

# **PASO ROBLES BASIN WATER DISTRICT (DISTRICT) PLAN FOR SERVICES**

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## **1) Background**

Throughout 2014, there was ongoing discussion regarding increased management of the Paso Robles Groundwater Basin (Paso Basin).<sup>1</sup> The primary topics of discussion were: (1) whether the Paso Basin needs increased management; (2)

<sup>1</sup> On March 27, 2012, the Board adopted the Paso Robles Groundwater Basin Management Plan pursuant to Water Code Section 10750 *et seq.* (AB 3030).

the mechanism for providing such management; and (3) the entity to implement the selected mechanism.

Two stakeholder groups proposed and supported the formation of a California Water District with a modified Board of Directors.<sup>2</sup> Assemblyman Katcho Achadjian introduced legislation reflective of this proposal (AB 2453) that was signed by the Governor on September 16, 2014 and became effective on January 1, 2015.<sup>3</sup> In addition to providing for a modified Board of Directors, AB 2453 authorizes the Paso Robles Basin Water District (District) to exercise a number of groundwater management powers.

Concurrently, Senator Pavley and Assemblyman Dickinson sponsored a three-bill package (Sustainable Groundwater Management Act or SGMA) creating a statewide system for managing groundwater resources that was also signed by the Governor on September 16, 2014 and became effective on January 1, 2015. The SGMA imposes groundwater management requirements on basins that the Department of Water Resources (DWR) has designated as high- or medium-priority basins pursuant to the California Statewide Groundwater Elevation Monitoring Program (CASGEM). The SGMA permits the State Water Resources Control Board (SWRCB) to designate a high- or medium-priority basin as a “probationary basin” if a Groundwater Sustainability Agency(ies) (GSA) and a Groundwater Sustainability Plan(s) (GSP) for the basin are not established or adopted within certain specified time frames.

More specifically, the SWRCB may designate a high or medium-priority basin as a probationary basin unless one of the following has occurred on or before *June 30, 2017*: (a) a local agency has elected to be a GSA that intends to develop a GSP for the *entire* basin; (b) a collection of local agencies has formed a GSA or prepared agreements to develop one or more GSPs that will collectively serve as a GSP for the *entire* basin; (c) a local agency has submitted an alternative that has been approved or is pending approval by DWR.<sup>4</sup> In addition, the SWRCB may designate a high- or medium-priority basin as a probationary basin unless one of the following has occurred on or before *January 31, 2022*: (a) a GSA has adopted a GSP for the *entire* basin; (b) a collection of local agencies has adopted GSPs that collectively serve the *entire* basin; (c) DWR has approved an alternative.<sup>5</sup>

It is anticipated that the District will form prior to the above deadlines and will participate in a GSA with other affected local agencies that develops a GSP for the

<sup>2</sup> AB 2453 provides that the Board of Directors shall consist of six directors elected by landowners and three directors elected by registered voters.

<sup>3</sup> Application must be made by January 1, 2019 (Water Code § 37905(a)).

<sup>4</sup> Water Code § 10735.2(a)(1).

<sup>5</sup> Water Code § 10735.2(a)(4). For high- or medium-priority basins which DWR has designated in its report entitled California’s Groundwater: Bulletin 118 (Bulletin 118), as may be updated or revised on or before January 1, 2017, as “subject to critical conditions of overdraft,” the GSP deadline is shortened, and the SWRCB may designate such a basin as a probationary basin unless (a), (b) or (c) has occurred on or before *January 31, 2020* (Water Code § 10735.2(a)(2)).

Paso Basin or will enter into an agreement(s) with other affected local agencies to develop one or more GSPs for the Paso Basin consistent with Water Code Section 10727.

## **2) Description of Services**

### **a. Description of the Services to be Provided by the New District:**

The District will initially participate in a GSA for the Paso Basin or enter into an agreement(s) to fund and develop one or more GSPs for the Paso Basin. The GSP(s) will be used as the planning document for groundwater management in the Paso Basin. Any improvements, programs or projects (water conservation, water supply projects, etc.) recommended in the GSP adopted by the District will be considered by the District board for implementation. It is uncertain what these improvements, programs or projects may be at this time. The initial service provided by the District can be generalized as compliance with the Sustainable Groundwater Management Act (SGMA).

### **b. Boundary of the New District**

The boundary of the District is conceptually consistent with the requirements under the SGMA. More specifically, the SGMA defines “basin” as “a groundwater basin or subbasin identified and defined in Bulletin 118 or as modified pursuant to Chapter 3 (commencing with Section 10722).”<sup>6</sup> Section 10722 permits a local agency to request that DWR revise the boundaries of a basin if the local agency can demonstrate, among other things, that the proposed adjusted basin can be the subject of sustainable groundwater management.<sup>7</sup> The SGMA requires DWR to adopt regulations regarding the information required to support a boundary revision request by January 1, 2016 and contemplates a revision to Bulletin 118 on or before January 1, 2017.<sup>8</sup>

Early proponents of the District worked to define the boundaries of the proposed District based on the Phase 1 Study of the Paso Basin prepared by Fugro and Cleath (2002) (Phase 1 Study). However, the boundaries defined in the Phase 1 Study differ from those set forth in Bulletin 118.

More specifically, the boundaries in Bulletin 118 for the Paso Basin are primarily based on surface geology information and information developed in DWR's 1979 and 1958 studies of the Paso Basin. Locally, the Flood Control District commissioned Fugro and Cleath to do a detailed analysis of the Paso Basin hydrogeology. This effort established a Paso Basin boundary based on the subsurface base of permeable sediments as documented in the Phase 1 Study. While the Phase 1 Study is referenced in the most recent update to Bulletin 118,

<sup>6</sup> Water Code § 10721(b).

<sup>7</sup> Water Code § 10722.2.

<sup>8</sup> Id; Water Code § 10720.7.

there was no mechanism/program at that time for updating Basin boundary maps, and the original DWR boundary map still remains in Bulletin 118.

The SGMA has now established a mechanism for requesting boundary changes that will be implemented via a program administered by DWR. Based on the foregoing, with the exception noted below, the proposed boundary includes areas excluded from the Phase 1 Study boundaries but included within the Bulletin 118 boundaries as Negative Spheres of Influence. This affords LAFCO the ability to identify these areas as areas for potential detachment in the event that an application to revise the Paso Basin boundaries in accordance with the Phase 1 Study is submitted to and approved by DWR.

The Atascadero Subbasin is categorized differently than other areas falling within the Bulletin 118 boundaries but outside of the Phase 1 Study boundaries based on its identification as a subbasin with partial hydraulic separation by Fugro and Cleath. More specifically, the unincorporated parcels within the Atascadero Subbasin are excluded from the District boundaries but are designated as a (positive) Sphere of Influence. The Subbasin would be considered for potential inclusion in the event that it is determined that the Subbasin cannot be separately managed, because e.g. certain purveyors cannot serve as a GSA, a management structure is not developed, or new information challenges prior conclusions.

Figure 1 below depicts the District boundary. Cities, CSD's and other eligible water purveyors (purveyors with a governing board which may be or participate in a GSA) have been excluded from the District boundary. Figure 2 below depicts the Negative and Positive Spheres of Influence.

