



Notice of Special Meeting
Oceano Community Services District - Board of Directors Agenda
THURSDAY, March 30, 2017 – 2:00 P.M.
Oceano Community Services District Board Room
1655 Front Street, Oceano, CA

All items on the agenda including information items, may be deliberated. Any member of the public with an interest in one of these items should review the background material and request information on the possible action that could be taken.

All persons desiring to speak during any Public Comment period are asked to fill out a "Board Appearance Form" to submit to the General Manager prior to the start of the meeting. Each individual speaker is limited to a presentation time of THREE (3) minutes per item. Persons wishing to speak on more than one item shall limit his/her remarks to a total of SIX (6) minutes. This time may be allocated between items in one minute increments up to three minutes. Time limits may not be yielded to or shared with other speakers.

1. **CALL TO ORDER:**
2. **ROLL CALL:**
3. **FLAG SALUTE:**
4. **PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:**

This public comment period provides an opportunity for members of the public to address the Board on matters of interest within the jurisdiction of the District that are not listed on the agenda. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

5. **BUSINESS ITEM:**

Consideration of the Preparation and Approval of Comment Letters to the Board of Supervisors of the County of San Luis Obispo and of San Luis Obispo County Flood Control and Water Conservation District regarding Agenda Items # 27 and # 28, which are posted on the County Agenda for the meeting of April 4, 2017, relating to policies on the Sustainable Groundwater Management Act and an alleged violation of the Brown Act by the Board of Supervisors on March 7, 2017.

Note: The Board of Directors may choose to continue this item to any date up to and including April 4, 2017 with possible attendance at the Board of Supervisors meeting in San Luis Obispo.

6. **ADJOURNMENT:**

This agenda was prepared and posted pursuant to Government Code Section 54956. Agenda is posted at the Oceano Community Services District, 1655 Front Street, Oceano, CA. Agenda and reports can be accessed and downloaded from the Oceano Community Services District website at www.oceanocsd.org.

ASSISTANCE FOR THE DISABLED If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Clerk of the Board at (805) 481-6730 for assistance at least three (3) working days prior to the meeting so necessary arrangements can be made.

ASISTENCIA A DISCAPACITADO Si usted está incapacitado de ninguna manera y necesita alojamiento para participar en la reunión de la Junta, por favor llame a la Secretaria de la Junta al (805) 481-6730 para recibir asistencia por lo menos tres (3) días antes de la reunión para que los arreglos necesarios puedan ser hechos.



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: March 30, 2017

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item #5** : Consideration of the Preparation and Approval of Comment Letters to the Board of Supervisors of the County of San Luis Obispo and of the San Luis Obispo County Flood Control and Water Conservation District regarding Agenda Items # 27 and # 28, which are posted on the County Agenda for their meeting of April 4, 2017, relating to policies on the Sustainable Groundwater Management Act and an alleged violation of the Brown Act by the Board of Supervisors on March 7, 2017.

Recommendation

It is recommended that your Board consider developing and approving comment letters to the Board of Supervisor regarding agenda items #27 and #28, posted on the April 4, 2017 Agenda of the County of San Luis Obispo.

Discussion

Due to the timing of agenda materials posted by the County of San Luis Obispo, draft comment letters that the Board of Directors may wish to approve, have not yet been prepared are therefore are not attached. The body of this agenda report identifies the primary issues and questions that the Board may wish to include in comment letters, if any. Draft comment letters will be prepared for consideration by the Board of Directors, and distributed at the meeting. The draft comment letters are being prepared consistent with the issues and questions identified in this staff report, and in a manner so that the Board can include or exclude any of the issues or questions, add to them, or take no action.

Attached is the County Agenda for April 4, 2017. Agenda item #27 addresses alleged Brown Act violations. Agenda item #28 addresses policies relating to the Sustainable Groundwater Management Act (SGMA). Attached are the County Staff reports for each agenda item, and related attachments. SGMA attachments relating to the Los Osos Groundwater Basin are not attached but can be obtained from the County of San Luis Obispo or their website at:

<http://www.slocounty.ca.gov/bos/BOSagenda.htm>



Agenda Item #27 - Alleged Brown Act violation on March 7, 2017

The County staff report responds to allegations of a potential Brown Act violation and includes options that the Board of Supervisors may wish to consider, including referral to the District Attorney's office, hiring of an outside investigator, or that the Board takes no action.

Since Agenda Item #28 includes the Board of Supervisor's reconsideration of their action on March 7, 2017, which led to the assertion of a Brown Act violation, staff recommends that your Board:

- A. Oppose a referral to the District Attorney's Office
- B. Oppose the hiring of an outside investigator
- C. Consider commenting to the Board of Supervisors on:
 - a. their lack of transparency leading to the March 7, 2017 action,
 - b. their disregard for recommendations from their Water Resource Advisory Committee, and
 - c. that the County should provide funding for an independent evaluation of transitioning the San Luis Obispo County Flood Control and Water Conservation District to a County Water Resource Agency.

Agenda Item #28 – SGMA Policies

The County staff report provides a discussion of SGMA policies with attachments illustrating fiscal implications and the policy changes that the Board of Supervisors approved on March 7, 2017. Consideration of comments that the Board may wish to include in a letter to the Board of Supervisors include the following:

- A. Why did the Board feel it was necessary to make a decision on March 7th since the SGMA deadline for June 30, 2017 only pertains to identifying Groundwater Sustainability Agencies and that the preparation of Groundwater Sustainability Plans and Funding is not required until after June 30, 2017?
- B. What are the fiscal consequences of the policy changes approved on March 7th? The County staff reports identify costs associated with SGMA but does not identify the impact on other Countywide water resource and flood control projects and programs.
- C. Do the policy funding changes only apply to Fiscal Year 2017-18? Revised Policy Statement 3a. Financial Strategies are explicit to "Fund as part of the FY 2017/18 County Budget" but the deletion of other language could imply that the County funding will continue into future years. What is the intent of the Board of Supervisors and what are the long-term funding consequences?



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- D. Is the funding in the 2017/18 County Budget coming from the County or the Flood Control and Water Conservation District?
- E. Without considering fiscal consequences, input from the Water Resource Advisory Committee, with remaining open questions on the meaning of March 7, 2017 policy actions, and without a pending SGMA deadline at this time, why does the Board need to take action on April 4, 2017? Why not allow time for the Water Resource Advisory Committee to review and provide recommendations?
- F. Considering the lack of an evaluation on the consequences of the Board's actions, can the Board confirm that designated reserves previously established to fund a groundwater model for the Santa Maria Groundwater Basin, including the Northern Cities Management Area and Nipomo Mesa Management Areas, will not be diverted; that those fiscal commitments will be maintained, and that the County will follow through in its existing commitment to develop the model similar to the model developed for the Paso Robles Groundwater Basin?
- G. If the County has sufficient fiscal resources to fund SGMA, why did the County mandate the Oceano Community Services District to pay the cost of relocating water and wastewater lines to accommodate the County's Highway One Drainage Project while allocating Community Development Block Grant funds to itself for County cost but not community costs incurred by OCSD?

Other Agency Involvement

The County of San Luis Obispo. The Water Resource Advisory Committee includes approximately 29 members including representatives from all seven (7) cities, eight (8) community services districts, private water companies, other governmental institutions, and members of agriculture, development and environmental constituencies.

Other Financial Considerations

The fiscal implications are unclear.

Results

Consideration of comment letters by the Board of Directors promotes well governed communities.



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Attachments:

1. County of San Luis Obispo, Board of Supervisors, Agenda for April 4, 2017
2. County Agenda Item #27 – Alleged Brown Act violation on March 7, 2017
3. County Agenda Item #28 (Excerpts) – SGMA Policies



BOARD OF SUPERVISORS AGENDA
John Peschong *Chairperson, District One*
Bruce Gibson *District Two*
Adam Hill *Vice-Chairperson, District Three*
Lynn Compton *District Four*
Debbie Arnold *District Five*

Dan Buckshi County Administrator

AGENDA

April 4, 2017

County Government Center
Board of Supervisors Chambers

1055 Monterey Street | San Luis Obispo, CA 93408

Tuesday, April 4, 2017

CONSENT AGENDA	9:00 AM
REVIEW AND APPROVAL	
PRESENTATIONS	
PUBLIC COMMENT PERIOD	
BOARD BUSINESS	
CLOSED SESSION	
RECESS	
AFTERNOON SESSION	1:30 PM
REPORT ON CLOSED SESSION	
BOARD BUSINESS	
HEARINGS	
ADJOURNMENT	5:00 PM

- The Board of Supervisors' weekly agenda and staff reports are available at the following website: www.slocounty.ca.gov. Packets are also available at the County Government Center and may be viewed on-line at the Atascadero, Arroyo Grande, Paso Robles, Nipomo, Morro Bay, SLO City/County Libraries and the SLO Law Library.
- All persons desiring to speak on any Board item, including the Consent agenda, Closed Session or during the general public comment period are asked to fill out a "Board Appearance Request Form" and submit to the Clerk of the Board *prior* to the start of the Board item. Each individual speaker is limited to a MAXIMUM of three (3) minutes.
- Please refer to the information brochure located in the back and outside of the Board Chambers for additional information regarding accommodations under the Americans with Disabilities Act, supplemental correspondence, and general rules of procedure.

9:00 FLAG SALUTE**CONSENT AGENDA – REVIEW AND APPROVAL**

The items listed on this portion of the agenda are scheduled for consideration as a group. The staff recommendations will be approved as outlined within the staff report. Any Supervisor may request an item be withdrawn from the Consent Agenda to permit discussion or change the recommended course of action for an item.

Consent Agenda - Administrative Office Items:

1. Request to approve applying for Federal and State disaster assistance related to damages caused by January storms and approval of related application documents. All Districts.
2. Thirty-day update on current drought conditions and related management actions for the Board's review of the continuing need for the March 11, 2014 proclamation of local emergency pursuant to Government Code section 8630. All Districts.

