

**SAN LUIS OBISPO COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT
ZONE 9 ADVISORY COMMITTEE**

**Location: 919 Palm, Conference Room #1
Corner of Palm and Morro Streets**

**Wednesday, August 9, 2017
1:30 – 3:30 pm**

AGENDA

- 1) Introductions and Roll Call
- 2) Public Comments
- 3) Review Meeting Minutes, June 14, 2017 - Action County PWD
- 4) Sustainable Groundwater Management Act (SGMA) Update - Information County PWD
- 5) Creek Maintenance Update - Information City of SLO
- 6) Mid-Higuera Bypass Project Update and Endorsement of Project Related Amendments to the District/City of SLO Reimbursement Agreement - Action County PWD
- 7) Future Meeting Agenda Items All

*Next Meeting: **Wed, October 11, 2017** at the City of SLO, 919 Palm Conference Room #1*

Purpose of the Committee:

To advise the County Board of Supervisors concerning all policy decisions relating to Zone 9. To determine the needs, desires and financial capabilities of property owners in Zone 9 and to recommend specific programs to alleviate and control flood damage with recognition of the ecological and aesthetic values of the programs.

Excerpts from By-laws dated 2002

**SAN LUIS OBISPO COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT
ZONE 9 ADVISORY COMMITTEE
Draft Meeting Minutes
Wednesday, June 14, 2017**

Attendance

City of San Luis Obispo Council – Andy Pease (Council Member)
City of San Luis Obispo Staff – Matt Horn, Manny Guzman
City At-Large – Christine Mulholland, Dave Romero
County At-Large – Jon Hall (The Land Conservancy of San Luis Obispo County)
Committee Secretary – Scott Duffield (County of San Luis Obispo staff)
Others Present: Bob Hill (City of San Luis Obispo staff), Paula Richter (Central Coast Regional Water Quality Control Board staff), Mladen Bandov (County of San Luis Obispo staff)

Meeting called to order at 1:30 pm. Quorum established. Vice Chair Horn presided.

- 1) Introductions – Introductions were made.
- 2) Public Comments – Member Mulholland informed the Committee of a water related documentary movie, “Water & Power: A California Heist” at the Palm Theater on June 21, 2017.
- 3) Review Meeting Minutes April 12, 2017 – The meeting minutes for the April 12, 2017 meeting were reviewed. Member Mulholland sought clarification of Item #5 regarding the language of the maintenance of the debris dams. Upon a motion by Member Mulholland and a second by Member Pease, the committee approved the April minutes, as amended (4-0-0).
- 4) Purpose of Zone 9 – Scott Duffield discussed the purpose and timeline of Zone 9 resolutions from the City of San Luis Obispo and County of San Luis Obispo. Member Hall reviewed the purpose of Zone 9 funding and intended funds uses. The purpose of Zone 9 for flood control operations and possible connections to the Sustainable Groundwater Management Act (SGMA) were discussed. The committee deliberated on the interpretation of the Zone 9 boundaries, specifically regarding how the word “basin” should be defined. The committee discussed Zone 9 interfund transfers to other Flood Control District zones or other entities. Members Pease and Mulholland requested information about the status of the interfund transfer.
- 5) Sustainable Groundwater Management Act (SGMA) and Update – Scott Duffield reported on Groundwater Sustainability Agency (GSA) formation progress. Details on the basin characterization study goals and GSA responsibilities were discussed. The GSA will need to be established by June 30, 2017 as required by SGMA. Committee members requested information on GSA funding and voting rights for the San Luis Obispo (Edna) Valley Groundwater Basin.
- 6) Creek Maintenance Update – Bob Hill reports that there has not been major activity in creek maintenance, but that regular monitoring and maintenance operations have continued since the previous update. Committee members expressed desire for programmatic permitting and streamlining for creek maintenance projects.

