

# Paso Basin Cooperative Committee Notice of Special Meeting

## AGENDA

December 16, 2024

NOTICE IS HEREBY GIVEN that the Paso Basin Cooperative Committee will hold a Special Meeting at **1:00 p.m.** on **Monday, December 16, 2024**, at the Paso Robles Culinary Arts Academy 1900 Golden Hill Rd, Paso Robles, CA 93446.

Zoom Link: <https://us06web.zoom.us/j/83359446962?pwd=bGJFK3pXYitOQ0hWdk5mZTBXWDFoZz09>  
Meeting ID: 833 5944 6962  
Passcode: 068456  
Call-in: +16694449171,,83359446962#,,,,\*068456# US

*NOTE: The Paso Basin Cooperative Committee (PBCC) reserves the right to limit each speaker to three (3) minutes per subject or topic. In compliance with the Americans with Disabilities Act, all possible accommodations will be made for individuals with disabilities, so they may participate in the meeting. Persons who require accommodation for any audio, visual or other disability in order to participate in the meeting of the PBCC are encouraged to request such accommodation 48 hours in advance of the meeting from Taylor Blakslee at (661) 477-3385.*

### Members

Matt Turrentine, Chair, Shandon-San Juan WD  
*Vacant*, Vice Chair, San Miguel CSD  
John Hamon, Secretary, City of Paso Robles  
Bruce Gibson, Treasurer, County of SLO  
Hilary Graves, Estrella El-Pomar Creston WD

### Alternates

Ray Shady, Shandon-San Juan WD  
Kelly Dodds, San Miguel CSD  
Sharon Roden, City of Paso Robles  
Blaine Reely, County of SLO  
Ryan Scott, Estrella El-Pomar Creston WD

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1. Call to Order (**Turrentine**) (1 min)
2. Pledge of Allegiance (**Turrentine**) (1 min)
3. Roll Call (**Blakslee**) (1 min)
4. Meeting Protocols (**Blakslee**) (2 min)
5. Public Comment – Items not on Agenda (**Turrentine**) (3 min/speaker)

### REPORT ITEMS

6. Update on State Water Project Feasibility Study (**Provost & Pritchard**) (45 min)

### ACTION ITEMS

7. Receive an update on a draft Joint Powers Agreement prepared in coordination with work on the Cost of Service Study which would create a Joint Powers Authority to levy fees and perform other administrative, regulatory compliance and certain Groundwater Sustainability Plan implementation actions as delegated in the Agreement if executed by the Groundwater Sustainability Agencies and provide direction to staff / a recommendation(s) to the individual Groundwater Sustainability Agencies (**County Legal Counsel**) (60 min)
8. Receive an update on the Cost of Service Study which would support a fee program to cover the costs of Sustainable Groundwater Management Act compliance / Groundwater Sustainability Plan implementation measures and provide direction to staff (**SCI Consulting**) (60 min)
9. Provide direction to staff on development of the Fiscal Year 2025-2026 PBCC Budget (**Reely**) (30 min) – Verbal

## TOWN HALL

10. Town Hall Meeting [5:30-8:30 p.m.] | This portion of the meeting will be less formal and will include a general presentation on Groundwater Sustainability Plan implementation followed by an opportunity for members of the public to visit multiple tables covering various specific topics, including, by way of example, rates to fund GSP implementation, Multi Benefit Irrigated Land Repurposing program, expanded groundwater monitoring network, dry well reporting, etc. and to task questions of subject-matter experts. Members of the public will have the opportunity to submit written / verbal public comments at a public comment table and said public comments or a summary thereof in addition to visual aids presented at the meeting will later be compiled / considered for receipt and file by the PBCC at a subsequent meeting **(Blakslee) (5 min)**
  11. Adjourn **(8:30 p.m.)**
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*To join the Paso Basin email list, please sign-up at:*  
<https://mailchi.mp/co.slo.ca.us/paso-basin-email-sign-up>

**PASO BASIN COOPERATIVE COMMITTEE**  
**December 16, 2024**

**Agenda Item #6** – Update on State Water Project Feasibility Study

**Recommendation**

None; information only.

**Prepared By**

Terry Erlewine, Provost & Pritchard

**Discussion**

In 2022, the Paso Basin was awarded a \$7.6 million grant from the California Department of Water Resources for the implementation of its Groundwater Sustainability Plan (GSP).

The grant spending plan is composed of six (6) components, and Component 6, Water Supply Feasibility/Engineering Studies, includes a State Water Project (SWP) Feasibility Study. An RFP was issued for this project, and Provost & Pritchard was the selected consultant.

An update on the SWP Feasibility Study is provided as Attachment 1.

\* \* \*

# Paso Robles Subbasin SWP Supplemental Supply

DECEMBER 16, 2024

# Paso Basin SWP Supp Supply Agenda

- ▶ Introduction
- ▶ SWP Supply and Capacity
- ▶ SWP Costs
- ▶ Alternatives Development
- ▶ Next Steps

# SWP Supply and Capacity

PASO BASIN SWP SUPPLEMENTAL SUPPLY

NOVEMBER 20, 2024

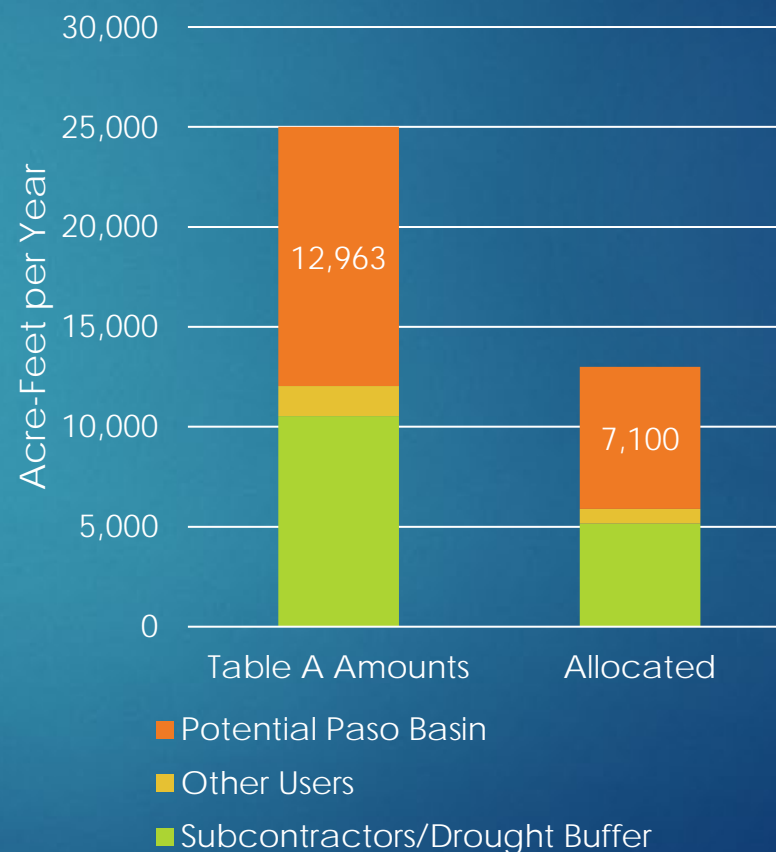
# Potential SWP Supplies Available to Paso Robles Subbasin

- ▶ SLO County Flood Control and Water Conservation District Table A Amounts – 25,000 AF
- ▶ 2023 SWP Delivery Capability Report Adjusted Historical Hydrology
  - ▶ Average Deliveries – 12,400 AF
  - ▶ Percent Deliveries – 49%; Allocated – 56%
- ▶ SWP County FC&WCD Available Table A Amount
  - ▶ Total Maximum Table A Amounts – 25,000 AF
  - ▶ Subcontractors and Drought Buffer – 10,537 AF
  - ▶ Assumed Reserved for Other Users – 1,500 AF
  - ▶ Assumed for Paso Robles Subbasin – 12,963 AF
    - ▶ Average allocations – 7,100 AF



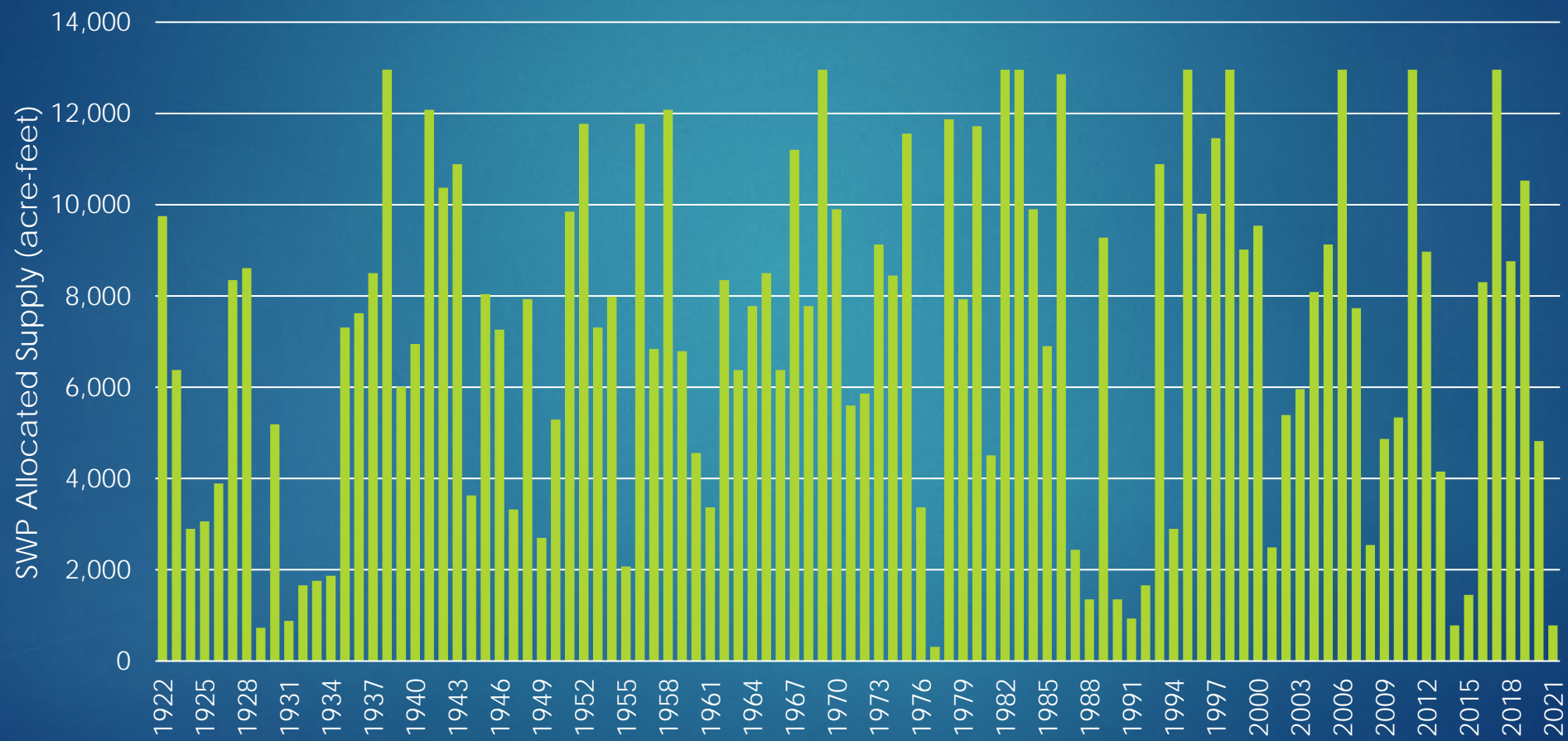
# Potential SWP Supplies Available to Paso Robles Subbasin