Consent Agenda - Board of Supervisors Items:

3. Submittal of a resolution promoting Move More in April and recognizing April 5, 2017 as "National Walking Day" in San Luis Obispo County. All Districts.
4. Request to appoint Heidi Wicka as a District 1 representative to the Bicycle Advisory Committee. All Districts.
5. Request to reappoint Monica Cisneros to the San Miguel Public Cemetery District. District 1.
6. Request to reappoint Janice Mumford to the San Miguel Cemetery District. District 1.
7. Request to reappoint Lynne B. Schmitz to the San Miguel Cemetery District. District 1.

Consent Agenda - Central Services Items:

8. Request to approve a lease to allow the San Luis Obispo Regional Transit Authority to use, for up to 20 years, a portion of County-owned real property known as the County Corp Yard at 1734 Paso Robles Street, Paso Robles, by 4/5 vote. District 1.

Consent Agenda - County Fire Items:

9. Submittal of a resolution to ratify an ordinance adopted by the Cambria Community Services District which adopts and amends the 2016 California Fire Code. District 2.

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10. Submittal of a resolution to ratify an ordinance adopted by the Templeton Community Services District which adopts and amends the 2016 California Fire Code. District 1.

Consent Agenda - Health Agency Items:

11. Request to appoint Jinah Byram to the County Health Commission. All Districts.

Consent Agenda - Public Works Items:

12. Request to 1) approve a memorandum of understanding between the San Luis Obispo Council of Governments, the County of San Luis Obispo, the Regional Transit Authority, the City of Atascadero and the City of El Paso de Robles; and 2) endorse a memorandum of understanding between the San Luis Obispo Council of Governments, the Regional Transit Authority and South County Transit. Districts 1, 3, 4, and 5.
13. Submittal of bid opening report for the San Juan Creek Pedestrian Bridge in Shandon, to award the subject contract to Souza Construction, Inc., the lowest responsive, responsible bidder, in the amount of \$1,023,000; request to approve Amendment No. 10 to the Cooperative Agreement with San Luis Obispo Council of Governments; and authorize a budget adjustment in the amount of \$1,350,000, to increase appropriation and associated funding, by 4/5 vote. District 1.
14. Submittal of bid opening report for the Klau Creek Bridge at Cypress Mountain Drive, near Adelaida, to award the subject contract to Souza Construction, Inc., the lowest responsive, responsible bidder, in the amount of \$1,577,000. District 1.
15. Submittal of a resolution vacating mapped roads in the vicinity of Highway 1 and Callender Road by Summary Vacation in the unincorporated portion of Arroyo Grande; and find that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). District 4.
16. Request approval of Tract Map 3059, a proposed subdivision resulting in 13 residential lots and 1 road lot, by Cal Projects LLC, which has been received and has satisfied all the conditions of approval that were established at the public hearing on the tentative map; and adopt the attached resolution to approve an avigation easement, Hass Lane, Oceano. District 4.
17. Request approval of Tract Map 3053, a proposed subdivision resulting in 13 residential lots by Hurley Ranch LLC, which has been received and has satisfied all the conditions of approval that were established at the public hearing on the tentative map; and act on the attached resolution to approve an open-space easement agreement, Old Oak Park Road near Arroyo Grande. District 3.

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Consent Agenda - Public Works Sitting as Flood Control District:

18. Request to authorize a budget adjustment in the amount of \$12,000 from Flood Control Zone 18 in Cambria designated reserves for unanticipated operational expenditures related to the 2016/17 winter storms, by 4/5 vote. District 2.
19. Request to approve seven committee appointments to the Water Resources Advisory Committee of the Flood Control and Water Conservation District. All Districts.

Presentations:

20. Submittal of a resolution recognizing Jeanie Greensfelder as San Luis Obispo County Poet Laureate. All Districts.
21. Submittal of a resolution requesting that the Board proclaim the month of April 2017, "San Luis Obispo County Crime Victims' Rights Month." All Districts.
22. Submittal of a resolution recognizing San Luis Obispo County's Japanese American community on the seventy-fifth anniversary of the Japanese Internment. All Districts.
23. Submittal of a resolution proclaiming April 2017 as the "Month of the Child" and "Child Abuse Prevention Month" and April 8, 2017 as "Day of the Child" in San Luis Obispo County. All Districts.

Public Comment Period:

24. The general public comment period is intended to provide an opportunity for members of the public to address the Board on matters within the Board's purview that are not scheduled on the current agenda. Individuals interested in speaking are asked to fill out a "Board Appearance Request Form" and submit it to the Clerk of the Board prior to the start of general public comment. When recognized by the Chair, each individual speaker may address the Board and is limited to a MAXIMUM of three (3) minutes or a reasonable period of time as determined by the Board Chairperson.

Board Business:

25. A request for authorization to process an amendment to the Woodlands Specific Plan and the Official Maps—Part IV of the Land Use and Circulation Element (LRP2016-00008) to allow for the development of an assisted living facility. District 4.

Closed Session Items:

26. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code section 54956.9.) It is the intention of the Board to meet in closed session concerning the following items: (1) Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of section 54956.9. Number of potential cases: Three; (2) Initiation of litigation pursuant to paragraph (4) of subdivision (d) of section 54956.9. Number of potential cases: Three.

CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION (Government Code section 54956.9.) It is the intention of the Board to meet in closed session concerning the following items: Existing Litigation (Gov. Code, section 54956.9(a)). (Formally initiated.) (3) PG&E's 2017 General Rate Case A: 15-09-001; (4) Application Filed by PG&E for Retirement of Diablo Canyon Power Plant A: 16-08-006; (5) Golden State Water Company Advice Letter 1674-W CPUC Protest; (6) Scott Barnes v. Donna Cole, County of San Luis Obispo; (7) Mesa Community Alliance v. State of California Department of Parks and Recreation, et al.

CONFERENCE WITH LABOR NEGOTIATOR (Government Code section 54957.6.) It is the intention of the Board to meet in closed session to have a conference with its Labor Negotiator, Tami Douglas-Schatz, concerning the following employee organizations: (8) San Luis Obispo Government Attorney's Union (SLOGAU); (9) San Luis Obispo County Employees Association – Trades and Crafts (SLOCEA-T&C); (10) Deputy County Counsel's Association (DCCA); (11) Sheriffs' Management; (12) San Luis Obispo County Probation Peace Officers' Association (SLOCPPOA); (13) Deputy Sheriff's Association (DSA); (14) District Attorney Investigators' Association (DAIA); (15) San Luis Obispo County Probation Managers' Peace Officers' Association (SLOCPMPOA); (16) San Luis Obispo County Employees Association – Public Services, Supervisors, Clerical (SLOCEA – PSSC); (17) Unrepresented Management and Confidential Employees; and (18) Association of San Luis Obispo County Deputy Sheriffs (ASLOCDS).

PERSONNEL (Government Code section 54957.) It is the intention of the Board to meet in closed session to: (19) Consider Public Employee Appointment for the Position of Director of the Department of Planning and Building.

RECESS**1:30 REPORT ON CLOSED SESSION**Board Business:

27. Per the Board of Supervisors' unanimous vote on 3/7/17, consideration of an alleged serial meeting and potential violation of the Ralph M. Brown Act. All Districts.

Hearings:

28. (1) Sitting as the Board of Supervisors for both the San Luis Obispo County Flood Control and Water Conservation District and the County of San Luis Obispo reconsider the funding policy that was discussed on March 7, 2017 with regard to the Sustainable Groundwater Management Act (SGMA) Strategy and provide direction for amendments on financial planning of SGMA implementation and groundwater sustainability governance; and (2) Sitting as the Board of Supervisors for the County of San Luis Obispo hold a public hearing to consider adoption of a resolution forming the Los Osos Basin Fringe Areas Groundwater Sustainability Agency and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). All Districts.



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Board of Supervisors		(2) MEETING DATE 4/4/2017		(3) CONTACT/PHONE Supervisor John Peschong, Chairperson 781-5450	
(4) SUBJECT Per the Board of Supervisors' unanimous vote on 3/7/17, consideration of an alleged serial meeting and potential violation of the Ralph M. Brown Act. All Districts.					
(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors review and consider and give direction with regard to an alleged Brown Act violation, which was submitted by a member of the public.					
(6) FUNDING SOURCE(S) N/A		(7) CURRENT YEAR FINANCIAL IMPACT N/A		(8) ANNUAL FINANCIAL IMPACT N/A	
(9) BUDGETED? N/A					
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>20 Min</u>)					
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW					
(18) SUPERVISOR DISTRICT(S) All Districts					



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Board of Supervisors / Supervisor John Peschong, Chairperson
781-5450

DATE: 4/4/2017

SUBJECT: Per the Board of Supervisors' unanimous vote on 3/7/17, Review, consider, and give direction with regard to an alleged serial meeting and potential violation of the Ralph M. Brown Act. All Districts.

RECOMMENDATION

It is recommended that the Board of Supervisors review and consider and give direction with regard to an alleged Brown Act violation, which was submitted by a member of the public.

DISCUSSION

On March 16, 2017, Ms. Laurie Gage submitted a letter to the County Counsel's Office with copies provided to the Board of Supervisors, the County Administrator, and the Public Works Director. The letter states that a possible violation of the Ralph M. Brown Act ("Brown Act") may have occurred by way of a serial meeting involving three or more members of the Board of Supervisors. Her letter references (and attaches) a letter purportedly authored by Mr. Greg Grewal, which was sent to one or more individuals who own property within the Paso Robles groundwater basin. The portion of the letter with which Ms. Gage has concern is on page four, which states "After various conversations with the current BOS supervisors (confidentially) they are going to declare the county the GSA (with regards to SGMA). This action is to happen in the immediate future." This purported letter from Mr. Grewal was dated January 27, 2017. On March 22, 2017, the County Counsel's office received a voicemail from Mr. Grewal wherein he stated that the letter with his signature was a "fraud" and a "forged piece of material".

