

LOS OSOS GROUNDWATER BASIN, BASIN MANAGEMENT COMMITTEE

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Los Osos Groundwater Basin, Basin Management Committee Board of Directors will hold a **Board Meeting** at **1:30 P.M. on Tuesday, January 5, 2016** at the Cal Fire Training Center, 880 Manzanita Drive, Los Osos, California, 93402.

Directors: Agenda items are numbered for identification purposes only and may not necessarily be considered in numerical order.

NOTE: The Basin Management Committee 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 attend and participate in meetings.

BASIN MANAGEMENT COMMITTEE BOARD OF DIRECTORS AGENDA

Tuesday, January 5, 2016

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. BOARD MEMBER COMMENTS.** Board members may make comments or communicate with other directors, staff, or the public regarding non-agenda topics.
- 5. CONSENT AGENDA**

The following routine items listed below are scheduled for consideration as a group. Each item is recommended for approval unless noted and may be approved in their entirety by one motion. Any member of the public who wishes to comment on any Consent Agenda item may do so at this time. Consent items generally require no discussion. However, any Director may request that any item be withdrawn from the Consent Agenda and moved to the "Action Items" portion of the Agenda to permit discussion or to change the recommended course of action. The Board may approve the remainder of the Consent Agenda on one motion.

- a. Approval of Minutes from December 14, 2015 Meeting.**
- b. Submit Judgment to Department of Water Resources Pursuant to Sustainable Groundwater Management Act ("SGMA").**
- c. Solicit "Request for Qualifications" from Grant Writing Consultants**

6. EXECUTIVE DIRECTOR'S REPORT

7. ACTION ITEMS

- a. Adoption of Regular Meeting Schedule**

Recommendation: Adopt a regular meeting schedule for the Basin Management Committee.

b. Adoption of Basin Management Rules and Regulations

Recommendation: Adopt the rules and regulations as proposed.

c. Approve Funding Plan Schedule and Consultant Selection Process

Recommendation: (i) Request that the San Luis Obispo County Flood Control and Water Conservation District release a Request for Qualifications prepared in consultation with the Executive Director of the Committee to retain a qualified consultant to describe the alternatives, process, and methodologies associated with a special tax or assessment to fund such costs; and (ii) Review and consider potential schedules wherein the San Luis Obispo County Flood Control and Water Conservation District would call for a special tax election, and confirm support for the proposed May, 2017 schedule.

d. Adoption of Basin Management Committee Annual Budget

Recommendation: Adopt an annual budget for the Basin Management Committee for 2016.

8. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

The Basin Management Committee will consider public comments on items not appearing on the agenda and within the subject matter jurisdiction of the Basin Management Committee. The Basin Management Committee cannot enter into a detailed discussion or take any action on any items presented during public comments at this time. Such items may only be referred to the Executive Director or other staff for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on specific agenda items should do so at the time specified for those items. The presiding Chair shall limit public comments to three minutes.

9. ADJOURNMENT

**BASIN MANAGEMENT COMMITTEE BOARD OF DIRECTORS
Item 5a - DRAFT Minutes of the Meeting of December 14, 2015**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER</p> <p>2. PLEDGE OF ALLEGIANCE</p>	<p>Marshall Ochylski, serving as the Acting Chair, called the meeting to order at 1:30 p.m. and led the Pledge of Allegiance.</p>
<p>3. APPOINTMENT OF OFFICERS</p>	<p>Bill Garfinkel introduced himself as the Director from S&T Mutual Water Company and Lee Harry as Alternate Director; Mark Zimmer introduced himself as the Director from Golden State Water Company and Rob Hanford as Alternate Director; Marshall Ochylski introduced himself as the Director from Los Osos Community Services District and Chuck Cesena as Alternate Director; and, Bruce Gibson introduced himself as the Director from the County of San Luis Obispo and Mark Hutchinson as the Alternate Director.</p> <p>Acting Chair Ochylski called for public comment and seeing none closed the floor.</p> <p>A motion was made by Director Gibson to appoint Director Ochylski as the Chair. Director Garfinkel modified the appointment to include the slate of officers and made a motion to appoint Director Ochylski as Chair, Director Zimmer as Vice Chair, Director Gibson as Treasurer, and Director Garfinkel as Secretary. The motion was seconded by Director Gibson and carried with the following vote:</p> <p>Ayes: Directors Garfinkel, Gibson, Zimmer, Ochylski Nays: None Abstain: None Absent: None</p>
<p><u>ACTION ITEMS</u></p> <p>4a. APPOINTMENT OF INTERIM EXECUTIVE OFFICER</p> <p>4b. REQUEST THE COUNTY OF SAN LUIS OBISPO TO EXPLORE BASIN BOUNDARY MODIFICATION FOR THE LOS OSOS GROUND WATER BASIN</p> <p>4c. ADOPTION OF FUTURE MEETING SCHEDULE</p>	<p>Chair Ochylski gave a brief summary of the item as outlined in the meeting agenda, called for public comment, and seeing none closed the floor.</p> <p>A motion was made by Director Gibson to appoint Rob Miller as the Interim Executive Officer. The motion was seconded by Director Garfinkel and carried with the following vote:</p> <p>Ayes: Directors Gibson, Garfinkel, Zimmer, Ochylski Nays: None Abstain: None Absent: None</p> <p>SLO County Public Works Water Resources Engineer Ray Dienzo introduced Carolyn Berg of the County Water Resource Division and the lead in the County's Sustainable Groundwater Management Act (SGMA) efforts. Ms. Berg provided a PowerPoint presentation on the Los Osos Groundwater Basin Boundary Adjustment to modify the Los Osos Basin boundary to align with current data and to ensure consistency between the State and Basin Management Plan basin boundaries. She discussed the SGMA basics, proposed upcoming meetings and deadline schedules, water basin use areas, comparison of boundary definitions, and proposed cost allocations per the stipulated judgement.</p> <p>Public Comment – Al Barrow, Jeff Edwards, and Keith Wimer spoke.</p> <p>A motion was made by Director Gibson to request that the Board of Supervisors begin the process of boundary modification, that the Board direct staff that they endorse in concept the schedule as laid out in the staff report pending exact dates of Basin Management Committee meetings and that the Board agrees to seek authority from their respective Boards and other officers on a contract not to exceed \$20,000 according to the normal cost split. The motion was seconded by Director Zimmer and carried with the following vote:</p> <p>Ayes: Directors Gibson, Zimmer, Garfinkel, Ochylski Nays: None Abstain: None Absent: None</p> <p>Public Comment – Jeff Edwards, Patrick McGibney, and Vicki Milledge spoke.</p> <p>The Committee agreed by consensus to hold monthly meetings to begin at 1:30 p.m. and directed staff to bring back a meeting schedule. The next meeting will be held January 5, 2015 at 1:30 p.m.</p>
<p>4d. ESTABLISH</p>	<p>Chair Ochylski reported that the Los Osos Community Services District, 2122 9th Street, Suite 102, Los</p>