Figure 1 – Water District Boundary with Parcels:

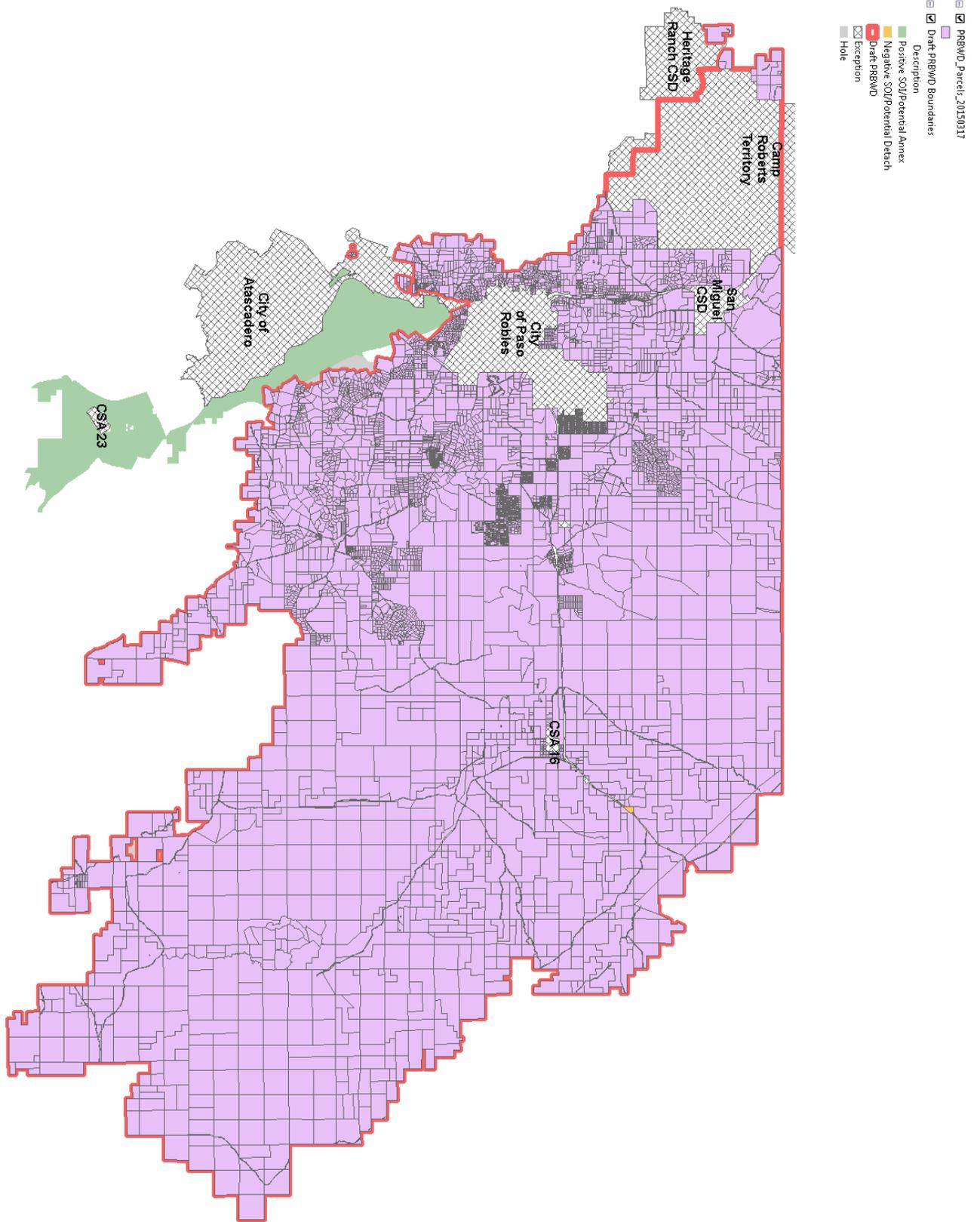
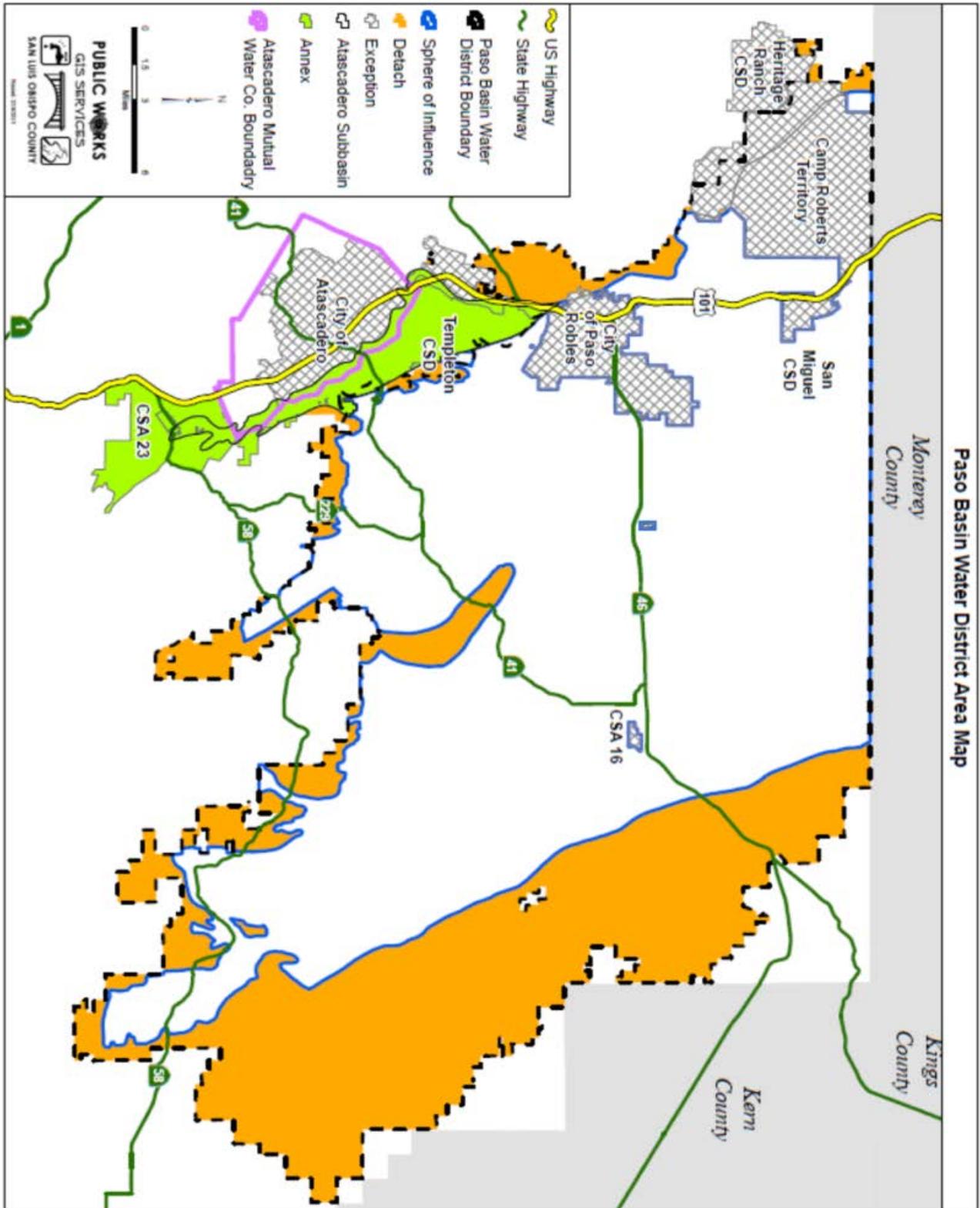


Figure 2 – Water District Boundaries with Negative & Positive Sphere of Influence:



**c. Level and Range of Services to be Provided**

Generally speaking, the level and range of services to be provided are those necessary to sustainably manage the groundwater basin as required by the SGMA. A list of powers potentially available to the District pursuant to AB 2453, California Water District law, and pursuant to the SGMA (assuming the District becomes a GSA and/or adopts a GSP) is set forth in Attachment A. The applicant has requested that all of the AB 2453 powers be activated by LAFCO consistent with the statutory requirement that the District receive the consent of the County, the County Flood Control District and/or any other local agency before engaging in activities normally and historically undertaken by these agencies. GSA powers are not reviewable by LAFCO, and will become activated once the District properly notices its intention to be a GSA and the noticing period runs.

The Flood Control District does, however, request that one of the enumerated powers within AB 2453 be conditionally classified as a latent power. Section 37921 of AB 2453 authorizes the District, among other things, to adopt emergency ordinances with an affirmative vote of only four members of the board of directors. The Flood Control District believes this power contains a mistake and that the intent was to permit the District to adopt emergency ordinances by an affirmative vote of seven directors. The Flood Control District is requesting LAFCO make the power to adopt an emergency ordinance latent unless and until the State Legislature amends AB 2453 to require seven votes.

**d. Indicate when services can be extended to the affected area(s)**

Services related to SGMA compliance, such as the development of a GSP, can be provided by the District immediately upon formation. The proposed budget, which will have had a successful Proposition 218 proceeding, only provides for enough funding to operate the District and fund the GSP. Any improvements, programs or projects deemed necessary by the GSP in order to sustainably manage the Paso Basin will need their own funding revenue source, which will be subject to the requirements of Proposition 218.

