

Paso Basin Cooperative Committee

John Hamon, Member, City of Paso Robles
Reginald Cousineau, Member, Heritage Ranch CSD
Joe Parent, Member, San Miguel CSD
John Peschong, Member, County of San Luis Obispo
Willy Cunha, Member, Shandon-San Juan WD

Steve Martin, Alternate, City of Paso Robles
Scott Duffield, Alternate, Heritage Ranch CSD
Kelly Dodds, Alternate, San Miguel CSD
Debbie Arnold, Alternate, County of San Luis Obispo
Matt Turrentine, Alternate, Shandon-San Juan WD

Agenda

February 14, 2017

Agenda for a meeting of the Paso Robles Groundwater Basin Cooperative Committee to be held on February 14, 2017 at 4:00 PM, at the Hampton Inn & Suites (212 Alexa Ct., Paso Robles, CA 93446)

- 1. Call to order**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Public Comment – Items not on Agenda**
- 5. Approval of Meeting Minutes**
 - a. December 6, 2017 (Second Special Meeting)
- 6. Consider Adopting Proposed Paso Basin Cooperative Committee Conflict of Interest Code**
(County of San Luis Obispo) Angela Ruberto
- 7. Update on Coordination with Salinas Valley Basin Groundwater Sustainability Agency** (City of Paso Robles) Dick McKinley
- 8. Consider recommended GSP Consultant and related contract consistent with MOA Section 6.3**
(City of Paso Robles) Dick McKinley
- 9. Department of Water Resources Grant Funding Award Update** (City of Paso Robles) Dick McKinley
- 10. Consider Approval of Recommended FY 2017-2018 Annual Budget, for Consideration and Approval by Each of the Parties consistent with MOA Section 5.2** (City of Paso Robles) Dick McKinley
- 11. Future Items**
 - a. Overview of recent and upcoming studies available to support GSP development
 - b. Development of a stakeholder participation plan
- 12. Adjourn**

Paso Basin Cooperative Committee

Minutes (DRAFT)

December 6, 2017

The following members or alternates were present:

John Hamon, Member, City of Paso Robles

John Peschong, Member, County of San Luis Obispo

Willy Cunha, Member, Shandon-San Juan WD

Reginald Cousineau, Member, Heritage Ranch CSD

Joe Parent, Member, San Miguel CSD

- 1. Call to order and determination of quorum:** meeting called to order at 4:30 p.m. by Chair Hamon, quorum established.
- 2. Public Comment – Items not on the Agenda:** Jerry Reaugh provided brief update on formation status of the Estrella-El Pomar-Creston water district.
- 3. Approval of Meeting Minutes:** Upon motion by Member Peschong and second by Member Cunha, the October 18, 2017 meeting minutes and the October 25, 2017 meeting minutes are approved (5-0-0).
- 4. Approach to Consultant Selection Process for Groundwater Sustainability Plan (GSP)**
Preparation: Dick McKinley walks the Cooperative Committee through proposed approach to Consultant Selection Process for GSP preparation whereby staff reviews/rates proposals and selects finalists for interviews/presentations. After staff conducts interviews and selects a consultant to recommend to the Cooperative Committee, a draft budget and financial timeline will be prepared and brought before the Committee who, in turn, aims to reach consensus on a recommendation to the Paso Robles City Council for contract award. Upon motion by Member Cunha and second by Member Peschong, the process proposed for consultant selection was approved (5-0-0). Upon motion by Member Peschong and second by Member Parent, staff's recommendation that the reviewing staff be limited to the GSAs currently represented on the Cooperative Committee was approved (5-0-0).
- 5. Recommendation regarding Agency Websites and Notices of Intent to collectively develop a Groundwater Sustainability plan.** Angela Ruberto reviews requirement from DWR's Final Groundwater Sustainability Plan Emergency Regulations that each GSA provide the Department with a Notice of Intent to initiate collective development of a Groundwater Sustainability Plan and to host a website on which to post pertinent information and opportunities for stakeholder and public engagement/involvement. The Cooperative Committee discussed the requirement of each GSA and suggested having an additional dedicated website for the Cooperative Committee to streamline access to GSP materials through the development and implementation phases.
- 6. Designate Point(s) of Contact to Coordinate with Salinas Valley Basin GSA (SVBGSA) and DWR, and Provide Updates to and Seek Input from Committee:** Blaine Reely discusses the number of parties necessary to coordinate with and suggests appointing Dick McKinley as the primary "point-of-

contact” between the (5) SLO County GSAs and the Salinas Valley Basin GSA. Gary Peterson, General Manager for the Salinas Valley Basin GSA and Ben Gooding, DWR assigned point-of-contact for the Paso Basin, are both in attendance and introduced to the Cooperative Committee and attending public. Staff discusses past, current and anticipated coordination with the Salinas Valley Basin GSA partner in the Paso Basin in Monterey County and the neighboring Atascadero Subbasin.

7. **Consider developing draft interagency agreement with SVBGSA:** Willy Cunha overviews the requirement for formal/legal coordination with the Salinas Valley Basin GSA as a partner in the Paso Robles Groundwater Basin. The Cooperative Committee requests that staff bring back draft language for interagency agreement.
8. **Establish Next Meeting Date, Time, and location:** the next meeting will be Wednesday, February 14th at 4:00 pm. The location is (tentatively) in the City’s EOC.
9. **Request for Future Items:** the next meeting, pending outcome(s) of proposal review by staff and DWR’s grant status, will focus on: 1) consultant selection, 2) Cooperative Committee’s draft budget, 3) DWR’s Grant status/award and 4) Estrella-El Pomar-Creston Water District’s GSA formation Status.
10. **Adjourn:** Member Peschong moved to adjourn the meeting with Member Cunha seconding the motion (5-0-0).

PASO BASIN COOPERATIVE COMMITTEE
February 14, 2018

Agenda Item 6 – Fair Political Practices Commission Requirements
(Action Item)

Subject

Fair Political Practices Commission (FPPC) Conflict of Interest Code requirements.

Recommendation

It is recommended that the Paso Basin Cooperative Committee Adopt the Resolution of the Paso Basin Cooperative Committee Adopting a Conflict of Interest Code and request that the County of San Luis Obispo Office of the Clerk-Recorder be designated as the Committee's *filing official*.

Prepared By

Angela Ruberto, County of San Luis Obispo

Discussion

On December 13, 2017 the County of San Luis Obispo Office of the Clerk-Recorder provided an informational letter to each of the Groundwater Sustainability Agencies (GSA) summarizing the Fair Political Practices Commission's (FPPC) requirement that certain entities adopt a conflict of interest code pursuant to the California Political Reform Act (Gov. Code, 81000 et seq; hereafter "the Act").

While each GSA is required to adopt a conflict of interest code, it is also recommended that the Cooperative Committee adopt a resolution adopting a conflict of interest code. The Conflict of Interest Code for the Paso Basin Cooperative Committee is attached for consideration and, once approved, will be submitted to the County Board of Supervisors ("code reviewing body") by March 19, 2018 pursuant to Government Code §87303 by the Paso Basin Cooperative Committee GSA Coordinator.

Fiscal Impact:

None

Attachments:

1. Resolution of the Paso Basin Cooperative Committee Adopting a Conflict of Interest Code
2. Conflict of Interest Code for the Paso Basin Cooperative Committee
3. December 13, 2017 Informational Letter from the County of San Luis Obispo Office of the Clerk-Recorder regarding Adoption of Conflict of Interest Code

* * *

RESOLUTION NO. 2018-_____

**RESOLUTION OF THE PASO BASIN COOPERATIVE COMMITTEE
ADOPTING A CONFLICT OF INTEREST CODE**

WHEREAS, the Political Reform Act, Government Code section 81000 et seq., requires every state and local government agency to adopt and promulgate a conflict of interest code pursuant to Government Code section 87300; and

WHEREAS, the Fair Political Practices Commission (“FPPC”) has adopted a regulation (Cal. Code Regs., tit. 2, § 18730) that contains terms of a standard model conflict of interest code (hereafter “the model code”); and

WHEREAS, adoption of the model code by the Paso Basin Cooperative Committee will help ensure compliance by said Committee with the Political Reform Act.

NOW, THEREFORE, be it resolved and ordered by the Paso Basin Cooperative Committee that:

1. The Conflict of Interest Code for the Paso Basin Cooperative Committee is attached hereto as Exhibit A and incorporated herein by this reference (“Conflict of Interest Code”) is hereby adopted.
2. Those officials and employees designated in Appendix A of the Conflict of Interest Code, whether elected, appointed, or otherwise hired, shall file statements of economic interests with the County of San Luis Obispo Clerk-Recorder, upon assuming office, leaving office, and during each year in office disclosing those financial interests set forth in Appendix B of the Conflict of Interest Code.
3. The County of San Luis Obispo Engineer, or his/her designee, is hereby directed to act as the Conflict of Interest Code coordinator for purposes of coordinating implementation of the Conflict of Interest Code with the County of San Luis Obispo Clerk-Recorder and is hereby directed to submit for approval the Conflict of Interest Code to the County of San Luis Obispo in accordance with Government Code section 87303.

PASSED AND ADOPTED by the Paso Basin Cooperative Committee at a special meeting held on the 14th day of February 2018 by the following vote:

AYES, and all in favor, thereof, Members:

NOES, Members:

ABSENT, Members:

ABSTAIN, Members:

ATTEST: _____

John Hamon, Chair, Cooperative Committee

Exhibit A

CONFLICT OF INTEREST CODE OF THE PASO BASIN COOPERATIVE COMMITTEE

The Political Reform Act (Gov. Code, § 81000, et. seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes governing the political activities and financial disclosure requirements of certain of their officers and employees. The Fair Political Practices Commission (“FPPC”) has adopted a regulation (Cal. Code Regs., tit. 2, § 18730) that contains the terms of a standard conflict of interest code, which may be adopted by local agencies and its provisions incorporated by reference as the agency’s code. After public notice and hearing, the FPPC may amend section 18730 to conform to amendments in the Political Reform Act. Therefore, the terms of Title 2 of the California Code of Regulations, section 18730, and any amendments to it duly adopted by the FPPC are hereby adopted and incorporated herein by reference as the Conflict of Interest Code of the Paso Basin Cooperative Committee (“the Committee”), together with the attached appendices, designating positions (Appendix A) and establishing disclosure requirements (Appendix B). (The full text of Section 18730 is reproduced and included herewith.)

Individuals holding designated positions shall file their statements of economic interests with the County of San Luis Obispo Clerk-Recorder, who is hereby designated as the filing official for all statements of economic interest filed pursuant to this code. All statements will be retained by the County Clerk-Recorder in accordance with applicable law, and, upon request by any member of the public, such statements will be made available for public inspection and reproduction in accordance with Government Code Section 81008. Upon the Committee’s behalf, the County Clerk-Recorder will maintain the statements at the clerk’s office located at 1055 Monterey Street, Suite D120, San Luis Obispo, CA 93408.

California Code of Regulations, Title 2
§ 18730. Provisions of Conflict of Interest Codes.¹

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the [Appendix A] are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.¹

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her

¹ This version of Section 18730 of Title 2 of the California Code of Regulations is effective as of February 6, 2018, the date this was reproduced for purposes of its adoption as the Committee's Code. Any officer or employee who is designated in Appendix A, attached hereto, is advised to ensure that this reproduced version is the most current version of the FPPC's model code.

statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.²

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Service member's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property³ is required to be reported,⁴ the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,⁵ the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;

3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,⁶ the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

(D) This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$470.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$470 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed \$500 at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive

a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
 - a. The date the loan was made.
 - b. The date the last payment of \$100 or more was made on the loan.
 - c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$470 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

¹ Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

² See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

³ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

⁵ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

⁶ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

**CONFLICT OF INTEREST CODE FOR THE
PASO BASIN COOPERATIVE COMMITTEE**

APPENDIX A - Designated Position List

<u>Position</u>	<u>Disclosure</u>
<u>Category</u>	
Cooperative Committee Members	1,2
City of Paso Robles Director of Public Works	1,2
Heritage Ranch Community Services District, General Manager	1,2
San Miguel Community Services District, District Engineer	1,2
Shandon-San Juan Water District—Designated Employee to Committee	1,2
County of San Luis Obispo Engineer	1,2
Attorney	1,2
Consultants/New Positions	*

Note: The position of Attorney is filled by an outside consultant, but acts in staff capacity.

*Consultants/new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitations:

The Committee may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Committee's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov. Code Section 81008.)

APPENDIX B – Disclosure Categories

1. Investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources of the type that provide services, supplies, materials, machinery, or equipment of the type utilized by the Committee.
2. Interests in real property located within the jurisdiction of the Committee, or within two miles of the jurisdictional boundaries of the Committee, or within two miles of any land owned or used by the Committee.