- 7) Mid-Higuera Bypass Project Update – Manny Guzman provided new information on a site meeting with Freddy Otte (City staff) and Member Romero. Member Romero mentioned some of his concerns about the project plans. Details about vegetation removal, channel alterations, and channel event capacities were discussed by the committee. Flood control project plans were discussed as they relate to other plans affecting Higuera Street, such as the city's bike path. Mladen Bandov (County staff) reported on the project submittal of the Mid-Higuera Bypass Project to the Integrated Regional Water Management (IRWM) plan and new requirements for grant approval. Manny Guzman discussed the selection of project design consultants including considerations regarding funding and regulatory deadlines.
- 8) Consider Endorsement of Mid-Higuera Bypass Project Environmental Impact Report (EIR) – The committee discussed requirements of the California Environmental Quality Act (CEQA) for EIR adoption and approval. Upon a motion by Member Mulholland and a second by Member Hall, the committee endorsed the Mid-Higuera Bypass Project Supplemental EIR and recommended that the Board of Supervisor certify the EIR for the project (4-0-0).
- 9) Future Meeting Topics – The committee suggested that future meeting agenda items include: a discussion on the budget update, an investigation of the status of outstanding interfund transfer. Scott Duffield noted that GSA voting rights will be discussed until the standing agenda item related to groundwater updates. Member Pease requested that the committee review the implementation plan for the Mid-Higuera Bypass Project as it relates to priorities in the bicycle master plan; Member Mulholland suggested that the Bicycle Advisory Committee review the project prior to Zone 9's review.

Meeting was adjourned at approximately 3:30 pm

Respectfully submitted by Mladen Bandov, County Public Works staff

TO: Zone 9 Advisory Committee

FROM: Demond Mayfield, Water Resources Engineer

DATE: August 8, 2017

SUBJECT: Agenda Item #4: Sustainable Groundwater Management Act (SGMA) Update

Recommendation

Receive update on SGMA efforts.

Discussion

For an overview of the approach to SGMA compliance in the San Luis Obispo Valley groundwater basin, see the attached staff report from the May 23, 2017 Board of Supervisors meeting. An agreement between the County, City of San Luis Obispo, and small water systems regarding coordination on the development of a Groundwater Sustainability Plan is anticipated to go to the Board later this fall. Staff continues to work on the basin characterization study partially funded by Zone 9. For more information can be found at the following website:

<https://www.slocountywater.org/site/Water%20Resources/SGMA/slovalley/>.

For all SGMA basins, a \$2M budget for SGMA efforts beyond what the Flood Control District 5-Year Plan includes was approved by the Board for the Fiscal Year 2017-18 budget. \$1.25M of the \$2M is funded by the County General and \$750,000 is funded using Flood Control District Zone General funds. For more information on the Flood Control District Zone General budget, see Item #4 of the Water Resources Advisory Committee meeting, dated April 5, 2017; and Item #3, dated June 7, 2017, <https://slocountywater.org/site/Water%20Resources/Advisory%20Committee/Agendas/>.



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

(1) DEPARTMENT Public Works	(2) MEETING DATE 5/23/2017	(3) CONTACT/PHONE Carolyn K. Berg, Senior Water Resources Engineer (805) 781-5536	
(4) SUBJECT Hearing to consider adoption of a resolution forming the San Luis Obispo Valley Basin - County of San Luis Obispo Groundwater Sustainability Agency and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA); and provide direction to staff regarding related technical and coordination agreement efforts. Districts 2, 3, 4 and 5.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Adopt the resolution forming the San Luis Obispo Valley Basin – County of San Luis Obispo Groundwater Sustainability Agency and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA); and 2. Provide direction to staff regarding related technical and coordination agreement efforts. 			
(6) FUNDING SOURCE(S) Flood Control District and County General Fund	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT \$1.3M to \$2.6M per year for SGMA efforts in all 6 basins	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. 30 min) <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 Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 4/4/17; #28	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 2, District 3, District 4, District 5			

Reference: 17MAY23-H-2



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: 5/23/2017

SUBJECT: Hearing to consider adoption of a resolution forming the San Luis Obispo Valley Basin - County of San Luis Obispo Groundwater Sustainability Agency and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA); and provide direction to staff regarding related technical and coordination agreement efforts. Districts 2, 3, 4 and 5.

RECOMMENDATION

It is recommended that the Board:

1. Adopt the resolution forming the San Luis Obispo Valley Basin – County of San Luis Obispo Groundwater Sustainability Agency and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA); and
2. Provide direction to staff regarding related technical and coordination agreement efforts.

