



# Agenda

## San Miguel Community Services District

### Groundwater Sustainability Advisory Committee Meeting

FRIDAY, MAY 12, 2017 12:30 P.M. (Time Change due to Special Board Meeting)

SMCSD Boardroom 1150 Mission St. San Miguel, CA 93451

**Cell Phones:** As a courtesy to others, please silence your cell phone or pager during the meeting and engage in conversations outside the Boardroom.

**Americans with Disabilities Act:** If you need special assistance to participate in this meeting, please contact the CSD Clerk at (805) 467-3388. Notification 48 hours in advance will enable the CSD to make reasonable arrangements to ensure accessibility to this meeting. Assisted listening devices are available for the hearing impaired.

**Public Comment: When public attendance is over ten (10) persons, the following policies will go into effect:** Any person wishing to address the Board or Standing Committee, please complete a "Request to Speak" form located at the podium in the boardroom to address the Board of Directors on any agenda item. Comments are limited to three minutes, unless you have registered your organization with CSD Clerk prior to the meeting.

**If you wish to speak on an item not on the agenda,** you may do so under "Oral Communications." Any member of the public may address the Board of Directors on items on the Consent Calendar. Please complete a "Request to Speak" form as noted above and indicate which item number you wish to address.

**Meeting Schedule:** Regular Board of Director meetings are generally held on the fourth Thursday of each month at 7:00 P.M in the CSD boardroom. Agendas are posted on the CSD's website at: [www.sanmiguelcsd.org](http://www.sanmiguelcsd.org)

**Agendas:** Agenda packets are available for the public inspection 72 hours prior to the scheduled meeting at the Counter/ San Miguel CSD, Fire Station located at 1150 Mission St., San Miguel, during normal business hours. Any agenda-related writings or documents provided to a majority of the Board of Directors after distribution of the agenda packet are available for public inspection at the same time at the counter/ San Miguel CSD, Fire Station located at 1150 Mission St., San Miguel, Ca during normal business hours.

I. Call to Order- 9:00 AM

- II. Pledge of Allegiance Director \_\_\_\_\_
- III. Roll Call: Members Present: Director \_\_\_\_\_ Director \_\_\_\_\_
- IV. Selection of Chair: \_\_\_\_\_

V. Oral and Written Communications:

Persons wishing to speak on a matter **not on the agenda** may be heard now; however, no action will be taken until placed on a future agenda. Speakers are limited to three minutes. Please complete a "Request to Speak" form and place in basket provided.

VI. AGENDA ITEMS:

- 1. Review and Discussion of General Manager’s Report on Groundwater Sustainability Agency (GSA) status and regional basin activities by other eligible agencies

**Staff Recommendation:** Review and Discuss GM report on GSA status and proposing Basin eligible agencies activities.

M \_\_\_\_\_ S \_\_\_\_\_

- 2. Review and Discussion of SMCSD participation in Basin Memorandum Agreement

**Staff Recommendation:** Discuss and give direction.

M \_\_\_\_\_ S \_\_\_\_\_

VII. COMMITTEE COMMENTS:

This section is intended as an opportunity for Committee members to make brief announcements, request information from staff, request future agenda item(s) and/or report on their own activities related to District business. No action is to be taken until an item is placed on a future agenda.

VIII. ADJOURNMENT Time: \_\_\_\_\_

ATTEST:  
 STATE OF CALIFORNIA )  
 COUNTY OF SAN LUIS OBISPO ) ss.  
 COMMUNITY OF SAN MIGUEL )

I, Tamara Parent, Account Clerk/Operations Coordinator of San Miguel Community Services District, hereby certify that I caused the posting of this agenda at the SMCSD office on May 4, 2017.

Date: May 4, 2017

*Tamara Parent*

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Tamara Parent,  
 Account Clerk II/Operations Coordinator

Next GSA Committee Meeting: Tentative Date: Friday June 2, 2017



# San Miguel Community Services District Groundwater Sustainability Advisory Committee

## Staff Report

May 12, 2017

AGENDA ITEM: VI. 1

**SUBJECT: Review and Discuss GM Report on Groundwater Sustainability Agency (GSA) status and regional basin activities by other eligible agencies**

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### **STAFF RECOMMENDATION:**

Review and Discuss General Manager Report on Groundwater Sustainability Agency (GSA) status and regional basin activities by other eligible agencies.

