, properties, and activities of the district.

- **Analysis:** This code section allows the proposed Water District to disseminate information about the District and its activities. It is common for local agencies to provide information about what it does. It is recommended that this authority be active.

WC-35413. (a) In order to enforce the provisions of any ordinance of the district, including an ordinance fixing charges for the furnishing of commodities or services, or to enforce any district rule or regulation adopted by the board of directors pursuant to Section 35421 or 35423 pertaining to the sale or distribution of water, the district may correct any violation of an ordinance of the district or of the rule or regulation. The district may also petition the superior court for the issuance of a preliminary or permanent injunction, or both, as may be appropriate, restraining any person from the continued violation of any ordinance, rule, or regulation, of the district or for the issuance of an order stopping or disconnecting a service if the charges for that service are unpaid at the time specified in the ordinance, rule, or regulation.

(b) The district may enter upon the private property of any person within the jurisdiction of the district in order to investigate possible violations of an ordinance of the district or law, rule, or regulation described in subdivision (a). The investigation shall be made with the consent of the owner or tenant of the property or, if consent is refused, with a warrant duly issued pursuant to the procedures set forth in Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure, except that, notwithstanding Section 1822.52 of the Code of Civil Procedure, the warrant shall be issued only upon probable cause.

(c) The district shall notify the county or city building inspector, county health inspector, or other affected county or city employee or office, in writing, within a reasonable time if an actual violation of a district, city, or county ordinance is discovered during the investigation.

- **Analysis:** This code section allows the Water District to enforce its ordinances or rules and correct any violations. Local government jurisdictions commonly have this capability to enforce their regulations. It is recommended that this authority be active.

Part 5 Powers and Purpose; Chapter 2; Powers; Article 2; Water Distribution:

WC-35420. All water distributed for irrigation purposes, except as otherwise provided in this article, shall be apportioned ratably to each holder of title to land upon the basis of the ratio which the last assessment against his land for district purposes bears to the whole sum assessed in the district for district purposes.

- **Analysis:** This code section establishes a fair share ratio for assessments to each holder of title to land for district purposes. It is recommended that this authority be active.

WC-35421. Water sold to holders of title to land pursuant to Section 35470 shall be apportioned ratably to each holder of title to land making application therefor under such rules and regulations as the board may from time to time establish.

- **Analysis:** This code section requires the sale of water to holders of title of land to be established based on the cost and value of the service and be apportioned as such. It is recommended that this authority be active. Current state laws would apply.

WC-35422. Where revenue bonds have been issued payable from revenues to be derived from the sale of water for the irrigation of land all water distributed for irrigation purposes shall be apportioned ratably to each holder of title to land making application therefor pursuant to rules and regulations established by the board.

- **Analysis:** This code section requires all water derived from the revenue under bonds be distributed to each holder of title of land requesting water and paying for that water proportionately. It is recommended that this authority be active.

WC-35422.5. As an alternative, and in addition, to other methods set forth in this article regarding the apportionment of water, a district may enter into long-term water service contracts with the holders of title to land for the apportionment of all or any part of its water supply. Long-term water service contracts may provide that all water charges provided for, when due, are a lien on the land in the nature of assessments and may be collected and enforced in the manner provided in this division for the collection and enforcement of assessments. Any lien pursuant to this section has the same force, effect, and priority as an assessment lien, if the contract is recorded in the office of the county recorder in the county in which the land is located.

- **Analysis:** This code section allows for long-term contracts to supply water/service to holders of title of land and have the assessments collected as a lien on the land. Having a consistent known amount of water under a long-term contract would benefit a landowner. It is recommended that this authority be active.

WC-35423. A district may establish, print, and distribute equitable rules and regulations for the sale and distribution of water. A district may provide therein that water shall not be furnished to (1) persons who violate the rules and regulations or against whom there are delinquent water, standby, facility, or other charges, or penalties or interest on any such charges, or (2) land against which there is a delinquent assessment.

- **Analysis:** This code section allows the district to establish rules and regulations for the sale and distribution of water. It also allows the district to establish rules if violation or delinquent assessments occur. It is recommended that this authority be active. The District is prohibited from moving any water outside of the Paso Robles Basin.

WC-35424. After equitable rules and regulations for the distribution of water have been published once a week for two weeks in a newspaper of general circulation published in each affected county, any violation thereof is a misdemeanor and the violator shall, upon conviction thereof, be subject to a fine of not less than fifty dollars (\$50) and not more than two hundred dollars (\$200). When equitable rules and regulations for the distribution of water are amended, the district may publish a summary of the amendments to the rules and regulations with an Internet address and a physical location where the complete text of the amended rules and regulations may be viewed.

- **Analysis:** This code section requires the district to publish the rules and regulations for general circulation. Once published violations may be fined. It is recommended that this authority be active.

WC-35425. If its board deems it to be for the best interests of the district, a district may enter into a contract for the lease, sale, or use of any surplus water not then necessary for use within the district, for use either within or without the district.

- **Analysis:** This code section allows the district to enter into contract for the sale of surplus water. It is recommended the sale or use of surplus water not be allowed outside of the basin boundary as conditioned. It is recommended that this authority be active with the condition of no export.

WC-35427. Nothing in this article authorizes the sale of any water right.

- **Analysis:** This code section does not authorize or take away any water rights. It is recommended that this authority be active.

WC-35428. No right in any water or water right owned by the district shall be acquired by use permitted under this article.

- **Analysis:** This code section does not authorize the districts water rights to be acquired. It is recommended that this authority be active.

WC-35429. The board may grant to the owner or lessee of a right to the use of any water permission to store the water in any reservoir of the district or to carry it through any conduit of the district.

- **Analysis:** This code section authorizes the district to work with an owner or lessee the right or permission to store water or carry water through the districts infrastructure. It is recommended that this authority be active. The District is prohibited from moving any water outside of the Paso Robles Basin.

Part 5 Powers and Purpose; Chapter 2; Powers; Article 3; Application for Water:

WC-35450. A district may fix and change a date prior to which applications for water for the ensuing irrigation season are to be received for all crops, or for annual crops and new plantings, and may require a cash deposit to be made at the time of application for each acre for which application is made.

- **Analysis:** This code section authorizes the district to set the date for water application for the season and require a deposit for water. It is recommended that this authority be active.

WC-35451. The action of a district fixing or changing any date prior to which applications for water are to be received is ineffective until notice of the date is given by publication once a week for two successive weeks in a newspaper published in the office county. The date fixed is effective for each year thereafter unless changed by the board.

- **Analysis:** This code section requires the district to publish the set dates for water applications for general circulation prior to taking effect. This date would be the same each year unless a new date is set and published. It is recommended that this authority be active.

WC-35452. The cash deposit shall, in the discretion of the board, be forfeited as to each acre not using the water applied for if the district has a sufficient supply of water available at the time the water is to be used.

- **Analysis:** This code section authorizes the district to forfeit the deposit for any unused water applied for if sufficient supply is available. It is recommended that this authority be active.

WC-35453. In the event of water shortage the district may, with respect to the shortage area, give preference to or serve only the land for which application was filed prior to the application date fixed and the land for which no application was required.

- **Analysis:** This code section allows the district to establish a priority based on the water applications in the event of a shortage. It is recommended that this authority be active.

WC-35454. If the available water is inadequate to serve all of the land as to which applications for water are filed pursuant to Section 35450, the district may require the owners of land which is proposed to be planted to annual crops or to new plantings to take a proportionate percentage reduction in the water they would normally use thereon and may require the owners of land which is planted to permanent crops to take a reasonable proportionate percentage reduction in the water they would normally use in an amount not exceeding the percentage reduction required of plantings to annual crops and new plantings. The provisions of this section shall be effective only if more than one-half of the district's revenue for that year will be derived from charges made for the sale of water.

- **Analysis:** This code section allows the district to establish a proportional percentage reduction on the water normally used if inadequate water is available to serve all applications for water. It is recommended that this authority be active.

WC-35454.5. In any year in which the board of a district not having meters or other volumetric measuring instruments or facilities to measure substantially all agricultural water to be delivered concludes the available water supply will be inadequate to serve all land entitled to service that will probably desire such service, the district may establish reasonable annual water requirements for growing each type of crop grown or likely to be grown in the district in that year; determine the maximum acreage of each crop that each holder of title to land, or his duly authorized agent or tenant, may irrigate with district water by dividing the quantity of water apportioned or apportionable to him by such reasonable annual water requirements so established by the district; limit the acreage of each crop that each such holder of title to land, or his duly authorized agent or tenant, may irrigate with district water to the maximum acreage or acreages so determined; and refuse to deliver water to, or assess penalties on, a holder of title to land, or his duly authorized agent or tenant, who uses district water on a greater acreage of such crops. Nothing in this section shall prohibit or limit the application of the provisions of Section 35453 or 35454. This section provides a means of measuring

the allocation of water to lands based on the type of crop grown and does not authorize a district to designate the crops to be grown on such land.

- **Analysis:** This code section allows the district to establish reasonable annual water requirements if volumetric measuring concludes the available water supply will be inadequate to serve all land entitled. It is recommended that this authority be active.

WC-35455. Nothing in this article restricts or limits existing powers of a district to control and provide for distribution of water.

- **Analysis:** This code section allows the district under existing powers to control (or limit) the distribution of water to serve all land entitled. It is recommended that this authority be active. The District is prohibited from moving any water outside of the Paso Robles Basin.

Part 5 Powers and Purpose; Chapter 2; Powers; Article 4; Charges:

WC-35470. Any district formed on or after July 30, 1917, may, in lieu in whole or in part of raising money for district purposes by assessment, make water available to the holders of title to land or the occupants thereon, and may fix and collect charges therefor. Pursuant to the notice, protest, and hearing procedures in Section 53753 of the Government Code, the charges may include standby charges to holders of title to land to which water may be made available, whether the water is actually used or not. The charges may vary in different months and in different localities of the district to correspond to the cost and value of the service, and the district may use so much of the proceeds of the charges as may be necessary to defray the ordinary operation or maintenance expenses of the district and for any other lawful district purpose.

- **Analysis:** This code section allows the district to collect charges in addition to raising money by assessments for making water available to holders of title to land or the occupant consistent with Prop 218. It is recommended that this authority be active.

WC-35470.1. If the procedures set forth in this article as it read at the time a standby charge was established were followed, the district may, by resolution, continue the charge pursuant to this article in successive years at the same rate. If new, increased, or extended assessments are proposed, the board shall comply with the notice, protest, and hearing procedures in Section 53753 of the Government Code.

- **Analysis:** This code section allows the district to collect standby charges consistent with Prop 218. It is recommended that this authority be active.

WC-35470.5. The district may, by resolution, provide that a penalty not in excess of 10 percent shall be added to water, standby, facility, or other charges which are delinquent, and the delinquent charges shall bear interest at a rate not in excess of 1¹/₂ percent per month. For purposes of this section, the district shall establish the period or date after which the charges shall become delinquent if they remain unpaid. The delinquency dates established in Part 7 (commencing with Section 36550) and Part 7.5 (commencing with Section 37200) for unpaid assessments, which may include standby or other charges for the use of district water that has been made a part of the assessment, shall not apply to the addition of penalties and interest to delinquent charges, pursuant to this section.

- **Analysis:** This code section allows the district by resolution to add a penalty not to exceed 10% to delinquent charges. It is recommended that this authority be active.

WC-35471. Any funds derived pursuant to Section 35470 in excess of the amount necessary for operating or maintenance expenses and other lawful district purposes shall be applied by the treasurer upon the payment of interest on general obligation bonds or to create a sinking fund.

- **Analysis:** This code section allows the district to create a sinking fund or apply excess funds to pay interest or bonds. It is recommended that this authority be active.

WC-35472. For the purpose of providing funds to pay revenue bonds and interest when due the board shall fix and collect charges for the sale of water.

- **Analysis:** This code section allows the district to collect charges for the sale of water to pay interest or bonds. It is recommended that this authority be active.

WC-35473. The charges to pay revenue bonds and interest thereon when due shall be fixed by the board before April 1st of each year.

- **Analysis:** This code section requires the district to set a fixed date before April 1st of each year to set charges to pay interest or bonds. It is recommended that this authority be active. This is subject to current state law.

WC-35474. The charges to pay revenue bonds and interest thereon shall be fixed by the board upon a flat rate per acre or connection or on a metered basis or on a combination of a flat rate and metered basis and shall be sufficient to raise the amount specified on the face of the bonds when issued and one year's interest thereon unless the district has accumulated a surplus fund in the treasury of the district which is available for the payment of all bonds and interest that will accrue for payment during the current year, in which event the charges may be made so that the aggregate amount to be raised by the sale of water when added to the surplus fund equals the face value of the bonds that will mature within one year and the interest thereon.

- **Analysis:** This code section requires the district to set a flat rate or connection or a metered basis charge or combination to re-pay bonds and interest. It is recommended that this authority be active. This is subject to current state law.

WC-35475. The charges to pay revenue bonds and interest thereon may include a stand-by or carrying charge notwithstanding the water is not actually used, under such rules and regulations as the board may prescribe.

- **Analysis:** This code section allows the district to charge stand-by or carrying charges to re-pay bonds and interest even if the water is not used. It is recommended that this authority be active. This is subject to current state law.

WC-35476. The charges to pay revenue bonds and interest thereon may be made payable in advance before service of water is made to the land.

- **Analysis:** This code section allows in advance payments to re-pay bonds and interest before service of water is made. It is recommended that this authority be active.

WC-35477. The collection of charges to pay revenue bonds and interest thereon shall be continued each year until all revenue bonds, together with interest thereon, are fully redeemed and paid.

- **Analysis:** This code section allows the district to charge for payment of bonds and interest each year until fully redeemed and paid. It is recommended that this authority be active.

WC-35478. All revenue bond redemption and interest charges are a first lien on all revenues received from the sale of water unless the district, by a limitation clearly expressed in the ballots used at the election at which the bonds are voted and in all the bonds, limits the charge and lien to a part of the revenues of the district or to a fixed portion of all revenues from the sale and use of water.

- **Analysis:** This code section allows all revenue to re-pay bonds and interest to be a first lien from the sale of water unless the district clearly expresses in a ballot to limit the charge and lien to part of the revenue. It is recommended that this authority be active.

WC-35479. The district may elect, if it is using the alternative provisions for levy, collection and enforcement of district assessments by the county as provided in Part 7.5 hereof, to have the county levy and collect standby charges. If the district so elects, it shall certify to the county auditor of each county in which the district is located and the county assessor in each county in which the district is located on or before the fourth Monday in August of each year in which a standby charge is to be levied and collected for the fiscal year commencing on that July 1, the following information for purposes of such levy, assessment and collection:

- (a) The amount of the acreage standby charge levied by the district, both by acre and total amount estimated to be collected for the entire district;
- (b) The assessee parcels and assessee names for each parcel of land in the district against whom a standby charge is being levied and the acreage assessed to such person according to the district records, and the total amount of the charge to be paid by each assessee parcel.

- **Analysis:** This code section allows the district to use an alternative levy provision to have the county collect charges. It is recommended that this authority be active. This is subject to current State Law.

WC-35480. The county assessor and county auditor shall thereafter add to the tax bills for each assessee and assessee parcel as so certified, in addition to the other charges, the standby charges of the district.

- **Analysis:** If section WC-35479 is used then this code section allows the county assessor and auditor to add charges to the tax bill to each assessee and parcel. It is recommended that this authority be active.

WC-35481. The county tax collector and treasurer shall thereupon collect, receive and disburse to the district the standby charges as collected with the regular tax payments to the county.

- **Analysis:** If section WC-35479 is used then this code section requires the county tax collector and treasurer to collect charges and disburse them to the district. It is recommended that this authority be active.

WC-35482. No district furnishing water for residential use to a tenant shall seek to recover any charges or penalties for the furnishing of water to or for the tenant’s residential use from any subsequent tenant on account of nonpayment of charges by a previous tenant. The district may, however, require that service to subsequent tenants be furnished on the account of the landlord or property owner.

- **Analysis:** This code section does not allow the district to recover any charges or penalties for furnishing water to subsequent accounts of nonpayment of previous tenant’s. The district may however, require subsequent tenants service be furnished on a landlord or property owners account. It is recommended that this authority be active.

Part 5 Powers and Purpose; Chapter 2; Powers; Article 5; Sewers: [35500 - 35509]

This section describes the collection, treatment, and disposal of sewage, waste, and storm water as services that may be provided by the District. Sewer services are recommended to not be an active power. This would mean sewer powers would be inactive or latent. The District could request LAFCO activate these powers in the future.

Attachment E

Notice of Exemption

ATTACHMENT E NOTICE OF EXEMPTION

TO: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

FROM: San Luis Obispo LAFCO
1042 Pacific Street
San Luis Obispo, CA 93401

Tommy Gong, County Clerk
County of San Luis Obispo
County Government Center
San Luis Obispo, CA 93401

CONTACT: David Church, AICP, Executive Officer
(805) 781-5795

Project Title: Formation of the Estrella-El Pomar-Creston Water District and establishment of a Sphere of Influence Boundary.

Project Location and Description. The proposed Estrella-El Pomar-Creston Water District is approximately 40,000 acres. Generally lies east of the City of Paso Robles and includes the unincorporated properties of the landowners wanting to participant that overlie the basin. LAFCO will consider the formation of a California Water District to manage a portion of the Paso Robles Groundwater Basin consistent with the water code and CKH. The SOI is a 20-year growth boundary that includes areas that may be served by a District in the future. The SOI is recommended to be coterminous with the Estrella-El Pomar-Creston Water District boundary.

Public Agency Approving Project. The Local Agency Formation Commission (LAFCO) of San Luis Obispo County will hold a public hearing on this item on April 6, 2017 in the County Board of Supervisors Chambers in San Luis Obispo, at the County Government Center, located at the corner of Monterey and Santa Rosa Streets. A 21-day notice was published in the Tribune.

Environmental Determination. LAFCO is the Lead Agency for the proposed Formation and adoption of a Sphere of Influence. The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). The formation of the Water District qualifies for a CEQA exemption under 15378(b)(4). Additionally, the SOI qualifies for a general rule exemption from environmental review based upon CEQA Regulation Section 15061(b)(3) and Section 15262.

Reasons for Exemption. The creation of a Water District for the purpose of creating a funding mechanism is exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(4), or alternatively Section 15061(b)(3) which provides: "The creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment". The newly formed water district would become a Groundwater Sustainability Agency (GSA) or become partners with the surrounding local agencies for its portion of the groundwater basin. Part of the responsibilities of a GSA is compliance with the SGMA Act which includes the preparation of a Groundwater Sustainability Plan (GSP), under CEQA the adoption of a GSP is a Statutory Exemption § 15282(v). The purpose of any GSP would be the protection, restoration, or enhancement of groundwater resources. The District is being formed to stabilize the basin through compliance with SGMA and preparation of a Groundwater Sustainability Plan.

If formed, the Water District would complete additional CEQA review for any future identified capital projects or implementation actions under the future adopted GSP. The regulatory process involves procedures to prepare a GSP for the protection of the resources and environment. It is speculative to try and envision what future capital projects would be undertaken by the District. The newly formed District has to go through the Capital Improvement planning process which would include permitting and CEQA compliance.

The Sphere of Influence boundary does not involve, authorize or permit the siting or construction of any facilities. CEQA Regulation Section 15061(b)(3) states "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it

can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." A Sphere of Influence is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". A SOI is generally considered a 20-year, long-range planning tool and has no legal binding effect to authorize annexation or future improvements. CEQA Regulation Section 15262 includes an exemption for projects involving only planning studies for possible future actions. Any annexation into the District would require further CEQA review and action by LAFCO.

David Church, AICP, Executive Officer

Date

File No. 4-R-16

Attachment F

Inclusion/Exclusion Request

3/20/2017

To San Luis Obispo LAFCO: MAR 22 2017

I request that ~~the~~
all of the parcels owned
by the McDonald Ranch
Partnership in San Luis
Obispo be taken out of
of the District (EPC).

Thank you,

John Wapple

218 C St.

Yuba City, CA 95991

Managing Partner of
the McDonald Ranch
Partnership

cell 530 813 2051

James R. and Debra A. Saunders
7310 North River Rd
Paso Robles, California 93446
805-423-1291 C
805-467-2234 O

March 20, 2017
David Church, Executive Director
San Luis Obispo-Local Agency Formation Commission
County of San Luis Obispo
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

RE: Proposed Estella-El Pomar-Creston Water District

Dear Mr. Church,

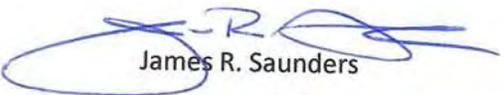
Pursuant my telephone conversation with you, I am writing you this formal request.

I previously signed petition for the inclusion in the proposed Estella-El Pomar-Creston Water District; however, since that time, I have made the determination that this is not in the best interest for my property and my heirs.

The purpose of this letter is to advise you that I have no longer wish to be part of the water district, and I hereby notice LAFCO of my withdrawal and revocation from the pending Estrella- El-Pomar-Creston water district petition regarding our property APN's 027-144-012,015,020,021,023 respectively.

I respectfully request that you provide me with acknowledgment of my request for withdrawal and revocation has been granted.

Sincerely,


James R. Saunders


Debra A. Saunders

CC: EPC Dana Merrill
Roderick A Rodewald Esq, Diehl & Rodewald PC
Tom Madden, AMMG PC

FEB 27 2017

JENNIFER SONI
1659 COPENHAGEN DR. SUITE A
SOLVANG, CA 93463
805.423.1134

February 21, 2017

Jennifer Soni
Physical Address: 7320 Cross Canyons Rd., San Miguel, CA 93451
Mailing Address: 1659 Copenhagen Dr. Suite A, Solvang, CA 93463
Contact Number: 805.423.1134

David Church, Executive Director
San Luis Obispo-Local Agency Formation Commission
County of San Luis Obispo
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

RE: Proposed Estella-Al Pomar-Creston Water District

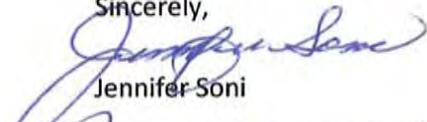
Dear Mr. Church,

I previously signed petition for the inclusion in the proposed Estella-El Pomar-Creston Water District; however, since that time, I have made the determination that this is not in the best interest for my property and my heirs.

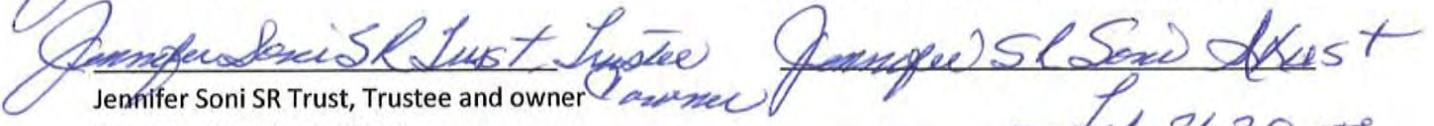
The purpose of this letter is to advise you that I have no interest in being part of the water district, and I hereby serve notice of my withdrawal, revocation from the pending Estrella- El-Pomar-Creston water district, of the petition relating to my property APN 027-071-01 on 7320 Cross Canyons Road, San Miguel, CA 93451 that is held in trust as the: Jennifer S R Soni Trust.

I trust that you will acknowledge my request without delay and obviate any necessity to involve Counsel in this matter. I request that you provide me with written notification that my request for withdrawal and revocation has been granted.

Sincerely,


Jennifer Soni

Jennifer SR Soni Trust Date: February 21, 2017


Jennifer Soni SR Trust, Trustee and owner

CC: Cindy Steinbeck POWR

Janet Wallace AMMCGLAW

EPC Dana Merrill

Feb. 21, 2017

If this Ballot has been received by mail and no Circulator is available the Land Owner can either attest to the language below or have their signature notarized.

I declare that I am entitled to complete this Petition and that I am a "landowner" or the "legal representative" of a landowner as defined in California Water Code sections 37905 and 37913. I declare under penalty of perjury under the laws of the State of California that the foregoing declarations are true and correct.

December 8, 2016
Date

Jennifer Soni S R Tre
Name (please print)

Jennifer Soni, owner
Signature

Second Signature (if necessary)

Date

Name (please print)

Signature

027-071-010
Address or APN(s)

Mike Prater

From: David Church <dchurch@slolafco.com>
Sent: Monday, February 06, 2017 4:25 PM
To: 'shelly domingos'
Cc: Mike Prater
Subject: RE:

No Problem. We will remove your properties from the District. Thanks for letting us know.

David Church, AICP
San Luis Obispo LAFCO
Executive Officer
805-788-2096

From: shelly domingos [<mailto:shelly@tdfarming.com>]
Sent: Monday, February 6, 2017 4:11 PM
To: dchurch@slolafco.com
Subject:

Dear David- We are emailing you to ask to be removed from the Estrella Water District formation. We recently signed the paperwork to join the district, but have since chosen our minds.

The properties we would like removed are:

Georgeanna Domingos located at 5085 Martingale Cir San Miguel , ca 93451
Anthony J Domingos located at 5010 Martingale Cir San Miguel, Ca 93451
Brave Oak Vineyard LLC located at 6775 Airport Rd Paso Robles, Ca

We sorry for the inconvenience.

Sincerely ,
Tony & Georgeanna Domingos
805-391-3171

JAN 30 2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

Steven N Beck
Signature _____ 2nd Signature, if necessary _____

Steven N Beck
Name printed _____ Name printed _____

1/25/2017
Date signed _____ Date signed _____

Owner, Pres
Authorizing title _____ Authorizing title _____

Phone number _____ Phone number _____

Your Mailing Address, if different from address listed below

Landowner: **BECK STEVEN N TRE ETAL** PO BOX 426
CRESTON CA 93432

APN's:
043-323-002 127.0 ,

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

<u>Robert Thomas</u> Signature	_____	2 nd Signature, if necessary
<u>Robert Thomas</u> Name printed	_____	Name printed
<u>1-20-17</u> Date signed	_____	Date signed
<u>owner</u> Authorizing title	_____	Authorizing title
<u>(805) 466-7753</u> Phone number	_____	Phone number
<u>P.O. Box 1343 Templeton, CA 93465</u> Your Mailing Address, if different from address listed below		

Landowner: Robert Thomas

APN's:

34-451-02

7010 Old Adobe Way, Templeton, CA 93465

JAN 17 2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Sincerely,

Debra R Compton

Signature

2nd Signature, if necessary

Debra R Compton

Name printed

Name printed

owner

Authorizing title

Authorizing title

1-12-17

Date

Date

805 467-3158

Phone number

Phone number

7051 Cross Canyons RD, San Miguel, CA 93451

Mailing Address

Landowner: **ROSENBERG NUT FARM LLC**

APN's:

027-071-023 ,

JAN 30 2017

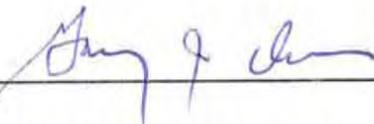
Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

Signature		2 nd Signature, if necessary	
Name printed	GARY J. DAVIS	Name printed	
Date signed	1/26/17	Date signed	
Authorizing title	Owner	Authorizing title	
Phone number	805-238-0745	Phone number	

Your Mailing Address, if different from address listed below

Landowner:	DAVIS GARY J TRE ETAL	6988 N RIVER RD		
		PASO ROBLES	CA	93446

APN's:
026-105-001 82.8 , 027-144-019 26.0 ,

~~027-144-019 26.0~~

JAN 27 2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature

2nd Signature, if necessary

Ryan Tannhill

Name printed

Name printed

1/20/17

Date signed

Date signed

Managing Member RMT Enterprises LLC

Authorizing title

Authorizing title

(805) 610-5161

Phone number

Phone number

Your Mailing Address, if different from address listed below

Landowner: **RMT ENTERPRISES LLC** 5875 STOCKDALE RD
PASO ROBLES CA 93446

APN's:
027-145-019 73.7 ,

1-17-2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Sincerely,

<u>Joe Beato</u>	_____
Signature	2 nd Signature, if necessary
<u>Joe Beato</u>	_____
Name printed	Name printed
<u>Owner</u>	_____
Authorizing title	Authorizing title
<u>1. 16. 2017</u>	_____
Date	Date
<u>805-478-4937</u>	_____
Phone number	Phone number
<u>4680 Tower Road Paso Robles, Ca. 93441</u>	
Mailing Address	

Landowner: **BEATO JOSEPH L TRE ETAL**

APN's:

015-015-006 , 034-241-005 ,

BDA.

1-17-2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Sincerely,

William F. John
Signature

Jalene John
2nd Signature, if necessary

William F. John
Name printed

Jalene John
Name printed

Partner
Authorizing title

Partner
Authorizing title

1/13/17
Date

1/13/17
Date

805-459-0970
Phone number

805-610-7316
Phone number

705 Wilderness Lane Paso Robles, Ca. 93446
Mailing Address

Landowner: **WILD J LLC**

APN's:

026-183-040,

25.6 acres

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Sincerely,

Donald M. Marks
Signature

2nd Signature, if necessary

Donald M. Marks
Name printed

Name printed

Authorizing title

Authorizing title

1-13-2017
Date

Date

805-610-9040
Phone number

Phone number

1938 OLIVE ST. PASO ROBLES, CA 93446
Mailing Address

Landowner: MARKS DONALD M TRE ETAL

APN's:

015-015-004,
39.2 Acres

JAN 30 2017

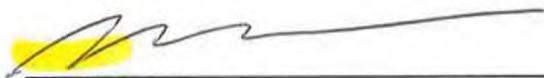
Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

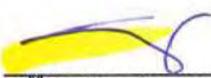
Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature



2nd Signature, if necessary

JEFFREY J. CROWLEY

Name printed

SARAH A. CROWLEY

Name printed

1/25/17

Date signed

1/25/17

Date signed

OWNER

Authorizing title

OWNER

Authorizing title

Phone number

Phone number

Your Mailing Address, if different from address listed below

Landowner: CROWLEY JEFFREY J & SARAH A 7601 EL VERANO DR
BAKERSFIELD CA 93309

APN's:
035-091-038 37.2 ,

If this Ballot has been received by mail and no Circulator is available the Land Owner can either attest to the language below or have their signature notarized.

I declare that I am entitled to complete this Petition and that I am a "landowner" or the "legal representative" of a landowner as defined in California Water Code sections 37905 and 37913. I declare under penalty of perjury under the laws of the State of California that the foregoing declarations are true and correct.

12/19/16
Date

Steven N Beck
Name (please print)

Steven N Beck
Signature

Second Signature (if necessary)

12/12/16
Date

Deborah E Beck
Name (please print)

Deborah E. Beck
Signature

043-311-013
Address or APN(s)

FEB 07 2017

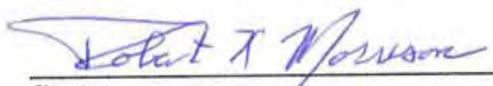
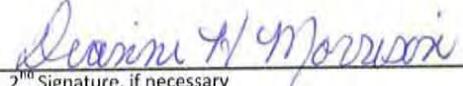
Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

	
Signature	2 nd Signature, if necessary
<u>Robert K. MORRISON</u>	<u>Dianne H Morrison</u>
Name printed	Name printed
<u>2-6-2017</u>	<u>2-6-2017</u>
Date signed	Date signed
<u>Owner</u>	<u>Owner</u>
Authorizing title	Authorizing title
<u>805 235 6796</u>	<u>805 238 9509</u>
Phone number	Phone number

Your Mailing Address, if different from address listed below

Landowner: **MORRISON ROBERT K TRE ETAL** 9110 CAMATTA CREEK RD
SANTA MARGARITA CA 93453

APN's:
035-041-023 16.6 , 035-061-032 35.1 , 035-061-033 32.0 ,

FEB 07 2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

<u>Peter R. Dodsworth</u> Signature	<u>Maria Cobo</u> 2 nd Signature, if necessary
<u>PETER R. DODSWORTH</u> Name printed	<u>MARIA COBO</u> Name printed
<u>2nd February 2017</u> Date signed	<u>2/2/17</u> Date signed
<u>OWNER</u> Authorizing title	<u>AUTHORIZED REPRESENTATIVE</u> Authorizing title
<u>707-494-1186</u> Phone number	<u>707-548-6720</u> Phone number

Your Mailing Address, if different from address listed below

Landowner: **DODSWORTH PETER ETUX** PO BOX 970
TEMPLETON CA 93465

APN's:
034-491-002 113.0 ,

FEB 03 2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

Donald H. Morris
Signature

DONALD H. MORRIS
Name printed

1 Feb 2017
Date signed

OWNER
Authorizing title

805 495 9669
Phone number

Shirley J. Morris
2nd Signature, if necessary

SHIRLEY J. MORRIS
Name printed

1 Feb 2017
Date signed

OWNER
Authorizing title

805 495 9669
Phone number

Your Mailing Address, if different from address listed below

Landowner: MORRIS DONALD H & SHIRLEY J 267 SCARBOROUGH ST.
THOUSAND OAKS CA 91361

APN's:
020-012-004 21.8 , 020-012-007 1.1 , 026-161-003 41.2 ,

If this Ballot has been received by mail and no Circulator is available the Land Owner can either attest to the language below or have their signature notarized.

I declare that I am entitled to complete this Petition and that I am a "landowner" or the "legal representative" of a landowner as defined in California Water Code sections 37905 and 37913. I declare under penalty of perjury under the laws of the State of California that the foregoing declarations are true and correct.

