

EXHIBIT A

Proposed Bill—Governance of Proposed Paso Robles Basin Water District

Chapter ___ of Part 4 of Division 13 of the California Water Code

Section ___0. **Application of chapter; district defined; intent.** This chapter shall apply only to the proposed Paso Robles Basin Water District. For purposes of this chapter “District” means the “Paso Robles Basin Water District”, the boundaries of which shall be established, and may be modified from time to time, by the San Luis Obispo County Local Agency Formation Commission. The Legislature finds and declares that the provisions of this Chapter are enacted in order to provide a governmental framework for the District to balance the supply to and consumption of groundwater within the basin underlying the District, and thereby pursue stabilizing that basin and sustaining its resources for the beneficial use of all who use water within the District.

Section ___1. **District elections.** Notwithstanding any other provision of law, or the bylaws of the District, all elections for directors within the District shall be conducted in accordance with this chapter and the composition of the board of directors shall be as follows:

- (a) There shall be a total of nine (9) directors, each of whom shall be qualified for office by being a person who holds title to land within the District or a person authorized to vote in elections by landowners as provided in Section ___2 (d). A person may only be a candidate for director for one office.
- (b) Six (6) of the directors shall be elected by landowners within the District as otherwise provided by Article 1, Chapter 1 of this Part 4 provided, however, each voter shall be entitled to cast one vote for each acre owned by the voter within the district, provided that if the voter owns less than one acre then the voter shall be entitled to one vote and any fraction shall be rounded to the nearest full acre. For purposes of election of said six (6) directors only, landowners within the District shall be divided into three classes, that being: (i) holders of title owning a total of four hundred (400) acres or more (herein called “large landowners”), (ii) holders of title owning a total of forty (40) acres or more but less than four hundred (400) acres (herein called “medium landowners”), and (iii) holders of title owning a total of less than forty (40) acres (herein called “small landowners”). The large landowners shall elect two (2) of the six directors at large, the medium landowners shall elect two (2) directors at large and the small landowners shall elect two (2) directors at large. Candidates for such six (6) directors may be within any of such three classes.

- (c) Three (3) of the directors shall be elected by registered voters within the District at large.
- (d) All directors, whether qualified under paragraphs (b) or (c) of this Section ____1, shall reside within the District, within two (2) miles of the District boundary, or shall live within the boundaries of the City of Paso Robles, the Atascadero Mutual Water Company, the Templeton Community Services District, the San Miguel Community Services District, or the San Luis Obispo County Service Area 16.

Section ____2. **Conduct of District elections.** District elections shall be conducted in conformance with the Uniform District Election Law (Part 4 (commencing with Section 10500) of Division 10 of the Elections Code) and the laws generally applicable to districts created and operated pursuant to this division, provided the following shall apply:

- (a) Separate ballots shall be prepared and separate elections shall be conducted for those director positions which will be elected by resident voters and for those which will be elected by landowner voters. Notwithstanding Section 10555 of the Elections Code, these landowner voter elections and resident voter elections shall be conducted simultaneously.
- (b) District elections may be conducted by all-mailed ballots pursuant to Section 4108 of the Elections Code. Separate voter lists of resident voters and landowner voters eligible to vote within the District shall be prepared and maintained according to applicable provisions of law. Separate all-mailed ballot elections shall be held for the directors to be elected by resident voters and for those to be elected by landowner voters.
- (c) The directors elected upon formation of the District shall hold office pursuant to Section 10505 of the Elections Code, and as therein further provided the director positions elected by large landowners shall be divided into two director term classes, the landowners elected by medium landowners shall be divided into two director term classes, the landowners elected by small landowners shall be divided into two director term classes, and the director positions elected by registered voters shall be divided into two director term classes, such "director term classes" being only for purposes of implementing this Section ____(c).
- (d) Notwithstanding other provisions of this division or the Uniform District Election Law, elections by landowners as provided at section __ (b) shall be carried out as follows:
 - (i) If more than one person or entity are shown as the holders of title, any such co-tenant may vote on behalf of the co-tenancy, or if multiple co-tenants vote, the voting rights shall be divided based upon the respective recorded interests of the co-tenants;

- (ii) If the holder of title is a trust, any trustee of the trust may vote on behalf of the trust;
 - (iii) If the holder of title is a corporation, the president, a vice president, secretary, or other duly designated officer may vote on behalf of the corporation; and
 - (iv) If the holder of title is a limited liability company, any managing member may vote on behalf to the limited liability company.
 - (v) An officer or partner with managerial responsibilities of a legal entity not listed in Section ____2 (d) (i) through (iv) above may vote on behalf of such entity.
- (e) Biennial elections of directors shall be held on the first Tuesday after the first Monday in October of each odd-numbered year. *[Add any additional language needed for timing of the formation election/election of initial board. County Counsel/Clerk reviewing]*
- (f) The voters list used for purpose of such elections shall be based upon the last equalized assessment roll prepared by the county assessor, corrected to reflect, in the case of transfers of land, those persons who as of the 45th *[need to check on 45th]* day prior to the election appear as owners of record in the office of the county assessor, and which shall be conclusive evidence of ownership and acreage for purpose of carrying out such elections. The county assessor shall be compensated for all cost incurred in determining such ownership and acreage information and providing same to the county clerk.

Section__3. Groundwater Management. The District shall have the authority afforded to local agencies as provided in Part 2.75 (commencing at section10750) of Division 6 of this Code, and any and all successor provisions to said provisions, consistent with the requirements and limitations of applicable law. The creation of District is not intended to and shall not modify the powers of San Luis Obispo County and the San Luis Obispo County Flood Control and Water Conservation District, carried out consistent with applicable law, to manage and protect groundwater resources within San Luis Obispo County, including the Paso Robles Groundwater Basin.