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### **BACKGROUND:**

The Board of Directors approved the formation of a Groundwater Sustainability Agency (GSA) at its October 27<sup>th</sup> meeting with the passage of Resolution No 2016-34 (a copy is attached). This action fulfilled the requirements of the Sustainable Groundwater Management Act, the Sustainable Groundwater Management Act (SGMA) which was signed into law with an effective date of January 1, 2015 and codified at California Water Code Section 10720 et seq. This action authorized the filing of a statement of GSA intent with California Department of Water Resources and is based on the present jurisdictional boundaries of SMCSD (copy of GSA boundary map is attached).

Legislative intent and goal of SGMA is to:

provide local agencies, such as SMCSD, the authority for sustainable management of alluvial groundwater basins and sub-basins as defined by the California Department of Water Resources (DWR);

enhance local management of groundwater;

establish minimum standards for sustainable groundwater management, and

provide specific local agencies authorities and technical-financial assistance necessary to sustainably manage groundwater.

The Board approved the GSA formation based on existing SMCSD jurisdictional boundaries that governs all CSD services, including water and wastewater.

The Paso Basin is a State-declared High Priority, over-drafted groundwater basin, as stated in Bulletin No 118 issued by Department of Water Resources (DWR). Thus, this designation and the passage of SGMA by the State lead to the establishment of a more active role in and statutory responsibility about the condition and viability of groundwater basins throughout the State.

Recent attempts by the County of SLO in early 2016 to establish a GSA and set up much more expensive funding through a Prop 218 process were defeated by an overwhelming negative vote. SMCSD and other agencies, such as Heritage Ranch CSD, were excluded, or exempted from either voting or being members of that proposed County GSA.

In hindsight, that exclusion or exempted status could have meant that SMCSD (and others) could have been left to the controls and authority of the State DWR agency under SGMA provisions. Because of the defeated measure, the County stepped back and re-evaluated a different course of action.

Mid-year 2016, the County invited all eligible groundwater management entities, such as SMCSD and cities, to attend a brainstorming or listening sessions involving a dialogue process on how to comply with SGMA and what to do about the then voter defeated measure. By October, 2016, it was apparent that all eligible entities could not easily decide on what need to be done next or who should do what to be SGMA compliant. The deadline for SGMA GSA formation could happen without any action taken, which could result in the State DWR taking control of local groundwater authority.

The eligible entities invited, by County, to these sessions included: City of Paso Robles, the County, SMCSD, Heritage Ranch CSD and 2 water district formation groups (Shandon-San Juan and Estrella-El Pomar-Creston or EPC). Atascadero-Templeton requested and got DWR okay for being a separate sub-basin from the rest of the Paso Robles Basin. This means that they will be able to prepare a separate GSP and manage the designated sub-basin which includes jurisdictional boundaries of Templeton CSD, City of Atascadero and Atascadero Mutual Water Company.

Thus, the SMCSD Board was asked, in October 2016, to approve the formation of its own independent GSA and file for DWR recognition. The Board adopted the resolution and advanced its own effort for DWR recognition. The SMCSD GSA, as described in Resolution No 2016-34, was established to protect and manage water resources based on its own management and protection authority allowed by SGMA regulations. This DWR filing, in December 2016 with supplemental information requested by DWR, also began a 90-day period review process, that ended in March 2017. The goal of SGMA is to put together a sustainability plan for restoring groundwater levels and implementing those plan statement or actions.

The informal sessions continued with eligible entities attending for more discussion. In March 2017, the City of Paso Robles filed its intent notice of GSA formation with DWR. Paso Robles will be a designated GSA before the June 30 2017 deadline. All other districts or eligible agencies may be subject to future DWR action, if they should fail to file by the deadline or gotten DWR agreement for a late filing. The 2 new water districts that have been formed are expecting to file

on or about the deadline, but that action is still uncertain as is what does DWR do after the deadline has come and gone. A map of other eligible agencies is attached for Committee reference and use.

The County is assuming GSA responsibility for all other unincorporated lands outside of CSD, City or newly formed water district boundaries. County expects to make it GSA filing with DWR later this month but has already agreed to join the MOA with City of Atascadero, Atascadero Mutual Water Company, Templeton CSD, and City of Paso Robles land areas that are within that DWR designated sub-basin.

There are remaining unincorporated lands that the County will need to include in a GSA boundary. This work is still pending currently but it is anticipated that Board of Supervisor action setting this formation filing will be completed prior to the June 30 2017 deadline.