- ▶ SLO County Flood Control and Water Conservation District Table A Amounts – 25,000 AF
- ▶ 2023 SWP Delivery Capability Report Adjusted Historical Hydrology
  - ▶ Average Deliveries – 12,400 AF
  - ▶ Percent Deliveries – 49%; Allocated – 56%
- ▶ Potential SWP Supply for Paso Basin
  - ▶ Table A – 12,963 AF
  - ▶ Average allocations – 7,100 AF





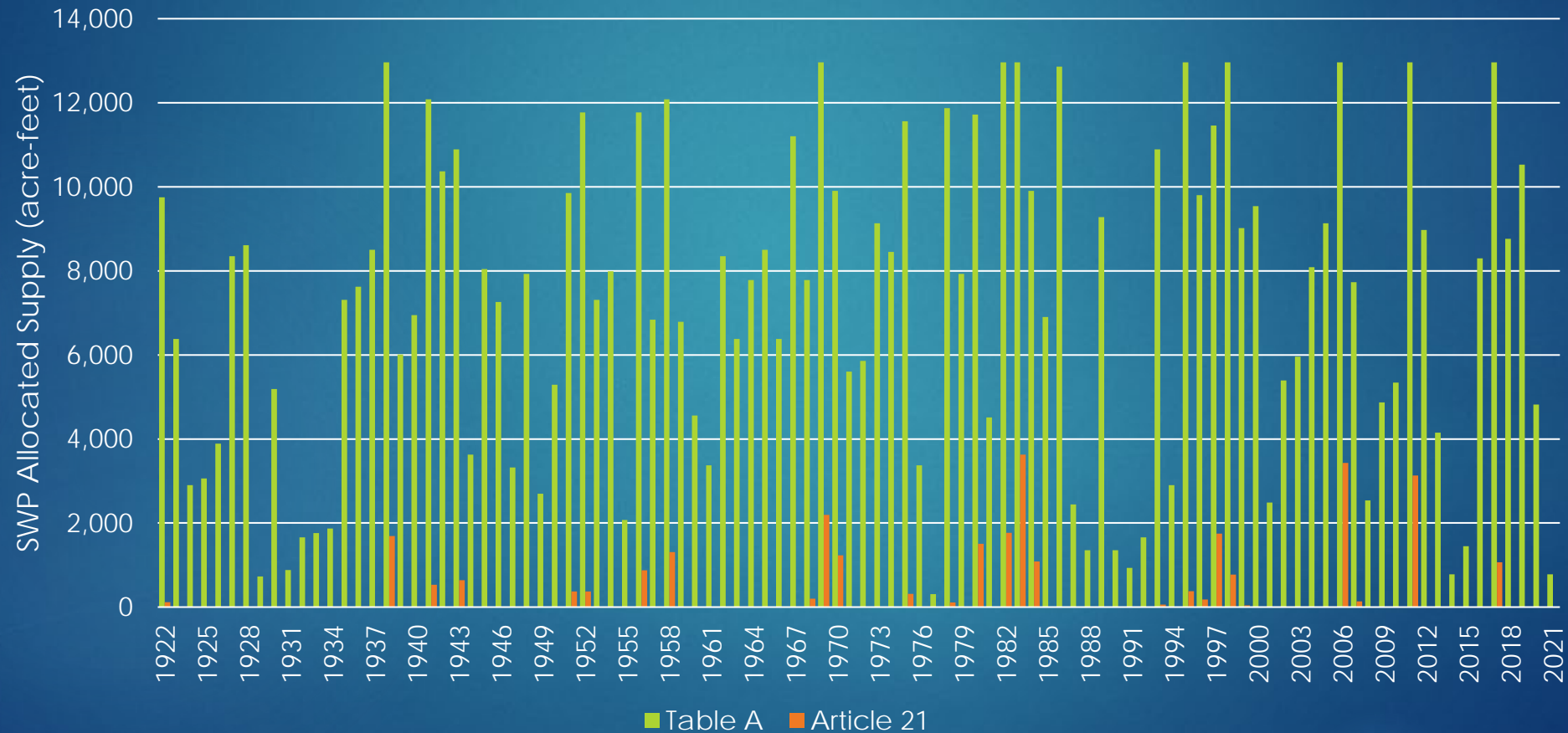
# Paso Basin SWP Supply has large variations



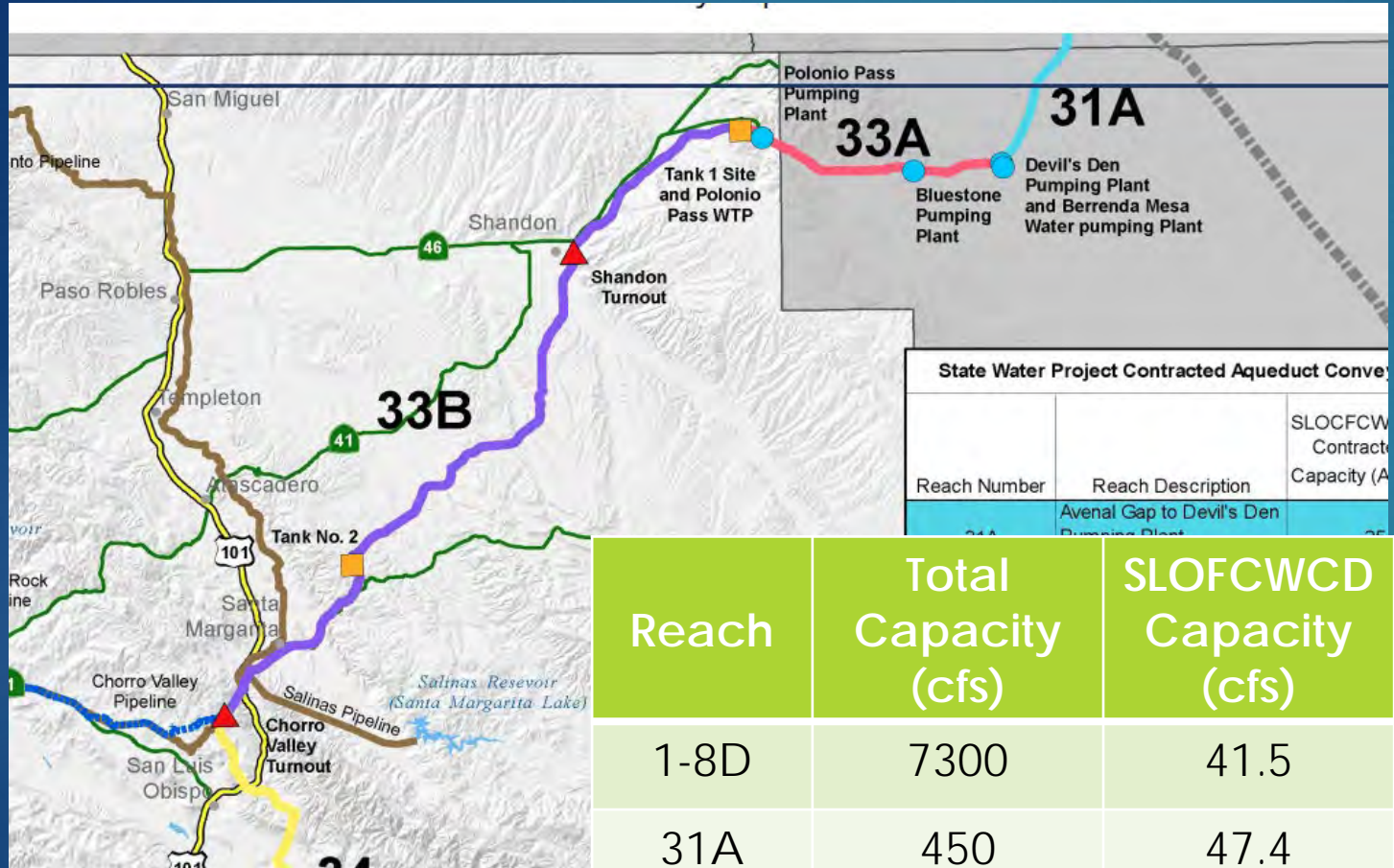
# SWP Article 21 Water

- ▶ Intermittent supply as available when Delta has high flows and San Luis Reservoir is full
- ▶ SLO County FCWCD Allocated Share averages about 290 AF/Year
- ▶ Average availability about 25% of years, many years with minimal quantities
- ▶ Maximum availability rate is 15.4 cfs
- ▶ Cost is limited to energy cost for pumping, about \$150/acre-foot
- ▶ Up Side: Other SWP contractors may not use their allocation, so quantities could be larger
- ▶ Down Side: Greatest availability in wet San Joaquin watershed years, when local stream likely to have flows

# Paso Basin Article 21 Water Supply Availability



# Coastal Branch Aqueduct Reaches

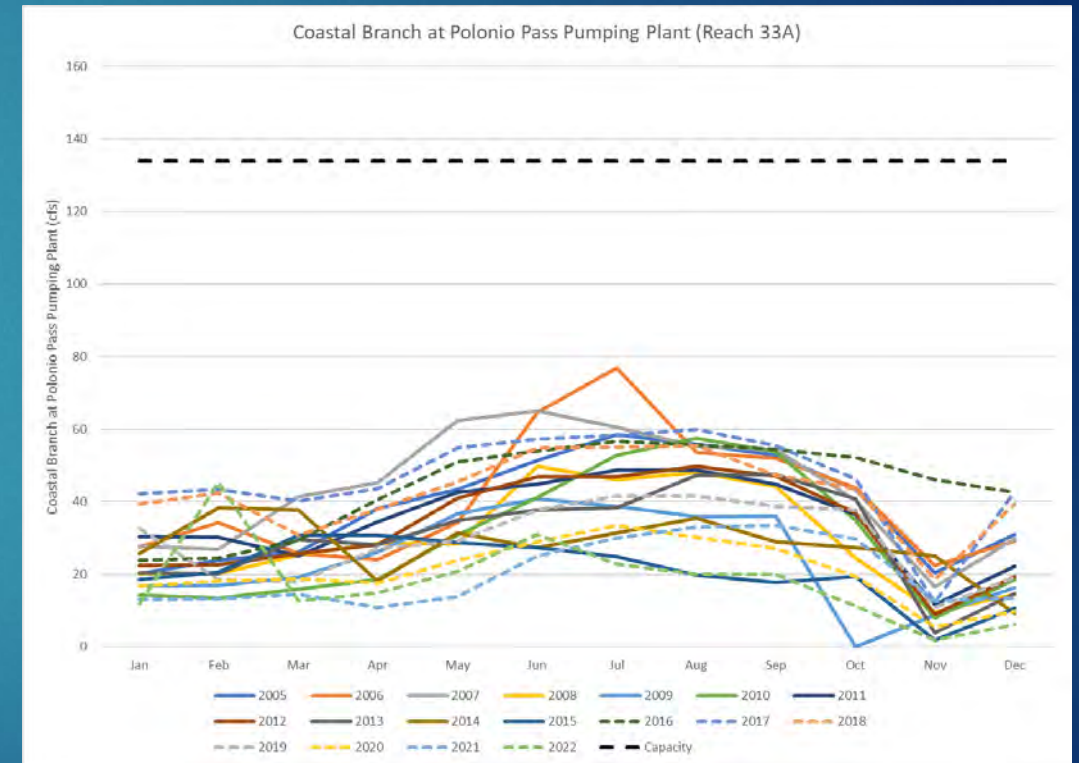
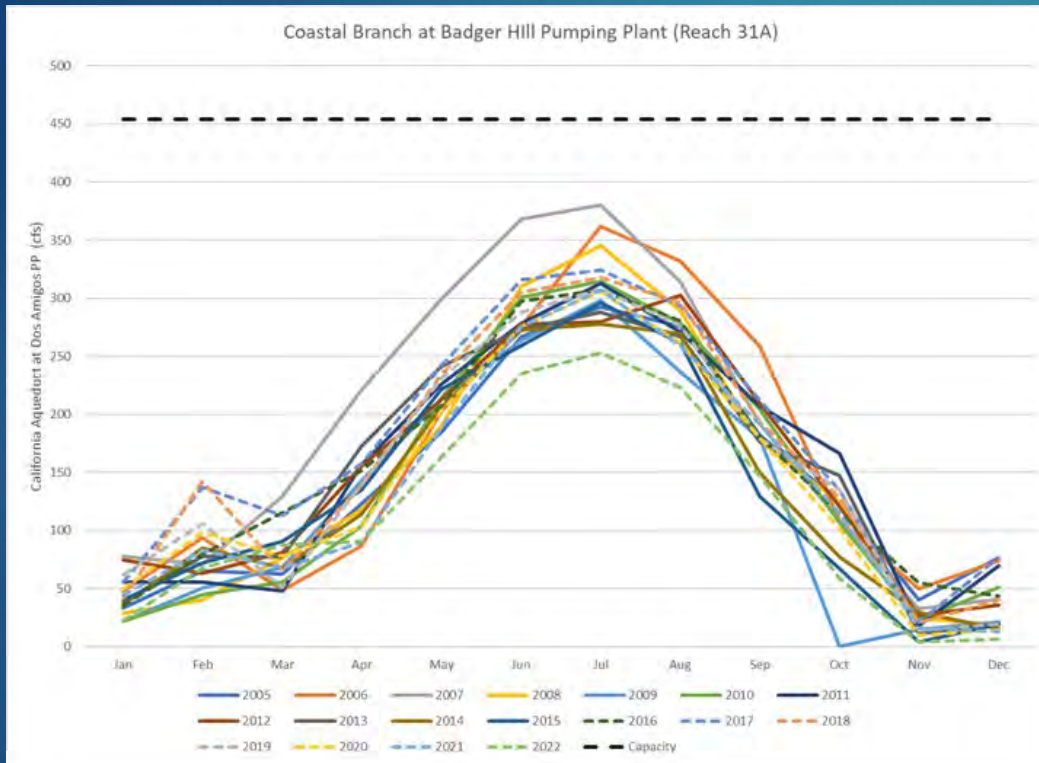