Exhibit A

**This is the last page of the conflict of interest code for the
Paso Basin Cooperative Committee**

Once Paso Basin Cooperative Committee's Conflict of Interest Code is approved by the County Board of Supervisors, a copy of their approval will be included on this page.



**COUNTY OF SAN LUIS OBISPO
OFFICE OF THE CLERK-RECORDER**

Tommy Gong - County Clerk Recorder
Elaina Cano - Assistant County Clerk Recorder

December 13, 2017

To: Atascadero Basin Groundwater Sustainability Agency Executive Committee
San Luis Obispo Basin Sustainability Groundwater Commission
Paso Basin Cooperative Committee
[see attached address list]

Re: Adoption of Conflict of Interest Code

This office is writing to provide you with certain information related to your agency's duty to adopt a conflict of interest code pursuant to the California Political Reform Act (Gov. Code, § 81000 et seq; hereafter "the Act"). It has come to the attention of this office that your agency has not yet adopted a conflict of interest code. Therefore, in order to assist you, we are providing this informational letter summarizing your agency's duty with respect to the adoption of a code in accordance with the Act, and the rules promulgated by the Fair Political Practices Commission (FPPC).

Section 87300 of the California Government Code,¹ requires that every agency adopt a conflict of interest code governing: (1) which of the agency's officers and employees are required to disclose certain financial interests on the Statement of Economic Interest (Form 700) promulgated by the FPPC, and (2) what those financial interests are that must be disclosed. The Act permits the adoption of an agency's conflict of interest code at the most decentralized level, but also permits an agency to adopt a single, uniform code that may be made applicable to the agency's various departments or divisions. (§ 87301.) "Agency" is defined in the Act as "any state or local government agency," and "local government agency" is, in turn, defined as "a county, city, or district of any kind [...] or any other local or regional political subdivision, or any department, division, bureau, office, board, commission or other

¹ All statutory references are to the California Government Code unless otherwise noted.

agency of the foregoing.” (§ 87203; § 82041.) Therefore, local groundwater sustainability agencies and related committees or commissions appear to fall within the ambit of section 87300 and must adopt and promulgate a conflict of interest code, unless a particular agency qualifies for an exemption pursuant to California Code of Regulations, Title 2, section 18751. (A copy of this regulation is attached hereto.)²

A newly established agency must adopt a conflict of interest code and submit the code to “the code reviewing body” within six months of its creation. (§ 87303.) For all local agencies with jurisdiction within a county, except cities, the county board of supervisors is designated as the “code reviewing body.” (§ 82011.) Several years ago, the San Luis Obispo County Board of Supervisors designated the County Clerk-Recorder as “the local code administrator” charged with reviewing and submitting for the Board’s adoption each local agency’s conflict of interest code and any future amendments proposed by the agency.

An agency’s code should contain the following: (1) a list of the positions within the agency (other than those specified in § 87200), which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest; (2) for each enumerated position, the specific types of investments, business positions, interests in real property, and sources of income which are reportable³; (3) that information disclosed with respect to reportable investments, interests in real property, and income shall be the same as the information required by

²A determination of whether your agency may be exempt from the requirements to adopt a code should be made after consultation with your agency’s legal counsel. However, we have been advised by County Counsel that upon a preliminary examination of the applicable regulations governing a local agency’s duty to adopt a code and in light of your agency’s authority, your agency should adopt a conflict of interest code. In this regard, County Counsel has determined that both the local groundwater sustainability agencies and the Paso Basin Cooperative Committee possess one or more of the criteria set forth in Section 18700(c)(2) describing when a committee, board, commission, group or other body possesses decision-making authority. It is this authority that requires that a conflict of interest code be adopted.

³ “An investment, business position, interest in real property, or source of income shall be made reportable by the Conflict of Interest Code if the business entity in which the investment or business position is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of his or her position.” (§ 87302, subd.(a).)

sections 87206 and 87207; (4) a requirement that an initial statement be filed by each designated employee within 30 days after the effective date of the conflict of interest code disclosing investments, business positions, and interests in real property held on the effective date of the code and any income received during the 12 months before the effective date of the code; (5) for each newly designated employee, a requirement that the employee shall file a statement within 30 days after assuming office disclosing investments, business positions, and interests in real property held on, and any income received during the 12 months before the date of assuming office; (6) a requirement that each designated employee shall file an annual statement, at the time specified in the code, disclosing reportable interests held or received at any time during the previous calendar year or since the date the designated employee took office if during the calendar year; (7) a requirement that every designated employee who leaves office shall file, within 30 days of leaving office, a statement disclosing reportable interests held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office; and (8) specific provisions setting forth any circumstances under which designated employees or categories of designated employees must disqualify themselves from making, participating in the making, or using their official position to influence the making of any decision.⁴ (§ 87302.)

The FPPC, which is charged with enforcement of the Act, has promulgated a “model code” that agencies may adopt by reference. (See e.g., § 18730.) For your assistance, we have attached a copy of the model code. In addition, upon request, the FPPC will provide technical assistance to agencies in the preparation of a conflict of interest code. (§ 87312.) If your agency chooses to adopt the model code, the agency must attach a list of its designated positions and applicable disclosure categories,

⁴ Disqualification shall be required by an agency’s conflict of interest code when the designated employee has a financial interest as defined in Section 87103, which, with reasonable foreseeability, may be affected materially by the decision, except that no designated employee shall be required to disqualify himself or herself with respect to any matter that could not legally be acted upon or decided without his or her participation. (§ 87302, subd. (c).)

identifying the disclosures that must be made by each position. The model code along with the attached list of designated positions and disclosure categories must be submitted to the GSA or GSA advisory committee for its approval. The resolution or minutes of the GSA board or advisory committee establishing the adoption of the code or the adoption of the model code by reference, along with a copy of the code or statement that the board or committee has adopted the model code by reference (including the attached designated positions and disclosure categories), should then be submitted to the County Clerk-Recorder for approval by the Board of Supervisors. Again, the deadline to submit the code to the Board is no later than six months after the creation of the GSA or GSA advisory body.

To assist you in determining which officers and employees should be designated as Form 700 filers, we have set forth below certain principles and rules from the Political Reform Act and the California Code of Regulations (specifically, from the rules promulgated by the FPPC) regarding conflict of interest codes, which you should consider in determining which positions and disclosure categories should be designated and included in your code.

Government Code section 87302, subdivision (a) provides that a conflict-of-interest code shall contain "specific enumeration of the positions within the agency [that] involve the making or participation in the making of decisions which may foreseeably have a material financial effect on any financial interest." The term "public official" is defined, in part, in Government Code section 82048 as ". . . every member, officer, employee or consultant of a state or local government agency"

A public official "makes a governmental decision" when the official, acting within the authority of his or her office or position, votes on a matter, obligates or commits his or her agency to any course of action, or enters into any contractual agreement on behalf of his or her agency. (Cal. Code Regs., title 2, § 18702.1.) Any position with this authority should be designated in the agency's conflict-of-interest code. A public official "participates in a governmental decision" when, acting within the authority of his or her position, and without significant substantive or intervening review, negotiates,

advises, or makes recommendations to the decision-maker regarding the governmental decision. (Cal. Code Regs., title 2, § 18702.2.)⁵ If a superior officer relies on another individual's professional judgment, then that individual is participating in making a governmental decision. In other words, if the individual influences the final decision by supporting a position *or suggesting a course of action*, he or she *is participating in the decision even if he or she is not making the final decision*. **Thus, officers or employees who are in a position to influence or even "suggest" a course of action, without significant substantive review, should be designated in an agency's conflict-of-interest code.**

No conflict of interest code or amendment may be approved by the code reviewing body if it fails to: (1) provide reasonable assurance that all foreseeable potential conflict of interest situations will be disclosed or prevented; (2) provide to each affected person a clear and specific statement of his duties under the code; or (3) adequately differentiate between designated employees with different powers and responsibilities. (§ 87309.) Where "[t]he duties of a designated employee are so broad or indefinable that the requirements of section 87309 cannot be complied with . . ." the code must require that the designated employee comply with Government Code section 87200 et seq., which provides for the broadest of disclosure categories. (§ 87310.)

⁵ The full text of California Code of Regulation, Section 18702.2 reads as follows:

A public official "participates in making a governmental decision," except as provided in Title 2, California Code of Regulations, section 18702.4, when, acting within the authority of his or her position, the official:

(a) Negotiates, without significant substantive review, with a governmental entity or private person regarding a governmental decision referenced in Title 2, California Code of Regulations, section 18701(a)(2)(A); or

(b) Advises or makes recommendations to the decision maker either directly or without significant intervening substantive review, by:

(1) Conducting research or making any investigation which requires the exercise of judgment on the part of the official and the purpose of which is to influence a governmental decision referenced in Title 2, California Code of Regulations, section 18701(a)(2)(A); or

(2) Preparing or presenting any report, analysis, or opinion, orally, or in writing, which requires the exercise of judgment on the part of the official and the purpose of which is to influence a governmental decision referenced in Title 2, California Code of Regulations, section 18701(a)(2)(A).

Finally, please be aware that, regardless of your agency's adoption of a conflict of interest code, a member of a newly created GSA or GSA advisory board or commission, must file a Form 700 statement at the same time and in the same manner as those individuals required to file pursuant to section 87200, and shall then file the statement again pursuant to section 87302 once the agency adopts an approved conflict of interest code (e.g. within 30 days of the Board of Supervisor's approval of the agency's code).

If you have any questions or concerns, please contact our legal counsel, Ann Duggan, with the Office of County Counsel at (805) 781-5400.

Very truly yours,
TOMMY GONG
Clerk-Recorder
County of San Luis Obispo



By: Elaina Cano
Assistant County Clerk-Recorder

Address List

Atascadero Basin Groundwater Sustainability Agency Executive Committee

TO: Attn: Roberta Fonzi, Chairperson of the Atascadero Basin GSA Executive Committee

c/o City of Atascadero
6500 Palma Ave
Atascadero, CA 93422

Additional GSA contacts:

County of San Luis Obispo
976 Osos Street, Room 206
San Luis Obispo, CA 93408
Attention: John Diodati, Public Works Interim Director

Atascadero Mutual Water Company
5005 El Camino Real
Atascadero, CA 93422
Attention: John Neil
Email: JNeil@amwc.us

City of Atascadero
6500 Palma Avenue
Atascadero, CA 93422
Attention: Lara Christensen
Email: lchristensen@atascadero.org

Templeton Community Services District
420 Crocker Street
Templeton, CA 93465
Attention: Jeff Briltz

City of El Paso de Robles
1000 Spring Street
Paso Robles, CA 93451
Attention: Dick McKinley, Public Works Director
Email: DMcKinley@prcity.com

Santa Ysabel Water District
2495 Iron Stone Loop
Templeton, CA 90465
Attention: Terry Hays
Email: terry@vms-inc.com

Santa Margarita Ranch Mutual Water Company
750 Pismo Street
San Luis Obispo, CA 93401
Attention: Rob Rossi & Vickey Farley
Email: rob@rossi-ent.com; vickey@rossi-ent.com

Paso Basin Cooperative Committee

TO: Attn: John Hamon, Chairperson of the Paso Basin Cooperative Committee
c/o City of Paso Robles
1000 Spring Street
Paso Robles, CA 93446

Additional GSA contacts:

County of San Luis Obispo
976 Osos Street, Room 206
San Luis Obispo, CA 93408
Attention: John Diodati, Public Works Interim Director

City of El Paso de Robles
1000 Spring Street
Paso Robles, CA 93451
Attention: Dick McKinley, Public Works Director

San Miguel Community Services District
1150 Mission Street
San Miguel, CA 93451
Attention: Rob Roberson, Interim General Manager

Heritage Ranch Community Services District
4870 Heritage Road
Paso Robles, CA 93446
Attention: Scott Duffield, General Manager

Shandon San Juan Water District
365 Truesdale Road PO Box 150
Shandon, CA 93461
Attention: Willy Cunha, President, Board of Directors

San Luis Obispo Basin Sustainability Groundwater Commission:

TO: City of San Luis Obispo
Utilities Department
879 Morro Street
San Luis Obispo, CA 93401-2710
Attention: Carrie Mattingly, Utilities Director

County of San Luis Obispo
County Government Center, Room 206
San Luis Obispo, CA 93408
Attention: John Diodati, Public Works Interim Director

Additional GSA contacts:

Edna Valley Growers Mutual Water Company
4910 Edna Road
San Luis Obispo, CA 93401
Attention: Bob Schiebelhut, President

Varian Ranch Mutual Water Company
2060 Varian Circle
Arroyo Grande, CA 93420
Attention: James Lokey

Edna Ranch Mutual Water Company
5665 Edna Ranch Circle
San Luis Obispo, CA 93401
Attention: Dennis Fernandez

Golden State Water Company
2330 A Street, Suite A
Santa Maria, CA 93455
Attention: Mark Zimmer, Coastal District

PASO BASIN COOPERATIVE COMMITTEE
February 14, 2018

Agenda Item 8 – Consider recommended GSP Consultant

Subject

Consider recommended GSP Consultant and related contract consistent with MOA Section 6.3

Recommendation

It is recommended that the Paso Basin Cooperative Committee confirm the working group and staff recommendation to contract with HydroMetrics WRI and forward said confirmed recommendation to the City of Paso Robles for its award of the related contract, consistent with MOA Section 6.3, for Paso Robles Subbasin Groundwater Sustainability Plan (GSP) Development.

