

OFFICIAL BALLOT
MARCH 8, 2016 SPECIAL ELECTION
PASO ROBLES BASIN WATER DISTRICT
SAN LUIS OBISPO COUNTY, CALIFORNIA

INSTRUCTIONS TO VOTERS:

To vote, fill in the oval like this:

To vote on a measure, fill in the OVAL next to the word "Yes" or the word "No". If you tear, deface or wrongly mark this ballot, return it to the Elections Official and get another.

MEASURE TO BE SUBMITTED TO THE VOTERS

PASO ROBLES BASIN WATER DISTRICT FORMATION

MEASURE B-16

Shall the order adopted on September 17, 2015, by the Local Agency Formation Commission of San Luis Obispo County ordering the formation of a district in the territory described, known as the Paso Robles Basin Water District, be approved subject to the terms and conditions specified in the order, including approval of a Proposition 218 proposal to fund the district?

YES

NO

SAMPLE BALLOT



County of San Luis Obispo Paso Robles Basin Water District

Formation Election (Landowners)

Tuesday, March 8, 2016

Voter Information Guide

- **PLEASE NOTE:** Depending on your eligibility for the various contests in these Special Elections, you may receive up to four different ballots for each election (i.e. Measure A-16, Measure B-16, Directors Elected by Registered Voters, Directors Elected by Large Landowners.) You will be required to return the ballots for each of the contests in order for your votes to be counted.
- This is a mailed ballot election for the landowners within the proposed Paso Robles Basin Water District located in the County of San Luis Obispo. Your OFFICIAL BALLOT, along with this Voter Information Guide, is contained in your Vote-By-Mail packet. There is no sample ballot in this booklet since your OFFICIAL BALLOT is included. If you desire a copy of the ballot, you can download one from www.slovote.com or call 781-5228 to request one. This will be the only official mailing.
- The deadline for return of Vote-By-Mail ballots is 8:00pm, Tuesday, March 8, 2016. On Election Day you can return your ballot to the Clerk-Recorder's Offices in San Luis Obispo or Atascadero between 7:00am and 8:00pm.
- **Vote-By-Mail Status:** Check the status of your returned Vote-By-Mail ballot by inquiring the Clerk-Recorder at 781-5228
- **Questions?** Contact the Clerk-Recorder via email at elections@co.slo.ca.us or by phone at 781-5228

www.slovote.com

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VOTE BY MAIL IINSTRUCTIONS TO VOTERS

Use any black or blue colored pen or pencil to mark your ballot. Follow the “Instructions To Voters” on your OFFICAL BALLOT to vote on the measures of your choice.

WHEN YOU HAVE FINISHED VOTING

1. Fold and tear off the ballot, and seal it in the I.D. Return Envelope provided.
2. Sign and print your name in the spaces provided. Please do not allow someone else to sign on your behalf.
IMPORTANT: If you do not sign your envelope, your ballot will not be counted.
3. Write your residence address as registered (not mailing address) and the date on the lines provided.

You may vote and return your ballot as soon as you receive it; you do not have to wait until Election Day. However, be aware that once your ballot is returned to the Elections Office, either in person or by mail, it is considered “in the ballot box” and may not be retrieved.

Spoiled Ballot? If you make a mistake, tear or deface any portion of your ballot, call the Elections Office at 781-5228 so that a replacement ballot may be sent to you.

VOTER’S PAMPHLET INFORMATION SECTION

The following pages contain voter information applicable to your ballot, and include:

- THE NOTICE OF ELECTIONS
- THE FULL TEXT OF MEASURE B-16
- IMPARTIAL ANALYSIS OF MEASURE B-16
- ARGUMENTS AND REBUTTALS IN FAVOR OF AND AGAINST MEASURE B-16

PLEASE NOTE: ARGUMENTS IN FAVOR OF OR AGAINST THE PROPOSED LAW(S) ARE THE OPINIONS OF THE AUTHORS AND ARE PRINTED AS SUBMITTED BY THE AUTHORS

**NOTICE OF ELECTIONS
FOR THE FORMATION OF THE PROPOSED PASO ROBLES
BASIN WATER DISTRICT AND ELECTION OF THE INITIAL BOARD
OF DIRECTORS**

LANDOWNER ELECTION

NOTICE IS HEREBY GIVEN to the landowners within the proposed Paso Robles Basin Water District (Water District) located in the County of San Luis Obispo, State of California, as defined in Water Code Sections 37905 and 37913, that in accordance with applicable law, a special election conducted by all mailed ballot will be held on Tuesday, March 8, 2016, for the following measure and election of the six members of the Board of Directors elected by landowners:

Shall the order adopted on September 17, 2015, by the Local Agency Formation Commission of San Luis Obispo County ordering the formation of a district in the territory described, known as the Paso Robles Basin Water District, be approved subject to the terms and conditions specified in the order, including approval of a Proposition 218 proposal to fund the district?	YES
	NO

The name of the proposed district is the Paso Robles Basin Water District.