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. 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 San Luis Obispo Valley Groundwater Basin

The California Department of Water Resources (DWR) has identified six high and medium priority basins within the County, including the San Luis Obispo Valley Groundwater Basin (referred to as “San Luis Obispo Basin”).

SGMA authorizes any local agency¹ 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 adopted SGMA strategy provides that the County of San Luis Obispo intends to be the GSA over areas subject to SGMA that are otherwise unrepresented by another entity eligible to form a GSA.

The City of San Luis Obispo (City) is pursuing forming a GSA for the portion of the San Luis Obispo Basin that lies within its city boundary. No other eligible agencies, besides the County, are anticipated to form a GSA in the remaining areas. Therefore, staff recommends adopting a resolution forming the San Luis Obispo Valley Basin – County of San Luis Obispo Groundwater Sustainability Agency to cover all otherwise unrepresented areas within the San Luis Obispo Basin, after conducting a public hearing.

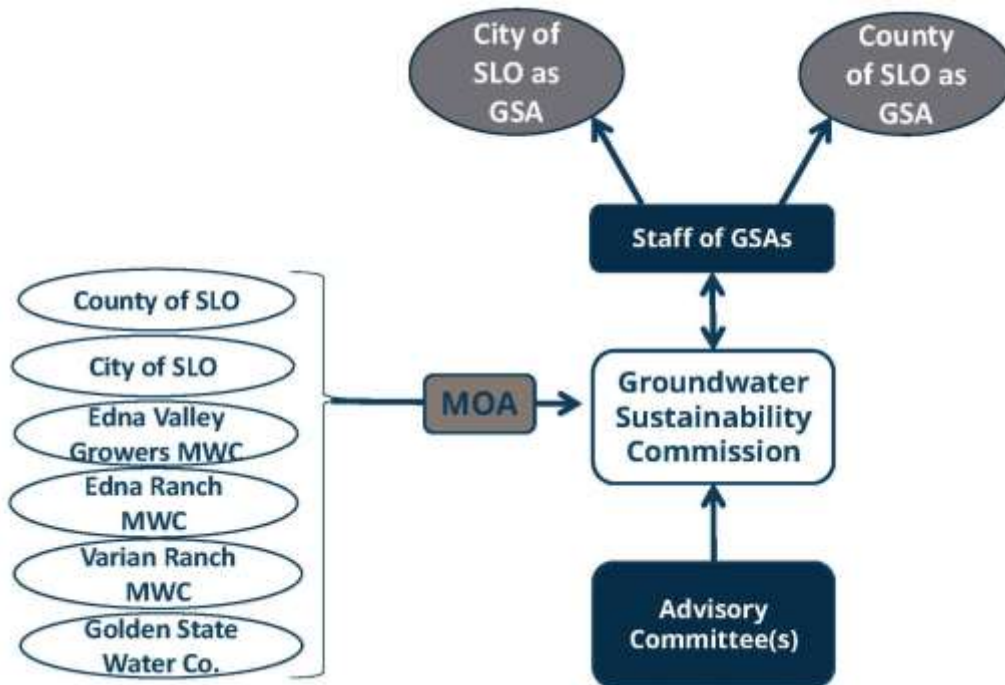
Coordination Agreement and Consideration of Beneficial Uses/Users Interests

In addition, SGMA authorizes mutual water companies and water companies regulated by the Public Utilities Commission to participate on a GSA through a memorandum of agreement or other legal agreement. Coordination will be critical among the two GSAs and these other entities, ideally towards development of a single, basin-wide GSP. Negotiations for how basin-wide collaboration would occur are still ongoing; however, staff of the two potential GSAs and of other entities (currently including Edna Valley Growers Mutual Water Company, Edna Ranch Mutual Water Company, Golden State Water Company, and Varian Ranch Mutual Water Company) are working to develop a Memorandum of Agreement (MOA) detailing GSP development coordination, cost sharing and consideration of beneficial uses and users of groundwater, etc. Currently the draft MOA envisions formation of a groundwater sustainability commission, including appointed representatives of the City, County, and other eligible entities. The purpose of the commission would be to advise the City Council (acting as a GSA) and County Board of Supervisors (acting as a GSA) regarding GSP development, adoption and implementation.