During general public comment at the March 21, 2017 Board of Supervisors meeting, several members of the public spoke to this issue. In response to the request from Ms. Gage and other speakers, the Board directed the request from Ms. Gage and the associated letter allegedly from Mr. Grewal be placed on the April 4, 2017 agenda for discussion.

The Brown Act allows the district attorney or any interested person to commence legal action to determine whether past, current or future actions of a legislative body violate the Act.

Pursuant to the Brown Act, this Board has several options with regard to this issue. Those options include:

1. Refer the matter to the District Attorney for consideration of a court action.
2. Direct staff to hire an outside investigator to investigate the allegations.
3. Take no action. This option would allow the district attorney or interested person to proceed with a court action should they so desire. It would also not prevent any person from referring this matter to the district attorney on his/her own.

Attached is the letter from Ms. Gage and the referenced letter allegedly from Mr. Grewal.

ATTACHMENTS

1. March 16, 2017 letter from Ms. Laurie Gage
2. January 27, 2017 purported letter from Mr. Grewal

March 16, 2017

Ms. Rita Neal
Office of the County Counsel
County Government Center, Room D320
San Luis Obispo, CA 93408

Dear Ms. Neal,

I am writing to follow up on my letter dated March 8, 2017 regarding a possible Brown Act violation that occurred during the Board of Supervisors meeting of March 7, 2017.

After my letter to you became public, a copy of the attached 5-page letter dated January 27, 2017 came into my hands. This letter is written and signed by Greg Grewal, Supervisor Arnold's appointee to the Water Resources Advisory Committee. All addressee information had been redacted before it came to me. It appears to be an attempt to dissuade the addressee from choosing to opt in to the proposed Estrella-El Pomar-Creston Water District, or to withdraw from having already opted in.

While the letter is filled with inflammatory, incorrect, and misleading statements, that is not why I have sent it to you. I believe that Paragraph #4 at the top of Page 4 which begins, "After various conversations..." when read in its entirety points to the likely possibility of another Brown Act violation by Mr. Grewal and unspecified San Luis Obispo County Supervisors in the form of a serial meeting. I believe it deserves your attention while you consider the potential Brown Act violation discussed in my earlier letter.

I find it disturbing that Mr. Grewal mentions "...various conversations with the current BOS supervisors (confidentially) they are going to declare the county the GSA (with regards to SGMA.) This action is to happen in the immediate future." The County Strategy for SGMA, unanimously passed last November describes that the County "...supports pursuing a funding mechanism supported by and funded by the affected landowners and/or extractors. Should long-term funding mechanisms for County SGMA costs not be approved by the affected landowners and/or extractors, the County would no longer be a GSA or GSA member." This is the Strategy in effect on the date of Mr. Grewal's letter, January 27. It is concerning that he asserts knowledge that the County is going to declare to be the GSA and that it will happen soon. And that he has had confidential conversations with Supervisors that affirm this. If what he asserts is true, then there may well be another Brown Act violation in the form of serial, if not direct, meetings between the three Supervisors who firmly acted on this intention at the March 7 meeting.

Mr. Grewal further asserts that "They have no intentions of charging extra fees.... They already collect county taxes for this purpose and so have no need to raise fees or charge a new tax." The actions by the majority Supervisors on March 7 support the idea that Mr. Grewal had some assurances that these Strategy modifications would take place as Supervisor Arnold used this same language during the discussion of her motion, repeatedly saying that she didn't want to

raise taxes on the overlayers. Since the County doesn't raise or impose taxes under these kinds of situations (it takes a Prop 218 vote of the affected population), then both Mr. Grewal and Ms. Arnold made the exact same mistake, he in his letter and she in her motion discussion. To my mind, this bolsters the idea that there was a strategy change in place in late January, agreed to by the majority Supervisors and communicated to Mr. Grewal.

I think the referenced paragraph bears consideration in light of the actions taken on March 7 by the majority Supervisors. There would seem to be sufficient evidence, if circumstantial, that there may have been a Brown Act violation in the form of developing a common and agreed-to change to County SGMA Strategy without public input or notice. At the very least, the meetings described by Mr. Grewal, a member of the WRAC and therefore (hopefully) acquainted with Brown Act rules, and the assertions he made in his letter have the appearance of being extremely inappropriate.

I urge you to consider the overarching fact that this letter dates to January 27, 2017 and Mr. Grewal's assertions were that all these changes to the Strategy were in play at that time. This would indicate that these "conversations with the current BOS supervisors" must have taken place between November 1, 2016 (the date of the unanimous passage of the County SGMA Strategy) and late January. That is plenty of time to agendaize a hearing regarding a change in the Strategy and allow the public to comment.

I urge you to include the information in the attached letter in your consideration of possible Brown Act violations and act to annul the changes made on March 7, reagendaize the item, and allow the public to speak in their own behalf on the issue.

Thank you.



Laurie Gage
5715 Linne Road
Paso Robles, CA 93446
805-610-6073
fullsail@onemain.com

cc: Chairman John Peschong
Supervisor Debbie Arnold
Supervisor Lynn Compton
Supervisor Bruce Gibson
Supervisor Adam Hill
Wade Horton, Director of SLO County Public Works
Dan Buckshi, SLO County CAO

January 27, 2017

Gregory T Grewal
Shooting Star Ranch
P.O. Box 473
Creston, CA 93432
805-227-4095
805-674-1073

Mr. [REDACTED]

Below I have compiled a short, to-the-point outline of the water issues in San Luis Obispo county so you can hopefully understand your choices and make an informed decision as to what is best for you with regards to [REDACTED]. Should you have any questions, please do not hesitate to contact me directly or have [REDACTED] set up a time to talk, as there is a massive amount of information that I have read and hundreds of meetings I have attended over the last 2-3 years with regards to this situation.

What has happened previously in the Paso Robles Ground Water Basin (PRGWB) up to this point:

1. Early 2000's Paso Robles made an agreement with some select landowners between Paso Robles and Creston called the PRIOR agreement that stated that the basin was not in overdraft and that the city would not encroach on their water rights and the landowners would not file quiet title against the city. Also, the county was having basin volume studies done by engineering companies and water banking studies performed during this time.
2. Approximately 3 years ago, some citizen groups started stirring up issues with the county and various water committees about the drought and water use (and there by land use). Some major water banking players (S.

Resnick predominately) were found to have ties with the individuals spearheading this movement.

3. The PRAAGS group was formed and tried to force a water district to be formed for the unincorporated areas of the north county over the PRGWB based on false claims of a water shortage and overdraft of the basin. They claimed the state would come in and take over our water. The county board of supervisors was not in favor of supporting landowner's rights at that time. Against the protest of many of the citizens, they allowed the district formation to be put to a vote. The district failed miserably in the formation and funding votes (78% against) and was dead.
4. Also during this time, an urgency ordinance was put in place requiring one to one offsets (basically cap and trade) of water for new projects, except in the cities where new hotels, housing projects, etc. have continued.
5. A quiet title action lawsuit was also filed in response to the county filing the urgency ordinance and the cities trying to claim agriculture was using all the water in the basin. The cities refused to say they were not claiming prescription and so the issue went to trial. Currently, the landowners have won the first two phases/trials in the issue. There is a court date Feb 3 to set the date of the start of the third phase/trial where the cities must notify all landowners they are claiming prescription against (whether they are currently in the suit or not) and prove there is/was an overdraft of the basin (which there is no scientific evidence for.) The judge has been very "by the books" and adheres strictly to the CA constitution, which gives preference to the overlying landowners right to the water beneath their land. He generally sets the date to be within 30 days or so of the pretrial hearing, so we anticipate this matter to be resolved shortly.

What is happening now in the PRGWB:

1. The state officials were very angry over not gaining control of the PRGWB and that the landowners filed quiet title. Some of the county supervisors were met with unpleasant communications from various offices in Sacramento.

2. The state passed the SGMA. This does nothing to change state law regarding water rights. It simply says water use/reserves need to be managed and puts a timeline on water management in the state by the various government agencies (GSA's).
3. The county board of supervisors has changed and the current board favors landowner's property rights.
4. The folks who lost (PRAGGS) in the initial district attempt, have now devised the Shandon-San Juan and El Pomar- Creston water districts. They are opt-in districts. They have not been formed yet, but are currently going through the LAFCO process.

Why does this matter and how does it impact [REDACTED]

1. California water law states that the **OVERLYING LANDOWNER HAS THE PRIORITY (FIRST) RIGHT** to the beneficial use of the water below their property. Water districts and cities are considered purveyors because they sell water to others for use. **IF YOU JOIN A DISTRICT, YOU GIVE UP YOUR OVERLIER RIGHTS TO THE WATER BELOW YOUR LAND.** This lowers your priority level for use of the water in the basin.
2. The purveyors (cities and water districts) have use of excess water in the basin based on priority level established from first use and amount used. So, the older cities that are older districts and have been providing water for longer are further up the ladder than newly formed districts that do not have historical claims. The new water districts are at the bottom of the list. **IF YOU JOIN THE DISTRICT, YOU WOULD PURPOSELY BE TAKING YOURSELF FROM THE NUMBER ONE POSITION ON THE LIST TO THE LAST POSITION ON THE LIST FOR WATER USAGE.**
3. Once the quiet title lawsuit is finished, the court will appoint a water master to monitor the basin. **If the basin falls into overdraft, then the purveyors will be the first to have to cut back their use and/or be cut off completely.** Once all purveyor use has stopped, then all overlying landowners must cut back collectively (if needed) to protect and manage the available water.