BASIN MANAGEMENT COMMITTEE BOARD OF DIRECTORS
DRAFT Minutes of the Meeting of December 14, 2015
Page 2 of 2

AGENDA ITEM	DISCUSSION
PRINCIPAL OFFICE	Osos, CA 93402 has been designated as the Committee's principle office.
5. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA	<p>Al Barrow commented on the need for a Mission Station; asked what kind of organization the committee was going to be; and inquired as to what the potential financial costs would be to the four agencies and the community.</p> <p>Patrick McGibney commented on the Sierra Club's recommended improvements to the Basin Plan including time-specific measurably objectives, improved conservation and reuse programs, contingency plans, and metering and monitoring private wells.</p> <p>Keith Wimer commented on basic deficiencies in the Basin Management Plan and recommended improved outdoor conservation and urban reuse programs and other programs to reverse seawater intrusion.</p> <p>Jeff Edwards commented on the need to scale down the committee's approach and budget accordingly; inquired as to the relationship between the committee's efforts and the operation of the wastewater facility; and inquired as to when the committee will address actual implementation of the Basin Plan.</p> <p>Richard Margetson recommended that the meetings be taped and run on Channel 20 and Channel 21; and commented on the condition in the Coastal Development permit for the wastewater project of water going to dry land farmers.</p> <p>Bill Moylen commented on sustainability and the committee's duty and obligation to the community.</p>
6. ADJOURNMENT	The meeting adjourned at 2:35 p.m.

TO: Los Osos Basin Management Committee

FROM: Rob Miller, Interim Executive Director

DATE: December 30, 2015

SUBJECT: Item 5b – Submission of Judgment to the Department of Water Resources Pursuant to the Sustainable Groundwater Management Act

Recommendations

Staff recommends that the Committee authorize the Executive Director to submit the attached letter to the Department of Water Resources.

Discussion

Under the Sustainable Groundwater Management Act (“SGMA”), adjudicated basins are exempt from the requirements to designate a groundwater sustainability agency and to adopt and implement a sustainable groundwater plan. (Water Code § 10720.8(a).) SGMA provides that the Los Osos Groundwater Basin shall be treated as an adjudicated basin upon the issuance of “a final judgment, order, or decree” by the San Luis Obispo County Superior Court. (Water Code § 10720.8(d).)

In order to notify the Department of Water Resources that such a judgment has been issued—and that the Los Osos Groundwater Basin meets the exemption requirements—the Los Osos Basin Management Committee is required to submit a copy of the stipulated judgement to the Department of Water Resources (“DWR”) by April 1, 2016. (Water Code § 10720.8(f)(1).)The attached letter satisfies this requirement.

Financial Considerations

Not applicable.

Item 5B – Draft for BMC Review

January 5, 2016

VIA ELECTRONIC AND FIRST CLASS MAIL

Mike McKenzie
Senior Engineering Geologist
California Department of Water Resources
3374 East Shields Avenue
Fresno, California 93726
Charles.McKenzie@water.ca.gov

Re: Final Judgment Entered In Los Osos Community Services District v. Southern California Water Company [Golden State Water Company] et al. (San Luis Obispo County Superior Court Case No. CV 040126)

Dear Mr. McKenzie,

I am writing to inform you that on October 14, 2015 the San Luis Obispo County Superior Court approved a final judgment in the above referenced matter. (See Wat. Code § 10720.8(d).) Pursuant to Water Code section 10720.8(f), please find attached a copy of the judgment and its attachments.

Pursuant to the judgment, the Basin Management Committee has been formed and appointed the undersigned as its Interim Executive Director. Please contact me should you have any questions regarding the Los Osos Basin or the water rights judgment.

Sincerely,

Rob Miller
Interim Executive Director
Los Osos Basin Management Committee

Enclosures

cc: Mike Seitz (Mike@shipseyandseitz.com)
Tim McNulty (tmcnulty@co.slo.ca.us)
Jeffery Minnery (minnery@ammcglaw.com)
Robert Saperstein (rsaperstein@bhfs.com)

036774\0151\14313700.1

TO: Los Osos Basin Management Committee

FROM: Rob Miller, Interim Executive Director

DATE: December 30, 2015

SUBJECT: Item 5c – Grant Funding for Basin Management Plan Programs

Recommendations

Staff recommends that the Committee authorize the release of a Request for Qualifications for a qualified grant writing consultant.

Discussion

The projects and activities contemplated in the Basin Plan merit strong consideration for grant funding. In addition, substantial grant funds may be available through Proposition 1, which was approved by the voters in November, 2014. The parties have substantial internal resources for the pursuit of grants. The County Public Works Department maintains a close working relationship with the Department of Water Resources and the State Water Quality Control Board relative to available funding. However, the focused assistance of a consultant is recommended given the limited availability of County staff and the potential for critical deadlines. Staff will be looking for a consultant with solid familiarity with the various programs under Proposition 1, as well as a history of successful pursuits under the Integrated Regional Water Management program, as well as Propositions 50 and 84. The scope of the consultant's work would include:

1. Maintain a comprehensive list of key grant programs, along with the corresponding Basin Plan programs that would be eligible
2. Assemble a grant pursuit strategy based on the available programs, and track progress
3. Assistance with the grant application process as necessary

Financial Considerations

The draft Committee budget for calendar year 2016 includes a specific line item for grant funding assistance, with a total cost of \$12,000. Staff time contributed by the parties in the pursuit of grants is not included in this line item.