12/23/16
Date

Anthony J. Domingos
Name (please print)


Signature

Second Signature (if necessary)

12/23/16
Date

Michelle S. Domingos
Name (please print)

Signature

015-023-011
Address or APN(s)

If this Ballot has been received by mail and no Circulator is available the Land Owner can either attest to the language below or have their signature notarized.

I declare that I am entitled to complete this Petition and that I am a "landowner" or the "legal representative" of a landowner as defined in California Water Code sections 37905 and 37913. I declare under penalty of perjury under the laws of the State of California that the foregoing declarations are true and correct.

12/19/16
Date

Steven N Beck
Name (please print)

Steven N Beck
Signature

Second Signature (if necessary)

12/12/16
Date

Deborah E Beck
Name (please print)

Deborah E. Beck
Signature

043-311-013
Address or APN(s)

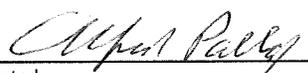
Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

Signature	2 nd Signature, if necessary
	
Name printed	Name printed
Alfred Palla Jr	Janette Palla
Date signed	Date signed
2-6-2017	2-6-2017
Authorizing title	Authorizing title
OWNER	OWNER
Phone number	Phone number
661 7645520	661 7645520
Your Mailing Address, if different from address listed below	

Landowner: **PALLA ALFRED JR & JANETTE** 327 CORN CAMP RD
BUTTONWILLOW CA 93206

APN's:
019-282-005 201.3 ,

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

FEB 08 2017

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

	_____
Signature	2 nd Signature, if necessary
<u>Kathleen M Tucker</u>	_____
Name printed	Name printed
<u>2/5/17</u>	_____
Date signed	Date signed
<u>Manager Ada's Vineyard LLC</u>	_____
Authorizing title	Authorizing title
<u>805-674-3793</u>	_____
Phone number	Phone number
<u>PO Box 3029, Paso Robles, Ca 93447</u>	
Your Mailing Address, if different from address listed below	

Landowner: **ADAS VINEYARD LLC**

77441 INDIAN VALLEY RD

SAN MIGUEL

CA

93451

APN's:

026-141-008 11.7 ,

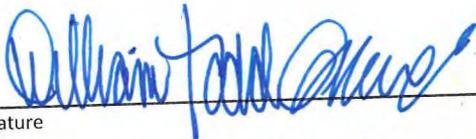
Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the pro
El Pomar-Creston Water District. Please let us know if you require any add

Regards,


Signature _____ 2nd Signature, if ne

William Todd Greene
Name printed _____ Name printed

1-27-17
Date signed _____ Date signed

Trustee, Greene Family Trust
Authorizing title _____ Authorizing title

949-400-0344
Phone number _____ Phone number

Your Mailing Address, if different from address listed below

Landowner: **GREENE WILLIAM T TRE ETAL** 6270 LOMITAS R
ATASCADERO

APN's:
035-111-011 26.2 ,

B-1-108
B-1-116

FEB 09 2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature

2nd Signature, if necessary

William Todd Greene

Name printed

Name printed

1-27-17

Date signed

Date signed

Trustee, Greene Family Trust

Authorizing title

Authorizing title

949-400-0344

Phone number

Phone number

Your Mailing Address, if different from address listed below

Landowner: **GREENE WILLIAM T TRE ETAL** 6270 LOMITAS RD
ATASCADERO CA 93422

APN's:
035-111-011 26.2 ,

FEB 09 2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature

2nd Signature, if necessary

William Todd Greene

Name printed

Name printed

1-27-17

Date signed

Date signed

Trustee, Greene Family Trust

Authorizing title

Authorizing title

949-400-0344

Phone number

Phone number

Your Mailing Address, if different from address listed below

Landowner: **GREENE WILLIAM T TRE ETAL** 6270 LOMITAS RD
ATASCADERO CA 93422

APN's:
035-111-011 26.2 ,

FEB 09 2017

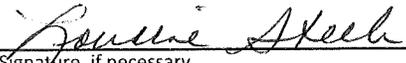
Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

<p> _____ Signature</p> <p><u>Lee C. Steele</u> _____ Name printed</p> <p><u>2/6/17</u> _____ Date signed</p> <p><u>owner/trustee</u> _____ Authorizing title</p> <p><u>617-901-1101</u> _____ Phone number</p> <p><u>same</u> _____ Your Mailing Address, if different from address listed below</p>	<p> _____ 2nd Signature, if necessary</p> <p><u>Lorraine P. Steele</u> _____ Name printed</p> <p><u>2/6/17</u> _____ Date signed</p> <p><u>owner/trustee</u> _____ Authorizing title</p> <p><u>617-335-5080</u> _____ Phone number</p> <p><u>same</u> _____ Your Mailing Address, if different from address listed below</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Landowner: **STEELE LEE C TRE ETAL**

3 DURHAM ST
BOSTON

MA 2115

APN's:

027-191-028 ~~19.6~~,
20.0
(see attached)

Property Information Search Results

One matching record was found for APN 027-191-028.

<u>Assessment Number</u>	<u>Owner Name</u>	<u>Community</u>	<u>Structure Type</u>	
027191028	Steele Lee & Lorraine	Rural El Pomar-Estrella	Residence	Select

Assessment Information for the 2011/2012 Tax Year		Property Information as of March 1, 1989			
Assessment Number:	027-191-028	Primary Structure	Residence	Miscellaneous Improvements	
Owner Name:	Steele Lee & Lorraine	Structure Type:	Residence		
Street Address:	(Protected per CA Govt Code Section 6254.21)	Assessed Value:	1,114,929	Original Size:	372
Community Code:	Rural El Pomar-Estrella	Land Value:	703,599	Addition Size:	1,489
Tax Rate Area:	104-015	Improvements:	402,056	Total Living Area:	1,861
Parcel Size:	20 Acres	Personal Property:	9,274	Year Built:	1940
Link to Map:	027191028	Fixtures Value:	0	Bedrooms:	3
		Total Exemption:	0	Bathrooms:	2
		Net:	1,114,929	Levels:	1
				Parking:	Carport
				Description:	Storage Barn
				Size:	0
				Description:	Flatwork
				Description:	Patio

Disclaimer:

The data contained in this database is deemed reliable but not guaranteed. This information should be used for informational use only and does not constitute a legal document for the description of these properties. Every effort has been made to ensure the accuracy of this data; however, this material may be slightly dated which would have an impact on its accuracy. The San Luis Obispo County Assessor's Office disclaims any responsibility or liability for any direct or indirect damages resulting from the use of this data.

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

Harry E Fralich

Signature

HARRY E FRALICH

Name printed

2-6-17

Date signed

OWNER - GEN MGR.

Authorizing title

(805) 610-8420

Phone number

750 LUPINE LANE, TEMPLETON, CA 93465

Your Mailing Address, if different from address listed below

Ruth E Fralich

2nd Signature, if necessary

Ruth E FRALICH

Name printed

2-6-17

Date signed

CO-OWNER

Authorizing title

(805) 610-8420

Phone number

Landowner: FRALICH HARRY E TRE ETAL

750 LUPINE LN

TEMPLETON

CA

93465

APN's:

033-241-015 18.7 ,

FEB 14 2017

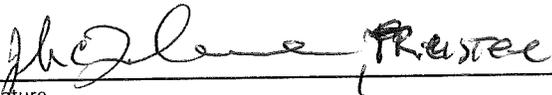
Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

	
Signature	2 nd Signature, if necessary
John C. Falcone	HELEN H. FALCONE
Name printed	Name printed
2/6/17	2-6-2017
Date signed	Date signed
	TRUSTEE
Authorizing title	Authorizing title
805 686 9545 or 805 698 7913 cell	(805) 350-0397
Phone number	Phone number

Your Mailing Address, if different from address listed below

Landowner: **FALCONE JOHN C TRE ETAL** 3211 LONG VALLEY RD
SANTA YNEZ CA 93460

APN's:
035-301-003 ~~12.6~~ 11.00 acres

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

FEB 15 2017

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

 _____ Signature	 _____ 2 nd Signature, if necessary
Chris J. Lupu _____ Name printed	Rachel Lupu _____ Name printed
2/13/17 _____ Date signed	2/13/17 _____ Date signed
Owner _____ Authorizing title	Owner _____ Authorizing title
(800) 628-1319 _____ Phone number	_____ Phone number

Your Mailing Address, if different from address listed below

Landowner: **LUPO CHRISTOPHER J & RACHEL** 2656 HIGHRIDGE DR
CHINO HILLS CA 91709

APN's:
033-311-023 80.8 ,

FEB 17 2017

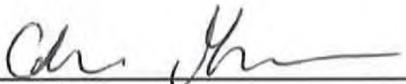
Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

 Signature	 2 nd Signature, if necessary
Carlos Garcia Name printed	Nataly Beltran Name printed
2-14-17 Date signed	2-14-17 Date signed
Owner Authorizing title	Owner Authorizing title
805-391-3230 Phone number	805-588-1865 Phone number
PO #89 Templeton, CA 93465 Your Mailing Address, if different from address listed below	

Landowner: Carlos Garcia and Nataly Beltran

APN's:

015-133-031

If this Ballot has been received by mail and no Circulator is available the Land Owner can either attest to the language below or have their signature notarized.

I declare that I am entitled to complete this Petition and that I am a "landowner" or the "legal representative" of a landowner as defined in California Water Code sections 37905 and 37913. I declare under penalty of perjury under the laws of the State of California that the foregoing declarations are true and correct.

1/31/17
Date

M. D. MECKER
Name (please print)

M. D. Mecker
Signature

Second Signature (if necessary)

1/31/17
Date

CAROL R. MECKER
Name (please print)

Carol R Mecker
Signature

6585 VON DOLLEN ROAD

SAN MIGUEL, CA 93457
Address or APN(s)

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

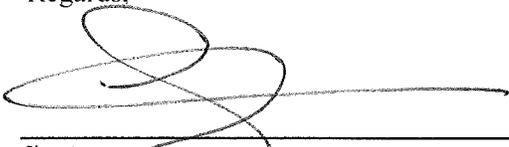
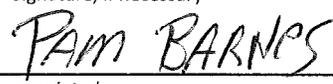
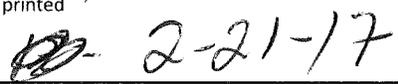
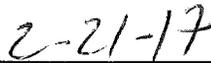
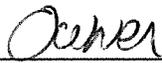
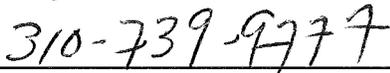
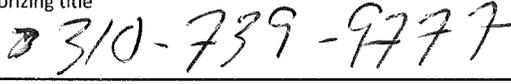
FEB 27 2017

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

	
Signature	2 nd Signature, if necessary
	
Name printed	Name printed
	
Date signed	Date signed
	
Authorizing title	Authorizing title
	
Phone number	Phone number
	
Your Mailing Address, if different from address listed below	

Landowner: **BARNES TERRY R TRE ETAL**

615 CAMINO VINA
PASO ROBLES

CA 93446

APN's:

035-032-027 129.6 ,

FEB 27 2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I represent an investment group that recently purchased the properties listed below.
I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-
El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature

2nd Signature, if necessary

LAKHVIR S. SRANI

Name printed

Name printed

02/20/2017

Date signed

Date signed

Managing Member

Authorizing title

Authorizing title

559.846.8983

Phone number

Phone number

1750 N. Siskiyou Ave, Kerman, CA 93630

Your Mailing Address, if different from address listed below

Landowner: SRANI Vineyards, LLC

APN's:

015-031-015 1.7 , 015-031-063 160.6

2017003835

RECORDING REQUESTED BY:
First American Title Company

MAIL TAX STATEMENT
AND WHEN RECORDED MAIL DOCUMENT TO:
Sran Vineyards , LLC
1750 N. Siskiyou Avenue
Kerman, CA 93630

Tommy Gong
San Luis Obispo - County Clerk-Recorder
01/25/2017 08:00 AM

Recorded at the request of:
FIRST AMERICAN TITLE COMPANY

Titles: 1 Pages: 3

Fees: \$30.00
Taxes: \$4400.00
Total: \$4430.00



Space Above This Line for Recorder's Use Only

A.P.N.: 015-031-015 and 015-031-063

File No.: 4009-5278999 (LB)
SURVEY MONUMENT FEE \$10.00

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX \$4,400.00; CITY TRANSFER TAX \$;
SURVEY MONUMENT FEE \$



- computed on the consideration or full value of property conveyed, OR
- computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
- unincorporated area; City of , and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Margaret Burrell Hall, Successor Trustee of the Robert L. Hall Living Trust dated September 26, 2006**

hereby GRANTS to **Sran Vineyards , LLC, a California limited liability company**

the following described property in the unincorporated area of , County of **San Luis Obispo**, State of **California**:

PARCEL A: [APN: 015-031-015]

THAT PORTION OF THE SOUTHEAST 1/4 OF SECTION 19, TOWNSHIP 26 SOUTH, RANGE 13 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 19; THENCE 22 RODS EAST TO A POINT ON THE SOUTH LINE OF SECTION 19, THENCE 12 RODS DUE NORTH TO A POINT; THENCE 22 RODS DUE WEST TO A POINT ON THE WEST LINE OF SECTION 19; THENCE SOUTH 12 RODS TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN LUIS OBISPO IN INSTRUMENT RECORDED SEPTEMBER 11, 1897 IN BOOK 34, PAGE 589 OF DEEDS.

PARCEL B: [APN: 015-031-063]

PARCEL 1 OF AMENDED PARCEL MAP COAL 96-0076, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED DECEMBER 16, 1996 IN BOOK 52, PAGE 35 OF PARCEL MAPS, AND AMENDED PARCEL MAP RECORDED APRIL 16, 1999 IN BOOK 53, PAGE 85 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Mail Tax Statements To: **SAME AS ABOVE**

MAR 03 2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,



Signature

2nd Signature, if necessary

Candice Reinertson

Name printed

Name printed

2/28/17

Date signed

Date signed

General Manager

Authorizing title

Authorizing title

805-467-0086

Phone number

Phone number

7450 Estrella Rd, San Miguel, CA 93451

Your Mailing Address, if different from address listed below

Landowner: RIVERSTAR WINERY LLC

2424 OAKDALE AVE
SAN FRAN

CA 94124

APN's:

027-191-016 72.1 ,

MAR 06 2017

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Sincerely,

John Hunter
Signature

Kathleen C. Hunter
2nd Signature, if necessary

John Hunter
Name printed

Kathleen C. Hunter
Name printed

Owner
Authorizing title

Owner
Authorizing title

3-4-17
Date

3-4-17
Date

805-712-2092
Phone number

805-712-1405
Phone number

6063 Hawk Ridge Place San Miguel CA 93451
Mailing Address

Landowner: HUNTER T JOHN & KATHLEEN C

APN's:

019-311-018 , 9.8 ,

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

MAR 09 2017

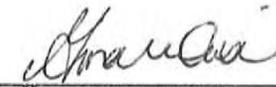
Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,


Signature


2nd Signature, if necessary

Faye Ernestine Dusi
Name printed

Gina M. Dusi
Name printed

3/6/17
Date signed

3/6/17
Date signed

Authorizing title

Authorizing title

805 238 0671
Phone number

805 610 9036
Phone number

Your Mailing Address, if different from address listed below

Landowner: **DUSI FAYE E TRE**

4625 BELMONT LN
PASO ROBLES

CA 93446

APN's:

025-436-037 81.3 ,

INSIDE CITY OF PASO ROBLES

Mr. David Church
LAFCO Executive Officer
San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

MAR 14 2017

Re: Formation of the EPC - Estrella-El Pomar-Creston Water District

Dear Mr. Church:

I (we) would like to request that the following parcels be included in the proposed EPC - Estrella-El Pomar-Creston Water District. Please let us know if you require any additional information.

Regards,

 Signature	_____	2 nd Signature, if necessary	_____
Linda A. Tubb Name printed	_____	Name printed	_____
3-12-17 Date signed	_____	Date signed	_____
Trustee Authorizing title	_____	Authorizing title	_____
805-674-1239 Phone number	_____	Phone number	_____

Your Mailing Address, if different from address listed below

Landowner: **TUBB LINDA A TRE ETAL**

1640 CIRCLE B RD

PASO ROBLES

CA

93446

APN's:

020-011-033 8.0 ,

MAR 23 2017

March 21, 2017

MAR 23 2017

San Luis Obispo LAFCO
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401
Attn: Mr. David Church

Subject: Petition to Join Estrella-El Pomar-Creston Water District GSA

Dear Mr. Church:

I have been informed that this letter would suffice for a petition to join the subject GSA. We are located in the unincorporated rural area just south of the City of Paso Robles within the El Pomar AVA. We have a 5 acre vineyard on our property. Wells on the property provide domestic water as well as irrigation for the vineyard. We are not served by the city.

The property address and SLO County Tax Assessor information is as follows:

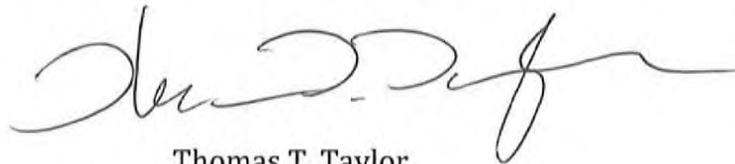
TAYLOR THOMAS T TRE ETAL
1725 CUMBRE RD
PASO ROBLES, CA 93446-4929

ASS. # 020-461-035

Legal Description: TR 969 LT 14

I can be reached via email at ttedford50@gmail.com, or by telephone at (805) 434-7538 if you have any questions or require additional information. Postal correspondence can be sent to the address above, which is also our residence. Thank you for your time.

Sincerely,



Thomas T. Taylor

Attachment G

LAFCO Factors & Policies

ATTACHMENT G

LAFCO Proposal Review Factors - Government Code 56668

The Formation of the Estrella-El Pomar-Creston Water District 4-R-16

The Cortese-Knox Hertzberg Act requires that the following factors be considered by LAFCO in its decision making process. No one factor is to be considered more highly than another; however one factor may be more important depending on the circumstances of a proposal. These factors are to be “considered” by the Commission and weighed and balanced in the decision-making process.

Factor (a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

Response. Population forecasts for the North County area are derived from projections prepared by the San Luis Obispo Council of Governments (SLOCOG) in July 2014. The Table below provides an estimate of the County’s current (2014) and projected future population estimated by the San Luis Obispo Council of Governments for regional planning purposes. Future population is provided in five-year increments beginning in 2015 and continuing into the future to the year 2040. The seven incorporated cities in San Luis Obispo County (Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo) account for approximately 55% of the county’s total population (2010 Census). The population of the unincorporated County is concentrated in the urban areas of Avila Beach, Cambria, Cayucos, Los Osos, Nipomo, Oceano, Santa Margarita, San Miguel, Shandon and Templeton.

The proposed Estrella-El Pomar-Creston Water District would include unincorporated areas north and east of the urban areas of the cities located in northern San Luis Obispo County.

The tables below shows populations inside the Basin and outside the Basin based on the San Luis Obispo Council of Governments (SLOCOG) 2000 and 2010 U.S. Census block data. In addition, Table 1 shows the estimated population change from 2000-2010 inside and surrounding the Basin. Estimates were used based on data for the communities that overly and surround the basin. Some communities are partially within the Basin and so estimates may not accurately reflect actual population numbers. In addition, to the size of the Basin’s geographic boundary, the population information below may vary as it does not conform to existing jurisdictional boundaries.

Table 1

Population Estimates and Growth Rate Change Inside and Outside the Basin

	Estimate Population 2000 ¹	Estimate Population 2010 ¹	Net Increase in Population 2000-2010	Percent Growth Increase
Inside Basin	40,713	49,370	+8,657	21.2%
Surrounding Basin	48,707	52,890	+3,393	8.5%

¹ Source: SLOCOG 2000 and 2010 U.S. CensusData.

Table 2 shows the estimated projected populations for the incorporated and unincorporated communities within and adjacent to the Basin based on SLOCOG projections for the different planning communities. Exact estimates for projected populations within and outside the Basin are not attainable due to lack of data. The estimates show the most recent 2010 U.S. Census data and projected populations for the next decade (2015-2025), including the percent growth. It should be noted that the majority of growth is within the Basin.

Table 2
Projected Populations for the Incorporated and Unincorporated
Areas within the Basin

	Year				Percent Growth Increase
	2010	2015	2020	2025	
Unincorporated					
Adelaida	4,101	4,468	4,802	5,091	24.1%
El Pomar/Estrella	9,859	10,922	11,934	12,839	30.2%
Las Pilitas	1,505	1,535	1,544	1,543	2.5%
Salinas River	5,190	5,296	5,330	5,330	2.7%
San Miguel	1,838	2,027	2,205	2,393	30.2%
Santa Margarita	1,394	1,432	1,450	1,459	4.7%
Shandon	1,258	1,818	2,590	3,682	192.7%
Shandon-Carrizo	1,602	1,621	1,619	1,608	0.4%
Templeton	5,683	6,177	6,461	6,743	18.7%
Incorporated					
Atascadero	26,986	27,366	28,003	28,940	7.2%
Paso Robles	29,624	30,522	32,137	33,905	14.5
Total	92,645	96,911	101,862	107,351	15.9%

Source: San Luis Obispo County 2040 Population, Housing & Employment Forecast. SLOCOG, 2011.

Factor (b) The need for organized community services, the present cost and adequacy of governmental services and controls in the area, probable future needs for those services and controls, probable effect of the proposed incorporation, formation, annexation, or exclusion and alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

Response. The new State Law, Sustainable Groundwater Management Act (SGMA), requires that a Groundwater Sustainability Agency be formed to manage the basins groundwater resources. One of the purposes of the new District would be to comply with the State Law and provide a local agency to manage the resources within its portion of the basin. If the District is not formed, management of the groundwater resources would be at the discretion of the County acting as the Flood Control District. The County proposes to provide SGMA compliance services for those properties not in a District or City. The cost to manage and prepare a Groundwater Sustainability Plan (GSP) has not been determined at this time. The GSP would outline the regulations and controls to manage the basin.

Factor (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

Response. The County and County acting as the Flood Control District currently govern the unincorporated portions of the Paso Robles Basin. Under the Sustainable Groundwater Management Act (SGMA) the governmental entities that regulate water resources would need to work together and coordinate a Groundwater Sustainability Plan (GSP) that manages the basin as a whole. Forming the Estrella-El Pomar-Creston Water District would add an additional public agency to coordinate the efforts with the other agencies. If the new District is not formed the responsibility would fall back to the County, if the County decided not to provide SGMA services, then the State would regulate the basin under SGMA.

Factor (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.

Response. The following are the San Luis Obispo LAFCO Policies for Special District Formations and a brief analysis of the proposal under these policies:

Policy 1. There is a demonstrated need for services or controls which can be provided by a special district.

Analysis. A new Special Water District would allow for a landowners Board of Directors that would decide on what services and controls are needed. The Paso Robles Basin is identified as a high priority basin and must meet the requirements of SGMA. A local district would be best suited to adopt rules and regulations that comply with SGMA.

Policy 2. There is no alternative which would provide for the required service in a more reasonable manner.

Analysis. The alternative to a local agency made up of landowners and residents from the area would be the County acting as the Flood Control District. This alternative would provide for an equal level of service. The main difference is the make-up of the Board of Directors and responsiveness to their constituency.

Policy 3. There will be sufficient revenue to adequately finance the required services or controls.

Analysis. As part of the formation vote the landowners would be conditioned to also pass a Prop 218 vote to fund the needed services. The initial funding is estimated at an average of \$500,000 dollars to fund operations and develop a Groundwater Sustainability Plan over a five year period. As additional services are determined additional funding options would be voted on by the landowners and would be used to help comply with SGMA.

Policy 4. The proposal does not represent a conflict with the reasonable and logical expansion of adjacent governmental agencies.

Analysis. The proposed boundary for the Estrella-El Pomar-Creston Water District would generally follow the unincorporated areas within the Basin. The portion of the basin that include urban areas or incorporated Cities would not conflict with the district's boundary. A small portion east of the City of Paso Robles would overlie the City's Sphere of Influence.

Policy 5. The boundary configuration will not create or result in areas difficult to serve.

Analysis. In 2002 the County conducted an investigation and generated a report commonly called the FUGRO report that defined the extents of the Paso Robles Basin and sub-basins. The sub-basins of Estrella-El Pomar-Creston boundaries would be generally the service boundary of the new District with the exceptions of those landowners that do not wish to be in the district. Under current policy, these areas would be managed by the County. Because the proposed services are initially intended to comply with SGMA and all agencies will coordinate a GSP the level of service is adequate given the checkerboard service boundary.

Policy 6. The boundaries of the proposed formation must be definite and certain and must conform to lines of assessment whenever possible. The boundaries must not conflict with boundaries of other public agencies possessing the same powers unless properly justified.

Analysis. The proposed formation is defined and certain and conforms to lines of

assessment. The boundaries do not conflict with other public agencies with similar powers.

Factor (e) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

Response. The proposed formation is defined and certain and conforms to lines of assessment. The boundaries do not conflict with other public agencies with similar powers. The proposed District complies with the Principle Act that has district boundary areas within 2-miles of another district boundary area. The boundary is described as a patch-work but can be served by the district. The other properties included in the basin would be served by the County.

Factor (f) Consistency with City or County General and Specific Plans.

Response. The land uses are not anticipated to change based on the formation of the water district. The water district would include unincorporated land under the County's jurisdiction. The land use designations would not change and the formation of a water district would be consistent with City and County General Plans.

Table 3 below shows the land use designations of the parcels within the Basin boundary and contiguous to the Basin.

Table 3
Land Use Designations within and Contiguous to the Basin

Land Use Designation Within Basin			
Agriculture	Public Facilities	Recreation	Residential Single Family
City	Commercial Retail	Residential Suburban	
Open Space	Commercial Service	Rural Lands	
Rural Residential	Industrial	Residential Multi-Family	
Land Use Designation Contiguous to Basin			
Agriculture	City	Public Facilities	Rural Residential
Open Space	Residential Suburban	Rural Lands	

Source: San Luis Obispo County Geographic Information Systems Data

Factor (g) The Sphere of Influence of any local agency which may be applicable to the proposal being reviewed.

Response. The City of Atascadero Sphere of Influence does not include areas within the proposed water district boundary. The Templeton CSD Sphere of Influence or the County Service Area 16 – Shandon do not include areas within the proposed water district boundary. The City of Paso Robles Sphere of Influence would share a small area just east of the city limit line.

Factor (h) The comments of any affected local agency or other public agency.

Response. No Comments were received from any affected agencies

Factor (i) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

COUNT	PER PARCEL CHARGE	RATE	REVENUE GENERATED	% OF TOTAL
498	Total parcels	\$ 0	\$ 0	0%
PER ACRE CHARGE				
22,103	Non-Irrigated Acres (ALL)	\$ 0.59	\$ 13,040	2%
16,519	Irrigated Acres	\$ 35	\$ 578,165	97%
200	Residential/Commercial	\$ 7.50	\$ 1,500	>1%
TOTAL			\$ 592,705	100%

Response. A Prop 218 ballot that would include a benefit assessment based on irrigated or non-irrigated status. The table above shows the breakdown. The ballot would be voted on by the landowners' vote of approval or non-protest.

Factor (j) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

Response. The purpose of the new Water District would be to manage the unincorporated portion of the basin users and develop a Groundwater Sustainability Plan that is consistent with other agencies that have similar powers to effectively manage the entire basin as a whole. To the extent additional water supplies are made available to supplement the needs of the users would be a decision made by the future Board of Directors. The new State Law under SGMA outlines a process to ensure the GSP would achieve its goals with oversight by the Department of Water Resources and State Water Quality Control Board to step in and take action if needed.

Factor (k) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

Response. The new Water District boundaries would remain within the unincorporated County and not affect nearby Cities from achieving their fair share of regional housing needs. The County will continue to exercise its land use authority for issuing residential permits. The new Water District would be put in place to continue monitoring and reporting on the basins health and adopt rules and ordinances for various ways to manage the basin which may include but not limited to installation of metering flow devices, well extraction allocations, and surcharges for extractions. The new District would not affect achieving the fair share of regional housing needs.

Factor (m) Any information or comments from the landowner or owners.

Response. This proposal includes 100% landowner consent to be part of the district. The protest and final voting process allows for the landowners to vote on the formation of the new District and the funding plan.

Factor (n) Any information relating to existing land use designations.

Response. The general proposed boundary covers approximately 111 square miles with various land uses from residential to agriculture and others. No land use designation would change with the proposed formation of this Water District.

Factor (o) Environmental Justice. The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

Response. The formation of the Water District would not treat individuals differently. The services provided by the new District would be to the benefit of all people within the districts boundary.

Attachment H

Draft Resolution

**IN THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

Date: _____

PRESENT:

ABSENT:

RESOLUTION NO. 2017-XX

**RESOLUTION MAKING DETERMINATIONS AND APPROVING THE
FORMATION OF THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT, SPHERE OF
INFLUENCE, AND ENVIRONMENTAL DETERMINATION**

The following resolution is now offered:

WHEREAS, a Petition of Application signed by 100 percent of the landowners in the proposed Water District was filed with the Commission to initiate the change of organization; and

WHEREAS, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) for consideration of a proposal for the formation of the Estrella-El Pomar-Creston Water District as shown in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the formation of the Estrella-El Pomar-Creston Water District, a Water District as defined in the California Water Code, Section 34000 et seq., has been filed with the Executive Officer of the Local Agency Formation Commission of San Luis Obispo County, California by petition, and said application complied with all the requirements of law and the Commission; and

WHEREAS, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

WHEREAS, the matter was set and noticed for public hearing at 9:00 a.m. on April 6th in the County of San Luis Obispo Board of Supervisors Chambers; and

WHEREAS, this Commission has considered the application materials, studies,

attachments, and other documentation at the April 6, 2017 public hearings which is incorporated by reference herein; and

WHEREAS, on April 6, 2017 this Commission heard and received, all oral and written protests, objections and evidence, which were made, presented or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter concerning this proposal; and

WHEREAS the Commission hereby finds that the formation of Water District will not have a significant effect on the environment, and is Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under 15378(b)(4). Additionally, the SOI qualifies for a general rule exemption from environmental review based upon CEQA Regulation Section 15061(b)(3) and Section 15262.; and

WHEREAS, the Commission duly considered the proposal and finds that the formation should be approved with the following conditions:

1. The following conditions of approval are recommended if the proposed EPC Water District is approved:
 1. That the name of the Water District shall be the Estrella-El Pomar-Creston Water District.
 2. That the Board of Directors of the Estrella-El Pomar-Creston Water District be composed of five members elected as provided for in the California Water District Law, Water Code Section 34000 et. seq. The initial Board of Directors will be elected pursuant to the Water Code sections 34700; and
 3. That pursuant to the applicable Water Code Sections the Estrella-El Pomar-Creston Water District is authorized to exercise all powers and authorities subject to the following restrictions:
 - a. The Water District's powers to export, transfer, or move water underlying the Water District outside the Paso Robles Groundwater Basin shall not be active and are subject to condition number five of this approval. For purposes of this Condition and Condition number five, "groundwater" shall have the meaning set forth in Water Code Section 10721(g).
 - b. The Water District's powers under Part 5 Powers and Purpose; Chapter 2; Powers; Article 5; Sewers: [35500 - 35509] of the California Water Code

shall be deemed inactive or latent. The Water District could request that LAFCO activate these powers in the future.

4. That formation of the Estrella-El Pomar-Creston Water District shall be contingent upon a successful vote on the formation pursuant to Water Code Section 34500 and the EPC Water District completing a successful benefit assessment to fund the activities of the Water District. If the Proposition 218 proceeding is not successfully conducted by the Water District within one year of the certificate of completion, the Water District shall be subject to dissolution. LAFCO may extend this deadline upon request by the Water District.
5. The EPC Water District shall be prohibited from exporting, transferring, or moving water underlying the Water District (including groundwater pumped into an above ground storage facility) to areas outside of the Paso Robles Groundwater Basin.
6. That specific projects proposed by the Estrella-El Pomar-Creston Water District shall be analyzed and evaluated in accordance with applicable laws prior to construction.
7. That a revised legal description and boundary map(s) be submitted to reflect the service area and sphere of influence boundaries of the Water District as adopted by the Commission.
8. That the effective date of the Estrella-El Pomar-Creston Water District will be determined by the certification of the election results by the Board of Supervisors and the filing of the certificate of completion by the LAFCO Executive Officer with the County Clerk-Recorder's office.
9. That the EPC Water District set the appropriations limit as soon as feasibly possible consistent with Government Code Section 57000.
10. That the Sphere of Influence of the Estrella-El Pomar-Creston Water District shall be co-terminus to the Service Area boundary. Future amendments and/or updates of the SOI shall only include properties that have submitted written landowner consent.
11. The Water District, if formed, shall provide documentation that it has been identified as a Groundwater Sustainability Agency (GSA), or a GSA partner, pursuant to the Sustainable Groundwater Management Act, Water Code section 10720 et. seq. If the District does not become a GSA, or is not part of a GSA within one year of the Certificate of Completion being filed, the District shall be dissolved. LAFCO may extend this deadline upon request by the District.