Prepared By

Dick McKinley, City of Paso Robles

Discussion

On October 18, 2017, the Paso Basin Cooperative Committee reviewed, amended as needed, and approved the publication of a Request for Proposals (RFP) for the GSP preparation. The City of Paso Robles published the RFP and received proposals from four consultants including Woodard & Curran, Inc. (formerly RMC Water & Environment), Luhdorff & Scalmanini, HydroMetrics WRI, and Aquilogic, Inc., by the December 4, 2017 submittal deadline. The Request for Proposals, as well as the consultant proposals received, are available at the City of Paso Robles' website: <http://www.prcity.com/government/rfp-rfq-bids.asp> or the County's Paso Basin SGMA page: <https://slocountywater.org/site/Water%20Resources/SGMA/paso/>.

A staff (of the GSAs) working group reviewed and evaluated proposals based on, but not limited to, responsiveness to the RFP, project approach, successful completion of similar projects, qualifications of personnel, and cost. Based on these criteria, the staff working group recommends HydroMetrics WRI as the recommended qualified consultant for the Paso Robles GSP Development.

During initial negotiations, in an effort to maintain impartiality between the consultant team and each of the GSAs, HydroMetrics WRI modified their team by exchanging one of its subconsultant engineering firms, Wallace Group, with an engineering firm equal in qualifications necessary to support the project scope, Carollo Engineers. The attached HydroMetrics WRI proposal reflects this change and contains the proposed GSP approach, consultant team and budget/schedule.

The staff working group recommends the Paso Basin Cooperative Committee consider the attached proposal, confirm the recommendation, and forward on to the City of Paso Robles, consistent with MOA Section 6.3

Fiscal Impact:

The recommended Fiscal Year 2017-2018 Annual Budget reflects the costs associated with the Paso Basin Cooperative Committee efforts to collectively develop a single GSP. Pending finalizing a contract with the selected GSP Consultant, this fiscal year budget is estimated at \$284,520 (through June 30, 2018), with total GSP development costs over three fiscal years currently estimated at \$1,384,515 (through Fiscal Year 2019-2020). The Paso Basin Cooperative Committee Annual Budget is intended to be cost shared among the MOA signatories (GSAs), which is anticipated to be largely reimbursed by the State Proposition 1 Sustainable Groundwater Planning Grant Program¹.

Attachments:

1. HydroMetrics WRI Proposal

* * *

¹Pending DWR's final grant funding awards in March 2018. Grant is reimbursement based, and can take up to six months after actual expenditures to receive reimbursement from DWR.

PROPOSAL (Revised)

Paso Robles Sub-basin Groundwater Sustainability Plan Development February 7, 2018



This page left intentionally blank

Mr. Dick McKinley, Public Works Director
City of Paso Robles – City Hall
1000 Spring Street
Paso Robles, CA 93446

February 7, 2018

Subject: HydroMetrics WRI Proposal for Developing the Paso Robles Sub-Basin
Groundwater Sustainability Plan

Mr. McKinley,

HydroMetrics Water Resources Inc. (HydroMetrics WRI) is pleased to present this proposal for developing the Paso Robles Sub-Basin Groundwater Sustainability Plan (GSP). HydroMetrics WRI is one of California's premier hydrogeology firms, specializing in providing basin-wide groundwater management since 2005. HydroMetrics WRI is incorporated in California as an S-Corporation, with the financial and human resources necessary to successfully serve its clients for over 12 years. We have complemented our talents with a team of highly motivated professionals with expertise tailored specifically for the needs of this project; including the Carollo Engineers, Montgomery & Associates (M&A), and GEI Consultants, among others.

Our team will, in close coordination and cooperation with staff of existing GSAs, develop a complete and compliant GSP that provides a path to sustainability while acknowledging important property rights and retaining the agricultural vitality of the Paso Robles Sub-Basin. Our focus is on developing a GSP that is flexible, fair to all stakeholders, and acknowledges data uncertainty. Our approach emphasizes leveraging existing data and models to develop a path to sustainability that can be verified and modified as new data become available.

We will work closely and cooperatively with the GSAs to develop a GSP that is:

Tailored to Local Concerns. The GSP will address local conditions and community concerns, acknowledge established property rights, and retain the agricultural vitality of the region.

Efficient & Compliant. We will maximize use of existing data, studies, and models to develop a GSP that is compliant with applicable regulations and will receive a "passing grade" from DWR.

A Pathway to Sustainability. We will develop conceptual sustainability management actions and projects that extend existing programs and are basin-specific, workable, fair to all stakeholders, and affordable.

Our team is unique compare to others because:

- ✓ We are impartial and not aligned with any GSAs or preconceived viewpoints.
- ✓ We are experts on SGMA; our team helped develop SGMA policies and SGMA Best Management Practice.
- ✓ Our team is led by licensed hydrogeologists that have been managing groundwater basins for decades.
- ✓ We have local water resource experience; Carollo Engineers recently completed the basin's supplemental supply study.
- ✓ Our team members wrote the Paso Robles Sub-Basin Groundwater Management Plan, developed the Proposition 1 grant application for GSP funding, and have led and worked on numerous water projects in the basin.

In addition to our demonstrated expertise, our team has the staff capacity and resources to work closely with the Paso Robles GSAs to bring stakeholders together and complete the technical requirements for drafting a GSP that meets DWR requirements. The remainder of our proposal follows the required proposal format listed in the RFP. Additionally, we have added both **Project Understanding** and **Project Approach and Schedule** sections to clarify how we will address the basin's issues in a comprehensive and efficient way.

We look forward to an opportunity to work with the GSAs and other stakeholders on this project. Please feel free to contact me by phone at (510) 903-0358 ext. 301, or email at: Derrick@HydroMetricsWRI.com.

I certify that this proposal is valid for 90 days following submission.

Sincerely,



Derrick Williams, President
HydroMetrics Water Resources Inc.
1814 Franklin St., Suite 501
Oakland, CA 94612
510-903-0458 extension 301
Derrick@HydroMetricsWRI.com

Project Understanding

The primary objective of this project is to develop a Groundwater Sustainability Plan (GSP) that 1) addresses all of the regulations and requirements, 2) relies on an extensive body of previous work, and 3) does not infringe on existing water rights. This project is not about conducting new studies; this project is about finding solutions to groundwater sustainability.

The GSP must address at least five of the six sustainability indicators identified by the legislation: seawater intrusion can likely be dismissed with a short paragraph in the GSP. The status of the five applicable sustainability indicators in the Paso Robles Sub-Basin is summarized in Figure 1. This figure highlights the areas of concern that must be addressed by *Sustainability Indicators* in the GSP, as identified by previous studies. The areas of groundwater level decline in recent decades may be related to reduction in groundwater storage, land subsidence, surface water depletions (particularly in the Salinas River), and in some areas, groundwater quality degradation.

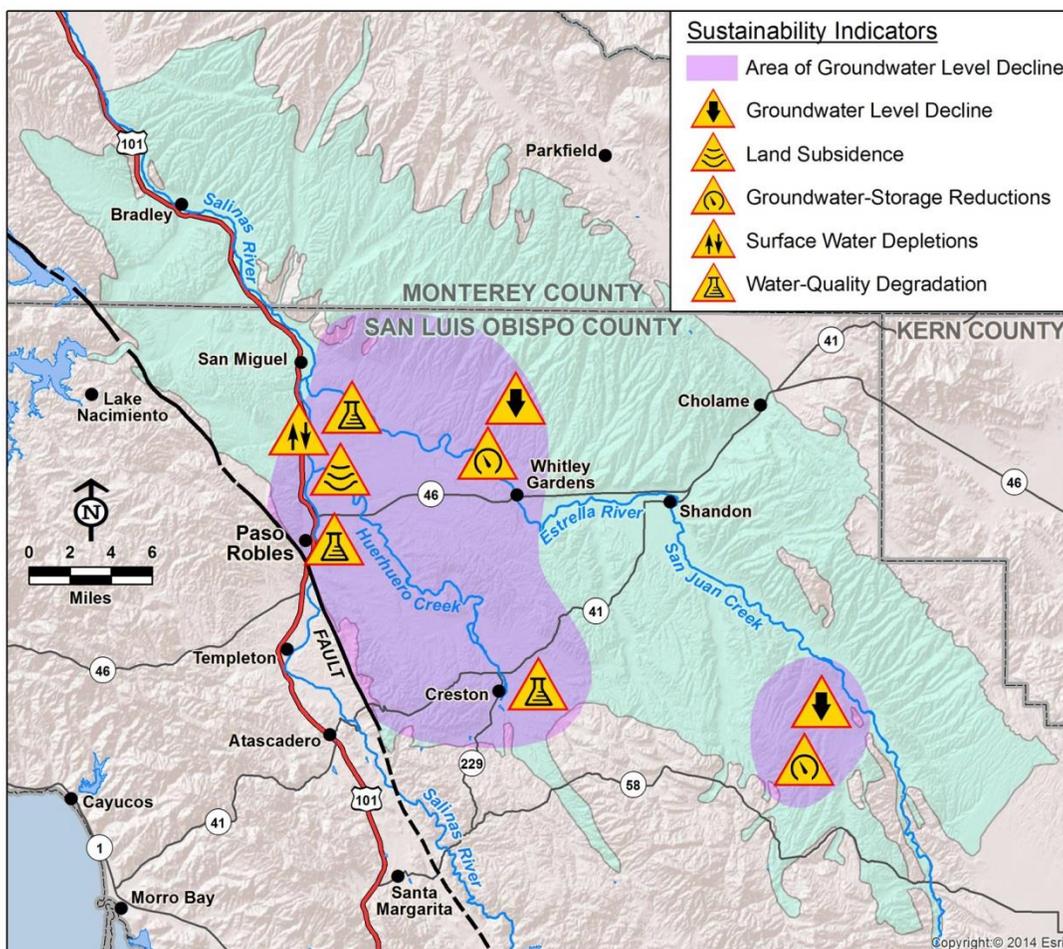


Figure 1: Generalized Locations of Sustainability Indicator Concerns



Groundwater Managers in the Paso Robles Sub-basin have come together to comply with the Sustainable Groundwater Management Act (SGMA) by developing a single, basin-wide GSP. We agree with this approach; however, this approach must address the concerns of various interested parties and groundwater users throughout the sub-basin. In particular, we are aware of local politically sensitive issues that we will carefully manage during GSP development including:

- **Concerns about groundwater exports.** The GSP must protect against groundwater mining and groundwater exports.
- **Avoiding centrally mandated groundwater management.** The GSP cannot be developed or implemented as a top-down regulatory requirement. It must be developed by local agencies, in accordance with existing property rights, and must acknowledge the concerns of individual landowners.
- **GSA independence and cooperation.** The GSAs are independent groups that have agreed to work together to achieve overall basin sustainability. This is a cooperative agreement, and one GSA cannot force another GSA to undertake activities or management actions that it feels are unfair.
- **Limited options for importing new water.** The 2017 Supplemental Supply Options report identified only three options for new water: Nacimiento Water, State Water Project, and Recycled Water. The report concluded that the supplemental supplies were insufficient to address the entire estimated future pumping shortfall.

Our team recognizes that not all GSAs and property owners suffer the same impacts from historical overdraft, and not all GSAs have the same ability or obligation to fund sustainability projects. Historical overdraft is localized in particular areas (shown in purple on Figure 1). Sustainability projects and management actions must be focused in these areas, and adopted by the local interests. Our GSP will address local groundwater issues in the Paso Robles Sub-Basin, while simultaneously presenting integrated basin-wide sustainability plan to DWR.

Goals for Paso Robles GSP

- *Be accepted as fair by all GSAs*
- *Acknowledge current uncertainties, and allow adaptive management*
- *Retain the region's agricultural economic vitality*
- *Equitably distribute implementation costs and benefits*

Developing a GSP requires an integrated process of understanding critical issues, developing insightful and acceptable approaches to sustainability, and implementing the GSP in an equitable and flexible manner. Our team's approach to addressing the critical issues is summarized in Figure 2.