TO: Los Osos Basin Management Committee

FROM: Rob Miller, Interim Executive Director

DATE: December 30, 2015

SUBJECT: Item 6 – Executive Director’s Report

Recommendations

Staff recommends that the Committee receive and file the report, and provide staff with any direction for future discussions.

Discussion

Committee staff has been working diligently to complete background work and prepare staff notes for the items that the Committee is considering at the January 5, 2016 meeting. This report was prepared to provide a summary of additional administrative matters and also to anticipate staff work for the February, 2016 meeting.

Nature of Basin Management Committee Entity

Several public comments focused on the nature of the Committee at the December, 2015 meeting. In coordination with legal input provided by the parties, this section provides additional input on this issue. Staff will be available to answer questions as well. As a result of the Court approval of the stipulated judgment (Judgment) in Los Osos Community Service District v. Golden State Water Company, et al. (Case No. CV 040126), the Court authorized the creation of the Basin Management Committee (BMC). As currently composed, the BMC is composed and authorized to operate pursuant to the terms of the Judgment. The BMC is responsible for administering, enforcing and implementing the provisions of the Judgment, as well as carrying out subsequent instructions or orders of the Court. As a court-created entity, the BMC is restricted to the authority granted to it under the Judgment or by the Court; it is not vested with any additional independent power. For example, the BMC cannot exercise the power of eminent domain.

The parties to the Judgment did include in the Judgment the option to create a Joint Powers Authority (JPA) to assume the role of the BMC. A JPA may assist the parties in funding aspects of the Basin Plan, including obtaining grants or implementing other funding alternatives. However, the Judgment does not require the BMC to create a JPA and it is premature to assume one will be created.

Each entity comprising the Basin Management Committee (S&T Mutual Water Company, the County of San Luis Obispo, and Golden State Water Company) retain their independent authorities and responsibilities that existed prior to approval of the Judgment and the creation of the BMC. Each entity must continue to abide by whatever governing statutes and rules that may apply. For example, the

Board of Supervisors continues to hold the decision-making authority over County policy, including land use permitting within the unincorporated Los Osos community. Los Osos Community Services District, Golden State Water Company and S&T Mutual Water Company continue to have responsibility to provide reliable, safe drinking water to their customers. The Judgment imposes the additional responsibility on all four entities to implement the Basin Plan consistent with the terms of the Judgment.

Website development

Staff considered a number of options relative to a website for the Basin Management Committee, including the following options:

1. Use of www.slocountywater.org, which is maintained by SLO County Public Works
2. Development of a standalone website

The first option can be accomplished with minimal cost, and it would provide a simple repository for agenda packages, key documents, and other items of public interest. The cost to develop a standalone website is estimated to be in the range of \$1,000 to \$2,000 and could be accomplished within the Committee budget contingency if desired. A cost estimate was obtained from a local website consultant to confirm this budget range. Based on feedback provided at the staff level of the parties, the current approach will utilize www.slocountywater.org unless direction is provided to bring back a consultant proposal for a standalone website.

Preparation of the 2015 Annual Report

Pending approval of the Committee annual budget, staff plans to bring back a proposal from Cleath Harris Geologists for action at the February, 2016 meeting. It should be noted that the Annual Report will include the results from the two seawater intrusion sampling events conducted in 2015, as well as data collected by the County in 2015 pursuant to its wastewater discharge requirements. Significant contributions from the parties will also be made for the first annual report, including discussion on the following issues:

- Iterative nature of the Basin Plan pursuant section 3.1 of the Stipulated Judgment, including a discussion of the parties' actions as they relate to basin metrics
- Discussion of the pumping practices maintained in 2015 relative to the Basin Yield Metric, including a comparison of pumping to the goal of maintaining production at 80% of safe yield.
- Discussion of the parties actions relative to contingency planning and mandatory conservation

Preparation of Minutes

For the December, 2015 Committee meeting, Los Osos CSD staff prepared and distributed minutes for the meeting. Given the CSD's limited staff resources, the County has volunteered Public Works staff to assist with the preparation of minutes in subsequent meetings. County staff intends to prepare action-level minutes unless otherwise directed by the Committee.

TO: Los Osos Basin Management Committee

FROM: Rob Miller, Interim Executive Director

DATE: December 30, 2015

SUBJECT: Item 7b – Adoption of Basin Management Committee Rules and Regulations

Recommendations

Staff recommends that the Committee adopt the rules and regulations as proposed.

Discussion

Under the Stipulated Judgment, the Basin Management Committee is required to adopt such rules and regulations as may be reasonably necessary to carry out its duties, powers and responsibilities. Pursuant to the terms of the Stipulated Judgment, adoption of rules and regulations requires unanimous approval of all Directors.

The deadline to adopt such rules and regulations is ninety (90) days from the date of entry of the Stipulated Judgment, which was October 14, 2015. Therefore, in order to be in compliance with this deadline, the Basin Management Committee must adopt rules and regulations by January 12, 2016.

Financial Considerations

Not applicable.

LOS OSOS GROUNDWATER BASIN MANAGEMENT COMMITTEE

RULES AND REGULATION

GENERAL PROVISIONS

- 1.1 Title.** This document shall be known and may be referred to as the “Basin Management Committee Rules and Regulations” adopted pursuant to the Stipulated Judgment. These Rules and Regulations shall be deemed effective consistent with Section 5.5 of the Stipulated Judgment.
- 1.2 Definitions.** As used in the Basin Management Committee Rules and Regulations, these terms shall have the following meanings.
- 1.2.1 Action.** “Action” shall have the same meaning given to it in Section 1.4.1 of the Stipulated Judgment.
- 1.2.2 Basin.** “Basin” shall have the same meaning given to it in Section 1.4.2 of the Stipulated Judgment.
- 1.2.3 Basin Management Committee.** “Basin Management Committee” shall have the same meaning given to it in Section 1.4.3 of the Stipulated Judgment.
- 1.2.4 Basin Plan.** “Basin Plan” shall mean the Basin Plan for the Los Osos Groundwater Basin, which is attached to and incorporated in to the Stipulated Judgment.
- 1.2.5 Court.** “Court” shall mean the San Luis Obispo Superior Court.
- 1.2.6 Member.** “Member” shall mean the members of the Basin Management Committee, which are the Los Osos Community Services District, the Golden State Water Company, the County of San Luis Obispo, and the S & T Mutual Water Company.
- 1.2.7 Model.** “Model” shall have the same meaning given to it in Section 2.1 of the Stipulated Judgment and Section 5.6 of the Basin Plan.
- 1.2.8 Pools.** “Pools” shall have the same meaning given to it in Section 4.1 of the Stipulated Judgment.
- 1.2.9 Purveyor.** “Purveyor” shall have the same meaning given to it in Section 1.2 of the Stipulated Judgment and shall include the Los Osos Community Services District, Golden State Water Company, and S & T Mutual Water Company.
- 1.2.10 Rules and Regulations.** “Rules and Regulations” shall mean this document.
- 1.2.11 Stipulated Judgment.** “Stipulated Judgment” shall mean the stipulated judgment entered in to between the Los Osos Community Services