The next step for each eligible GSA entity will be establish a Cooperative Group that will be working to ensure coordination and integration of individual GSP; share data and expenses for writing the Basin GSP.

District Engineer/Utility Services Manager Dr. Reely will provide a handout about the requirements for a GSP document at the meeting.

A town hall meeting on GSA Formation by SMCSO is not as essential since the GSA formation is done. Future town hall meetings may be useful to provide information to public and build public support for SMCSO GSA plans and activities. To that end and in compliance with SGMA requirements, District maintains a mailing list of approximately 90 identified stakeholders who will receive future information, including meeting notices. This list is anticipated to grow when other interested persons or property owners request notification of meetings.

**FISCAL IMPACT:**

There is no cost associated with this review and discussion.

**ACTION DISCUSSION:**

Committee should review and discuss status and activities by other eligible agencies with direction to staff.

PREPARED BY:

*Darrell W. Gentry*

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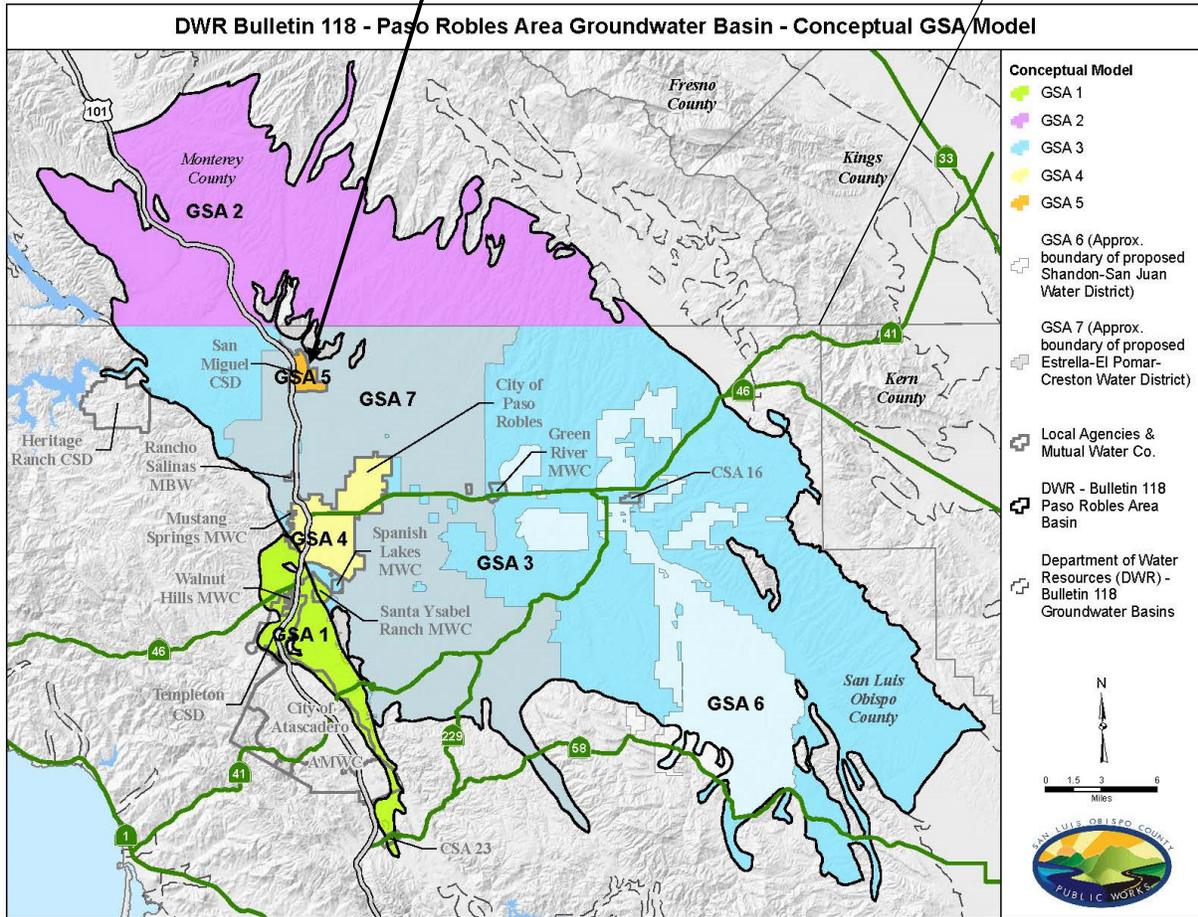
General Manager