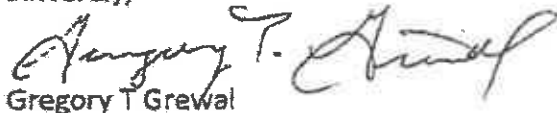
4. **After various conversations with the current BOS supervisors (confidentially) they are going to declare the county the GSA (with regards to SGMA.) This action is to happen in the immediate future. They have no intentions of charging extra fees, as the county flood control board already performs all the actions required of the GSA, is already doing all the studies, etc. mandated by the state and will continue to do so. They already collect county taxes for this purpose and so have no need to raise fees or charge a new tax.**
5. **The county board of supervisors is the only entity that can determine land use. The water district can only tax your water use and impose fines or fees for said use.**
6. **If you choose to be in the water district, you are giving up your water rights and allowing the water district to decide what you can and cannot do with your water. The water district is not providing any water to you. They intend on putting meters on the wells. They are going to charge you for the meters. They are not fixing or maintaining the wells in the district. That is the responsibility of the individual landowners. The landowners are also responsible for maintenance of their water infrastructure. You will be billed for your water use and to be a part of the water district. The initial fees are \$35/ac/yr. for irrigated or developed land, \$60/yr. for each residence and \$0.59/ac/yr. of non-irrigated land. The board can vote to raise these fees if costs rise or they become involved in litigation, etc. The district is not providing any published plans to LAFCO for future infrastructure they intend to initiate, nor an estimate of associated costs. While the formation and funding votes are 1 vote per ac., after the district is formed, the weight of the voting shifts to value of the property, so irrigated lands carry more sway. Thus, the water district is essentially providing zero service or water to you, but charging you to use your own water (which is currently free to you) and charging you for the pleasure of being a member of their district. Furthermore, they have legal access to your land for any infrastructure project they deem necessary; should they decide to put in a water line or something, they may cross your property where ever and they will charge you a portion of the costs of the project.**

The formation vote has not taken place yet, but it will very shortly. It should be at the same time as the funding vote, but they got the LAFCO board to change the rules for them. Two positions on the LAFCO board have changed and those individuals are for landowner's rights. Should you want to pull out of the district you need to write a letter to the LAFCO board ASAP stating such and have contacted them before their February meeting and before the formation vote can take place. After that, your only hope is that the district does not get the funding votes or that the county does not let them become a GSA. Once they find out you do not wish to continue to be in the district, plan on being harangued by the Clarks and Steve Sinton (or others), as they are some of the individuals spearheading this project. I can give you more specifics on this should you choose to pull out.

The contact for the LAFCO board is below. Should you require or desire assistance with how to formulate your letter with the key points to emphasize to make the best argument for you being allowed to remove [REDACTED] from the proposed district, please feel free to contact me.

Local Agency Formation Commission
David Church, Executive Office
(805)781-5795 ph.
(805)788-2072 fax

Sincerely,


Gregory T Grewal



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 4/4/2017	(3) CONTACT/PHONE Carolyn K. Berg, Senior Water Resources Engineer (805) 781-5536	
(4) SUBJECT (1) Sitting as the Board of Supervisors for both the San Luis Obispo County Flood Control and Water Conservation District and the County of San Luis Obispo reconsider the funding policy that was discussed on March 7, 2017 with regard to the Sustainable Groundwater Management Act (SGMA) Strategy and provide direction for amendments on financial planning of SGMA implementation and groundwater sustainability governance; and (2) Sitting as the Board of Supervisors for the County of San Luis Obispo hold a public hearing to consider adoption of a resolution forming the Los Osos Basin Fringe Areas Groundwater Sustainability Agency and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1. Sitting as the Board of Supervisors for both the San Luis Obispo County Flood Control and Water Conservation District and the County of San Luis Obispo reconsider the funding policy that was discussed on March 7, 2017 with regard to the Sustainable Groundwater Management Act (SGMA) Strategy and provide direction for amendments on financial planning of SGMA implementation and groundwater sustainability governance; 2. Sitting as the Board of Supervisors for the County of San Luis Obispo hold the public hearing and adopt the resolution forming the Los Osos Basin Fringe Areas Groundwater Sustainability Agency and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA).			
(6) FUNDING SOURCE(S) Flood Control and Water Conservation District's Zone General	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT Estimated \$792,538.00 in FY 2017-18 - 2019-20	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. 100 mins_) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 3/7/17,#18	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 2			

Reference: 17APR04-H-1



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Public Works
Carolyn K. Berg, Senior Water Resources Engineer
Courtney Howard, Water Resources Division Manager

VIA: Mark Hutchinson, Deputy Director of Public Works
Wade Horton, Director of Public Works

DATE: 4/4/2017

SUBJECT: (1) Sitting as the Board of Supervisors for both the San Luis Obispo County Flood Control and Water Conservation District and the County of San Luis Obispo reconsider the funding policy that was discussed on March 7, 2017 with regard to the Sustainable Groundwater Management Act (SGMA) Strategy and provide direction for amendments on financial planning of SGMA implementation and groundwater sustainability governance; and (2) Sitting as the Board of Supervisors for the County of San Luis Obispo hold a public hearing to consider adoption of a resolution forming the Los Osos Basin Fringe Areas Groundwater Sustainability Agency and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Sitting as the Board of Supervisors for both the San Luis Obispo County Flood Control and Water Conservation District and the County of San Luis Obispo reconsider the funding policy that was discussed on March 7, 2017 with regard to the Sustainable Groundwater Management Act (SGMA) Strategy and provide direction for amendments on financial planning of SGMA implementation and groundwater sustainability governance;
2. Sitting as the Board of Supervisors for the County of San Luis Obispo hold the public hearing and adopt the resolution forming the Los Osos Basin Fringe Areas Groundwater Sustainability Agency and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA).

DISCUSSION

The Sustainable Groundwater Management Act (SGMA) took effect on January 1, 2015 and substantially changed California groundwater management. SGMA includes new financial and enforcement tools to carry out effective local sustainable groundwater management through formation of Groundwater Sustainability Agencies (GSAs), and development and implementation of Groundwater Sustainability Plans (GSPs), in high and medium priority basins. On January 13, 2015, the Board, as both the County and Flood Control District, adopted a SGMA Strategy aimed at helping local basins move towards SGMA compliance, and directed staff to implement the policy.

Following an update on the SGMA Strategy which focused on financial planning for SGMA implementation, the Board updated the SGMA Strategy on March 7, 2017. Those changes are shown for the Board's reconsideration and direction for amendments on pages 8-11 of the SGMA Strategy (attached), per Board direction on March 21, 2017. By way of summary, the Board changed provisions within Policy 3a related to financial strategies and Policy 3b related to membership and participation on governing boards. The principal change was to revise Policy 3a to no longer require an independent funding source supported by landowners/extractors for the areas to be represented by the County. The first critical deadline associated with SGMA is to establish GSAs no later than June 30, 2017, otherwise any uncovered areas will be subject to State intervention.

GSA Formation in Los Osos Basin Fringe Areas

The California Department of Water Resources (DWR) has identified six high and medium priority basins within the County, including the Los Osos Valley Groundwater Basin (high priority and subject to critical conditions of overdraft; referred to as "Los Osos Basin"). SGMA does not apply to the portion of the Los Osos Basin that is at issue in the litigation ("adjudicated area"), provided that certain requirements are met (Water Code Section 10720.8¹). The adjudicated area covers a majority of the Los Osos Basin, and is managed by the Los Osos Basin Management Committee. However, there are multiple fringe areas located outside of the adjudicated area, which are required to comply with SGMA (see Exhibit A of the resolution).

SGMA authorizes any local agency² or combination of local agencies (e.g. counties, cities, certain special districts) overlying a groundwater basin to decide to become a GSA for that basin after holding a properly noticed hearing (Water Code 10723(b)). In addition, SGMA further provides that counties will be presumed to be the GSA in areas that are otherwise unmanaged (but not requiring counties to assume such a role). The Board's SGMA strategy updates indicate that the County intends to be the GSA over

¹ Pursuant to Water Code 10720.8(d), SGMA does not apply to the areas of the Los Osos Groundwater Basin at issue in *Los Osos Community Services District v. Southern California Water Company [Golden State Water Company] et al.* subject to certain requirements (Court adopted order approving Stipulated Judgment on October 14, 2015).

² Pursuant to Water Code 10721(n), SGMA defines "local agency" as a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin.

areas subject to SGMA that are otherwise unrepresented by another entity eligible to form a GSA. No other eligible agencies have come forward for the Los Osos Basin fringe areas to date. Therefore, staff recommends adopting a resolution forming the Los Osos Basin Fringe Areas Groundwater Sustainability Agency after the hearing period to consider its adoption is closed.

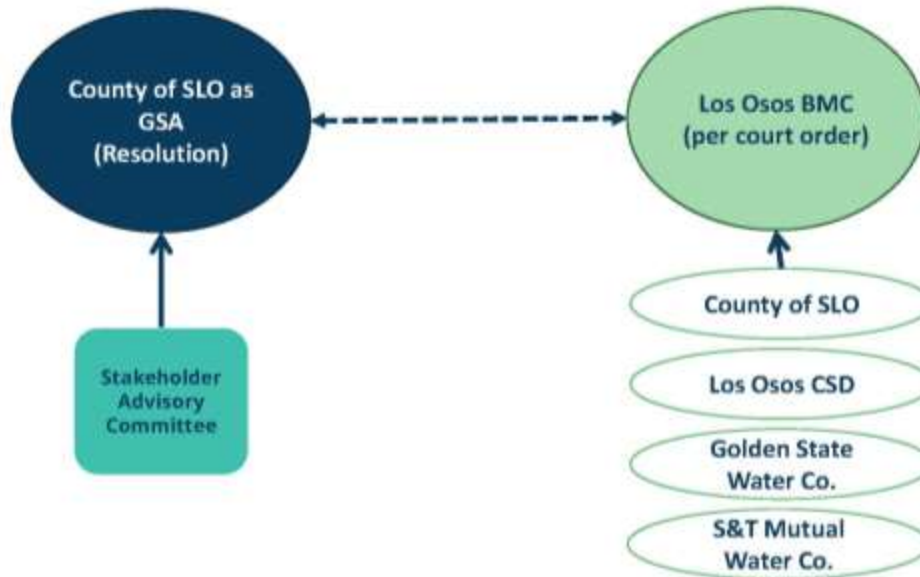
GSA Formation Administrative Requirements

Within 30 days of deciding to become a GSA, the County must notify DWR of its decision and its intent to undertake sustainable groundwater management (Water Code 10723.8(a)). Within 15 days of receipt, DWR will post all complete notices on its website (Water Code 10723.8(b)). The decision to become a GSA shall take effect 90 days after DWR posts a complete notice, as long as no other local agency submits a notification under Water Code 10723.8(a) of its intent to undertake groundwater management in all or a portion of the same area. After the decision to be a GSA takes effect, the GSA shall be presumed to be the exclusive GSA within the area of the basin described in the notice. It is also important to note that a GSA may withdraw from managing the basin by notifying DWR in writing of its intent to withdraw (Water Code Section 10723.8(e)).