District, the Golden State Mutual Water Company, the S & T Mutual Water Company, and the County of San Luis Obispo and adopted by the San Luis Obispo County Superior Court on October 14, 2015.

1.2.12 Sustainable Yield_x. “Sustainable Yield_x” shall have the same meaning given to it in Section 2.5 of the Stipulated Judgment.

- 1.3 Consistency with the Stipulated Judgment.** These Rules and Regulations shall be construed consistent with the Stipulated Judgment and the Basin Plan. In the event of a conflict between these Rules and Regulations and the Stipulated Judgment or the Basin Plan, the Stipulated Judgment and/or the Basin Plan shall prevail.
- 1.4 Amendment of Rules.** These Rules and Regulations may be amended upon the unanimous approval of all Members. Unless otherwise specified, any amendments to these Rules and Regulations shall be effective upon a unanimous vote.
- 1.5 Principal Office.** The Basin Management Committee shall establish its principal office upon an affirmative vote at the at the first Basin Management Committee meeting, and may thereafter change it by the affirmative vote of the Basin Management Committee.
- 1.6 Interventions.** The Basin Management Committee shall receive and make recommendations regarding stipulations for intervention received by non-Member parties and shall timely file such stipulations with the Court. The Basin Management Committee may execute a stipulation for intervention on behalf of the other Members, but such stipulation shall not preclude a Member from opposing the intervention at the time of the Court hearing.

ARTICLE 2 POWERS

The Basin Management Committee shall be responsible for its day-to-day operations and shall have general authority to carry out the powers enumerated in the Section 5.6 of the Stipulated Judgment.

ARTICLE 3 COMPOSITION OF BASIN MANAGEMENT COMMITTEE

- 3.1 Directors.** The Basin Management Committee shall consist of a total of four (4) Directors. Each of the Members shall appoint one Director, which shall act as that Member’s designated Director. Each Director shall be appointed prior to the initial meeting of the Basin Management Committee
- 3.2 Alternate Directors.** Each Member shall also appoint one (1) Alternate Director to act in the Director’s absence or inability. Each Alternate Director shall be appointed prior to the initial meeting of the Basin Management Committee.

- 3.3 Removal.** A Director or Alternate Director may be removed during his or her term or reappointed for multiple terms at the pleasure of the Member that appointed him or her. No individual Director may be removed in any other manner, including by the affirmative vote of the other Directors.
- 3.4 Vacancies.** A vacancy shall occur when a Director resigns, or is removed by his or her appointing Member. Upon the vacancy of a Director, the Alternate Director shall serve as Director until a new Director is appointed. Each appointing Member shall submit any changes in Director or Alternate Director positions to the Basin Management Committee in writing and signed by an authorized representative of the appointing Member as soon as possible, but no later than the commencement of the subsequent meeting of the Basin Management Committee.

ARTICLE 4 OFFICERS

- 4.1 Officers.** The Basin Management Committee shall select a Chair and Vice-Chair from among the acting Directors. The Basin Management Committee shall also select a Secretary and a Treasurer, which do not need to be selected from among current Directors. The Basin Management Committee may select additional officers as it may deem necessary pursuant to the procedures in Section 4.2. The Vice-Chair shall act in the absence of the Chair.
- 4.2 Appointment of Officers.** The officers shall be appointed annually by, and serve at the pleasure of, the Basin Management Committee. Officers shall be elected at the first Basin Management Committee meeting, and thereafter at the first Basin Management Committee meeting following December 1 of each year. An Officer may serve for multiple consecutive terms. Any Officer may resign at any time upon written notice to the Basin Management Committee. The Secretary or Treasurer may be removed and replaced by an affirmative decision of the Basin Management Committee.
- 4.3 General Authority of Officers.**
- 4.3.1 Chair.** The Chair shall perform the duties customary of said office. When directed by an authorizing vote of the Basin Management Committee, the Chair may sign contracts on its behalf and shall perform such other duties as may be imposed by the Basin Management Committee.
- 4.3.2 Vice-Chair.** The Vice Chair, in the absence of the Chair, shall perform the duties of the Chair and shall perform all duties customary of such office.
- 4.3.3 Secretary.** The Secretary, who need not be a Director and who shall be selected by the Basin Management Committee, shall perform all duties customary of such office.

4.3.4 Treasurer. The Treasurer, who need not be a Director and who shall be selected by the Basin Management Committee, shall perform all duties customary of such office. The Treasurer shall be the depository, shall have custody of all of accounts, funds and money of the Basin Management Committee from whatever source, and shall assure strict accountability of all funds and reporting of all receipts and disbursements of the Basin Management Committee. The Treasurer shall make arrangements with a certified public accountant or firm of certified public accountants for an annual independent audit of accounts and records of the Basin Management Committee.

ARTICLE 5 EXECUTIVE DIRECTOR

- 5.1 Executive Director.** The Basin Management Committee may elect or appoint an Executive Director of the Basin Management Committee. If an Executive Director is not elected or appointed, the Chair shall act as the Basin Management Committee's Executive Director.
- 5.2 Duties.** The Executive Director shall be the chief executive officer of the Basin Management Committee and shall act as the representative of the Basin Management Committee to carry out its duties and obligations.

ARTICLE 6 STAFF AND CONSULTANTS

Subject to the prior approval of the Basin Management Committee, the Executive Director may employ, on behalf of the Basin Management Committee such full- or part-time administrative, engineering, geologic, accounting, legal, or other specialized personnel or consultants as he or she deems appropriate.