The boundaries of the proposed Water District are as approved by the San Luis Obispo County Local Agency Formation Commission (LAFCO) on September 17, 2015 through Resolution 2015-05. An interactive map of the proposed Paso Robles Basin Water District searchable by Assessor Parcel Number is available at the following link: <http://pasobasin.org/groundwater-management/legislation/outreach-education/>

If from the election returns, a majority of the votes cast at the election are in favor of approval of the order adopted by LAFCO, the formation of the Water District shall be complete subject to satisfaction of all conditions of approval imposed by LAFCO. A summary of the conditions of approval contained in Resolution 2015-05 is as follows: (1) the Directors shall be qualified and elected in accordance with applicable provisions of the Water Code; (2) the District may exercise all powers in the California Water District Law subject to limitations on its ability to adopt emergency ordinances, its ability to conduct activities normally and historically undertaken by the County, the County Flood Control District or other affected agency, and its ability to export groundwater; (3) completion of a successful formation election and Proposition 218 proceeding; and establishment of an appropriations limit in the amount of \$950,609; (4) future Water District projects are subject to applicable law, including the California Environmental Quality Act; (5) the effective date of the formation will be determined by the filing of a certificate of completion by LAFCO; (6) provision of a map and legal description to the Board of Equalization; and (7) calling of all necessary elections and completion of all Proposition 218 proceedings by the Board of Supervisors.

Upon the formation of the Water District, there shall be a total of six directors elected by landowners, as shown in the table below (three directors are elected by registered voters). A candidate may only be a candidate for one director position for which they are qualified. Candidates for the six landowner positions may be within any landowner class. Should a landowner also be a registered voter, that candidate may only serve in one capacity (i.e. landowner director or registered voter director) but not both.

The qualifications for directors elected by landowners are:

Candidates must hold title to land within the proposed Water District or be persons authorized to vote in elections by landowners, as provided in Water Code Section 37913 and shall reside within the Water District, within two miles of the Water District boundary, or within the boundaries of the City of Paso Robles, the Atascadero Mutual Water Company, the Templeton Community Services District, the San Miguel Community Services District, or the San Luis Obispo County Service Area 16. A person may only be a candidate for one director.

DIRECTORS	# OF SEATS	TERM BEGINS	TERM ENDS
Elected by Large Landowners *holders of title owning an aggregate (across parcels) of 400 acres or more	2	TBD	December 6, 2019
Elected by Medium Landowners *holders of title owning an aggregate of 40 acres or more but less than 400 acres	2	TBD	December 6, 2019
Elected by Small Landowners *holders of title owning an aggregate of less than 40 acres	2	TBD	December 6, 2019

Note: Only the voters in the Large Landowner category will have a director contest on their ballots along with accompanied candidate statements. In the Small and Medium Landowner categories, the number of persons who filed declarations of candidacy did not exceed the number of offices to be filled during this election, therefore they will be appointed in lieu of election should the district be formed. The voters in these categories will only receive the formation measure on their ballots.

Who may vote the ballot and sign the return envelope?

Formation Vote (Water Code 37905)

Landowner, Legal Representative, Allocation of Votes

The formation process shall comply with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code), with the exception of the following provisions:

(a) On or before January 1, 2019, 10 percent of landowners may petition for, or an affected local agency within the county, including the county and the San Luis Obispo County Flood Control and Water Conservation District, may apply for by resolution, the formation of a district, consistent with the following definitions:

(1) "Landowner" means any person who holds title to land within the boundaries of the proposed district as shown on the last assessment roll prepared by the county assessor, or a legal representative of a landowner who holds title to land within the boundaries of the proposed district as shown on the last assessment roll prepared by the county assessor.

(2) "Landowner" does not include individuals, partnerships, corporations, or public agencies holding easements or less than fee interests, including leaseholds of any nature.

(3) "Legal representative" means either of the following:

(A) A duly appointed and acting guardian, executor, or administrator of the estate of a holder of title to land.

(B) One of the following:

(i) If the holder of title is a trust, any trustee of the trust may vote on behalf of the trust.

(ii) If the holder of title is a corporation, the president, vice president, secretary, or other duly designated officer may vote on behalf of the corporation.

(iii) If the holder of title is a limited liability company, any managing member may vote on behalf of the limited liability company.

(iv) An officer or partner with managerial responsibilities of a legal entity not listed in clauses (i) to (iii), inclusive, may vote on behalf of the entity.

(b) Following a successful petition by the landowners or a resolution of application by an affected local agency, an election among landowners shall be conducted on the matter of whether to form the district.

(c) For purposes of a petition to form the district and a **vote on the matter to form the district**, the following applies:

(1) Each voter, who shall be a landowner as defined in this section, may cast one vote on the matter of a petition and one vote on the matter of an election to form the district. Ownership of multiple parcels of land, in full or in part, shall not entitle any voter to more than one vote.

(2) For land held jointly, owners collectively get one vote. Nothing in this section should be construed to indicate that multiple owners of a property get more than one vote.