Once established, the County, acting as the GSA, will be responsible for compliance with actions and deadlines associated with SGMA, and will have the authorities provided to GSAs pursuant to SGMA. Consequently, the resolution includes authorization to submit any and all necessary information to DWR in order to comply with administrative requirements.

Consideration of Beneficial Uses/Users Interests

SGMA requires that the GSAs consider the interests of all beneficial uses and users of groundwater, including, but not limited to, holders of overlying groundwater rights (agricultural users and domestic well owners). As such, staff anticipates returning to your Board with a recommendation that the Board form a stakeholder advisory committee, and make appointments to said committee in Fall/Summer 2017. Further, coordination with the neighboring adjudicated area activities of the Los Osos Basin Management Committee will be necessary. The figure below shows the recommended governance structure and process for consideration of beneficial uses and users of groundwater.



Environmental Review

Forming a GSA pursuant to SGMA is exempt from CEQA under the “general rule” that CEQA only applies to projects with the potential for significant effects on the environment. The only foreseeable impact of formation of the GSA is that the County may prepare and adopt a GSP. Pursuant to Water Code Section 10728.6, preparation and adoption of a GSP is exempt from CEQA. Should the County prepare and adopt a GSP, any projects identified therein and undertaken pursuant thereto would require project-specific analysis under CEQA.

OTHER AGENCY INVOLVEMENT/IMPACT

Implementation of SGMA involves landowners and stakeholders concerned with the management of groundwater in basins subject to SGMA, including the Los Osos Basin fringe areas. Although SGMA specifies that local public agencies, mutual water companies and water corporations regulated by the Public Utilities Commission are the eligible GSA participants, stakeholder outreach requirements, coordination requirements, and the practical realities of preparing a GSP require the involvement of the entire community.

In addition to local efforts, DWR acts as the agency in charge of developing regulations, reviewing GSAs and GSPs, and providing technical assistance to local agencies. The State Water Resources Control Board acts as the agency in charge of enforcement, in situations of non-compliance specified in SGMA.

FINANCIAL CONSIDERATIONS

The support costs associated with GSA formation efforts in the high and medium priority basins are included in the San Luis Obispo County Flood Control and Water Conservation District’s Flood Control General FY 2016-17 budget. Costs associated with GSA administration and technical studies in areas of basins that are represented by the County for the purposes of SGMA compliance, including the Los Osos

Basin fringe areas, will be included in the proposed FY 2017- 18 budgets to be considered by the Board during budget hearings in June 2017. Preliminary cost estimates for those efforts range from \$1.3M to \$2.6M per year (attached).

RESULTS

Approval of the recommended action will ensure basin areas represented by the County, including the Los Osos Basin fringe areas, will remain in compliance under SGMA, provides direction to County staff, and thereby contributes to a well governed community.

ATTACHMENTS

1. SGMA Strategy
2. Resolution Forming the Los Osos Basin Fringe Areas Groundwater Sustainability Agency and Finding that the Project is Exempt from Section 2100 et seq. of the California Public Resources Code (CEQA)
3. Notice of Exemption
4. Attachment A: SGMA Financial Consideration

File: CF 340.300.01 SGMA

Reference: 17APR04-H-1

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Sustainable Groundwater Management Act (SGMA) Strategy

San Luis Obispo County Department of Public Works

Adopted January 13, 2015

Revisions or Addenda on:

May 24, 2016

November 1, 2016

March 7, 2017

Contents:

A. Introduction

B. Overarching Strategy

C. Action Steps

1. Groundwater Sustainability Agencies
2. Organizational Agreements
3. Groundwater Sustainability Plans
4. Stakeholder Involvement

D. Schedule

E. Priorities

F. Fiscal Implications

G. Staffing

H. Addenda to SGMA Strategy

1. Addendum No. 1: County Participation Preferences for GSA Agreements

Appendices

1. Affected Areas and Agency Descriptions

- a. Cuyama Groundwater Basin
- b. Santa Maria Groundwater Basin
- c. San Luis Groundwater Basin
- d. Los Osos Groundwater Basin
- e. Paso Robles Groundwater Basin

2. Maps

- a. Countywide Groundwater Basins
- b. Five High and Medium Priority Basins
- c. Cuyama Groundwater Basin
- d. Santa Maria Groundwater Basin
- e. San Luis Groundwater Basin
- f. Los Osos Groundwater Basin
- g. Paso Robles Groundwater Basin

3. SGMA Background Information

- a. Association of California Water Agencies SGMA Materials:
 - i. Summary
 - ii. Fact Sheet
 - iii. Frequently Asked Questions
 - iv. Implementation Deadlines
 - v. Time Line

A. Introduction

California Senate Bills 1168 and 1319, and Assembly Bill 1739, signed by the Governor in September 2014, together comprise the “Sustainable Groundwater Management Act” (SGMA)¹. SGMA is ground breaking in that it requires local agencies to manage groundwater “...in a manner that can be maintained during the planning and implementation horizon without causing undesirable results”². SGMA, which took effect on January 1, 2015, provides for the preparation and implementation of Groundwater Sustainability Plans for all water basins in the State³, with High and Medium priority basins placed on a statutory schedule for identification of a Groundwater Sustainability Agency/Agencies (GSA), development of a Groundwater Sustainability Plan/Plans (GSP), and achieving sustainability. Based on the 2014 Final Basin Prioritization by the State Department of Water Resources (DWR), there are five⁴ high and medium priority groundwater basins mapped in San Luis Obispo County:

1. Paso Robles (High)
2. Santa Maria (High)
3. Los Osos (High)
4. San Luis (Edna) Valley (Medium)
5. Cuyama Valley (Medium)

B. Overarching Strategy

SGMA establishes the GSA process whereby local public agencies may organize themselves for the purpose of achieving sustainable groundwater management for the benefit of the community in and for the long term. Therefore, the overarching strategy is to:

Establish community focused GSA’s based on cooperative interagency and stakeholder relationships in order to comply with Sustainable Groundwater Management Act requirements.

C. Action Steps

1 Various amendments to SGMA became effective January 1, 2016 (e.g. revisions to Water Code Sections 10723.6(b).

2 CA Water Code Section 10721(u)

3 Groundwater basins and basin boundaries are defined by the State Department of Water Resources in Bulletin 118

4 In October 2016, DWR approved a modified basin boundary to create a new subbasin of the Salinas Valley Groundwater Basin, referred as Bulletin 118 Basin No. 3-004.11 Atascadero Area Subbasin. Consistent with Water Code Section 10722.4(c), DWR will reassess statewide basin prioritization in early 2017. Pending the re-prioritization, the number of basins subject to SGMA in San Luis Obispo County could change.

1. Groundwater Sustainability Agencies

SB1168 (Pavely) and AB1739 (Dickinson) both include: *“The Legislature finds and declares as follows: (6) Groundwater resources are most effectively managed at the local or regional level.”* To further this finding, SGMA requires the establishment of “Groundwater Sustainability Agencies” (GSAs), which are defined as *“...one or more local agencies that implement the provisions of this part [SGMA].”*⁵ Agencies eligible under SGMA to be or join a GSA include *“a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin.”*⁶ In addition, a *“water corporation regulated by the Public Utilities Commission may participate in a groundwater sustainability agency if the local agencies approve.”*⁷

Although SGMA allows individual agencies to act as the GSA for the part of a basin that underlies that agency’s jurisdiction, and provides for multiple GSAs within a single basin, it is clear that the statute intends for local agencies to work cooperatively to satisfy SGMA requirements. This includes making the most efficient use of resources, including staff, consultants, and funding. It is also preferable for multiple agencies to form a limited number of GSAs so that stakeholders (the public, other agencies, private water purveyors) can effectively participate in all phases of the development and implementation of groundwater sustainability plans that affect their interests.

Therefore, this strategy focuses first and foremost on building GSAs with willing and eligible partner agencies, as defined in SGMA, as the first and key step. GSAs should be organized with the understanding that all other actions required under SGMA will be accomplished either through the GSA or as a result of the groundwater sustainability plan prepared by the GSA.

Further, it is recognized that there is no “one size fits all” for GSAs that will be formed to address groundwater management in San Luis Obispo County. As the interests of each agency and the community served and/or represented by each agency will differ among basins, it is expected that each GSA may have its own unique structure as necessary to accomplish the requirements of SGMA.

5 CA Water Code section 10721(j) [part]

6 CA Water Code section 10721(m)

7 CA Water code section 10723.6(b). Per revisions to SGMA (effective January 1, 2016), Water Code Section 10723.6(b) has been revised as follows: *“A water corporation regulated by the Public Utilities Commission or a mutual water company may participate in a [GSA] through a memorandum of agreement or other legal agreement. The authority provided by this subdivision does not confer any additional powers to a nongovernmental entity.”*

2. Organizational Agreements

In San Luis Obispo County, *“any local agency or combination of local agencies overlying a groundwater basin may elect to be a groundwater sustainability agency for that basin.”*⁸ Pursuant to section 10723.6 of the CA Water Code, a combination of local agencies may form a groundwater sustainability agency by using any of the following methods:

- (1) A joint powers agreement.
- (2) A memorandum of agreement or other legal agreement.

Numerous potential issues will likely arise as local agencies negotiate the details of Joint Powers Agreements/Joint Powers Authorities (JPAs) or Memorandums of Agreement (MOAs). One difficulty in formulating these agreements will be that the end result, implementation of the groundwater sustainability plan, will be unknown in as much as the plans will not yet be written.