**e. An indication of any improvement of structures, roads, sewer or water facilities, or other conditions the district would impose or require within the affected territory if the District is formed**

Any such improvements related to groundwater sustainability are not anticipated to be imposed until after the development of the GSP. Under the SGMA, the final GSP must be submitted to DWR by either 2020 or 2022.<sup>9</sup> The date that will be

<sup>9</sup> Water Code § 10720.7(a) & (b). For high- or medium-priority basins which DWR has designated in Bulletin 118 as “subject to critical conditions of overdraft,” the GSP deadline will be on or before *January 31, 2020*, with all other basins having a GSP deadline on or before *January 31, 2022*.

required for the Paso Basin has yet to be determined. Therefore, any such improvements will most likely not be undertaken until at least 2020, and as discussed above, these improvements, programs or projects will be unknown until the GSP is developed.

**3) Identification of existing service providers, if any, and the potential fiscal impact to the customers of those existing providers**

There is no existing provider of sustainable groundwater management services as specifically described in the SGMA in the proposed District. However, the County Flood Control District has adopted a Groundwater Management Plan pursuant to AB 3030 which is currently in effect and the County has adopted an Urgency Ordinance (Ordinance No. 3246) that restricts new uses of groundwater within the Paso Basin. Aside from the foregoing, the area currently has individual well owners managing groundwater without the collaboration of others. There are, however, other existing water purveyors in the Paso Basin which will have to work collaboratively with the new District on matters related to groundwater management. These agencies will work together under the framework of a GSA or coordinated development of a GSP(s).

**4) Plan for financing the establishment of the new district:**

**a. Total estimated cost to provide services within the special district's boundaries**

The total estimated cost to provide services related to compliance with the SGMA is \$950,000. A detailed budget is provided in section (d) below.

**b. Estimated cost of the services to customers within the special district's jurisdictional boundaries**

A final determination of the funding mechanism under Proposition 218 (and the manner in which to impose a levy) has not been made at this time; therefore, the final allocation of the \$950,000 annual budget has not been developed. However, the Flood Control District retained the consulting firm NBS to develop a preliminary analysis on funding, which includes an estimated cost of service to customers on a per parcel basis (NBS Report). The NBS Report is attached as Attachment B.

The NBS Report assumes a \$2 per acre levy would provide revenue of approximately \$907,584, which is a theoretical levy to use for discussion purposes and almost enough to fund the preliminary budget. The actual levy for a \$950,000 District budget would be marginally higher at \$2.10 per acre. A detailed list of cost

per the Assessor's 103 land use categories at a theoretical levy of \$2 per acre is included in the NBS Report. Some highlights worth noting include the following:

- There are an estimated 1,386 Single Family Residential parcels with less than 2.49 acres. The estimated average levy for these parcels is \$3.25/year.
- Approximately 46% of the parcels in the district are Single Family Residential with less than 40 acres. The estimated average levy for these parcels ranges from \$3.25 to \$75.19 per year.
- Irrigated viticulture comprises approximately 54,046 acres or 12% of the District. The estimated average levy for this category is \$357.93 per year.

It is important to reiterate that the NBS Report is for discussion purposes only and not the final allocation of costs. Depending on the funding mechanism used, a more refined allocation of costs will still need to occur. For example, this model levies \$2 per acre equally to all land use categories, and certain categories – such as Graze and Vacant Rural - may not justify the full allocation. A reduction in their allocation would increase the cost to other land use categories. The work effort to fully refine the allocation model of a potential levy will take place during the Proposition 218 proceedings and be consistent with legal.

**c. Identification and description of the revenue sources. Discuss the stability of the revenue sources and future availability**

The funding will be approved pursuant to Proposition 218, which will provide for a long-term funding source. It has yet to be determined if the proposed levy will be a fee or special tax. Each has its own funding approval process, which the Flood Control District will follow to ensure compliance with the law.

Additionally, Proposition 1 provides for over \$7 billion in funding for water related projects. Almost \$1 billion is for groundwater sustainability, and it is reasonable to assume the District will be competitive for many of these grants. The initial budget does not account for a grant award, but a grant would be a welcome source of funding and help with the overall financing of compliance with the SGMA.

**d. Initial budget that describes anticipated expenses associated with the service to be provided**

***Five Year Operating Expenditures -Paso Water District***

Category	2016	2017	2018	2019	2020
Salaries & Benefits <sup>10</sup>					
Executive Director (Division Manager - Utilities)	\$ 187,874	\$ 187,874	\$ 187,874	\$ 187,874	\$ 187,874
Groundwater Engineer (Engineer IV -Public Works)	-	-	-	\$ 163,943	\$ 163,943
Administrative Assistant/Board Clerk (Senior Account Clerk - PW)	\$ 72,894	\$ 72,894	\$ 72,894	\$ 72,894	\$ 72,894
Groundwater Sustainability Plan	\$ 250,000	\$ 250,000	\$ 250,000	\$ 100,000	\$ 100,000
Legal Services	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Grant Writing / Advocacy	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Office Lease	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
IT Support (including GIS)	\$ 10,000	\$ 10,500	\$ 11,025	\$ 11,576	\$ 12,155
Payroll Service	\$ 2,400	\$ 2,520	\$ 2,646	\$ 2,778	\$ 2,917
Software/Website	\$ 9,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
Conferences/Training	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Travel Expenses	\$ 5,000	\$ 5,250	\$ 5,513	\$ 5,788	\$ 6,078
Dues & Subscriptions	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Insurance	\$ 11,700	\$ 12,285	\$ 12,899	\$ 13,544	\$ 14,221
Legal Notices & Ads	\$ 7,500	\$ 7,875	\$ 8,269	\$ 8,682	\$ 9,116
Office Supplies	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431
Postage	\$ 3,000	\$ 3,150	\$ 3,308	\$ 3,473	\$ 3,647
Printing	\$ 2,500	\$ 2,625	\$ 2,756	\$ 2,894	\$ 3,039
Utilities	\$ 5,000	\$ 5,250	\$ 5,513	\$ 5,788	\$ 6,078
Telephone/Communications	\$ 3,500	\$ 3,675	\$ 3,859	\$ 4,052	\$ 4,254
Office Equipment Leases	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Board Elections	\$ 15,000	-	\$ 15,000	-	\$ 15,000
Future Prop 218	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
LAFCO District Fees	\$ 1,200	\$ 1,260	\$ 1,323	\$ 1,389	\$ 1,459
Collection Fee/Bad Debt	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Annual Audit	\$ 5,000	\$ 5,250	\$ 5,513	\$ 5,788	\$ 6,078
Contingency (average of 7%)	\$ 68,432	\$ 85,992	\$ 67,905	\$ 65,721	\$ 47,317
TOTAL	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000

**Attachments:**

- A. AB 2453, California Water District and SGMA Power Comparison
- B. NBS Proposition 218 Preliminary Report

<sup>10</sup> Based on County Salaries & Benefits - include medical, retirement and other non-salary benefits

# ATTACHMENT A - Comparison of Powers: AB 2453: Paso Robles Basin Water District and Sustainable Groundwater Management Act

April 21, 2015

## Outline of Attachment A:

- I. Introduction
- II. Comparison Chart
- III. Additional Powers Under the Sustainable Groundwater Management Act
- IV. Activities Normally and Historically Undertaken by County and/or County Flood Control District

## I. INTRODUCTION

This comparison lists powers provided in Assembly Bill (AB) 2453 (Water Code §§ 37900 et seq.), and identifies related powers provided in the Sustainable Groundwater Management Act (AB 1739, SB 1168, SB 1319) (Water Code §§ 10720 et seq.).

AB 2453 contains authorities and powers over and above those available to all California Water Districts (CWD) under the California Water District Law (Water Code §§ 34000 et seq.) (CWD Law). The CWD Law includes various provisions outlining the powers of CWDs, including, without limitation, Part 5 Powers and Purposes (Water Code §§ 35300 - 35886), Part 6 Financial Provisions (Water Code §§ 35900 - 36458.1), and Part 7 Assessments (Water Code §§ 36550 - 37186). By way of example, Part 5 includes the following powers:

(a) *“A district may acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works connected therewith or incidental thereto”* (Water Code § 35401);

(b) *“A district may contract to perform and perform any agreement for the transfer or delivery pursuant to Chapter 5 of this part of any irrigation system, canals, rights of way, or other property owned or acquired by the district in exchange for the right to receive and use water or a water supply to be furnished to the district by the other party”* (Water Code § 35403);

(c) *“A district may commence, maintain, intervene in, compromise and assume the costs of any action or proceeding involving or affecting the ownership or use of waters or water rights within the district used or useful for any purpose of the district or a benefit to any land”* (Water Code § 35408); and

(d) *“A district may, within or without the district in the State, acquire by purchase, condemnation, or other legal means all property or rights in property necessary or proper for the district works and to supply the land with sufficient water for all district purposes”* (Water Code § 35600).