NOW, THEREFORE, the San Luis Obispo County Local Agency Formation Commission determines the following:

1. The territory comprises approximately 40,000 acres and is found to be inhabited (having more than twelve registered voters) as defined in §56046 of the Government Code.
2. The formation of the District is assigned the following distinctive short-form designation: **Estrella-El Pomar-Creston Water District**
3. Based on the evidence, analysis, and conclusions set forth in this resolution and the Executive Officer's report, the Commission finds that the formation of this District serves to further the purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 including, but not limited to, the following: efficiently providing government services and facilitating the orderly formation and development of local agencies based upon local conditions and circumstances.
4. The Commission determines, based upon the services currently provided to the affected territory, that the Estrella-El Pomar-Creston Water District can feasibly provide the needed services in a more efficient and accountable manner than the County of San Luis Obispo.
5. The Commission adopts the determinations regarding consistency with LAFCO law and Commission Policies contained in the staff report for this proposal and incorporates them by reference herein.
6. The affected territory within which the special election shall be held includes the entire area within the boundaries of the proposed Water District, as described by Exhibit A attached hereto.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.
2. That the Categorical Exemption prepared for this project is hereby approved as complete and adequate and as having been prepared in accordance with the provisions of the California Environmental Quality Act.
3. The Executive Officer, on behalf of the Commission and in compliance with this resolution and State law, hereby requests that the San Luis Obispo County Board of Supervisors direct the County Elections Official to conduct the necessary election, setting the matter for consideration of the voters of the affected territory on a date consistent election law and the Cortese-Knox-Hertzberg Act. The Executive Officer is directed to coordinate with the County Clerk to formulate the election questions consistent with the Commission's determinations set forth herein.

Exhibit A

Map and Legal Description of the Estrella-El Pomar-Creston Water District

DRAFT

Attachment I

Comment Letters

Donna Bloyd

From: Farmerrjb <farmerrjb@aol.com>
Sent: Wednesday, March 1, 2017 12:13 PM
To: darnold@co.slo.ca.us; lcompton@co.ca.us; rfonzi@atascadero.org;
ewaage@pismobeach.org; mochylski@losososcsd.org; rbeci3421@gmail.com;
tmurrayinslo@gmail.com
Cc: dchurch@slolafco.com; mprater@slolafco.com; dbloyd@slolafco.com
Subject: Proposed Estrella/El Pomar/Creston Water District

Dear Supervisor/Commissioner,

I am writing to you with regards to the proposed Estrella/El Pomar/Creston Water District that is coming before LAFCo.

I am a member of the Creston Advisory Body (CAB) and live in the Creston community. CAB represents over 1400 of the assessed parcels per the PR Basin, or 25%. We have repeatedly weighed in on the topic of forming a water district over the PR Basin with a resounding "No!" We are aware of the SGMA requirements for managing the PR Basin and we have concluded that the County of San Luis Obispo will better represent the interests of the residents who live over the PR Basin when it comes to managing the PR Basin.

The latest water district being proposed (Estrella/El Pomar/Creston) is being pushed by the same group of people that pushed the Paso Robles Water District that we voted on last year and rejected it by a vote of over 70%, a fairly clear message. We would much prefer that the Basin be managed by the County and representatives that are elected by the people over the Basin at large.

It should be noted that many (maybe even a majority) of those pushing for this latest district own land here but do not live here. The PR Groundwater Advisory Committee (also known for a time as the Blue Ribbon Committee) that was pushing for a Basin wide district was made up of primarily corporate vineyard interests and entities from cities, etc. that already had water districts. When petitioned, they refused to allow members of advisory committees (such as CAB) representing residents over the Basin a seat on that committee. If formed we believe the proposed water district coming before LAFCo would continue forward **without** the best interests of the majority of the residents of the PR Basin, just as they did when they were part of the PR Groundwater Advisory Committee.

Rural residents over the PR Groundwater Basin own more than 80% of the parcels over the Basin and use less than 15% of the perennial yield for the Basin. The people proposing the district use over 80% of the perennial yield and want to manage the district. They own less than 20% of the parcels and are essentially the problem. Their previous proposals would have placed the preponderance of the burden (water restrictions and assessments for acquiring new water sources) on the backs of the rural residents over the PR Basin.

We don't see how such a district could be managed effectively considering the "Swiss Cheese" nature of the proposed district. Two properties side by side, whether in the proposed district or not, are going to be effected similarly by any impacts, or measures, put in place to control water supply. The large pumpers already are impacting the wells of rural residents over the Basin and seem to have little regard for their plight. They have done little to cut back on their usage or restrict future planting. We have to assume that they would continue to operate in this ineffective manner.

Before any water district could be considered they need to show what kind of conservation measures they are willing to assume on their properties that would substantially help recharge the Basin.

I would like to ask you to deny the application for the Estrella/El Pomar/Creston Water District on the grounds that the majority of the people who live over the PR Basin have already declared that they do not want such a district. They prefer to have the County of San Luis Obispo manage the Paso Roble Groundwater Basin.

Thanks for your time,
Roy Barba

Donna Bloyd

From: Maria Lorca <maria7551@charter.net>
Sent: Thursday, February 23, 2017 8:21 AM
To: Donna Bloyd
Subject: Proposed Estrella/El Pomar/Creston water district

Donna,

Please distribute this comment to the LAFCO Commissioners and staff.

Thank you,

Maria Lorca
PO Box 502, Creston
226-7551

Dear LAFCO Commissioners,

This is to ask that you reject the water district proposed for the Creston area.

Approval of this district would allow one group of landowners with deep pockets and deep wells to "bigfoot" their rural residential neighbors.

Their plan to dominate basin management decisions has already been overwhelmingly rejected by voters.

Respectfully,

Maria Lorca
Creston landowner
Creston Advisory alternate member
Member Basin Blue Ribbon Committee
Alternate member Basin Advisory Committee Member Basin Supply Options Subcommittee

Donna Bloyd

From: Kim Lachance <luckydanes@sbcglobal.net>
Sent: Thursday, February 23, 2017 7:04 PM
To: lcompton@co.slo.ca.us; rfonzi@atascadero.org; ewaage@pismobeach.org;
mochylski@losososcd.org; rbeci3421@gmail.com
Cc: DChurch@SLOLAFCO.com; MPrater@SLOLAFCO.com; DBloyd@SLOLAFCO.com
Subject: Potential for El Pomar Creston Water District

Dear Commissioners,

This is a request to have my opinion recorded. I discourage any attempt at formation of yet another water district over the Paso Robles Basin. I think the overlayers of this basin spoke loud and clear last year when there was a vote put to the residents of this area and an overwhelming 70+% of the land owners voted a resounding NO to efforts similar to what you are potentially attempting to allow once again. The majority has spoken it's time for the minority to listen and take heed. Rural residents over the Basin own more than 80% of the parcels and use less than 15% perennial yield. Those who propose this district use over 80% of the perennial yield and want to manage the district. Kind of sounds like putting the fox in charge of the hen house to me.

No No and No again to this preposterous attempt to once again take over and manage what isn't theirs to begin with.

Done, end of story.

Thank you for your time and attention
Kim Lachance

Donna Bloyd

From: sarah leon <sjl335@yahoo.com>
Sent: Wednesday, February 22, 2017 11:11 AM
To: dbloyd@slolafco.com
Subject: Estrella/El Pomar/Creston Water District

Dear Supervisor/Commissioner

I am writing to you with regards to the proposed Estrella/El Pomar/Creston Water District that is coming before LAFCo.

CAB represents over 1400 of the assessed parcels per the PR Basin, or 25%. We have repeatedly weighed in on the topic of forming a water district over the PR Basin with a resounding “No!” We are aware of the SGMA requirements for managing the PR Basin and we have concluded that the County of San Luis Obispo will better represent the interests of the residents who live over the PR Basin when it comes to managing the PR Basin.

The latest water district being proposed (Estrella/El Pomar/Creston) is being pushed by the same group of people that pushed the Paso Robles Water District that we voted on last year and rejected it by a vote of over 70%, a fairly clear message. We would much prefer that the Basin be managed by the County and representatives that are elected by the people over the Basin at large.

It should be noted that many (maybe even a majority) of those pushing for this latest district own land here but do not live here. The PR Groundwater Advisory Committee (also known for a time as the Blue Ribbon Committee) that was pushing for a Basin wide district was made up of primarily corporate vineyard interests and entities that from cities, etc. that already had water districts. When petitioned, they refused to allow members of advisory committees (such as CAB) representing residents over the Basin a seat on that committee. If formed we believe the proposed water district coming before LAFCo would continue forward without the best interests of the majority of the residents of the PR Basin, just as they did when they were part of the PR Groundwater Advisory Committee. This new Advisory Committee is pushing for 1 acre = 1 vote; therefore, only the vineyards/corporations have the power to do whatever they choose with us little property owners, having no say nor power in their decision to control the water.

Rural residents over the PR Groundwater Basin own more than 80% of the parcels over the Basin and use less than 15% of the perennial yield for the Basin. The people proposing the district use over 80% of the perennial yield and want to manage the district. They own less than 20% of the parcels and are essentially the problem. Their previous proposals would have placed the preponderance of the burden (water restrictions and assessments for acquiring new water sources) on the backs of the rural residents over the PR Basin.

We don't see how such a district could be managed effectively considering the “Swiss Cheese” nature of the proposed district. Two properties side by side, whether in the proposed district or not, are going to be effected similarly by any impacts, or measures, put in place to control water supply. The large pumpers already are impacting the wells of rural residents over the Basin and seem to have little regard for their plight. They have done little to cut back on their usage or restrict future planting. We have to assume that they would continue to operate in this ineffective manner.

Before any water district can be considered, the proponents must be able to show how the district would be paid for. Additionally they need to show what kind of conservation measures they are willing to assume on their properties that would substantially help recharge the Basin.

I would like to ask you to deny the application for the Estrella/El Pomar/Creston Water District on the grounds that the majority of the people who live over the PR Basin have already declared that they do not want such a district. They prefer to have the County of San Luis Obispo manage the Paso Roble Groundwater Basin.

Thanks for your attention to this matter,
Sarah Leon
Resident of Templeton/El Pomar

Donna Bloyd

From: Dianne <pasodj@aol.com>
Sent: Wednesday, February 22, 2017 11:59 AM
To: biering@ammcglaw.com
Cc: dchurch@slolafco.com; mprater@slolafco.com; dbloyd@slolafco.com; darnold@co.slo.ca.us; lcompton@co.slo.ca.us; rfonzi@atascadero.org; ewaage@pismobeach.org; mochylski@losososcscsd.org; rbeci3421@gmail.com; tmurrayinslo@gmail.com
Subject: Proposed Water District

Dear Supervisor/Commissioner,

Good day. I must echo the concerns of Sheila Lyons, chairperson of the Creston Advisory Body. Like her, I am confused as to how a water district that was clearly rejected by over 70% of local residents, can be considered? We have let it be known that our preference would be for the County to manage the Paso Robles Basin. The proposed Estrella/El Pomar/Creston water district is once again being pushed through by the very same people that tried to push the one that was voted down. And once again, a group that does NOT reside in the area, but continues to plant and pump with complete disregard for their neighbor. The best interest of the locals must be considered above all. PLEASE be diligent in protecting the Basin from being sold to the highest bidder. Thank you for your time and consideration.

Grace and Peace
Dianne Jackson
805-591-9951
Sent from my iPad.

Donna Bloyd

From: Joseph Sulse <jsulse@gmail.com>
Sent: Wednesday, February 22, 2017 7:43 AM
To: darnold@co.slo.ca.us; lcompton@co.slo.ca.us; rfonzi@atascadero.org; ewaage@pismobeach.org; mochylski@losososcsd.org; rbeci3421@gmail.com; tmurrayinslo@gmail.com; David Church; MPrater@slolafco.com; DBloyd@slolafco.com
Subject: Vote NO! Estrella/El Pomar/Creston proposed water district

LAFCO Commissioners,

I am a landowner residing in the Creston area and writing you all to voice my opposition to the proposed Estrella/El Pomar/Creston water district. The county has already had a special election on this subject and the vote was a clear 70% against. The voters have spoken, they want the county to manage the district. Please respect the will of the people and vote NO on this district.

Joseph Sulse
6191 Calle Las Colinas
Creston, CA 93432

Donna Bloyd

From: David Church <dchurch@slolafco.com>
Sent: Wednesday, February 22, 2017 8:19 AM
To: 'Donna Bloyd'
Subject: FW: Estrella/El Pomar/Estrella Water District

David Church, AICP
San Luis Obispo LAFCO
Executive Officer
805-788-2096

From: judy blankenship [<mailto:panachevineyard@gmail.com>]
Sent: Tuesday, February 21, 2017 7:03 PM
To: mochyiski@lososcscd.com; ewaage@pismoceach.org; rfonzi@atascadero.org; lcompton@co.clo.ca.us; darnold@co.clo.ca.us
Subject: Estrella/El Pomar/Estrella Water District

LAFCO Commissioners:

The community of Creston has longed for a voice in this issue but were denied a seat on the Advisory Committee. The Creston community voted an overwhelming "NO" vote on the topic of forming a water district. The proponents of this proposal are the same as those who favored the original water district which was struck down by over 70%. I believe this is the indication needed to say, we do not want the water district proposal that has been submitted to LAFCO.

It is our preference that the County of SLO manage the Paso Robles Groundwater Basin, not the special interest and large vineyard owners that have submitted this application.

We ask that this application pending before LAFCO be denied.

Respectfully,
Tom & Judy Blankenship
Creston residents

Donna Bloyd

From: Tommy & Kathy Carter <lavan3539@gmail.com>
Sent: Tuesday, February 21, 2017 10:31 PM
To: dbloyd@slolafco.com
Subject: water district

Dear Commission Clerk Bloyd,

This is in regard to the proposed water district currently under consideration for approval by LAFCO. We do NOT want a water district. The last water district proposed cost the county and the taxpayers a lot of money, and was voted down by a large majority of the citizens within the proposed district.

Since California requires that the county be in compliance with Sigma, we feel that County Flood Control is doing an eminent job and will continue to do so.

Those wanting a water district also want to control it, but everyone gets to pay for - not just the ones who want it and it would be the beneficiaries of it.

We respectfully request that you vote down this proposed water district. Again, we do NOT want it.

Very truly yours,
Tommy and Kathryn Carter
Creston

March 6, 2017

Commissioner Debbie Arnold
Commissioner Roberta Fonzi
Commissioner Ed Waage
Commissioner Marshal Ochylski
Commissioner Robert Enns
Commissioner Tom Murray
Commissioner Lynn Compton

Dear Commissioners,

I am writing to urge your approval for the formation of the Estrella-EI Pomar-Creston Water District (EPCWD). As a landowner in the Paso Robles Basin, the opportunity to have decisions about groundwater management made at the most local level possible makes the most sense, and is the reason why we have opted in to the new proposed district.

In fact, the opt-in nature of the EPCWD is one of its most sensible provisions as it creates "a coalition of the willing" (not my quote, though I'd dearly love to take credit for it), those with the same approach and mindset to management. Yes, it is being moved forward primarily by agricultural interests, but take a look at the number of small landowners who have opted in so far, realizing that their voice will be heard more effectively with this most local management. If we are to successfully manage the basin, we need the cooperation and support of ag users to help create the solution.

Those opposed will point out that the majority of the overlies voted against funding and forming a local water district in March 2016. Fine then, let them choose to be managed by the County. At some point, they will be tested with a Prop 218 vote and unless there is some vast shift in the views of the overlies opposed to paying for any management as evidenced by the previous funding vote failure, it will likely fail, leaving management to the State. I prefer to be part of more local management.

Those who have opted in may not take the time to individually contact you to show their support; I say that just by the nature of their opting in, they have clearly expressed their support of the district. And there are

many who have not opted in, but would like to see the district formed if only to have a choice down the line if the necessary Prop 218 vote fails.

Thank you for your time and consideration.

Laurie Gage
5715 Linne Road
Paso Robles, CA 93446
fullsail@onemain.com
805-238-2802

Mike Prater

From: David <dchurch@slolafco.com>
Sent: Friday, March 10, 2017 8:20 PM
To: Donna Bloyd
Subject: Fwd: water district public hearing

Please put in the opposition comments file. Thanks.

Get [Outlook for Android](#)

----- Forwarded message -----

From: "Brad Nave" <bnave@navemd.com>
Date: Fri, Mar 10, 2017 at 6:46 PM -0800
Subject: water district public hearing
To: <dchurch@slolafco.com>

Re: San Luis Obispo LAFCO Public Hearing April 6, 2017

I am submitting this letter in response to the public notice we received in the mail regarding the public hearing. Please accept this communication to voice my complete opposition to the proposed water district being promoted/considered. If you recall, not long ago, the idea of a water district was proposed and put on the ballot for the public to vote on. Overwhelmingly, the voters struck it down and sent a clear voice that they were strongly opposed to a district formation. The county and local city Gov spent millions upon millions promoting the previous district push and all to be struck down by the voters. This was another huge waste of tax payer money on top of the fact that it was shown to not really serve the people as it was being promoted.

Similarly, I am just as opposed to this new water district, apparently being discussed. As we learned during the previous failed district, the county and localities already have an appropriate mechanism for management and accountability to our underground water aquifer. Any new agency or district will just create more layers of cost and bureaucracy that is not needed at the expense of individual property owners rights. The county, supervisors and all the rest are already elected to do so and we have the county flood control district. I know the mailer said, "Only landowners who want to be in the District are recommended for inclusion in the District." Yes I am sure it will always be this way, and you can opt in or out at your leisure...Sure, that is how Government always works. We have seen temporary taxes that never go away, and Gov growth that never is reined back when we are having huge deficits.

I do not understand why politicians and gov. don't listen to the people when they speak. The last district was voted down with a large voice of opposition and this last presidential election, which is gov by our electoral college, was a huge voice of the American people saying they want Gov reined in and more accountability and less regulation and oversight that is not needed. I wish Calif. And our local politicians would get the message. We could have such a great and prosperous Golden state instead of what we are seeing and one that is counter incentive to working hard and is driving business out of the state.

Thank you for listening to my position.

A concerned citizen,

March 20, 2017

Commissioners Debbie Arnold, Roberta Fonzi, Ed Waage, Marshal Ochylski, Robert Enns, Tom Murray, Lynn Compton,

Cc: Mr. David Church, LAFCO Executive Officer

Re: The proposed Estrella-El Pomar-Creston Water District

Dear Commissioners,

I urge you to approve the formation of this district as it reflects the wishes of those landowners who voluntarily want to be represented by their fellow landowners versus being under the control of the County. One only has to look at videos or read about recent County Supervisor meetings to realize that this is not only a body that has great difficulty in managing itself, it is politically polarized and is consistently at cross purposes as how to comply with the new State Groundwater Management law.

Also, as a resident in the Creston Advisory Body area I want to state clearly that they do not represent me on this issue nor do they speak for many of my neighbors. In the past year, neither I nor any of my neighbors that I know of have been asked for comment or received anything from them on this topic. I realize that Basin residents resoundingly rejected the proposed water district last year. This however is a completely different process which the CAB board has chosen to ignore. By agreeing to join this district, members have already agreed to assess themselves under a Prop 218 vote. It is virtually identical to the Shandon-San Juan Water District formation process that you approved just a few months ago.

It is ludicrous and ignorant of the CAB board, or for anyone, to think that a landowner who joins the district will get more water than their neighbor who wants to stay under County jurisdiction. Water Districts and other managing agencies within the Paso Basin are required by State law to equitably share the resource and sustainably manage the Basin. Binding agreements between Basin agencies must reflect that the water policy of one cannot adversely affect others. These agreements must also be approved by the State. The main benefits of being part of this district is that members will have the opportunity to see equal representation with the other Basin agencies and lower assessments as the district has the potential to manage itself more efficiently up here than can the County's ponderous bureaucratic process down in San Luis Obispo.

For this simple reason alone, I ask you to approve the formation of this district.

Sincerely,

Robert F. Brown
7995 Melody Mountain Lane
Paso Robles, CA 93446

March 21, 2017

Commissioner Debbie Arnold
Commissioner Roberta Fonzi
Commissioner Ed Waage
Commissioner Robert Enns
Commissioner Tom Murray
Commissioner Lynn Compton

Dear Commissioners,

I write to implore your approval for the formation of the Estrella-El Pomar-Creston Water District (EPCWD). I have lived in the North County since 1962 and have always been involved in water, for ranching, farming and just living with this all important substance. For the last twenty seven years my wife and I have farmed on the Hurerhuero Creek, utilizing the most efficient systems and timing to minimize the amount of water we use. For those years I have measured our well's depth at rest and full discharge many times each year.

Some immutable facts about the Paso Robles basin: 1 - it is in severe overdraft, 2 - much of its waters are hard, heavy in minerals, or worse; the sub basin (the Monterey Formation) is of much worse quality, 3 - the use of "salt re-charge" water softeners from homes to hotels are contaminating the basin with ever more amounts of salts, 4 - the "recharge rates", a.k.a. percolation is very poor over most of the basin, 5 - much water being pumped is "ancient" having taken many centuries to percolate to depth, 6 - most important our basin is extremely diversified and so requires many strategies to safely and fairly solve its challenges.

For the sake of all our futures and most importantly the generations to come we must create an entity whose sole task is to fix the problem. To do it right requires a great deal of research and a lot of smart involved folks working together on one goal. There is simply no other viable, fair, or practical solution other than to form the EPCWD.

Thank each of you for your service and I expect your support for the EPCWD.

Bill Spencer
5750 El Pharo Drive
Paso Robles, CA 3446
805-239-1124

MAR 22 2017

March 16, 2017

San Luis Obispo County LAFCO Board
1042 Pacific St. Ste. A
San Luis Obispo, CA 93401

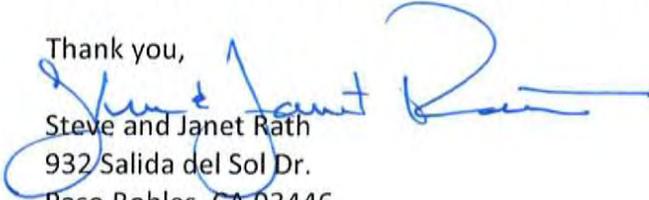
Subject: Request Approval for Formation of Estrella-El Pomar-Creston Water District
April 6, LAFCO Meeting Agenda

Dear Chairman Ochylski and Board Members,

We own land and farm 130 acres of vineyards within the Paso Robles Basin. We strongly support formation of the Estrella-El Pomar-Creston Water District. It's important to manage our water resources now and into the future and to have local representation in the formation of the Groundwater Sustainable Plan, (GSP) in accordance with SGMA.

We request your vote of support for the formation of the Water District.

Thank you,


Steve and Janet Rath
932 Salida del Sol Dr.
Paso Robles, CA 93446

Mike Prater

From: David Church <dchurch@slolafco.com>
Sent: Monday, March 06, 2017 8:39 AM
To: 'Donna Bloyd'
Subject: FW: Proposed Estrella/El Pomar/Creston Water District

I mean this one.

David Church, AICP
San Luis Obispo LAFCO
Executive Officer
805-788-2096

From: Sheila Lyons [<mailto:salyons1951@gmail.com>]
Sent: Friday, February 17, 2017 11:34 AM
To: David Church
Subject: Proposed Estrella/El Pomar/Creston Water District

Dear Commissioner Church,

I am writing to you with regards to the proposed Estrella/El Pomar/Creston Water District that is coming before LAFCo.

I am the chairperson of the Creston Advisory Body (CAB) and live in the Creston community. CAB represents over 1400 of the assessed parcels per the PR Basin, or 25%. We have repeatedly weighed in on the topic of forming a water district over the PR Basin with a resounding “No!” We are aware of the SGMA requirements for managing the PR Basin and we have concluded that the County of San Luis Obispo will better represent the interests of the residents who live over the PR Basin when it comes to managing the PR Basin.

The latest water district being proposed (Estrella/El Pomar/Creston) is being pushed by the same group of people that pushed the Paso Robles Water District that we voted on last year and rejected it by a vote of over 70%, a fairly clear message. We would much prefer that the Basin be managed by the County and representatives that are elected by the people over the Basin at large.

It should be noted that many (maybe even a majority) of those pushing for this latest district own land here but do not live here. The PR Groundwater Advisory Committee (also known for a time as the Blue Ribbon Committee) that was pushing for a Basin wide district was made up of primarily corporate vineyard interests and entities that from cities, etc. that already had water districts. When petitioned, they refused to allow members of advisory committees (such as CAB) representing residents over the Basin a seat on that committee. If formed we believe the proposed water district coming before LAFCo would continue forward without the best interests of the majority of the residents of the PR Basin, just as they did when they were part of the PR Groundwater Advisory Committee.

Rural residents over the PR Groundwater Basin own more than 80% of the parcels over the Basin and use less than 15% of the perennial yield for the Basin. The people proposing the district use over 80% of the perennial yield and want to manage the district. They own less than 20% of the parcels and are essentially the problem. Their previous proposals would have placed the preponderance of the burden (water restrictions and assessments for acquiring new water sources) on the backs of the rural residents over the PR Basin.

We don't see how such a district could be managed effectively considering the "Swiss Cheese" nature of the proposed district. Two properties side by side, whether in the proposed district or not, are going to be effected similarly by any impacts, or measures, put in place to control water supply. The large pumpers already are impacting the wells of rural residents over the Basin and seem to have little regard for their plight. They have done little to cut back on their usage or restrict future planting. We have to assume that they would continue to operate in this ineffective manner.

Before any water district can be considered, the proponents must be able to show how the district would be paid for. Additionally they need to show what kind of conservation measures they are willing to assume on their properties that would substantially help recharge the Basin.

I would like to ask you to deny the application for the Estrella/El Pomar/Creston Water District on the grounds that the majority of the people who live over the PR Basin have already declared that they do not want such a district. They prefer to have the County of San Luis Obispo manage the Paso Roble Groundwater Basin.

Thanks for your attention to this matter,
Sheila Lyons
Resident of Creston

Attachment B

LAFCO Resolution 2017-02 -
Approving Formation of EPCWD -
April 6, 2017

IN THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Date: April 6, 2017

PRESENT: CHAIRMAN MARSHALL OCHYLSKI, VICE-CHAIRMAN ED WAAGE,
COMMISSIONERS DEBBIE ARNOLD, LYNN COMPTON, ROBERT ENNS,
ROBERTA FONZI, AND TOM MURRAY AND ALTERNATE COMMISSIONER
HEATHER JENSEN

ABSENT: ALTERNATE COMMISSIONERS ADAM HILL AND JAMIE IRONS

RESOLUTION NO. 2017-02

**RESOLUTION MAKING DETERMINATIONS AND APPROVING THE
FORMATION OF THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT, SPHERE OF
INFLUENCE, AND ENVIRONMENTAL DETERMINATION**

The following resolution is now offered:

WHEREAS, a Petition of Application signed by 100 percent of the landowners in the proposed Water District was filed with the Commission to initiate the change of organization to form the Estrella-El Pomar-Creston Water District; and

WHEREAS, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) for consideration of a proposal for the formation of the Estrella-El Pomar-Creston Water District as shown in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the formation of the Estrella-El Pomar-Creston Water District, a Water District as defined in the California Water Code, Section 34000 et seq., has been filed with the Executive Officer of the Local Agency Formation Commission of San Luis Obispo County, California by petition, and said application complied with all the requirements of law and the Commission; and

WHEREAS, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

WHEREAS, the matter was set and noticed for public hearing at 9:00 a.m. on April 6th in the County of San Luis Obispo Board of Supervisors Chambers; and

WHEREAS, this Commission has considered the application materials, studies,

attachments, and other documentation at the April 6, 2017 public hearings which is incorporated by reference herein; and

WHEREAS, on April 6, 2017 this Commission heard and received, all oral and written protests, objections and evidence, which were made, presented or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter concerning this proposal; and

WHEREAS the Commission hereby finds that the formation of Water District will not have a significant effect on the environment, and is Categorical Exempt from the provisions of the California Environmental Quality Act (CEQA) under 15378(b)(4). Additionally, the SOI qualifies for a general rule exemption from environmental review based upon CEQA Regulation Section 15061(b)(3) and Section 15262.; and

WHEREAS, the Commission duly considered the proposal and finds that the formation should be approved with the following conditions:

1. That the name of the Water District shall be the Estrella-El Pomar-Creston Water District.
2. That the Board of Directors of the Estrella-El Pomar-Creston Water District be composed of five members elected as provided for in the California Water District Law, Water Code Section 34000 et. seq. The initial Board of Directors will be elected pursuant to the Water Code sections 34700; and
3. That pursuant to the applicable Water Code Sections the Estrella-El Pomar-Creston Water District is authorized to exercise all powers and authorities subject to the following restrictions:
 - a. The Water District's powers to export, transfer, or move water underlying the Water District outside the Paso Robles Groundwater Basin shall not be active and are subject to condition number five of this approval. For purposes of this Condition and Condition number five, "groundwater" shall have the meaning set forth in Water Code Section 10721(g).
 - b. The Water District's powers under Part 5 Powers and Purpose; Chapter 2; Powers; Article 5; Sewers: [35500 - 35509] of the California Water Code shall be deemed inactive or latent. The Water District could request that LAFCO activate these powers in the future.

4. That formation of the Estrella-El Pomar-Creston Water District shall be contingent upon a successful vote on the formation pursuant to Water Code Section 34500 and the EPC Water District completing a successful benefit assessment to fund the activities of the Water District. If the Proposition 218 proceeding is not successfully conducted by the Water District within one year of the certificate of completion, the Water District shall be subject to dissolution. LAFCO may extend this deadline upon request by the Water District.
5. The EPC Water District shall be prohibited from exporting, transferring, or moving water underlying the Water District (including groundwater pumped into an above ground storage facility) to areas outside of the Paso Robles Groundwater Basin.
6. That specific projects proposed by the Estrella-El Pomar-Creston Water District shall be analyzed and evaluated in accordance with applicable laws prior to construction.
7. That a revised legal description and boundary map(s) be submitted to reflect the service area and sphere of influence boundaries of the Water District as adopted by the Commission.
8. That the effective date of the Estrella-El Pomar-Creston Water District will be determined by the certification of the election results by the Board of Supervisors and the filing of the certificate of completion by the LAFCO Executive Officer with the County Clerk-Recorder's office.
9. That the EPC Water District set the appropriations limit as soon as feasibly possible consistent with Government Code Section 57000.
10. That the Sphere of Influence of the Estrella-El Pomar-Creston Water District shall be co-terminus to the Service Area boundary. Future amendments and/or updates of the SOI shall only include properties that have submitted written landowner consent.
11. The Water District, if formed, shall provide documentation that it has been identified as a Groundwater Sustainability Agency (GSA), or a GSA partner, pursuant to the Sustainable Groundwater Management Act, Water Code section 10720 et. seq. If the District does not become a GSA, or is not part of a GSA within one year of the Certificate of Completion being filed, the District shall be dissolved. LAFCO may extend this deadline upon request by the District.
12. This condition applies to any proposed annexation to the San Miguel CSD for areas that are within the EPC District. If LAFCO approves such an annexation, the SMCSO may apply to DWR to become the GSA. As part of the annexation, the area shall be detached from the EPC Water District.

13. The EPC Water District shall develop policies insuring that any existing or future water wells do not interfere or are detrimental to the San Miguel CSD's existing or future water wells. The Districts shall work together to avoid well interference. This policy shall be further detailed in the Groundwater Sustainability Plan.

NOW, THEREFORE, the San Luis Obispo County Local Agency Formation Commission determines the following:

1. The territory comprises approximately 37,500 acres and is found to be inhabited (having more than twelve registered voters) as defined in §56046 of the Government Code.
2. The formation of the District is assigned the following distinctive short-form designation: **Estrella-El Pomar-Creston Water District**
3. Based on the evidence, analysis, and conclusions set forth in this resolution and the Executive Officer's report, the Commission finds that the formation of this District serves to further the purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 including, but not limited to, the following: efficiently providing government services and facilitating the orderly formation and development of local agencies based upon local conditions and circumstances.
4. The Commission determines, based upon the services currently provided to the affected territory, that the Estrella-El Pomar-Creston Water District can feasibly provide the needed services in a more efficient and accountable manner than the County of San Luis Obispo.
5. The Commission adopts the determinations regarding consistency with LAFCO law and Commission Policies contained in the staff report for this proposal and incorporates the staff report, and attachments by reference herein.
6. The affected territory within which the special election shall be held includes the entire area within the boundaries of the proposed Water District, as described by Exhibit A attached hereto.