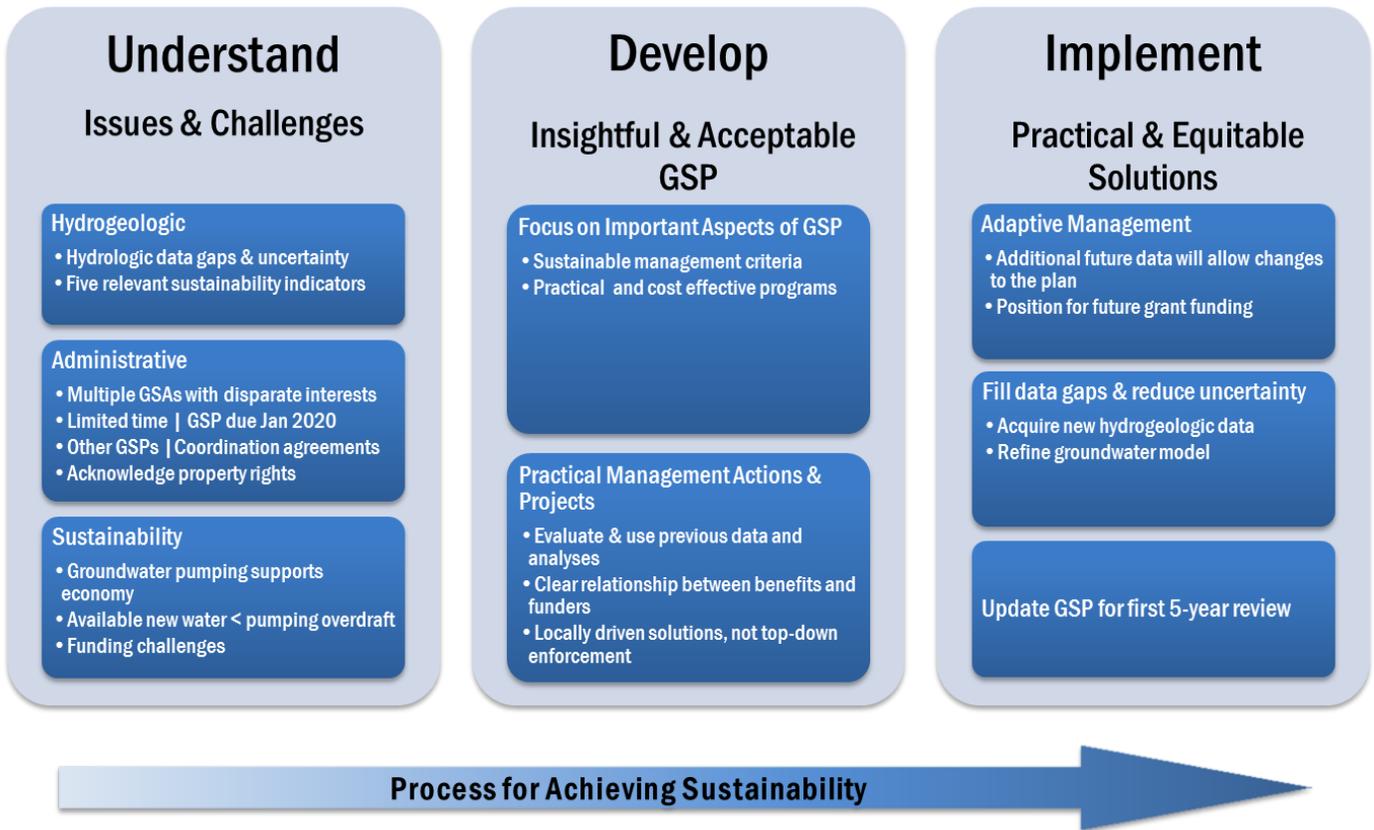


Figure 2: Critical Steps for the Paso Robles Sub-Basin GSP

Team Qualifications

The GSP is a multidimensional policy document that requires specialized expertise in hydrogeology and related water resource planning to prepare. Our Project Manager, Derrik Williams, is committed to leading the development of a widely accepted GSP that puts the GSA on a workable pathway to sustainability that is equitable to all stakeholders. Over the past year, he has met with GSA members to better understand local issues. Based on this knowledge, he complemented the capabilities of his firm with a team of experts that have the necessary range of expertise to develop the Paso Robles Sub-basin GSP.

Our team – tailored specifically for the Paso Robles Sub-basin GSP – comprises experts in hydrogeology, engineering, groundwater modeling, and data management from HydroMetrics Water Resources Inc. (WRI), Montgomery & Associates (M&A), Carollo Engineers (Carollo), and GEI Consultants, Inc. (GEI). In addition, we have complemented our team with specialists in stakeholder outreach and facilitation from Strategy Driver, Inc. and financial analyses and water marketing from WestWater Research LLC. Table 1 outlines the expertise of our team in the required disciplines for developing an effective GSP.

Table 1: Team Expertise

Expertise	Firm	Benefit to GSP
Hydrogeology	Lead: HydroMetrics WRI Support: M&A	Required to understand groundwater conditions and develop effective sustainability solutions
Engineering	Carollo	Sustainability projects and actions require conceptual engineering analysis to assess feasibility and develop planning-level costs. Engineers from Carollo understand local water supply opportunities and constraints, and can effectively develop management actions and projects for the GSP
Groundwater Modeling	Lead: M&A Support: HydroMetrics WRI	Required to develop water budgets, sustainable management criteria, and evaluate management actions and projects
Data Management	GEI	A required aspect of the GSP that should be integrated with existing data management in the sub-basin
Stakeholder Coordination	Strategy Driver, Inc.	Alignment of diverse stakeholder interests will be required for the GSP. We can support the GSA in stakeholder outreach and facilitation, as needed
Financial Analysis	WestWater Research, LLC	A conceptual understanding of the cost of future management actions and projects is required. Our team can estimate these costs and also assist the GSA with evaluation of approaches to fund future projects

Collectively, our team offers the key attributes required for developing an effective GSP, including:

- In-depth understanding of local concerns;
- Broad statewide experience in SGMA policy and groundwater planning and management; and
- Sufficient staff resources to focus on this GSP and complete it on time and under budget.

Our team of experts is at the forefront of developing successful groundwater management strategies in both urban and agricultural basins throughout California and the Western United States. We have developed integrated solutions and implemented successful multi-party groundwater management plans in basins that have competing conjunctive water uses and interests like the Paso Robles Sub-basin. Particular unique attributes of our team that set us apart from other teams and that directly benefit the Paso Robles GSAs include:

We understand local issues and concerns. Our team members have worked in the sub-basin and understand the complicated and conflicting local water resource. Our previous work in area includes:

- Developing the Paso Robles Groundwater Basin Supplemental Supply Options
- Providing engineering services to USBR's ongoing Salinas and Carmel River Basins Study
- Drafting SLO County's IRWM Implementation Grant Applications
- Developing SLO County's Master Water Plan
- Developing the 2017 Proposition 1 Grant GSP Application for GSP funding.
- Developing the 2011 Groundwater Management Plan.
- Advising the Salinas Valley Groundwater Basin GSA Board of Directors.

We are impartial. We are not affiliated with any one GSA in the Basin, nor do we have any preconceived viewpoints about the pathway to sustainability in the sub-basin. We bring a fresh perspective on sustainability that will enable us to objectively evaluate the complicated local water resource issues and guide the GSAs to a widely accepted GSP.

We understand SGMA. Our Project Manager and other team members helped DWR develop SGMA policies and draft Best Management Practices documents; hence, we understand what constitutes a passing grade for the GSP.

Our team is led by groundwater hydrologists. Effective groundwater management requires a thorough understanding of groundwater hydrology. Our team leaders are licensed geologists and hydrogeologists in California and have managed groundwater basins for decades.

Table 2 lists selected examples of projects our team has completed that demonstrate our experience with each of the key requirements for the Paso Robles GSP project.

Table 2: Representative Project Experience

Project	GW Model	GW Mgmt.	Multi-Party	SGMA Related	Local	Ag. Basin
Kings Basin Groundwater Model	✓	✓	✓	✓		✓
Kern County Model Review	✓	✓	✓			✓
DWR SGMA Implementation				✓		
San Luis Obispo GSA Guidance		✓		✓	✓	✓
Santa Cruz GSA Support		✓	✓	✓		
Three Successful Basin Boundary Modifications				✓		
Livermore Valley Groundwater Model	✓	✓				✓
Seaside Basin Groundwater Model	✓	✓				
Santa Cruz Mid-County Groundwater Model	✓	✓		✓		
Pajaro Valley Groundwater Model	✓	✓				✓
Sacramento Groundwater Restoration Model	✓	✓				
Groundwater Management Model, El Paso, TX	✓	✓				
AVEK Recharge Model / Grant Funding	✓	✓				✓
Tulare Irrigation District Recharge Study		✓				✓
Santa Clara Zone of Benefit Study		✓	✓			
Ventura County GW Model Improvements	✓	✓				✓
Paso Robles Sub-Basin Groundwater Management Plan		✓			✓	✓
SLO County Water Master Plan		✓	✓		✓	✓
Paso Robles Basin Supplemental Supply Study		✓	✓		✓	✓

INNOVATIVE AND DISTINCT APPROACHES

Having been involved in SGMA related activities since 2014, HydroMetrics WRI brings a number of distinct perspectives and approaches to GSP development. These approaches support our philosophy that GSPs must be locally driven, cooperative, and equitable. Our philosophy and approach include:

We will work cooperatively with GSAs. Local agricultural and urban water managers understand the water resource challenges in the Paso Robles Sub-basin better than anyone. We let local water managers lead and guide the direction of this GSP. Our role is to listen, and implement the solutions that are widely accepted and affordable.

We will streamline the GSP process. From the start, we will ensure that all stakeholders understand the entire GSP process and we will clearly outline how we will focus the GSP process on the most important (and potentially difficult) elements so there are no surprises late in the project. To do this, we will:

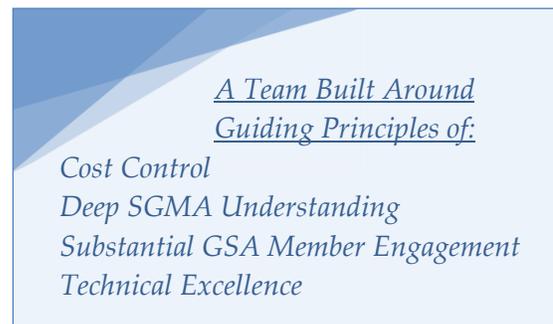
- **Host a Kickoff Workshop** – we will host a one-day workshop during the first 30 days to lay out the entire 2-year GSP process. The goal of this workshop is to build shared understanding of the road ahead on the GSP and identify key milestones that will be critical for effective GSP development.
- **Identify Potential Sustainability Actions Early.** We will work with basin stakeholders early in the process to identify potentially workable management actions and projects for reaching sustainability. This step is critical for developing achievable sustainable management criteria, and for completing the GSP on time.
- **Initiate Work on Sustainable Management Criteria Early.** We will begin the difficult process of developing sustainable management criteria early in the project. This is critical for success because development of the sustainable management criteria is a challenging process that requires significant effort to converge potentially contentious policy decisions with the hydrogeologic conditions in the basin.

We will integrate GSP work with ongoing work. Our team member, GEI, is working with San Luis Obispo County to develop a standard data management system. We will integrate the data management activities required for the GSP with the County system to reduce cost and effort.

We will actively position for additional grant funding. The projects and management actions identified in our GSP will be developed in a manner that positions them for potential grant funding. We will track upcoming planning and implementation grants, and describe our programs and management actions in a way that meets the grant requirements.

Staffing Plan

The HydroMetrics WRI team is assembled to ensure our expertise covers sustainable groundwater management from every aspect including technical groundwater expertise, organizational and institutional understanding, integrated water supply proficiency, funding, and stakeholder familiarity. Our team members have been at the forefront of developing and guiding successful groundwater management strategies in both urban and agricultural basins throughout California and the Western United States. We not only bring the full suite of capabilities needed for developing effective and practical GSPs; we additionally bring decades of experience assisting parties overcome differences, develop integrated solutions, and implement successful multi-party groundwater management plans in basins that, similar to the Paso Robles Sub-Basin, have competing water users and uses. While our team members have first-hand knowledge of the Paso Robles Sub-Basin, we do not represent the interests of any one GSA, and will bring a fresh perspective to all stakeholders.



A Team Built Around
Guiding Principles of:

- Cost Control*
- Deep SGMA Understanding*
- Substantial GSA Member Engagement*
- Technical Excellence*

The following organization chart identifies each member of the team’s staff, and demonstrates how the team is structured around the project’s functional activities. Each functional activity is led by a senior level manager, and an alternate leader is identified for each of the critical positions. Although our senior level managers are committed to devoting the time and effort necessary for developing this GSP, the GSA’s requirement for alternative leaders is commendable; ensuring that adequate resources are committed at all times.

Our project manager, Derrick Williams, will be the primary point of contact for the GSAs. Although our contract is with the City of Paso Robles, Derrick’s communication will always be with the full group of GSPs. We are committed to developing a cooperative and equitable GSP, based on a transparent and open GSP process.