Reach Number	Reach Description	SLOFCWCD Contract Capacity (A)
31A	Avenal Gap to Devil's Den Pumping Plant	450

Reach	Total Capacity (cfs)	SLOFCWCD Capacity (cfs)	Completed	Owner	Operator
1-8D	7300	41.5	1968	DWR	DWR
31A	450	47.4	1968	DWR	DWR
33A	100	10.1	1996	DWR	DWR
33B	71	7.2	1996	DWR	CCWA



# Capacity not Constraining in Coastal Branch Reaches 31A & 33A

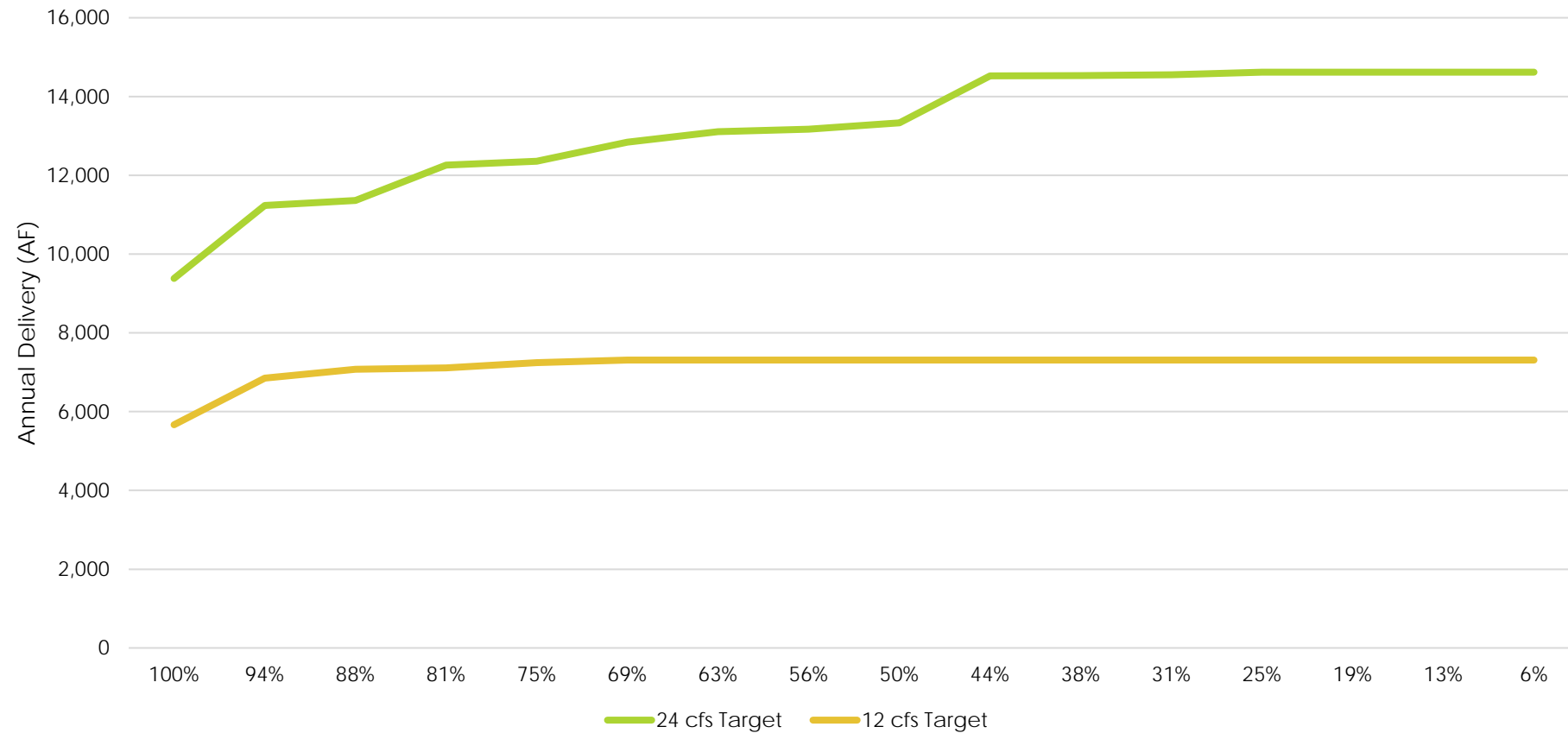








# Coastal Branch Reach 33B Wet Year Available Recharge Capacity



# SWP Costs

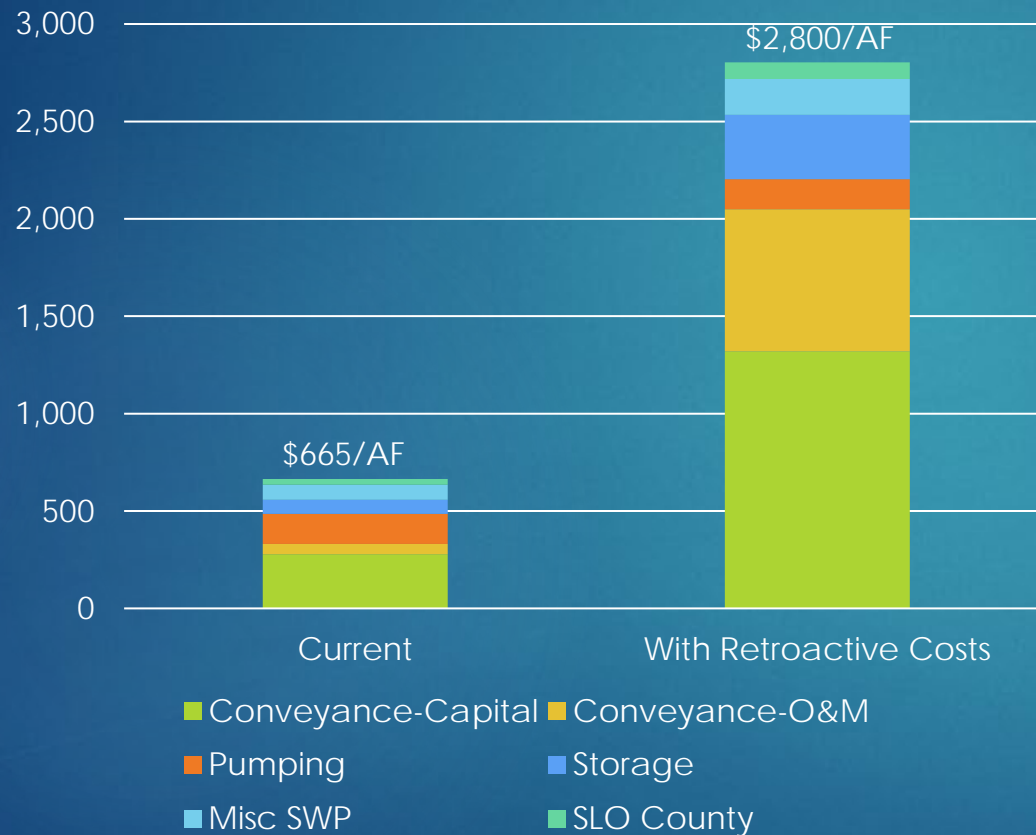
PASO BASIN SWP SUPPLEMENTAL SUPPLY

NOVEMBER 20, 2024

# SWP Cost Evaluation

- ▶ Initial State Water Project and Coastal Branch Costs are Nearing Complete Repayment
- ▶ SWP Cost Repayment Period is through 2035
- ▶ Post-2035 should have significantly reduced costs; Limited to ongoing operation and maintenance
- ▶ Prior SWP Cost Estimates include Full Repayment of SWP Costs from 1992 to Present
- ▶ Retrospective Repayment is not a legal requirement and is not a common practice among SWP Contractors
- ▶ Analysis Approach:
  - ▶ Segregate SWP Costs into Current Charges and Repayment of Past Charges
  - ▶ Develop alternative SWP Costs for current Repayment period and Post Repayment period
  - ▶ Identify alternative SWP Cost approaches for policy consideration

# SWP Costs – Polonio Pass Raw Water (\$ per acre-foot)



- ▶ Retroactive and future costs included in prior cost analysis are not supported by documented policies
- ▶ Conveyance Capital Costs have clearest basis for buy-in requirement
- ▶ Biggest single Buy-in cost element is Capital repayment for Reach 33A
- ▶ Other charge categories could be considered sunk cost



# SWP Policy Issues and Decision Makers

- ▶ DWR for California Aqueduct (Likely indirect SWP Contractors input)
  - ▶ No Issues for SLO County access through Reach 31A (Initial Coastal Branch Facilities)
  - ▶ SLO County capacity limited in Reaches 33A and 33B (Coastal Branch Phase 2)
  - ▶ Physical capacity available in Reach 33A, capacity is limited in Reach 33B
  - ▶ No clear DWR policy on retroactive payment or access to capacity
- ▶ SLO County for Sale of SWP Table A Amounts to individual Agencies
  - ▶ Amounts available to different County areas
  - ▶ Reimbursement, if any, for past costs
  - ▶ Types of costs, if any, to be reimbursed
- ▶ CCWA for water treatment and reimbursement for capital costs