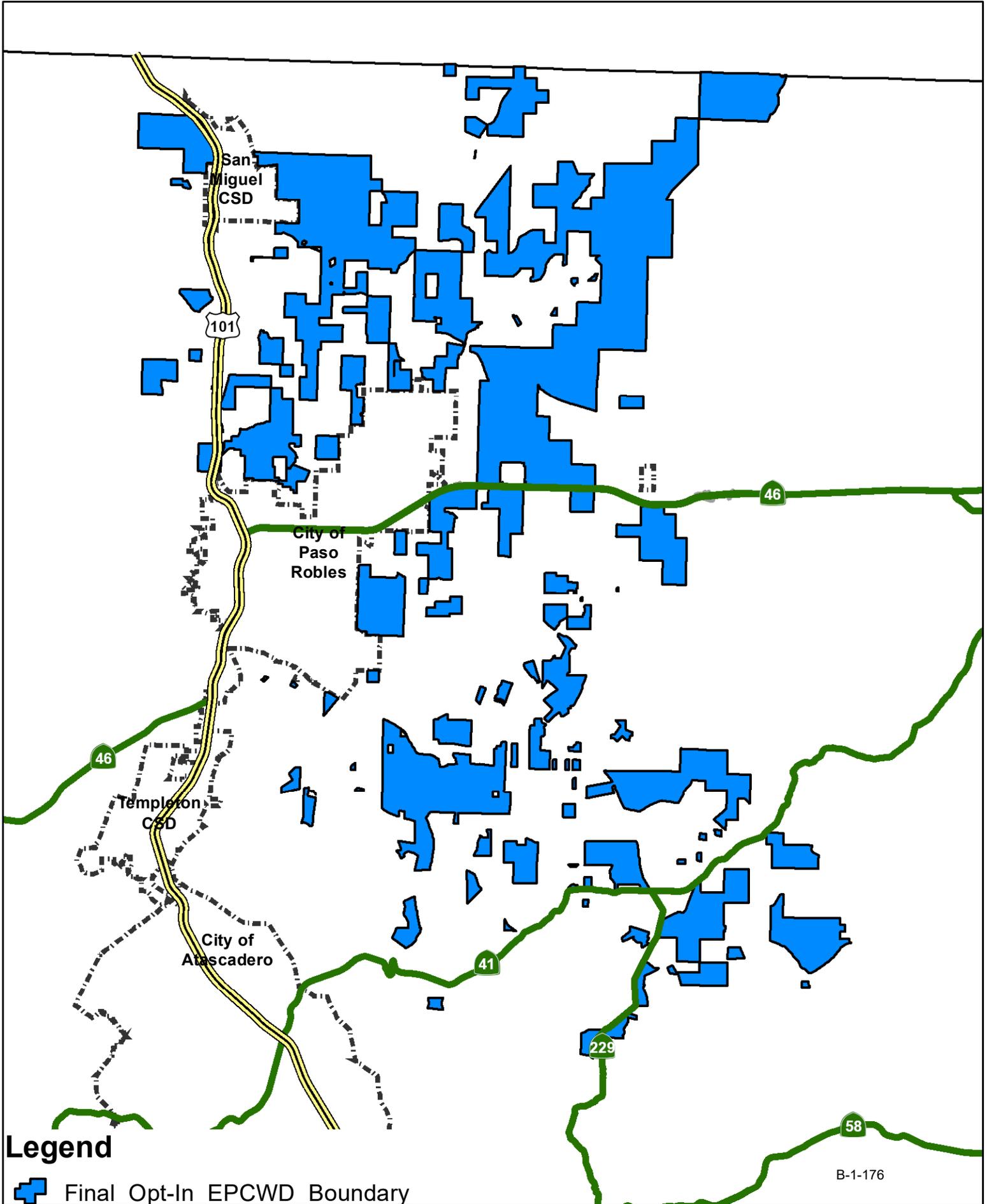
NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.
2. That the Categorical Exemption prepared for this project is hereby approved as complete and adequate and as having been prepared in accordance with the provisions of the California Environmental Quality Act.
3. The Executive Officer, on behalf of the Commission and in compliance with this resolution and State law, hereby requests that the San Luis Obispo County Board of Supervisors direct the County Elections Official to conduct the necessary election, setting the matter for consideration of the voters of the affected territory on a date

Exhibit A

Map and Legal Description of the Estrella-El Pomar-Creston Water District

Estrella-El Pomar-Creston Water District Approved Service Area & Sphere of Influence



Attachment C

2017 Memorandum of Agreement

**MEMORANDUM OF AGREEMENT REGARDING
PREPARATION OF A GROUNDWATER SUSTAINABILITY PLAN
FOR THE PASO ROBLES GROUNDWATER BASIN**

This Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin (“MOA”) is entered into by and between the City of El Paso de Robles (“City”), the San Miguel Community Services District (“SMCSD”), the Heritage Ranch Community Services District (“HRCSD”), the County of San Luis Obispo (“County”) and the Shandon-San Juan Water District (“SSJWD”) (each referred to individually as a “Party” and collectively as the “Parties”) for purposes of preparing a groundwater sustainability plan for the Paso Robles Area Subbasin.

Recitals

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

WHEREAS, SGMA requires the establishment of a groundwater sustainability agency (“GSA”) or agencies 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 and subject to critical conditions of overdraft on or before January 31, 2020; and

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

WHEREAS, each of the Parties has decided to become the GSA within its respective service area overlying the Basin and has informed DWR of its decision and intent to undertake sustainable groundwater management therein; and

WHEREAS, each of the Parties desires to collectively develop and implement a single GSP to sustainably manage the portions of the Basin underlying their combined service areas (*i.e.* all portions of the Basin located within the County of San Luis Obispo); and

WHEREAS, the Parties share the common goal of cost effective, sustainable groundwater management that considers the interests and concerns of all beneficial uses and users of groundwater within the Basin; and

WHEREAS, on April 6, 2017, the San Luis Obispo Local Agency Formation Commission conditionally approved the formation of the Estrella-El Pomar-Creston Water District (“EPCWD”), subject to, among other things, a successful vote on the formation pursuant to Water Code Section 34500, for purposes of serving as a GSA within its service area; and

WHEREAS, the EPCWD, if formed, will not be formed until after the June 30, 2017 deadline, and the County included the potential service area of the EPCWD within the Paso Basin – County of San Luis Obispo Groundwater Sustainability Agency that the County formed on May 16, 2017 by Resolution 2017-134; and

WHEREAS, the Parties acknowledge the cooperative efforts of the working group, including representatives of each Party and the applicant and several petitioners desiring to form the EPCWD, that commenced meeting in August 2016 and that culminated in this MOA; and

WHEREAS, this MOA provides for the future addition of EPCWD as a Party to this MOA provided that certain conditions are satisfied, including, but not limited to, a successful vote on the formation of the EPCWD pursuant to Water Code Section 34500 and the County Board of Supervisors decides to withdraw from serving as the GSA for the EPCWD service area; and

WHEREAS, the active involvement and cooperation of all users of groundwater within the Basin is highly valued by the Parties and their continued willing cooperation in SGMA implementation is deemed critical for successful sustainable management of the Basin.

NOW, THEREFORE, it is mutually understood and agreed as follows:

Section 1
Purpose

The purpose of this MOA is to establish a committee to develop a single GSP that will be considered for adoption by each individual Party and subsequently submitted to DWR for approval. This MOA may also serve as the basis for continued cooperation among the Parties in the management of the Basin during the period between adoption of the GSP by each Party and approval of the GSP by DWR. As more specifically set forth in Section 12.2 below, this MOA shall automatically terminate upon DWR’s approval of the GSP for the Basin.

Section 2
Term

This MOA shall become effective on the date that the last of the five (5) Parties signs (“Effective Date”) and shall remain in effect until terminated in accordance with Section 9.2 or Section 12.2 below.

Section 3
EPCWD

If and only if the EPCWD is formed and its Board of Directors decides to become the GSA within its service area and the County Board of Supervisors decides to withdraw from serving as the GSA within said area, the EPCWD may become a Party to this Agreement by signing the Addition of Party to Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin in the form attached hereto as Exhibit A (“Addition”) provided that the County Board of Supervisors has accepted the Addition as part of its decision to withdraw.

Section 4
Paso Basin Cooperative Committee

4.1 The Parties hereby establish the Paso Basin Cooperative Committee (“Cooperative Committee”) which shall be composed of a member and alternate member from each of the five (5) Parties.

4.2 The governing body of each Party shall promptly appoint a member and alternate member to the Cooperative Committee. Each Cooperative Committee member and alternate member shall serve at the pleasure of the appointing Party, and may be removed from the Cooperative Committee by the appointing Party at any time. Each Cooperative Committee member’s compensation, if any, for his or her service on the Cooperative Committee shall be the responsibility of the appointing Party.

4.3 If and only if the EPCWD becomes a Party to this MOA in accordance with Section 3 of this MOA, the Cooperative Committee shall also include a member and alternate member from the EPCWD appointed by the EPCWD.

4.4 The Cooperative Committee shall conduct activities related to GSP development and SGMA implementation at the pleasure and under the guidance of the Parties, including, but not limited to:

- A. Development of a GSP that achieves the goals and objectives outlined in SGMA;
- B. Review and participation in the selection of consultants related to Cooperative Committee efforts, as more specifically set forth in Section 6 below;
- C. Development of recommended annual budgets and additional funding needs for consideration and approval of the Parties and development of a record of expenditures, in accordance with and subject to Section 5 below. Consistent with Section 7 below, it is expected that each of the Parties will contribute in-kind staff support; therefore, recommended annual budgets

- shall generally not include the staff or overhead costs of any Party associated with participation in this MOA;
- D. Development of a plan that describes the anticipated tasks to be performed under this MOA and a schedule for performing said tasks;
 - E. Implementation of the actions and/or policies undertaken pursuant to this MOA and resolution of any issues related to these actions and/or policies;
 - F. Development of measures that may be implemented in the event insufficient or unsatisfactory progress is being made in development of the GSP;
 - G. Development of a stakeholder participation plan that includes public outreach and education programs and workshops as appropriate and that involves the interested stakeholders in developing and implementing the GSP (*e.g.* workshops at key milestones); if determined necessary by the Cooperative Committee and supported by the Parties, the Cooperative Committee may lead implementation of the stakeholder participation plan or other stakeholder engagement activities;
 - H. Establishment from time to time of one or more standing or *ad hoc* committees to assist in carrying out the purposes and objectives of the Cooperative Committee as may be necessary;
 - I. Recommendation that each individual Party adopt the GSP developed under this MOA;
 - J. Resolution of differences among the Parties;
 - K. Coordination with neighboring GSAs in the Salinas Valley Groundwater Basin and with neighboring GSPs as may be required and/or to ensure no adverse effects.

4.5 The Cooperative Committee shall meet at least quarterly to carry out the activities described above. The Cooperative Committee shall prepare and maintain minutes of its meetings, and all meetings of the Cooperative Committee shall be conducted in accordance with the Ralph M. Brown Act (Government Code §§ 54950 *et seq.*). A majority of the members of the Cooperative Committee shall constitute a quorum for purposes of transacting business, except that less than a quorum may vote to adjourn the meeting. Attendance at all Cooperative Committee meetings may be augmented to include Parties' staff or consultants to ensure that the appropriate expertise is available.

4.6 Subject to Section 4.7 below, on all matters considered by the Cooperative Committee, the vote of each member shall be weighted in accordance with the following percentages:

City Member	15%
SMCSD Member	3%
HRCSD Member	1%

SSJWD Member	20%
County Member	61%

4.7 If and only if the EPCWD becomes a Party to this MOA in accordance with Section 3 of this MOA, the voting percentages set forth in Section 4.6 shall be modified as follows:

City Member	15%
SMCSD Member	3%
HRCSD Member	1%
SSJWD Member	20%
County Member	32%
EPCWD Member	29%

4.8 Any action or recommendation considered by the Cooperative Committee shall require the affirmative vote of 67 percent based on the percentages set forth in Section 4.6 or 4.7 above, as applicable. Notwithstanding the foregoing, the following shall require the affirmative vote of 100 percent based on the percentages set forth in Section 4.6 or 4.7 above, as applicable: (A) a recommendation that each of the Parties adopt the GSP or adopt any amendment thereto prepared in response to comments from DWR and (B) a recommendation that the Parties amend this MOA. For purposes of determining whether the requisite voting threshold has been met, the voting percentage of each member must be included in the calculation with the following limited exception: in the event that a member recuses himself or herself (A) said member's voting percentage shall be allocated *pro rata* to the other members for purposes of determining whether the 67 percent threshold has been met and (B) said members' affirmative vote shall not be required to reach the 100 percent threshold (i.e. all members who have not recused themselves must vote in the affirmative). Without limiting the foregoing, an absence by any member(s) shall not result in any *pro rata* distribution for purposes of determining whether the 67 percent threshold has been met or result in elimination of the requirement that said member vote in the affirmative for purposes of determining whether the 100 percent threshold has been met.

4.9 The creation of the Cooperative Committee shall not be construed as a delegation of any powers or authorities, and all powers and authorities of each individual Party shall reside with that Party.

Section 5 Funding

5.1 The Fiscal Year of the Cooperative Committee shall be July 1 through June 30.

5.2 For Fiscal Years 2017 – 2018, 2018 – 2019 and 2019 – 2020, the Cooperative Committee shall develop a recommended budget for consideration by each Party. Subject to each Party's approval of the budget for the relevant Fiscal Year, each Party shall be responsible

for funding a portion of said budgeted costs in accordance with the percentages set forth in Section 4.6 or Section 4.7 above, as applicable. Neither the Cooperative Committee nor any Party on behalf of the Cooperative Committee shall make any financial expenditures or incur any financial obligations or liabilities pursuant to this MOA for Fiscal Years 2017 – 2018, 2018 – 2019 or 2019 – 2020 prior to approval of the budget for the relevant Fiscal Year by each Party.

5.3 For Fiscal Year 2020 – 2021 and following, the Cooperative Committee shall develop a recommended budget and recommended contribution percentages for consideration by each Party. Subject to each Party’s approval of the budget and its contribution percentage, each Party shall be responsible for funding a portion of said budgeted costs in accordance with the percentages approved by each Party. Neither the Cooperative Committee nor any Party on behalf of the Cooperative Committee shall make any financial expenditures or incur any financial obligations or liabilities pursuant to this MOA for Fiscal Year 2020 – 2021 and following prior to approval of the budget and contribution percentages for the relevant Fiscal Year by each Party.

5.4 It is anticipated that the vast majority of budgeted costs will involve costs for consultant services. Consequently, most contributions shall be paid to the City in the manner described in Section 6.6 below. For budgeted costs that do not involve consultant services (if any), the Cooperative Committee shall determine the manner in which such contributions shall be paid consistent with Section 5.2 and Section 5.3 above.

5.5 The Cooperative Committee shall make recommendations related to any additional non-budgeted funding needs, but shall have no authority to require any Party to contribute funds over and above those included in the budgets approved by each Party.

5.6 On an annual basis, the Cooperative Committee and/or contracting agent shall provide the Parties with a record of expenditures from the previous Fiscal Year related to this MOA.

Section 6 Engagement of Consultants

6.1 It is anticipated that the Cooperative Committee will desire to retain the services of one or more consultants in conducting the activities identified in Section 4.4 above, including, but not necessarily limited to, its development of the GSP.

6.2 The City agrees to act as the contracting agent on behalf of the Cooperative Committee and shall follow its own procurement policies in the engagement of such consultant(s) subject to Section 6.3 below.

6.3 The City agrees that the Parties and the Cooperative Committee shall be included in the selection of any consultant retained by the City on behalf of the Cooperative Committee.

More specifically, staff representatives from each of the Parties shall be given an opportunity to review and approve all requests for proposals prior to their release and to participate in the various stages of the selection process, including, but not limited to, review of proposals and participation on interview panels. In addition, the City shall not issue a notice to proceed to any selected consultant until the Cooperative Committee has confirmed the consultant and related contract.

6.4 The Cooperative Committee may request that the City terminate a consultant contract entered into on behalf of the Cooperative Committee subject to and in accordance with the terms specified in the contract.

6.5 All consultant contracts entered into by the City on behalf of the Cooperative Committee shall include the following: (A) a provision that the consultant shall not commence work until a notice to proceed is issued and acknowledgement that a notice to proceed will not be issued until the Cooperative Committee confirms the consultant and contract; (B) a provision requiring that the consultant name each Party, its employees, officers and agents as an additional insured; and (C) an expected spend plan estimating the amount of the not to exceed contract amount that the consultant expects to invoice the City each month.

6.6 Upon receipt of each invoice from a consultant retained on behalf of the Cooperative Committee, the City shall calculate each Party's payment obligation based on the percentages set forth in Section 4.6 or Section 4.7, as applicable, or on the percentages approved by each Party as set forth in Section 5.3, depending on the Fiscal Year. The City shall submit an invoice to each Party showing the foregoing calculation, and each Party shall remit payment to the City within thirty (30) days.

Section 7

Roles and Responsibilities of the Parties

In addition to performance of the roles and responsibilities set forth above related to, among other things, appointment of members and alternate members to the Cooperative Committee, consideration of annual budgets and cost contributions and participation in the selection of consultants, the Parties shall:

- A. Work to jointly to meet the objectives of this MOA through, among other things, coordination of all activities related to fulfillment of said objectives;
- B. Internally or jointly designate a staff person(s) to provide expertise and existing information in a timely manner and to participate in the development of the GSP and/or related technical studies and/or other materials or actions being considered by the Cooperative Committee;
- C. Upon recommendation of the Cooperative Committee, consider adoption of the GSP and, as defined in the GSP once approved, implement the GSP within its respective GSA service area. Notwithstanding the foregoing, nothing contained

in this MOA shall be construed as obligating any Party to adopt the GSP developed under this MOA, or as preventing any Party from adopting the GSP developed under this MOA in the event that the Cooperative Committee fails to recommend approval or another Party (or Parties) elects not to adopt the GSP developed under this MOA;

- D. Bring any dispute over any of the activities discussed in this MOA to the Cooperative Committee in order to provide the Cooperative Committee with an opportunity to resolve the dispute.

Section 8

Interagency Communication and Providing Proper Notice

8.1 In order to provide for consistent and effective communication among the Parties, each Party agrees to designate a representative as its central point of contact on all matters relating to this MOA and the GSP. Additional representatives from the community or staff may be appointed to serve as points of contact on specific actions or issues.

8.2 All notices, statements or payments related to implementing the objectives of this MOA shall be deemed to have been duly given if given in writing and delivered electronically, personally or mailed by first-class, registered, or certified mail to the Parties at the addresses set forth in Exhibit B. Notwithstanding any other provision of this MOA, the Parties may update Exhibit B from time to time without formally amending this MOA.

Section 9

Withdrawal and Termination

9.1 Any Party may unilaterally withdraw from this MOA without causing or requiring termination of this MOA. Withdrawal shall become effective upon thirty (30) days written notice to the remaining Parties' designated addresses as listed in Exhibit B. Nothing contained in this Section 9 shall be construed as prohibiting a Party that has withdrawn from this MOA from developing its own GSP for its service area within the Basin. A Party that has withdrawn from this 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 a Party withdraws, the Cooperative Committee shall reassess the contributions of each remaining Party to fund the current budget and determine if the Cooperative Committee needs to request the contribution of additional funding from the governing board of each Party.

9.2 This MOA may be terminated upon unanimous written consent of all current Parties.

Section 10
Amendments

This MOA may be amended only by unanimous written consent of all current Parties. Approval from a Party is valid only after that Party's governing body approves the amendment at a public meeting. Neither individual Cooperative Committee members nor individual members of the Parties' governing boards have the authority, express or implied, to amend, modify, waive or in any way alter this MOA or the terms and conditions hereof.

Section 11
Indemnification

No Party, nor any officer or employee of a Party, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by another Party under or in connection with this MOA. The Parties further agree, pursuant to Government Code Section 895.4, that each Party shall fully indemnify and hold harmless each other Party and its agents, officers, employees and contractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any work delegated to or action taken or omitted to be taken by such Party under this MOA.

Section 12
Miscellaneous

12.1 Execution in Counterparts. This MOA may be executed in counterparts.

12.2 Automatic Termination of MOA. This MOA shall automatically terminate upon DWR's approval of the adopted GSP. Depending on the content of the GSP, the Parties may decide to enter into a new agreement to coordinate GSP implementation.

12.3 Choice of Law. This MOA is made in the State of California, under the Constitution and laws of said State and is to be so construed.

12.4 Severability. If any provision of this MOA is determined to be invalid or unenforceable, the remaining provisions shall remain in force and unaffected to the fullest extent permitted by law and regulation.

12.5 Entire Agreement. This MOA constitutes the sole, entire, integrated and exclusive agreement between the Parties regarding the contents herein. Any other contracts, agreements, terms, understandings, promises, representations not expressly set forth or referenced in this writing are null and void and of no force and effect.

12.6 Construction and Interpretation. The Parties agree and acknowledge that this MOA has been developed through negotiation, and that each Party has had a full and fair

opportunity to revise the terms of this MOA. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this MOA.

IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: _____
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: _____

Its: _____

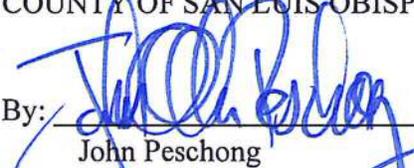
Its: _____

Date: _____

Date: _____

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: 
John Peschong

By: _____
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

Date: 8/22/2017

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: 

By: _____

Its: DEANNE GARCIA GARCIA

Its: _____

Date: 2/10/2017

Date: _____

ATTEST:

Tommy Gong, County Clerk-Recorder and Ex-Officio Clerk of the Board of Supervisors

By, Sammy Currens
Deputy Clerk

opportunity to revise the terms of this MOA. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this MOA.

IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: THOMAS FRUTCHEY
Tom Frutchey *TF*

By: _____
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: 9-20-17

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: J. P. Yap
Its: City Attorney
Date: 9/20/17

By: _____
Its: _____
Date: _____

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: _____
John Peschong

By: _____
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

opportunity to revise the terms of this MOA. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this MOA.

IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: Willy Cunha
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: 7-26-2017

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: Scott Duffield of Young Woodbridge, LLP
Its: District Counsel

Its: _____

Its: _____

Date: _____

Date: 7/26/17

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: _____
John Peschong

By: _____
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

opportunity to revise the terms of this MOA. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this MOA.

IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: _____
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

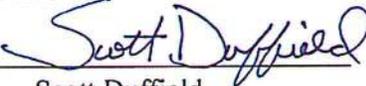
Date: _____

Date: _____

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: _____
John Peschong

By: 
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

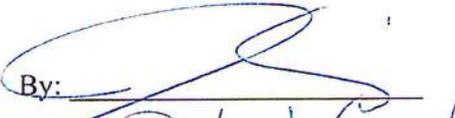
Date: _____

Date: 07/31/2017

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: 
District Counsel

Its: _____

Its: _____

Date: _____

Date: 7/26/17

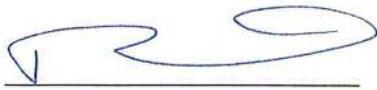
SAN MIGUEL COMMUNITY
SERVICES DISTRICT

By: 
Rob Roberson

Its: Interim General Manager

Date: 8/29/2017

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: 

Its: Douglas White

Date: 9/6/17

EXHIBIT A

Addition of Party to Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin

WHEREAS, certain local agencies that each decided to become the groundwater sustainability agency within their respective service areas overlying the Paso Robles Area Subbasin (Basin No. 3-004.06) have entered into an agreement entitled “Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin” (“Agreement”); and

WHEREAS, the Estrella-El Pomar-Creston Water District (“EPCWD”) could not be an original signatory to the Agreement, because it had not yet been formed; and

WHEREAS, Section 3 of the Agreement sets forth the process by which the EPCWD can become a party to the Agreement provided that certain conditions are met; and

WHEREAS, the EPCWD has received and reviewed a copy of the Agreement; and

WHEREAS, on _____, the EPCWD Board of Directors held a public hearing and by Resolution _____ decided to become the groundwater sustainability agency within its service area and a signatory to the Agreement; and

WHEREAS, on _____, the County of San Luis Obispo Board of Supervisors held a public hearing and by Resolution _____ decided to withdraw from serving as the groundwater sustainability agency within the EPCWD’s service area and to accept the signature below.

NOW, THEREFORE, acknowledging that the recitals above are correct and are part of this agreement, the EPCWD, upon acceptance by signature below by the County of San Luis Obispo Board of Supervisors, shall become a party to the Agreement effective immediately. The EPCWD shall bear the benefits and enjoy the burdens of the Agreement as though the EPCWD had originally executed said Agreement as it now exists or may be amended in the future, and for so long as the Agreement remains in effect or for so long as the EPCWD is a party to the Agreement.

ACCEPTED AND APPROVED BY THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT BOARD OF DIRECTORS:

By: _____ Date: _____

Its: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____ Date: _____

Its: _____

Address for purposes of Exhibit B to the Agreement:

Estrella-El Pomar-Creston Water District

Attention: _____

**ACCEPTED AND APPROVED BY
THE COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS IN ACCORDANCE WITH
THE AGREEMENT:**

By: _____ Date: _____

Its: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____ Date: _____

Its: _____

Attachment D

LAFCO Certificate of
Completion - Filed December
2017

2017056123

Tommy Gong
San Luis Obispo - County Clerk-Recorder
12/08/2017 10:27 AM

Recorded at the request of:
PUBLIC

Titles: 1 Pages: 539

Fees: \$0.00
Taxes: \$0.00
Total: \$0.00



Recording requested by and mail to:

Executive Officer
Local Agency Formation Commission
1042 Pacific Street
San Luis Obispo, CA 93401

CERTIFICATE OF COMPLETION

Pursuant to Government Code Sections 57200 and 57201 this Certificate of Completion is hereby issued by the Executive Officer of the Local Agency Formation Commission of San Luis Obispo County, California.

1. The short-form name designation by San Luis Obispo LAFCO is the Estrella-El Pomar-Creston Water District
2. The name of the entity involved in this action and the kind or type of action ordered for the entity is as follows:

Formation of the Estrella-El Pomar-Creston Water District

3. The above-listed entity is located within San Luis Obispo County.
4. A description of the boundaries of the above-cited formation is shown in the attached Resolution, map and legal description, marked Exhibits A and B and by reference incorporated herein.
5. The formation of this landowner-voter district was subject to the protest process which has been completed pursuant to Government Code Section 57000.
6. This formation has been approved the Local Agency Formation Commission and is subject to the conditions of approval found in attached Resolution No. 2017-02.
7. The formation of this district is ordered by the Local Agency Formation Commission as approved by the landowners within the service area boundaries pursuant to the election results certified on October 25, 2017. The effective date of this action is the date this certificate of completion is recorded by the County Clerk.

I hereby certify that I have examined the above-cited resolution for this action and have found this document to be in compliance with Resolution No. 2017-02 approving said action and adopted by the Local Agency Formation Commission of the County of San Luis Obispo on April 6, 2017.

Date: 12-8-17

LAFCO File No: 4-R-16



David Church
Executive Officer

IN THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Date: April 6, 2017

PRESENT: CHAIRMAN MARSHALL OCHYLSKI, VICE-CHAIRMAN ED WAAGE,
COMMISSIONERS DEBBIE ARNOLD, LYNN COMPTON, ROBERT ENNS,
ROBERTA FONZI, AND TOM MURRAY AND ALTERNATE COMMISSIONER
HEATHER JENSEN

ABSENT: ALTERNATE COMMISSIONERS ADAM HILL AND JAMIE IRONS

RESOLUTION NO. 2017-02

**RESOLUTION MAKING DETERMINATIONS AND APPROVING THE
FORMATION OF THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT, SPHERE OF
INFLUENCE, AND ENVIRONMENTAL DETERMINATION**

The following resolution is now offered:

WHEREAS, a Petition of Application signed by 100 percent of the landowners in the proposed Water District was filed with the Commission to initiate the change of organization to form the Estrella-El Pomar-Creston Water District; and

WHEREAS, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) for consideration of a proposal for the formation of the Estrella-El Pomar-Creston Water District as shown in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the formation of the Estrella-El Pomar-Creston Water District, a Water District as defined in the California Water Code, Section 34000 et seq., has been filed with the Executive Officer of the Local Agency Formation Commission of San Luis Obispo County, California by petition, and said application complied with all the requirements of law and the Commission; and

WHEREAS, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

WHEREAS, the matter was set and noticed for public hearing at 9:00 a.m. on April 6th in the County of San Luis Obispo Board of Supervisors Chambers; and

WHEREAS, this Commission has considered the application materials, studies,

attachments, and other documentation at the April 6, 2017 public hearings which is incorporated by reference herein; and

WHEREAS, on April 6, 2017 this Commission heard and received, all oral and written protests, objections and evidence, which were made, presented or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter concerning this proposal; and

WHEREAS the Commission hereby finds that the formation of Water District will not have a significant effect on the environment, and is Categorical Exempt from the provisions of the California Environmental Quality Act (CEQA) under 15378(b)(4). Additionally, the SOI qualifies for a general rule exemption from environmental review based upon CEQA Regulation Section 15061(b)(3) and Section 15262.; and

WHEREAS, the Commission duly considered the proposal and finds that the formation should be approved with the following conditions:

1. That the name of the Water District shall be the Estrella-El Pomar-Creston Water District.
2. That the Board of Directors of the Estrella-El Pomar-Creston Water District be composed of five members elected as provided for in the California Water District Law, Water Code Section 34000 et. seq. The initial Board of Directors will be elected pursuant to the Water Code sections 34700; and
3. That pursuant to the applicable Water Code Sections the Estrella-El Pomar-Creston Water District is authorized to exercise all powers and authorities subject to the following restrictions:
 - a. The Water District's powers to export, transfer, or move water underlying the Water District outside the Paso Robles Groundwater Basin shall not be active and are subject to condition number five of this approval. For purposes of this Condition and Condition number five, "groundwater" shall have the meaning set forth in Water Code Section 10721(g).
 - b. The Water District's powers under Part 5 Powers and Purpose; Chapter 2; Powers; Article 5; Sewers: [35500 - 35509] of the California Water Code shall be deemed inactive or latent. The Water District could request that LAFCO activate these powers in the future.

4. That formation of the Estrella-El Pomar-Creston Water District shall be contingent upon a successful vote on the formation pursuant to Water Code Section 34500 and the EPC Water District completing a successful benefit assessment to fund the activities of the Water District. If the Proposition 218 proceeding is not successfully conducted by the Water District within one year of the certificate of completion, the Water District shall be subject to dissolution. LAFCO may extend this deadline upon request by the Water District.
5. The EPC Water District shall be prohibited from exporting, transferring, or moving water underlying the Water District (including groundwater pumped into an above ground storage facility) to areas outside of the Paso Robles Groundwater Basin.
6. That specific projects proposed by the Estrella-El Pomar-Creston Water District shall be analyzed and evaluated in accordance with applicable laws prior to construction.
7. That a revised legal description and boundary map(s) be submitted to reflect the service area and sphere of influence boundaries of the Water District as adopted by the Commission.
8. That the effective date of the Estrella-El Pomar-Creston Water District will be determined by the certification of the election results by the Board of Supervisors and the filing of the certificate of completion by the LAFCO Executive Officer with the County Clerk-Recorder's office.
9. That the EPC Water District set the appropriations limit as soon as feasibly possible consistent with Government Code Section 57000.
10. That the Sphere of Influence of the Estrella-El Pomar-Creston Water District shall be co-terminus to the Service Area boundary. Future amendments and/or updates of the SOI shall only include properties that have submitted written landowner consent.
11. The Water District, if formed, shall provide documentation that it has been identified as a Groundwater Sustainability Agency (GSA), or a GSA partner, pursuant to the Sustainable Groundwater Management Act, Water Code section 10720 et. seq. If the District does not become a GSA, or is not part of a GSA within one year of the Certificate of Completion being filed, the District shall be dissolved. LAFCO may extend this deadline upon request by the District.
12. This condition applies to any proposed annexation to the San Miguel CSD for areas that are within the EPC District. If LAFCO approves such an annexation, the SMCSO may apply to DWR to become the GSA. As part of the annexation, the area shall be detached from the EPC Water District.

13. The EPC Water District shall develop policies insuring that any existing or future water wells do not interfere or are detrimental to the San Miguel CSD's existing or future water wells. The Districts shall work together to avoid well interference. This policy shall be further detailed in the Groundwater Sustainability Plan.

NOW, THEREFORE, the San Luis Obispo County Local Agency Formation Commission determines the following:

1. The territory comprises approximately 37,500 acres and is found to be inhabited (having more than twelve registered voters) as defined in §56046 of the Government Code.
2. The formation of the District is assigned the following distinctive short-form designation: **Estrella-El Pomar-Creston Water District**
3. Based on the evidence, analysis, and conclusions set forth in this resolution and the Executive Officer's report, the Commission finds that the formation of this District serves to further the purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 including, but not limited to, the following: efficiently providing government services and facilitating the orderly formation and development of local agencies based upon local conditions and circumstances.
4. The Commission determines, based upon the services currently provided to the affected territory, that the Estrella-El Pomar-Creston Water District can feasibly provide the needed services in a more efficient and accountable manner than the County of San Luis Obispo.
5. The Commission adopts the determinations regarding consistency with LAFCO law and Commission Policies contained in the staff report for this proposal and incorporates the staff report, and attachments by reference herein.
6. The affected territory within which the special election shall be held includes the entire area within the boundaries of the proposed Water District, as described by Exhibit A attached hereto.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.
2. That the Categorical Exemption prepared for this project is hereby approved as complete and adequate and as having been prepared in accordance with the provisions of the California Environmental Quality Act.
3. The Executive Officer, on behalf of the Commission and in compliance with this resolution and State law, hereby requests that the San Luis Obispo County Board of Supervisors direct the County Elections Official to conduct the necessary election, setting the matter for consideration of the voters of the affected territory on a date

consistent election law and the Cortese-Knox-Hertzberg Act. The Executive Officer is directed to coordinate with the County Clerk to formulate the election questions consistent with the Commission's determinations set forth herein.

- 4. That the Executive Officer of this Commission is authorized and directed to mail copies of this resolution in the manner provided by law.
- 5. That Formation of the Estrella-El Pomar-Creston Water District is hereby conditionally approved.
- 6. Pursuant to §57144 and §56898 of the Government Code, the Executive Officer will prepare for the Commission's review an Impartial Analysis of the proposed District formation; after the Commission has approved or modified the Impartial Analysis, it shall direct the Executive Officer to submit it to the elections official no later than the last day for submission of ballot arguments.
- 7. The regular County assessment roll will be used.