Paso Robles Basin GSAs

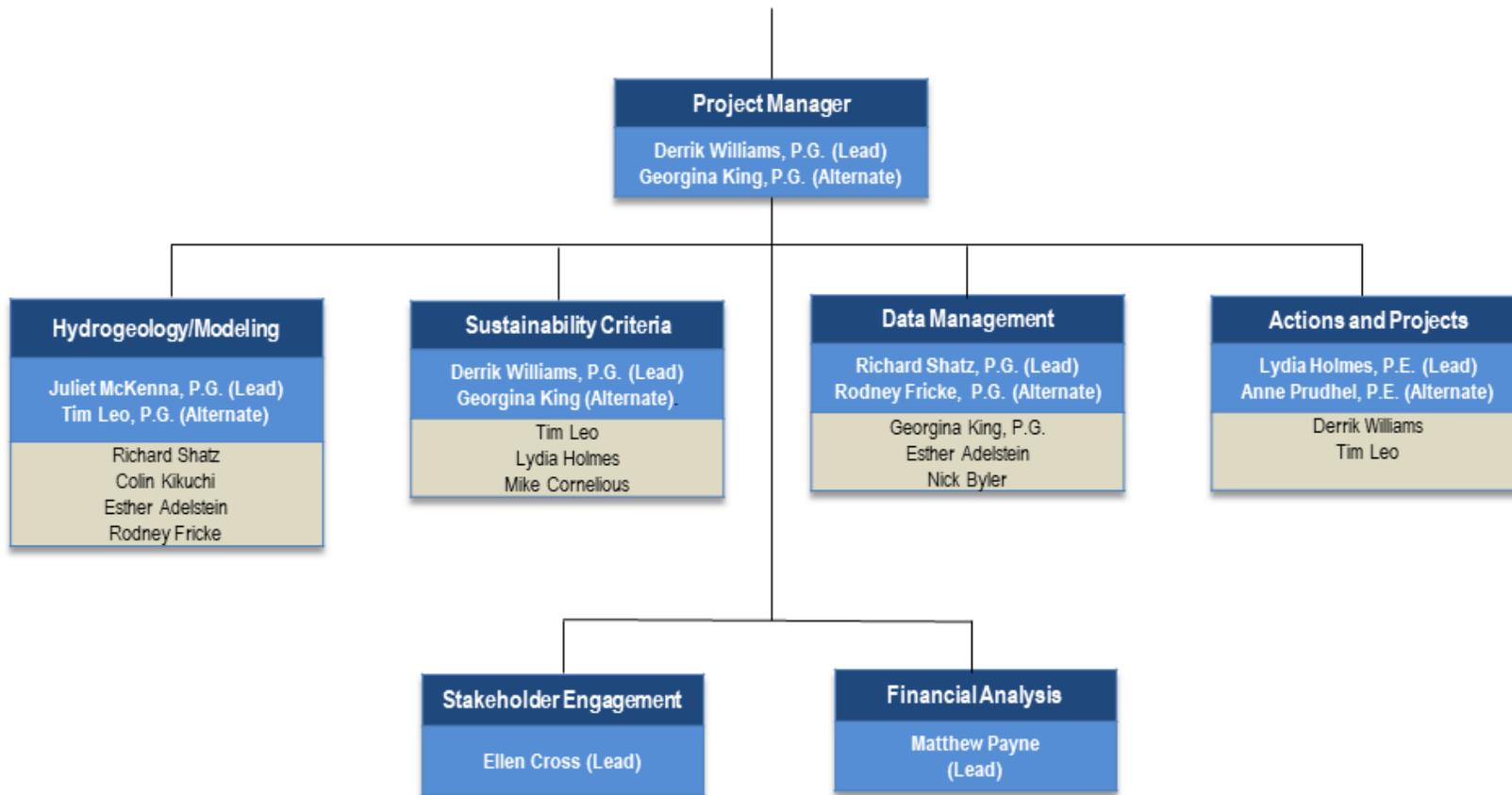


Figure 3: Organizational Chart

Short biographical sketches are included below for each of the senior task leaders and alternates. As requested in the RFP, each biographical sketch identifies the staff member's role as well as tasks for which each person is responsible. These biographical sketches include any subcontractors that are leading tasks. Two project references are provided for all senior leaders.

SENIOR TASK LEADERS AND ALTERNATES



Derrik Williams, P.G., C.Hg.

Role: Project Manager (Lead)

Lead: Task A. Develop GSP Introduction; Task F. Sustainable Management Criteria; Task J. Plan Implementation; Task L. Plan Preparation; Task M. Project Management

Derrik Williams, a California Professional Geologist and Certified Hydrogeologist, is President of HydroMetrics WRI. He will be the principal point of contact for the Paso Robles GSAs. Mr. Williams has more than 30 years of experience in applied geology and hydrogeology; managing, reviewing, and assisting on water supply and groundwater recharge projects. He has been retained by

clients to develop Basin Management Plans in agricultural areas with contentious water right issues, and has testified in court regarding groundwater-surface water interactions.

Derrik is an established leader in statewide groundwater policy. As a member of the Groundwater Committee of ACWA since 2008, Derrik helped shape the California Statewide Groundwater Elevation Monitoring Program (CASGEM) and helped develop ACWA's *Groundwater Framework* document. He also drafted ACWA's *Guidelines for Groundwater Monitoring*. Derrik is currently working with DWR to develop the state's SGMA implementation process. He reviewed and commented on the SGMA legislation while it was being drafted, and currently chairs ACWA's SGMA Best Management Practices subcommittee. He was a

"Derrik has done an excellent job of facilitating the meetings, and incorporating GMP requirements and stakeholder concerns into the plan"
Chris Bonds/DWR

References

Soquel Basin Groundwater Management Plan

Mr. Ron Duncan, General Manager

Soquel Creek Water District

(831) 475-8500 RonD@SoquelCreekWater.org

Kings Basin Groundwater Model

Mr. Eric Osterling, Kings River Conservation District

(559)237-5076, eosterling@krcd.org

contributor to the California Water Foundation's GSP regulations workshops. He has been invited to, and participated in, Stanford's Water in the West meetings on data and modeling in SGMA and the Groundwater Resources Association of California's Contemporary Groundwater Issues Council.



Georgina King, P.G., C.Hg.
Role: Project Manager (Alternate)

Georgina King is a Professional Geologist and Certified Hydrogeologist, and Principal

Hydrogeologist at HydroMetrics WRI. She has 24 years of experience in groundwater resource management and development. She has worked in both Northern and Southern California on numerous hydrogeologic studies, including water budgets, groundwater basin management, monitoring plans, and groundwater modeling.

Ms. King has worked on numerous SGMA projects along California’s central coast. She has provided technical support for SGMA related basin modification requests, helped prepare the alternative GSP submittals for the Pajaro Valley Sub-basin, guided the Santa

Cruz Mid-County GSP planning process, and has experience as project manager for early GSP development of four groundwater basins in Ventura County.

References

Soquel Aptos Precipitation-Runoff Model

Mr. Taj Dufour

Soquel Creek Water District

(831) 475-8500

TajD@SoquelCreekWater.org

Santa Cruz Mid-County GSP Support

Ms. Rosemary Menard

City of Santa Cruz

(831) 420-5205

RMenard@cityofsantacruz.com



Juliet McKenna, P.G. Role: Hydrogeology/Modeling (Lead)
Lead: Task C. Plan Area, D. Basin Setting

Juliet is a Principal with M&A and has over 20 years of experience. She develops strategies for managing

groundwater resources and creating balanced water portfolios for municipal agencies, agricultural districts, and tribal groups. A licensed Professional Geologist in four states, including California, Juliet has experience coordinating the interests of multiple

jurisdictions and diverse stakeholders. Juliet was the Director of an interstate groundwater management agency that in the Palouse Region of eastern Washington and northern Idaho. After moving to Arizona, Juliet co-founded M&A’s Water Resource Policy & Planning group in 2007, following over a decade of work as a hydrogeologist in California, Washington and other parts of the U.S.

Juliet led a multi-year effort to help one of Arizona's largest irrigation districts prepare for shortages of Colorado River water from the Central Arizona Project. She led a team of engineers and hydrologists to inventory 400+ wells and project water supply reductions. The team developed a phased approach to increase groundwater production while easing the economic impacts of water shortages on irrigation district farmers. Also, Juliet is the facilitator for the Cochise Conservation and Recharge Network — a diverse group of elected officials and city/county administrators coordinated by The Nature Conservancy. The group pursues funding to develop recharge projects with effluent and stormwater that sustain flows in the San Pedro River in southeastern Arizona, while supporting the local economy. She

provides the group with technical guidance and helps pursue federal and private funding for projects.

References

Water Resource Planning • San Pedro River Watershed

*Pat Call, Cochise County Supervisor, District 1
Bisbee, AZ 85603
(520) 432-9200 pcall@cochise.az.gov*

Well Inventory & Capital Improvement Plan

*Brian M. Betcher, General Manager
Maricopa Stanfield Irrigation & Drainage District
Maricopa, Arizona 85138
(520) 424-3344 brian@msidd.com*



Tim Leo, P.G., C. Hg.
Role: Hydrogeology/Modeling (Alternate)
Lead: Task E. Develop Model

Tim Leo, a California Professional Geologist and Certified Hydrogeologist, is a Principal and Director of California Operations at M&A. Tim splits his time between M&A's Sacramento and Tucson, AZ offices. For nearly 30 years, Tim has managed and participated in numerous multidisciplinary water resources and groundwater modeling projects. Through his work in Arizona, where groundwater use has been regulated for over 35 years, he has worked on a variety of projects related to groundwater resource management.

Tim specializes in analytical hydrogeology, including groundwater modeling, developing conceptual models and water

budgets, and groundwater system characterization and testing. He is also conducting project work related to SGMA, including groundwater recharge studies in Tulare County and the Antelope Valley. On both of these projects, he has provided technical support on grant applications.

References

Antelope Valley-East Kern Water Agency

*Dwayne Chisam, General Manager
Palmdale, CA
(661) 943-3201 dchisam@avek.org*

Tulare Irrigation District

*Aaron Fukuda, Tulare Irrigation District
Tulare, CA 93274
(559) 686-3425 akf@tulareid.org*



Lydia Holmes, P.E.

Role: Actions and Projects (Lead)

Lead: Task I. Projects and Management Actions

Lydia has 24 years of experience in water, wastewater and recycled water master planning, permitting, and design. Her extensive experience includes applying multi-criteria objectives to evaluate alternatives (including sustainability criteria); developing permitting strategies, obtaining grant funding, and leading stakeholders through decision processes to determine preferred projects. Lydia has specific knowledge and interest in the Paso Basin as she was the project manager for the County’s Paso Basin Supply Study that evaluated ways to return to a balanced basin with the help of the groundwater modeling updated and run under a separate contract. Lydia has also worked in the County on a number of other projects including obtaining grant funding for the USBR Salinas and Carmel River Basins Study and now working on that study for USBR;

Grant writing for IRWM implementation grants; and the planning and development of the Los Osos Wastewater Treatment Plant and recycled water strategies. Lydia's knowledge of water supplies and potential conveyance concerns from the Supply

References

Paso Basin Supply Option Study

Courtney Howard
County of San Luis Obispo
(805) 781-1016 CHoward@co.slo.ca.us

Regional Recycled Water Feasibility Study

Ms. Melanie Mow-Schumacher
Soquel Creek Water District
(831) 475-8501 ext. 153
MelanieS@soquelcreekwater.org

Options Study will provide a jumping off point for the development of projects and management actions for the GSP development.



Anne Prudhel, P.E.

Role: Actions and Projects (Alternate)

Anne is a senior infrastructure engineer with 16 years of experience in planning, design, and construction of water, wastewater, and recycled water infrastructure, including water pipeline and conveyance design and rehabilitation using trenchless technologies. Anne has significant experience with feasibility

References

Carneros Recycled Water Pipeline

John Stewart, President of the Board
Napa Sanitation District
(707) 738-4600 jstewart@rsacivil.com

Urban Water Augmentation – Phase 2

Mike Wegley, District Engineer
Marina Coast Water District
(831) 883-5925 mwegley@mcwd.org

assessments, evaluation of alternative pipeline alignments, and preparation of plans, specifications, and cost estimates. Anne has served as design manager for numerous infrastructure projects including for Central Contra Costa Sanitary District,

Delta Diablo, Ukiah, Los Carneros and Marina Coast Water District. Anne will bring this valuable infrastructure experience to use in the development of the projects for realistic estimates of infrastructure needs and costs.