# Paso Basin Alternatives Development

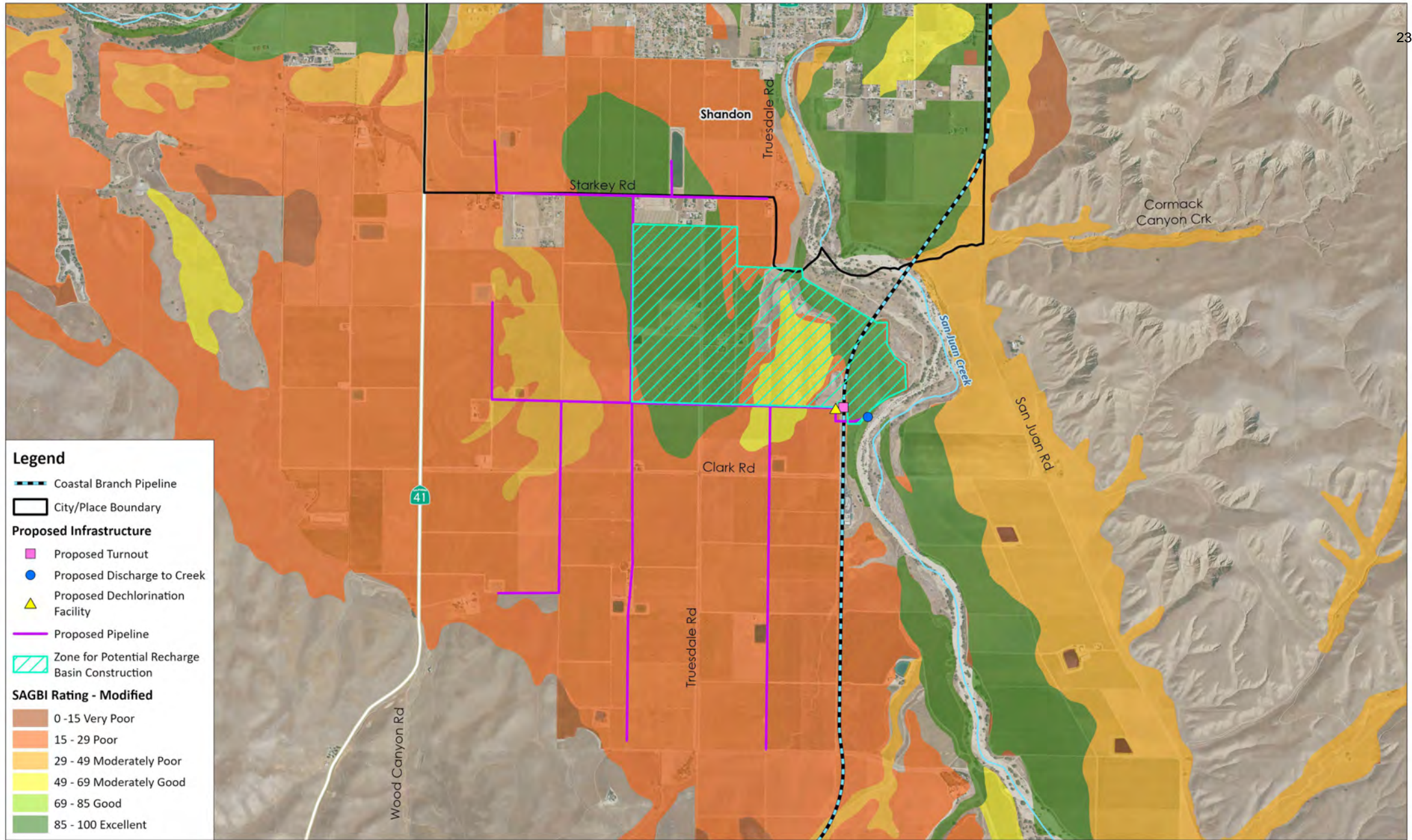
PASO BASIN SWP SUPPLEMENTAL SUPPLY

NOVEMBER 20, 2024

# Alternatives

- ▶ Problem statement – Subbasin overdraft and data gaps
  
- ▶ Primary Alternatives
  - ▶ Treated Water at Shandon
  - ▶ Treated Water at Creston
  - ▶ Raw Water at Shandon
  - ▶ Raw Water to Cholame Creek
  
- ▶ Uses for SWP water
  - ▶ In-channel recharge
  - ▶ Constructed recharge basins
  - ▶ Direct Delivery for irrigation
  
- ▶ Phased approach
  - ▶ Construct turnout(s) – potentially starting with EPC pilot turnout near Creston
  - ▶ Recharge in creek channels with monitoring
  - ▶ Future addition of recharge basins and irrigation pipelines if needed



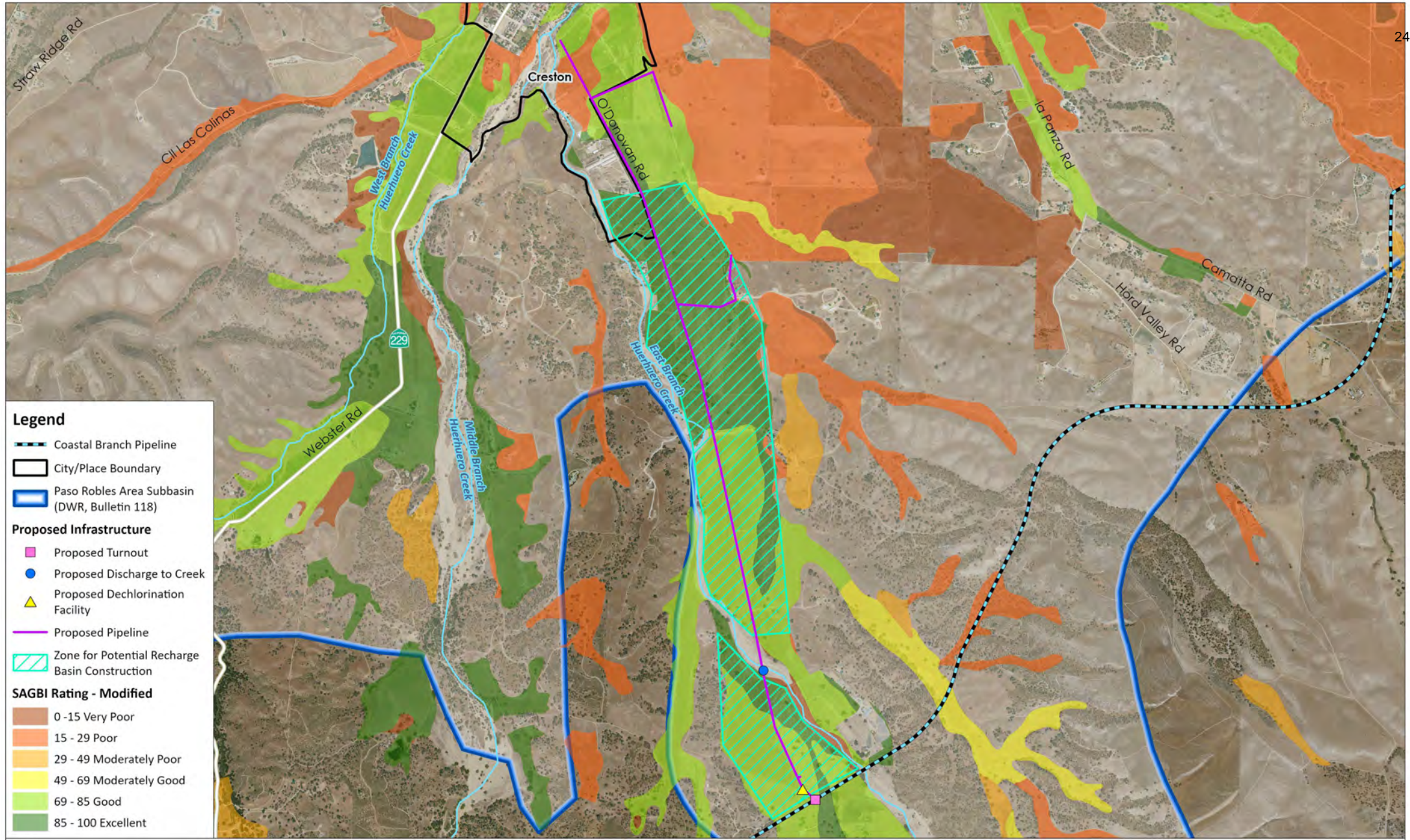


**Alternative 1 - Treated Water to Shandon**

Paso Basin SWP Supplemental Supply Study

**PROVOST & PRITCHARD**





**Legend**

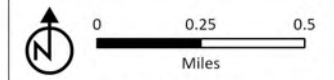
- Coastal Branch Pipeline
- City/Place Boundary
- Paso Robles Area Subbasin (DWR, Bulletin 118)

**Proposed Infrastructure**

- Proposed Turnout
- Proposed Discharge to Creek
- Proposed Dechlorination Facility
- Proposed Pipeline
- Zone for Potential Recharge Basin Construction

**SAGBI Rating - Modified**

- 0 - 15 Very Poor
- 15 - 29 Poor
- 29 - 49 Moderately Poor
- 49 - 69 Moderately Good
- 69 - 85 Good
- 85 - 100 Excellent

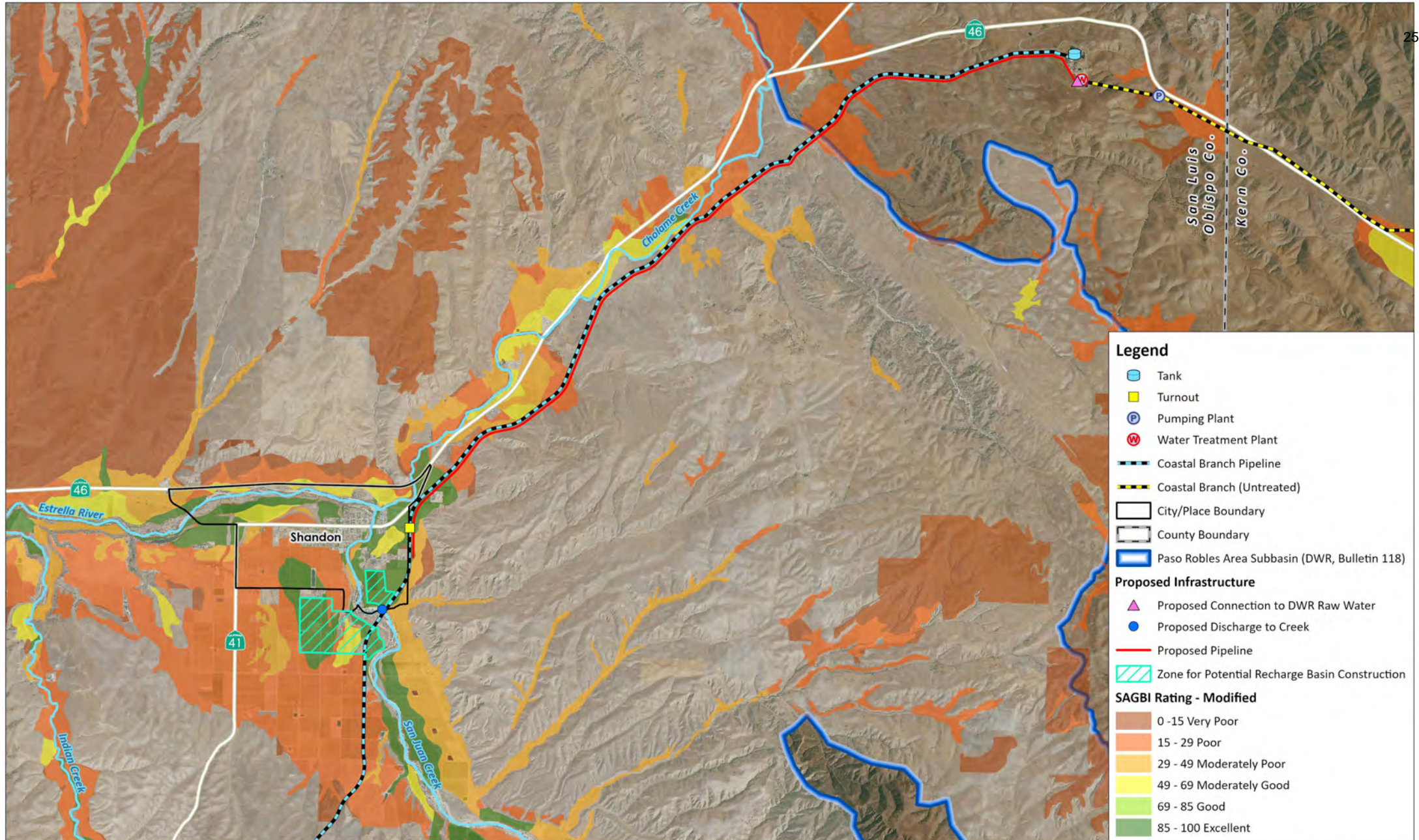


**Alternative 2 - Treated Water to Creston**

Paso Basin SWP Supplemental Supply Study

**PROVOST & PRITCHARD**





**Legend**

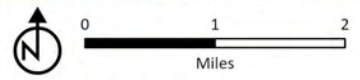
- Tank
- Turnout
- Pumping Plant
- Water Treatment Plant
- Coastal Branch Pipeline
- Coastal Branch (Untreated)
- City/Place Boundary
- County Boundary
- Paso Robles Area Subbasin (DWR, Bulletin 118)