Attachments: For Reference in Committee discussions

- 1) Exhibit A— Resolution No 2016-34 SMCSO Board Approval for GSA Formation
- 2) Exhibit B—SMCSO GSA boundary Map
- 3) Exhibit C—Map of Other Eligible Agencies

**GSA 5—San Miguel Community Services District boundaries**

**County of San Luis Obispo boundary**



**San Miguel CSD sub-area within the Paso Robles Area Groundwater Basin**

**(ADDENDUM ---SAN MIGUEL CSD GSA FORMATION)**

**DECEMBER 8 2016**



# San Miguel Community Services District Groundwater Sustainability Advisory Committee

## Staff Report

May 12, 2017

AGENDA ITEM: VI. 2

**SUBJECT: Review and Discuss SMCS D participation in Basin Memorandum Agreement**

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### **STAFF RECOMMENDATION:**

Review and Discuss SMCS D participation in Basin Memorandum Agreement.

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### **BACKGROUND:**

Board of Directors approved the formation of a Groundwater Sustainability Agency (GSA) at its October 27<sup>th</sup> meeting with the passage of Resolution No 2016-34. This action fulfilled the requirements of the Sustainable Groundwater Management Act, the Sustainable Groundwater Management Act SGMA which was signed into law with an effective date of January 1, 2015 and codified at California Water Code Section 10720 et seq. This action authorized the filing of a statement of GSA intent with California Department of Water Resources (DWR), which was completed in December 2016. A 90-day review period ended in March 2017.

The Paso Robles Basin (Basin) is required, by the Sustainable Groundwater Management Act (SGMA), to form a GSA; to prepare and implement a groundwater sustainability plan (GSP) that protects local water source and restores overdraft conditions within Basin. SGMA also requires all eligible agencies, such as cities, counties, special districts to work cooperatively and collaborate in preparing these plans. GSP documents must be adopted by January 31, 2020.

To meet this deadline, it will be important that all eligible agencies adopt their portion of a region-wide GSP and the entire Basin GSP no later than Fall, 2019.

The eligible agencies in Basin are:  
County of San Luis Obispo  
County of Monterey--Salinas Valley GSA

Cities of: Atascadero and Paso Robles

Special Districts: Estrella-El Pomar-Creston Water District, Heritage Ranch CSD, San Miguel CSD and Shandon-San Juan Water District

There are two agencies currently with GSA formation filings at DWR: San Miguel CSD and City of Paso Robles. The deadline for the formation of GSA is June 30, 2017.

The only agency that is currently DWR recognized as a GSA is San Miguel CSD. City of Paso Robles has filed but not yet recognized. As other eligible agencies submit for formation recognition then all eligible GSA's are expected to work collaboratively and cooperatively on a GSP.

To assure that measure of cooperation and collaboration is effective in preparing a Basin GSP document, there is a proposal to use a Memorandum Agreement (MOA) for determining how and who pays, who and when information and data is shared with other eligible agencies, In recent informational meetings of all eligible agencies, a draft MOA was circulated for discussion and comment. SMCS D participated in reviewing and commenting.

The benefits of a MOA for all eligible agencies are:

- 1) Each agency can collectively develop and implement a single GSP to sustainably manage the portions of the Basin underlying their combined service areas, thus protecting its own water resource; and
- 2) Each agency shares the common goal of cost effectiveness for planning sustainable groundwater management planning that considers the interests and concerns of all beneficial uses and users in the Basin.

This MOA intended for the eligible agencies is for establishing a committee that develops and coordinates a single GSP that is adopted by each eligible GSA agency, then submitted for DWR 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 and approval by DWR. This MOA, once fully executed, will automatically sunset upon DWR's approval of the GSP for the Basin in 2020. In 2020, there would be another agreement or some other means adopted by each eligible agency and collectively for continued groundwater management activities.

The cost sharing component of the Draft MOA is presented on pages 6 and 7. In summary, the budgets, initially developed, used cost data from prior studies and from input by eligible agencies to minimize these initial costs. These figures are, therefore, used for FY 2017-18, 2018 - 19 and 2019 - 20. Each eligible agency would be required to approve actual budgets annually and shall not exceed the amounts set forth below, unless otherwise agreed to by the governing board of each eligible agency:

Fiscal Year 2017 - 18 \$225,000,  
Fiscal Year 2018 - 19 \$662,500  
Fiscal Year 2019 - 2020 \$592,500

Subject to each eligible agency's approval of the budget for each Fiscal Year, each agency shall be responsible for funding a portion of said budget equal to its percentage cost share allocation set forth in Exhibit A. 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 prior to approval of said budget by each Party.