Additionally, 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). This may be accomplished through formation of advisory committee(s) and/or other means to engage and consider these interests.

Staff anticipates returning to the Board in summer/fall 2017 for consideration of the MOA, which would likely include establishment of the commission described above, and consideration of appointments to the commission. In addition, staff may recommend formation of a separate advisory committee at that time or sometime thereafter.

¹ 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.



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 San Luis Obispo Basin. 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. Efforts related to the future development and implementation of GSP(s) will involve the County of San Luis Obispo, City of San Luis Obispo, Edna Valley Growers Mutual Water Company, Edna Ranch Mutual Water Company, Golden State Water Company, Varian Ranch Mutual Water Company, and other affected parties.

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 San Luis Obispo Basin, 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 (in all 6 basins) range from 1.3M to 2.6M per year.

RESULTS

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

ATTACHMENTS

1. Vicinity Map
2. Resolution Forming the San Luis Obispo Valley Basin – County of San Luis Obispo Groundwater Sustainability Agency
3. Notice of Exemption
4. PowerPoint Presentation

File: CF 340.300.01 SGMA

Reference: 17MAY23-H-2

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IN THE BOARD OF SUPERVISORS

County of San Luis Obispo, State of California

Tuesday, May 23, 2017

PRESENT: Supervisors Bruce S. Gibson, Adam Hill, Lynn Compton, Debbie Arnold, and
Chairperson John Peschong

ABSENT: None

RESOLUTION NO. 2017-146

RESOLUTION FORMING THE SAN LUIS OBISPO VALLEY BASIN – COUNTY OF SAN LUIS OBISPO GROUNDWATER SUSTAINABILITY AGENCY AND FINDING THAT THE PROJECT IS EXEMPT FROM SECTION 21000 ET SEQ. OF THE CALIFORNIA PUBLIC RESOURCES CODE (CEQA)

The following Resolution is hereby offered and read:

WHEREAS, in 2014, the California Legislature adopted, and the Governor signed into law, three bills (SB 1168, AB 1739, and SB 1319) collectively referred to as the Sustainable Groundwater Management Act (SGMA) (Water Code §§ 10720 *et seq.*), that became effective on January 1, 2015, and that have been subsequently amended; and

WHEREAS, the intent of SGMA, as set forth in Water Code Section 10720.1, is to provide for the sustainable management of groundwater basins at a local level by providing local groundwater agencies with the authority, and technical and financial assistance necessary, to sustainably manage groundwater; and

WHEREAS, SGMA requires the formation of Groundwater Sustainability Agencies (GSAs) for the purpose of achieving groundwater sustainability through the adoption and implementation of Groundwater Sustainability Plans (GSPs) for all medium and high priority basins as designated by the California Department of Water Resources (DWR); and

WHEREAS, SGMA requires that a local agency or collection of agencies decide to become a GSA for all medium and high priority basins on or before June 30, 2017 and that the GSA or GSAs for basins DWR has not designated as “subject to critical conditions of overdraft” develop a GSP or coordinated GSPs on or before January 31, 2022; and

WHEREAS, the San Luis Obispo Valley Groundwater Basin (Basin) has been designated by DWR as a medium priority basin, but not subject to critical conditions of overdraft; and

WHEREAS, the County of San Luis Obispo and the City of San Luis Obispo are each a "local agency" within the Basin as defined in Water Code Section 10721(n) and thus are eligible to form GSAs; and

WHEREAS, it is anticipated that the City of San Luis Obispo will form a GSA for the portion of the Basin within the City boundary; and

WHEREAS, the County of San Luis Obispo intends to form a GSA to cover all other portions of the Basin; and

WHEREAS, SGMA authorizes certain entities, specifically water corporations regulated by the Public Utilities Commission and mutual water companies, to participate in a GSA through a memorandum of agreement or other legal agreement; and

WHEREAS, a number of such entities overlie the Basin, including the Edna Valley Growers Mutual Water Company, the Edna Ranch Mutual Water Company, the Varian Ranch Mutual Water Company and the Golden State Water Company, and it is anticipated that such entities will desire to enter into a memorandum of agreement with the County and City of San Luis Obispo establishing a process by which such entities will participate in the preparation of the GSP for the Basin; and