Upon a motion by Commissioner Murray, seconded by Commissioner Enns to find the formation categorically exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(4) and a General Rule Exemption and on the following roll call vote and to form the Estrella-El Pomar-Creston Water District subject to the above-listed terms and conditions.

AYES: Commissioners Murray, Enns, Compton, Vice-Chairman Waage and Chairman Ochylski

NAYS: Commissioners Arnold and Fonzi

ABSTAINING: None



 _____ Date 04/12/2017

 Marshall Ochylski, Chair

 Local Agency Formation Commission

ATTEST:

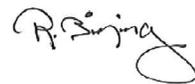


 _____ Date 4-12-2017

 David Church

 LAFCO Executive Officer

APPROVED AS TO FORM AND LEGAL EFFECT:



 _____ Date April 12, 2017

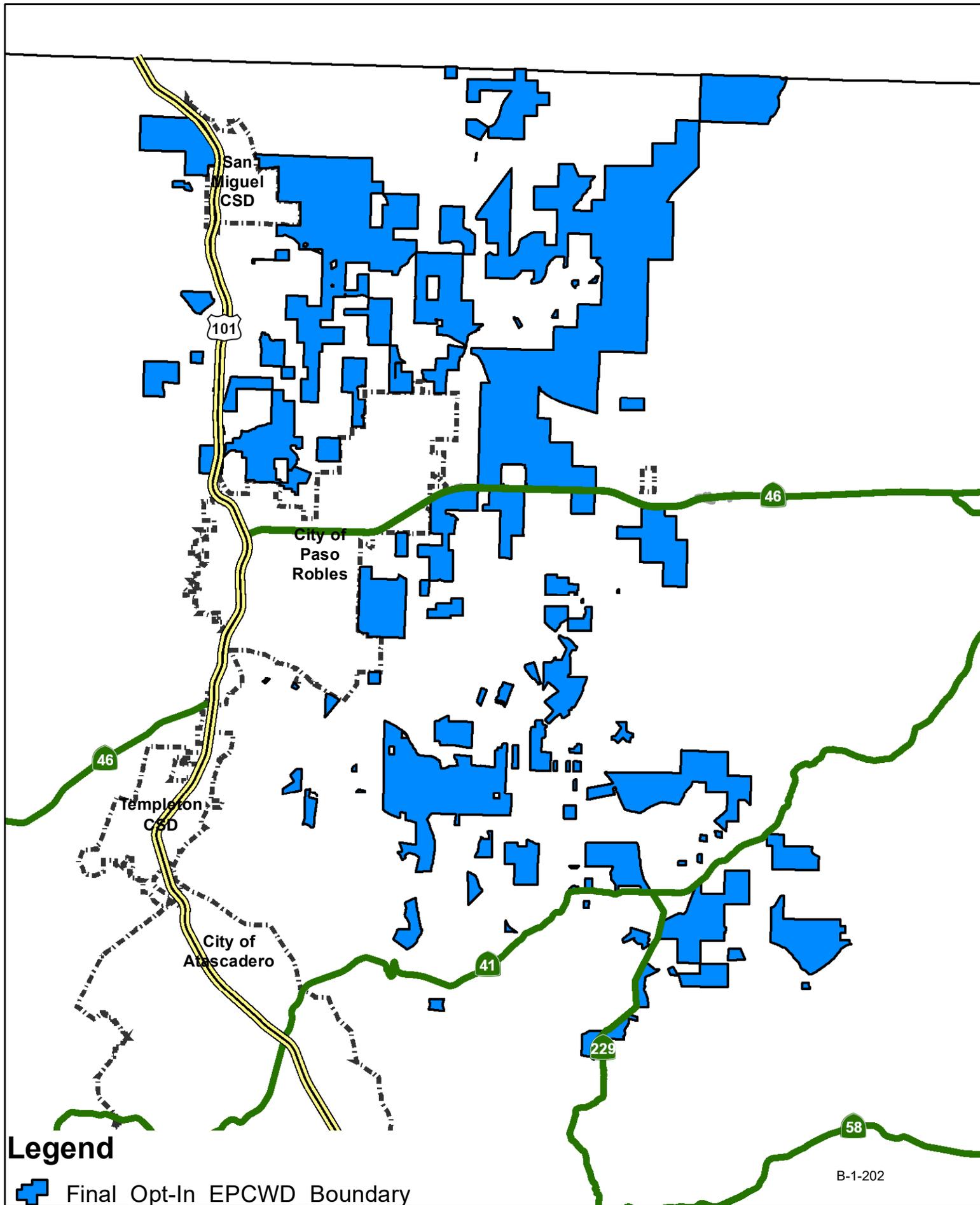
 Raymond A. Biering

 LAFCO Legal Counsel

Exhibit A

Map and Legal Description of the Estrella-El Pomar-Creston Water District

Estrella-El Pomar-Creston Water District Approved Service Area & Sphere of Influence



Attachment E

2018 LAFCO Staff Report on
Condition Compliance of
EPCWD



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

TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, EXECUTIVE OFFICER (DC)

DATE: NOVEMBER 15, 2018

SUBJECT: CONDITION COMPLIANCE REPORT - ESTRELLA-EL POMAR-CRESTON WATER DISTRICT - LAFCO FILE NO. 4-R-16

COMMISSIONERS

Chairman
Ed WAAGE
City Member

Vice-Chair
LYNN COMPTON
County Member

DEBBIE ARNOLD
County Member

ROBERT ENNS
Special District Member

ROBERTA FONZI
City Member

TOM MURRAY
Public Member

MARSHALL OCHYLSKI
Special District Member

ALTERNATES

ED EBY
Special District Member

ADAM HILL
County Member

JAMIE L. IRONS
City Member

HEATHER JENSEN
Public Member

STAFF

DAVID CHURCH
Executive Officer

RAYMOND A. BIERING
Legal Counsel

MIKE PRATER
Senior Analyst

DONNA J. BLOYD
Commission Clerk

Recommendation-Alternatives. It is respectfully recommended that the Commission consider the following alternatives: 1) Extend the approval for a period of time (two years) and require a condition compliance report; 2) Determine that the District has complied with the Conditions of Approval; or 3) Other alternatives as directed by the Commission.

Summary. The Estrella-El Pomar-Creston (EPC) Water District was formed in December, 2017. The LAFCO approval included 13 conditions of approval. A condition compliance analysis for each condition is found below. Also, the District provided several documents in regard to the compliance report which are attached. Condition number 11 requires the District to “become a Groundwater Sustainability Agency (GSA) or a GSA partner”. The documentation submitted by the District addresses the District being a partner with Groundwater Sustainability Agencies in the basin. Specifically, the Shandon–San Juan Water District (a GSA) and EPC Water District have entered into an agreement to work collaboratively to comply with SGMA. The agreement is found in Attachment B and is fairly detailed in its scope. The District also submitted a contract with GSI Water Solutions, Inc. which will provide Hydrogeologic Services with a focus on developing the Groundwater Sustainability Plan. GSI is also working for other water entities in the area; Templeton CSD, Atascadero Mutual and Shandon-San Juan Water District. A more detailed discussion of the District’s compliance with condition 11 follows:

Attachments

- A- Condition Compliance Memos from the EPC Water District**
- B- Agreement with Shandon San Juan Water District**
- C- Agreement with GSI, Inc. for Hydro geological Services**
- D- EPC Budget-By Laws**
- E- Letter from Shandon-San Juan Water District**

Purpose of Condition 11. The intent of condition 11 is to ensure that the District was working as a GSA, or a partner to a GSA, to help benefit the basin as required under SGMA. The partner language in the LAFCO condition was written specifically to allow for the District to meet this condition without formally becoming a GSA. The allowance for being a “GSA partner” was provided as another way to meet this condition of approval.

Condition 11. Condition 11 requires the District to become a GSA, or become a partner with a GSA, or the District shall be dissolved. The District has entered into a partnership agreement with the Shandon-San Juan Water District (a GSA) to coordinate and help manage the basin and prepare the Groundwater Sustainability Plan (GSP) under SGMA. The agreement sets up a structure called a partnership committee made up of two board members from each District. The purpose of the committee is to facilitate the preparation of the GSP, SGMA compliance and the implementation of projects that are beneficial to the basin. The agreement has details about working together to develop a Groundwater Sustainability Plan. It also calls for coordination in setting up a monitoring program when and if that time comes. EPC has also hired GSI, Inc. as a consulting firm to help with the preparation of the GSP. The District has attended and participated in Paso Basin Cooperative Agency meetings and attends other basin related meetings. The District is working with the other GSAs as well, with the goal of participating in the basin's management in a positive way. The District is taking actions consistent with being a partner with other GSA's in the Basin, which is the intent of condition number 11. Below are some of the District's actions to date:

- Entered into a Partnership Agreement with the Shandon-San Juan Water District (a GSA) with the purpose of working together to prepare the Groundwater Sustainability Plan to comply with the Sustainable Groundwater Management Act (SGMA).
- Funding the preparation of a groundwater sustainability plan with the Shandon-San Juan Water District. The District landowners have taxed themselves to participate in the preparation of the Groundwater Sustainability Plan and the SGMA process.
- Completed the requirements to be part of the State's Integrated Regional Water Management's (IRWM) local Regional Water Management Group (RWMG).
- Working with the City of Paso Robles to purchase recycled water to help reduce the use of groundwater in the Basin for agricultural purposes.
- District is a public agency that is required to conduct its business consistent with State Sunshine Laws and other laws such as CEQA.
- District's actions are also subject to the Sustainable Groundwater Management Act (SGMA) and the Groundwater Sustainability Agency (County and others) that manages the basin. Eventually, a Groundwater Sustainability Plan will regulate the activities of users of the basin.
- Possible member of the Water Resources Advisory Committee. The WRAC advises the Board of Supervisors regarding Countywide water issues.

Analysis/Alternatives. The District's actions appear consistent with SGMA's intent to encourage agencies to collaboratively manage the basins groundwater resources. LAFCO Staff (EO) contacted staff from other agencies on the Paso Basin Cooperative Committee (County, Heritage Ranch CSD, and Shandon-San Juan Water District). They have indicated that the EPC

has been a positive contributor in the effort to comply with SGMA. The District's actions over the last year appear consistent with the condition to be a GSA partner. The Commission may consider: 1) Indicate that the District is in compliance with all conditions and grant final approval, 2) Because the GSP is to be submitted in 2020, it would make some sense to extend the condition compliance period for two more years. The time frame could be extended for less or more. 3) Dissolution is an option if the Commission determines that the District is not a partner to a GSA. Should the Commission head this direction it should direct staff to return with a staff report that provides documentation for dissolution.

Compliance with other Conditions. Below are the conditions of approval and a brief analysis about the District's compliance. EPC Water District Final Conditions:

1. That the name of the Water District shall be the Estrella-El Pomar-Creston Water District.
 - **Condition Compliance.** *This condition has been complied with and the name is established as stated above.*
2. That the Board of Directors of the Estrella-El Pomar-Creston Water District be composed of five members elected as provided for in the California Water District Law, Water Code Section 34000 et. seq. The initial Board of Directors will be elected pursuant to the Water Code sections 34700.
 - **Condition Compliance.** *This condition has been complied with. The five Board members were elected when the District was formed. The results of the election are on file.*
3. That pursuant to the applicable Water Code Sections the Estrella-El Pomar-Creston Water District is authorized to exercise all powers and authorities subject to the following restrictions:
 - a. The Water District's powers to export, transfer, or move water underlying the Water District outside the Paso Robles Groundwater Basin shall not be active and are subject to condition number five of this approval. For purposes of this Condition and Condition number five, "groundwater" shall have the meaning set forth in Water Code Section 10721(g).
 - **Condition Compliance** *The District has stated that it has not exported any water outside of the Basin. The power to move water outside the basin is not authorized or active. The District does not have the power to export, transfer or move water outside the basin.*
 - b. The Water District's powers under Part 5 Powers and Purpose; Chapter 2; Powers; Article 5; Sewers: [35500 - 35509] of the California Water Code shall be deemed inactive or latent. The Water District could request that LAFCO activate these powers in the future.

- **Condition Compliance.** *The District is not using its sewer power and it remains a latent or inactive power. All other powers of the District that are listed in the Water Code are authorized*
4. That formation of the Estrella-El Pomar-Creston Water District shall be contingent upon a successful vote on the formation pursuant to Water Code Section 34500 and the EPC Water District completing a successful benefit assessment to fund the activities of the Water District. If the Proposition 218 proceeding is not successfully conducted by the Water District within one year of the certificate of completion, the Water District shall be subject to dissolution. LAFCO may extend this deadline upon request by the Water District.
- **Condition Compliance.** *The District successfully completed the proposition 218 process with 98% of the landowners approving of the tax and is collecting funds from the landowners. These funds are being spent to hire staff to operate the District and consultants to work on the preparation of the GSP. The funds may also be used to implement projects that are beneficial to the basin.*
5. The EPC Water District shall be prohibited from exporting, transferring, or moving water underlying the Water District (including groundwater pumped into an above ground storage facility) to areas outside of the Paso Robles Groundwater Basin.
- **Condition Compliance.** *The District has stated numerous times that it has not exported, transferred, or moved water to areas out the Basin and does not have any plans to do so. The District's Board of Directors have taken public action opposing the export of water.*
6. That specific projects proposed by the Estrella-El Pomar-Creston Water District shall be analyzed and evaluated in accordance with applicable laws prior to construction.
- **Condition Compliance.** *The District recognizes this as an on-going condition and intends to comply with all applicable laws.*
7. That a revised legal description and boundary map(s) be submitted to reflect the service area and sphere of influence boundaries of the Water District as adopted by the Commission.
- **Condition Compliance.** *The District has submitted the revised map and legal description which have been approved by the County surveyor.*
8. That the effective date of the Estrella-El Pomar-Creston Water District will be determined by the certification of the election results by the Board of Supervisors and the filing of the certificate of completion by the LAFCO Executive Officer with the County Clerk-Recorder's office.
- **Condition Compliance.** *The Certificate of Completion was filed on December, 8, 2017; the effective date of formation.*

9. That the EPC Water District set the appropriations limit as soon as feasibly possible consistent with Government Code Section 57000.
 - **Condition Compliance.** *The District has complied with this condition by establishing a maximum funding amount when the Board of Directors approved its annual budget.*
10. That the Sphere of Influence of the Estrella-El Pomar-Creston Water District shall be co-terminus to the Service Area boundary. Future amendments and/or updates of the SOI shall only include properties that have submitted written landowner consent.
 - **Condition Compliance.** *The District has complied with this condition. A Sphere of Influence Update and Municipal Service Review is scheduled for 2022/23.*
11. The Water District, if formed, shall provide documentation that it has been identified as a Groundwater Sustainability Agency (GSA), or a GSA partner, pursuant to the Sustainable Groundwater Management Act, Water Code section 10720 et. seq. If the District does not become a GSA, or is not part of a GSA within one year of the Certificate of Completion being filed, the District shall be dissolved. LAFCO may extend this deadline upon request by the District.
 - **Condition Compliance.** *As indicated in the discussion above, the District is part of the Shandon-San Juan Water District GSA through the attached partnership agreement and has taken other collaborative actions in the basin. The District has provided documentation showing its efforts to be a GSA partner. The District has supported an effort to ban the movement of water outside of the Basin, has stated that it has not exported or transferred water and has no intentions of doing so.*
12. This condition applies to any proposed annexation to the San Miguel CSD for areas that are within the EPC District. If LAFCO approves such an annexation, the SMCSO may apply to DWR to become the GSA. As part of the annexation, the area shall be detached from the EPC Water District.
 - **Condition Compliance.** *This condition remains in effect, but has not been implemented because this situation has not occurred.*
13. The EPC Water District shall develop policies insuring that any water wells do not interfere or are detrimental to the San Miguel CSD's existing or future wells. The Districts shall work together to avoid well interference. This policy shall be further detailed in the Groundwater Sustainability Plan.
 - **Condition Compliance.** *These policies have yet to be adopted by the District. This situation has not presented itself, but the District intends on complying with this condition.*

A- Condition Compliance Memos from the EPC Water District

Additional Background Information is available at the LAFCO

Website www.slolafco.com under the Agenda/Staff Report Tab

MEMORANDUM

DATE: 10/24/18

TO: DAVID CHURCH – SLO LAFCO

FROM: DANA MERRILL – EPC WATER DISTRICT

SUBJECT: EPC MEETING LAFCO Approval Conditions

You are in receipt of the detailed package sent earlier this month which summarizes and updates the actions and accomplishments of EPC Water District since its approval by LAFCO last year. I will now specifically address each condition of approval that has been met by EPC:

1. The Name is Estrella - El Pomar – Creston Water District. We commonly use the acronym EPC Water District in routine, non formal use.
2. Our Board has 5 elected Directors as specified in the Water Code section 34700
3. Restrictions concerning export of water (Condition a) have been observed and reinforced by public notice that the Board of Directors opposes export. Condition b regarding Sewer service is also recognized and no effort to provide that service is contemplated by our district
4. We have conducted and passed overwhelmingly the required Prop 218 vote to fund the district. The assessments have been invoiced and the majority collected at this point for the current fiscal year. It should be noted that this is one of only 2 Prop 218 votes successfully passed in the Paso Robles Basin (Shandon-San Juan District being the other) dealing with basin water issues
5. As noted in 3. above, the district recognizes that export of water outside of the Paso Robles basin is prohibited
6. The district recognizes as well that any specific projects must obtain specific Prop 218 vote authorization to proceed with funding
7. Revised boundary, final legal description and maps were submitted to LAFCO or other governmental entities
8. The effective date was determined as specified
9. EPC District's 218 vote and other documents established maximum funding and a 2018 specific budget for a less than maximum amount was approved

by its Board of Directors. Spending is monitored by its Treasurer and reviewed at Board meetings which generally held monthly. The appropriations limit was set as specified and approved via Prop 218 vote and an annual budget approved by the Board of Directors for FY2018.

10. The District boundary is co terminous with the Sphere of Influence as specified
11. The formed District has provided documentation to LAFCO that it is a partner with Shandon-San Juan Water District and GSA. A written partnership Agreement was executed to jointly fund hydro geologic consulting services with GSI company and the project is underway. This has facilitated input from EPC to the GSP process as well as given EPC feedback on the process thus far which has been very constructive.

All conditions of approval have been met in our opinion. I again hope that LAFCO directors will be provided the emailed PDF packet to also see that EPC WD has strived to be a positive voice for its generally agricultural and rural members.

EPC WATER DISTRICT

DATE: October 6, 2019

TO: David Church

FROM: Dana Merrill

SUBJECT: LAFCO Hearing 11/15/18

Please take this as our submittal of supporting information and documentation with reference to your board of directors confirming that we have met requirements set by LAFCO at our formation in 2017. It has been a busy year for us at EPC and given that we are a new district, we have sought to minimize staff and overhead. We thus have one contract administrative part time employee and our board has volunteered almost countless hours to forming, fund raising and following through to operate the district.

It is our belief that we have accomplished a great deal and despite several unforeseen events, have managed to make positive contributions on behalf of our members but also the greater Paso Robles Basin. As a primarily agricultural water district, we also are rural residents dependent on groundwater exclusively. It is our belief that our area as a whole is interdependent economically and thus we support the efforts of SGMA related GSAs and others to bring sustainability to our Basin.

While we understand that our performance as a district in the past year post formation is of primary interest to the LAFCO Board, it also merits some review of the immediate year or so prior to our formation. Unfortunately trying to deal with groundwater, SGMA and other related issues has sparked political controversy. We spent considerable time and energy working with entities which became GSAs and were positioned coming out of that process to be granted GSA status by the County Board of Supervisors. The BOS ended up changing direction and not granting us GSA status, a disappointing development since we represent roughly 34% of the pumping in the Basin. Yet we have moved on and signed a partnership agreement with the Shandon San Juan Water District to retain, at our shared expense, GSI consultants to monitor and participate in the development of a GSP. Additionally, GSI is able to give its input back to our partnership so that we at EPC understand better the issues the GSP committee is dealing with and their solution. It is our sincere desire to see the GSP development process go well and that a plan to balance the Basin is developed.

Below are some of the highlights of our efforts:

EPC Accomplishments:

1. Formation vote and a separate Prop 218 funding vote both passed overwhelmingly, the latter is one of only two successful such votes pertaining to water within the County portion of the Paso Robles Basin. Given that EPC represents 34% of the estimated pumping in the Basin, this is a significant endorsement. Added to

Shandon's successful votes, it signifies over 50% of the landowners' by water use support. EPC voting results were:

YES - \$394,391.21

NO - \$7,553.97

PASSED WITH 98.1% YES VOTES

2. Partnership with Shandon SJ District - hydrogeologist firm retained to participate with GSP formation committees with technical expertise. Important to EPC since County interaction has been very general in nature for Ag. Funded 50% of \$80,000+ contract with GSI \$89,953 total (copies of RFP sent out and contract with GSI and amounts paid thus far by EPC). GSI's primary representative, Paul Sorenson, was a key author and technical resource for the FUGRO 2002 and subsequent update reports. These comprise the main source of data for the current GSP development project, and while he is helpful to EPC he similarly is a resource in the process as the current GSP Contractor assembles prior information. His expertise is 100% funded solely by EPC and Shandon San Juan Districts.
3. Purple Pipe project with City of Paso Robles. Board members in group travel to Carneros-Napa Valley recycled project serving vineyards completed in 2015. Discuss technical and funding aspects. Committed to contributing funding feasibility for water use within Red Zone area within EPC District service area and adjacent properties . Amount: \$25,000 (to be discussed and voted on in October 2018)
4. Discussions with city of PR regarding expanded utilization of unused Naci water for direct use or via improved purple pipe water enabling greater offset of pumping by city and ag. Technical and financial aspects.
5. Joined IRWM as a member. Submitted a project application for Huer Huero Creek water infiltration improvement; will follow up on RCD request to partner in this project
6. Met with Derrick Williams and hosted joint Shandon-EPC Membership meeting to hear about GSP etc. and give feedback
7. Requested WRAC membership and received approval subject to Consent Agenda approval by the BOS
8. Joined or soon will join special State Districts Board and others as applicable, subject to time constraints of our volunteer Board of Directors

These various interactions during the development of the MOA took countless volunteer hours by EPC Board members working on percentage of vote weighting, funding and contracting issues to name but a few. EPC had received unanimous BOS approval to become a GSA upon completion of specific milestones by 12/31/17 including but not limited to producing a detailed map of the district in a format approved by the County Surveyor as well as the State of California, which was accomplished. While ultimately the same BOS did not grant us GSA status, we remain fully committed to positively working with other GSA's, landowners, stakeholders, and public entities to sustainably manage the Basin. While we support SGMA, we wish to remind interested parties that many of us have been working on a cooperative approach to manage the Basin prior to the law's enactment.

As a fully functioning, fully financed California Water District, we urge the LAFCO Board of Directors to confirm our compliance with its formation conditions so that we may continue our efforts.

B- Agreement with Shandon San Juan Water District

Shandon-San Juan Water District and Estrella-El Pomar-Creston Water District

Paso Robles Groundwater Basin Sustainability Partnership Agreement

THIS Partnership AGREEMENT (the "Agreement") is made effective as of the date below and between Shandon-San Juan Water District (SSJWD) and the Estrella-El Pomar-Creston Water District (EPCWD) (the Parties or Districts) to work cooperatively to help assure a reliable and sustainable groundwater resource within the Paso Robles Groundwater Basin.

RECITALS

- A. For years landowners, who subsequently formed the two water districts, along with other interested parties, have been working to protect a reliable groundwater resource in that portion of the Paso Robles Groundwater Basin with in San Luis Obispo County; and
- B. In 2014, the California Legislature passed comprehensive groundwater legislation enacting the Sustainable Groundwater Management Act ("SGMA") which requires all high and medium priority groundwater basins to be managed in a sustainable manner pursuant to a Groundwater Sustainability Plan (GSP); and
- C. To better protect the Groundwater Resource and to effectively comply with the SGMA and its implementing Regulations, landowners overlying the Basin formed the Shandon-San Juan Water District and the Estrella-El Pomar-Creston Water District; and
- D. In furtherance of this sustainability goal and compliance with SGMA, the SSJWD became a Groundwater Sustainability Agency (GSA) within its District Boundaries; and
- E. SSJWD has begun creating a GSP for the Basin partnering with all the GSA's in the Basin (Basin Parties), who together cover 100% of the Basin, to create a single GSP for the Basin to effectively manage the whole Basin and to comply with SGMA; and
- F. EPCWD is an independent public agency with groundwater management powers and is part of the "Paso Basin - County of San Luis Obispo Groundwater Sustainability Agency"; and
- G. Since agricultural use of the groundwater within the Basin is the largest user of groundwater, SSJWD and EPCWD include approximately 75% of the irrigated lands in the Basin, and said districts can provide agricultural perspective and expertise critical to the SGMA process, there remains a need for this Agreement to help assure that all involved agencies in the Basin have effective representation of all parties that rely upon the Basin's groundwater resource;

NOW THEREFORE, in consideration of the facts recited above, SSJWD and EPCWD agree to form a GSA partnership to assure the creation of a coordinated and effective GSP. The Parties agree to the following:

TERMS

SECTION 1 PURPOSE - Pursuant to the requirements of the SGMA, and in recognition of the need to sustainably manage the groundwater within the Basin, the Parties agree to work collaboratively in furtherance of a successful, effective and practical GSP that will protect the groundwater resource for the benefit of all those who rely upon it. This Partnership is needed to bring together and include a large portion of the agricultural users of groundwater in the Basin, which is a key component through SGMA to effectively manage and protect the groundwater resources of the Basin.

SECTION 2 PARTNERSHIP COMMITTEE - The Parties agree, that the Partnership shall be effectuated in part through a Partnership Committee. The Committee will be comprised of ad hoc committees of two board members from each District. The representatives shall serve at the pleasure of the appointing District and its members may change from time to time, will be advisory and make recommendations to their respective Board of Directors for deliberation and decision, will terminate no later than June 30, 2019, absent further action of the respective Boards, and will meet on an ad hoc basis as needed to help carry out the activities described in this Agreement. The Committee's sole function is to help facilitate the negotiation and coordination of the development of a GSP, projects and actions taken under this Partnership Agreement.

SECTION 3 GSP DEVELOPMENT - The Districts intend that their efforts will further the development of a practical data based GSP satisfying the requirements of SGMA. Specifically, the Parties agree to work cooperatively to review and evaluate all draft and final documents which will be considered a part of the basin-wide GSP. Toward that end, the Districts will consider and agree to the following elements:

- 3.1 The Parties will exchange data and other information through the Partnership Committee and establish and adhere to consistent and standard data and methodologies consistent with the GSP for the Basin.
- 3.2 The Parties shall actively consider jointly identifying and retaining professional and technical consultants to review and advise the Parties on the contents and potential impacts of provisions contained in the GSP as it is being developed.
- 3.3 The Parties will work cooperative in preparing, reviewing and completing the GSP, including but not limited to:
 - a. Conducting hydrologic studies of the basin within the Districts' areas of jurisdiction;

- b. Seeking and securing, where feasible, both recycled water and supplemental water supplies to address water demands and basin stability;
- c. Developing and implementing effective water conservation, including best management practices with each Districts' jurisdiction;
- d. Providing data (and other information), reviewing and assisting in effective groundwater monitoring network;
- e. Actively participating in public outreach on the GSP, including notifying its landowners and interested parties, providing venues, staff support and speakers as needed;
- f. Investigating and seeking grants and other funding sources for such GSP activities and potential projects.

3.4 The Parties will work cooperatively with other GSAs.

SECTION 4 PROJECTS - The Districts will cooperate in planning, funding and implementing specific projects, including water infiltration projects to enhance recharge of groundwater in the Basin and seek supplemental water sources, including recycled water.

SECTION 5 MONITORING - The Parties agree to collaborate on the development and maintenance of a monitoring network. The Parties shall determine the network monitoring objective protocols and data reporting requirements to achieve measurable objectives to be set forth in a GSP. The Parties will work cooperatively to assure that existing monitoring sources will be included in the monitoring network.

SECTION 6 PARTY AUTONOMY - The Parties to this Agreement will implement this Agreement in a manner that defines, supports, and maintains their autonomy and utilize their own resources in pursuing the purposes of this Agreement.

6.1 This instrument in no way restricts the Parties, or any cooperating third parties, from participating in similar activities with other public or private agencies, organizations, and individuals or from implementing groundwater sustainability planning in accordance with SGMA.

6.2 The Parties acknowledge that this Agreement shall not give rise to any Party's claim against the other Party for compensation for any loss or damage arising from or in any way connected with the performance of this Agreement; and each Party hereto expressly waives any such claims.

SECTION 7 NO FINANCIAL OBLIGATION - The Parties shall manage their respective resources and activities in a separate, coordinated and mutually beneficial manner to meet the purpose of this Agreement. Nothing in this Agreement authorizes either Party to obligate or transfer funds. Specific projects or activities that involve the transfer of funds, services, or property among the Parties require execution of separate agreements, and the negotiation, execution, and administration of these separate agreements must comply with all applicable law.

SECTION 8 MISCELLANEOUS -

81 Any amendment to this Agreement must be made by mutual consent of both Parties, by the issuance of a written modification signed and dated by a properly authorized signatory official of each Party prior to any changes becoming effective.

82 Dissolution of this Partnership may occur upon the majority vote of either District.

83 This Agreement does not create a formal "partnership" as that term is used and defined in the California Corporations Code.

84 It is agreed and understood by the Parties hereto that this Agreement has been arrived at through negotiation and that no Party is to be deemed the Party which prepared this Agreement within the meaning of Civil Code section 1654.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to coordinate as of the last date appearing below the signatures.

SHANDON-SAN JUAN WATER DISTRICT

By: Willy Cunka
Print Name Willy Cunka
Date: 5-15-2018

ESTRELLA-EL POMAR-CRESTON WATER DISTRICT

By: Jerry Reaugh - Secretary/Treasurer
Print Name Jerry Reaugh
Date: May 9, 2018

C- Agreement with GSI, Inc. for hydrogeological services

GSI Water Solutions, Inc.
5855 Capistrano Avenue, Suite C
Atascadero, California 93422

PROFESSIONAL SERVICES AGREEMENT

Client: Estrella-El Pomar-Creston Water District
PO Box 1499
Paso Robles, CA 93447

Name of Project: Hydrogeologic Services, Paso Robles Basin GSP Development

Estrella-El Pomar-Creston Water District (CLIENT) authorizes Groundwater Solutions, Inc, dba GSI Water Solutions, Inc. (GSI), to perform the following hydrogeologic consultation services related to the Paso Robles Basin GSP Development (PROJECT):

Scope of Services

- The attached proposal dated June 11, 2018, revised June 13, 2018 to CLIENT presents the scope of work for this PROJECT.

Compensation

The scope of work outlined in the proposal dated June 11, 2018, revised June 13, 2018 to CLIENT will be completed on a time and materials basis in accordance with the attached schedule of rates, billed as provided herein. GSI has provided you with a good faith estimate that the work will be approximately \$89,953. GSI and CLIENT reserve the right to adjust this amount in the event of encountering unforeseen issues relating to the PROJECT, which may arise during the time of the contract. In the event the cost must be adjusted, GSI and CLIENT will discuss on a monthly basis any adjustment of the total cost of the PROJECT. The total cost then will be subject to mutual Agreement of the parties.

The cost of services of this PROJECT will split at an equal (50% each) pro rata share, between CLIENT and the Shandon-San Juan Water district. For purposes of this Agreement, equal is defined as the cost of this Agreement as well as unreimbursed costs incurred by either party with regard to the preparation of the Paso Robles Basin GSP, provided that neither party will be responsible for more than seventy-five percent (75%) of the cost of this Agreement.

Schedule

- GSI will proceed with the work in a professional and expeditious manner, unless delayed by the unforeseen unavailability of necessary labor, restricted access to meetings, delays in communications with CLIENT, insufficient or unworkable drawings or specifications, changes in the work, or any other causes beyond GSI's control. The anticipated contract term of the PROJECT is through January 31, 2020. The actual completion time is subject to factors

6/15/2018

listed above. GSI will not be responsible for any financing costs or other consequential damages or costs incurred by CLIENT due to delays in the completion of the PROJECT.

Conflict Waiver:

Templeton Community Services District (“Templeton”) and Atascadero Mutual Water Company (“Atascadero”), individually and collectively, have retained Paul Sorensen for many years as a groundwater consultant. Mr. Sorensen has performed extensive work for Templeton and Atascadero. Templeton and Atascadero, individually and collectively, have retained GSI Water Solutions (“GSI”) and Jeff Barry for similar purposes and, specifically, continued to retain Mr. Sorensen immediately upon his hiring by GSI. In addition, Templeton and Atascadero are defendants in the pending matter *Steinbeck Vineyards #1, LLC, et al. v. County of San Luis Obispo, et al.*, San Jose Superior Court Case No. 2014-1-CV-265039. The *Steinbeck* litigation concerns, among other things, rights to pump and use groundwater in the Paso Robles and Atascadero Subbasins of the Salinas Valley Groundwater Basin, as defined by the Department of Water Resources. Templeton and Atascadero are also involved in implementation of the Sustainable Groundwater Management Act (“SGMA”) in the Atascadero Subbasin.