It is anticipated that majority of budgeted costs will involve costs for consultant services. Consequently, most contributions will be paid as described in Section 3.IV of the MOA. Budgeted costs not involving consultant services (if any), the to-be established Cooperative Committee will determine how such contributions shall be paid.

Each eligible agency contributions for Fiscal Year 2020 – 2021 and beyond shall be first approved by each governing board or body of each eligible agency for both budget and cost share allocations prior to any financial expenditures or incurrence of any financial obligations or liabilities by the Cooperative Committee or by any Party on behalf of the Cooperative Committee and as approved by eligible agencies.

Any eligible agency may unilaterally withdraw from this MOA without causing or requiring termination of the MOA. Withdrawal shall become effective upon thirty (30) days written notice to the remaining members.

Withdrawal from this MOA by an individual agency shall remain obligated to pay its percentage cost share of expenses and obligations incurred, accrued or encumbered up to the date of withdrawal, including, but not limited to, its cost share obligation under any existing consultant contract for a notice to proceed has been issued.

If an eligible agency withdraws, the Cooperative Committee shall reassess the contributions of each remaining members 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 member.

This MOA may be terminated upon unanimous written consent of all current Parties.

**FISCAL IMPACT:**

There is no cost associated with this review and discussion. The cost for eventual GSP preparation will require future funding for these or refinements to cost sharing figures identified in the Draft MOA and shown on Exhibit A attached to this report.

District Engineer/Utility Services Manager can provide additional estimates for preparing our District's portion of the GSP that becomes a part of the region's GSP submitted to DWR.

**ACTION DISCUSSION:**

Committee should review and discuss report status and activities by other eligible agencies with direction given to staff.

PREPARED BY:

*Darrell W. Gentry*

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General Manager

Attachments: Draft Memorandum Agreement for GSA Eligible Agencies

Exhibit A –Draft Cost Sharing Formula

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## Draft Memorandum of Agreement

### Parties

This Memorandum of Agreement ("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"), the Shandon San Juan Water District ("SSJWD") and the Estrella-El Pomar-Creston Water District ("EPCWD") (each referred to individually as "Party" and collectively as "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 ("SGMA"), which became effective on January 1, 2015 and which have been and may continue to be amended from time-to-time thereafter; 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 Department of Water Resources ("DWR") on or before June 30, 2017; and

**WHEREAS**, SGMA further requires the adoption of a groundwater sustainability plan ("GSP") for all basins designated as medium- or high-priority by DWR 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 San Luis Obispo County); 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.

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

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### Section 1 Purpose

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This MOA is entered into by the Parties for the purpose of establishing 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 IX.B below, this MOA will automatically sunset upon DWR's approval of the GSP for the Basin.

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### Section 2 Term

This MOA shall become effective on the date that the last of the six (6) Parties signs ("Effective Date") and shall remain in effect until terminated in accordance with Section 3.VI.B or Section IX.B below.

### Section 3 Agreement

#### I. Governance

- A. Establishment of the Paso Basin Cooperative Committee ("Cooperative Committee"),
  1. The Parties hereby establish the Cooperative Committee.
  2. Each Party shall appoint a member and alternate member to the Cooperative Committee.
  3. 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. Each Cooperative Committee 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.
  5. The Cooperative Committee will meet at least quarterly to carry out the activities described below. The Cooperative Committee will 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.).

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6. The Cooperative Committee will work at the pleasure and under the guidance of the Parties. The Parties will jointly create and fund the budget for the Cooperative Committee's activities and will retain control of any changes to the budget as more specifically set forth in Section 3.I.A.7 and Section 3.III below.