WHEREAS, the County of San Luis Obispo published a notice of public hearing consistent with the requirements contained within Water Code Section 10723(b); and

WHEREAS, the Board of Supervisors conducted such a public hearing on May 23, 2017; and

WHEREAS, the County of San Luis Obispo is committed to the sustainable management of groundwater within the Basin and intends to consider the interests of all beneficial users and uses of groundwater within the Basin through, among other things, coordination with the City of San Luis Obispo and the entities eligible to participate in SGMA as described above.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California, that:

Section 1: The foregoing recitals are true and correct and are incorporated herein by reference.

Section 2: The County of San Luis Obispo hereby decides to become the GSA for, and undertake sustainable groundwater management within, the Basin, with the exception of the portions of the Basin located within the City of San Luis Obispo ("GSA Boundary"). The GSA shall be known as the San Luis Obispo Valley Basin - County of San Luis Obispo Groundwater Sustainability Agency, and a map of the GSA Boundary is attached hereto as Exhibit A and incorporated herein.

Section 3: The Director of Public Works of the County of San Luis Obispo, or designee, is hereby authorized and directed to submit notice of adoption of this Resolution in addition to all other information required by SGMA, including but not limited to, all

information required by Water Code Section 10723.8, to DWR, and to develop and maintain an interested persons list as described in Water Code Section 10723.4 and a list of interested parties as described in Water Code Section 10723.8(a)(4).

Section 4: The Director of Public Works of the County of San Luis Obispo, or designee, is hereby authorized and directed to take such other and further actions as may be necessary or appropriate to implement the intent and purposes of this Resolution.

Section 5: The Board of Supervisors finds that the adoption of this Resolution is exempt from the requirements of the California Environmental Quality Act (Public Resources Code §§ 21000 et seq.) (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines.

Section 6: The Environmental Coordinator of the County of San Luis Obispo is hereby directed to file a Notice of Exemption in accordance with the provisions of CEQA.

Upon motion of Supervisor Hill, seconded by Supervisor Gibson, and on the following roll call vote, to wit:

AYES: Supervisors Hill, Gibson, Compton, Arnold and Chairperson Peschong

NOES: None

ABSENT: None

ABSTAINING: None

the foregoing resolution is hereby adopted on the 23rd day of May, 2017.

John Peschong
Chairperson of the Board of Supervisors

ATTEST:

TOMMY GONG
Clerk of the Board of Supervisors

By: Annette Ramirez
Deputy Clerk

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: /s/ Erica Stuckey
Deputy County Counsel

Dated: May 1, 2017

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STATE OF CALIFORNIA,)
) **ss.**
COUNTY OF SAN LUIS OBISPO)