**Proposed Infrastructure**

- Proposed Connection to DWR Raw Water
- Proposed Discharge to Creek
- Proposed Pipeline
- Zone for Potential Recharge Basin Construction

**SAGBI Rating - Modified**

- 0 - 15 Very Poor
- 15 - 29 Poor
- 29 - 49 Moderately Poor
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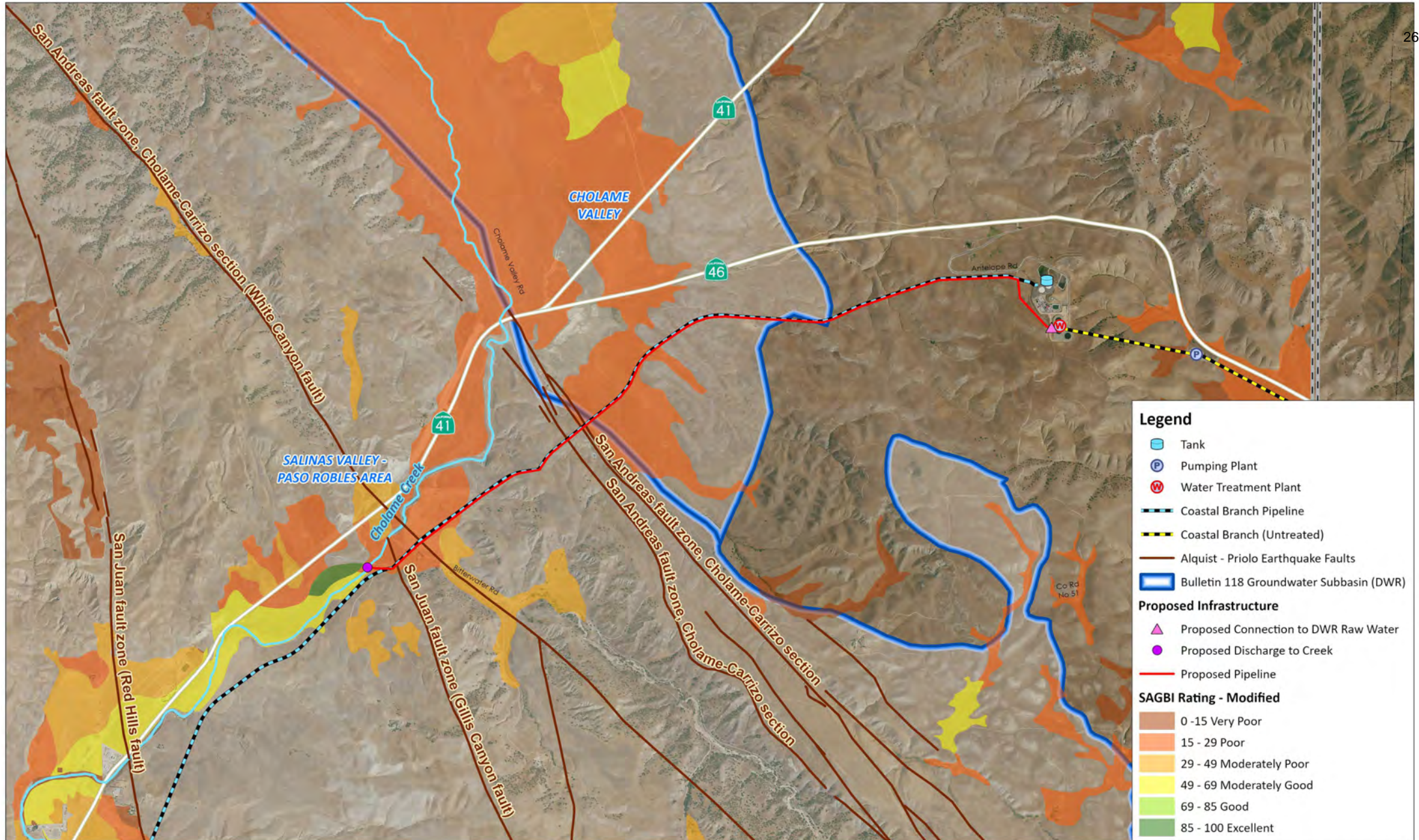
**Alternative 3 - Raw Water to Shandon**

Paso Basin SWP Supplemental Supply Study

**PROVOST & PRITCHARD**

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**Legend**

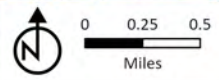
- Tank
- Pumping Plant
- Water Treatment Plant
- Coastal Branch Pipeline
- Coastal Branch (Untreated)
- Alquist - Priolo Earthquake Faults
- Bulletin 118 Groundwater Subbasin (DWR)

**Proposed Infrastructure**

- Proposed Connection to DWR Raw Water
- Proposed Discharge to Creek
- Proposed Pipeline

**SAGBI Rating - Modified**

- 0 - 15 Very Poor
- 15 - 29 Poor
- 29 - 49 Moderately Poor
- 49 - 69 Moderately Good
- 69 - 85 Good
- 85 - 100 Excellent



**Alternative 4 - Raw Water to Cholame Creek**

Paso Basin SWP Supplemental Supply Study

**PROVOST & PRITCHARD**

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# Turnout Sizing and Costs

- ▶ Costs do not include de-chlorination facilities
  - ▶ 6-CFS
    - ▶ Approximately 3,600 AFY (assuming 10 months of continuous use)
    - ▶ 12-inch components
    - ▶ Preliminary construction estimate - \$1.3M
  - ▶ 12-CFS
    - ▶ Approximately 7,300 AFY (assuming 10 months of continuous use)
    - ▶ 18-inch components
    - ▶ Preliminary construction estimate - \$1.7M
  - ▶ 24-CFS
    - ▶ Approximately 14,500 AFY (assuming 10 months of continuous use)
    - ▶ 24-inch components
    - ▶ Preliminary construction estimate - \$2.0M

# Outlier Alternatives

- ▶ Pipelines to areas of domestic well decline
  - ▶ Pipeline cost (10+ miles of pipe)
  - ▶ Lack of reliable SWP supply for potable use
  - ▶ Lack of suitable recharge areas
- ▶ Raw water pipeline from Coastal Branch Reach 33A
  - ▶ High cost of pipeline and pump stations (\$330M)
- ▶ Releasing raw water near Polonio Pass for overland flow to Shandon area
  - ▶ Lack of clear flow path through Cholame valley, likelihood of water being lost outside of the Subbasin
  - ▶ San Andreas Fault system

# Ongoing Work

- ▶ Cost Estimates
  - ▶ Raw water pipeline
  - ▶ Turnouts
  - ▶ De-chlorination
  - ▶ Recharge basins
  - ▶ Creek discharge structures
  - ▶ Irrigation pipelines
- ▶ Assessment of in-channel recharge permitting hurdles
- ▶ Continuing hydrogeology research
- ▶ Draft report

# Next Steps

- ▶ Refine Alternatives based on input
- ▶ Continue Alternatives definition, hydraulic analysis and cost analysis
- ▶ Complete SWP cost evaluation and policy meetings

**PASO BASIN COOPERATIVE COMMITTEE**  
**December 16, 2024**

**Agenda Item #7** – Receive an update on a draft Joint Powers Agreement prepared in coordination with work on the Cost of Service Study which would create a Joint Powers Authority to levy fees and perform other administrative, regulatory compliance and certain Groundwater Sustainability Plan implementation actions as delegated in the Agreement if executed by the Groundwater Sustainability Agencies and provide direction to staff / a recommendation(s) to the individual Groundwater Sustainability Agencies

**Recommendation**

It is recommended that that Paso Basin Cooperative Committee receive an update on a draft Joint Powers Agreement prepared in coordination with work on the Cost of Service Study which would create a Joint Powers Authority to levy fees and perform other administrative, regulatory compliance and certain Groundwater Sustainability Plan implementation actions as delegated in the Agreement if executed by the Groundwater Sustainability Agencies and provide direction to staff / a recommendation(s) to the individual Groundwater Sustainability Agencies.

**Prepared By**

County of San Luis Obispo staff, including County Counsel in coordination with Stoel Rives, LLP

**Discussion**

Both the Memorandum of Agreement Regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin (“MOA”) and the Groundwater Sustainability Plan (“GSP”) acknowledge that the framework set forth in the MOA, including the creation of the advisory Paso Basin Cooperative Committee (“PBCC”) is not intended to serve as a long-term governance structure. The Groundwater Sustainability Agencies (“GSAs”) were able to delay discussion of a more robust governance structure due in large part to the fact that the majority of early GSP administration / implementation costs have been grant funded. However, with commencement of work to establish a fee(s) to fund GSP implementation, it has become clear that the MOA and PBCC need to be replaced and that an agreement creating a single separate agency to levy the fee(s) and conduct implementation activities funded by said fee(s) would likely be the best option to ensure a unified / coordinated approach to Basin management.

As a result, in concert with coordination on the Cost of Service Study, GSA counsel have been working to prepare a draft joint powers agreement to be presented to the PBCC for input and subsequently considered for execution by each of the GSAs in or around January 2025 such that the schedule set forth in the Cost of Service Study can be met by the joint powers authority as the levying agency / fees can be collected by January 2026. Key terms of the current draft document include, without limitation:

- Creates the Paso Robles Area Groundwater Authority (“Authority”), a separate / distinct legal entity, the boundaries of which are coterminous with the collective areas over which each member is a GSA. The members retain their GSA status, and the Authority only has the powers delegated to it.
- Delegates powers to the Authority related to carrying out and funding regulatory and administrative functions under SGMA as well as development and implementation of certain management actions.
- Establishes the membership as each of the five GSAs (while permitting the addition of other local agencies under limited conditions) and the governing body as a Board of Directors (“Authority Board”) comprised of one representative and one alternate representative from each member (both of whom must sit on the member’s legislative body).
- Defines a quorum as a majority of the directors and requires a majority vote on all matters, with each director possessing one vote, with the exception of the following, which require a 4/5 vote of

the Authority Board: (1) adjustment of the Authority's previously approved annual budget in an amount exceeding \$200,000, (2) decisions related to the imposition of mandatory limitations on groundwater extractions, and (3) decisions related to requiring member contributions beyond those specifically addressed in the agreement.

- States that the majority of Authority costs are anticipated to be funded by a fee(s) on extraction levied by the Authority on all groundwater users within the Basin but includes provisions addressing the period between establishment of the Authority and the collection of fees as well as costs that may not be able to be covered by the fee(s).
- Provides for both automatic withdrawal (when a member ceases to be a GSA) and voluntary withdrawal subject to certain conditions related to timing / funding the operations of the Authority.
- Provides that the JPA will automatically terminate on June 30, 2026 if the Authority has not yet established a fee.

It should be emphasized that the attached document represents merely a draft agreement collaboratively prepared by GSA counsel in an effort to create a complete document that can be reviewed and considered first by the PBCC and then (likely after additional refinement) by the individual GSAs. It should not be construed as reflecting the final agreement of any particular GSA or the position of any particular GSA representative. During the presentation, County staff will flag any provisions already anticipated to be subject to further refinement / negotiation prior to finalization and for which staff is particularly interested in PBCC input.