ARTICLE 7 VOTING

- 7.1 General.** A Director, or an Alternate Director when acting in the absence of his or her Director, may vote on all matters of Basin Management Committee business unless such Director or Alternate Director determines himself disqualified because of a conflict of interest pursuant to California law or the local conflict of interest code adopted by the Basin Management Committee.
- 7.2 Director Votes.** Voting by and on all matters of the Basin Management Committee shall be weighted as follows. Except as otherwise expressly provided herein, each Director's vote shall be weighted with the Directors representing the Los Osos Community Services District and Golden State Water Company each holding thirty-eight percent (38%), the Director representing the County of San Luis Obispo holding twenty percent (20%) and the Director representing S & T Mutual Water Company holding four percent (4%).
- 7.3 Quorum.** A quorum of any meeting of the Basin Management Committee shall consist of appointed representatives of a majority of the Members. In the absence

of a quorum, any meeting of the Basin Management Committee may be adjourned by a vote of a majority of appointed representatives present, but no other business may be transacted. An appointed representative shall be deemed present if the representative appears at the meeting in person or telephonically, provided the telephone appearance is consistent with the requirements of the Ralph M. Brown Act.

- 7.4 Affirmative Decisions.** Unless otherwise specified in these Rules, all affirmative decisions of the Basin Management Committee shall require the affirmative vote of appointed representatives with a collective voting weight of more than fifty percent, as provided in Section 7.2; provided, that if a Director is disqualified from voting on a matter before the Basin Management Committee because of a conflict of interest as described in Section 7.1 above, the Alternate Director shall be entitled to vote on the matter, but if the Alternate Director is disqualified from voting on the matter because of such a conflict of interest, that Director and Alternate Director shall be excluded from the calculation of the total number of Directors that constitutes fifty percent of the voting weight.
- 7.5 Basin Management Committee Approval Requirements.** In the following instances, the Basin Management Committee may act only with the unanimous approval of the Directors:
- 7.5.1** Authorizing or implementing any material change to the Basin Plan;
 - 7.5.2** Authorizing or approving any material change to any Member's use of water extracted, developed or available for use within the Basin in a manner materially inconsistent with the Basin Plan or the Stipulated Judgment;
 - 7.5.3** Adoption and/or any change in the rules and regulations of the Basin Management Committee;
 - 7.5.4** Adoption of any regulations or restrictions on the Purveyors' delivery of water and its consumption within the Basin as provided in section 5.7 of the Stipulated Judgment;;
 - 7.5.5** Adoption of any supplemental fees, taxes or assessments necessary to address shortfalls or unanticipated expenses for which reserves are unavailable;
 - 7.5.6** Revising the weighted voting as provided in Section 7.2, including but not limited to the insolvency, addition or withdrawal of a Member of the Basin Management Committee;
 - 7.5.7** Approving, revising or ratifying the Basin Management Committee Budget.
 - 7.5.8** Adoption of funding targets for operational and maintenance reserves;

7.5.9 Entering into any contract or agreement which delegates the duties of the Basin Management Committee to any third party; and

7.5.10 Establishing and implementing a mechanism(s) to fund the operation of the Basin Management Committee and the actions provided in this Stipulated Judgment and the Basin Plan.

ARTICLE 8 MEETINGS

- 8.1** **Conduct.** Unless otherwise specified, all meetings of the Basin Management Committee, including special meetings, shall be noticed, held, and conducted in accordance with the Ralph M. Brown Act, California Government Code sections 54950 et seq. The Basin Management Committee may use teleconferencing in connection with any meeting in conformance with and to the extent authorized by applicable law.
- 8.2** **Regular and Special Meetings.** All meetings, whether regular or special, shall be open to the public unless they are properly designated as a confidential session pursuant to Section 8.3. Whenever a public hearing shall be required therein, written notice of such public hearing containing the time, date and place of public hearing, together with the matter to be heard thereat, shall be given to all parties and each such person who has requested, in writing, notice of such meeting, at least ten (10) days prior to said public hearing. At such public hearing, evidence shall be taken with regard to only the matters noticed, unless a sufficient urgency shall exist to the contrary, and full findings and decisions shall be issued and made available for public inspection.
- 8.3** **Confidential Sessions.** The Basin Management Committee may hold confidential sessions as otherwise authorized under the Ralph M. Brown Act, California Government Code sections 54950 et seq. A Confidential Session may be requested by any Director. Minutes shall not be taken for confidential sessions of the Basin Management Committee, but a confidential memorandum shall be prepared to describe attendance and Director votes on matters.
- 8.4** **Notice Requirements.** Notices shall be given in writing to all parties and each such person who has requested notice in writing, and shall specify the time, date and place of the meeting and the business to be transacted at the meeting. Notice may be provided by United States mail, facsimile or electronic mail delivery. Copies of all agendas, notices, reports, rules and regulations and other relevant, public Basin Management Committee items shall be published on a website sponsored by the Basin Management Committee. The Basin Management Committee will maintain a current list of the names of active parties and their addresses for the purpose of providing service, and will maintain a current list of the names and addresses of all Members.
- 8.5** **Rules of Order and Basin Management Committee Agenda.**

8.5.1 Adoption Rules of Order. The Basin Management Committee may establish rules of order as it deems necessary. Such rules shall be crafted to expedite the transaction of business in an orderly fashion and shall be procedural only. Any failure to strictly observe such rules shall not affect the jurisdiction or invalidate any action taken at a meeting that is otherwise held in conformity with the law.

8.5.2 Authority to Place an Item on the Agenda. Any Director may place an item on an agenda. The Executive Director may also place items on an agenda at his discretion. Directors will have an opportunity to delete or change the order of agenda items at the beginning of each meeting.

8.5.2.1 Timing for Placement of an Item on the Agenda. No item shall be placed on an agenda unless staff has had sufficient time to prepare the item for Basin Management Committee consideration.

8.6 Rules of Decorum.

8.6.1 Rules for Staff.

8.6.1.1 Decorum. Staff shall not engage in dialogue with members of the public during public meetings, or respond directly to questions from members of the public. All staff responses shall be directed to the Basin Management Committee.

8.6.1.2 Gaining the Floor. Staff, after being recognized by the Chair, shall hold the floor until completion of their remarks or until recognition is withdrawn by the Chair.