AB 2453 also contains the following language limiting the powers of the Paso Robles Basin Water District (District): *“The creation of the district is not intended to and shall not modify the powers of the County of San Luis Obispo 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 the County of San Luis Obispo, including the Paso Robles Groundwater Basin”* (Water Code § 37902). *“If formed, the district shall not involve itself in activities normally and historically undertaken by the county, the San Luis Obispo County Flood Control and Water Conservation District, or other local agency, without the agreement of the agency”* (Water Code § 37903). See Section IV below for a more detailed discussion of enumerated powers that constitute activities normally and historically undertaken by the County and/or the County Flood Control District.

## II. COMPARISON CHART

The language included in the comparison chart below is exact statutory language, except for the numbered box headings and titles (**box #**) and for cross references (i.e. “**see box #**”). These numbered box headings and titles were created for ease of reading and are not part of the statutory text.

Powers of AB 2453: Paso Robles Basin Water District Groundwater Management Authority	Related Powers of Sustainable Groundwater Management Act
<b>Box 1. Power to Adopt Ordinances; Control Extractions</b>	
<p>The board may adopt ordinances for the purpose of regulating, conserving, managing, and controlling the use and extraction of groundwater within the territory of the district. All ordinances shall be adopted, after noticed public hearings by a majority vote of the board. Notice of the adoption of all ordinances shall be given. The ordinances of the district shall become effective on the 31st day after adoption except that the board may, by the vote of at least four members of the board, dispense with notice of public hearing and adopt an emergency ordinance that shall become effective immediately upon adoption, if the board determines that the public health, safety, or welfare so requires. <i>(Water Code § 37921)</i></p>	<p>A groundwater sustainability agency may adopt rules, regulations, ordinances, and resolutions for the purpose of this part, in compliance with any procedural requirements applicable to the adoption of a rule, regulation, ordinance, or resolution by the groundwater sustainability agency. <i>(Water Code § 10725.2)</i></p> <p>(a) A groundwater sustainability agency shall have the following additional authority and may regulate groundwater extraction using that authority [...]</p> <p>(2) To control groundwater extractions by regulating, limiting, or suspending extractions from individual wells or extractions from groundwater wells in the aggregate, construction of new groundwater wells, enlargement of existing groundwater wells, or reactivation of abandoned groundwater wells, or otherwise establishing groundwater extraction allocations. A limitation on extractions by a groundwater sustainability agency shall not be construed to be a final determination of rights to extract groundwater from the basin or any portion of the basin. <i>(Water Code § 10726.4)</i></p>
<b>Box 2. Liability for Violations</b>	
<p>Any person who intentionally violates any provision of this act or any district ordinance shall be guilty of an infraction and may be required to pay a fine to the district not to exceed five hundred dollars (\$500). <i>(Water Code § 37922)</i></p>	<p>(a)(1) A person who extracts groundwater in excess of the amount that person is authorized to extract under a rule, regulation, ordinance, or resolution adopted pursuant to Section 10725.2, shall be subject to a civil penalty not to exceed five hundred dollars (\$500) per acre-foot extracted in excess of the amount that person is authorized to extract. Liability under this subdivision is in addition to any liability imposed under paragraph (2) and any fee imposed for the extraction.</p> <p>(2) A person who violates any rule, regulation, ordinance, or resolution adopted pursuant to Section 10725.2 shall be liable for a civil penalty not to exceed one thousand dollars (\$1,000) plus one hundred dollars (\$100) for each additional day on which the violation continues if the</p>

Powers of AB 2453: Paso Robles Basin Water District	Related Powers of Sustainable Groundwater Management Act
	<p>person fails to comply within 30 days after the local agency has notified the person of the violation.</p> <p>(b)(1) A groundwater sustainability agency may bring an action in the superior court to determine whether a violation occurred and to impose a civil penalty described in subdivision (a).</p> <p>(b)(2) A groundwater sustainability agency may administratively impose a civil penalty described in subdivision (a) after providing notice and an opportunity for hearing. <i>(Water Code § 10732)</i></p>
<b>Box 3. Liability for Violations</b>	
<p>Any person who negligently or intentionally violates any provision of this act or any district ordinance may also be liable civilly to the district for a sum not to exceed one thousand dollars (\$1,000) per day for each day of violation, in addition to any other penalties that may be prescribed by law. <i>(Water Code § 37923)</i></p>	<p><b>See box 2.</b></p>
<b>Box 4. Liability for Violations</b>	
<p>Upon the failure of any person to comply with any provision of this act or any district ordinance, the district may petition the superior court for a temporary restraining order, preliminary or permanent injunction, or other equitable relief as may be appropriate. The right to petition for injunctive relief is an additional right to those that may be provided elsewhere in this act or otherwise allowed by law. <i>(Water Code § 37924)</i></p>	<p>(e) As an additional remedy [for failure to pay groundwater fees], a groundwater sustainability agency, after a public hearing, may order an owner or operator to cease extraction of groundwater until all delinquent fees are paid. The groundwater sustainability agency shall give notice to the owner or operator by certified mail not less than 15 days in advance of the public hearing. <i>(Water Code § 10730.6)</i></p>
<b>Box 5. Power to Collect Delinquent Fees; Commence Litigation</b>	
<p>The district may petition the superior court of the county to recover any sums due the district. In order to preserve and manage the groundwater resources within its territory, the district may also commence, maintain, intervene in, defend, compromise, and assume the costs and expenses of legal actions and administrative proceedings now or hereafter begun involving groundwater, including, but not limited to, groundwater rights adjudication. <i>(Water Code § 37925)</i></p>	<p>A groundwater sustainability agency may do the following [...]</p> <p>(f) Commence, maintain, intervene in, defend, compromise, and assume the cost and expenses of any and all actions and proceedings. <i>(Water Code § 10726.2)</i></p> <p>(c) The groundwater sustainability agency may bring a suit in the court having jurisdiction against any owner or operator of a groundwater extraction facility within the area covered by the plan for the collection of any delinquent groundwater fees, interest, or penalties imposed under this chapter. If the groundwater sustainability agency seeks an attachment against the property of any named defendant in the suit, the groundwater sustainability agency shall not be required to furnish a bond or other undertaking as provided in Title 6.5 (commencing with Section 481.010) of Part 2 of the Code of Civil Procedure. <i>(Water Code 10730.6)</i></p>
<b>Box 6. Power to Contract for Services</b>	

Powers of AB 2453: Paso Robles Basin Water District	Related Powers of Sustainable Groundwater Management Act
<p>The district may contract with the county, the San Luis Obispo County Flood Control and Water Conservation District, or other local district for staff and other services and may hire other contractors and consultants as it considers appropriate. (<i>Water Code § 37926</i>)</p>	<p>No identified power, but see Water Code § 10726.8(a) (“This part is in addition to, and not a limitation on, the authority granted to a local agency under any other law. The local agency may use the local agency’s authority under any other law to apply and enforce any requirements of this part, including, but not limited to, the collection of fees.”).<sup>1</sup></p>
<b>Box 7. Exclusion of De Minimis Extractors</b>	
<p>The district may exclude from any of the requirements of this act, or the operation of any ordinance, any operator who extracts less than a minimum amount of groundwater as specified by ordinance adopted by the board. (<i>Water Code § 37927</i>)</p>	<p>(e) This section [Measurement Devices and Reporting, see indented text below] does not apply to de minimis extractors.<sup>2</sup> (<i>Water Code 10725.8</i>)</p> <p>(a) A groundwater sustainability agency may require through its groundwater sustainability plan that the use of every groundwater extraction facility within the management area of the groundwater sustainability agency be measured by a water-measuring device satisfactory to the groundwater sustainability agency.</p> <p>(b) All costs associated with the purchase and installation of the water measuring device shall be borne by the owner or operator of each groundwater extraction facility. The water measuring devices shall be installed by the groundwater sustainability agency or, at the groundwater sustainability’s option, by the owner or operator of the groundwater extraction facility. Water-measuring devices shall be calibrated on a reasonable schedule as may be determined by the groundwater sustainability agency.</p> <p>(c) A groundwater sustainability agency may require, through its groundwater sustainability plan, that the owner or operator of a groundwater extraction facility within the groundwater sustainability agency file an annual statement with the groundwater sustainability agency setting forth the total extraction in acre-feet of groundwater from the facility during the previous water year.</p> <p>(d) In addition to the measurement of groundwater extraction pursuant to subdivision (a), a groundwater sustainability agency</p>