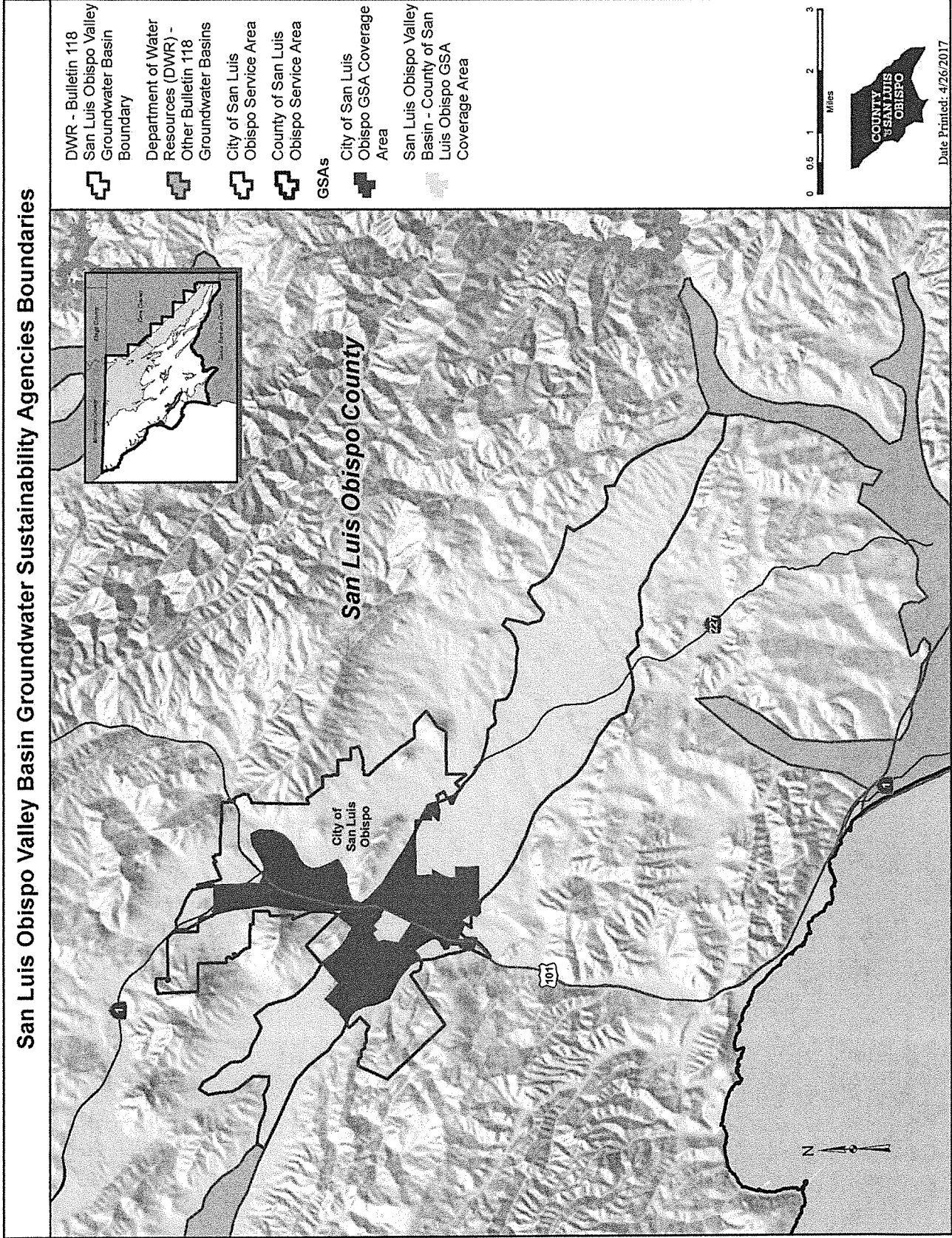
I, Tommy Gong, County Clerk and ex-officio Clerk of the Board of Supervisors, in and for the County of San Luis Obispo, State of California, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this 23rd day of May, 2017.

Tommy Gong
County Clerk and Ex-Officio Clerk
of the Board of Supervisors

(SEAL)

By: 
Deputy Clerk



TO: Zone 9 Advisory Committee

FROM: Demond Mayfield, Water Resources Engineer

DATE: August 8, 2017

SUBJECT: Agenda Item #6: Mid-Higuera Bypass Project Update and Endorsement of Project Related Amendments to the District/City of SLO Reimbursement Agreement

Recommendation

Consider staff recommendation for extension of the Reimbursement Agreement Between San Luis Obispo County Flood Control District and Water Conservation District and the City of San Luis Obispo for Watershed Maintenance and Education Program with revisions to include the assignment of roles and responsibilities for the Mid-Higuera Bypass Project; and recommendation for submittal to the Board of Supervisors for approval.

Discussion

Flood Control Zone 9 encompasses the entire San Luis Obispo Creek watershed including the City of San Luis Obispo. For almost 30 years, the two agencies have cooperated in projects along the creek. These projects have included development and adoption of the San Luis Obispo Creek Watershed Waterway Management Plan (2004), routine maintenance of creek waterways, specific capital improvements and watershed analysis. More recently, agreements expanded the scope of work to include sediment reduction, bank stability, and public education on creek maintenance. The attached agreement is primarily for routine maintenance activities but will also allow for various other projects and activities within the City limits.