(3) In the event any landowner that is a member of the same commonly controlled group, as defined in Section 25105 of the Revenue and Taxation Code, or is a member of a combined reporting group, as defined in paragraph (3) of subdivision (b) of Section 25106.5 of Title 18 of the California Code of Regulations, or under common ownership with, another landowner in the

district, all members of the commonly controlled group or combined reporting group will be deemed a single landowner for the purpose of this subdivision.

- (4) Each public agency that holds title to land within the district shall be entitled to one vote.
- (5) No person shall vote by proxy unless his or her authority to cast that vote is evidenced by an instrument acknowledged and filed with the board of election.
- (6) If from the election returns a majority of the votes cast at the election were in favor of the formation of the district, the formation of the district shall be complete.
- (d) Recognizing that an election is needed to form the Paso Robles Basin Water District, the protest provisions of the Cortese-Knox-Hertzberg Reorganization Act of 2000 as they pertain to the formation of a district, do not apply.

Landowner Director Vote (Water Code 37913)

Notwithstanding any other provision of this division or the Uniform District Election Law (Part 4 (commencing with Section 10500) of Division 10 of the Elections Code), for the purposes of election participation by landowners, the following definitions apply:

- (a) "Landowner" means any person who holds title to land within the boundaries of the proposed district as shown on the last assessment roll prepared by the county assessor, or a legal representative of a landowner who holds title to land within the boundaries of the proposed district as shown on the last assessment roll prepared by the county assessor.
- (b) "Landowner" does not include individuals, partnerships, corporations, or public agencies holding easements or less than fee interests, including leaseholds of any nature.
- (c) "Legal representative" means either of the following:
 - (1) A duly appointed and acting guardian, executor, or administrator of the estate of a holder of title to land.
 - (2) One of the following:
 - (A) If the holder of title is a trust, any trustee of the trust may vote on behalf of the trust.
 - (B) If the holder of title is a corporation, the president, vice president, secretary, or other duly designated officer may vote on behalf of the corporation.
 - (C) If the holder of title is a limited liability company, any managing member may vote on behalf of the limited liability company.
 - (D) An officer or partner with managerial responsibilities of a legal entity not listed in subparagraphs (A) to (C), inclusive, may vote on behalf of the entity.

How will my votes for directors be counted?

Water Code 37911(b) - Six of the directors shall be qualified for office by being persons who hold title to land within the district or persons authorized to vote in elections by landowners, as provided in Section 37913. Each director shall be elected by landowners within the district as provided by Article 1 (commencing with Section 35003) of Chapter 1 of Part 4, except that each voter shall be entitled to cast one vote for each acre owned by the voter within the district. If the voter owns less than one acre, the voter shall be entitled to one vote and any fraction shall be rounded to the nearest full acre.

**SAN LUIS OBISPO COUNTY
FULL TEXT OF MEASURE B-16**

FORMATION OF PASO ROBLES BASIN WATER DISTRICT. Shall the order adopted on September 17, 2015, by the Local Agency Formation Commission of San Luis Obispo County ordering the formation of a district in the territory described, known as the Paso Robles Basin Water District, be approved subject to the terms and conditions specified in the order, including approval of a Proposition 218 proposal to fund the district?

Yes

No

**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN LUIS OBISPO, CALIFORNIA
CALLING AND GIVING NOTICE OF THE HOLDING
OF SPECIAL ALL MAILED BALLOT ELECTIONS
TO BE HELD ON MARCH 8, 2016,
FOR THE SUBMISSION TO THE VOTERS
OF A QUESTION RELATING TO THE FORMATION
OF THE PASO ROBLES BASIN WATER DISTRICT AND
ELECTION OF THE INITIAL BOARD OF DIRECTORS FOR SAID DISTRICT**

WHEREAS, Assembly Bill 2453 (2014) (Water Code §§ 37900 – 37969) (AB 2453) which adds Part 8.2 to Division 13 (California Water District Law, Water Code §§ 34000 – 38501) of the California Water Code provides for the formation of the Paso Robles Basin Water District (Water District) in conformance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §§ 56000 et seq.) (Cortese-Knox-Hertzberg Act) with limited exception (Water Code § 37905); and

WHEREAS, on April 21, 2015, pursuant to Water Code Section 37905, the Board of Supervisors, acting as the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, approved a resolution making application to the San Luis Obispo County Local Agency Formation Commission (LAFCO) for the formation of the Water District; and

WHEREAS, on August 20, 2015 and September 17, 2015, LAFCO conducted public hearings on the formation of the Water District; and

WHEREAS, on September 17, 2015, LAFCO approved a resolution making determinations and approving the formation of the Water District (LAFCO Resolution), attached hereto as Attachment 1, subject to certain enumerated conditions, including, but not limited to, the following:

Condition of Approval No. 3: That the formation of the Paso Robles Water Basin District [sic] shall be contingent upon a successful vote on the formation pursuant to Water Code Section 37905, and approval of a Proposition 218 proposal capable of funding the activities of the District. This action shall also establish an appropriations limit in the amount of \$950,609.

Condition of Approval No. 8: That the Board of Supervisors of the County or the Flood Control District, as applicable, call for the formation vote and Board of Director elections, conduct the Proposition 218 proceedings and set the appropriations limit as soon as feasibly possible and consistent with Government Code Section 57000.