<sup>1</sup> The CWD Law provides as follows: “The board shall: (a) Employ and appoint such agents, officers, and employees as may be required. (b) Prescribe their duties and fix their salaries. (c) Prescribe other terms and conditions of employment.” (*Water Code § 34900*)

<sup>2</sup> “‘De minimis extractor’ means a person who extracts, for domestic purposes, two acre-feet or less per year.” (*Water Code § 10721*)

Powers of AB 2453: Paso Robles Basin Water District	Related Powers of Sustainable Groundwater Management Act
	<p>may use any other reasonable method to determine groundwater extraction. <i>(Water Code § 10725.8)</i></p> <p>(a) A groundwater sustainability agency may impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, including, but not limited to, preparation, adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve. A groundwater sustainability agency shall not impose a fee pursuant to this subdivision on a de minimis extractor unless the agency has regulated the users pursuant to this part. <i>(Water Code 10730)</i></p>
<b>Box 8. Power to Conduct Investigations</b>	
<p>The district may collect data and conduct technical and other investigations deemed necessary in order to carry out the provisions of this act. All hydrological investigations and studies carried out by or on behalf of the district shall be conducted by or under the supervision of licensed engineers or other persons qualified in groundwater geology or hydrology. <i>(Water Code § 37928)</i></p>	<p>(a) A groundwater sustainability agency may conduct an investigation for the purposes of this part including, but not limited to, investigations for the following:</p> <ol style="list-style-type: none"> <li>(1) To determine the need for groundwater management.</li> <li>(2) To prepare and adopt a groundwater sustainability plan and implementing rules and regulations.</li> <li>(3) To propose and update fees.</li> <li>(4) To monitor compliance and enforcement.</li> </ol> <p>(b) An investigation may include surface waters and surface water rights as well as groundwater and groundwater rights.</p> <p>(c) In connection with an investigation, a groundwater sustainability agency may inspect the property or facilities of a person or entity to ascertain whether the purposes of this part are being met and compliance with this part. The local agency may conduct an inspection pursuant to this section upon obtaining any necessary consent or obtaining an inspection warrant pursuant to the procedure set forth in Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure. <i>(Water Code § 10725.4)</i></p>
<b>Box 9. Power to Prepare and Receive Reports</b>	
<p>The district may prepare annually or receive reports on groundwater and supplemental water supplies and conditions in the territory of the district, including groundwater management and conjunctive use objectives and a plan for implementation of those objectives. <i>(Water Code § 37929)</i></p>	<p>(c) A groundwater sustainability agency may require, through its groundwater sustainability plan, that the owner or operator of a groundwater extraction facility within the groundwater sustainability agency file an annual statement with the groundwater sustainability</p>

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	<p>agency setting forth the total extraction in acre-feet of groundwater from the facility during the previous water year.</p> <p>(d) In addition to the measurement of groundwater extractions pursuant to subdivision (a), a groundwater sustainability agency may use any other reasonable method to determine groundwater extraction. <i>(Water Code 10725.8)</i> [de minimis extractors are excluded <i>(Water Code 10725.8(e))</i>]</p> <p>An entity within the area of a groundwater sustainability plan shall report the diversion of surface water to underground storage to the groundwater sustainability agency for the relevant portion of the basin. <i>(Water Code § 10726)</i></p> <p>On the April 1 following adoption of a groundwater sustainability plan and annually thereafter, a groundwater sustainability agency shall submit a report to the department containing the following information about the basin managed in the groundwater sustainability plan:</p> <p>(a) Groundwater elevation data.</p> <p>(b) Annual aggregated data identifying groundwater extraction for the preceding water year.</p> <p>(c) Surface water supply used for or available for use for groundwater recharge or in-lieu use.</p> <p>(d) Total water use.</p> <p>(e) Change in groundwater storage. <i>(Water Code § 10728)</i></p>
<b>Box 10. Water Development Projects</b>	
<p>The district may recommend and encourage wastewater reuse and other water development projects, if those projects will enhance and contribute to the responsible management of groundwater resources, as part of its annual plan for implementation of groundwater management objectives. <i>(Water Code § 37930)</i></p>	<p>A groundwater sustainability agency may do the following:</p> <p>(a) Acquire by grant, purchase, lease, gift, devise, contract, construction, or otherwise, and hold, use, enjoy, sell, let and dispose of, real and personal property of every kind, including lands, water rights, structures, buildings, rights-of-way, easements, and privileges, and construct, maintain, alter, and operate any and all works or improvements, within or outside of the agency, necessary or proper to carry out the purposes of this part.</p> <p>(b) Appropriate and acquire surface water or groundwater and surface water or groundwater rights, import surface water or groundwater into the agency, and conserve and store within or outside the agency that water for any purpose necessary or proper to carry out the provisions of this part, including, but not limited to, the spreading, storing,</p>

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	<p>retaining, or percolating into the soil of the water for subsequent use or in a manner consistent with the provisions of Section 10727.2. As part of this authority, the agency shall not alter another person’s or agency’s existing groundwater conjunctive use or storage program except upon a finding that the conjunctive use or storage program interferes with implementation of the agency’s groundwater sustainability plan.</p> <p>(c) Provide for a program of voluntary following of agricultural lands or validate an existing program.</p> <p>(d) Perform any acts necessary or proper to enable the agency to purchase, transfer, deliver, or exchange water or water rights of any type with any person that may be necessary or proper to carry out any of the purposes of this part, including, but not limited to, providing surface water in exchange for a groundwater extractor’s agreement to reduce or cease groundwater extractions. The agency shall not deliver retail water supplies within the service area of a public water system without either the consent of that system or authority under the agency’s existing authorities.</p> <p>(e) Transport, reclaim, purify, desalinate, treat, or otherwise manage polluted water, wastewater, or other waters for subsequent use in a manner that is necessary or proper to carry out the purposes of this part. <i>(Water Code § 10726.2)</i></p> <p>In addition to the requirements of Section 10727.2, a groundwater sustainability plan shall include, where appropriate and in collaboration with the appropriate local agencies, all of the following: [...] (h) Measures addressing groundwater contamination cleanup, recharge, diversions to storage, conservation, water recycling, conveyance and extraction projects. <i>(Water Code § 10727.4)</i></p>
<b>Box 11. AB 3030 (Water Code §§ 10750 et seq.)</b>	
<p>In addition to the powers identified here, the district shall have the authority afforded to local agencies as provided in Part 2.75 (commencing with Section 10750) of Division 6 as that part may be amended, consistent with the requirements and limitations of applicable law. <i>(Water Code § 37931)</i></p>	<p>(a) Beginning January 1, 2015, a new plan shall not be adopted and an existing plan shall not be renewed pursuant to this part, except as provided in subdivision (b). A plan adopted before January 1, 2015, shall remain in effect until a groundwater sustainability plan is adopted pursuant to Part 2.74 (commencing with Section 10720).</p> <p>(b) This section does not apply to a low- or very low priority basin as categorized for the purposes of Part 2.74 (commencing with Section 10720). <i>(Water Code § 10750.1)</i></p>