#### **Attachments**

Draft Joint Powers Agreement

\* \* \*



DRAFT – 12/10/24

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

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

**RECITALS**

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

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

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

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

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

**WHEREAS**, the Members, with the exception of EPCWD, previously entered into a Memorandum of Agreement Regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin (“MOA”) on or about September 20, 2017 and an Amendment No. 1 to the MOA on or about March 13, 2020 for purposes of coordinating preparation of a

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single GSP for the Basin and for continued cooperation pending development of a long-term governance structure, including, but not limited to, through the Paso Basin Cooperative Committee (“PBCC”), an advisory committee created thereunder; and

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

**WHEREAS**, the Members collectively developed, and each Member separately adopted, a single GSP to sustainably manage the Basin underlying their combined service area which was first submitted to DWR on January 30, 2020; and

**WHEREAS**, in response to comments provided by DWR, each of the Members separately adopted a single updated GSP (the “GSP”), except for EPCWD, which was not yet a GSA but has since agreed to implement the GSP within its service area; and

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

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

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

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

#### **ARTICLE 1: INCORPORATION OF RECITALS**

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

#### **ARTICLE 2: DEFINITIONS**

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

2.1 “Agreement” means this Joint Exercise of Powers Agreement forming the Paso Robles Area Groundwater Authority for the Paso Robles Area Groundwater Subbasin.

2.2 “Authority” means the Paso Robles Area Groundwater Authority formed pursuant to this Agreement.

2.3 “Basin” means the Paso Robles Area Groundwater Subbasin, California Department of Water Resources Basin No. 3-004.06 as its boundaries may be modified from time to time in accordance with Water Code section 10722.2.

2.4 “Board of Directors” or “Board” means the governing body of the Authority as established by Article 6.1 of this Agreement.

2.5 “Bulletin 118” means DWR’s report entitled “California Groundwater: Bulletin 118” updated in 2016 and 2022, and as it may be subsequently updated or revised in accordance with Water Code section 12924.

2.6 “Director(s)” and “Alternate Director(s)” means a Director or Alternate Director appointed by a Member pursuant to Articles 6.1 and 6.2 of this Agreement.

2.7 “DWR” means the California Department of Water Resources.

2.8 “Effective Date” is the date this Agreement has been signed by all of the Members.

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

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

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

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

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

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

2.15 “State” means the State of California.

### **ARTICLE 3: PURPOSE**

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

### **ARTICLE 4: CREATION OF THE AUTHORITY**

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

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

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

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

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

- a. Completion of the regulatory requirements under SGMA including, but not limited to, preparing and submitting the annual reports described in section 356.2 of Title 23 of the California Code of Regulations (“CCR”) and section 9.3.1.3 of the GSP and the five-year GSP evaluations described in 23 CCR section 356.4 and section 9.3.1.4 of the GSP and serving as the plan manager as defined in 23 CCR section 351(z) in connection therewith.
- b. Development and implementation of the Communication and Engagement Plan set forth in Appendix M of the GSP and to otherwise undertake stakeholder outreach; however, this shall not preclude any Member from undertaking additional stakeholder outreach within its boundaries.
- c. Development and implementation of the Data Gap Plan set forth in Appendix L2 of the GSP and to otherwise develop and implement an enhanced monitoring program, provided that any update to the monitoring program shall not be in contravention of existing confidentiality or any other obligations under the existing San Luis Obispo Flood Control and Water Conservation District (“FCWCD”) Water Level Measuring

Program as determined by the County Director of Public Works or designee.

- d. Development and implementation of a voluntary groundwater demand reduction program, which may include fallowing and other water demand reduction or land repurposing strategies as described in section 9.3.4 of the GSP; and development and implementation of a mandatory demand reduction program should the voluntary program prove inadequate.
- e. Development and adoption of an annual budget to exercise the authorities granted hereunder or as may be delegated by the Members in accordance with Section 4.6 below provided that nothing herein shall authorize the Authority to require Member contributions beyond those specifically identified in Section 7.1 below or otherwise approved by a 4/5 vote of the Board of Directors consistent with Section 6.8(3) below.
- f. Development and adoption of a plan to fund exercise of the authorities granted hereunder or as may be subsequently delegated by the Members, including but not limited to, adoption by the Authority of a fee(s) pursuant to Water Code section 10730 et seq. and all actions necessary for the Authority to establish and collect said fee(s) and application and receipt of grant funds.
- g. Adoption or establishment of rules, regulations, policies, bylaws and procedures related to exercise of the authorities granted hereunder or as may be subsequently delegated by the Members, including, but not limited to, adoption of a procurement and purchasing policy and a conflict of interest code.
- h. Retention of consultants, contractors, or employees to assist the Authority in carrying out its purposes and day-to-day operations, including, without limitation, a financial consultant, legal counsel, accountant, administrative personnel, hydrogeologist, executive director, or other specialty services as may be deemed appropriate to carry out the terms of this Agreement and as more specifically set forth in Section 4.9 below.

4.6. Additional Powers-Subsequent Implementation Activities. With the exception of activities within the authorities set forth in Section 4.5 above, the Authority shall not undertake any GSP implementation activities within the service area of a particular Member(s) or that impact water use within the service area of a particular Member(s) without that Member(s)' prior written approval; and the Authority shall not undertake any Basin-wide GSP implementation



activities unless approved by the governing bodies of at least 4 of the 5 Members. However, nothing herein prohibits any Member from exercising its individual authority to enact an ordinance imposing mandatory extraction limitations or other demand reduction measures in furtherance of GSP implementation within its service area. In addition, without limiting the foregoing, nothing herein shall be construed as authorizing the Authority to acquire a right to appropriate or otherwise receive surface water from Santa Margarita Lake, Lake Nacimiento or the Salinas River or to utilize infrastructure owned or operated by any Member or the FCWCD related thereto without their prior approval.

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

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

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

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

## **ARTICLE 5: MEMBERSHIP**

5.1 Members. The Members of the Authority shall be:

- a. City of El Paso de Robles;

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

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

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

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

## **ARTICLE 6: GOVERNANCE**

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

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

before the Board. Alternate Directors are required to be members of the governing board of the appointing Member.

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

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

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

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

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

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

6.8 Voting. On all matters considered by the Authority, each Director shall have one vote and action shall require a majority vote of the Board of Directors subject to the following matters, which shall require a 4/5 vote of the Board of Directors: (1) adjustment of the Authority's previously approved annual budget in an amount exceeding \$200,000; (2) decisions related to the imposition of mandatory limitations on groundwater extractions; and (3) decisions related to requiring Member contributions beyond those identified in Section 7.1 to cover the cost of any budgeted costs not covered by extraction fees.

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

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

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

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

## **ARTICLE 7: FINANCIAL PROVISIONS**

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

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

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

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

7.5 Depository. [XX] is designated as the Treasurer and shall (i) be the depository of the Authority, (ii) have custody of all funds of the Authority, and (iii) have the duties and obligations of the Treasurer as set forth in Government Code Sections 6505, 6050.1 and 6505.5. All funds of the Authority shall be held in separate accounts in the name of the Authority and shall not be commingled with funds of any Member or any other person or entity.

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

7.7 Auditor. [XX] is designated as the Auditor and shall have the duties and obligations as Auditor of the Authority as set forth in Government Code sections 6505 and 6505.5. The Auditor shall ensure strict accountability of all receipts and disbursements of the Authority and shall make arrangements with a qualified firm to perform an annual audit of the accounts and records of the Authority. Copies of such annual audit reports shall be filed with the State Controller and each Member within six (6) months of the end of the fiscal year under examination.

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

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

### **8.1 Withdrawal of Members.**

8.1.1. Automatic Withdrawal. A Member shall be deemed to have unilaterally withdrawn from this Agreement at the time it ceases to exist as a GSA provided that said withdrawal shall not be effective unless and until another Member(s) elects to include the

withdrawing Member's service area within their boundaries such that fees can continue to be collected therein. However, this requirement shall not apply if the Member ceases to be a GSA because its service area is no longer subject to SGMA.

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

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

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



8.4 Disposition of Property upon Termination. Upon termination of this Agreement, the assets of the Authority shall be transferred to the Authority's successor, provided that a public entity will succeed the Authority, or in the event that there is no successor public entity, to the Members in proportion to the contributions made by each Member. If the successor public entity will not assume all of the Authority's assets, the Board shall distribute the Authority's assets between the successor entity and the Members in proportion to the obligation described in Section 7.1 above or as otherwise approved by a 4/5 vote of the Board of Directors consistent with Section 6.8(3) above.

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

## **ARTICLE 9: MISCELLANEOUS PROVISIONS**

9.1 Indemnification. The Authority shall hold harmless, defend and indemnify the Members, and their agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property arising out of the activities of the Authority, or its agents, officers and employees under this Agreement. These indemnification obligations shall continue beyond the Term of this Agreement, as defined in Section 4.7 above, as to any acts or omissions occurring before or under this Agreement or any extension of this Agreement.

9.2 Amendments. This Agreement may be amended from time to time by the consent of the Members. Minor Amendments may be made by consent of a majority of the Members, whereas all other amendments shall require unanimous consent of all Members. A "Minor Amendment" is one that does not change the overall substance of this Agreement and does not affect the rights and/or obligations of any or all of the Members; all other amendments shall be considered "Major Amendments." Approval of a Member is valid only after that Member's governing body approves the amendment at a public meeting. Neither individual Directors nor individual members of the Members' governing boards have the authority, express or implied, to amend, modify, waive or in any way alter this Agreement or the terms and conditions hereof. To provide non-concurring Members an opportunity to withdraw from the Authority, any amendment

to this Agreement shall be binding on all Members thirty (30) days after the required concurrence has been obtained.

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

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

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

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

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

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

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

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

**IN WITNESS WHEREOF**, the parties hereto have caused the Agreement to be executed on the day and year set opposite the name of the parties:

CITY OF EL PASO DE ROBLES

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

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

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

APPROVED AS TO FORM AND LEGAL EFFECT:

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

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

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

SHANDON SAN JUAN WATER DISTRICT

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

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

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

APPROVED AS TO FORM AND LEGAL EFFECT:

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

DRAFT – 12/10/24

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

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

COUNTY OF SAN LUIS OBISPO

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

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

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

APPROVED AS TO FORM AND LEGAL EFFECT:

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

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

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

SAN MIGUEL COMMUNITY SERVICES DISTRICT

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

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

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

APPROVED AS TO FORM AND LEGAL EFFECT:

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

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

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

ESTRELLA-EL POMAR-CRESTON WATER DISTRICT

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

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

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

APPROVED AS TO FORM AND LEGAL  
EFFECT:

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

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

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

DRAFT

**EXHIBIT A**

**PASO BASIN COOPERATIVE COMMITTEE**  
**December 16, 2024**

**Agenda Item #8** – Receive an update on the Cost of Service Study which would support a fee program to cover the costs of Sustainable Groundwater Management Act compliance / Groundwater Sustainability Plan implementation measures and provide direction to staff

**Recommendation**

PBCC direction needed.

**Prepared By**

Ryan Aston, SCI Consulting

**Discussion**

An overview of the Cost of Service Study (Study) components is provided as Attachment 1. SCI Consulting has been contracted to develop this Study and the attached presentation outlines specific feedback required from the PBCC in preparation of the draft Study.

\* \* \*



# PASO ROBLES GROUNDWATER BASIN

## COST OF SERVICE STUDY PROGRESS UPDATE

DECEMBER 16, 2024

# AGENDA

1. Confirmation of Consumptive Groundwater Use for Fee Program.
2. Refinement of Five-Year Budget (*specific PBCC direction needed*).
3. Other Considerations.
4. Next Steps.

# USE OF EVAPOTRANSPIRATION DATA

# USE OF CONSUMED GROUNDWATER FOR FEE PROGRAM (I)

## Evapotranspiration / Groundwater Consumption.

- The Fee Study requires projections of groundwater use 5 years into the future. In order to develop these projections, a historical baseline is necessary.
- The PBCC chose to utilize a satellite-based evapotranspiration (“ET”) methodology for estimating groundwater use in the Paso Basin.
- Land IQ was contracted to provide monthly ET by agricultural field, which is an estimate of groundwater consumption.
- Therefore, rates will be developed based on groundwater consumption. Land IQ is able to develop a historical baseline of consumed groundwater (this will require an updated scope of work).

