

**LOS OSOS GROUNDWATER BASIN MANAGEMENT COMMITTEE**

**RULES AND REGULATIONS**

## 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<sub>x</sub>.** “Sustainable Yield<sub>x</sub>” 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 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 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 Judgement;
  - 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, as required by the Ralph M. Brown Act, California Government Code sections 54950 et seq. 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 those non-parties who have requested notice in writing 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 Chair may extend or decrease this time limit at his or her discretion.
- 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 by 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

Regulations, 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 Judgement, 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 in 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<sub>x</sub> for the upcoming year at its first meeting following December 1 of each Year. Any change to the Sustainable Yield<sub>x</sub> shall require unanimous consent of the Members. The Sustainable Yield<sub>x</sub> shall be established using the process set forth in Section 4 of the Stipulated Judgement. The Sustainable Yield<sub>x</sub> shall be reported in the annual report for the applicable year.
- 13.2 Allocation of Sustainable Yield<sub>x</sub> Among Pools.** Upon amending the Sustainable Yield<sub>x</sub>, the Basin Management Committee shall re-allocate the Sustainable Yield<sub>x</sub> 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.