WHEREAS, Exhibit A to the LAFCO Resolution describes the boundaries of the Water District, as established by LAFCO in accordance with Water Code Section 37900; and

WHEREAS, the protest provisions of the Cortese-Knox Hertzberg Act that pertain to the formation of a district do not apply to the formation of the Water District (Water Code §37905(d)); and

WHEREAS, on October 2, 2015, the San Luis Obispo County (County) Board of Supervisors (Board of Supervisors) and the County Elections Official (Elections Official) received notification in accordance with Government Code Section 57000, subdivision (d), that LAFCO made a determination requiring that an election be conducted and requesting that the Board of Supervisors direct the Elections Official to conduct the necessary election; and

WHEREAS, Government Code Section 57000, subdivision (e)(1), requires the Board of Supervisors to do all of the following: call, provide for, and give notice of a special election or elections; fix a date of election and direct the elections official to designate precincts and polling places and to take any other action necessary to call, provide for, and give notice of the special election or elections and to provide for the conduct and canvass of returns of the election, as determined by LAFCO; and

WHEREAS, one of the elections that must be conducted is an election by landowners, as defined in Water Code Sections 37905 and 37913, on the question of whether the order adopted by LAFCO ordering the formation of the Water District shall be approved and on the question of who shall fill the six (6) board of director seats to be voted on by landowners if the Water District is formed (Landowner Election); and

WHEREAS, a second election that must be conducted is an election by registered voters within the Water District on the question of who shall fill the three (3) board of director seats to be voted on by registered voters (Registered Voter Election); and

WHEREAS, pursuant to Government Code Sections 57126 and 57132, the Landowner Election and the Registered Voter Election may be conducted wholly by mailed ballot on the next established election date set forth in Elections Code Section 1500; and

WHEREAS, both the principal act of the Water District (the California Water District Law, including AB 2453) and the Cortese-Knox Hertzberg Act contain provisions applicable to the conduct of the Landowner Election and the Registered Voter Election (Water Code §§ 34400 – 34502, 37905, 37910 – 37913; Government Code §§ 57125 – 57179); and

WHEREAS, pursuant to Government Code Section 56100, subdivision (b), proceedings for the formation of the Water District shall be conducted as authorized in the California Water District Law (including AB 2453) except that the procedural requirements of the Cortese-Knox Hertzberg Act shall apply and prevail in the event of a conflict with the procedural requirements of the California Water District Law; and

WHEREAS, with respect to the Landowner Election, Water Code Section 37905, subdivision (c), identifies the relevant voters for the election on the question of whether the order adopted

by LAFCO ordering the formation of the Water District shall be approved and provides in pertinent part:

For the purposes of [...] a vote on the matter to form the district, the following applies:

- (1) Each voter, who shall be a landowner as defined in this section, may cast [...] one vote on the matter of an election to form the district. Ownership of multiple parcels of land, in full or in part, shall not entitle any voter to more than one vote.*
- (2) For land held jointly, owners collectively get one vote. Nothing in this section should be construed to indicate that multiple owners of a property get more than one vote.*

WHEREAS, with respect to the Landowner Election, Water Code Section 37911, subdivision (b), identifies the relevant voters for the election on the question of who shall fill the six (6) board of director seats open to persons holding title to land within the Water District and persons authorized to vote in elections by landowners, if the Water District is formed and provides in pertinent part:¹

Six of the [nine total] directors shall be qualified for office by being persons who hold title to land within the district or persons authorized to vote in elections by landowners, as provided in Section 37913. Each director shall be elected by landowners as provided in by Article 1 (commencing with Section 35003) of Chapter 1 of Part 4, except that each voter shall be entitled to cast one vote for each acre owned by the voter within the district. If the voter owns less than one acre, the voter shall be entitled to one vote and any fraction shall be rounded to the nearest full acre.

WHEREAS, Water Code Section 37911, subdivision (b), further divides landowners into the following categories: "large landowners" (holders of title owning a total of four hundred (400) acres or more), "medium landowners" (holders of title owning a total of forty (40) acres or more but less than four hundred (400) acres and "small landowners" (holders of title owning a total of less than forty (40) acres) and provides that each category shall elect two (2) directors; and

WHEREAS, with respect to the Registered Voter Election, Water Code Section 37911, subdivision (c), identifies registered voters within the Water District as the voters who shall vote on the question of who shall fill the three (3) board of director seats open to registered voters residing within the Water District; and

WHEREAS, pursuant to Water Code Section 37912, subdivision (a), separate ballots shall be prepared and separate elections shall be conducted for those director positions which will be elected by resident voters and for those which will be elected by landowner voters.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of San Luis Obispo does declare, determine and order as follows:

SECTION 1. Call for Landowner Election. The Board of Supervisors hereby orders a special election and submits to the relevant voters of the Water District, as defined in Water Code Sections 37905 and 37911, subdivision (b), the question of whether the order adopted by

¹ Water Code Section 37911, subdivision (d)(1), additionally requires that all directors qualified under Water Code Section 37911, subdivision (b), "reside within the district, within two miles of the district boundary, or within the boundaries of the City of Paso Robles, the Atascadero Mutual Water Company, the Templeton Community Services District, the San Miguel Community Services District, or the San Luis Obispo County Service Area 16."