Templeton and Atascadero have retained and continue to retain GSI, Mr. Sorensen, and Mr. Barry to provide expert technical services, litigation support and testimony for the *Steinbeck* litigation, as well as expert technical services for SGMA implementation. CLIENT does not believe that there will be any conflicts of interest in representing CLIENT, Shandon-San Juan Water District and/or Templeton and Atascadero at the same time. Notwithstanding any potential dispute, conflict, or adverse interest, CLIENT waives any such dispute, conflict, or adverse interest and will not under any circumstances seek to disqualify, GSI, Mr. Sorensen or Mr. Barry from working for Templeton, Atascadero or both. CLIENT further agrees that GSI, Mr. Sorensen and Mr. Barry, collectively or individually, may perform any work that Templeton, Atascadero or both may assign to them. If CLIENT decides that an unacceptable dispute, conflict, or adverse interest exists or is about to arise, CLIENT will provide written notice of the unacceptable conflict and work with GSI, Mr. Sorensen and Mr. Barry to resolve such conflict. If CLIENT cannot resolve the conflict, CLIENT may terminate this contract. CLIENT will execute any and all documents necessary to implement this section.

Terms:

Services covered by this Agreement will be performed in accordance with the attached provisions and schedules. This Agreement supersedes all prior Agreements and understandings and may be changed only by written amendment executed by both parties.

GSI WATER SOLUTIONS, INC.

CLIENT

Signature: 

Signature: 

Name (printed): Paul A. Sorensen

Name (printed): Dana Merrill

Title: Principal Hydrogeologist

Title: President

● Page 3

Date: June 13, 2018

Date:

Provisions

Authorization to Proceed

Execution of this Agreement by CLIENT will be authorization for Groundwater Solutions, Inc. (GSI) to proceed with the services, unless otherwise provided for in this Agreement.

Compensation Rates

Compensation for services provided under this agreement will be on a time and materials basis in accordance with the rates contained in the Attachment. The hourly labor rates shown in Attachment are subject to annual adjustments effective each anniversary of the contract signing date.

Subcontracts and Direct Expenses

When services are performed on a cost reimbursement basis, a markup of 10 percent will be applied to subcontracts and outside services and a markup of 10 percent will be applied to Direct Expenses. For purposes of this Agreement, Direct Expenses are defined to include those necessary costs and charges incurred for the project including, but not limited to, the direct costs of transportation, meals, lodging, mail, shipping, equipment, supplies, laboratory test and analysis, printing and reproduction services, and certain field equipment.

All sales, use, value added, business transfer, gross receipts, or other similar taxes will be added to GSI compensation when invoicing CLIENT.

Ownership of Documents

CLIENT agrees that all original documents produced by GSI in accordance with this agreement, except documents which are required to be filed with public agencies, shall remain the property of GSI. CLIENT agrees to waive any claim against GSI and to indemnify, defend, and hold harmless GSI for any and all claims arising out of any use, not authorized in writing by GSI, of these documents by third parties not related to this Agreement.

Cost Opinions

Any cost opinions or project economic evaluations provided by GSI will be on a basis of experience and judgment, but, because GSI has no control over market conditions or bidding procedures, GSI cannot warrant that bids,

ultimate construction cost, or project economics will not vary from these opinions.

Payment to GSI

Monthly invoices will be issued by GSI for all services performed under this Agreement. CLIENT shall pay each invoice within 30 days.

In the event of a disputed billing, only that disputed portion will be withheld from payment, and the undisputed portion will be paid. CLIENT will exercise reasonableness in disputing any bill or portion thereof.

Insurance

GSI will maintain throughout this Agreement the following insurance:

- (a) Worker's compensation insurance in the statutory amount of not less than \$1,000,000 for all employees engaged in the work. Owners of GSI who are exempt from worker's compensation requirements shall maintain equivalent disability insurance.
- (b) Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including onsite and offsite operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.
- (c) Commercial general liability insurance covering claims for injuries to members of the public or damage to property of others arising out of any covered negligent act or omission of GSI or of any of its employees, agents, or subcontractors, with \$2,000,000 per occurrence and \$2,000,000 in the aggregate.
- (d) Professional liability insurance of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

Insurance coverage in (b) and (c) above will name CLIENT and OWNER as additional insureds. Such insurance will be the primary coverage to GSI and CLIENT.

Before commencing work under this contract, GSI will furnish CLIENT with certificates of insurance verifying coverages and additional insureds. Certificates also

will state that the insurance carrier will give CLIENT thirty (30) days notice of any insurance cancellation or material alteration.

Standard of Care

GSI will complete its services with the standard of care and degree of skill and diligence normally employed by professionals performing the same or similar services in the locality in which the services are performed.

Indemnification

GSI agrees, to the fullest extent permitted by law, to indemnify and hold harmless CLIENT from damages, liabilities, and costs to the extent such liabilities, and costs are caused by GSI's negligent acts, errors, or omissions in the performance of professional services under this agreement, or anyone for whom GSI is legally liable.

CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless GSI from damages, liabilities, and costs to the extent such liabilities, and costs are caused by CLIENT's acts, errors, or omissions, or anyone for whom CLIENT is legally liable.

In the event that damages, liabilities, and costs are caused by the joint or concurrent negligence of CLIENT and GSI, they shall be borne by each party in proportion to its own negligence. This provision is intended to indemnify and hold harmless each other and each other's clients specifically in any situation in which employees, agents, and representatives commence a third party action for injuries or death otherwise covered by applicable workers' compensation laws.

Limitation of Liability

GSI's liability will, in the aggregate, not exceed \$100,000. This provision takes precedence over any conflicting provision of this Agreement or any document incorporated into it or referenced by it.

This limitation of liability will apply whether GSI's liability arises under breach of contract or warranty; tort, including negligence; strict liability; statutory liability; or any other cause of action, and shall include GSI's officers, employees, and subcontractors.

Severability and Survival

If any of the provisions contained in this Agreement are held illegal, invalid, or unenforceable, the other provisions shall remain

in full effect. Limitations of liability shall survive termination of this Agreement for any cause.

No Third Party Beneficiaries

This Agreement gives no rights or benefits to anyone other than CLIENT and GSI and has no third party beneficiaries except as provided in ***Limitation of Liability***.

Materials and Samples

Any items, substances, materials, or samples removed from the project site for testing, analysis, or other evaluation will be returned to the project site unless agreed to otherwise. CLIENT recognizes and agrees that GSI at no time assumes title to said items, substances, materials, or samples. CLIENT recognizes that GSI assumes no risk and/or liability for a waste or hazardous waste site originated by other than GSI.

Assignments

Neither party shall have the power to or will assign any of the duties or rights or any claim arising out of or related to this Agreement, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable.

Integration

This Agreement incorporates all previous communications and negotiations and constitutes the entire Agreement of the parties. If CLIENT issues a Purchase Order in conjunction with performance of the services, general or standard terms and conditions on the Purchase Order do not apply to this Agreement.

Force Majeure

If performance of the services is affected by causes beyond GSI's reasonable control, project schedule and compensation shall be equitably adjusted.

Changes

CLIENT may make or approve changes within the general Scope of Services in this Agreement, subject to GSI approval and with appropriate adjustment for costs and time for performance. If such changes affect GSI's cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to this Agreement.

Termination

This Agreement may be terminated for convenience on 30 days' written notice or if either party fails substantially to perform through no fault of the other and does not commence correction of such nonperformance within 5 days of written notice and diligently complete the correction thereafter. The preceding sentence does not apply to a non-payment for services rendered, at which time, CLIENT shall be deemed to be in default and GSI may suspend services. On termination, GSI will be paid for all authorized work performed up to the termination date plus termination expenses, such as, but not limited to, reassignment of personnel, subcontract termination costs, and related closeout costs.

Attorney's Fees

In case this Agreement is referred to an attorney for collection, suit, or action, including arbitration, by any of the parties to enforce any provision of this Agreement, the prevailing party shall be entitled to, in addition to any award of costs or disbursements provided by statute, such additional sums as the court may adjudge reasonable as attorney's fees and costs to be allowed in such suit or action, including sums allowed as reasonable attorney's fees and costs on any appeal of such suit or action.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California and venue of any action shall be in San \Luis Obispo County, California.

D- EPC Budget-By Laws

2018 Final EPC WD Operating Budget

Budget No.	Budget item description	2018
1	Existing Debt	
	Engineering/218 Election, estimate	\$16,000
	Legal, estimate as of 2/28/18	\$7,500
	Administrative Support	\$1,000
2	Administrative support	\$24,000
3	Studies and Investigations	\$85,000
4	Engineering Services	\$40,000
5	Legal Services	\$25,000
6	D&O Insurance	\$8,000
7	Auditing/financial reporting	\$3,500
8	Office Supplies	\$1,000
9	Postage/Printing	\$1,000
10	Telephone, Computer, Internet service	\$1,500
11	Contingency	\$5,000
	TOTAL Budget	\$218,500

Cash Flow:

Cash on hand	\$9,300
Anticipated Budget Expenditures	-\$218,500
District membership assessment	-\$209,200

Proposed Assessment:

Irrigated lands at \$13/acre	\$211,900
Non-irrigated lands at \$0.20/acres	\$4,135
Residential/Commercial	\$1,560
TOTAL Assessment 2018	\$217,595

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

I. INTRODUCTION

The Estrella-El Pomar-Creston Water District consists of approximately 37,208 acres located in San Luis Obispo County. It was formed effective December 8, 2017. These Bylaws are prepared as required by Water Code sections 35300 through 35306.

II. MANNER OF CALLING ELECTIONS

All District elections, both general and special, shall be called by a majority vote of the Board of Directors in accordance with the requirements of the California Water District law ("District law"; Water Code sections 34000 et seq.), the Uniform District Election Law ("UDEL"; Elections Code section 10500 et seq.) and other applicable laws.

III. TIME, PLACE AND MANNER OF CONDUCTING ELECTIONS

All District elections, both general and special, shall be held at a time and place and conducted in accordance with District law, UDEL, and other applicable law.

All District elections, both general and special, shall be conducted by the District.

All District elections, both general and special, shall be conducted by all-mail ballot as prescribed by District law, UDEL, and other applicable law. The Board of Directors shall, before any general or special District election is held, give public notice of the time, place, and purpose of the election in accordance with the requirements of District law, UDEL, and other applicable law.

IV. MANNER OF VOTING

At all District elections, both general and special, each holder of title to land within the District shall have one vote for each dollar's worth of land to which he or she holds title, in accordance with California Water District Code section 35003 and other applicable law. The last

assessment book of the District is conclusive evidence of ownership and of the value of the land so owned.

Every voter, or his or her legal representative, shall be entitled to vote by mail ballot at any District election. Voting shall be conducted in a manner prescribed by the District law, UDEL, and other applicable law.

V. NOMINATION AND APPOINTMENT OF DIRECTORS

The District's Board of Directors shall be comprised of five directors elected at large. Persons shall be nominated as candidates for election to the office of director by filing a nomination petition at the District Office in the form, manner, and during the period of time prescribed by District law, UDEL, and other applicable law. Only names of persons properly nominated shall be printed on the ballots, but a blank space for each office of director to be filled shall be left after the names of the candidates in which the voters may write in another name if they desire. As provided by Elections Code section 10515, if at the close of the prescribed nomination period, the number of nominees for director does not exceed the number of offices of director to be filled at the election, and unless a petition signed by 10 percent of the voters, or 50 voters, whichever is the smaller number, in the District, requesting that the general District election be held has been presented to the officer conducting the election, the District shall submit a certificate of these facts to the San Luis Obispo Board of Supervisors. In such event, the District shall request the Board of Supervisors of the County of San Luis Obispo to appoint such office or offices the person or persons nominated, or if no person has been nominated for an office, any qualified person. The person(s) appointed by the Board of Supervisors of San Luis Obispo County shall qualify and take office and serve as if elected at a general election.

In the event of a vacancy on the Board of Directors, the Board of Directors may fill the vacancy by appointment in accordance with Government Code section 1780.

VI. QUALIFICATION AND DUTIES OF DIRECTORS, THEIR TENURE OF OFFICE AND TIME AND MANNER OF THEIR APPOINTMENT

As provided by Water Code section 34700, a director of the District shall be a holder of title to land within the District, the legal representative of a holder of title to land, or a representative designated by a holder of title to land. In the manner prescribed by Election Code section 10505(c), following the formation election, three directors shall be designated to have four

years and two directors two year terms, and thereafter a general election shall be held every two years. The term of each director subsequent to the directors elected at the formation election is four years. Each director shall hold office until his or her successor is elected and qualified. After winning a general election, a director shall take his or her office at noon on the first Friday in December following the general election. After winning a special election, or after appointment, a director shall take his or her office in the time and manner and for the term provided by District law, UDEL, and other applicable law.

The Board of Directors shall manage and conduct the business and affairs of the District. Meetings of the Board of Directors shall be noticed, convened, and conducted in accordance with applicable California law, including the Brown Act (Govt. Code section 54950 et seq.). As provided at Water Code sections 34805 and 34806, a quorum to transact business shall be a majority of the Board, and any proposition or resolution shall require the affirmative vote of a majority of the directors present at any meeting.

The Board of Directors shall elect one of its members as President who shall serve until the Board has elected a successor. The President shall preside at all meetings of the Board. He or she shall have other powers and duties as may be prescribed by the Board.

The Board of Directors shall elect one of its members as Vice-President who shall serve until the Board has elected a successor. In the absence or disability of the President, the Vice-President shall perform all duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice-President shall have such other powers and perform other duties as may from time to time be delegated by the Board of Directors.

VII. APPOINTMENT OF OFFICERS

The Secretary of the District shall be appointed by the Board of Directors and shall hold office at the pleasure of the Board. The Secretary shall keep a record of all the proceedings had at the meetings of the Board of Directors, and shall perform such other duties as may be required by law or the Board. The Secretary shall file all documents pertaining to the District affairs in the office of the District.

The Assessor of the District shall be appointed by the Board of Directors and shall hold office at the pleasure of the Board. The Assessor shall in each fiscal year prepare the District assessment book, prepare and mail any assessments to be levied upon landowners within the

District, submit to the Board of Directors a statement of all assessments levied against property in the District, and perform such other duties as are required of the Assessor by District law and other applicable law.

The Tax Collector of the District shall be appointed by the Board of Directors and shall hold office at the pleasure of the Board. The Tax Collector shall perform the duties required of the Tax Collector by District law and other applicable law.

The Treasurer of the District shall be appointed by the Board of Directors and shall hold office at the pleasure of the Board. The Treasurer shall receive to the credit of the District and in trust for its use and benefit all monies belonging to the District, and shall deposit all such monies and other valuables in the name of and to the credit of the District with such depositories as may be designated by the Board. The Treasurer shall disburse funds of the District, whenever they request it, an account of all his or her transactions as Treasurer and the financial condition of the District. The Treasurer shall perform other duties required of the Treasurer by the Board of Directors, District law and other applicable law.

As provided by Water Code section 34711, the offices of the Assessor, Tax Collector and Treasurer may be consolidated and held by the same person.

VIII. COMPENSATION OF DIRECTORS AND OFFICERS

Directors may be paid for their services in attending meetings of the Board, or for any work performed by a director for the District, upon action of the Board, in the manner and to the extent provided for by District law, or other state law applicable to California water districts, provided; however, until such time as the Board takes action otherwise, no such compensation shall be provided to Directors. In any event, a director shall be entitled to reimbursement for reasonable expenses necessarily incurred by him/her for performing services on behalf of the District when authorized to perform such services by the Board of Directors.

The Assessor, Treasurer, Tax Collector, and Secretary shall be paid an amount as may be determined by the Board that he or she shall perform the duties of the office.

IX. LOCATION OF THE DISTRICT OFFICE

The office of the District is initially hereby fixed at 5715 Linne Road, Paso Robles, CA 93446, there being no convenient location within the District to locate the District office. Meetings

of the Board of Directors shall be held at Windfall Farms Conference Room, 4710 Flying Paster Lane, Paso Robles, CA 93446, provided that it is available.

If for any reasons it is necessary that the location of the District Office, or the place for meetings of the Board, be changed, that will better suit the convenience of the District and/or its landowners, the Board of Directors is hereby expressly authorized and empowered to change the location of the District Office and/or meeting location to some other place or location, consistent with applicable law.

X. METHOD OF AMENDING OR REPEALING BYLAWS

As provided by Water Code section 35305, these Bylaws may be repealed or amended or new Bylaws adopted by a four-fifths (4/5ths) vote of the Board of Directors of the District, subject to approval by the San Luis Obispo County Board of Supervisors, or by the assent of two-thirds (2/3rds) of the total vote of the District, given either in writing, or by ballot cast at a District election.

XI. RESIDUAL POWERS

All powers for the management, government and control of the District and its affairs not by law, or these Bylaws conferred upon any other person, officer, or official, are hereby reserved in the Board of Directors of the District.

XII PENALTIES FOR ANY BREACH OF INFRACTION OF THESE BYLAWS

As authorized by Water Code section 35304(d), any person amenable to these Bylaws who shall violate the same shall be subject to levy of suitable penalties to be levied and assessed by the Board of Directors, not to exceed \$200 for any one offense.

The Board of Directors of the Estrella-El Pomar-Creston Water District by the undersigned majority of the Directors thereof, and the undersigned Secretary of the Estrella-El Pomar-Creston Water District, DO HERBY CERTIFY that the foregoing amended Bylaws of the Estrella-El Pomar-Creston Water District was duly adopted at a meeting duly and regularly held on the 13th

day of December, 2017, and that the foregoing Bylaws of Estrella-El Pomar-Creston Water District are subject to the approval of the Board of Supervisors of the County of San Luis Obispo, and these original Bylaws of Estrella-El Pomar-Creston Water District are now in full force and effect.

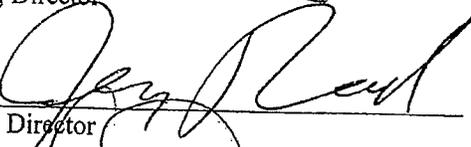
Dated: Dec. 13th, 2017



, Director



, Director



, Director



, Director



, Director



, Secretary

October 17, 2017 – Estrella-El Pomar-
 Creston Water District Special Election
 Official Election Results
 October 25, 2017, 5:00 p.m.

Number of Landowner Voters: 205
 Total Number of Acreage: 37,144
 Total Ballots Cast: 174
 Turnout: 84.88%

Measure C-17 – Estrella-El Pomar-Creston Water District

	RAW COUNT	ACREAGE	PERCENTAGE
YES	168	33,822	97.13%
NO	6	999	2.87%

Candidates (Vote for Five)

	RAW COUNT	ACREAGE	PERCENTAGE
Lee Nesbitt	122	29,419	18.77%
Al Webster	152	31,588	20.16%
Jerry Reaugh	152	32,470	20.72%
Hilary Shirey Graves	136	30,382	19.39%
Dana M. Merrill	159	32,848	20.96%

E- Letter from Shandon-San Juan Water District

November 1, 2018

LAFCO Commissioners
David Church, LAFCO Executive Officer

I am writing in support of the Estrella-El Pomar-Creston Water District, EPCWD. I strongly support the continuing viability and usefulness of the EPCWD to their area of service as well as to the community at large. I am the President of the Board of the Shandon-San Juan Water District and GSA, SSJWD/SSJ GSA. The SSJWD/GSA is working very diligently with SLO County, Heritage Ranch CSD, City of Paso Robles and San Miguel CSD in the Paso Robles Groundwater Basin to create a single Groundwater Sustainability Plan, GSP, that will ensure a sustainable groundwater resource that will allow the continued beneficial use by all those who rely upon groundwater to work, live and thrive. I have observed the EPC Board and their members working hard to attain this goal as well. Because our Basin recharges annually from precipitation over the basin and to the watershed that surrounds it, it is critical that our GSP guides water extraction proportional to that annual recharge to preserve the groundwater resource at healthy and attainable levels. While we will pursue every reasonable outside source of water along with stormwater capture projects and Purple Pipe (tertiary treated waste water), it is likely that reductions in Ag irrigation will be required to reach our sustainability goals. To be successful in this endeavor it is critical to have the full cooperation and involvement of the irrigated Ag community. It will be extremely counterproductive to exclude them. Without willing cooperation from agricultural irrigators in reducing irrigation, costs to reduce groundwater extractions will soar. These will become costs that will burden all tax payers in the County. EPC represents a very important group of these irrigated Ag growers over the most critically challenged portions of the basin. It will serve all the Citizens over the basin and across the County to have an active and involved EPCWD.

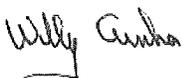
The Board of the Shandon-San Juan Water District so strongly believes in this outlook that we have organized a series of Joint Meetings of our Board and the EPCWD Board. The two Boards created and then signed a formal Partnership Agreement between the two Districts. Working under this agreement the two Districts jointly hired and funded the local Hydrogeologic expert firm GSI to assist not only the District's understanding of the basin, but to assist the efforts of the Paso Robles Basin Cooperative Committee GSA Staffs and their consultant, Montgomery and Associates. This assistance has proven to be very useful in advancing the GSP.

Your LAFCO website has all the EPC Hearing material along with useful links regarding SGMA and the Paso Basin. It is fantastic that the LAFCO staff has gone to the effort to supply your Commission and the Public with extensive unbiased material upon which to base the Commission's decisions. It serves our County and our County's citizens well to have those materials available as we move forward. Below I have included some suggested links that might be appropriate to add.

The Paso Basin Cooperative Committee has a website <http://pasogcp.com/> where the latest GSP Chapters are posted and where any interested person can submit comments to any or all of the GSAs regarding the GSP.

The SSJWD GSP webpage <https://www.ssjwd.org/copy-of-gsa-formation> also has a great deal of Paso Basin GSP information available and is another portal for public comments.

Thank you very much,



Willy Cunha

Attachment F

2019 LAFCO Resolution
2019-02 - Establishing New
Conditions of Approval

IN THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Date: February 21, 2019

**PRESENT: COMMISSIONERS LYNN COMPTON, TOM MURRAY, DEBBIE
ARNOLD, ED WAAGE, ROBERTA FONZI, MARSHALL OCHLYSKI,
ROBERT ENNS, ALTERNATES HEATHER JENSEN, STEVE
GREGORY**

ABSENT: ALTERNATE COMMISSIONERS ED EBY, JOHN PESCHONG

RESOLUTION NO. 2019-02

**RESOLUTION REPLACING CONDITION NUMBER 11 WITH REGARD TO THE FORMATION
OF THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT AND FINDING THAT THE
ESTRELLA-EL POMAR-CRESTON WATER DISTRICT HAS COMPLIED WITH ALL OF THE
CONDITIONS OF APPROVAL**

The following resolution is now offered:

WHEREAS, the Cortese-Knox-Hertzberg Act of 2000, Government Code Section 56100 provides that LAFCOs shall have sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. All changes of organization and reorganizations shall be initiated, conducted, and completed in accordance with the Cortese-Knox-Hertzberg Act; and

WHEREAS, the formation of the Estrella-El Pomar-Creston Water District, a Water District as defined in the California Water Code, Section 34000 et seq., was conditionally approved by the Local Agency Formation Commission of San Luis Obispo County, California on April 6, 2017 with a Certificate of Completion being filed on December 8, 2017; and

WHEREAS, the Commission received documentation and a staff report at its November 15, 2018 meeting on the subject of condition compliance; and

WHEREAS, the Commission considered the condition compliance report at its meeting on November 15, 2018 and directed staff to return with additional information including the possibility of revised condition #11; and

WHEREAS, the Commission finds that Condition #11 as adopted in Resolution 2017-02 on April 6, 2017 shall be replaced with the following language (hereafter "Replacement Language"):

1. The EPCWD shall be a district as allowed under the California Water District Law Code (Water Code §§ 34000 et seq.) and as determined by and subject to LAFCO's approval (Resolution 2017-02).
2. The LAFCO approval does not grant to EPCWD any additional power or authority beyond the law.
3. The EPCWD shall not become a Groundwater Sustainability Agency (GSA) as provided for in the Sustainable Groundwater Management Act ("SGMA", Water Code §§ 10720 et seq.) prior to the approval by the State Department of Water Resources ("DWR") of the Groundwater Sustainability Plan ("GSP") or January 31, 2022, whichever is earlier.
4. The EPCWD shall not become a party to the Memorandum of Agreement ("MOA") entered into by the GSAs within the Paso Robles Groundwater Basin in September 2017 prior to the approval by the DWR of the GSP or January 31, 2022, whichever is earlier.
5. The EPCWD shall not become a member of the Paso Basin Cooperative Committee established under the current MOA.
6. The District shall comply with SGMA and the subsequent GSP as implemented by the existing GSA with authority in its service area.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the EPCWD was approved by the San Luis Obispo Local Agency Formation Commission on April 6, 2017 with 11 Conditions of Approval as listed in LAFCO Resolution No. 2017-02.
2. That the Certificate of Completion which includes Resolution No. 2017-02 for the formation of the EPCWD was filed with the San Luis Obispo County Clerk-Recorder on December 8, 2017.
3. That this Resolution, including the Replacement Language for Condition #11, is hereby approved by the San Luis Obispo Local Agency Formation Commission.
4. That the San Luis Obispo Local Agency Formation Commission finds that the EPCWD has complied with all Conditions of Approval set forth in LAFCO Resolution No. 2017-02 and shall henceforth function as a California Water District under the California Water Code and the laws of the State of California, and as conditionally approved by LAFCO subject to the Board of the EPCWD approving by resolution the Replacement Language of Condition #11 within 60 days of adoption of this Resolution by LAFCO. If the Board of the EPCWD does not approve such a resolution within said 60 days, then this finding of compliance with the Conditions of Approval is automatically rescinded without further action by LAFCO and the two year extension adopted by the Commission at the November 15, 2018 condition compliance meeting shall remain in effect.

- 5. That the District's Sphere of Influence and a Municipal Service Review will be prepared/updated by LAFCO every five years, or as needed, pursuant to the Cortese-Knox-Hertzberg Act.
- 6. That the Executive Officer of this Commission is authorized and directed to mail copies of this Resolution in the manner provided by law.

AYES: COMMISSIONERS TOM MURRAY, ED WAAGE, MARSHALL OCHLYSKI, ROBERT ENNS

NAYS: COMMISSIONERS LYNN COMPTON, DEBBIE ARNOLD, ROBERTA FONZI

ABSTAINING: NONE

Lynn Compton

Lynn Compton, Chair Date
 Local Agency Formation Commission

ATTEST:

David Church *2-27-19*

 David Church Date
 LAFCO Executive Officer

APPROVED AS TO FORM AND LEGAL EFFECT:

Brian Pierik *2-26-19*

 Brian Pierik Date
 LAFCO Legal Counsel

Attachment G

EPCWD Resolution Accepting
New Conditions of Approval

**BEFORE THE BOARD OF DIRECTORS OF THE
ESTRELLA-EL POMAR-CRESTON WATER DISTRICT**

IN THE MATTER OF:

RESOLUTION NO. 2019-001

RESOLUTION ACCEPTING THE CONDITION NUMBER 11 “REPLACEMENT LANGUAGE” SET FORTH IN RESOLUTION NO. 2019-02 OF THE SAN LUIS OBISPO COUNTY LOCAL AGENCY FORMATION COMMISSION, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

WHEREAS, pursuant to the San Luis Obispo County Local Agency Formation Commission (LAFCO) Resolution No. 2017-02 dated April 6, 2017, and that certain *Certificate of Completion* dated December 8, 2017, and recorded in the Official Records of San Luis Obispo County on December 8, 2017, as Document Number 2017056123, the LAFCO conditionally approved the formation of the Estrella-El Pomar-Creston Water District (“District”);

WHEREAS, the conditions of formation contained in Resolution No. 2017-02 included “Condition Number 11”, concerning the time period within which the District was to become a Groundwater Sustainability Agency (“GSA”) or a GSA participant under the Sustainable Groundwater Management Act; and

WHEREAS, on February 21, 2019, the LAFCO adopted Resolution No. 2019-02 (i) replacing the terms of Condition Number 11 with the “Replacement Language” contained therein, (ii) finding that the District has complied with all Conditions of Approval set forth in Resolution No. 2017-02, including Condition Number 11 (as amended), and (iii) providing that said finding would be automatically rescinded if the District Board did not approve the Replacement Language by resolution within sixty (60) days of LAFCO’s adoption of Resolution No. 2019-02.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Estrella-El Pomar-Creston Water District that:

1. The District hereby approves the Replacement Language of Condition Number 11 as defined by Resolution No. 2019-002, a copy of which is attached hereto as Exhibit “A” and incorporated herein.
2. The Board hereby authorizes District staff to undertake such actions, and to deliver any and all documents, agreements and certificates, as are necessary and appropriate to carry out, give effect to and comply with the terms of this Resolution, which actions are hereby ratified, confirmed and approved

AYES: Gerry Beaugh, Hilary Alvarez, Lee Heobett, Herb Rowland

NAYS: Ø

ABSTAINING:

Ø



3/20/19

Dana Merrill, President

Date

EXHIBIT A

IN THE LOCAL AGENCY FORMATION COMMISSION

COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Date: February 21, 2019

PRESENT: COMMISSIONERS LYNN COMPTON, TOM MURRAY, DEBBIE ARNOLD, ED WAAGE, ROBERTA FONZI, MARSHALL OCHLYSKI, ROBERT ENNS, ALTERNATES HEATHER JENSEN, STEVE GREGORY

ABSENT: ALTERNATE COMMISSIONERS ED EBY, JOHN PESCHONG

RESOLUTION NO. 2019-02

RESOLUTION REPLACING CONDITION NUMBER 11 WITH REGARD TO THE FORMATION OF THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT AND FINDING THAT THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT HAS COMPLIED WITH ALL OF THE CONDITIONS OF APPROVAL

The following resolution is now offered:

WHEREAS, the Cortese-Knox-Hertzberg Act of 2000, Government Code Section 56100 provides that LAFCOs shall have sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. All changes of organization and reorganizations shall be initiated, conducted, and completed in accordance with the Cortese-Knox-Hertzberg Act; and

WHEREAS, the formation of the Estrella-El Pomar-Creston Water District, a Water District as defined in the California Water Code, Section 34000 et seq., was conditionally approved by the Local Agency Formation Commission of San Luis Obispo County, California on April 6, 2017 with a Certificate of Completion being filed on December 8, 2017; and

WHEREAS, the Commission received documentation and a staff report at its November 15, 2018 meeting on the subject of condition compliance; and

WHEREAS, the Commission considered the condition compliance report at its meeting on November 15, 2018 and directed staff to return with additional information including the possibility of revised condition #11; and

WHEREAS, the Commission finds that Condition #11 as adopted in Resolution 2017-02 on April 6, 2017 shall be replaced with the following language (hereafter "Replacement Language"):

1. The EPCWD shall be a district as allowed under the California Water District Law Code (Water Code §§ 34000 et seq.) and as determined by and subject to LAFCO's approval (Resolution 2017-02).
2. The LAFCO approval does not grant to EPCWD any additional power or authority beyond the law.
3. The EPCWD shall not become a Groundwater Sustainability Agency (GSA) as provided for in the Sustainable Groundwater Management Act ("SGMA", Water Code §§ 10720 et seq.) prior to the approval by the State Department of Water Resources ("DWR") of the Groundwater Sustainability Plan ("GSP") or January 31, 2022, whichever is earlier.
4. The EPCWD shall not become a party to the Memorandum of Agreement ("MOA") entered into by the GSAs within the Paso Robles Groundwater Basin in September 2017 prior to the approval by the DWR of the GSP or January 31, 2022, whichever is earlier.
5. The EPCWD shall not become a member of the Paso Basin Cooperative Committee established under the current MOA.
6. The District shall comply with SGMA and the subsequent GSP as implemented by the existing GSA with authority in its service area.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the EPCWD was approved by the San Luis Obispo Local Agency Formation Commission on April 6, 2017 with 11 Conditions of Approval as listed in LAFCO Resolution No. 2017-02.
2. That the Certificate of Completion which includes Resolution No. 2017-02 for the formation of the EPCWD was filed with the San Luis Obispo County Clerk-Recorder on December 8, 2017.
3. That this Resolution, including the Replacement Language for Condition #11, is hereby approved by the San Luis Obispo Local Agency Formation Commission.
4. That the San Luis Obispo Local Agency Formation Commission finds that the EPCWD has complied with all Conditions of Approval set forth in LAFCO Resolution No. 2017-02 and shall henceforth function as a California Water District under the California Water Code and the laws of the State of California, and as conditionally approved by LAFCO subject to the Board of the EPCWD approving by resolution the Replacement Language of Condition #11 within 60 days of adoption of this Resolution by LAFCO. If the Board of the EPCWD does not approve such a resolution within said 60 days, then this finding of compliance with the Conditions of Approval is automatically rescinded without further action by LAFCO and the two year extension adopted by the Commission at the November 15, 2018 condition compliance meeting shall remain in effect.

- 5. That the District's Sphere of Influence and a Municipal Service Review will be prepared/updated by LAFCO every five years, or as needed, pursuant to the Cortese-Knox-Hertzberg Act.
- 6. That the Executive Officer of this Commission is authorized and directed to mail copies of this Resolution in the manner provided by law.