Richard Shatz, P.G., CEG, CHG
Role: Data Management (Lead)
Lead: Task A. Compile and Organize Data

Richard has over three decades of experience in hydrogeology. He is a senior project manager directing projects for the planning, development, and management of groundwater resources throughout California. Richard has evaluated hydrogeologic conditions for development of Groundwater Management Plans and Integrated Water Resources Management Plans (Tracy Sub-basin, Paso Robles Sub-Basin, Upper Santa Ana River Watershed, Merced River Sub-basin, Modesto Sub-basin, Santa Maria Basin) to solve high groundwater, poor quality water and overdraft along with potential projects and management actions. In preparation for SGMA, he has guided his clients through development of groundwater monitoring networks, regional water quality baseline evaluations, identification of where surface water is gaining and is being depleted, and identification of groundwater recharge areas. He has prepared two Alternative Submittals (Sutter Sub-basin and Martis

References
Sutter County Groundwater Sustainability Plan Alternative
Guadalupe Rivera
Sutter County Development Services
530.822.7450, grivera@co.sutter.ca.us

Western Placer County Groundwater Program Implementation
Kelye McKinney, City of Roseville
Department of Environmental Utilities
916.774.55552, KMckinney@roseville.ca.us

Valley Groundwater Basin) that are substantially equivalent to a Groundwater Sustainability Plans (GSPs). Using this knowledge, he has assisted three clients by reviewing existing technical reports and online information to identify potential data gaps and tools needed to prepare a GSP and prepared grant applications to fund these upcoming activities.



Rodney Fricke, P.G., C.E.G, C.H.G.
Role: Data Management (Alternate)
Task Lead: H. Data Management System

Rodney is a California certified Hydrogeologist and Professional Geologist specializing in groundwater remediation. Mr. Fricke has worked on various projects related to SGMA during the last two years, including coauthor for a GSP Alternative for the South American Sub-basin, assistance on DWR’s effort to improve the descriptions of basin boundaries, evaluation of available hydrogeologic data for the Big Valley Basin in Lassen/Modoc Counties, assistance to Sacramento County with its GSA notification process for unmanaged areas in four sub-basins, evaluation of a considerable amount of information for the hydrogeologic conceptual model of the Kern County Sub-basin, and technical review of grant applications for the Cosumnes and Solano Sub-basins.

References

Alternative Submittal (GSP) for the South American Sub-basin,
 Darrell Eck, Sacramento Central Groundwater Authority,
 916.874.6851, eckd@saccounty.net

SGMA On-Call Support,
 Kerry Schmitz, Sacramento County Water Agency
 916.874.4681, schmitzk@saccounty.net

OPTIONAL ACTIVITY TASK LEADERS



Ellen Cross
Role: Facilitator,
Outreach Specialist
(optional)

Ellen Cross has more than 27 years of experience in the California water and environmental science industry creating successful innovative solutions through forums for vision, collaboration, and achievement. Ellen has a history of creating neutral forums to work on critical topics where communication and leadership are key to moving complex issues forward.

In the area of emerging challenges, Ellen has successfully facilitated public and private entities on Superfund, climate change, restoration in the Delta, water scarcity, sea

References

Interagency Flood Management Collaborative
 Jon Ericson, Chief Flood Maintenance Office
 California Dept. of Water Resources
 (916) 574-0384 jon.ericson@water.ca.gov

Delta Conservancy Strategic Plan
 Campbell Ingraham, Executive Officer
 Delta Conservancy
 (916) 375-2084 cigram@deltaconservancy.ca.gov

level rise and flood protection. Ellen has facilitated initiatives that envision the multi stakeholder success goals and operationalizes the tactics to achieve results on policy, governance, stakeholders, funding,

institutional and technical goals to ensure sustained success. Specific to groundwater projects, Ellen has developed strategies to develop holistic integrated scopes for Fox

Canyon GSA, Mid Kaweah, Tulare, Irvine Ranch Water District, Kings Canyon, Department of Water Resources, and Cosumnes GSP.



Matt Payne

Role: Financial Assessment (Optional)

Matt Payne is a principal with WestWater Research and leads the firm's Southwest office in Phoenix. He is dedicated to helping public, private, and non-profit sector clients address economic, financial, and strategic challenges relating to water resources and infrastructure. His areas of expertise are water resource economics, water asset transactions, and strategic planning and implementation. In recent years, Matt has been engaged by Arizona's largest water provider to lead planning and implementation of the most extensive renewable water acquisition program in the United States. The program includes plans such as rotational fallowing agreements as well as reclaimed water development. In California, Matt is working with a wholesale water agency to implement a new groundwater banking program, and is leading a water transactions program for a large investor-owned utility.

References

Financial Feasibility Assessment of the High Desert Water Bank

*Dwayne Chisam, General Manager
Antelope Valley-East Kern Water Agency,
Palmdale, CA*

(661)943-3201 dchisam@avek.org

Water Rights Acquisition Planning and Implementation

*California American Water Company
Monica Na, Manager of Operations*

(626)614-2518 Monica.na@amwater.com

Project Approach and Schedule

Our project approach is grounded in the philosophy of focusing efforts on the tasks and activities necessary to achieve a defensible and widely accepted GSP. Our approach is outcome oriented - the critical outcome is informed decisions by the GSAs on how to reach sustainability. We believe the Paso Robles Sub-basin GSAs have presented a well-reasoned and complete scope of work in the RFP that generally follows the annotated outline developed by DWR in their *Draft GSP Outline Best Management Practice*.

We will use the GSP outline prepared by DWR for the Paso Robles GSP and complete a draft GSP by September, 2019. From the beginning, we will focus on addressing the critical and challenging activities of developing sustainable management criteria and identifying projects that will lead to sustainability. At the same time, we will complete the other GSP activities that are important and required, but do not directly affect the GSAs ability to prepare a passable GSP and ultimately achieve sustainability. Table 3 outlines our approach to completing the project tasks.

Table 3: Approach to Completing Project Tasks

Task	Activities and Approaches to Task Completion
A. Compile and Organize Data	<ul style="list-style-type: none"> We will use data compiled for the 2011 groundwater management plan and modeling to reduce effort and cost This task will be integrated with development of the data management system (Task H)
B. Develop Introductory and Agency Information	<ul style="list-style-type: none"> This task is largely informational. We will keep this section noncontroversial because it has little impact on achieving sustainability
C. Describe Plan Area (plus Notice and Communication)	<ul style="list-style-type: none"> This task is largely informational. We will keep this section noncontroversial because it has little impact on achieving sustainability The notice and communication portion will be completed by the GSAs as meetings occur; we can support the GSAs as needed on this activity
D. Describe Basin Setting: Conceptual Model, Water Budgets	<ul style="list-style-type: none"> We believe this task is largely complete; we will refine as needed to meet requirements of the GSP We will use the existing hydrogeologic conceptual model underpins the groundwater model Key subtask will be aligning the reported water budget to the modeled water budget
E. Update SW-GW Model	<ul style="list-style-type: none"> We will update the model to 2016 to meet GSP requirements - additional model calibration or development is not recommended for the GSP

Task	Activities and Approaches to Task Completion
F. Identify Sustainable Management Criteria	<ul style="list-style-type: none"> • This is a critical task for the GSP • We will outline the process for developing criteria early in the project with all GSAs and stakeholders • We will integrate the criteria with the projects and management actions developed in Task I to ensure that sustainability is achievable and affordable.
G. Establish Monitoring Networks and Protocols	<ul style="list-style-type: none"> • This is a critical task for the GSP • We will use or extend existing monitoring protocols from the county, city of Paso Robles, or others • We will rely on the monitoring network assessment in the 2011 groundwater management plan to the extent possible
H. Organize Data Management System	<ul style="list-style-type: none"> • We will leverage similar work being completed for other basins in San Luis Obispo County • We will review data to ensure questionable data are not being used for important decisions
I. Develop and Analyze Projects and Management Actions	<ul style="list-style-type: none"> • This is a critical task • We will integrate projects and management actions with existing water management activities • We will assure that projects and actions align with property rights • Allow for significant adaptive management
J. Plan Implementation	<ul style="list-style-type: none"> • This task is largely informational; keep non-controversial
K. Outreach and Stakeholder Involvement	<ul style="list-style-type: none"> • We assume that GSAs will lead outreach and facilitate meetings • We will prepare communication plan in Task K • An optional task has been included to assist with facilitation
L. GSP Document Preparation	<ul style="list-style-type: none"> • We will prepare individual GSP chapters in the relevant project tasks listed above • Task L will include compiling the final draft GSP document for final approval and adoption
M. Project Management	<ul style="list-style-type: none"> • We will communicate frequently and effectively with the GSAs on project progress • We will inform the GSAs about changes to DWR's expectations

The project approach outlined in the RFP adheres relatively closely with the preferred approach to developing the GSP. Listed below are a few aspects of our approach that either differ slightly from the RFP or identify recommendations that ensures the GSP is developed efficiently.

ESTABLISH EACH GSA AS A SEPARATE MANAGEMENT AREA

The RFP states that the GSP will include individual appendices for the specific plans of each GSA. This was a common approach early in SGMA, but has been replaced in most basins by the approach of establishing each GSA as its own management area.

Establishing management areas is the legal methodology incorporated in the SGMA regulations for dividing basins into separately managed zones. We recognize that the areas of each of the two new water districts are not contiguous, and are intertwined with the other GSA properties. We have discussed this with DWR previously, and it is perfectly legal to identify non-contiguous management areas.

However, we will take particular care when developing and implementing management area-specific sustainability projects to avoid inequalities in the perceived land value or responsibilities of adjacent land owners.

DEVELOP GSP CHAPTERS THROUGHOUT THE PROCESS

Rather than write an entire GSP at the end of the process, we will prepare individual chapters and sections throughout the project. This allows stakeholders to review and understand concepts early and throughout the process, and it facilitates the more difficult tasks of developing sustainable management criteria and sustainability projects and management actions.

INTEGRATE THE DATA MANAGEMENT SYSTEM WITH OTHER COUNTY EFFORTS

Our team member, GEI, is developing the data management system for other basins in the County. We will leverage our work in

other basins to provide efficiency and reduce the cost of developing the data management system for this project.

INVOLVE A WATER RIGHTS ATTORNEY EARLY

Water rights are a topic of intense discussion in the Paso Robles Sub-Basin. Our projects and management actions must generally be consistent with people's existing rights, although strict adherence to water rights is impossible under SGMA. We propose using either a local attorney of the GSA's choice, or a water rights attorney we have worked with often, to guide public understanding of groundwater rights.

ANALYZE FINANCIAL ASPECTS OF SUSTAINABILITY

The project's and management actions needed to achieve sustainability may include the value of water for fallowing or trading. Also, funding actions and projects may require assessing fees on groundwater users. Our team member, WestWater Research LLC, specializes in water valuation and water trading, and will support the financial analyses required for the GSP.

FOCUS GROUNDWATER MODELING ON NECESSARY ACTIVITIES

The need for and accuracy of groundwater models is an important element in the RFP. Our team is dedicated to the premise that groundwater sustainability plans are outcome based - sustainability will be demonstrated by data - particularly groundwater elevations - collected in the future not by the groundwater model. Groundwater model results are useful for estimating the **relative** impacts for

groundwater management activities and future groundwater conditions, but uncertainty in groundwater model results is expected. We will use the existing groundwater model as much as possible and account for model uncertainties appropriately when developing projects and management actions.

Optional Services

As requested in the RFP, there are several **optional tasks** that we believe could be considered to enhance GSP development. Many of these services could also be implemented as follow on tasks after the GSP is delivered to DWR.

OPTIONAL TASK 1 - OUTREACH/FACILITATION SUPPORT

We understand that the GSAs plan to lead most of the outreach and facilitation efforts; our base cost proposal is based on this understanding. However, our team includes an expert in stakeholder coordination, Ellen Cross from Strategy Driver, Inc., who will assist the GSAs in developing the required communication and outreach plan. Ms. Cross is an experienced facilitator and mediator. If the GSAs decide that professional facilitation and mediation services are desired, we can readily provide those services. Our cost estimate includes an optional task for providing facilitation services.

OPTIONAL TASK 2 - MODEL ENHANCEMENT

We propose to conduct groundwater model option three from the RFP: updating the model through 2016. This is an inexpensive approach that will believe is required for the

GSP and an approach that will have significant benefits during GSP development. Should the GSAs realize that further model enhancements are necessary before reliable decisions can be made, we have the necessary modeling expertise to provide more extensive groundwater modeling services. Our team of groundwater modelers is one of the largest and most experienced in the western US, with extensive experience using the same model codes used for the Paso Robles groundwater model - MODFLOW and HSPF – as well as other model codes that could be used to improve analysis of sustainability in the sub-basin.

OPTIONAL TASK 3 - DEVELOPING WATER ALLOCATION OR TRADING SYSTEM

Potential groundwater management activities may include developing water allocations or trading system. If the GSAs decide this is a preferred management action, the GSP would include a conceptual evaluation to identify it as an action that will lead to sustainability over the next 20 years. However, if the GSAs would like to explore the idea of water allocations or groundwater trading further, we have the expertise on our team develop these systems.