LAFCO ordering the formation of the Water District shall be approved and on the question of who shall fill the six (6) board of director seats open to persons holding title to land within the Water District and to persons authorized to vote in elections by landowners, as provided in Water Code Section 37913, subject to certain residency requirements, if the Water District is formed, as set forth more fully in the ballot questions approved under Section 4.

SECTION 2. Call for Registered Voter Election. The Board of Supervisors hereby orders a special election and submits to the relevant voters of the Water District, as defined in Water Code Section 37911, subdivision (c), the question of who shall fill the three (3) board of director seats open to registered voters residing within the Water District, if the Water District is formed, as set forth more fully in the ballot question approved under Section 5.

SECTION 3. Date of Elections. The date of the Landowner Election and the Registered Voter Election shall be March 8, 2016, and the elections shall be conducted wholly by mailed ballot.

SECTION 4. Purpose of the Landowner Election; Ballot Questions. The purpose of the Landowner Election shall be for the qualified voters within the proposed Water District to vote on the following questions:

QUESTION 1:

Shall the order adopted on September 17, 2015, by the Local Agency Formation Commission of San Luis Obispo County ordering the formation of a district in the territory described, known as the Paso Robles Basin Water District, be approved subject to the terms and conditions specified in the order, including approval of a Proposition 218 proposal to fund the district?

QUESTION 2:

If the Paso Robles Basin Water District is formed, who shall serve on the board of directors of the Paso Robles Basin Water District?

SECTION 5. Purpose of the Registered Voter Election; Ballot Question. The purpose of the Registered Voter Election shall be for the qualified voters within the proposed Water District to vote on the following question:

If the Paso Robles Basin Water District is formed, who shall serve on the board of directors of the Paso Robles Basin Water District?

SECTION 6. Authority for Elections. The authority for ordering the elections is Government Code Section 57000. The authority for the specification of this elections order is contained in Water Code Sections 34400 through 34502, 37905, 37910 through 37913 and Government Code Sections 57125 through 57179.

SECTION 7. Form of Ballots. The ballots to be used at the elections shall be in the form and content as required by law.

SECTION 8. Procurement of Necessary Materials. The Elections Official is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the elections.

SECTION 9. Polls. The polls for the elections shall be open at seven o'clock a.m. of the day of the elections and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed. The County Clerk-Recorder's offices, located at 1055 Monterey Street, Suite D120, San Luis Obispo, and 6565 Capistrano Avenue (2nd Floor Atascadero Library), Atascadero, will be used as the "polls" for these all mailed ballot elections.

SECTION 10. Delivery of this Resolution. The Elections Official is hereby directed to send a copy of this Resolution to LAFCO within five (5) days of adoption of this Resolution.

SECTION 11. Notice of the time and place of holding the elections is given and the County Elections Official is further directed to publish, post and mail the Notice of Elections, a form of which is set forth on Attachment 2 hereto, in accordance with Government Code Section 57130 and Water Code Section 34402.

SECTION 12. In all particulars not recited in this Resolution, the elections shall be held and conducted as provided by law for holding elections relating to the formation of the Water District and the election of the first set of directors of the Water District.

SECTION 13. Effective Date. This Resolution shall take effect on and after its adoption.

**ATTACHMENT 1
IN THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

RESOLUTION NO. 2015-05

**RESOLUTION MAKING DETERMINATIONS AND APPROVING THE
FORMATION OF THE PASO ROBLES BASIN WATER DISTRICT, SPHERE OF
INFLUENCE, AND ENVIRONMENTAL DETERMINATION**

The following resolution is now offered:

WHEREAS, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) and AB 2453 for consideration of a proposal for the formation of the Paso Robles Basin Water District as shown in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, a Resolution of Application for the formation of the Paso Robles Basin Water District, a Water District as defined in the California Water Code, Section 34000 et seq., as amended by AB 2453 has been filed with the Executive Officer of the Local Agency Formation Commission of San Luis Obispo County, California, Exhibit A by the San Luis Obispo County Board of Supervisors, and said application complied with all the requirements of law and the Commission; and

WHEREAS, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

WHEREAS, the matter was set and noticed for public hearing at 5:30 p.m. on August 20, 2015 at the Paso Robles Event Center and at 9:00 a.m. on September 17, 2015 in the County of San Luis Obispo Board of Supervisors Chambers; and

WHEREAS, this Commission has considered the application materials, studies and other documentation at the August 20, 2015 and September 17, 2015 public hearings which are incorporated by reference herein and the Transition Plan found in Exhibit B; and

WHEREAS, on August 20, 2015 and September 17, 2015 this Commission heard and received, all oral and written protests, objections and evidence, which were made, presented or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter concerning this proposal; and

WHEREAS the Commission hereby finds that the formation of Water District will not have a significant effect on the environment, and is Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under Class 7, 8, & 20 and Section 15320, "Changes in Organization of Local Agencies" and General Rule Exemption authorized by 14 California Code Regulations Section 15061, subdivision (b)(3).; and

WHEREAS, the conducting authority process does not apply pursuant to the 37905(d) of the Water Code because an election by the landowners considering formation shall be completed in accordance with AB 2453.