On June 14, 2017, the Flood Control Zone 9 Advisory Committee endorsed and recommended the certification of the Final Supplemental Environmental Impact Report (FSEIR) for the Mid-Higuera Bypass Project by the Board of Supervisors. The attached agreement, executed on September 6, 2013, has a term of five years. Staff recommends the extension of the agreement with revisions to include assignment of City of San Luis Obispo (City) and San Luis Obispo County Flood Control and Water Conservation District (District) roles and responsibilities for the Mid-Higuera Bypass Project:

- City designation as responsible agency for California Environmental Quality Act (CEQA) compliance
- District designation as lead agency for CEQA compliance
- District designation as permittee for regulatory environmental permits on behalf of City

The revised agreement and Mid Higuera Bypass Project FSEIR is anticipated to go before the District Board of Supervisors for adoption this fall. Once approved and adopted by the Board, the Mid-Higuera Bypass Project will proceed with further project development and permitting efforts.

Attachments

1. Watershed Maintenance Agreement, dated September 6, 2013

**REIMBURSEMENT AGREEMENT BETWEEN
SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION
DISTRICT
AND THE CITY OF SAN LUIS OBISPO
FOR WATERSHED MAINTENANCE AND EDUCATION PROGRAM**

This Agreement is entered into on this 6 day of September 2013 between the San Luis Obispo County Flood Control and Water Conservation District ("District") and the City of San Luis Obispo ("City").

W I T N E S S E T H

WHEREAS, District Flood Control Zone 9 ("Zone 9") includes the San Luis Obispo Creek ("Creek") watershed ("Watershed") and its tributaries; and

WHEREAS, the City is wholly contained within the Watershed and the Zone 9 boundaries; and

WHEREAS, by coordinating watershed maintenance and education activities, the City and District can more economically address issues within the Watershed; and

WHEREAS, such a cooperative program has been successfully completed in the past pursuant to a prior Reimbursement Agreement between the District and City dated May 20, 2008 ("Prior Agreement"); and

WHEREAS, the Prior Agreement expired on July 1, 2012.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, promises and agreements herein set forth, the District and City mutually covenant and agree as follows:

A. TYPE OF ACTIVITIES ELIGIBLE FOR REIMBURSEMENT

1. The City shall only be eligible for reimbursement for expenses incurred by the City under this Agreement for the following activities within Zone 9:

Removal of debris, sediment and vegetation which adversely affect the capacity of waterways or which might be more difficult or costly to remove if moved by flood flows to different locations where it could cause damage to the Creek or flooding to adjacent improved property.

Removal and proper disposal of detrimental exotic plants from throughout the Watershed and any re-vegetation project to minimize damage from flood flows or for restoration after removal of exotic plants.

Stabilization of Creek banks to prevent erosion causing sedimentation or property damage.

Development and construction of projects identified in the Waterway Management Plan adopted by the City on October 21, 2003 and District by Resolution 2004-51 on February 10, 2004.

Annual notice to property owners along the Creek, and wet weather flood prevention information distributed to the general public, including flyers, public service announcements and web sites.

2. Only those work activities properly identified in the annual work plan (described below) prepared by the City and included in the District's current fiscal year budget as adopted by the

District's Board of Supervisors ("Board"), are eligible for reimbursement.

3. Only activities performed in compliance with the provisions of this Agreement are eligible for reimbursement.

B. OBLIGATIONS OF CITY

1. The City shall submit a work plan to the District for each upcoming fiscal year, prior to January 1 of each year ("Work Plan"). The Work Plan shall include a description and budget for the work activities proposed by the City for the upcoming fiscal year.
2. The City shall act as the lead agency in complying with the California Environmental Quality Act for work done within the City limits.
3. The City shall acquire all permits for work within its jurisdiction.
4. The City shall be responsible for acquiring any landowner permission needed to accomplish any work within its jurisdiction.
5. Should any work within the City involve the abatement of nuisances, the removal of trees, or other obstructions, such shall be performed in accordance with due process of law under the City's abatement ordinances or State law. The abatement of said nuisances shall be the sole responsibility of the City.
6. Any streambed clearing work identified in the Work Plan will be carried out prior to the rainy season with follow-up work done during the rainy season as appropriate.
7. The City shall comply with all applicable federal, state and local laws and regulations in performing any activities related to this Agreement.
8. The City shall provide quarterly statements to the District documenting the expenses for which the City is seeking reimbursement. Said statements will specify the activities related to the expenses for which the City seeks reimbursement.
9. The City shall recognize and acknowledge the District's financial contribution to the activities identified in Section A of this Agreement through prominent mention during any oral presentation or in writing on any signs, promotional materials, press releases, publications, advertisements or exhibits prepared in connection with or referring to the reimbursable activities.