AYES: COMMISSIONERS TOM MURRAY, ED WAAGE, MARSHALL OCHLYSKI, ROBERT ENNS

NAYS: COMMISSIONERS LYNN COMPTON, DEBBIE ARNOLD, ROBERTA FONZI

ABSTAINING: NONE

Lynn Compton

Lynn Compton, Chair Date
Local Agency Formation Commission

ATTEST:

David Church 2-27-19

David Church Date
LAFCO Executive Officer

APPROVED AS TO FORM AND LEGAL EFFECT:

Brian Pierik 2-26-19

Brian Pierik Date
LAFCO Legal Counsel

Attachment H

2020 Memorandum of
Agreement as Amended

L. 04/19

**AMENDMENT NO. 1
TO MEMORANDUM OF AGREEMENT REGARDING
PREPARATION OF A GROUNDWATER SUSTAINABILITY PLAN
FOR THE PASO ROBLES GROUNDWATER BASIN**

This Amendment No. 1 to Memorandum of Agreement Regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin ("Amendment") is entered into by and between the City of El Paso de Robles, the San Miguel Community Services District, the County of San Luis Obispo and the Shandon-San Juan Water District (collectively, "Parties").

WHEREAS, on or about September 20, 2017, the Parties and the Heritage Ranch Community Services District ("HRCSD") entered into a Memorandum of Agreement Regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin ("MOA"), a copy of which is attached hereto as Attachment 1 and incorporated herein by this reference, for purposes of establishing a framework for preparing a single groundwater sustainability plan for the Paso Robles Area Subbasin ("GSP") and for continued cooperation among the Parties; and

WHEREAS, the HRCSD provided written notice of its withdrawal from the MOA pursuant to Section 9.1 on or around January 18, 2019 and its withdrawal became effective shortly thereafter; and

WHEREAS, the Parties desire to continue cooperating on the GSP pursuant to the framework established by the MOA on an interim basis regardless of the date of any approval of the GSP by the California Department of Water Resources.

NOW, THEREFORE, the PARTIES agree with the above recitals, and hereby further agree as follows:

1. Section 1 (Purpose) of the MOA shall hereafter be and read as follows:

The purpose of this MOA is to establish a committee to develop a single GSP that will be considered by each individual Party and subsequently submitted to DWR for approval. This MOA may also serve as the basis for continued cooperation among the Parties in the management of the Basin during the period between adoption of the GSP by each Party and development of a long-term governance structure for implementation of the GSP.

2. Section 2 (Term) of the MOA shall hereafter be and read as follows:

This MOA shall become effective on the date that the last of the five (5) Parties signs ("Effective Date") and shall remain in effect until terminated in accordance with Section 9.2 below.

3. Section 4.9 of the MOA shall hereafter be and read as follows:

The creation of the Cooperative Committee shall not be construed as a delegation of any powers or authorities, and all powers and authorities of each individual Party, including, without limitation, the power to implement the GSP within its jurisdictional boundaries, shall reside with that Party.

4. Section 12.2 of the MOA is hereby deleted in its entirety.

5. Except as expressly modified by this Amendment, all terms and provisions of the MOA shall remain in full force and effect.

6. This Amendment shall be effective as of the date that it has been signed by all Parties.

IN WITNESS THEREOF, the Parties hereto have executed this Amendment on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: _____
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: _____

APPROVED AS TO FORM AND
LEGAL EFFECT:

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

2. Section 2 (Term) of the MOA shall hereafter be and read as follows:

This MOA shall become effective on the date that the last of the five (5) Parties signs ("Effective Date") and shall remain in effect until terminated in accordance with Section 9.2 below.

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The creation of the Cooperative Committee shall not be construed as a delegation of any powers or authorities, and all powers and authorities of each individual Party, including, without limitation, the power to implement the GSP within its jurisdictional boundaries, shall reside with that Party.

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5. Except as expressly modified by this Amendment, all terms and provisions of the MOA shall remain in full force and effect.

6. This Amendment shall be effective as of the date that it has been signed by all Parties.

IN WITNESS THEREOF, the Parties hereto have executed this Amendment on the dates shown below.

CITY OF EL PASO DE ROBLES

By: T. HONK FRUTCHERY
Tom Frutchey

Its: City Manager

Date: 1-8-20

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: K. J. Hood
Its: Interim City Attorney
Date: 1/7/2020

SHANDON SAN JUAN WATER DISTRICT

By: _____
Willy Cunha

Its: President, Board of Directors

Date: _____

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____
Its: _____
Date: _____

2. Section 2 (Term) of the MOA shall hereafter be and read as follows:

This MOA shall become effective on the date that the last of the five (5) Parties signs ("Effective Date") and shall remain in effect until terminated in accordance with Section 9.2 below.

3. Section 4.9 of the MOA shall hereafter be and read as follows:

The creation of the Cooperative Committee shall not be construed as a delegation of any powers or authorities, and all powers and authorities of each individual Party, including, without limitation, the power to implement the GSP within its jurisdictional boundaries, shall reside with that Party.

4. Section 12.2 of the MOA is hereby deleted in its entirety.

5. Except as expressly modified by this Amendment, all terms and provisions of the MOA shall remain in full force and effect.

6. This Amendment shall be effective as of the date that it has been signed by all Parties.

IN WITNESS THEREOF, the Parties hereto have executed this Amendment on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____

By: Willy Cunha

Tom Frutchey

Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: November 21, 2019

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

COUNTY OF SAN LUIS OBISPO

By: _____
Debbie Arnold

Its: Chairperson, Board of Supervisors

Date: _____

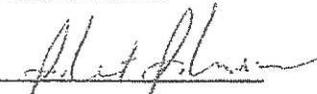
APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

Its: _____

Date: _____

SAN MIGUEL COMMUNITY
SERVICES DISTRICT

By: 
Rob Roberson

Its: General Manager

Date: 3/3/2020

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: 

Its: Douglas White

Date: 3-13-20

COUNTY OF SAN LUIS OBISPO

By: Debbie Arnold
Debbie Arnold

Its: Chairperson, Board of Supervisors

Date: December 17, 2019

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: [Signature]

Its: Deputy County Counsel

Date: 12/3/19

SAN MIGUEL COMMUNITY
SERVICES DISTRICT

By: _____
Rob Roberson

Its: General Manager

Date: _____

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

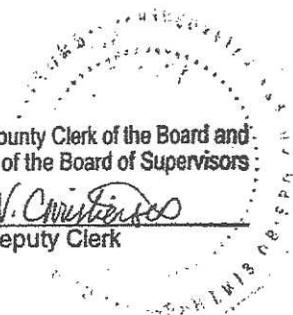
Its: _____

Date: _____

L:\Water Resources\2019_CC\Adopt Paso Basin GSP Amendment No.1 to MOA\Amendment No. 1 MOU GSP
PRGWB.docxAR.mj

ATTEST:
Wade Horton, County Clerk of the Board and
Ex-Officio Clerk of the Board of Supervisors

By: Alana N. Christensen
Deputy Clerk



The undersigned Deputy Clerk of the Board of Supervisors
certifies that, pursuant to Section 25103 of the
Government Code, delivery of this document has been
made on December 27, 2019

WADE HORTON
County Clerk of the Board and Ex-Officio Clerk
of the Board of Supervisors

By: Alana N. Christensen
Deputy Clerk

**MEMORANDUM OF AGREEMENT REGARDING
PREPARATION OF A GROUNDWATER SUSTAINABILITY PLAN
FOR THE PASO ROBLES GROUNDWATER BASIN**

This Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin (“MOA”) is entered into by and between the City of El Paso de Robles (“City”), the San Miguel Community Services District (“SMCSD”), the Heritage Ranch Community Services District (“HRCSD”), the County of San Luis Obispo (“County”) and the Shandon-San Juan Water District (“SSJWD”) (each referred to individually as a “Party” and collectively as the “Parties”) for purposes of preparing a groundwater sustainability plan for the Paso Robles Area Subbasin.

Recitals

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

WHEREAS, SGMA requires the establishment of a groundwater sustainability agency (“GSA”) or agencies 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 and subject to critical conditions of overdraft on or before January 31, 2020; and

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

WHEREAS, each of the Parties has decided to become the GSA within its respective service area overlying the Basin and has informed DWR of its decision and intent to undertake sustainable groundwater management therein; and

WHEREAS, each of the Parties desires to collectively develop and implement a single GSP to sustainably manage the portions of the Basin underlying their combined service areas (*i.e.* all portions of the Basin located within the County of San Luis Obispo); and

WHEREAS, the Parties share the common goal of cost effective, sustainable groundwater management that considers the interests and concerns of all beneficial uses and users of groundwater within the Basin; and

WHEREAS, on April 6, 2017, the San Luis Obispo Local Agency Formation Commission conditionally approved the formation of the Estrella-El Pomar-Creston Water District (“EPCWD”), subject to, among other things, a successful vote on the formation pursuant to Water Code Section 34500, for purposes of serving as a GSA within its service area; and

WHEREAS, the EPCWD, if formed, will not be formed until after the June 30, 2017 deadline, and the County included the potential service area of the EPCWD within the Paso Basin – County of San Luis Obispo Groundwater Sustainability Agency that the County formed on May 16, 2017 by Resolution 2017-134; and

WHEREAS, the Parties acknowledge the cooperative efforts of the working group, including representatives of each Party and the applicant and several petitioners desiring to form the EPCWD, that commenced meeting in August 2016 and that culminated in this MOA; and

WHEREAS, this MOA provides for the future addition of EPCWD as a Party to this MOA provided that certain conditions are satisfied, including, but not limited to, a successful vote on the formation of the EPCWD pursuant to Water Code Section 34500 and the County Board of Supervisors decides to withdraw from serving as the GSA for the EPCWD service area; and

WHEREAS, the active involvement and cooperation of all users of groundwater within the Basin is highly valued by the Parties and their continued willing cooperation in SGMA implementation is deemed critical for successful sustainable management of the Basin.

NOW, THEREFORE, it is mutually understood and agreed as follows:

**Section 1
Purpose**

The purpose of this MOA is to establish a committee to develop a single GSP that will be considered for adoption by each individual Party and subsequently submitted to DWR for approval. This MOA may also serve as the basis for continued cooperation among the Parties in the management of the Basin during the period between adoption of the GSP by each Party and approval of the GSP by DWR. As more specifically set forth in Section 12.2 below, this MOA shall automatically terminate upon DWR’s approval of the GSP for the Basin.

**Section 2
Term**

This MOA shall become effective on the date that the last of the five (5) Parties signs (“Effective Date”) and shall remain in effect until terminated in accordance with Section 9.2 or Section 12.2 below.

Section 3 EPCWD

If and only if the EPCWD is formed and its Board of Directors decides to become the GSA within its service area and the County Board of Supervisors decides to withdraw from serving as the GSA within said area, the EPCWD may become a Party to this Agreement by signing the Addition of Party to Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin in the form attached hereto as Exhibit A (“Addition”) provided that the County Board of Supervisors has accepted the Addition as part of its decision to withdraw.

Section 4 Paso Basin Cooperative Committee

4.1 The Parties hereby establish the Paso Basin Cooperative Committee (“Cooperative Committee”) which shall be composed of a member and alternate member from each of the five (5) Parties.

4.2 The governing body of each Party shall promptly appoint a member and alternate member to the Cooperative Committee. Each Cooperative Committee member and alternate member shall serve at the pleasure of the appointing Party, and may be removed from the Cooperative Committee by the appointing Party at any time. Each Cooperative Committee member’s compensation, if any, for his or her service on the Cooperative Committee shall be the responsibility of the appointing Party.

4.3 If and only if the EPCWD becomes a Party to this MOA in accordance with Section 3 of this MOA, the Cooperative Committee shall also include a member and alternate member from the EPCWD appointed by the EPCWD.

4.4 The Cooperative Committee shall conduct activities related to GSP development and SGMA implementation at the pleasure and under the guidance of the Parties, including, but not limited to:

- A. Development of a GSP that achieves the goals and objectives outlined in SGMA;
- B. Review and participation in the selection of consultants related to Cooperative Committee efforts, as more specifically set forth in Section 6 below;
- C. Development of recommended annual budgets and additional funding needs for consideration and approval of the Parties and development of a record of expenditures, in accordance with and subject to Section 5 below. Consistent with Section 7 below, it is expected that each of the Parties will contribute in-kind staff support; therefore, recommended annual budgets

shall generally not include the staff or overhead costs of any Party associated with participation in this MOA;

- D. Development of a plan that describes the anticipated tasks to be performed under this MOA and a schedule for performing said tasks;
- E. Implementation of the actions and/or policies undertaken pursuant to this MOA and resolution of any issues related to these actions and/or policies;
- F. Development of measures that may be implemented in the event insufficient or unsatisfactory progress is being made in development of the GSP;
- G. Development of a stakeholder participation plan that includes public outreach and education programs and workshops as appropriate and that involves the interested stakeholders in developing and implementing the GSP (*e.g.* workshops at key milestones); if determined necessary by the Cooperative Committee and supported by the Parties, the Cooperative Committee may lead implementation of the stakeholder participation plan or other stakeholder engagement activities;
- H. Establishment from time to time of one or more standing or *ad hoc* committees to assist in carrying out the purposes and objectives of the Cooperative Committee as may be necessary;
- I. Recommendation that each individual Party adopt the GSP developed under this MOA;
- J. Resolution of differences among the Parties;
- K. Coordination with neighboring GSAs in the Salinas Valley Groundwater Basin and with neighboring GSPs as may be required and/or to ensure no adverse effects.

4.5 The Cooperative Committee shall meet at least quarterly to carry out the activities described above. The Cooperative Committee shall prepare and maintain minutes of its meetings, and all meetings of the Cooperative Committee shall be conducted in accordance with the Ralph M. Brown Act (Government Code §§ 54950 *et seq.*). A majority of the members of the Cooperative Committee shall constitute a quorum for purposes of transacting business, except that less than a quorum may vote to adjourn the meeting. Attendance at all Cooperative Committee meetings may be augmented to include Parties' staff or consultants to ensure that the appropriate expertise is available.

4.6 Subject to Section 4.7 below, on all matters considered by the Cooperative Committee, the vote of each member shall be weighted in accordance with the following percentages:

City Member	15%
SMCSD Member	3%
HRCSD Member	1%

SSJWD Member	20%
County Member	61%

4.7 If and only if the EPCWD becomes a Party to this MOA in accordance with Section 3 of this MOA, the voting percentages set forth in Section 4.6 shall be modified as follows:

City Member	15%
SMCSD Member	3%
HRCSD Member	1%
SSJWD Member	20%
County Member	32%
EPCWD Member	29%

4.8 Any action or recommendation considered by the Cooperative Committee shall require the affirmative vote of 67 percent based on the percentages set forth in Section 4.6 or 4.7 above, as applicable. Notwithstanding the foregoing, the following shall require the affirmative vote of 100 percent based on the percentages set forth in Section 4.6 or 4.7 above, as applicable: (A) a recommendation that each of the Parties adopt the GSP or adopt any amendment thereto prepared in response to comments from DWR and (B) a recommendation that the Parties amend this MOA. For purposes of determining whether the requisite voting threshold has been met, the voting percentage of each member must be included in the calculation with the following limited exception: in the event that a member recuses himself or herself (A) said member's voting percentage shall be allocated *pro rata* to the other members for purposes of determining whether the 67 percent threshold has been met and (B) said members' affirmative vote shall not be required to reach the 100 percent threshold (i.e. all members who have not recused themselves must vote in the affirmative). Without limiting the foregoing, an absence by any member(s) shall not result in any *pro rata* distribution for purposes of determining whether the 67 percent threshold has been met or result in elimination of the requirement that said member vote in the affirmative for purposes of determining whether the 100 percent threshold has been met.

4.9 The creation of the Cooperative Committee shall not be construed as a delegation of any powers or authorities, and all powers and authorities of each individual Party shall reside with that Party.

Section 5 Funding

5.1 The Fiscal Year of the Cooperative Committee shall be July 1 through June 30.

5.2 For Fiscal Years 2017 – 2018, 2018 – 2019 and 2019 – 2020, the Cooperative Committee shall develop a recommended budget for consideration by each Party. Subject to each Party's approval of the budget for the relevant Fiscal Year, each Party shall be responsible

for funding a portion of said budgeted costs in accordance with the percentages set forth in Section 4.6 or Section 4.7 above, as applicable. Neither the Cooperative Committee nor any Party on behalf of the Cooperative Committee shall make any financial expenditures or incur any financial obligations or liabilities pursuant to this MOA for Fiscal Years 2017 – 2018, 2018 – 2019 or 2019 – 2020 prior to approval of the budget for the relevant Fiscal Year by each Party.

5.3 For Fiscal Year 2020 – 2021 and following, the Cooperative Committee shall develop a recommended budget and recommended contribution percentages for consideration by each Party. Subject to each Party's approval of the budget and its contribution percentage, each Party shall be responsible for funding a portion of said budgeted costs in accordance with the percentages approved by each Party. Neither the Cooperative Committee nor any Party on behalf of the Cooperative Committee shall make any financial expenditures or incur any financial obligations or liabilities pursuant to this MOA for Fiscal Year 2020 – 2021 and following prior to approval of the budget and contribution percentages for the relevant Fiscal Year by each Party.

5.4 It is anticipated that the vast majority of budgeted costs will involve costs for consultant services. Consequently, most contributions shall be paid to the City in the manner described in Section 6.6 below. For budgeted costs that do not involve consultant services (if any), the Cooperative Committee shall determine the manner in which such contributions shall be paid consistent with Section 5.2 and Section 5.3 above.

5.5 The Cooperative Committee shall make recommendations related to any additional non-budgeted funding needs, but shall have no authority to require any Party to contribute funds over and above those included in the budgets approved by each Party.

5.6 On an annual basis, the Cooperative Committee and/or contracting agent shall provide the Parties with a record of expenditures from the previous Fiscal Year related to this MOA.

Section 6 Engagement of Consultants

6.1 It is anticipated that the Cooperative Committee will desire to retain the services of one or more consultants in conducting the activities identified in Section 4.4 above, including, but not necessarily limited to, its development of the GSP.

6.2 The City agrees to act as the contracting agent on behalf of the Cooperative Committee and shall follow its own procurement policies in the engagement of such consultant(s) subject to Section 6.3 below.

6.3 The City agrees that the Parties and the Cooperative Committee shall be included in the selection of any consultant retained by the City on behalf of the Cooperative Committee.

More specifically, staff representatives from each of the Parties shall be given an opportunity to review and approve all requests for proposals prior to their release and to participate in the various stages of the selection process, including, but not limited to, review of proposals and participation on interview panels. In addition, the City shall not issue a notice to proceed to any selected consultant until the Cooperative Committee has confirmed the consultant and related contract.

6.4 The Cooperative Committee may request that the City terminate a consultant contract entered into on behalf of the Cooperative Committee subject to and in accordance with the terms specified in the contract.

6.5 All consultant contracts entered into by the City on behalf of the Cooperative Committee shall include the following: (A) a provision that the consultant shall not commence work until a notice to proceed is issued and acknowledgement that a notice to proceed will not be issued until the Cooperative Committee confirms the consultant and contract; (B) a provision requiring that the consultant name each Party, its employees, officers and agents as an additional insured; and (C) an expected spend plan estimating the amount of the not to exceed contract amount that the consultant expects to invoice the City each month.

6.6 Upon receipt of each invoice from a consultant retained on behalf of the Cooperative Committee, the City shall calculate each Party's payment obligation based on the percentages set forth in Section 4.6 or Section 4.7, as applicable, or on the percentages approved by each Party as set forth in Section 5.3, depending on the Fiscal Year. The City shall submit an invoice to each Party showing the foregoing calculation, and each Party shall remit payment to the City within thirty (30) days.

Section 7

Roles and Responsibilities of the Parties

In addition to performance of the roles and responsibilities set forth above related to, among other things, appointment of members and alternate members to the Cooperative Committee, consideration of annual budgets and cost contributions and participation in the selection of consultants, the Parties shall:

- A. Work to jointly to meet the objectives of this MOA through, among other things, coordination of all activities related to fulfillment of said objectives;
- B. Internally or jointly designate a staff person(s) to provide expertise and existing information in a timely manner and to participate in the development of the GSP and/or related technical studies and/or other materials or actions being considered by the Cooperative Committee;
- C. Upon recommendation of the Cooperative Committee, consider adoption of the GSP and, as defined in the GSP once approved, implement the GSP within its respective GSA service area. Notwithstanding the foregoing, nothing contained

in this MOA shall be construed as obligating any Party to adopt the GSP developed under this MOA, or as preventing any Party from adopting the GSP developed under this MOA in the event that the Cooperative Committee fails to recommend approval or another Party (or Parties) elects not to adopt the GSP developed under this MOA;

- D. Bring any dispute over any of the activities discussed in this MOA to the Cooperative Committee in order to provide the Cooperative Committee with an opportunity to resolve the dispute.

Section 8

Interagency Communication and Providing Proper Notice

8.1 In order to provide for consistent and effective communication among the Parties, each Party agrees to designate a representative as its central point of contact on all matters relating to this MOA and the GSP. Additional representatives from the community or staff may be appointed to serve as points of contact on specific actions or issues.

8.2 All notices, statements or payments related to implementing the objectives of this MOA shall be deemed to have been duly given if given in writing and delivered electronically, personally or mailed by first-class, registered, or certified mail to the Parties at the addresses set forth in Exhibit B. Notwithstanding any other provision of this MOA, the Parties may update Exhibit B from time to time without formally amending this MOA.

Section 9

Withdrawal and Termination

9.1 Any Party may unilaterally withdraw from this MOA without causing or requiring termination of this MOA. Withdrawal shall become effective upon thirty (30) days written notice to the remaining Parties' designated addresses as listed in Exhibit B. Nothing contained in this Section 9 shall be construed as prohibiting a Party that has withdrawn from this MOA from developing its own GSP for its service area within the Basin. A Party that has withdrawn from this 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 a Party withdraws, the Cooperative Committee shall reassess the contributions of each remaining Party to fund the current budget and determine if the Cooperative Committee needs to request the contribution of additional funding from the governing board of each Party.

9.2 This MOA may be terminated upon unanimous written consent of all current Parties.

Section 10 Amendments

This MOA may be amended only by unanimous written consent of all current Parties. Approval from a Party is valid only after that Party's governing body approves the amendment at a public meeting. Neither individual Cooperative Committee members nor individual members of the Parties' governing boards have the authority, express or implied, to amend, modify, waive or in any way alter this MOA or the terms and conditions hereof.

Section 11 Indemnification

No Party, nor any officer or employee of a Party, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by another Party under or in connection with this MOA. The Parties further agree, pursuant to Government Code Section 895.4, that each Party shall fully indemnify and hold harmless each other Party and its agents, officers, employees and contractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any work delegated to or action taken or omitted to be taken by such Party under this MOA.

Section 12 Miscellaneous

12.1 Execution in Counterparts. This MOA may be executed in counterparts.

12.2 Automatic Termination of MOA. This MOA shall automatically terminate upon DWR's approval of the adopted GSP. Depending on the content of the GSP, the Parties may decide to enter into a new agreement to coordinate GSP implementation.

12.3 Choice of Law. This MOA is made in the State of California, under the Constitution and laws of said State and is to be so construed.

12.4 Severability. If any provision of this MOA is determined to be invalid or unenforceable, the remaining provisions shall remain in force and unaffected to the fullest extent permitted by law and regulation.

12.5 Entire Agreement. This MOA constitutes the sole, entire, integrated and exclusive agreement between the Parties regarding the contents herein. Any other contracts, agreements, terms, understandings, promises, representations not expressly set forth or referenced in this writing are null and void and of no force and effect.

12.6 Construction and Interpretation. The Parties agree and acknowledge that this MOA has been developed through negotiation, and that each Party has had a full and fair

opportunity to revise the terms of this MOA. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this MOA.

IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: _____
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: _____

Its: _____

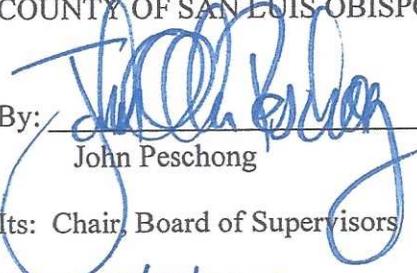
Its: _____

Date: _____

Date: _____

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: 
John Peschong

By: _____
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

Date: 8/22/2017

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: 

By: _____

Its: 

Its: _____

Date: 2/10/2017

Date: _____

ATTEST:
Tommy Gong, County Clerk-Recorder and
Ex-Officio Clerk of the Board of Supervisors

By: 
Deputy Clerk

opportunity to revise the terms of this MOA. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this MOA.

IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: Tom Frutchey
Tom Frutchey *TF*

By: _____
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: 9-20-17

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: John P. Yarp
Its: City Attorney
Date: 9/20/17

By: _____
Its: _____
Date: _____

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: _____
John Peschong

By: _____
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

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IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: Willy Cunha
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: 7-26-2017

APPROVED AS TO FORM AND
LEGAL EFFECT:

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

By: Scott Duffield of
Young Woodbridge, LLP

Its: _____

Its: District Counsel

Date: _____

Date: 7/26/17

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES
DISTRICT

By: _____
John Peschong

By: _____
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

Date: _____

Date: _____

APPROVED AS TO FORM AND
LEGAL EFFECT:

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

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IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: _____
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

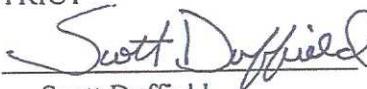
Date: _____

Date: _____

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: _____
John Peschong

By: 
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

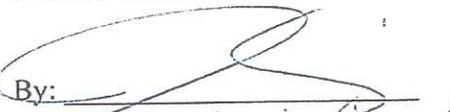
Date: _____

Date: 07/31/2017

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: 

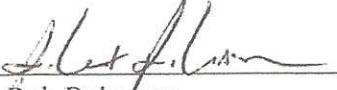
Its: _____

Its: District Counsel

Date: _____

Date: 7/26/17

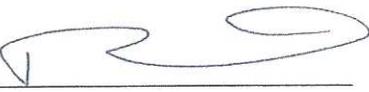
SAN MIGUEL COMMUNITY
SERVICES DISTRICT

By: 
Rob Roberson

Its: Interim General Manager

Date: 8/29/2017

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: 

Its: Douglas White

Date: 9/6/17

EXHIBIT A

Addition of Party to Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin

WHEREAS, certain local agencies that each decided to become the groundwater sustainability agency within their respective service areas overlying the Paso Robles Area Subbasin (Basin No. 3-004.06) have entered into an agreement entitled "Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin" ("Agreement"); and

WHEREAS, the Estrella-El Pomar-Creston Water District ("EPCWD") could not be an original signatory to the Agreement, because it had not yet been formed; and

WHEREAS, Section 3 of the Agreement sets forth the process by which the EPCWD can become a party to the Agreement provided that certain conditions are met; and

WHEREAS, the EPCWD has received and reviewed a copy of the Agreement; and

WHEREAS, on May 10, 2023, the EPCWD Board of Directors held a public hearing and by Resolution 23-0020 decided to become the groundwater sustainability agency within its service area and a signatory to the Agreement; and

WHEREAS, on _____, the County of San Luis Obispo Board of Supervisors held a public hearing and by Resolution _____ decided to withdraw from serving as the groundwater sustainability agency within the EPCWD's service area and to accept the signature below.

NOW, THEREFORE, acknowledging that the recitals above are correct and are part of this agreement, the EPCWD, upon acceptance by signature below by the County of San Luis Obispo Board of Supervisors, shall become a party to the Agreement effective immediately. The EPCWD shall bear the benefits and enjoy the burdens of the Agreement as though the EPCWD had originally executed said Agreement as it now exists or may be amended in the future, and for so long as the Agreement remains in effect or for so long as the EPCWD is a party to the Agreement.

ACCEPTED AND APPROVED BY THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT BOARD OF DIRECTORS:

By: 

Date: 5-10-23

Its: PRESIDENT

APPROVED AS TO FORM AND LEGAL EFFECT:

By: 

Date: 5/12/2023

Its: Counsel

Address for purposes of Exhibit B to the Agreement:

Estrella-El Pomar-Creston Water District

P.O. Box 1499

PASO ROBLES, CA 93447

Attention: DISTRICT ADMINISTRATOR

**ACCEPTED AND APPROVED BY
THE COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS IN ACCORDANCE WITH
THE AGREEMENT:**

By: _____

Date: _____

Its: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

Date: _____

Its: _____

Attachment I

2023 Exhibit A of the 2020
Memorandum of Agreement
Executed by EPCWD

Addition of Party to Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin

WHEREAS, certain local agencies that each decided to become the groundwater sustainability agency within their respective service areas overlying the Paso Robles Area Subbasin (Basin No. 3-004.06) have entered into an agreement entitled "Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin" ("Agreement"); and

WHEREAS, the Estrella-El Pomar-Creston Water District ("EPCWD") could not be an original signatory to the Agreement, because it had not yet been formed; and

WHEREAS, Section 3 of the Agreement sets forth the process by which the EPCWD can become a party to the Agreement provided that certain conditions are met; and

WHEREAS, the EPCWD has received and reviewed a copy of the Agreement; and

WHEREAS, on May 10, 2023, the EPCWD Board of Directors held a public hearing and by Resolution 23-0020 decided to become the groundwater sustainability agency within its service area and a signatory to the Agreement; and

WHEREAS, on _____, the County of San Luis Obispo Board of Supervisors held a public hearing and by Resolution _____ decided to withdraw from serving as the groundwater sustainability agency within the EPCWD's service area and to accept the signature below.

NOW, THEREFORE, acknowledging that the recitals above are correct and are part of this agreement, the EPCWD, upon acceptance by signature below by the County of San Luis Obispo Board of Supervisors, shall become a party to the Agreement effective immediately. The EPCWD shall bear the benefits and enjoy the burdens of the Agreement as though the EPCWD had originally executed said Agreement as it now exists or may be amended in the future, and for so long as the Agreement remains in effect or for so long as the EPCWD is a party to the Agreement.

ACCEPTED AND APPROVED BY THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT BOARD OF DIRECTORS:

By: 

Date: 5-10-23

Its: PRESIDENT

Attachment J

Board of Supervisors
Resolution 2023-142
Withdrawing as GSA and
Accepting Exhibit A of the 2020
Memorandum of Agreement

IN THE BOARD OF SUPERVISORS

County of San Luis Obispo, State of California

Tuesday, June 6, 2023

PRESENT: Supervisors Bruce S. Gibson, Dawn Ortiz-Legg, Jimmy Paulding, Debbie Arnold
and Chairperson John Peschong

ABSENT: None

RESOLUTION NO. 2023-142

RESOLUTION WITHDRAWING FROM SERVING AS THE GROUNDWATER SUSTAINABILITY AGENCY (GSA) WITHIN THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT (EPCWD) SERVICE AREA THROUGH MODIFICATION OF THE BOUNDARIES OF THE "PASO BASIN - COUNTY OF SAN LUIS OBISPO GROUNDWATER SUSTAINABILITY AGENCY" AND ACCEPTANCE AND APPROVAL OF THE ADDITION OF PARTY TO MEMORANDUM OF AGREEMENT REGARDING PREPARATION OF A GROUNDWATER SUSTAINABILITY PLAN FOR THE PASO ROBLES GROUNDWATER BASIN SIGNED BY THE EPCWD; AUTHORIZING THE DIRECTOR OF GROUNDWATER SUSTAINABILITY TO TAKE ACTIONS TO EFFECTUATE THE GSA BOUNDARY MODIFICATION; AND FINDING THAT THE PROJECT IS EXEMPT FROM SECTION 21000 *ET SEQ.* OF THE CALIFORNIA PUBLIC RESOURCES CODE (CEQA)

The following Resolution is hereby offered and read:

WHEREAS, on May 16, 2017, the County Board of Supervisors (Board) held a public hearing and adopted Resolution 2017-134 (Formation Resolution) forming the Paso Basin - County of San Luis Obispo GSA and acknowledging the possibility of the formation of a new eligible local agency (i.e. the Estrella-El Pomar-Creston Water District (EPCWD)) within the boundaries of the GSA after the GSA formation deadline under the Sustainable Groundwater Management Act (SGMA), as well as the ability of the Board through future action to subsequently withdraw from serving as the GSA within that agency's service area; and

WHEREAS, pursuant to the authorization contained within Section 3 of the Formation Resolution and the requirements of Water Code Section 10723.8, County staff submitted a notification (Notice) to the State Department of Water Resources (DWR) of the Board's decision to become the GSA which included, among other things, a copy of the Formation Resolution; and

WHEREAS, also pursuant to the requirements of Water Code Section 10723.8, DWR posted the Notice on its internet website; and

WHEREAS, on November 19, 2019, the Board held a public hearing and adopted Resolution 2019-320 modifying the service area boundaries of the Paso Basin – County of San Luis Obispo GSA to align with the revised DWR boundary for the Paso Robles Groundwater Basin (Paso Basin) and the revised Shandon-San Juan Water District boundary; and

WHEREAS, the GSAs that formed prior to the statutory deadline within the Paso Basin executed a Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin (MOA) for purposes of establishing the process by which the GSAs would collaboratively prepare a groundwater sustainability plan; and

WHEREAS, each GSA adopted the Paso Robles Subbasin Groundwater Sustainability Plan (GSP) developed under the MOA in or around January 2020 and an update thereto in or around July 2022 (collectively, GSP); and

WHEREAS, in or around January 2020, the GSAs also entered into Amendment No. 1 to the MOA noting that the Heritage Ranch Community Services District had withdrawn from the MOA and stating that the MOA may also serve as the basis for continued cooperation among the GSAs in the management of the Paso Basin during the period between adoption of the GSP and development of a long-term governance structure for implementation of the GSP; and

WHEREAS, a copy of the MOA as amended is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the MOA permits the EPCWD to become a party to the MOA if and only if its Board of Directors decides to become the GSA within its service area and the EPCWD signs the Addition of Party to Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin attached to the MOA as Exhibit A (Addition) and the Board decides to withdraw from serving as the GSA within said area and accepts and approves the Addition; and

WHEREAS, on December 8, 2017, the San Luis Obispo Local Agency Formation Commission (LAFCO) filed a certificate of completion for the formation of the EPCWD; and

WHEREAS, on January 4, 2018, the EPCWD Board of Directors held a public hearing during which it decided to become the GSA over the portions of the Paso Basin within its service area, accepted and approved the Addition and requested that the County withdraw from serving as the GSA within the EPCWD service area; and

WHEREAS, on March 6, 2018, the Board passed a motion declining to withdraw from serving as the GSA within the EPCWD service area; and

WHEREAS, on February 8, 2023, the EPCWD Board of Directors voted unanimously to again request that the County withdraw from serving as the GSA within the EPCWD service area, and on May 10, 2023 held another public hearing during which it again decided to become the GSA over the portions of the Paso Basin within its service area, accepted and approved the Addition (a signed copy of which is attached hereto

as Exhibit B and incorporated herein by this reference) and authorized the President of its Board of Directors to designate appointees or staff to participate in the implementation of the GSP; and

WHEREAS, based on the actions taken by the EPCWD Board of Directors on May 10, 2023, it is anticipated that the EPCWD Board of Directors will formally adopt the GSP after becoming a GSA and holding a future public hearing pursuant to Water Code Section 10728.4; and

WHEREAS, withdrawal from the EPCWD's service area and acceptance and approval of the Addition is consistent with the County's SGMA Strategy and Resolution 2017-134; and

WHEREAS, in order to preserve its status as an exclusive GSA within the Paso Basin, the County likely needs to determine that the actions contemplated herein do not constitute a material change to the information contained within the posted Notice; and

WHEREAS, the County of San Luis Obispo published a notice of public hearing consistent with the requirements contained within Water Code Section 10723(b); and

WHEREAS, the Board conducted such a public hearing on June 6, 2023.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California, that:

Section 1: The foregoing recitals are true and correct and are incorporated herein by reference.