WHEREAS, the Commission duly considered the proposal and finds that the formation should be approved with the following conditions:

1. That the Board of Directors of the Paso Robles Water Basin District (District) be composed of nine members qualified and elected as provided for in Section 37911 of the California Water District Law (California Water Code Section 34000 et seq.); and
2. That pursuant to the application the District is authorized to exercise all powers and authorities set forth in the California Water District Law subject to the following restrictions:
 - a. The District shall not have the authority to adopt emergency ordinances unless the California Water District Code is amended by the state legislature and signed by the Governor to require an affirmative vote of at least seven members of the Board of Directors to adopt such an ordinance.
 - b. The District must obtain consent from the County of San Luis Obispo (County), the San Luis Obispo County Flood Control and Water Conservation District (Flood Control District) or other relevant agency to conduct activities that have been normally or historically undertaken by the County, the Flood Control District or other agency as required by Water Code Section 37903.
 - c. The District's powers to export, transfer, or move groundwater underlying the District outside of the District's approved boundary shall not be active and are subject to condition number six of this approval. For purposes of this condition and condition number six, "groundwater" shall have the meaning set forth in Water Code Section 37900, subdivision (a)(12).
3. That formation of the Paso Robles Basin Water District shall be contingent upon a successful vote on the formation pursuant to Water Code Section 37905, and approval of a Proposition 218 proposal capable of funding the activities of the District. This action shall also establish an appropriations limit in the amount of \$950,609; and

4. That future projects proposed by the Paso Robles Basin Water District shall be analyzed and evaluated in accordance with any and all applicable laws (e.g. Government Code Section 34000 et al, CEQA, and others).
5. That the effective date of the Paso Robles Basin Water District will be determined by the certification of the election results by the Board of Supervisors and the filing of the certificate of completion by the LAFCO Executive Officer with the County Clerk-Recorder's office.
6. If formed the District shall be prohibited from exporting, transferring, or moving groundwater underlying the District (including groundwater pumped into an above- ground storage facility) to areas outside of the District's boundaries.
7. The applicant must provide a map and legal description to the Board of Equalization (BOE) specifications for the LAFCO-approved boundary of the Paso Robles Basin Water District prior to the recording of the Certificate of Completion.
8. That the Board of Supervisors of the County or the Flood Control District, as applicable, shall call for the formation vote and Board of Director elections, conduct the Proposition 218 proceeding and set the appropriations limit as soon as feasibly possible and consistent with Government Code Section 57000.

NOW, THEREFORE, the San Luis Obispo County Local Agency Formation Commission determines the following:

1. The territory comprises approximately 390,000 acres or 609 square miles and is found to be inhabited (having more than twelve registered voters) as defined in §56046 of the Government Code.
2. The formation of the District is assigned the following distinctive short-form designation:
Paso Robles Basin Water District
3. Based on the evidence, analysis, and conclusions set forth in this resolution and the Executive Officer's report, the Commission finds that the formation of this District serves to further the purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 including, but not limited to, the following: efficiently providing government services and facilitating the orderly formation and development of local agencies based upon local conditions and circumstances.
4. The Commission determines, based upon the services currently provided to the affected territory, that the Paso Robles Basin Water District can feasibly provide the needed services in a more efficient and accountable manner than the County of San Luis Obispo.
5. The Commission adopts the determinations regarding consistency with LAFCO law and Commission Policies contained in the staff report for this proposal and incorporates them by reference herein.
6. The affected territory within which the special election shall be held includes the entire area within the boundaries of the proposed District, as described by Exhibit A attached hereto.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.
2. That the Categorical Exemption prepared for this project is hereby approved as complete and adequate and as having been prepared in accordance with the provisions of the California Environmental Quality Act.
3. The Executive Officer, on behalf of the Commission and in compliance with this resolution and State law, hereby requests that the San Luis Obispo County Board of Supervisors direct the County Elections Official to conduct the necessary election, setting the matter for consideration of the voters of the affected territory on a date consistent election law and the Cortese-Knox-Hertzberg Act. The Executive Officer is directed to coordinate with the County Clerk to formulate the election questions consistent with the Commission's determinations set forth herein.
4. That the Executive Officer of this Commission is authorized and directed to mail copies of this resolution in the manner provided by law.
5. That Formation of the Paso Robles Basin Water District is hereby conditionally approved.
6. Pursuant to §57144 and §56898 of the Government Code, the Executive Officer will prepare for the Commission's review an Impartial Analysis of the proposed District formation; after the Commission has approved or modified the Impartial Analysis, it shall direct the Executive Officer to submit it to the elections official no later than the last day for submission of ballot arguments.
7. The regular County assessment roll will be used.
8. No existing bonded indebtedness shall be affected by this change of organization.