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	(a) A groundwater sustainability plan shall be developed and implemented for each medium- or high-priority basin by a groundwater sustainability agency to meet the sustainability goal established pursuant to this part. The groundwater sustainability plan may incorporate, extend, or be based on a plan adopted pursuant to Part 2.75 (commencing with Section 10750). <i>(Water Code § 10727)</i>
Groundwater Management Plans	
Box 12. Power to Adopt Groundwater Management Plan; Control Extractions	
<p>In order to balance the water supply and demand within the Paso Robles Groundwater Basin, the district may do the following:</p> <p>(a) Develop, adopt, and implement a groundwater management plan to control extractions from the Paso Robles Groundwater Basin aquifers with the objective of balancing water supply and demand in the region.</p> <p>(b) The groundwater management plan may also include and address the following:</p> <ol style="list-style-type: none"> <li>(1) Existing groundwater storage.</li> <li>(2) Long-term recoverable storage, including an estimate of nonrecoverable storage.</li> <li>(3) The expected adverse effects of projected extractions. <i>(Water Code § 37940)</i></li> </ol>	<p>(a) A groundwater sustainability plan shall be developed and implemented for each medium- and high- priority basin by a groundwater sustainability agency to meet the sustainability goal established pursuant to this part. The groundwater sustainability plan may incorporate, extend, or be based on a plan adopted pursuant to Part 2.75 (commencing with Section 10750). <i>(Water Code § 10727)</i></p> <p>A groundwater sustainability plan shall include all of the following:</p> <p>(a) A description of the physical setting and characteristics of the aquifer system underlying the basin that includes the following:</p> <ol style="list-style-type: none"> <li>(1) Historical data, to the extent available.</li> <li>(2) Groundwater levels, groundwater quality, subsidence, and groundwater-surface water interaction.</li> <li>(3) A general discussion of historical and projected water demands and supplies.</li> <li>(4) A map that details the area of the basin and the boundaries of the groundwater sustainability agencies that overlie the basin that have or are developing groundwater sustainability plans.</li> <li>(5) A map identifying existing and potential recharge areas for the basin. The map or maps shall identify the existing recharge areas that substantially contribute to the replenishment of the groundwater basin. The map or maps shall be provided to the appropriate local planning agencies after adoption of the groundwater sustainability plan.</li> </ol> <p>(b) (1) Measurable objectives, as well as interim milestones in increments of five years, to achieve the sustainability goal in the basin within 20 years of the implementation of the plan.</p> <p>(2) A description of how the plan helps meet each objective and how each objective is intended to achieve the sustainability goal for the basin for long-term beneficial uses of groundwater.</p>

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(3) (A) Notwithstanding paragraph (1), at the request of the groundwater sustainability agency, the department may grant an extension of up to 5 years beyond the 20-year sustainability timeframe upon a showing of good cause. The department may grant a second extension of up to five years upon a showing of good cause if the groundwater sustainability agency has begun implementation of the work plan described in clause (iii) of subparagraph (B).

(B) The department may grant an extension pursuant to this paragraph if the groundwater sustainability agency does all of the following:

- (i) Demonstrates a need for an extension.
- (ii) Has made progress toward meeting the sustainability goal as demonstrated by its progress at achieving the milestones identified in its groundwater sustainability plan.
- (iii) Adopts a feasible work plan for meeting the sustainability goal during the extension period.

(4) The plan may, but is not required to, address undesirable results that occurred before, and have not been corrected by, January 1, 2015. Notwithstanding paragraphs (1) to (3), inclusive, a groundwater sustainability agency has discretion as to whether to set measurable objectives and the timeframes for achieving any objectives for undesirable results that occurred before, and have not been corrected by, January 1, 2015.

(c) A planning and implementation horizon.

(d) Components relating to the following, as applicable to the basin:

- (1) The monitoring and management of groundwater levels within the basin.
- (2) The monitoring and management of groundwater quality, groundwater quality degradation, inelastic land surface subsidence, and changes in surface flow and surface water quality that directly affect groundwater levels or quality or are caused by groundwater extraction in the basin.
- (3) Mitigation of overdraft.
- (4) How recharge areas identified in the plan substantially contribute to the replenishment of the basin.
- (5) A description of surface water supply used or available for use for groundwater recharge or in-lieu use.

(e) A summary of the type of monitoring sites, type of measurements, and the frequency of monitoring for each location monitoring

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groundwater levels, groundwater quality, subsidence, streamflow, precipitation, evaporation, and tidal influence. The plan shall include a summary of monitoring information such as well depth, screened intervals, and aquifer zones monitored, and a summary of the type of well relied on for the information, including public, irrigation, domestic, industrial, and monitoring wells.

(f) Monitoring protocols that are designed to detect changes in groundwater levels, groundwater quality, inelastic surface subsidence for basins for which subsidence has been identified as a potential problem, and flow and quality of surface water that directly affect groundwater levels or quality or are caused by groundwater extraction in the basin. The monitoring protocols shall be designed to generate information that promotes efficient and effective groundwater management.

(g) A description of the consideration given to the applicable county and city general plans and a description of the various adopted water resources-related plans and programs within the basin and an assessment of how the groundwater sustainability plan may affect those plans. *(Water Code § 10727.2)*

In addition to the requirements of Section 10727.2, a groundwater sustainability plan shall include, where appropriate and in collaboration with the appropriate local agencies, all of the following:

- (a) Control of saline water intrusion.
- (b) Wellhead protection areas and recharge areas.
- (c) Migration of contaminated groundwater.
- (d) A well abandonment and well destruction program.
- (e) Replenishment of groundwater extractions.
- (f) Activities implementing, opportunities for, and removing impediments to, conjunctive use or underground storage.
- (g) Well construction policies.
- (h) Measures addressing groundwater contamination cleanup, recharge, diversions to storage, conservation, water recycling, conveyance, and extraction projects.
- (i) Efficient water management practices, as defined in Section 10902, for the delivery of water and water conservation methods to improve the efficiency of water use.

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	<p>(j) Efforts to develop relationships with state and federal regulatory agencies.</p> <p>(k) Processes to review land use plans and efforts to coordinate with land use planning agencies to assess activities that potentially create risks to groundwater quality or quantity.</p> <p>(l) Impacts on groundwater dependent ecosystems. <i>(Water Code § 10727.4)</i></p> <p><b>See Box 14</b> regarding controls on extractions.</p>
<b>Box 13. Management Areas</b>	
<p>The groundwater management plan may establish distinct zones or regions based on the geology of the basin, land use, water use, the location of extraction facilities, or other concerns as determined by the board. <i>(Water Code § 37941)</i></p>	<p>(a) A local agency may request that the department revise the boundaries of a basin, including the establishment of new subbasins. A local agency’s request shall be supported by the following information:</p> <ol style="list-style-type: none"> <li>(1) Information demonstrating that the proposed adjusted basin can be the subject of sustainable groundwater management.</li> <li>(2) Technical information regarding the boundaries of, and conditions in, the proposed adjusted basin.</li> <li>(3) Information demonstrating that the entity proposing the basin boundary adjustment consulted with interested local agencies and public water systems in the affected basins before filing the proposal with the department.</li> <li>(4) Other information the department deems necessary to justify revision of the basin’s boundary. <i>(Water Code § 10722.2)</i></li> </ol> <p>(b) A groundwater sustainability plan may be any of the following: [...]</p> <p>(3) Subject to Section 10727.6, multiple plans implemented by multiple groundwater sustainability agencies and coordinated pursuant to a single coordination agreement that covers the entire basin. <i>(Water Code § 10727)</i></p>
<b>Box 14. Well Permit Issuance; Ban on Irrigated Acreage and New Wells</b>	
<p>The groundwater management plan may include a policy for the issuance of new well permits that takes into consideration the location of proposed wells and area of use, projected extractions from the wells, and the effect of the extractions on existing users and on storage. In developing the management plan, the district may consider a ban on new irrigated acreage or new municipal water system wells. The district may include a contingency plan to deal with seawater intrusion,</p>	<p>(a) A groundwater sustainability agency shall have the following additional authority and may regulate groundwater extraction using that authority:</p> <ol style="list-style-type: none"> <li>(1) To impose spacing requirements on new groundwater well construction to minimize well interference and impose reasonable operating regulations on existing groundwater wells to minimize well</li> </ol>

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basin contamination, or other risks that could impair the ability to rely on the basin for groundwater. *(Water Code 37942)*

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interference, including requiring extractors to operate on a rotation basis.

(2) To control groundwater extractions by regulating, limiting, or suspending extraction from individual wells or extractions from groundwater wells in the aggregate, construction of new groundwater wells, enlargement of existing groundwater wells, or reactivation of abandoned groundwater wells, or otherwise establishing groundwater extraction allocations. A limitation on extractions by a groundwater sustainability agency shall not be construed to be a final determination of rights to extract groundwater from the basin or any portion of the basin.