8.6.1.3 Role of the Executive Director. The Executive Director's duties during Basin Management Committee meetings includes keeping a record of concerns raised by the Directors regarding staff matters and directions for future staff action.

8.6.2 Rules for the Public.

8.6.2.1 Members of the Public. Members of the audience shall not engage in disorderly or boisterous conduct, which has the effect of disturbing, disrupting, impeding or otherwise interfering with the orderly conduct of Basin Management Committee meetings.

8.6.2.2 Persons Addressing the Basin Management Committee.

8.6.2.2.1 No person shall address the Basin Management Committee without first being recognized by the Chair.

- 8.6.2.2.2** Persons addressing the Basin Management Committee shall be given three (3) minutes to speak. The Basin Management Committee may extend or decrease this time limit by majority vote as it deems appropriate.
- 8.6.2.2.3** The aggregate time for public comment on each agenda item allowing public comment shall be limited to thirty (30) minutes per item unless extended or decreased by a majority vote of the Basin Management Committee.
- 8.6.2.2.4** Persons addressing the Basin Management Committee shall confine the subject matter of their remarks to the particular matter before the Basin Management Committee.
- 8.6.2.2.5** Each person addressing the Basin Management Committee shall do so in an orderly manner and shall not engage in any disorderly conduct which disrupts, disturbs, or otherwise impedes the orderly conduct of the Basin Management Committee meeting. Any person who so disrupts the meeting may, at the discretion of the Chair or a majority of the Directors, be subject to ejection from that meeting as provided by law.
- 8.6.2.2.6** Persons addressing the Basin Management Committee shall address the Basin Management Committee as a whole and shall not engage in a dialogue with individual Directors, staff or members of the audience. No questions shall be asked of a Director or a member of staff without first obtaining permission of the Chair. The Chair shall determine whether, or in what manner, an answer will be provided. Any person violating this rule while addressing the Basin Management Committee shall be called to order by the Chair.

8.6.2.3 **Written Communications.** Persons who anticipate oral presentations exceeding three (3) minutes are encouraged to submit comments in writing, in advance, care of the Secretary, for prior distribution to the Basin Management Committee and other interested parties. Such written comments will be distributed to Directors and considered as the Basin Management Committee in its judgment may deem appropriate.

- 8.6.3 Waiver.** Any of the foregoing rules may be waived by majority vote of the Directors present when it is deemed that there is good cause to do so based upon the particular facts and circumstances involved.

ARTICLE 9 SUBCOMMITTEES

The Basin Management Committee may, by resolution, establish one or more subcommittees for such purposes as the Basin Management Committee may designate. Any such subcommittee shall have such scope of authority as the Basin Management Committee may designate in the subcommittee enabling resolution.

ARTICLE 10 RECORDS

- 10.1 Maintenance of List of Parties to Judgment.** The Basin Management Committee shall maintain a list of all parties to the Stipulated Judgment, including those parties who intervene. The list shall also include the Pool (as defined in the Stipulated Judgment) to which each party belongs.
- 10.2 Basin Management Committee Meeting Minutes.** The minutes of Basin Management Committee meetings shall be open to inspection and maintained at the principal office. Copies of minutes may be obtained upon payment of the duplication costs thereof. Copies of other records may be obtained on the payment of the duplication costs thereof.
- 10.3 Publication of Records on Website.** Basin Management Committee Staff shall publish public records and other matters that it deems to be of interest to its Members, the general public or the Court on its website in a manner consistent with the practices described in Water Code sections 5206 and 10730.8.

ARTICLE 11 REPORTING, MODELING, AND MONITORING

- 11.1 Annual Report.** The Basin Management Committee shall prepare and make available an annual report, which shall be filed on or before one hundred and eighty (180) days after December 31 of each year and shall contain details as to aggregate water production to the extent the information is available, water quality, monitoring data, and a certified audit of all assessments and expenditures pursuant to the Basin Management Committee and a review of Basin Management Committee activities. The report shall generally include an update on the status of the Members' efforts to implement the Basin Plan. The report shall include an appendix which contains a specific "State of the Basin" report including an update on the status of individual Basin Plan related activities. The report shall also include a compilation of the current Basin Management Committee Rules and Regulation, including all amendments made within the

previous twelve (12) month period. All annual reports shall be filed with the Court and made available to the public.

- 11.2 Studies.** In accordance with the Stipulated Judgment, the Basin Management Committee may undertake relevant studies of hydrologic conditions, both quantitative and qualitative, and operating aspects of implementation of the Basin Plan.
- 11.3 Modeling.** The Basin Management Committee shall maintain the Model and conduct a peer review of it at least once every ten (10) years. Based on results from the peer review, or as otherwise deemed appropriate by the Basin Management Committee, the Basin Management Committee shall make improvements to the Model for the improved management of the Basin. The results of any peer review and all changes to the model shall be included in the annual report for the applicable year.
- 11.4 Monitoring.** The Basin Management Committee shall carry out the monitoring activities described in Chapter 7 of the Basin Plan in accordance with the provisions of the Stipulated Judgment. Monitoring procedures not described in Chapter 7 of the Basin Plan shall be implemented through development of appropriate Basin Management Committee policies and procedures as necessary. Findings and a summary of activities as well as any supplemental policies and procedures adopted by resolution or minute action shall be reported to the Court in the Basin Management Committee's Annual Report.
- 11.5 Groundwater Production Monitoring.** Each of the Purveyors shall install meters and/or measuring devices on all groundwater extraction facilities and shall provide the Basin Management Committee with a groundwater production log by January 31 of each year for the period of January 1 through December 31 of the prior year. This information shall be included in the Basin Management Committee's annual report. All meters/measuring devices shall be subject to regular inspection and testing as the Basin Management Committee may, from time to time, deem necessary. Nothing in this provision shall be construed to require or to permit the Basin Management Committee to require the County Board of Supervisors to adopt an ordinance requiring the reporting of groundwater production.