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7. The Cooperative Committee will conduct activities related to GSP development and SGMA implementation, such as:

- a. Develop a GSP that achieves the goals and objectives outlined in SGMA.
- b. Review and participate in the selection of consultants related to Cooperative Committee efforts, as more specifically set forth in Section 3.IV below.
- c. Develop an annual budget for consideration and approval of the Parties, subject to Section 3.III below. Consistent with Section 3.II.C, it is expected that each of the Parties will provide in-kind staff support; therefore, no part of any annual budget will be used to pay the staff costs of any Party, unless agreed upon by all Parties.
- d. Develop a plan that describes the anticipated tasks to be performed under this MOA and a schedule for performing said tasks.
- e. Implement the actions and/or policies undertaken pursuant to this MOA and resolve any issues related to these actions.
- f. Develop measures that may be implemented in the event insufficient or unsatisfactory progress is being made in developing the GSP.
- g. Develop a stakeholder participation plan, including public outreach and education programs as appropriate, that involves the interested stakeholders in developing and implementing the GSP.
- h. Recommend GSP adoption by each individual Party.
- i. Resolve differences among the Parties.
- j. Coordinate with neighboring GSAs in the Salinas Valley Groundwater Basin, and with neighboring GSPs, as may be required and/or to ensure no adverse effects.

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8. Attendance at all Cooperative Committee meetings may be augmented to include Parties' staff or consultants to ensure that the appropriate expertise is available.

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9. A majority of the members of the Cooperative Committee shall constitute a quorum for purposes transacting business, except that less than a quorum may vote to adjourn the meeting.
10. On all matters considered by the Cooperative Committee, the vote of each member shall be weighted as follows:

Party	Voting Percentage
City Member	15%
SMCSD Member	3%
HRCSD Member	1%
EPCWD Member	33%
SSJWD Member	24%
County Member	23%

11. Decisions of the Cooperative Committee.

- a. Supermajority Approval. Except as otherwise specified in this MOA, all decisions of the Cooperative Committee shall require the affirmative vote of sixty percent (60%) based on the percentages set forth in Section 3.I.A.10 above.
- b. Unanimous Approval. A unanimous vote of all members shall be required to; (i) recommend that each of the Parties adopt the GSP or any substantive amendment thereto; and (ii) recommend that the Parties amend this MOA (changes to the contact list described in Section V.B and attached as Exhibit C shall not require an amendment to this MOA).

B. Establishment of Advisory Committees.

1. The Cooperative Committee may from time to time appoint one or more advisory committees or establish standing or ad hoc committees to assist in carrying out the purposes and objectives of the Cooperative Committee.

II. Roles and Responsibilities of the Parties.

- A. The Parties will work jointly to meet the objectives of this MOA.
- B. The Parties will appoint representatives to the Cooperative Committee.

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**Commented [DM2]:** These don't add up to 100%

**Commented [CKB3R2]:** Point of discussion for work group:  
Looks like work group's cost calcs include fractions of percentages:  
  
City - 14.5%  
SMCSD - 3.3%  
HRCSD - 1%  
EPCWD - 33%  
SSJWD - 24.4%  
County - 23.5%

**Deleted:** These percentages are based primarily on the amount of groundwater pumped from the Paso Robles Groundwater Basin.¶

**Deleted:** From time to time, these percentage based numbers may change based on the decision of the Cooperative Committee; in turn, the Cooperative Committee may recommend an amendment of the voting percentages.¶

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**Commented [DM4]:** Unanimous means that any party can hold up all the rest for any reason

**Commented [WC5]:** does "any substantive amendment" leave too much leeway for ...

**Commented [CKB6R5]:** Definition of substantive used by Airport Land Use Commission to consider ...

**Deleted:** is required to approve any of the following

**Deleted:** for the Basin and

**Commented [JR7]:** I agree this is a little vague.

**Commented [JR8]:** It's not clear why we need this addition and Exhibit B at this point. By putting this ...

**Commented [CKB9R8]:** It's a way of documenting our common intent to adhere to Water Code Secti ...

**Deleted:** Without limiting the foregoing, it is anticipated that the Cooperative Committee ...

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C. The Parties will internally or jointly designate staff person(s) to provide expertise, provide information in a timely manner, participate in development of GSP and/or related technical studies, and/or participate in development of other materials or actions being considered by the Cooperative Committee.

D. Upon recommendation by the Cooperative Committee, each Party is responsible for adopting the GSP, and, as defined in the GSP once approved, for implementing 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.

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E. The Parties will coordinate all activities related to fulfillment of the objectives of this MOA.

F. As may be determined necessary by the Cooperative Committee and supported by the Parties, the Cooperative Committee may lead certain basin-wide public outreach and stakeholder engagement (beyond existing Party public outreach efforts) to improve the development of the GSP.

Commented [WC10]: Do we want to use "will"?