(3) To authorize temporary and permanent transfers of groundwater extraction allocations within the agency's boundaries, if the total quantity of groundwater extracted in any water year is consistent with the provisions of the groundwater sustainability plan. The transfer is subject to applicable city and county ordinances.

(4) To establish accounting rules to allow unused groundwater extraction allocations issued by the agency to be carried over from one year to another and voluntarily transferred, if the total quantity of groundwater extracted in any five-year period is consistent with the provisions of the groundwater sustainability plan.

(b) This section does not authorize a groundwater sustainability agency to issue permits for the construction, modification, or abandonment of groundwater wells, except as authorized by a county with authority to issue those permits. A groundwater sustainability agency may request of the county, and the county shall consider, that the county forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the groundwater sustainability agency before permit approval. *(Water Code § 10726.4)*

In addition to the requirements of Section 10727.2, a groundwater sustainability plan shall include, where appropriate and in collaboration with the appropriate local agencies, all of the following:

- (a) Control of saline intrusion.
- (b) Wellhead protection areas and recharge areas.
- (c) Migration of contaminated groundwater.
- (d) A well abandonment and well destruction program.

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	<ul style="list-style-type: none"> <li>(e) Replenishment of groundwater extractions.</li> <li>(f) Activities implementing, opportunities for, and removing impediments to, conjunctive use or underground storage.</li> <li>(g) Well construction policies.</li> <li>(h) Measures addressing groundwater contamination cleanup, recharge, diversions to storage, conservation, water recycling, conveyance, and extraction projects.</li> <li>(i) Efficient water management practices, as defined in Section 10902, for the delivery of water and water conservation methods to improve the efficiency of water use.</li> <li>(j) Efforts to develop relationships with state and federal regulatory agencies.</li> <li>(k) Processes to review land use plans and efforts to coordinate with land use planning agencies to assess activities that potentially create risks to groundwater quality or quantity. (<i>Water Code § 10727.4</i>)</li> </ul>
Groundwater Management	
Box 15. General Groundwater Management Powers; Regulation of Extractions; Well Registration, Metering and Monitoring	
<p>If the board determines after a noticed public hearing, and consideration of any relevant investigations, studies, and evidence, that groundwater management activities are necessary in order to improve or protect the quantity or quality of groundwater supplies within a groundwater basin or aquifer, the board may, by ordinance, exercise any of the following powers:</p> <ul style="list-style-type: none"> <li>(a) Require conservation practices and measures within the affected portion of its territory.</li> <li>(b) Control groundwater extractions by regulating, limiting, or suspending extractions from extraction facilities, the construction of new extraction facilities, the enlarging of existing extraction facilities, and the reactivation of abandoned extraction facilities.</li> <li>(c) Commence and prosecute legal actions to enjoin unreasonable uses or methods of use of water within the district or outside the territory of the district to the extent those uses or methods of use adversely affect the groundwater supply within the district.</li> <li>(d) Impose spacing requirements on new extraction facility construction to minimize well interference.</li> <li>(e) Impose reasonable operating regulations on extraction facilities to minimize well interference, including requiring pumpers to operate on a rotation basis.</li> <li>(f) Require extraction facilities to be registered with the district within 30 days of notice being given to the operator of the extraction facility.</li> </ul>	<p>In addition to the requirements of Section 10727.2, a groundwater sustainability plan shall include, where appropriate and in collaboration with the appropriate local agencies, all of the following: [...]</p> <ul style="list-style-type: none"> <li>(h) Measures addressing groundwater contamination cleanup, recharge, diversions to storage, conservation, water recycling, conveyance, and extraction projects. (<i>Water Code § 10727.4</i>)</li> </ul> <p><b>See box 14</b> regarding limitations on extractions and extraction facilities.</p> <p>A groundwater sustainability agency may require registration of a groundwater extraction facility within the management area of the groundwater sustainability agency. (<i>Water Code § 10725.6</i>)</p> <p><b>See box 7</b> regarding metering and reporting requirements.</p>

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<p>(g) Require that the operator of a registered extraction facility provide the district annually with the following information regarding the extraction facility:</p> <ul style="list-style-type: none"> <li>(1) The name and address of the operator of the extraction facility.</li> <li>(2) The name and address of the owner of the land upon which the extraction facility is located.</li> <li>(3) A description of the equipment associated with the extraction facility.</li> <li>(4) The location of the water extraction facility.</li> </ul> <p>(h) Require extraction facilities to be equipped with waterflow measuring devices installed and calibrated by the district or, at the district’s option, by the extraction facility operator (<i>Water Code § 37950</i>).</p>	
<b>Box 16. Establishing Amount Extracted</b>	
<p>When an extraction facility is equipped with a waterflow measuring device, the record of extraction, as disclosed by the waterflow measuring device, may, at the election of the board, be presumed to be accurate, and shall be used as the basis for computing the water extraction of the extraction facility in completing the groundwater extraction statement. (<i>Water Code § 37951</i>)</p>	<p>(a) A groundwater sustainability agency may require through its groundwater sustainability plan that the use of every groundwater extraction facility within the management area of the groundwater sustainability agency be measured by a water-measuring device satisfactory to the groundwater management agency. (<i>Water Code § 10725.8</i>) [as indicated in <b>box 7</b>, this authorization does not apply to de minimis extractors]</p> <p>(a) Following an investigation pursuant to Section 10725.4, the governing body may make a determination fixing the amount of groundwater production from the groundwater extraction facility at an amount not to exceed the maximum production capacity of the facility for purposes of levying a groundwater charge. If a water-measuring device is permanently attached to the groundwater extraction facility, the record of production as disclosed by the water-measuring device shall be presumed to be accurate unless the contrary is established by the groundwater sustainability agency after investigation. (<i>Water Code 10731</i>)</p>
<b>Box 17. Establishing Amount Extracted</b>	
<p>The district may, by ordinance, require proof of the accuracy of the waterflow measuring device from the operator and may, absent adequate proof of accuracy, order the operator, at the operator’s sole cost, to have the waterflow measuring device calibrated in a manner acceptable to the district. If the district has probable cause to believe that the extraction of groundwater from any extraction facility is in excess of the amount reported in groundwater extraction statements, or if no statements are filed covering an extraction facility, the district may</p>	<p><b>See boxes 7 and 16</b> regarding metering authorities.</p>

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investigate the extraction of water from each extraction facility. ( <i>Water Code § 37952</i> )	
<b>Box 18. Establishing Amount Extracted</b>	
The board may, by ordinance, establish reasonable methods to be used in computing the amount of water extracted by extraction facilities. ( <i>Water Code § 37953</i> )	(d) In addition to the measurement of groundwater extractions pursuant to subdivision (a), a groundwater sustainability agency may use any other reasonable method to determine groundwater extraction. ( <i>Water Code 10725.8</i> )  <b>See boxes 7 and 16</b> regarding additional metering authorities.
<b>Box 19. Establishing Amount Extracted</b>	
The district may, by ordinance, require the operator of each extraction facility to file semiannually, or more frequently, with the district, a groundwater extraction statement that contains, but is not limited to, the following information: (1) Total extraction in acre-feet of water from the extraction facility for the preceding groundwater extraction statement period. (2) The static groundwater level for the extraction facility. (3) A description of the location of the extraction facility. (4) The crop types or other uses and the acreage served by the extraction facility. (5) The method of measuring or computing groundwater extraction. (6) Other information deemed reasonable and necessary by the board to meet the purposes of this act. ( <i>Water Code § 37954</i> )	<b>See boxes 7 and 16</b> regarding metering authorities.
<b>Box 20. Verification of Extraction Statements; Well Abandonment</b>	
If required by ordinance, each groundwater extraction statement shall be verified by a written declaration under penalty of perjury that the information contained in the statement is true and correct. The operator of an extraction facility that has been permanently abandoned after January 1, 2015, shall give written notice of the abandonment to the district. ( <i>Water Code 37955</i> )	In addition to the requirements of Section 10727.2, a groundwater sustainability plan shall include, where appropriate, and in collaboration with the appropriate local agencies, all of the following: [...] (d) A well abandonment and well destruction program. ( <i>Water Code § 10727.4</i> )
<b>Groundwater Extraction Charges</b>	
<b>Box 21. Power to Impose Fees</b>	
The district may, by ordinance, levy groundwater extraction charges, including volumetric charges intended to provide an incentive for reduced water use, on the extraction of groundwater from all water extraction facilities within the territory of the district for the purposes of paying the costs of initiating, carrying on, and completing any of the powers, purposes, and groundwater management activities described in this act. Any groundwater extraction charges shall be uniform for groundwater extraction within the territory of the district. ( <i>Water Code § 37960</i> )	(c) Any action by a groundwater sustainability agency to impose or increase a fee shall be taken only by ordinance or resolution. ( <i>Water Code § 10730</i> )  (a) A groundwater sustainability agency may impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, including but not limited to, preparation, adoption, and amendment of a groundwater sustainability plan, and investigations,