ARTICLE 12 BASIN PLAN

- 12.1 Periodic Review of Basin Plan.** The Basin Management Committee shall evaluate the Basin Plan on a periodic basis as deemed necessary. The review shall, at a minimum, evaluate the items described in Section 3.1 of the Stipulated Judgment, which include whether the Basin Plan is being implemented as agreed upon in the Stipulated Judgment, whether the Basin Plan actions are having the predicted impact to halt seawater intrusion, and whether the Members should implement additional actions in the Basin Plan or new actions that were not

originally included in the Basin Plan. Evaluation of additional items shall be implemented through development and adoption of appropriate Basin Management Committee policies and procedures. Findings and a summary of the review, as well as any resulting amendments to the Basin Plan, shall be included the first annual report following completion of the review.

ARTICLE 13 DETERMINATION OF SUSTAINABLE YIELD

- 13.1 Annual Determination of Sustainable Yield.** Starting in 2020, the Basin Management Committee shall annually evaluate and establish the Sustainable Yield_x for the upcoming year at its first meeting following December 1 of each Year. Any change to the Sustainable Yield_x shall require unanimous consent of the Members. The Sustainable Yield_x shall be established using the process set forth in Section 4 of the Stipulated Judgement. The Sustainable Yield_x shall be reported in the annual report for the applicable year.
- 13.2 Allocation of Sustainable Yield_x Among Pools.** Upon amending the Sustainable Yield_x, the Basin Management Committee shall re-allocate the Sustainable Yield_x among the various Pools as set forth in Section 4.2 of the Stipulated Judgment. Any change to the current allocation requires a unanimous vote of the Basin Management Committee and shall be reported in the annual report for the applicable year.

ARTICLE 14 BUDGET

- 14.1 Annual Budget.** Annually, the Basin Management Committee shall develop a budget for its activities and responsibilities and determine any cost sharing agreement for funding the budget.. The annual budget shall be developed at the first Basin Management Committee meeting, and thereafter at the first Basin Management Committee meeting following December 1 of each year.
- 14.2 Payment of Basin Management Expenses.** The Executive Director shall invoice the Members no less frequently than quarterly for their share of the Basin Management Committee expenses. The Basin Management Committee may require each Member to provide advance deposit or payment to the Basin Management Committee from time-to-time in anticipation of approved expenditures consistent with the Budget.

ARTICLE 15 DISPUTE RESOLUTION

Disputes among Members shall be dealt with according to the process set forth in Section 6.4 of the Stipulated Judgment.

TO: Los Osos Basin Management Committee

FROM: Rob Miller, Interim Executive Director

DATE: December 30, 2015

SUBJECT: Item 7c – Funding Plan, Zone of Benefit Schedule and Consultant Selection Process

Recommendations

Staff recommends the following actions relative to the process of funding the administrative costs of the Basin Management Committee and other costs associated with the implementation of the Basin Plan:

1. Request that the San Luis Obispo County Flood Control and Water Conservation District release a Request for Qualifications prepared in consultation with the Executive Director of the Committee to retain a qualified consultant to describe the alternatives, process, and methodologies associated with a special tax or assessment to fund such costs.
2. Review and consider potential schedules wherein the San Luis Obispo County Flood Control and Water Conservation District would call for a special tax election, and confirm support for the proposed May, 2017 schedule.

Discussion

Section 5.13 of the Stipulated Judgment provides that the parties anticipate that the San Luis Obispo County Flood Control and Water Conservation District (Flood Control District) will establish a zone of benefit coterminous with the Basin Plan Area and seek approval of a special tax or assessment within said zone to cover the administrative costs of the Basin Management Committee and such other costs as deemed appropriate by the parties and the Flood Control District. The Stipulated Judgment further provides that the parties will reimburse the Flood Control District for all costs incurred in establishing and collecting the special tax or assessment to the extent that such costs are not otherwise recoverable from the proceeds of the special tax or assessment (based on each party's voting weight). The County of San Luis Obispo Public Works Department staff (which also serves as staff to the Flood Control District) has been working closely with the County Clerk's office to determine feasible schedule alternatives for a special tax election within the zone of benefit (in the event that a special tax is selected) (establishment of a special assessment requires only a majority protest ballot proceeding). Key conclusions from these discussions include the following:

- The County Clerk is unable to combine an all mail ballot special tax election with the November, 2016 general election for multiple reasons, but primarily due to staff availability and the potential for difficulties in the handling of absentee ballots concurrently with mail ballots.
- In accordance with Section 1500 of the Elections Code, alternative allowable dates for an all mail ballot special tax election include August, 2016 and May, 2017.

Two alternative schedules for the establishment of a special tax are attached as Exhibits A and B. At this time, Flood Control District and Committee staff believes the most feasible schedule to be the May, 2017 alternative. This schedule would provide adequate time for the consideration of alternatives and the associated public process as described below. The August, 2016 schedule may be achievable, but it would require expedited action including sole source consultant contracts, with minimal time for the consideration of alternatives.

Early in the process of formulating the special tax or assessment, the following key issues should be analyzed and discussed:

1. Scope of the expenses to be funded including Basin Management Committee administration, monitoring, capital costs, operating costs, water conservation, or other elements described in the Basin Plan
2. Alternative methodologies for spreading the costs to various properties within the Basin Plan Area, including consideration of various land use zones
3. Methods for addressing developed versus undeveloped properties
4. Recommendations for public outreach and education prior to the vote or majority protest proceeding
5. Confirmation of the proposed schedule and required actions of the Board of Supervisors
6. Detailed cost estimate for completion of the process
7. Conceptual funding alternatives in the event of an unsuccessful vote or of a majority protest

The parties do not have the expertise within their respective staffs to address the above issues, and therefore staff recommends that the Committee request that the Flood Control District, in consultation with the Executive Director, prepare and release a Request for Qualifications to select a qualified consultant. Public Works staff, also in consultation with the Executive Director, will bring back a detailed Scope of Work and cost proposal to address the above issues for Basin Management Committee review before the Flood Control District enters into a consultant contract. Depending on consultant availability, staff expects the proposal to come before the Committee in February, 2016. Public Works and Committee staff would again return to your Committee with the consultant's report prior to its presentation to the Board of Supervisors.

Financial Considerations

The draft Basin Management Committee budget for calendar year 2016 includes \$120,000 for consultant services relative to the Zone of Benefit, including any Flood Control District expenses that would be distributed to the parties. While staff believes this budget to be adequate, the retained consultant will prepare a detailed cost estimate as part of its initial work product.