Map & Legal Description of the Paso Robles Basin Water District: A map and legal description of the boundaries of the proposed water district can be found at www.pasobasin.org for reference.

IMPARTIAL ANALYSIS OF MEASURE B-16
FORMATION OF THE PASO ROBLES BASIN WATER DISTRICT

The proposed Paso Robles Basin Water District (District) is approximately 350,000 acres. The District lies east of the Cities of Paso Robles and Atascadero, and the community of Templeton. To the north the District boundary is the Monterey-San Luis Obispo County line. The District's service area boundary includes the unincorporated properties in San Luis Obispo County that overlie the Paso Robles sub-basin as defined by the Fugro Basin Study. The Atascadero sub-basin, as identified in the Fugro Study, is excluded from the District's boundary.

The purpose of the District is to provide for the management of the Paso Robles Groundwater Basin. The responsibilities of the District would include compliance with the Sustainable Groundwater Management Act (SGMA) within its boundaries. SGMA requires the preparation of a Groundwater Sustainability Plan (GSP) for basins identified by the Department of Water Resources (DWR) as medium and high-priority basins. DWR has identified the Paso Robles Basin as a high-priority basin. If the District is not formed, the County or the State would be responsible for SGMA compliance. The estimated annual budget for the District is \$950,000. Future projects and funding would be subject to the District's approval and other state laws such as CEQA and Proposition 218.

The formation process and powers of the proposed District are described in Assembly Bill 2453, which became law on January 1, 2015. On April 21, 2015, the County Board of Supervisors approved a resolution of application, which was submitted to LAFCO, and on November 10, 2015, directed that the measure calling for the District's formation be placed on the ballot. For the District to be formed, the following must occur: 1) a majority of the landowner-voters who submit ballots, as defined in AB 2453, must approve the formation, and 2) the special tax to fund SGMA compliance within the District boundaries must be approved by two-thirds of the registered voters who cast votes. The District's nine-member Board of Directors would be elected by landowners and registered voters within the District. Three of the board members would be registered voters elected by registered voters from within the proposed District. The six other board members would be local landowners and would be elected from the following acreage categories: small (less than 40 acres), medium (40 to less than 400 acres) and large (more than 400 acres).

A "yes" vote on this measure is a vote to form the Paso Robles Basin Water District. A "no" vote on this measure is a vote against forming the Paso Robles Basin Water District. A majority of the "yes" votes cast by the landowner-voters is needed to approve the formation. If a majority of "no" votes are cast, the District would not be formed. Also, if the funding vote does not pass the District would not be formed.

The above statement is an impartial analysis of Measure B-16. If you desire a copy of the measure, please call the County Elections Office at 805-781-5228 and a copy will be mailed at no cost to you.

By /David A. Church, Executive Officer
San Luis Obispo LAFCO

ARGUMENT IN FAVOR OF MEASURE B-16

A new State law (SGMA) requires that the Paso Robles Groundwater Basin be managed to bring the basin into balance (water recharged into the basin balanced with water pumped out of the basin) and to protect the long term stability of the basin.

We have three management choices that comply with the new state law: the State of California taking control of Our water, the County Board of Supervisors continuing to manage Our water for us, or creating a local Water District managed by local residents and landowners.

The Water District is the only option that guarantees that we control and have a say in how our water is managed. It keeps the State and the County from taking control of our wells and is the most cost-effective way to comply with the new State law.

A Yes vote on Measure B is a vote to create an independent, locally controlled and managed public Water District governed by a nine-member locally elected board. The Water District's structure guarantees a fair balance and representation for rural voters, ranchers, farmers and vineyard owners. The nine-member board will be made up of people who live here locally and who have skin in the game. No group or individual can control the board.

Voting to create and fund the Water District will ensure that the State does not take control of Our water. The State has said it would impose a tax on property owners that is significantly more than local management would cost, without our consent and without any local control.

We need to do what's right for our community and ensure the people who live here are the ones making decisions about Our groundwater.

Vote Yes on Measures A&B for Our Water, Our Community & Our District.

s/ Dee Lacey

s/ Stephen Sinton

s/ Paul E. Clark

s/ Jim Irving

s/ William C. Cunha

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE B-16

Measure B does not give residents local control! California's Sustainable Groundwater Management Act (SGMA) requires the ENTIRE basin be managed. To accomplish this, a Joint Powers Agreement (JPA) must be formed between Monterey, San Luis Obispo counties, the City of Paso Robles and several additional agencies. This new water district would have ONE seat on that several member JPA and any member could stop the water district if they disagree with any of the district's actions.

The State will not impose a tax on the district! California has no authority to unilaterally impose a special local tax. California Constitution Subdivision (d) Section 1 Article XIII C requires all special taxes be approved by a 2/3 vote.

The State will not step in to manage the district! The SLO County Flood Control District already aggressively manages our basin. Section 10724 of SGMA grants the County full authority to continue to manage the basin. In fact, SGMA "presumes" that counties will expressly act as the Groundwater Sustainability Agency for any unmanaged areas in the county.