RECOMMENDED TASK 4 - DECISION SUPPORT MODELING

Our team has the ability to apply decision support modeling (DSM), a structured and flexible planning tool, to improve development of future sustainability management actions and projects. A DSM approach integrates the critical interrelated including social, economic, water availability, and hydrogeologic factors that affect future project development into a structured

framework that enables more thorough and transparent analysis of the benefits and trade-offs of the actions and projects. If this is a

preferred approach by the GSAs, our team has the expertise to develop a DSM for the GSP.

Project Schedule

Our proposed schedule for completing the GSP is shown in Figure 4.

Proposal Task	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
A Compile and Organize Data									
B Develop Introductory and Agency Information									
C Describe Plan Area (Notice & Communication)									
D Describe Basin Setting									
E Update SW-GW Model									
F Identify Sustainable Mgmt Criteria									
G Establish Monitoring Networks and Protocols									
H Construct Data Management System (DMS)									
I Develop Projects and Management Actions									
J Plan Implementation									
K Outreach and Stakeholder Involvement									
L GSP Document Preparation									
M Project Management									

Figure 4: Proposed Schedule

Fee Proposal

HydroMetrics WRI has developed this fee proposal based on our understanding of the effort needed to develop a compliant GSP, while avoiding any efforts needed for more than a passing grade. We understand that significant funds have already been expended, particularly by growers and individual land owners in the Paso Robles Sub-Basin. Our fee proposal leverages State Grant funds, while eliminating any additional out-of-pocket expenses by the GSAs. By developing a GSP for less than the full grant application, we retain grant funds for funding optional tasks or addressing difficulties that may be encountered during the project.

Our proposed fees are informed by the detailed costing analysis that went into the Prop 1 grant application. The detail supporting the grant application allowed us to accurately assess which tasks would take the most effort, and which tasks would take less effort. Figure 5 shows how tasks in our current fee schedule (orange) compares with the grant application (green). While our proposed costs are well within the amount of money the GSAs will receive from the grant funding, they are not so low that the GSAs will border on submitting a GSP that is not acceptable.

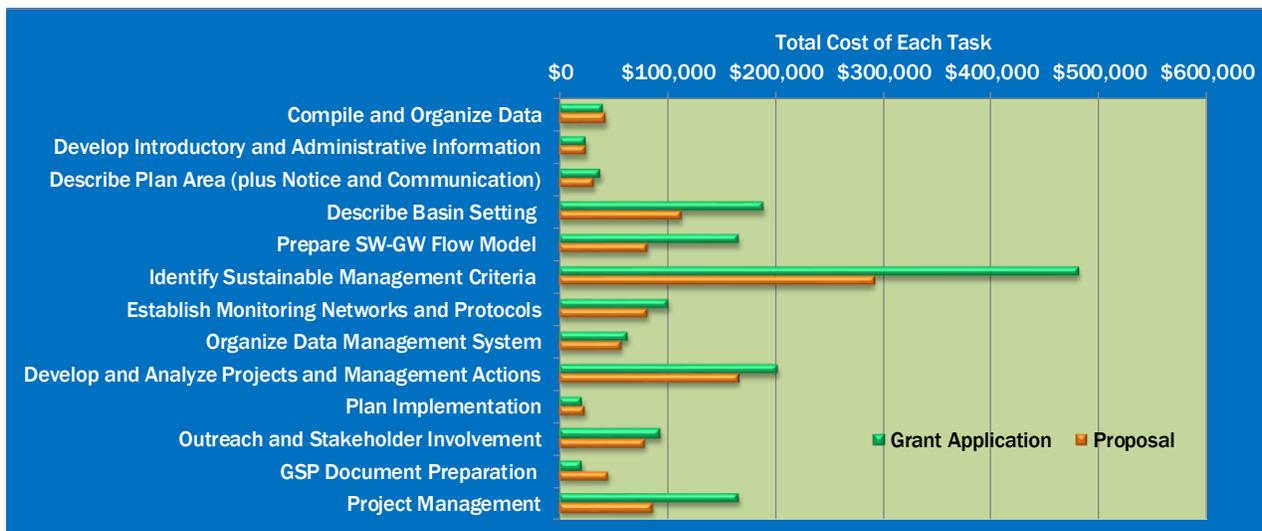


Figure 5: Comparison between Our Current Fee Schedule and the Grant Application

Our fee proposal is shown in Table 4 where the proposed fee is \$1,138,975. To present a fee proposal on one page, we have grouped various employees and subconsultants into professional categories rather than show each individual staff member. The hourly rates in Table 4 represent a weighted average of the staff members included in that category. The costs for optional and recommended tasks are estimates, and will be further refined should the GSAs choose them. Based on the hourly rates shown in Table 4, combined with the project schedule shown on Figure 4, we can develop an anticipated rate of monthly expenditures as shown on Figure 6.

Table 4: GSP Development Fee Proposal

TASK	TASK NAME	PROFESSION AL LEVEL 1	PROFESSION AL LEVEL 2	PROFESSION AL LEVEL 3	PROFESSIONA L LEVEL 4	SUPPORT STAFF	TOTAL LABOR HOURS	TOTAL LABOR COST	OTHER DIRECT COSTS	TOTAL PROJECT COSTS
	Hourly Labor Rate:	\$280	\$215	\$160	\$125	\$80				
A	Compile and Organize Data	6	40	80	160	14	300	\$44,224	\$0	\$44,224
B	Develop Introductory and Administrative Information	6	24	80	40	8	158	\$25,240	\$875	\$26,115
C	Describe Plan Area (plus Notice and Communication)	4	32	120	40	10	206	\$32,984	\$0	\$32,984
D	Describe Basin Setting	0	80	400	240	36	756	\$114,080	\$0	\$114,080
E	Prepare SW-GW Flow Model	4	80	200	240	26	550	\$82,416	\$0	\$82,416
F	Identify Sustainable Management Criteria	16	360	900	400	84	1,760	\$282,584	\$10,500	\$293,084
G	Establish Monitoring Networks and Protocols	4	40	280	200	26	550	\$81,616	\$875	\$82,491
H	Organize Data Management System	24	60	200	40	16	340	\$57,916	\$875	\$58,791
I	Develop and Analyze Projects and Management Actions	16	240	420	300	49	1,025	\$164,684	\$1,750	\$166,434
J	Plan Implementation	0	24	112	8	7	151	\$24,656	\$0	\$24,656
K	Outreach and Stakeholder Involvement	220	24	24	16	24	308	\$74,520	\$5,000	\$79,520
L	Finalize GSP	16	60	80	80	80	316	\$46,580	\$0	\$46,580
M	Project Management	0	400	0	0	20	420	\$87,600	\$0	\$87,600
	TOTAL	316	1,464	2,896	1,764	400	6,840	\$1,119,100	\$19,875	\$1,138,975
OPTIONAL TASKS										
1	Stakeholder Outreach/Facilitation Support (per year)	40	20			8	68	\$16,140	\$2,000	\$18,140
2	Model Enhancement	4	24	240	300	24	592	\$84,100		\$84,100
3	Developing Water Allocation or Trading System	4	160	40	40	24	268	\$48,840	\$2,500	\$51,340
4	Decision Support Modeling	4	24	240	200	16	484	\$70,960		\$70,960
		52	228	520	540	72	1,412	\$220,040	\$4,500	\$224,540
	TOTAL WITH OPTIONAL TASKS	368	1,692	3,416	2,304	472	8,252	\$1,339,140	\$24,375	\$1,363,515

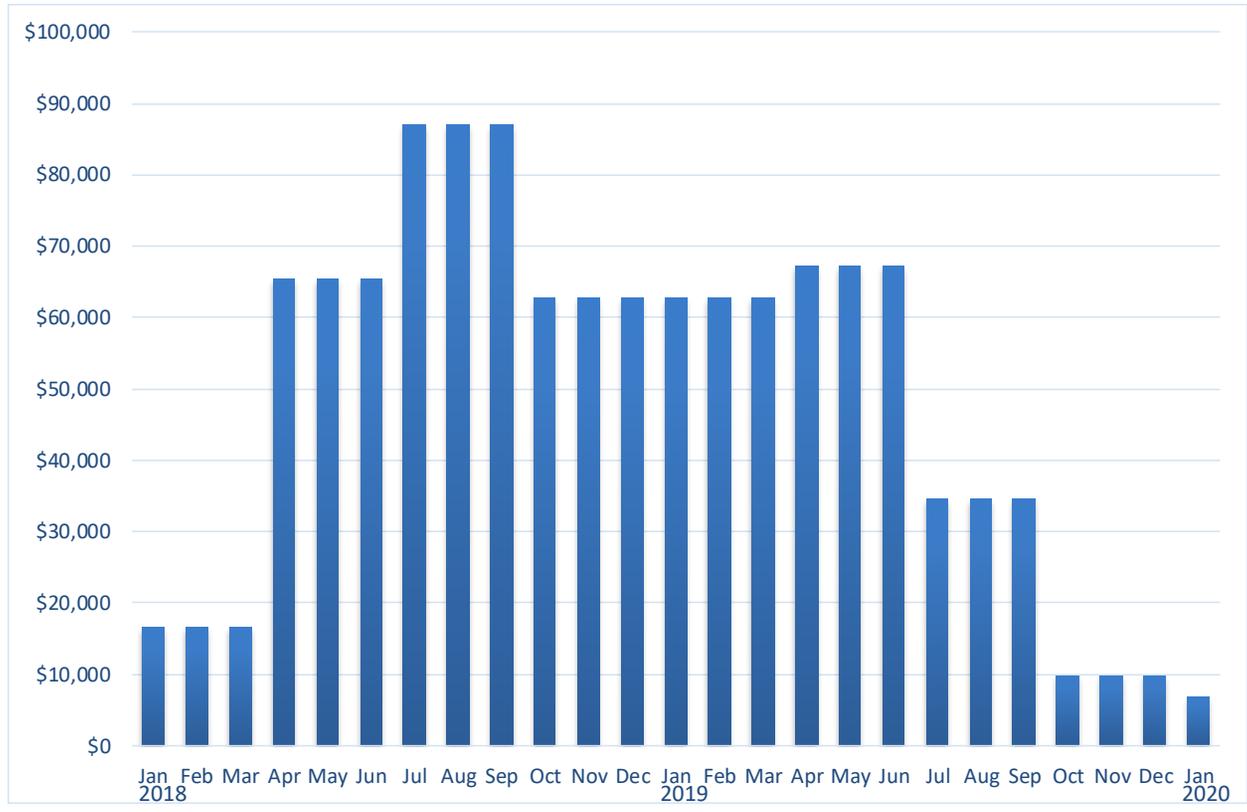


Figure 6: Anticipated Monthly Expenditures

Rate schedules for all consultants are included below. All follow-up consultation and services available after completion of the GSP development will be charged at these rates, with 3% annual increases.

<p>HYDROMETRICS WRI</p> <p>Staff Rate Classification..... Rate</p> <p>Principal Hydrogeologist...\$195-\$230</p> <p>Senior /Hydrogeologist 3 \$185</p> <p>Senior Hydrogeologist 2 \$175</p> <p>Senior Hydrogeologist 1 \$165</p> <p>Hydrogeologist 5..... \$150</p> <p>Hydrogeologist 4..... \$140</p> <p>Hydrogeologist 3..... \$130</p> <p>Hydrogeologist 2..... \$120</p> <p>Hydrogeologist 1..... \$110</p> <p>Office Support \$75</p>	<p>MONTGOMERY & ASSOCIATES</p> <p>Scientist VIII\$195</p> <p>Scientist VII\$184</p> <p>Scientist VI.....\$172</p> <p>Scientist V\$157</p> <p>Scientist IV\$142</p> <p>Scientist III.....\$124</p> <p>Scientist II\$107</p> <p>Scientist I.....\$89</p> <p>GIS/Database Analyst\$91</p> <p>Drafter II\$73</p> <p>Technical Editor.....\$50</p>
<p>CAROLLO ENGINEERS</p> <p>Senior Professional..... \$294.00</p> <p>Lead Project Professional \$272.00</p> <p>Project Professional..... \$252.00</p> <p>Professional..... \$213.00</p> <p>Assistant Professional..... \$174.00</p> <p>Senior Technicians \$183.00</p> <p>Technicians..... \$131.00</p> <p>Clerical..... \$115.00</p>	<p>GEI CONSULTANTS</p> <p>Senior Principal – 10.....\$330</p> <p>Senior consultant – 9\$330</p> <p>Senior consultant – 8\$267</p> <p>Senior professional – 7\$238</p> <p>senior professional – 6\$201</p> <p>senior professional – 5\$176</p> <p>Project professional – 4\$149</p> <p>project professional – 3\$133</p> <p>staff professional – 2.....\$121</p> <p>staff professional – 1.....\$110</p> <p>CADD Drafter\$121</p> <p>Office Aide\$77</p>
<p>STRATEGY DRIVER</p> <p>Ellen Cross\$250</p>	<p>WESTWATER</p> <p>Director\$275</p> <p>Principals\$220</p> <p>Regional Directors.....\$200</p> <p>Sr. Associates..... \$135 - \$150</p> <p>Associates \$100 - \$125</p> <p>Analysts \$75 - \$95</p> <p>Administration\$65</p>

All outside costs and services, including subcontractors, will be billed at cost +15%.