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G. The Parties will provide expertise, guidance, and information/ data on those matters for which they have specific expertise or authority, as needed to carry out the objectives of this MOA.

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H. The Parties shall review and participate in the selection of consultants related to Cooperative Committee efforts, as more specifically set forth in Section 3.IV below.

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I. All powers and authorities of each individual Party will reside with that Party and will not be delegated to the Cooperative Committee.

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J. Before withdrawing from this MOA, all Parties agree to bring any disputes over any of the activities discussed in this MOA to the Cooperative Committee and to provide the Cooperative Committee with a chance to resolve the disputes.

III. MOA Funding.

A. Fiscal Year. The Fiscal Year of the Cooperative Committee shall be July 1 – June 30.

B. Initial Budgets. The budgets developed by of the Cooperative Committee for Fiscal Years 2017 – 2018, 2018 – 2019 and 2019 – 2020 for approval by each Party shall not exceed the amounts set forth below unless otherwise agreed to by the governing board of each Party:

Fiscal Year 2017 – 2018	\$225,000
Fiscal Year 2018 – 2019	\$662,500
Fiscal Year 2019 – 2020	\$592,500

C. Party Contributions to Initial Budgets. 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 budget equal to its percentage cost share allocation set forth in Exhibit A. 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 prior to approval of said budget by each Party.

D. Manner of Payment. It is anticipated that the vast majority of budgeted costs will involve costs for consultant services. Consequently, most contributions will be paid as described in Section 3.IV below. For budgeted costs that do not involve consultant services (if any), the Cooperative Committee will determine how such contributions shall be paid.

E. Party Contributions to Subsequent Budgets. For Fiscal Year 2020 - 2021 and following, both the budget and cost share allocations for the relevant Fiscal Year shall be approved by the governing body of each Party prior to any financial expenditures or incurrence of any financial obligations or liabilities by the Cooperative Committee or by any Party on behalf of the Cooperative Committee.

F. The Cooperative Committee will make recommendations to the Parties on any additional funding needs, but have no authority to require any Party to contribute funds over and above those included in the budget approved by each Party.

G. On an annual basis, the Cooperative Committee and/or contracting agent shall provide the Parties with a record of expenditures from the previous year related to this MOA.

IV. Engagement of Consultants.

A. It is anticipated that the Cooperative Committee will desire to retain the services of one or more consultants in conducting activities identified in Section 3.A.7, including, but not necessarily limited to, its development of the GSP.

B. 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 any such consultant(s).

C. Notwithstanding the foregoing, the City agrees that the Parties and Cooperative Committee shall be included in the selection of any consultants 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.

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Commented [WC11]: "Party Responsibility for Approved Expenditures."

Commented [es12]: See prior comment.

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Commented [DM13]: So is this the spot where we reconcile that it will not cost \$1.5 million in consultant services to prepare a GSP?

Commented [DM14R13]: I can't ask my City Council to agree that this will cost that much when they know the total should be more like \$500,000.

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D. 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.

E. Contract Terms and Invoicing.

1. All consultant contracts entered into by the City on behalf of the Cooperative Committee shall include the following: (1) 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; and (2) a provision requiring that the consultant name each Party as an additional insured; and (3) an expected spend plan estimating the amount of the not to exceed contract amount that the Consultant expects to invoice the City each month.
2. Upon receipt of each invoice, the City shall calculate each Party's payment obligation based on the Party's percentage cost obligation set forth in Exhibit A and shall submit an invoice to each Party showing the foregoing calculation. Each Party shall remit payment to City within thirty (30) days.

V. Interagency Communication and Providing Proper Notice.

- A. Interagency Communication. To provide for consistent and effective communication among Parties, each Party agrees to designate a representative as its central point of contact on 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.
- B. Providing Proper Notice. 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 C. The Parties may update Exhibit C from time to time without a formal amendment to this MOA.

VI. Withdrawal and Termination.

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**Commented [DM19]:** This may need a bit more conversation. Terminating a contract without having it be in default can create a liability exposure for the City. Can someone articulate a scenario when this clause in the MOA would be used?

**Commented [JR20]:** I can think of a whole bunch of things that could activate this clause such as poor work product, unable to meet deadlines, unable to stay within budget, inability to cooperate with requests from client, etc. Clearly it has to be more than we don't like this contractor and I suspect the City has procedures to terminate contracts. What I don't want is that once we sign with the contractor we are locked in forever. If the contractor can't perform, then the Parties should be able to insist that the contractor be terminated.