Exhibit A - Recommended Funding Vote Schedule

ID	Task Name	Duration	Start	Finish	2016				2017				
					Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	Los Osos: Formation of Zone of Benefit & Funding Mechanism	470 days	Mon 12/14/15	Tue 5/2/17									
2	Proposition 218 Special Tax Process	263 days	Tue 1/5/16	Fri 9/23/16									
3	RFP for Consultant	60 days	Tue 1/5/16	Fri 3/4/16									
4	Contract with Consultant	32 days	Sat 3/5/16	Tue 4/5/16									
5	Develop Prop 218 Budget and Approach Report	91 days	Wed 4/6/16	Tue 7/5/16									
6	Community Outreach/ Education	80 days	Wed 7/6/16	Fri 9/23/16									
7	Zone of Benefit Formation Process	168 days	Tue 6/28/16	Tue 12/13/16									
8	Complete Boundary Map Legal Description	90 days	Tue 6/28/16	Mon 9/26/16									
9	CEQA Analysis	90 days	Tue 6/28/16	Mon 9/26/16									
10	Develop Two (2) Board Agenda Packages	42 days	Mon 8/29/16	Mon 10/10/16									
11	Develop Resolution of Intent to Establish Zone of Benefit	14 days	Mon 9/12/16	Mon 9/26/16									
12	Develop Resolution Establishing Zone of Benefit	14 days	Mon 9/12/16	Mon 9/26/16									
13	Develop Request for Exclusion Form	28 days	Mon 8/29/16	Mon 9/26/16									
14	County Counsel Review	14 days	Mon 9/26/16	Sun 10/9/16									
15	Write Board Letter	14 days	Mon 9/26/16	Sun 10/9/16									
16	BOS Staff Report & Resolutions/ Attrmts Due	0 days	Mon 10/10/16	Mon 10/10/16									
17	Public Noticing	14 days	Tue 10/11/16	Mon 10/24/16									
18	BOS Meeting: Reso of Intent to Form Zone of Benefit & Set Hearing	0 days	Tue 11/1/16	Tue 11/1/16									
19	Public Noticing	14 days	Tue 11/22/16	Tue 12/6/16									
20	Request for Exclusion Period	42 days	Tue 11/1/16	Tue 12/13/16									
21	BOS Hearing: (1) Establish Zone of Benefit; (2) File CEQA NOE; (3) Call for Election; (4) Call for Argument Statements	0 days	Tue 12/13/16	Tue 12/13/16									
22	Vote Preparation	393 days	Mon 12/14/15	Thu 1/12/17									
23	Revise Precinct Boundaries	60 days	Mon 12/14/15	Thu 2/11/16									
24	Collect & select argument statements	18 days	Tue 12/13/16	Fri 12/30/16									
25	Impartial analysis due	18 days	Tue 12/13/16	Fri 12/30/16									
26	Rebuttals to argument statements due	7 days	Sat 12/31/16	Mon 1/9/17									
27	Public review of argument statements & impartial analysis	10 days	Sat 12/31/16	Thu 1/12/17									
28	Mail-In Voting	29 days	Wed 3/22/17	Tue 5/2/17									
29	Election Day - Registered Voters	0 days	Tue 5/2/17	Tue 5/2/17									
30	Public Outreach	473 days	Tue 1/5/16	Tue 6/6/17									
31	Basin Management Committee Meeting	473 days	Tue 1/5/16	Tue 6/6/17									

Project: ZOB Schedule_Los Osos GW Date: Thu 12/24/15	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	

TO: Los Osos Basin Management Committee

FROM: Rob Miller, Interim Executive Director

DATE: December 30, 2015

SUBJECT: Item 7d – Basin Management Committee Budget for Calendar Year 2016

Recommendations

Staff recommends that the Committee adopt the Calendar Year 2016 budget as drafted.

Discussion

Section 5.13.2 of the Stipulated Judgment requires that the parties develop an annual budget to fund its activities. Staff has prepared a draft budget attached as Exhibit A, which includes the following key items:

- Basin Management Committee general administration for Calendar Year 2016
- Funding for the Zone of Benefit formation process, including required consultant services
- Consultant services for the preparation of the first Annual Report, including set up costs associated with the first Annual Report
- Consultant services to assist in the pursuit of grants
- Funding for jointly pursued water conservation efforts
- As approved in the December, 2015 BMC meeting, funding for the groundwater basin boundary determination

Given that the parties operate on different fiscal calendars, staff believes a standard calendar year to be the appropriate budget interval.

Financial Considerations

The total budget proposed for 2016 is \$314,600, of which 52% represents first year costs to complete the Zone of Benefit process and produce the first annual report. The budget also includes a 10% contingency for unforeseen expenses. The estimated cost to each party is summarized as follows:

LOCSD (38%): \$119,548
GSWC (38%): \$119,548
County of SLO (20%): \$62,920
S&T Mutual (4%): \$12,584

Exhibit A: Basin Management Committee Budget for Calendar Year 2016

Item	Description	Cost	Comments
1	Monthly meeting administration, including preparation, staff notes, and attendance	\$50,000	Assumes 20 to 25 hours per month, on average
2	Meeting expenses - facility rent	\$4,000	\$30/hr for non-profit
3	Supporting services, including audio amplification and recording	\$4,000	
4	Legal counsel (special counsel for funding measure)	\$10,000	Normal matters to be handled by BMC member attorneys
5	Semi annual seawater intrusion monitoring	\$12,000	
6	Annual report - not including Year 1 start up costs	\$30,000	Not including services contributed directly from BMC member staff
7	Annual report - Year 1 costs	\$14,000	Equipment, well head surveying, set up
8	Grant writing (outside consultant)	\$12,000	BMC member staff may also contribute to grant efforts
9	Basin boundary definition (CHG only)	\$20,000	Not including County staff time
10	Funding measure including initial feasibility report, final report, and proposition 218 process	\$120,000	
11	Conservation programs (not including member programs)	\$10,000	Bulk of cost will be budgeted by individual BMC members
	Subtotal	\$286,000	
	10% Contingency	\$28,600	
	Total	\$314,600	
	Summary of Allocated Costs to BMC Parties:		
	LOCS D (38%)		\$119,548
	GSWC (38%)		\$119,548
	County of SLO (20%)		\$62,920
	S&T Mutual (4%)		\$12,584