C. OBLIGATIONS OF DISTRICT

1. District staff shall review the Work Plan submitted by the City and shall coordinate with the City to refine the Work Plan, as appropriate, so that it is consistent with the intent of this Agreement and the District's budgetary plans. District staff thereafter shall prepare a draft Zone 9 budget request for the upcoming fiscal year to include those activities that District staff considers consistent with the intent of this Agreement and the District's budgetary plans. The District shall agendaize the draft budget request for review by the Zone 9 Advisory Committee ("Committee") to allow the Committee to make a recommendation to the District's Board regarding said budget request.
2. The District will provide reimbursement to the City for eligible City expenses incurred pursuant to this Agreement on a periodic basis as funds are available, within the budgetary limits approved by the Board or its designee.
3. The District will reimburse the City for its reasonable and actual expenses incurred in performing the work included in this Agreement, within the limits set forth in this Agreement, upon receipt of satisfactory documentation of City's expenses and the work performed.

D. GENERAL TERMS

1. Term.

This Agreement shall be effective for five (5) years commencing on the date signed by both parties unless earlier terminated by the Board, superseded by a new agreement, or extended for no more than five (5) years by the City and the Board or its designee.

2. Indemnification for Sole Conduct.

Each party hereto shall defend, indemnify and save harmless the other party and other party's officers, agents and employees from and against all claims, demands, liabilities, costs, expenses, damages, causes of action, including but not limited to inverse condemnation and judgments arising out of the sole negligence or sole intentional acts of the party or its officers, agents or employees or independent contractors solely responsible to such party in performing or attempting to perform pursuant to the provisions of this Agreement, including both acts and omissions to act.

3. Indemnification for Joint Conduct between Zone 9 and the City.

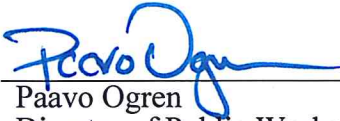
The City shall defend, indemnify and save harmless the District, and its officers, agents and employees from and against any and all claims, demands, liabilities, costs, expenses, damages, causes of action, including but not limited to inverse condemnation and judgments arising out of the joint negligence or joint intentional acts of the City and District and their officers, agents, employees or independent contractors directly responsible to them in performing or attempting to perform pursuant to the provisions of this Agreement, including both acts and omissions to act, provided however that the District shall be solely responsible for the amount of judgment rendered solely against the District or one of its agents or employees if such judgment is specifically rendered in court and based on a finding of sole responsibility by the District or one of its agents or employees; in the event said judgment is rendered, the City shall not be required to indemnify the District for said judgment.

4. Cooperation.

The District agrees to cooperate with the City in the defense of any such claims or litigations, and the City agrees to cooperate with the District.

IN WITNESS WHEREOF, District and City have executed this Agreement on the day and year first hereinabove set forth.

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 9

By: 
Paavo Ogren
Director of Public Works Department

APPROVED AS TO FORM AND LEGAL EFFECT:
RITA L. NEAL
County Counsel

By: 
Erica Stuckey
Deputy County Counsel

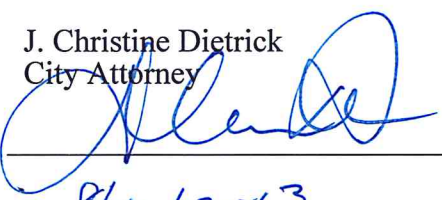
Dated: July 15, 2013

CITY OF SAN LUIS OBISPO

By: 
Katie Lichtig
City Manager

APPROVED AS TO FORM AND LEGAL EFFECT:

By: J. Christine Dietrick
City Attorney

Dated: 
8/6/2013