Section 2: The Board hereby decides to withdraw from serving as the groundwater sustainability agency within the service area of the EPCWD as it exists as of the date of this Resolution through modification of the boundaries of the "Paso Basin - County of San Luis Obispo Groundwater Sustainability Agency" established by the Board of Supervisors on May 16, 2017 by Resolution 2017-134 and on November 19, 2019 by Resolution 2019-320 as depicted in the map attached hereto as Exhibit C and incorporated herein by this reference and by accepting and approving the Addition.

Section 3: The Board hereby authorizes the Chairperson to sign the Addition.

Section 4: The Director of Groundwater Sustainability or his/her designee is hereby authorized and directed to submit the notice of adoption of this Resolution and of the Board's determination that said action does not constitute a material change to the information contained within the Notice for the reasons set forth in the recitals to this Resolution, in addition to all other information required by SGMA to DWR as necessary to effectuate the withdrawal and GSA boundary modification described herein.

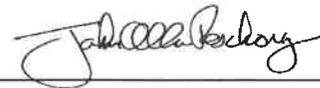
Section 5: The Board finds that the adoption of this Resolution is exempt from the requirements of the California Environmental Quality Act (Public Resources Code 21000 §§ *et seq.*) (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines.

Section 6: The Environmental Coordinator of the County of San Luis Obispo is hereby directed to file a Notice of Exemption in accordance with the provisions of CEQA.

Upon motion of Supervisor Gibson, seconded by Supervisor Ortiz-Legg, and on the following roll call vote, to wit:

AYES: Supervisors Ortiz-Legg, Gibson and Paulding
NOES: Supervisor Arnold and Chairperson Peschong
ABSENT: None
ABSTAINING: None

the foregoing Resolution is hereby adopted on the 6th day of June, 2023.



John Peschong
Chairperson of the Board of Supervisors

ATTEST:

JOHN NILON
Interim Ex-Officio Clerk of the Board of Supervisors

By: Sandy Currens
Deputy Clerk

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: /s/ Erica Stuckey
Deputy County Counsel

Dated: May 22, 2023

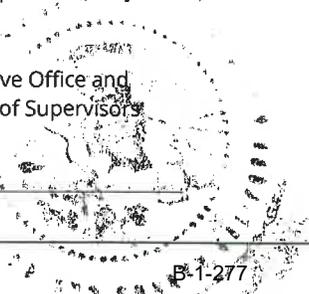
STATE OF CALIFORNIA)	ss.
COUNTY OF SAN LUIS OBISPO	
I, JOHN NILON , Ex-Officio Clerk of the Board of Supervisors thereof, do hereby certify the foregoing to be a full, true and correct copy of an order entered in the minutes of said Board of Supervisors, and now remaining of record in my office.	
Witness, my hand and seal of said Board of Supervisors on June 15, 2023.	
JOHN NILON	
Interim County Administrative Office and Ex-Officio Clerk of the Board of Supervisors	
By: <u>Sandy Currens</u>	
Deputy Clerk	

EXHIBIT A

AMENDMENT NO. 1 TO MEMORANDUM OF AGREEMENT REGARDING PREPARATION OF A GROUNDWATER SUSTAINABILITY PLAN FOR THE PASO ROBLES GROUNDWATER BASIN

This Amendment No. 1 to Memorandum of Agreement Regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin ("Amendment") is entered into by and between the City of El Paso de Robles, the San Miguel Community Services District, the County of San Luis Obispo and the Shandon-San Juan Water District (collectively, "Parties").

WHEREAS, on or about September 20, 2017, the Parties and the Heritage Ranch Community Services District ("HRCSD") entered into a Memorandum of Agreement Regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin ("MOA"), a copy of which is attached hereto as Attachment 1 and incorporated herein by this reference, for purposes of establishing a framework for preparing a single groundwater sustainability plan for the Paso Robles Area Subbasin ("GSP") and for continued cooperation among the Parties; and

WHEREAS, the HRCSD provided written notice of its withdrawal from the MOA pursuant to Section 9.1 on or around January 18, 2019 and its withdrawal became effective shortly thereafter; and

WHEREAS, the Parties desire to continue cooperating on the GSP pursuant to the framework established by the MOA on an interim basis regardless of the date of any approval of the GSP by the California Department of Water Resources.

NOW, THEREFORE, the PARTIES agree with the above recitals, and hereby further agree as follows:

1. Section 1 (Purpose) of the MOA shall hereafter be and read as follows:

The purpose of this MOA is to establish a committee to develop a single GSP that will be considered by each individual Party and subsequently submitted to DWR for approval. This MOA may also serve as the basis for continued cooperation among the Parties in the management of the Basin during the period between adoption of the GSP by each Party and development of a long-term governance structure for implementation of the GSP.

WHEN FULLY EXECUTED PLEASE RETURN TO
COUNTY ADMINISTRATIVE OFFICE
ATTN: CLERK OF THE BOARD
1055 Monterey Street Ste. D430
San Luis Obispo CA 93408 Item No. 33

2. Section 2 (Term) of the MOA shall hereafter be and read as follows:

This MOA shall become effective on the date that the last of the five (5) Parties signs ("Effective Date") and shall remain in effect until terminated in accordance with Section 9.2 below.

3. Section 4.9 of the MOA shall hereafter be and read as follows:

The creation of the Cooperative Committee shall not be construed as a delegation of any powers or authorities, and all powers and authorities of each individual Party, including, without limitation, the power to implement the GSP within its jurisdictional boundaries, shall reside with that Party.

4. Section 12.2 of the MOA is hereby deleted in its entirety.

5. Except as expressly modified by this Amendment, all terms and provisions of the MOA shall remain in full force and effect.

6. This Amendment shall be effective as of the date that it has been signed by all Parties.

IN WITNESS THEREOF, the Parties hereto have executed this Amendment on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: _____
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: _____

APPROVED AS TO FORM AND
LEGAL EFFECT:

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

2. Section 2 (Term) of the MOA shall hereafter be and read as follows:

This MOA shall become effective on the date that the last of the five (5) Parties signs ("Effective Date") and shall remain in effect until terminated in accordance with Section 9.2 below.

3. Section 4.9 of the MOA shall hereafter be and read as follows:

The creation of the Cooperative Committee shall not be construed as a delegation of any powers or authorities, and all powers and authorities of each individual Party, including, without limitation, the power to implement the GSP within its jurisdictional boundaries, shall reside with that Party.

4. Section 12.2 of the MOA is hereby deleted in its entirety.

5. Except as expressly modified by this Amendment, all terms and provisions of the MOA shall remain in full force and effect.

6. This Amendment shall be effective as of the date that it has been signed by all Parties.

IN WITNESS THEREOF, the Parties hereto have executed this Amendment on the dates shown below.

CITY OF EL PASO DE ROBLES

By: Tom Frutchey
Tom Frutchey

Its: City Manager

Date: 1-8-20

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: K. J. Hood
Its: Interior City Attorney
Date: 1/7/2020

SHANDON SAN JUAN WATER DISTRICT

By: _____
Willy Cunha

Its: President, Board of Directors

Date: _____

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____
Its: _____
Date: _____

2. Section 2 (Term) of the MOA shall hereafter be and read as follows:

This MOA shall become effective on the date that the last of the five (5) Parties signs ("Effective Date") and shall remain in effect until terminated in accordance with Section 9.2 below.

3. Section 4.9 of the MOA shall hereafter be and read as follows:

The creation of the Cooperative Committee shall not be construed as a delegation of any powers or authorities, and all powers and authorities of each individual Party, including, without limitation, the power to implement the GSP within its jurisdictional boundaries, shall reside with that Party.

4. Section 12.2 of the MOA is hereby deleted in its entirety.

5. Except as expressly modified by this Amendment, all terms and provisions of the MOA shall remain in full force and effect.

6. This Amendment shall be effective as of the date that it has been signed by all Parties.

IN WITNESS THEREOF, the Parties hereto have executed this Amendment on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON, SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: Willy Cunha
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: November 21, 2019

APPROVED AS TO FORM AND
LEGAL EFFECT:

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

COUNTY OF SAN LUIS OBISPO

By: _____
Debbie Arnold

Its: Chairperson, Board of Supervisors

Date: _____

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

Its: _____

Date: _____

SAN MIGUEL COMMUNITY
SERVICES DISTRICT

By: 
Rob Roberson

Its: General Manager

Date: 3/2/2020

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: 

Its: Douglas White

Date: 3-13-20

COUNTY OF SAN LUIS OBISPO

By: Debbie Arnold
Debbie Arnold

Its: Chairperson, Board of Supervisors

Date: December 17, 2019

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

Its: Debbie Arnold

Date: 12/13/19

SAN MIGUEL COMMUNITY
SERVICES DISTRICT

By: _____
Rob Roberson

Its: General Manager

Date: _____

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

Its: _____

Date: _____

L:\Water Resources\2019_CCA\Adopt Paso Basin GSP Amendment No.1 to MOA\Amendment No. 1 MOU GSP
PRGWB.docxAR.mj

ATTEST:
Wade Horton, County Clerk of the Board and
Ex-Officio Clerk of the Board of Supervisors:
By: Kiana N. Christensen
Deputy Clerk

The undersigned Deputy Clerk of the Board of Supervisors
certifies that, pursuant to Section 25103 of the
Government Code, delivery of this document has been
made on December 27, 2019

WADE HORTON
County Clerk of the Board and Ex-Officio Clerk
of the Board of Supervisors
By: Kiana N. Christensen
Deputy Clerk

Attachment 1

MEMORANDUM OF AGREEMENT REGARDING PREPARATION OF A GROUNDWATER SUSTAINABILITY PLAN FOR THE PASO ROBLES GROUNDWATER BASIN

This Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin (“MOA”) is entered into by and between the City of El Paso de Robles (“City”), the San Miguel Community Services District (“SMCSD”), the Heritage Ranch Community Services District (“HRCSD”), the County of San Luis Obispo (“County”) and the Shandon-San Juan Water District (“SSJWD”) (each referred to individually as a “Party” and collectively as the “Parties”) for purposes of preparing a groundwater sustainability plan for the Paso Robles Area Subbasin.

Recitals

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

WHEREAS, SGMA requires the establishment of a groundwater sustainability agency (“GSA”) or agencies 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 and subject to critical conditions of overdraft on or before January 31, 2020; and

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

WHEREAS, each of the Parties has decided to become the GSA within its respective service area overlying the Basin and has informed DWR of its decision and intent to undertake sustainable groundwater management therein; and

WHEREAS, each of the Parties desires to collectively develop and implement a single GSP to sustainably manage the portions of the Basin underlying their combined service areas (*i.e.* all portions of the Basin located within the County of San Luis Obispo); and

WHEREAS, the Parties share the common goal of cost effective, sustainable groundwater management that considers the interests and concerns of all beneficial uses and users of groundwater within the Basin; and

WHEREAS, on April 6, 2017, the San Luis Obispo Local Agency Formation Commission conditionally approved the formation of the Estrella-El Pomar-Creston Water District (“EPCWD”), subject to, among other things, a successful vote on the formation pursuant to Water Code Section 34500, for purposes of serving as a GSA within its service area; and

WHEREAS, the EPCWD, if formed, will not be formed until after the June 30, 2017 deadline, and the County included the potential service area of the EPCWD within the Paso Basin – County of San Luis Obispo Groundwater Sustainability Agency that the County formed on May 16, 2017 by Resolution 2017-134; and

WHEREAS, the Parties acknowledge the cooperative efforts of the working group, including representatives of each Party and the applicant and several petitioners desiring to form the EPCWD, that commenced meeting in August 2016 and that culminated in this MOA; and

WHEREAS, this MOA provides for the future addition of EPCWD as a Party to this MOA provided that certain conditions are satisfied, including, but not limited to, a successful vote on the formation of the EPCWD pursuant to Water Code Section 34500 and the County Board of Supervisors decides to withdraw from serving as the GSA for the EPCWD service area; and

WHEREAS, the active involvement and cooperation of all users of groundwater within the Basin is highly valued by the Parties and their continued willing cooperation in SGMA implementation is deemed critical for successful sustainable management of the Basin.

NOW, THEREFORE, it is mutually understood and agreed as follows:

**Section 1
Purpose**

The purpose of this MOA is to establish a committee to develop a single GSP that will be considered for adoption by each individual Party and subsequently submitted to DWR for approval. This MOA may also serve as the basis for continued cooperation among the Parties in the management of the Basin during the period between adoption of the GSP by each Party and approval of the GSP by DWR. As more specifically set forth in Section 12.2 below, this MOA shall automatically terminate upon DWR’s approval of the GSP for the Basin.

**Section 2
Term**

This MOA shall become effective on the date that the last of the five (5) Parties signs (“Effective Date”) and shall remain in effect until terminated in accordance with Section 9.2 or Section 12.2 below.

Section 3
EPCWD

If and only if the EPCWD is formed and its Board of Directors decides to become the GSA within its service area and the County Board of Supervisors decides to withdraw from serving as the GSA within said area, the EPCWD may become a Party to this Agreement by signing the Addition of Party to Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin in the form attached hereto as Exhibit A ("Addition") provided that the County Board of Supervisors has accepted the Addition as part of its decision to withdraw.

Section 4
Paso Basin Cooperative Committee

4.1 The Parties hereby establish the Paso Basin Cooperative Committee ("Cooperative Committee") which shall be composed of a member and alternate member from each of the five (5) Parties.

4.2 The governing body of each Party shall promptly appoint a member and alternate member to the Cooperative Committee. Each Cooperative Committee member and alternate member shall serve at the pleasure of the appointing Party, and may be removed from the Cooperative Committee by the appointing Party at any time. Each Cooperative Committee member's compensation, if any, for his or her service on the Cooperative Committee shall be the responsibility of the appointing Party.

4.3 If and only if the EPCWD becomes a Party to this MOA in accordance with Section 3 of this MOA, the Cooperative Committee shall also include a member and alternate member from the EPCWD appointed by the EPCWD.

4.4 The Cooperative Committee shall conduct activities related to GSP development and SGMA implementation at the pleasure and under the guidance of the Parties, including, but not limited to:

- A. Development of a GSP that achieves the goals and objectives outlined in SGMA;
- B. Review and participation in the selection of consultants related to Cooperative Committee efforts, as more specifically set forth in Section 6 below;
- C. Development of recommended annual budgets and additional funding needs for consideration and approval of the Parties and development of a record of expenditures, in accordance with and subject to Section 5 below. Consistent with Section 7 below, it is expected that each of the Parties will contribute in-kind staff support; therefore, recommended annual budgets

- shall generally not include the staff or overhead costs of any Party associated with participation in this MOA;
- D. Development of a plan that describes the anticipated tasks to be performed under this MOA and a schedule for performing said tasks;
 - E. Implementation of the actions and/or policies undertaken pursuant to this MOA and resolution of any issues related to these actions and/or policies;
 - F. Development of measures that may be implemented in the event insufficient or unsatisfactory progress is being made in development of the GSP;
 - G. Development of a stakeholder participation plan that includes public outreach and education programs and workshops as appropriate and that involves the interested stakeholders in developing and implementing the GSP (*e.g.* workshops at key milestones); if determined necessary by the Cooperative Committee and supported by the Parties, the Cooperative Committee may lead implementation of the stakeholder participation plan or other stakeholder engagement activities;
 - H. Establishment from time to time of one or more standing or *ad hoc* committees to assist in carrying out the purposes and objectives of the Cooperative Committee as may be necessary;
 - I. Recommendation that each individual Party adopt the GSP developed under this MOA;
 - J. Resolution of differences among the Parties;
 - K. Coordination with neighboring GSAs in the Salinas Valley Groundwater Basin and with neighboring GSPs as may be required and/or to ensure no adverse effects.

4.5 The Cooperative Committee shall meet at least quarterly to carry out the activities described above. The Cooperative Committee shall prepare and maintain minutes of its meetings, and all meetings of the Cooperative Committee shall be conducted in accordance with the Ralph M. Brown Act (Government Code §§ 54950 *et seq.*). A majority of the members of the Cooperative Committee shall constitute a quorum for purposes of transacting business, except that less than a quorum may vote to adjourn the meeting. Attendance at all Cooperative Committee meetings may be augmented to include Parties' staff or consultants to ensure that the appropriate expertise is available.

4.6 Subject to Section 4.7 below, on all matters considered by the Cooperative Committee, the vote of each member shall be weighted in accordance with the following percentages:

City Member	15%
SMCSD Member	3%
HRCSD Member	1%

SSJWD Member	20%
County Member	61%

4.7 If and only if the EPCWD becomes a Party to this MOA in accordance with Section 3 of this MOA, the voting percentages set forth in Section 4.6 shall be modified as follows:

City Member	15%
SMCSD Member	3%
HRCSD Member	1%
SSJWD Member	20%
County Member	32%
EPCWD Member	29%

4.8 Any action or recommendation considered by the Cooperative Committee shall require the affirmative vote of 67 percent based on the percentages set forth in Section 4.6 or 4.7 above, as applicable. Notwithstanding the foregoing, the following shall require the affirmative vote of 100 percent based on the percentages set forth in Section 4.6 or 4.7 above, as applicable: (A) a recommendation that each of the Parties adopt the GSP or adopt any amendment thereto prepared in response to comments from DWR and (B) a recommendation that the Parties amend this MOA. For purposes of determining whether the requisite voting threshold has been met, the voting percentage of each member must be included in the calculation with the following limited exception: in the event that a member recuses himself or herself (A) said member's voting percentage shall be allocated *pro rata* to the other members for purposes of determining whether the 67 percent threshold has been met and (B) said members' affirmative vote shall not be required to reach the 100 percent threshold (i.e. all members who have not recused themselves must vote in the affirmative). Without limiting the foregoing, an absence by any member(s) shall not result in any *pro rata* distribution for purposes of determining whether the 67 percent threshold has been met or result in elimination of the requirement that said member vote in the affirmative for purposes of determining whether the 100 percent threshold has been met.

4.9 The creation of the Cooperative Committee shall not be construed as a delegation of any powers or authorities, and all powers and authorities of each individual Party shall reside with that Party.

Section 5 Funding

5.1 The Fiscal Year of the Cooperative Committee shall be July 1 through June 30.

5.2 For Fiscal Years 2017 – 2018, 2018 – 2019 and 2019 – 2020, the Cooperative Committee shall develop a recommended budget for consideration by each Party. Subject to each Party's approval of the budget for the relevant Fiscal Year, each Party shall be responsible

for funding a portion of said budgeted costs in accordance with the percentages set forth in Section 4.6 or Section 4.7 above, as applicable. Neither the Cooperative Committee nor any Party on behalf of the Cooperative Committee shall make any financial expenditures or incur any financial obligations or liabilities pursuant to this MOA for Fiscal Years 2017 – 2018, 2018 – 2019 or 2019 – 2020 prior to approval of the budget for the relevant Fiscal Year by each Party.

5.3 For Fiscal Year 2020 – 2021 and following, the Cooperative Committee shall develop a recommended budget and recommended contribution percentages for consideration by each Party. Subject to each Party's approval of the budget and its contribution percentage, each Party shall be responsible for funding a portion of said budgeted costs in accordance with the percentages approved by each Party. Neither the Cooperative Committee nor any Party on behalf of the Cooperative Committee shall make any financial expenditures or incur any financial obligations or liabilities pursuant to this MOA for Fiscal Year 2020 – 2021 and following prior to approval of the budget and contribution percentages for the relevant Fiscal Year by each Party.

5.4 It is anticipated that the vast majority of budgeted costs will involve costs for consultant services. Consequently, most contributions shall be paid to the City in the manner described in Section 6.6 below. For budgeted costs that do not involve consultant services (if any), the Cooperative Committee shall determine the manner in which such contributions shall be paid consistent with Section 5.2 and Section 5.3 above.

5.5 The Cooperative Committee shall make recommendations related to any additional non-budgeted funding needs, but shall have no authority to require any Party to contribute funds over and above those included in the budgets approved by each Party.

5.6 On an annual basis, the Cooperative Committee and/or contracting agent shall provide the Parties with a record of expenditures from the previous Fiscal Year related to this MOA.

Section 6 Engagement of Consultants

6.1 It is anticipated that the Cooperative Committee will desire to retain the services of one or more consultants in conducting the activities identified in Section 4.4 above, including, but not necessarily limited to, its development of the GSP.

6.2 The City agrees to act as the contracting agent on behalf of the Cooperative Committee and shall follow its own procurement policies in the engagement of such consultant(s) subject to Section 6.3 below.

6.3 The City agrees that the Parties and the Cooperative Committee shall be included in the selection of any consultant retained by the City on behalf of the Cooperative Committee.

More specifically, staff representatives from each of the Parties shall be given an opportunity to review and approve all requests for proposals prior to their release and to participate in the various stages of the selection process, including, but not limited to, review of proposals and participation on interview panels. In addition, the City shall not issue a notice to proceed to any selected consultant until the Cooperative Committee has confirmed the consultant and related contract.

6.4 The Cooperative Committee may request that the City terminate a consultant contract entered into on behalf of the Cooperative Committee subject to and in accordance with the terms specified in the contract.

6.5 All consultant contracts entered into by the City on behalf of the Cooperative Committee shall include the following: (A) a provision that the consultant shall not commence work until a notice to proceed is issued and acknowledgement that a notice to proceed will not be issued until the Cooperative Committee confirms the consultant and contract; (B) a provision requiring that the consultant name each Party, its employees, officers and agents as an additional insured; and (C) an expected spend plan estimating the amount of the not to exceed contract amount that the consultant expects to invoice the City each month.

6.6 Upon receipt of each invoice from a consultant retained on behalf of the Cooperative Committee, the City shall calculate each Party's payment obligation based on the percentages set forth in Section 4.6 or Section 4.7, as applicable, or on the percentages approved by each Party as set forth in Section 5.3, depending on the Fiscal Year. The City shall submit an invoice to each Party showing the foregoing calculation, and each Party shall remit payment to the City within thirty (30) days.

Section 7

Roles and Responsibilities of the Parties

In addition to performance of the roles and responsibilities set forth above related to, among other things, appointment of members and alternate members to the Cooperative Committee, consideration of annual budgets and cost contributions and participation in the selection of consultants, the Parties shall:

- A. Work to jointly to meet the objectives of this MOA through, among other things, coordination of all activities related to fulfillment of said objectives;
- B. Internally or jointly designate a staff person(s) to provide expertise and existing information in a timely manner and to participate in the development of the GSP and/or related technical studies and/or other materials or actions being considered by the Cooperative Committee;
- C. Upon recommendation of the Cooperative Committee, consider adoption of the GSP and, as defined in the GSP once approved, implement the GSP within its respective GSA service area. Notwithstanding the foregoing, nothing contained

in this MOA shall be construed as obligating any Party to adopt the GSP developed under this MOA, or as preventing any Party from adopting the GSP developed under this MOA in the event that the Cooperative Committee fails to recommend approval or another Party (or Parties) elects not to adopt the GSP developed under this MOA;

- D. Bring any dispute over any of the activities discussed in this MOA to the Cooperative Committee in order to provide the Cooperative Committee with an opportunity to resolve the dispute.

Section 8

Interagency Communication and Providing Proper Notice

8.1 In order to provide for consistent and effective communication among the Parties, each Party agrees to designate a representative as its central point of contact on all matters relating to this MOA and the GSP. Additional representatives from the community or staff may be appointed to serve as points of contact on specific actions or issues.

8.2 All notices, statements or payments related to implementing the objectives of this MOA shall be deemed to have been duly given if given in writing and delivered electronically, personally or mailed by first-class, registered, or certified mail to the Parties at the addresses set forth in Exhibit B. Notwithstanding any other provision of this MOA, the Parties may update Exhibit B from time to time without formally amending this MOA.

Section 9

Withdrawal and Termination

9.1 Any Party may unilaterally withdraw from this MOA without causing or requiring termination of this MOA. Withdrawal shall become effective upon thirty (30) days written notice to the remaining Parties' designated addresses as listed in Exhibit B. Nothing contained in this Section 9 shall be construed as prohibiting a Party that has withdrawn from this MOA from developing its own GSP for its service area within the Basin. A Party that has withdrawn from this 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 a Party withdraws, the Cooperative Committee shall reassess the contributions of each remaining Party to fund the current budget and determine if the Cooperative Committee needs to request the contribution of additional funding from the governing board of each Party.

9.2 This MOA may be terminated upon unanimous written consent of all current Parties.

Section 10
Amendments

This MOA may be amended only by unanimous written consent of all current Parties. Approval from a Party is valid only after that Party's governing body approves the amendment at a public meeting. Neither individual Cooperative Committee members nor individual members of the Parties' governing boards have the authority, express or implied, to amend, modify, waive or in any way alter this MOA or the terms and conditions hereof.

Section 11
Indemnification

No Party, nor any officer or employee of a Party, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by another Party under or in connection with this MOA. The Parties further agree, pursuant to Government Code Section 895.4, that each Party shall fully indemnify and hold harmless each other Party and its agents, officers, employees and contractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any work delegated to or action taken or omitted to be taken by such Party under this MOA.

Section 12
Miscellaneous

- 12.1 Execution in Counterparts. This MOA may be executed in counterparts.
- 12.2 Automatic Termination of MOA. This MOA shall automatically terminate upon DWR's approval of the adopted GSP. Depending on the content of the GSP, the Parties may decide to enter into a new agreement to coordinate GSP implementation.
- 12.3 Choice of Law. This MOA is made in the State of California, under the Constitution and laws of said State and is to be so construed.
- 12.4 Severability. If any provision of this MOA is determined to be invalid or unenforceable, the remaining provisions shall remain in force and unaffected to the fullest extent permitted by law and regulation.
- 12.5 Entire Agreement. This MOA constitutes the sole, entire, integrated and exclusive agreement between the Parties regarding the contents herein. Any other contracts, agreements, terms, understandings, promises, representations not expressly set forth or referenced in this writing are null and void and of no force and effect.
- 12.6 Construction and Interpretation. The Parties agree and acknowledge that this MOA has been developed through negotiation, and that each Party has had a full and fair

opportunity to revise the terms of this MOA. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this MOA.

IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: _____
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: _____
John Peschong

By: _____
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

Date: 8/22/2017

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: 2/10/2017

Date: _____

ATTEST:

Tommy Gong, County Clerk-Recorder and Ex-Officio Clerk of the Board of Supervisors

By: _____
Deputy Clerk

opportunity to revise the terms of this MOA. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this MOA.

IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: THOMAS FRUTCHEY
Tom Frutchey *TF*

By: _____
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: 9-20-17

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: J. P. Yap

By: _____

Its: City Attorney

Its: _____

Date: 9/20/17

Date: _____

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: _____
John Peschong

By: _____
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

opportunity to revise the terms of this MOA. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this MOA.

IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: Willy Cunha
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: 7-26-2017

APPROVED AS TO FORM AND
LEGAL EFFECT:

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

By: Young Woodbridge, LLP
Its: District Counsel

Its: _____

Its: _____

Date: _____

Date: 7/26/17

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES
DISTRICT

By: _____
John Peschong

By: _____
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

Date: _____

Date: _____

APPROVED AS TO FORM AND
LEGAL EFFECT:

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

opportunity to revise the terms of this MOA. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this MOA.

IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CITY OF EL PASO DE ROBLES

SHANDON SAN JUAN WATER DISTRICT

By: _____
Tom Frutchey

By: _____
Willy Cunha

Its: City Manager

Its: President, Board of Directors

Date: _____

Date: _____

APPROVED AS TO FORM AND
LEGAL EFFECT:

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

By: _____

Its: _____

Its: _____

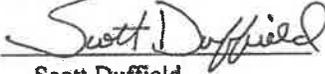
Date: _____

Date: _____

COUNTY OF SAN LUIS OBISPO

HERITAGE RANCH COMMUNITY SERVICES
DISTRICT

By: _____
John Peschong

By: 
Scott Duffield

Its: Chair, Board of Supervisors

Its: General Manager

Date: _____

Date: 07/31/2017

APPROVED AS TO FORM AND
LEGAL EFFECT:

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: _____

By: 

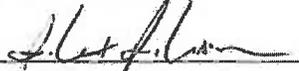
Its: _____

Its: District Council

Date: _____

Date: 7/26/17

SAN MIGUEL COMMUNITY
SERVICES DISTRICT

By: 
Rob Roberson

Its: Interim General Manager

Date: 8/29/2017

APPROVED AS TO FORM AND
LEGAL EFFECT:

By: 

Its: Douglas White

Date: 9/6/17

EXHIBIT B

Addition of Party to Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin

WHEREAS, certain local agencies that each decided to become the groundwater sustainability agency within their respective service areas overlying the Paso Robles Area Subbasin (Basin No. 3-004.06) have entered into an agreement entitled "Memorandum of Agreement regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin" ("Agreement"); and

WHEREAS, the Estrella-El Pomar-Creston Water District ("EPCWD") could not be an original signatory to the Agreement, because it had not yet been formed; and

WHEREAS, Section 3 of the Agreement sets forth the process by which the EPCWD can become a party to the Agreement provided that certain conditions are met; and

WHEREAS, the EPCWD has received and reviewed a copy of the Agreement; and

WHEREAS, on May 18, 2023, the EPCWD Board of Directors held a public hearing and by Resolution 23-0020 decided to become the groundwater sustainability agency within its service area and a signatory to the Agreement; and

WHEREAS, on June 6, 2023, the County of San Luis Obispo Board of Supervisors held a public hearing and by Resolution 2023-142 decided to withdraw from serving as the groundwater sustainability agency within the EPCWD's service area and to accept the signature below.

NOW, THEREFORE, acknowledging that the recitals above are correct and are part of this agreement, the EPCWD, upon acceptance by signature below by the County of San Luis Obispo Board of Supervisors, shall become a party to the Agreement effective immediately. The EPCWD shall bear the benefits and enjoy the burdens of the Agreement as though the EPCWD had originally executed said Agreement as it now exists or may be amended in the future, and for so long as the Agreement remains in effect or for so long as the EPCWD is a party to the Agreement.

ACCEPTED AND APPROVED BY THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT BOARD OF DIRECTORS:

By: 

Date: 5-10-23

Its: PRESIDENT

APPROVED AS TO FORM AND LEGAL EFFECT:

By: [Signature]

Date: 5/12/2023

Its: Counsel

Address for purposes of Exhibit B to the Agreement:

Estrella-El Pomer-Creston Water District
P.O. Box 1494
PASADENA CA 92447
Attention: DISTRICT ADMINISTRATOR

ACCEPTED AND APPROVED BY
THE COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS IN ACCORDANCE WITH
THE AGREEMENT:

By: [Signature]

Date: 6/12/2023

Its: Chairperson, Board of Supervisors
County of San Luis Obispo, State of California

APPROVED AS TO FORM AND LEGAL EFFECT:

By: [Signature]

Date: May 22, 2023

Its: Deputy County Counsel

ATTEST: John Nilon,
Interim County Administrative Officer and
Ex-Officio Clerk of the Board of Supervisors

By: Sandy Currens
Deputy Clerk



EXHIBIT C