Therefore, this strategy will focus first on establishing agreements that are initially intended to further the development and approval of the groundwater sustainability plans. Any such agreements will acknowledge the potential need to amend or replace the agreement once the details of the groundwater sustainability plans are known. The resultant management requirements of the groundwater sustainability plan will then form the basis for the interagency agreement that guides the actions of the GSA. The initial agreements must also conform to the regulations promulgated under SGMA by DWR, once they are adopted.

3. Groundwater Sustainability Plans

This strategy acknowledges that each GSA in San Luis Obispo County may have a unique structure, defined by the needs and interests of each participating agency and the community served and/or represented by each agency. Likewise, each Groundwater Sustainability Plan (GSP) will be defined by the conditions present in each groundwater basin, along with the benefits provided by that water.

Therefore, this strategy acknowledges that there is no “one size fits all” for GSPs that will be developed to manage individual groundwater basins in San Luis Obispo County. As the needs of each groundwater basin and the community dependent on groundwater will differ among basins, it is expected that each GSP may have its own unique approach as necessary to accomplish the requirements of SGMA.

⁸ CA Water Code section 10723(a)

4. Stakeholder Involvement

Section 10723.2 of the California Water Code requires that *“The groundwater sustainability agency shall consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans. These interests include, but are not limited to, all of the following:*

- a) *Holders of overlying groundwater rights, including:*
 - 1) *Agricultural users.*
 - 2) *Domestic well owners.*
- b) *Municipal well operators.*
- c) *Public water systems.*
- d) *Local land use planning agencies.*
- e) *Environmental users of groundwater.*
- f) *Surface water users, if there is a hydrologic connection between surface and groundwater bodies.*
- g) *The federal government, including, but not limited to, the military and managers of federal lands.*
- h) *California Native American tribes.*
- i) *Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems.*
- j) *Entities listed in [CA Water Code] Section 10927 that are monitoring and reporting groundwater elevations in all or a part of a groundwater basin managed by the groundwater sustainability agency.”*

Therefore, this strategy includes the maximum feasible outreach to all potentially affected stakeholders.

D. Schedule

SGMA includes a detailed schedule for both information, guidelines, and regulations to be promulgated by the State as well as deadlines for actions by local agencies. Both a Time Line and an Implementation Deadlines Table are included in the appendices. Key dates applicable to this strategy include:

When	Who	What
January 1, 2016	CA Department of Water Resources	Adopt regulations for basin boundary adjustments
June 1, 2016	CA Department of Water Resources	Adopt regulations for evaluating GSPs and GSA agreements
January 1, 2017	CA Department of Water Resources	Publish groundwater sustainability best management practices
June 30, 2017	Local agencies in Medium & High Priority Basins	Establish GSAs
January 31, 2020	GSAs in medium- and high-priority basins in critical overdraft	Adopt GSPs and begin managing basins under GSPs
January 31, 2022	GSAs in other medium- and high- priority basins	Adopt GSPs and begin managing basins under GSPs
January 31, 2040	GSAs in medium- and high-priority basins in critical overdraft	Achieve groundwater sustainability goals
January 31, 2042	GSAs in other medium- and high- priority basins	Achieve groundwater sustainability goals

E. Priorities

SGMA requires that the organization of GSAs, development and implementation of GSPs, and achievement of sustainability, all occur on a defined time line. There are currently five⁹ groundwater basins in San Luis Obispo County that are subject to the prescribed timelines, either all or in part (High = Paso, Los Osos, Santa Maria, Medium = San Luis, Cuyama).

At the same time, there are 17 other designated groundwater basins in the County that, because they are designated as either “low” or “very low” priority by the State, are not mandated to comply with the prescribed timelines. However, SGMA provides that development of GSAs and GSPs is optional for these basins. Among the “low” priority basins are those serving Cambria (Santa Rosa Valley, San Simeon Valley), and Morro Bay (Chorro Valley, Morro Valley). These and other similarly situated agencies may request other agencies’, including the County and the San Luis Obispo County Flood Control and Water Conservation District, to participate in a voluntary SGMA process. Given the issues and time lines already presented by the current high and medium priority basins, full attention to these potential requests will present challenges to both fiscal and staff resources.

Therefore, this strategy provides that those basins designated by the State as high and medium priority will receive first priority for the resources necessary to meet the statutory deadlines. Additional capacity will be invested in additional groundwater basins as it is available.

⁹ See Footnote 4.

F. Fiscal Implications

Existing fiscal resources, primarily that of the San Luis Obispo County Flood Control and Water Conservation District general fund, are likely sufficient to initiate agency and stakeholder outreach necessary to form the initial GSA's. Costs associated with fully developing the information necessary to prepare a GSP will depend on the level of involvement of the GSA partner agencies, the amount of information already available in a particular groundwater basin, and the level of investment required to reach stakeholder agreement.

Therefore, this strategy applies a pay-as-you go approach focused on developing GSAs as described above. Once sufficient information is developed to accurately estimate the costs of finalizing GSA agreements, cost sharing agreements with the other GSA members will be sought. At the same time, it is anticipated that grant opportunities will be offered by the State, pursuant to the recently voter approved *Water Quality, Supply, and Infrastructure Improvement Act of 2014* (Proposition 1). This strategy includes seeking the maximum feasible funding through grant applications, and intends that sufficient FCWCD general funds be reserved to provide any necessary local match attributable to Flood Control Agency participation.

G. Staffing

Analysis of existing Public Works staffing resources shows a deficit when compared to existing and future water resource management needs. Public Works will present an organizational and funding plan for the Board of Supervisors, designed to establish adequate staffing levels within an appropriate organizational framework. These issues will be considered within the context of the Board's existing strategic planning and budgeting framework, and are therefore not a part of this SGMA strategy.

H. Addenda to SGMA Strategy

The following table includes a list of adopted addenda to the SGMA Strategy:

No.	Title	Date Adopted/ Revised
1	County Participation Preferences for GSA Agreements	Adopted 11/1/2016, <u>Revised 3/7/2017</u>

1. Addendum No. 1: County Participation Preferences for GSA Agreements

Policy Statement 1. Interests Potentially Represented by County on GSAs.

The County supports participating on a GSA in a basin in order to represent one or more of the following key roles and/or authorities:

- **Interest 1:** Representation of County Service Area(s),
- **Interest 2:** Representation of otherwise unrepresented beneficial uses/ users of groundwater (e.g. rural domestic, agricultural, environmental, etc. as defined by SGMA),
- **Interest 3:** Land use authority,
- **Interest 4:** Well construction permitting authority, and/or
- **Interest 5:** Integration and alignment of the County's discrete management actions (e.g. groundwater export ordinance) to the GSA's basin-wide, comprehensive management actions.

Policy Statement 2. County Preferences on Legal Agreement Type.

The County supports the agreement type that makes the best sense for a particular GSA, while protecting the County and interest(s) represented by the County to the greatest extent possible under the circumstances in the basin.

- The County recognizes that the GSA agreement type selected will be driven by basin-specific needs and entity negotiations.
- Both Memoranda of Agreement (MOA) and Joint Powers Agreements (JPA) offer certain benefits and challenges.

Policy Statement 3. County Preferences on Key Elements of GSA Agreements.

The County supports governance and finance strategies that are fair, equitable, and acceptable to potential partner entities and affected basin users, recognizing that "no one size fits all" and that agreement elements may vary with each basin.

Policy Statement 3a. Financial Strategies

~~The County, either as a partner on a GSA or on its own, supports pursuing a funding mechanism (subject to all applicable Constitutional and other legal requirements) supported by and funded by the affected landowners and/or extractors. Should long-term funding mechanisms for County SGMA costs not be approved by the affected landowners and/or extractors, the County would no longer be a GSA or GSA member.~~

- ~~The County acknowledges that basin users, as those subject to SGMA, should pay their fair share of SGMA compliance. The County supports evaluating and considering land use and/or pumping (to the extent known and/or that it can be estimated) to determine~~

~~fair financial strategies, while minimizing costs to de minimis (domestic) extractors,¹⁰ consistent with SGMA's treatment of said users.~~

- ~~• The County acknowledges that it may be challenging for GSAs to identify startup and ongoing funding sources. As such, the County advocates that GSAs pursue grants and other funding sources to the greatest extent feasible to offset local costs.~~
- ~~• Fund as a part of the FY 2017/2018 County Budget.~~
- ~~• Depending on the results of the November 1, 2016 Flood Control District Board's Budget Policy discussion, the County may pursue a loan from the Flood Control District to provide interim funding for GSA startup costs through 2018/19. It is intended that this funding would be reimbursed upon a successful Prop 218 proceeding, and/or identification of another funding source.~~
- ~~• Depending on the results of the November 1, 2016 Flood Control District Board's Budget Policy discussion, the Flood Control District may contribute funding towards initial funding proceedings and/or specific technical studies. If approved by the Flood Control District Board, the County supports negotiating use of that funding as a credit against any County cost share in GSA efforts.~~
- ~~• The County supports including agreement terms to allow member entity withdrawal and/or GSA termination, should the GSA be unsuccessful in identifying ongoing funding sources and/or in securing independent funding through a Prop 218 proceeding.~~

Policy Statement 3b. Membership and Participation on Governing Boards

The County supports 1) fair and equitable representation in decision making processes of GSAs that include participation by the County and/or an alternative, stakeholder-driven eligible entity, and 2) adequate consultation between any GSA efforts and related County authorities and/or planning/ management efforts.