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**Commented [DM21]:** I wouldn't go to Council to award the contract until the Coop Comm approves, so no problem. I would expect the City to want some minor admin costs so that the City ratepayers aren't subsidizing others.

**Commented [es23]: Question to Dick:** What's the appropriate time frame for City needs?

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A. Withdrawal. A Party may unilaterally withdraw from this MOA without causing or requiring termination of the MOA. Withdrawal shall become effective upon thirty (30) days written notice to the remaining Parties' designated addresses as listed in Exhibit C. 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 and Exhibit A 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.

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B. Termination. This MOA may be terminated upon unanimous written consent of all current Parties.

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VII. Amendments.

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A. 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.

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VIII. Indemnification.

A. 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 California 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.

IX. Miscellaneous.

A. Execution in Counterparts. This MOA may be executed in counterparts,

Deleted: The Parties intend to execute this MOA in counterparts. It is the intent of the Parties to hold one (1) counterpart with single original signatures to evidence the MOA and to thereafter forward (# of Parties to MOA) other original counterparts on a rotating basis for all signatures. Thereafter, each Party shall be delivered an originally executed counterpart with all Party signatures

- B. Automatic Termination of MOA. This MOA shall automatically sunset 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.
- C. 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.
- D. 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.
- E. 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 or representations not expressly set forth or referenced in this writing are null and void and of no force and effect.
- F. 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.

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**EXHIBIT A**

**COST SHARE ALLOCATIONS AND MAXIMUM REQUIRED CONTRIBUTIONS**

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~~Deleted: Each party's required contribution~~

Party	Cost Share Allocation*	Maximum Contribution by Party	FY 2017-18	FY 2018-19	FY 2019-20
City Member	15%	\$215,150	\$34,150	\$95,400	\$85,600
SMCSD Member	3%	\$48,950	\$10,950	\$19,700	\$18,300
HRCSD Member	1%	\$15,000	\$5,000	\$5,000	\$5,000
EPCWD Member	33%	\$492,875	\$70,375	\$223,500	\$199,000
SSJWD Member	24%	\$360,625	\$53,125	\$162,500	\$145,000

<b>County Member</b>	23%	\$347,400	\$51,400	\$156,400	\$139,600
<b>Subtotal</b>	<b>100%</b>	<b>\$1,480,000</b>	<b>\$225,000</b>	<b>\$662,500</b>	<b>\$592,500</b>

\*The cost share allocation percentages were generally established based on the estimated groundwater use within the GSA boundary of each Party as well as a fixed-fee component.

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**Commented [CKB24]:** Or replace with: "and other financial contributions."

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**EXHIBIT B** ¶  
**Potential Advisory Committee Seats** ¶  
(1) Representative from environmental users of groundwater ¶  
(2) Representative from agricultural users with extraction facilities outside of the EPCWD and SSJWD ¶  
(3) Representative from domestic well owners ¶  
(4) Representative from mutual water companies ¶  
(5) Representative from public water systems ¶  
(6) Representative from the federal government

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**EXHIBIT C**  
**PARTY ADDRESS LIST**  
**[add party addresses]**

**EXHIBIT A**  
**COST SHARE ALLOCATIONS AND MAXIMUM REQUIRED CONTRIBUTIONS**

Agency	Cost Share Allocation By % *	Maximum Contribution by Each	FY 2017-18	FY 2018-19	FY 2019-20
City Member	15	\$215,150	\$34,150	\$95,400	\$85,600
<b>SMCSD</b>	<b>3</b>	<b>\$48,950</b>	<b>\$10,950</b>	<b>\$19,700</b>	<b>\$18,300</b>
EPCWD	33	\$492,875	\$70,375	\$223,500	\$199,000
HRCSD	1	\$15,000	\$5,000	\$5,000	\$5,000
SSJWD	24	\$360,625	\$53,125	\$162,500	\$145,000
County	23	\$347,400	\$51,400	\$156,400	\$139,600
Subtotal	100	\$1,480,000	\$225,000	\$662,500	\$592,500

SMCSD – San Miguel CSD

HRCSD – Heritage Ranch CSD

EPCWD—Estrella-El Pomar Creston Water District

SSJWD—Shandon San Juan Water District

County—San Luis Obispo

\*The cost share allocation percentages were generally established based on the estimated groundwater use within the GSA boundary of each Party as well as a fixed-fee component.