*Note: while consumptive groundwater use amounts will be different from pumped extraction amounts, the amount of consumed groundwater on each individual parcel will be measured under the same methodology, producing charge amounts relative to all other parcels.*

# BUDGET REFINEMENT

# FEEDBACK FROM INITIAL RATE SCENARIOS

## Agricultural / Commercial Rates

- Concerns in the Ag community regarding high rates per acre foot (AF). Rates may not be economically feasible.
- Concerns in the Ag community regarding the nature and scope of the Blended Irrigation Water Supply Program and the State Water Project Supply Program.
- → Alternative budget options to be presented.

## Domestic Groundwater Users

- Feedback that the estimated number of domestic groundwater use may be low.
- → SCI Team working to refine analysis of domestic extractors.



# BUDGET SCENARIOS

## 1. Full Implementation

- Budget as presented to the PBCC in September – but modified to include a more accurate projection of the costs of the Blended Water Supply Program (full implementation budget).

## 2. Reduced Project Cost Budget A

- Budget with State Water Project Supply Program removed.

## 3. Reduced Project Cost Budget B

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

## 4. Program Administration Only

- Budget with all Projects and Management Actions removed (administrative and SGMA-required costs only).

## 5. Alternative Budget Approach

- Reworked Budget.

# BLENDED WATER SUPPLY PROGRAM INFRASTRUCTURE COSTS

- Blended Water Supply distribution system infrastructure Costs have been updated per WSC's calculations.
- As shown to the right, a 30-year loan with an interest rate of 3%, combined with annual O&M costs, produces an annual revenue need of approximately \$5,631,000.
- Prior costs used for this Program began at \$50,000 in year 1 and escalated up to \$5 million in Year 5.
- This amount *does not* include the cost of water.

Annual Cost	
Amount of Loan	\$81,240,000
Annual Interest Rate	3%
Years of Repayment	30
Annual Repayment	\$4,144,805
Annual O&M	\$1,486,000
Annual Cost	\$5,631,000

Note: WSC estimates this amount of infrastructure could provide 4,000 to 7,000 AFY.

# EXTRACTOR CATEGORIES

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

# SCENARIO I: FULL IMPLEMENTATION BUDGET

- Budget as presented to the PBCC in September (with one change):
- The Blended Irrigation Water Supply Program cost has been updated to reflect WSC's annual cost estimate for financing the project.

Key
<b>Base Costs</b> (all extractor categories)
<b>Supplemental Non-De Minimis Costs</b> (municipal, agricultural, commercial extractors)
<b>Supplemental Agricultural / Commercial Costs</b> (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average
<b>Program Administration</b>	% Increase					60
<b>SGMA-Required</b>	2.5%					
Annual Report WY 2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
Ongoing Basin Monitoring Operations & Maintenance	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144	\$ 315,380
Data Management System (DMS)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
SGMA-Required Subtotal	\$635,000	\$700,875	\$717,147	\$933,826	\$1,250,921	\$ 847,554
<b>Administrative</b>						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Technical Consultant(s) to support administrative services	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
Outreach Program	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Website Creation and Management	\$15,000	\$2,500	\$2,563	\$2,627	\$2,692	\$ 5,076
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$826,500	\$851,838	\$873,133	\$894,962	\$917,336	\$ 872,754
Program Administration Subtotal	\$1,461,500	\$1,552,713	\$1,590,280	\$1,828,787	\$2,168,257	\$ 1,720,307
<b>Projects and Management Actions</b>						
<b>Regulatory Projects</b>						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
Well Verification/Registration Program	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
<b>Demand Reduction Projects</b>						
MILR Program	\$500,000	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$ 1,150,000
Demand Management Program	\$100,000	\$150,000	\$150,000	\$100,000	\$100,000	\$ 120,000
Water Conservation and Irrigation Efficiency Program	\$50,000	\$50,000	\$75,000	\$75,000	\$75,000	\$ 65,000
<b>Alternative Water Supply Projects</b>						
Blended Irrigation Water Supply Infrastructure Costs	\$5,631,000	\$5,631,000	\$5,631,000	\$5,631,000	\$5,631,000	\$ 5,631,000
SWP Supply Program	\$50,000	\$2,000,000	\$2,500,000	\$3,000,000	\$5,000,000	\$ 2,510,000
Groundwater Recharge Program	\$25,000	\$150,000	\$150,000	\$1,000,000	\$1,000,000	\$ 465,000
Project Feasibility Reserve	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Subtotal	\$6,706,000	\$9,089,750	\$9,873,719	\$11,682,912	\$14,192,335	\$ 10,308,943
<b>Total</b>	<b>\$8,167,500</b>	<b>\$10,642,463</b>	<b>\$11,463,999</b>	<b>\$13,511,699</b>	<b>\$16,360,592</b>	<b>\$ 12,029,250</b>
Base Costs	\$ 1,511,500	\$ 1,603,963	\$ 1,642,812	\$ 1,882,632	\$ 2,223,448	\$ 1,772,871
Supplemental Non-De Minimis Costs	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 105,127
Supplemental Agricultural / Commercial Costs	\$ 6,556,000	\$ 8,936,000	\$ 9,716,125	\$11,521,378	\$14,026,763	\$ 10,151,253

# SCENARIO 2: REDUCED PROJECT COST BUDGET A

- State Water Supply Program removed from budget.

<b>Key</b>
<b>Base Costs</b> (all extractor categories)
<b>Supplemental Non-De Minimis Costs</b> (municipal, agricultural, commercial extractors)
<b>Supplemental Agricultural / Commercial Costs</b> (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average
<b>Program Administration</b>	% Increase					61
<b>SGMA-Required</b>	2.5%					
Annual Report WY 2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
Ongoing Basin Monitoring Operations & Maintenance	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144	\$ 315,380
Data Management System (DMS)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
SGMA-Required Subtotal	\$635,000	\$700,875	\$717,147	\$933,826	\$1,250,921	\$ 847,554
<b>Administrative</b>						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Technical Consultant(s) to support administrative services	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
Outreach Program	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Website Creation and Management	\$15,000	\$2,500	\$2,563	\$2,627	\$2,692	\$ 5,076
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$826,500	\$851,838	\$873,133	\$894,962	\$917,336	\$ 872,754
Program Administration Subtotal	\$1,461,500	\$1,552,713	\$1,590,280	\$1,828,787	\$2,168,257	\$ 1,720,307
<b>Projects and Management Actions</b>						
<b>Regulatory Projects</b>						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
Well Verification/Registration Program	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
<b>Demand Reduction Projects</b>						
MILR Program	\$500,000	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$ 1,150,000
Demand Management Program	\$100,000	\$150,000	\$150,000	\$100,000	\$100,000	\$ 120,000
Water Conservation and Irrigation Efficiency Program	\$50,000	\$50,000	\$75,000	\$75,000	\$75,000	\$ 65,000
<b>Alternative Water Supply Projects</b>						
Blended Irrigation Water Supply Infrastructure Costs	\$5,631,000	\$5,631,000	\$5,631,000	\$5,631,000	\$5,631,000	\$ 5,631,000
<i>SWP Supply Program</i>	\$0	\$0	\$0	\$0	\$0	\$ -
Groundwater Recharge Program	\$25,000	\$150,000	\$150,000	\$1,000,000	\$1,000,000	\$ 465,000
Project Feasibility Reserve	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Subtotal	\$6,656,000	\$7,089,750	\$7,373,719	\$8,682,912	\$9,192,335	\$ 7,798,943
<b>Total</b>	<b>\$8,117,500</b>	<b>\$8,642,463</b>	<b>\$8,963,999</b>	<b>\$10,511,699</b>	<b>\$11,360,592</b>	<b>\$ 9,519,250</b>
Base Costs	\$ 1,511,500	\$ 1,603,963	\$ 1,642,812	\$ 1,882,632	\$ 2,223,448	\$ 1,772,871
Supplemental Non-De Minimis Costs	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 105,127
Supplemental Agricultural / Commercial Costs	\$ 6,506,000	\$ 6,936,000	\$ 7,216,125	\$ 8,521,378	\$ 9,026,763	\$ 7,641,253

# SCENARIO 3: REDUCED PROJECT COST BUDGET B

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

<b>Key</b>
<b>Base Costs</b> (all extractor categories)
<b>Supplemental Non-De Minimis Costs</b> (municipal, agricultural, commercial extractors)
<b>Supplemental Agricultural / Commercial Costs</b> (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Average Costs
Program Administration	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average
	% Increase					62
<b>SGMA-Required</b>	2.5%					
Annual Report WY 2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
Ongoing Basin Monitoring Operations & Maintenance	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144	\$ 315,380
Data Management System (DMS)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
SGMA-Required Subtotal	\$635,000	\$700,875	\$717,147	\$933,826	\$1,250,921	\$ 847,554
<b>Administrative</b>						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Technical Consultant(s) to support administrative services	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
Outreach Program	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Website Creation and Management	\$15,000	\$2,500	\$2,563	\$2,627	\$2,692	\$ 5,076
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$826,500	\$851,838	\$873,133	\$894,962	\$917,336	\$ 872,754
Program Administration Subtotal	\$1,461,500	\$1,552,713	\$1,590,280	\$1,828,787	\$2,168,257	\$ 1,720,307
<b>Projects and Management Actions</b>						
<b>Regulatory Projects</b>						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
Well Verification/Registration Program	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
<b>Demand Reduction Projects</b>						
MILR Program	\$500,000	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$ 1,150,000
Demand Management Program	\$100,000	\$150,000	\$150,000	\$100,000	\$100,000	\$ 120,000
Water Conservation and Irrigation Efficiency Program	\$50,000	\$50,000	\$75,000	\$75,000	\$75,000	\$ 65,000
<b>Alternative Water Supply Projects</b>						
<i>Blended Irrigation Water Supply Infrastructure Costs</i>	\$0	\$0	\$0	\$0	\$0	\$ -
<i>SWP Supply Program</i>	\$0	\$0	\$0	\$0	\$0	\$ -
Groundwater Recharge Program	\$25,000	\$150,000	\$150,000	\$1,000,000	\$1,000,000	\$ 465,000
Project Feasibility Reserve	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Subtotal	\$1,025,000	\$1,458,750	\$1,742,719	\$3,051,912	\$3,561,335	\$ 2,167,943
<b>Total</b>	<b>\$2,486,500</b>	<b>\$3,011,463</b>	<b>\$3,332,999</b>	<b>\$4,880,699</b>	<b>\$5,729,592</b>	<b>\$ 3,888,250</b>
Base Costs	\$ 1,511,500	\$ 1,603,963	\$ 1,642,812	\$ 1,882,632	\$ 2,223,448	\$ 1,772,871
Supplemental Non-De Minimis Costs	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689	\$ 110,381	\$ 105,127
Supplemental Agricultural / Commercial Costs	\$ 875,000	\$ 1,305,000	\$ 1,585,125	\$ 2,890,378	\$ 3,395,763	\$ 2,010,253



# SCENARIO 4: PROGRAM ADMINISTRATION ONLY

- All Projects and Management Actions Removed from budget.