- ~~• To the extent that eligible entities and basin users are supportive of the County's involvement in SGMA implementation, ~~t~~The County ~~would~~ intends to join form a GSA to represent any and all of the interests identified in Policy Statement 1 (above) in a manner consistent with other Policy Statements.~~
- ~~• The County acknowledges that landowners and/or registered voters may prefer to form an eligible entity to ensure their representation on a GSA. The County supports landowner ~~and registered voter~~-driven eligible entity formation processes. As such, if an eligible entity is formed by December 31, 2017, the County may decide (in consultation with such agency and the other participants in the GSA) that it no longer needs to participate in the GSA (~~depending on e.g. within~~ the boundary(ies) of the newly formed agency).~~
- ~~• The County advocates for fair and equitable representation in the decision-making process (relating to Interests 1 and 2), and adequate consultation with the County as GSA efforts relate to County authorities, and planning/ management efforts (relating to Interests 3, 4, and 5).~~

¹⁰~~Water Code Section 10721 (e) "De minimis extractor" means a person who extracts, for domestic purposes, two acre-feet or less per year.~~

- Fair and equitable representation could be accomplished in a number of ways, such as through inclusion of appointed seats on a GSA board for certain beneficial user interests¹¹ (e.g. domestic well users, agricultural users, environmental users of groundwater), or through a robust public process and formation of representative advisory committees, and should be negotiated by the eligible entities in each basin.
- Adequate consultation can be accomplished by a GSA's close coordination with the appropriate County processes (e.g. participation in and review of updates to the County General Plan).
- Significant GSA decisions should require a greater majority vote.
- For basins where the County is one partner on a multi-agency GSA/GSP effort; GSAs should use third party staff and resources to develop and implement GSPs, to the greatest extent possible. This will allow each entity's interest to remain independent during GSP development.
- For basins where the County is the sole acting GSA, County staff could act as staff to the GSA, ~~to the extent there are staff and resources to do so.~~

¹¹ Water Code Section 10723.2 "The groundwater sustainability agency shall consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans. These interests include, but are not limited to, all of the following: interests include, but are not limited to, all of the following: (a) Holders of overlying groundwater rights, including (1) Agricultural users. (2) Domestic well owners. (b) Municipal well operators. (c) Public water systems. (d) Local land use planning agencies. (e) Environmental users of groundwater. (f) Surface water users, if there is a hydrologic connection between surface and groundwater bodies. (g) The federal government... (h) California Native American tribes. (i) Disadvantaged communities.... (j) Entities ...that are monitoring and reporting groundwater elevations..."

Appendix 1

Affected Areas and Agency Descriptions

(Basin information excerpted from San Luis Obispo County Master Water Report 2012 and Paso Robles Basin Model Update 2014)

a. Cuyama Groundwater Basin

The Cuyama Valley Groundwater Basin underlies the southeast corner of San Luis Obispo County and extends into Santa Barbara, Ventura, and Kern Counties. The Basin encompasses approximately 147,200 acres (230 square miles), of which approximately 32,600 acres (51 square miles) are within San Luis Obispo County. The basin underlies the valley drained by the Cuyama River and is bounded on the north by the Caliente range and on the Southwest by the Sierra Madre Mountains. Recharge to the basin comes primarily from seepage from Cuyama River, deep percolation of precipitation, and residential/agricultural return flows.

Basin groundwater users include oil field operators, residential, and agricultural. Perennial yield for the entire basin has been estimated between 9,000 and 13,000 AFY. A safe yield of 10,667 Acre Feet per Year (AFY¹²) was estimated in 1992 (Baca et al., 1992). Total groundwater pumpage is about 40,592 AFY, resulting in a deficit of 30,532 AFY (Anderson et al., 2009).

Potential local public agency GSA members in the Basin include the Counties of Santa Barbara, Ventura, and Kern, along with the New Cuyama Community Services District, in addition to the County and Flood Control District.

b. Santa Maria Groundwater Basin

The Santa Maria Valley Groundwater Basin encompasses approximately 184,000 acres (288 square miles), of which approximately 61,220 acres (95.7 square miles) is within San Luis Obispo County. This groundwater basin underlies the Santa Maria Valley in northern Santa Barbara and southern San Luis Obispo Counties. The basin also underlies Nipomo and Tri-Cities Mesas, Arroyo Grande Plain, with sub-basins in the Nipomo, Arroyo Grande and Pismo Creek Valleys. The basin is bounded on the north by the San Luis and Santa Lucia Ranges, on the east by the San Rafael Mountains, on the south by the Solomon Hills and the San Antonio Creek Valley Groundwater Basin, on the southwest by the Casmalia Hills, and on the west by the Pacific Ocean.

¹² One acre foot equals 325,851 gallons, enough water to cover 1 acre one foot deep.

The majority of the Santa Maria Valley Groundwater Basin has been adjudicated since 2005, and is listed as such in SGMA. Therefore, a GSP for the Basin will apply only to those areas not included in the adjudication, which are the Nipomo, Arroyo Grande and Pismo Creek Valleys.

Potential local public agency GSA members in the applicable Basin areas include the Nipomo Community Services District, the City of Arroyo Grande, and the City of Pismo Beach, in addition to the County and Flood Control District.

c. San Luis Groundwater Basin

The San Luis Obispo Valley Groundwater Basin encompasses approximately 13,800 acres (21.6 square miles). The Basin is bounded by the Santa Lucia Range, the San Luis Range and the Los Osos and Edna faults. The safe yield of the San Luis Valley Groundwater Basin was determined in a 1991 study based on elements of recharge and discharge, and in a 1997 study using elements of recharge and discharge, the length of drought periods and the recovery time following them, and an assessment of the behavior of the basin. The 1991 study reported a value of sustained yield of 5,900 AFY. A 1997 DWR study reported a long-term dependable yield value for the San Luis Valley Sub-basin at 2,000-2,500 AFY, and a long-term dependable yield value for the Edna Valley Sub-basin at 4,000-4,500 AFY.

A potential local public agency GSA member in the Basin is the City of San Luis Obispo, in addition to the County and Flood Control District.

d. Los Osos Groundwater Basin

The Los Osos Valley Groundwater Basin encompasses approximately 10 square miles, of which 3.3 square miles underlie the Morro Bay estuary and sand spit, and 6.7 square miles underlie the communities of Los Osos, Baywood Park, and the Los Osos Creek Valley. The basin is bounded by the Pacific Ocean, and elsewhere by relatively impermeable rocks. The southern basin boundary also runs parallel to the main strand of the Los Osos fault. Basin groundwater users in the Los Osos Valley basin include Golden State Water Company, S&T Mutual, the Los Osos Community Services District, and overlying private well users.

The three local water purveyors, along with the County of San Luis Obispo, are currently preparing a Basin Management Plan (BMP) under a court-approved Interlocutory Stipulated Judgment (ISJ Working Group). At the point in time where the Basin (or a

portion of the Basin) concludes the adjudication process¹³, that portion would no longer require or be subject to a GSP provided that the adjudication determines the rights to extract groundwater for that entire portion of the Basin. There are no potential public agency GSA members in the area of the Basin that is currently outside the adjudication process except for the County and Flood Control District.

e. Paso Robles Groundwater Basin¹⁴

The Paso Robles Groundwater Basin is located in both Monterey and San Luis Obispo counties and roughly 800 square miles in size. Roughly one-third of the areal extent of the Paso Robles Groundwater Basin extends into Monterey County. The basin ranges from the Garden Farms area south of Atascadero to San Ardo in Monterey County, and from the Highway 101 corridor east to Shandon. Groundwater in the basin is found in alluvium and in the Paso Robles Formation. Water users in the basin include municipalities, communities, rural domestic residences, and agricultural users. The major municipal water purveyors include the Atascadero MWC, City of Paso Robles, Templeton CSD, CSA 16-1 (Shandon), and San Miguel Community Services District (San Miguel CSD). The San Luis Obispo County Environmental Health Department also identified 36 small commercial and community water systems that extract groundwater from the basin. Overlying users include rural domestic residences and agricultural users. The perennial yield of the Paso Robles Groundwater Basin is estimated to be 89,700 AFY. Annual average change in groundwater storage for the period 1981-2011 is estimated at -2,400 AFY.

Potential local public agency GSA members in the Basin include the future Paso Robles Basin Water District, the City of Paso Robles, City of Atascadero, San Miguel CSD, and Templeton CSD, in addition to the County.

13 On October 14, 2015, Judge Martin J. Tangeman of the San Luis Obispo Superior Court signed an order approving the Stipulated Judgment and the Updated Basin Management Plan for the Los Osos Groundwater Basin.

14 See Footnote 4.

Appendix 2 Maps

- a. Countywide Groundwater Basins
- b. Five High and Medium Priority Basins
- c. Cuyama Groundwater Basin
- d. Santa Maria Groundwater Basin
- e. San Luis Groundwater Basin
- f. Los Osos Groundwater Basin
- g. Paso Robles Groundwater Basin

***NOTE: Removed for this Board staff report.
However, these materials are available on:
www.slocountywater.org/sgma**

Appendix 3

SGMA Background Information

- a. Association of California Water Agencies SGMA Materials:
 - i. Summary
 - ii. Fact Sheet
 - iii. Frequently Asked Questions
 - iv. Implementation Deadlines
 - v. Time Line

***NOTE: Removed for this Board staff report.
However, these materials are available on:
www.slocountywater.org/sgma**

ATTACHMENT A

TABLE 1B: Detailed Costs Across "White Areas" of Unincorporated Parts of Basins

Revised on 2/24/2017

Table Description

This table describes cost sharing under the County's SGMA Strategy and based on current negotiations with partner entities. The table focuses on the GSP development phase cost estimates, and contributions provided to cover these costs. Contributions include support costs by the Flood Control District, contributions by other partner entities, and negotiated cost sharing by basin users in the unincorporated areas not already represented by another entity ("white areas"). The table also shows conceptual cost estimates for ongoing GSA administration/operation and GSP implementation over the 20-year implementation phase. These costs have been annualized to facilitate discussion.

It is important to note that the draft budgets for each basin are subject to change as staff and partner entities continue to refine and develop basin budgets for GSA operation, GSP development, and GSP implementation. However, these values reflect the latest draft budgets and potential cost sharing, provided for update purposes.