Contract Terms

We have reviewed the contract and propose that paragraph (a) of the indemnification clause remove the phrase “any alleged acts”, and modify the paragraph such that the consultant’s indemnification is in proportion to the consultant’s legally determined errors, omissions, or negligence. We also propose that paragraph (b) of the indemnification language either be struck, or state that the consultant obligation to pay for defense costs is in proportion to consultant’s legally determined errors, omissions, or negligence.

References

We have listed below selected references that demonstrate our groundwater management expertise, our SGMA knowledge, our local experience, and our strong client relationships. We encourage the Paso Robles GSAs to contact any of the clients listed below.

SANTA CRUZ MID-COUNTY GSA/ GSP SUPPORT

Client and Contact: Ms. Rosemary Menard
City of Santa Cruz
(831) 420-5205
RMenard@cityofsantacruz.com

Dates: 7/2016 to Ongoing

HydroMetrics WRI currently supplies GSP development technical and policy support to the Santa Cruz Mid-County GSA. HydroMetrics WRI earlier provided technical assistance to the GSA formation committee during the GSA formation process. Based on HydroMetrics WRI’s input, all of the signatories to the GSA clearly understood the basins conditions, and each individual GSA members contribution to the basin condition. At the same time, HydroMetrics WRI successfully applied for a basin boundary modification; combining parts of four basins into a single basin and excluding fringe areas of the basin that do not impact groundwater management.

HydroMetrics WRI is currently guiding the newly formed GSA through the GSP process. HydroMetrics has guided both the GSA and interested stakeholders though the state of the basin; and introduced the basics of Sustainable Management Criteria. Hydrometrics WRI is currently working with the GSA to map out the decisions that must be made over the next two years. Included in this ongoing contract is assistance developing the sustainable management criteria, assistance defining the state of the basin, and groundwater modeling to assess the impacts of various groundwater management projects or actions. The result of this project will be a fully compliant GSP for the Santa Cruz mid-County Basin.

DWR SGMA IMPLEMENTATION

Client and Contact: Mr. Trevor Joseph
Department of Water
Resources
(916) 651-9218
tjoseph@water.ca.gov

Dates: 7/2016 to Ongoing

HydroMetrics WRI is part of the consulting team that is working with and guiding DWR as it implements SGMA legislation and regulations. Team member GEI is the lead consultant on this team. This project gives both GEI and HydroMetrics WRI unequaled access to DWR's thought process, concerns, and insights on GSP development.

Significant activities that have been undertaken as part of this contract include drafting and developing the best management practices for implementing SGMA; developing tools for DWR to accept data and GSPs as they are delivered by various GSAs, strategizing on identifying the most important and critical parts of a GSP, and working with DWR to develop the data sets and information that GSAs can use in their GSPs. As part of this contract, Mr. Williams meets with DWR regularly to formulate statewide SGMA policy and draft policy documents.

PASO BASIN SUPPLY OPTIONS STUDY

Client and Contact: Ms. Courtney Howard
County of SLO
1144 Monterey St., Suite B
San Luis Obispo, CA 93408
(805) 781-1016
CHoward@co.slo.ca.us

Dates: 2014 to 2017

The Paso Robles Groundwater Basin (Paso Basin) has experienced dropping groundwater levels over several decades. In an effort to ensure sustainable water supply for the customers the Paso Basin serves while meeting its management objectives, the San Luis Obispo County Flood Control and Water Conservation District retained Carollo for a Supply Options Study to identify sources of supply that can be obtained to supplement the Paso Basin. The project develops a prioritized list of the most beneficial and viable options for procuring available water from the State Water Project water, Lake Nacimiento, local exchanges, and recycled water to wholly or in part, stabilize groundwater levels and to provide a clear path forward to obtaining these supplies for the Paso Basin.

- The primary goal of the study is to determine the quantity, quality, cost, and points of transfer of supplemental water options, infrastructure needs at transfer points, and the terms and/or conditions under which a Paso Basin entity could procure it (e.g., contractual issues, negotiations, "transfer terms"). The recently completed groundwater model (updated and improved by Geoscience) was used to determine the benefits of different supply options, including evaluation of where benefits can be maximized in the basin through direct use (offsetting pumping) or through recharge. Locations for recharge were also identified using the hydrogeology and the model.

ALTERNATIVE SUBMITTAL TO A GROUNDWATER SUSTAINABILITY PLAN FOR SUTTER SUB-BASIN, SUTTER COUNTY, CALIFORNIA

Client and Contact: Mr. Guadalupe Rivera
Sutter County Development
Services (530) 822-7450,
grivera@co.sutter.ca.us
Dates: 11/2016 to 01/2017

GEI assisted Sutter County to develop an Alternative Submittal (Alternative) for the Sutter Sub-basin in little over a two-month period. The Alternative was developed by preparing an outline from the Groundwater Sustainability Plan Emergency Guidelines to ensure that all components were addressed. During the development period BMPs or

Guidance Documents were just starting to be released; therefore, GEI developed the Alternative using our knowledge of available information.

The hydrogeologic conceptual model, groundwater conditions, and water budget were all developed using available information which included Bulletin 118 and locally developed plans. General groundwater quality conditions were developed using the existing Groundwater Management Plan and also the Groundwater Assessment Report developed for the Irrigated Lands Program. Significant time was spent with stakeholders in the development and acceptance of minimum threshold values and measurable objectives.

Disclosures

HydroMetrics WRI is proud that it has never in its 12 years of existence been the subject of any litigation, arbitration or claims proceedings. Additionally, Montgomery & Associates has had no claims or litigation in the past five years.

Carollo's disclosures for the previous five years include the following:

Year	Project	Outcome
2013	Construction damage of underground utilities	Dismissed from lawsuit
2013	Sewage overflow	Mediation, no admission of fault
2013	Civil suit regarding project delays	Mediation, no admission of fault
2015	Lawsuit regarding water rights	Lawsuit dismissed, under appeal
2015	Contaminated water	Dismissed from lawsuit
2015	Client injury during unrelated activity	Dismissed from lawsuit
2015	Errors by a painting subcontractor	Lawsuit in progress
2016	Contractor's claim of changed subsurface conditions	Dismissed from lawsuit

PASO BASIN COOPERATIVE COMMITTEE
February 14, 2018

Agenda Item 10 – Consider Approval of Recommended FY 2017-18 Annual Budget

Subject

Consider approval of recommended Fiscal Year 2017-18 Annual Budget

Recommendation

It is recommended that the Paso Basin Cooperative Committee consider approval of the recommended Fiscal Year 2017-2018 Annual Budget, for consideration and approval by each of the GSAs, consistent with the Memorandum of Agreement¹ (MOA) Section 5.2.

Prepared By

Dick McKinley, City of Paso Robles
Angela Ruberto, County of San Luis Obispo

Discussion

Terms per MOA: The MOA Section 5 details the terms of funding related to the Paso Basin Cooperative Committee cooperative efforts, and cost sharing among the MOA’s member GSAs. The fiscal year of the Paso Basin Cooperative Committee is July 1st through June 30th. The Paso Basin Cooperative Committee is responsible for developing a recommended budget for consideration and approval by each GSA (each signatory to MOA). Subject to each GSA’s approval of the budget for the relevant Fiscal Year, each GSA is responsible for funding a portion of the budgeted costs, in accordance with the percentages set forth in MOA Section 4.6 or 4.7.

Draft Annual Budget: Consistent with the MOA, staff developed a recommended Fiscal Year 2017-2018 Annual Budget. A majority of the budgeted costs involve consultant services related to GSP development. The recommended budget currently includes a budget line item for GSP Development based on staff’s recommended GSP Consultant discussed in the prior Agenda Item 8. Pending your committee’s action on Agenda Item 8, this Annual Budget line item would be confirmed or edited, as needed.

A majority of efforts necessary to support administration of the Paso Basin Cooperative Committee and its efforts involve in-kind services of the GSAs. The recommended Annual Budget does not show “in-kind” services, consistent with MOA Section 4.4(C). Two individual GSAs also took on efforts on behalf of the partners, prior to the Committee being established (e.g. grant application development), which are not reflected in the recommended Annual Budget. Pending Committee consideration of these past efforts, the efforts could be added to the Annual Budget and cost shared among the MOA parties.

Conceptual Contributions & Cash Flow: Staff of the GSAs developed and submitted a grant application on behalf of the Paso Basin, seeking Proposition 1 grant funding to offset local costs to develop a GSP. The State Department of Water Resources (DWR) published draft grant

¹ “Memorandum of Agreement Regarding Preparation of a Groundwater Sustainability Plan for the Paso Robles Groundwater Basin”; Effective as of September 20, 2017.

funding awards earlier this month, which included full funding of the Paso Basin proposal for GSP development. Pending DWR’s final funding awards, this grant funding would be available to offset local costs needed to develop a GSP.

However, this is a reimbursement-based grant. Therefore, the GSP development costs will need to be paid for by the GSAs, and be reimbursed over time by DWR. DWR’s process to review and approve invoices can take up to six months behind actual expenditures for the grant funded efforts. Therefore, for cash flow purposes, the City (as the contracting agent on behalf of the committee) will invoice each GSA consistent with the percentages set forth in MOA Section 4.6 or 4.7. As DWR reimburses the City for the approved GSP Development efforts, the City will in turn reimburse each GSA at its proportionate amount.

The table below reflects the estimated GSAs’ cost sharing amounts (both total, and net total once reimbursed by grant funding) for Fiscal Year 2017/18, based on the current MOA signatories. This does not account for potential future contributions by the Estrella El Pomar Creston Water District, if it becomes a signatory to the MOA, or the Salinas Valley GSA, pending negotiation of a coordination agreement.

MOA Signatory (GSA)	%	Proposed FY 2017/18 Cost Allocations		
		Up Front Cost Share	Reimbursed by Grant	Net FY 2017/18 Cost Share
County of San Luis Obispo	61%	\$173,557	-\$169,287	\$4,270
City of Paso Robles	15%	\$42,678	-\$41,628	\$1,050
Shandon-San Juan Water District	20%	\$56,904	-\$55,504	\$1,400
San Miguel Community Services District	3%	\$8,536	-\$8,326	\$210
Heritage Ranch Community Services District	1%	\$2,845	-\$2,775	\$70
Total	100%	\$284,520	-\$277,520	\$7,000

It is recommended that the Paso Basin Cooperative Committee consider approval of the attached recommended Fiscal Year 2017-2017 Annual Budget, for consideration and approval by each of the GSAs, consistent with MOA Section 5.2.

Fiscal Impact:

The recommended Fiscal Year 2017-2018 Annual Budget reflects the costs associated with the Paso Basin Cooperative Committee efforts to collectively develop a single GSP. Pending finalizing a contract with the selected GSP Consultant, this fiscal year budget is estimated at \$284,520 (through June 30, 2018), with total GSP development costs over three fiscal years currently estimated at \$1,384,515 (through Fiscal Year 2019-2020). The Paso Basin Cooperative Committee Annual Budget is intended to be cost shared among the MOA signatories (GSAs), which is anticipated to be largely reimbursed by the State Proposition 1 Sustainable Groundwater Planning Grant Program².

Attachments:

1. Proposed FY 2017-18 Annual Budget

* * *

² Pending DWR’s final grant funding awards in March 2018. Grant is reimbursement based, and can take up to six months after actual expenditures to receive reimbursement from DWR.

Attachment 1: Proposed FY 2017-18 Annual Budget

Draft as of 2/9/2018

Budget Line Items ¹	Total Estimated Budget (through GSP Adoption)	Proposed FY 17/18	Estimated FY 18/19	Estimated FY 19/20
Miscellaneous Cooperative Committee Costs ²	\$21,000	\$7,000.00	\$7,000.00	\$7,000.00
GSP Consultant	\$1,363,515	\$277,520	\$926,161	\$159,834
Total	\$1,384,515	\$284,520	\$933,161	\$166,834

Notes:

- (1) Various administrative costs are "in-kind services" of the GSAs and not part of this budget (e.g. agenda development, meeting preparation, legal counsel, manage consultant contract, invoicing for cost sharing, etc.)
- (2) Estimated costs associated with meeting room rentals, supplies, etc.
- (3) Negotiating grant agreement, quarterly reporting, DWR invoicing