Key
<b>Base Costs</b> (all extractor categories)
<b>Supplemental Non-De Minimis Costs</b> (municipal, agricultural, commercial extractors)
<b>Supplemental Agricultural / Commercial Costs</b> (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average
<b>Program Administration</b>	% Increase					63
<b>SGMA-Required</b>	2.5%					
Annual Report WY 2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
Ongoing Basin Monitoring Operations & Maintenance	\$300,000	\$307,500	\$315,188	\$323,067	\$331,144	\$ 315,380
Data Management System (DMS)	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$ 78,845
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
SGMA-Required Subtotal	\$635,000	\$700,875	\$717,147	\$933,826	\$1,250,921	\$ 847,554
<b>Administrative</b>						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Technical Consultant(s) to support administrative services	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
Outreach Program	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Website Creation and Management	\$15,000	\$2,500	\$2,563	\$2,627	\$2,692	\$ 5,076
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$826,500	\$851,838	\$873,133	\$894,962	\$917,336	\$ 872,754
Program Administration Subtotal	\$1,461,500	\$1,552,713	\$1,590,280	\$1,828,787	\$2,168,257	\$ 1,720,307
<b>Projects and Management Actions</b>						
<b>Regulatory Projects</b>						
<i>Domestic Well Impact Mitigation Program</i>	\$0	\$0	\$0	\$0	\$0	\$ -
<i>Address Additional GSP Data Gaps (Monitoring Network, etc.)</i>	\$0	\$0	\$0	\$0	\$0	\$ -
<i>Well Verification/Registration Program</i>	\$0	\$0	\$0	\$0	\$0	\$ -
<b>Demand Reduction Projects</b>						
<i>MILR Program</i>	\$0	\$0	\$0	\$0	\$0	\$ -
<i>Demand Management Program</i>	\$0	\$0	\$0	\$0	\$0	\$ -
<i>Water Conservation and Irrigation Efficiency Program</i>	\$0	\$0	\$0	\$0	\$0	\$ -
<b>Alternative Water Supply Projects</b>						
<i>Blended Irrigation Water Supply Infrastructure Costs</i>	\$0	\$0	\$0	\$0	\$0	\$ -
<i>SWP Supply Program</i>	\$0	\$0	\$0	\$0	\$0	\$ -
<i>Groundwater Recharge Program</i>	\$0	\$0	\$0	\$0	\$0	\$ -
<i>Project Feasibility Reserve</i>	\$0	\$0	\$0	\$0	\$0	\$ -
Subtotal	\$0	\$0	\$0	\$0	\$0	\$ -
<b>Total</b>	<b>\$1,461,500</b>	<b>\$1,552,713</b>	<b>\$1,590,280</b>	<b>\$1,828,787</b>	<b>\$2,168,257</b>	<b>\$ 1,720,307</b>
Base Costs	\$ 1,461,500	\$ 1,552,713	\$ 1,590,280	\$ 1,828,787	\$ 2,168,257	\$ 1,720,307
Supplemental Non-De Minimis Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplemental Agricultural / Commercial Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

# SCENARIO 5: ALTERNATIVE BUDGET APPROACH

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

Key
<b>Base Costs</b> (all extractor categories)
<b>Supplemental Non-De Minimis Costs</b> (municipal, agricultural, commercial extractors)
<b>Supplemental Agricultural / Commercial Costs</b> (agricultural and commercial extractors)

PBCC / Successor Agency Funded Budget Components	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Average Costs
	Year 1	Year 2	Year 3	Year 4	Year 5	5 - Year Average
<b>Program Administration</b>	% Increase					64
<b>SGMA-Required &amp; Reporting</b>	2.5%					
Annual Report WY 2024	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$ 115,639
GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0	\$350,000	\$ 70,000
GSP Amendment	\$0	\$0	\$0	\$100,000	\$100,000	\$ 40,000
Groundwater Model Use/Update	\$0	\$50,000	\$50,000	\$150,000	\$100,000	\$ 70,000
10% Contingency	\$89,400	\$97,395	\$99,705	\$122,072	\$154,499	\$ 112,614
SGMA-Required Subtotal	\$199,400	\$260,145	\$265,274	\$490,530	\$825,918	\$ 408,253
<b>Administrative</b>						
Executive Director and Support Staff	\$234,000	\$257,400	\$263,835	\$270,431	\$277,192	\$ 260,572
Legal Counsel	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
IT Support	\$25,000	\$25,625	\$26,266	\$26,922	\$27,595	\$ 26,282
Office Space (including utilities, janitorial, etc)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Agency Administrative Costs (Insurance, Audit, Accounting, etc.)	\$82,500	\$84,563	\$86,677	\$88,843	\$91,065	\$ 86,729
Grant Development (2 grants)	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Consultant(s) to support Basin Management	\$100,000	\$102,500	\$105,063	\$107,689	\$110,381	\$ 105,127
Outreach Program	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229	\$ 63,076
Website Creation and Management	\$30,000	\$20,800	\$21,320	\$21,853	\$22,399	\$ 23,274
GW Fee Billing & Collection	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Administrative Subtotal	\$784,000	\$811,200	\$831,480	\$852,267	\$873,574	\$ 830,504
Program Administration Subtotal	\$983,400	\$1,071,345	\$1,096,754	\$1,342,797	\$1,699,492	\$ 1,238,758
<b>Operations, Management Actions, &amp; Programs</b>						
<b>Operations</b>						
Ongoing Basin Monitoring Operations & Maintenance	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
Data Management System (DMS)	\$50,000	\$40,000	\$41,000	\$42,025	\$43,076	\$ 43,220
Technical Consultants Support	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763	\$ 210,253
ET Ag Water Usage Program (LandIQ)	\$150,000	\$153,750	\$157,594	\$161,534	\$165,572	\$ 157,690
<b>Regulatory Projects</b>						
Domestic Well Impact Mitigation Program	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$ 52,563
Address Additional GSP Data Gaps (Monitoring Network, etc.)	\$175,000	\$179,375	\$183,859	\$188,456	\$193,167	\$ 183,971
<b>Demand Reduction Projects</b>						
Extractor Management, Basin Performance	\$400,000	\$200,000	\$225,000	\$250,000	\$275,000	\$ 270,000
<b>Other Programs</b>						
"Prudent Reserve" for Future Projects and Programs	\$750,000	\$800,000	\$850,000	\$900,000	\$950,000	\$ 850,000
Recognized Programs & Projects for consideration:						
MILR/Following						
MILR/Land Repurposing						
Well Verification/Registration Program						
Water Conservation and Irrigation Efficiency Program						
Groundwater Recharge Program						
Other Potential Programs						
Subtotal	\$1,975,000	\$1,834,375	\$1,930,234	\$2,026,615	\$2,123,531	\$ 1,977,951
<b>Total</b>	<b>\$2,958,400</b>	<b>\$2,905,720</b>	<b>\$3,026,988</b>	<b>\$3,369,412</b>	<b>\$3,823,023</b>	<b>\$ 3,216,709</b>
Base Costs	\$ 1,033,400	\$ 1,122,595	\$ 1,149,285	\$ 1,396,642	\$ 1,754,683	\$ 1,291,321
Supplemental Non-De Minimis Costs	\$ 575,000	\$ 379,375	\$ 408,859	\$ 438,456	\$ 468,167	\$ 453,971
Supplemental Agricultural / Commercial Costs	\$ 750,000	\$ 800,000	\$ 850,000	\$ 900,000	\$ 950,000	\$ 850,000

# BUDGET COMPARISON

Five-Year Average Annual Budget Amount	Scenario 1 Full Implementation	Scenario 2 SWP Program Removed	Scenario 3 Both Alt Water Supply Programs Removed	Scenario 4 Program Administration Only (No PMAs)	Scenario 5 Alternative Budget Approach
Total Budget	<b>\$12,029,250</b>	<b>\$9,519,250</b>	<b>\$3,888,250</b>	<b>\$1,720,307</b>	<b>\$3,216,709</b>
Base Costs	\$1,772,871	\$1,772,871	\$1,772,871	\$1,720,307	\$1,912,737
Supplemental Non-De Minimis Costs	\$105,127	\$105,127	\$105,127	\$0	\$453,971
Supplemental Agricultural/Commercial Costs	\$10,151,253	\$7,641,253	\$2,010,253	\$0	\$850,000

Key
<b>Base Costs</b> (all extractor categories)
<b>Supplemental Non-De Minimis Costs</b> (municipal, agricultural, commercial extractors)
<b>Supplemental Agricultural / Commercial Costs</b> (agricultural and commercial extractors)

Note: The fee study will establish the *maximum* budget amount and rates that can be charged each year. The PBCC / Successor Agency will determine the annual budget and rates each year, which may be lower than the maximum.

# OTHER CONSIDERATIONS

# FEE IMPLEMENTATION TIMING & POTENTIAL FUNDING GAP

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

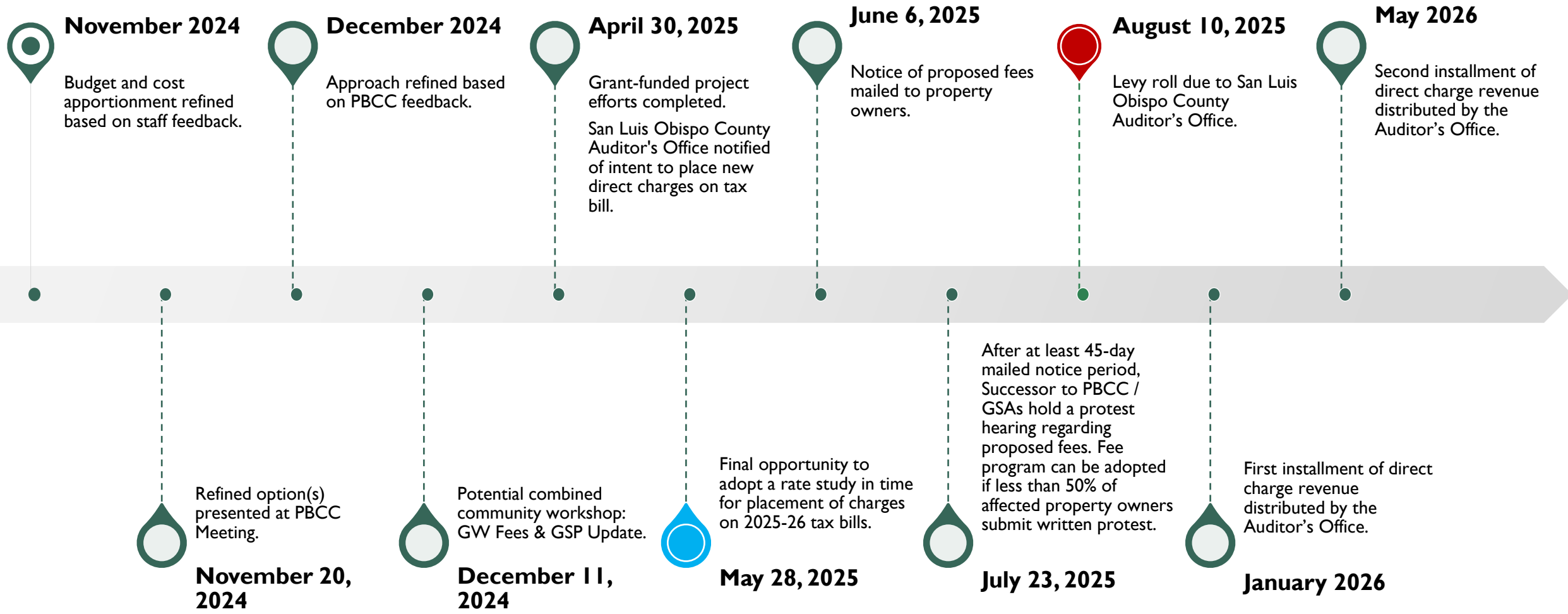
## Potential solution:

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

## NOTE ON DE MINIMIS (DOMESTIC) EXTRACTORS:

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

# WATER CODE 10730.2 (PROP 218) FEE IMPLEMENTATION TIMELINE





## NEXT STEPS

- Utilize five-year budget and historical baseline of consumed groundwater use to inform preliminary rate scenarios for review at the January 22, 2025 PBCC meeting.
- Begin development of an enabling ordinance detailing Rules and Regulations related to the fee program.

# QUESTIONS / DISCUSSION

COST OF SERVICE STUDY PROGRESS UPDATE

DECEMBER 16, 2024