	Cost Share of Total Remaining Costs									
				GSP Development Phase (3 - 5 Yrs)				GSP Implementation Phase (20 Yrs)		
	GSP Development Phase Cost ^{2,3}	FCD Direct Contribution ⁴	Remaining GSP Development Phase Cost	Cost Share of Other Entities ⁵	Estimated Funding Provided by Other Entities ⁵	Cost Share of Unincorporated Areas not Covered by Other Entities ("White Areas") ⁵	Estimated Funding Provided in "White Areas"	Annual Cost after GSP Adoption ⁷	Estimated Funding Provided by Other Entities ⁵	Estimated Annual Funding Provided in "White Areas"
Cuyama Basin	\$3,217,615	\$1,090,000	\$2,127,615	90%	\$1,914,854	10%	\$212,762	\$1,000,000	\$900,000	\$100,000
Los Osos Basin ¹	\$3,217,615	\$840,000	\$2,377,615	0%	\$0	100%	\$2,377,615	\$250,000	\$0	\$250,000
Paso Basin	\$2,245,000	\$1,040,000	\$1,205,000	68%	\$819,400	32%	\$385,600	\$1,000,000	\$680,000	\$320,000
SLO Basin	\$3,217,615	\$900,000	\$2,317,615	65%	\$1,506,450	35%	\$811,165	\$1,000,000	\$650,000	\$350,000
Santa Maria Basin ¹	\$3,217,615	\$900,000	\$2,317,615	0%	\$0	100%	\$2,317,615	\$250,000	\$0	\$250,000
Atascadero Basin	\$1,215,000	\$615,000	\$600,000	98%	\$588,000	2%	\$12,000	\$250,000	\$245,000	\$5,000
Totals	\$16,330,460	\$5,385,000	\$10,945,460		\$4,828,703		\$6,116,757	\$3,750,000	\$2,475,000	\$1,275,000

	Annualized Costs for "White Areas" of Unincorporated Areas GSP Development & Implementation Phases					Ongoing Annual Cost for 20 Year Implementation
	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	
Cuyama Basin	\$70,921	\$70,921	\$70,921	\$100,000	\$100,000	\$100,000
Los Osos Basin ¹	\$792,538	\$792,538	\$792,538	\$250,000	\$250,000	\$250,000
Paso Basin	\$128,533	\$128,533	\$128,533	\$320,000	\$320,000	\$320,000
SLO Basin	\$162,233	\$162,233	\$162,233	\$162,233	\$162,233	\$350,000
Santa Maria Basin ¹	\$463,523	\$463,523	\$463,523	\$463,523	\$463,523	\$250,000
Atascadero Basin	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$5,000
Totals	\$1,620,148	\$1,620,148	\$1,620,148	\$1,298,156	\$1,298,156	\$1,275,000

NOTES

- 1 Assume boundary change requests denied, GSPs required
- 2 Estimates for Paso Basin, Atascadero and SLO Basins have been refined by working groups; assume SLO Basin refined estimate for Los Osos, Santa Maria and Cuyama Basin
- 3 Estimates do not include partner agencies in-kind services. Costs would increase if partner agencies reduce contribution, and/or if number of anticipated partner agencies decreases.
- 4 Use of FCD budget and reserves for in-kind staff, and specific SGMA technical and start-up efforts; does not include FY 16/17 & prior contributions
- 5 Other eligible entities could include: other counties, special districts, cities, etc.; Draft allocations are pumping based; under negotiation
- 6 Anticipated share based on various factors including pumping estimates; subject to negotiation
- 7 Annual costs for implementation of the GSPs over 20 years are highly speculative; assumed higher annual cost for stressed or larger basins; does not include infrastructure projects

ATTACHMENT A

TABLE 2A: Summary of Costs Across All Unincorporated Areas

Revised on 2/24/2017

This table summarizes the calculations from the following Table 2B and provides basin-by-basin estimates of the distribution of costs to develop and begin implementation of GSPs across all unincorporated areas of a basin. The left side of the table summarizes total costs for the GSP Development Phase (first 3 - 5 years), the right side shows the same costs on an annualized basis.

ALL UNINCORPORATED AREA SGMA FUNDING SCENARIO

Annualized Cost in All Unincorporated Areas

GSP Development Phase

Transition to Implementation

BASIN	GSP Development Phase Cost ^{(1),(2)}	Flood Control District Funding	Funding Provided by Other Entities ⁽²⁾	Cost to All Unincorporated Areas	Annualized Cost in All Unincorporated Areas					
					FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022 and beyond
Cuyama Basin	3,217,615	1,090,000	1,595,711	531,904	177,301	177,301	177,301	250,000	250,000	250,000
Los Osos Basin	3,217,615	840,000	0	2,377,615	792,538	792,538	792,538	250,000	250,000	250,000
Paso Robles Basin	2,245,000	1,040,000	180,750	1,024,250	341,417	341,417	341,417	850,000	850,000	850,000
SLO Basin	3,217,615	900,000	115,881	2,201,734	440,347	440,347	440,347	440,347	440,347	950,000
Santa Maria Basin	3,217,615	900,000	0	2,317,615	463,523	463,523	463,523	463,523	463,523	250,000
Atascadero Basin	1,215,000	615,000	450,000	150,000	30,000	30,000	30,000	30,000	30,000	62,500
Totals	\$16,330,460	\$5,385,000	\$2,342,342	\$8,603,118	\$2,245,126	\$2,245,126	\$2,245,126	\$2,283,870	\$2,283,870	\$2,612,500

(1) Estimates for Paso, Atascadero, and SLO have been refined by working groups. SLO refinements have been applied to Los Osos, Santa Maria and Cuyama.

(2) Estimates do not include partner agencies in-kind services. Costs would increase if partner agencies reduce contribution, and/or if number of anticipated partner agencies decreases.

ATTACHMENT A

TABLE 2B: Detailed Costs Across All Unincorporated Areas

Revised on 2/24/2017

Table Description

The table summarizes cost sharing between incorporated and unincorporated areas in each basin. The table focuses on the GSP development phase cost estimates. Contributions include support costs by the Flood Control District, Cities, and the unincorporated area. The table also shows conceptual cost estimates for ongoing GSA administration/operation and GSP implementation over the 20-year implementation phase. These costs have been annualized to facilitate discussion.

It is important to note that the draft budgets for each basin are subject to change as staff and partner entities continue to refine and develop basin budgets for GSA operation, GSP development, and GSP implementation. However, these values reflect the latest draft budgets and potential cost sharing, provided for update purposes.

	Cost Share of Total Remaining Costs									
	GSP Development Phase Cost ^{2, 3}	FCD Direct Contribution to GSA Startup ⁴	Remaining GSP Development Phase Cost	GSP Development Phase (3 - 5 Yrs)				GSP Implementation Phase (20 Yrs)		
				Cost Share of Incorporated Entities ⁵	Estimated Funding Provided by Incorporated Entities ⁵	Cost Share of Unincorporated Areas ⁵	Estimated Funding Provided in All Unincorporated Areas	Annual Cost after GSP Adoption ⁷	Estimated Funding Provided by Incorporated Entities ⁵	Estimated Funding Provided in All Unincorporated Areas
Cuyama Basin	\$3,217,615	\$1,090,000	\$2,127,615	75%	\$1,595,711	25%	\$531,904	\$1,000,000	\$750,000	\$250,000
Los Osos Basin ¹	\$3,217,615	\$840,000	\$2,377,615	0%	\$0	100%	\$2,377,615	\$250,000	\$0	\$250,000
Paso Basin	\$2,245,000	\$1,040,000	\$1,205,000	15%	\$180,750	85%	\$1,024,250	\$1,000,000	\$150,000	\$850,000
SLO Basin	\$3,217,615	\$900,000	\$2,317,615	5%	\$115,881	95%	\$2,201,734	\$1,000,000	\$50,000	\$950,000
Santa Maria Basin ¹	\$3,217,615	\$900,000	\$2,317,615	0%	\$0	100%	\$2,317,615	\$250,000	\$0	\$250,000
Atascadero Basin	\$1,215,000	\$615,000	\$600,000	75%	\$450,000	25%	\$150,000	\$250,000	\$187,500	\$62,500
Total	\$16,330,460	\$5,385,000	\$10,945,460		\$2,342,342		\$8,603,118	\$3,750,000	\$1,137,500	\$2,612,500

	Annualized Costs for All Unincorporated Areas GSP Development & Implementation Phases					
	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	Ongoing Annual Cost for 20 Year Implementation
Cuyama Basin	\$177,301	\$177,301	\$177,301	\$250,000	\$250,000	\$250,000
Los Osos Basin ¹	\$792,538	\$792,538	\$792,538	\$250,000	\$250,000	\$250,000
Paso Basin	\$341,417	\$341,417	\$341,417	\$850,000	\$850,000	\$850,000
SLO Basin	\$440,347	\$440,347	\$440,347	\$440,347	\$440,347	\$950,000
Santa Maria Basin ¹	\$463,523	\$463,523	\$463,523	\$463,523	\$463,523	\$250,000
Atascadero Basin	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$62,500
Total	\$2,245,126	\$2,245,126	\$2,245,126	\$2,283,870	\$2,283,870	\$2,612,500

NOTES

- 1 Assume boundary change requests denied, GSPs required
- 2 Estimates for Paso Basin, Atascadero and SLO Basins have been refined by working groups; assume SLO Basin refined estimate for Los Osos, Santa Maria and Cuyama Basins
- 3 Estimates do not include partner agencies in-kind services. Costs would increase if partner agencies reduce contribution, and/or if number of anticipated partner agencies decreases.
- 4 Use of FCD budget and reserves for in-kind staff, and specific SGMA technical and start-up efforts; does not include FY 16/17 & prior contributions
- 5 Incorporated entities would include cities, while unincorporated entities could include: other counties, special districts, etc.; Draft allocations are pumping based; under negotiation.
- 6 Anticipated share based on various factors including pumping estimates; subject to negotiation
- 7 Annual costs for implementation of the GSPs over 20 years are highly speculative; assumed higher annual cost for stressed or larger basins; does not include infrastructure projects