Measure B is not fair! District residents will be taxed almost \$1 million per year. City residents, urban developers and municipal appropriators over the same basin, extracting the same groundwater, will not be charged this tax.

If you vote for measure B-16, the new water district will have the authority to put a meter on your well, tax you for your own water and enter your property unannounced for regulatory purposes.

Vote NO on Measure B.

s/ Cody Ferguson

Principal Officer, Paso Robles Water Integrity Network

ARGUMENT AGAINST MEASURE B-16

Don't be fooled by false promises of local control! If you vote for Measure B-16 all you will get is more taxes, more government bureaucracy, more regulation, and you will lose control of your well.

Forming a Paso Robles Basin Water District will not give local control over the basin to the citizens. Because the proposed district does not cover the entire basin, it does not have the authority to satisfy the Sustainable Groundwater Management Act (SGMA) requirement to be the Groundwater Sustainability Agency for the basin. A Joint Powers Agreement (JPA) must be still formed with the counties of Monterey and SLO, and the cities like Paso Robles. The new district would have only one seat on the JPA, but would cost taxpayers almost \$1 million per year! If you vote for this measure **YOU WILL BE UNNECESSARILY TAXED, HAVE YOUR WATER RIGHTS RESTRICTED, AND GET NOTHING IN RETURN.**

The proposed district would have the authority to put a meter on your well, charge you for every drop of water you pump, and enter your property for regulatory purposes.

In addition, the County will give up none of its regulatory powers, but will shift millions of dollars of its bureaucratic overhead costs onto the residents of the district. The water district is not needed. The County Flood Control District already has the authority to manage the Paso Robles Groundwater Basin, along with the other 21 groundwater basins in the County, and at less cost.

The proposed water district is a poster child for what is wrong with out-of-control government spending and interference. Vote NO new taxes! NO new regulation and NO water district!

VOTE NO ON MEASURE B-16!

s/ Cody Ferguson
Principal Officer, Paso Robles Water Integrity Network

REBUTTAL TO ARGUMENT AGAINST MEASURE B-16

Opponents of Measure B are attempting to scare us with dire predictions. They neglect to tell you that the Water District has **NO MORE ABILITY** to take control of your well, restrict your water rights, meter your well, or charge you for extractions **THAN THE COUNTY OR THE STATE WOULD.**

Opponents falsely say the County can manage the Basin for less. Though the projected budget is the same for either the County or the Water District; we believe that nine local resident board members can run a Water District and manage our basin more efficiently and at a **LOWER** cost than the County or the State.

A new state law called SGMA requires us to manage our Basin. If we don't do it locally, the State will. Opponents would like you to believe there is a free option. The State and the County Board of Supervisors have made it clear that there is **NO** free option.

Join us in voting Yes on Measure B, Yes for local control, and Yes for local accountability. Let's keep control and money in **OUR** hands and **OUT OF THE HANDS** of the County or the State.

Don't let the County or the State make the decisions about **OUR** water.

Vote Yes to keep the people making the decisions the **PEOPLE WHO LIVE HERE, PEOPLE YOU KNOW, and PEOPLE YOU HAVE VOTED FOR.**

KEEP IT LOCAL.

Join us and **VOTE YES ON MEASURE B!**

www.YESonAandB.com

s/ Bill Spencer
s/ Paul E. Clark
s/ Bill Stansbury

s/ Jim Irving
s/ Dee Lacey

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OPTIONS FOR RETURNING YOUR BALLOT

You must return your ballot to the County Elections Official no later than 8 p.m. on Election Day, as provided below.

1) You may drop your ballot off in person at the following locations:

- San Luis Obispo – 1055 Monterey Street, Suite D-120, 8 a.m. to 5 p.m., Monday through Friday and on Election Day between 7:00am and 8:00pm.
- Atascadero – 6565 Capistrano Avenue, 2nd Floor, 7:30 a.m. to 4 p.m., Monday through Friday and on Election Day between 7:00am and 8:00pm.

2) You may return your ballot by mail, subject to the following:

- Your ballot should be mailed in time to be received by the County Elections Official by 8:00 p.m. on Election Day.

Note: New regulations allow election officials to accept Vote-By-Mail ballots that are postmarked on or before Election Day and received by mail no later than three days after Election Day.

REASONS WHY YOUR BALLOT MAY NOT BE COUNTED

1. The ballot arrives after the deadline.
2. The voter did not sign the envelope.
3. Someone who is not authorized to vote in the election signed the envelope.
4. Ballot returned without the I.D. Return Envelope.

ASSISTANCE FOR THE VISUALLY IMPAIRED VOTER: For the visually impaired, audio tapes of the Ballot Measures are available from the Elections Division of the County Clerk-Recorder's Office at 781-5228.

AUTOMARK: The AutoMARK ballot marking device will only be available for use at the Clerk-Recorder's Offices, beginning February 8 (8:00 am to 5:00 p.m.) through Election Day, March 8, 2016 (7:00 a.m.-8:00 p.m.). The marking device is designed to assist voters with disabilities, such as vision or dexterity impairments, in marking their ballots. For more information contact the Elections Division of the County Clerk-Recorder's Office at 781-5228.