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inspections, compliance assistance, enforcement, program administration, including a prudent reserve. A groundwater sustainability agency shall not impose a fee pursuant to this subdivision on a de minimis extractor unless the agency has regulated the users pursuant to this part. *(Water Code § 10730)*

(a) A groundwater sustainability agency that adopts a groundwater sustainability plan pursuant to this part may impose fees on the extraction of groundwater from the basin to fund costs of groundwater management, including, but not limited to, the costs of the following:  
(1) Administration, operation, and maintenance, including a prudent reserve.

(2) Acquisition of lands or other property, facilities, and services.

(3) Supply, production, treatment, or distribution of water.

(4) Other activities necessary or convenient to implement the plan.

(b) Until a groundwater sustainability plan is adopted pursuant to this part, a local agency may impose fees in accordance with the procedures provided in this section for the purposes of Part 2.75 (commencing with Section 10750) as long as a groundwater management plan adopted before January 1, 2015, is in effect for the basin.

(c) Fees imposed pursuant to this section shall be adopted in accordance with subdivisions (a) and (b) of Section 6 of Article XIII D of the California Constitution.

(d) Fees imposed pursuant to this section may include fixed fees and fees charged on a volumetric basis, including, but not limited to, fees that increase based on the quantity of groundwater produced annually, the year in which the production of groundwater commenced from a groundwater extraction facility, and impacts to the basin.

(e) The power granted by this section is in addition to any powers a groundwater sustainability agency has under any other law. *(Water Code § 10730.2)*

A groundwater sustainability agency may fund activities pursuant to Part 2.75 (commencing with Section 10750) and may impose fees pursuant to Section 10730.2 to fund activities undertaken by the agency pursuant to Part 2.75 (commencing with Section 10750). *(Water Code § 10730.4)*

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	<p>(a) Nothing in this chapter shall affect or interfere with the authority of a groundwater sustainability agency to levy and collect taxes, assessments, charges, and tolls as otherwise provided by law. <i>(Water Code § 10730.8)</i></p> <p>This part is in addition to, and not a limitation on, the authority granted to a local agency under any other law. The local agency may use the local agency’s authority under any other law to apply and enforce any requirements of this part, including, but not limited to, the collection of fees. <i>(Water Code § 10726.8)</i></p>
<b>Box 22. Failure to Pay Fees</b>	
<p>If any operator of any extraction facility fails to pay a groundwater extraction charge when due, the district may charge and collect interest at the rate of 1 ½ percent each month on the delinquent amount of the groundwater extraction charge. In addition, the district may exercise any of the provisions of Sections 75630 to 75633, inclusive, for the purpose of collecting delinquent groundwater extraction charges. <i>(Water Code § 37962)</i><sup>3</sup></p>	<p>(a) A groundwater fee levied pursuant to this chapter shall be due and payable to the groundwater sustainability agency by each owner or operator on a day established by the groundwater sustainability agency.</p> <p>(b) If an owner or operator knowingly fails to pay a groundwater fee within 30 days of it becoming due, the owner or operator shall be liable to the groundwater sustainability agency for interest at the rate of 1 percent per month on the delinquent amount of the groundwater fee and a 10-percent penalty.</p> <p>(c) The groundwater sustainability agency may bring suit in the court having jurisdiction against any owner or operator of a groundwater extraction facility within the area covered by the plan for the collection of any delinquent groundwater fees, interest, or penalties imposed under this chapter. If a groundwater sustainability agency seeks an attachment against the property of any named defendant in the suit, the groundwater sustainability agency shall not be required to furnish a bond or other undertaking as provided in Title 6.5 (commencing with Section 481.010) of Part 2 of the Code of Civil Procedure.</p> <p>(d) In the alternative to bringing a suit pursuant to subdivision (c), a groundwater sustainability agency may collect any delinquent groundwater charge and any civil penalties and interest on the delinquent groundwater charge pursuant to the laws applicable to the local agency, or, if a joint powers authority, to the entity designated pursuant to Section 6509 of the Government Code. The collection shall</p>

<sup>3</sup> The cited sections (applicable to Water Conservation Districts) authorize a court to issue a temporary restraining order where a person has not registered an extraction facility he/she operates and authorizes a court to impose penalties and interest.

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	<p>be in the same manner as it would be applicable to the collection of delinquent assessments, water charges, or tolls.</p> <p>(e) As an additional remedy, a groundwater sustainability agency, after a public hearing, may order an owner or operator to cease extraction of groundwater until all delinquent fees are paid. The groundwater sustainability agency shall give notice to the owner or operator by certified mail not less than 15 days in advance of the public hearing.</p> <p>(f) The remedies specified in this section for collecting and enforcing fees are cumulative and may be pursued alternatively or may be used consecutively as determined by the governing body. <i>(Water Code § 10730.6)</i></p>
<b>Box 23. Expenditure of Fee Revenue.</b>	
<p>All moneys collected by the district pursuant to this act shall be available for expenditure by the district to carry out its groundwater management functions pursuant to this act. <i>(Water Code § 37963)</i></p>	<p><b>See box 21</b> regarding the purposes for which fees can be imposed.</p> <p>(c) A penalty imposed pursuant to this section shall be paid to the groundwater sustainability agency and shall be expended solely for purposes of this part. <i>(Water Code § 10732)</i></p>
<b>Box 24. Regulation of Extractions; Surcharges for Exceeding Extraction Allocation</b>	
<p>The district may, by ordinance, establish an operator’s extraction allocation for each groundwater extraction facility located within the district. The district may, by ordinance, impose upon the operator of any groundwater extraction facility located within the district, extraction surcharges, including volumetric surcharges intended to provide an incentive for reduced water use, for extractions in excess of his or her extraction allocation and late penalties for nonpayment of extraction surcharges. <i>(Water Code § 37964)</i></p>	<p><b>See box 14</b> regarding establishing extraction allocations.</p> <p>(a)(1) A person who extracts groundwater in excess of the amount that person is authorized to extract under a rule, regulation, ordinance, or resolution adopted pursuant to Section 10725.2 shall be subject to a civil penalty not to exceed five hundred dollars (\$500) per acre-foot extracted in excess of the amount that person is authorized to extract. Liability under this subdivision is in addition to any liability imposed under paragraph (2) and any fee imposed for the extraction.</p> <p>(2) A person who violates any rule, regulation, ordinance, or resolution adopted pursuant to Section 10725.2 shall be liable for a civil penalty not to exceed one thousand dollars (\$1,000) plus one hundred dollars (\$100) for each additional day on which the violation continues if the person fails to comply within 30 days after the local agency has notified the person of the violation. <i>(Water Code § 10732)</i></p>
<b>Box 25. Surcharges for Exceeding Extraction Allocation</b>	
<p>The maximum amount of the extraction surcharge shall be two hundred dollars (\$200) per acre-foot of groundwater extracted in excess of the extraction allocation, except that the district may increase the maximum amount of the</p>	<p><b>See box 24</b> regarding penalty for exceeding extraction allocation.</p>

Powers of AB 2453: Paso Robles Basin Water District	Related Powers of Sustainable Groundwater Management Act
extraction surcharge to an amount that is necessary to achieve safe yield. ( <i>Water Code § 37966</i> )	
<b>Box 26. Failure to Pay Surcharge</b>	
If an operator of a groundwater extraction facility fails to pay the extraction surcharge when due, the district shall charge and collect a late penalty at the rate of 1 ½ percent each month, or portion thereof, on the delinquent amount of the extraction surcharge. ( <i>Water Code § 37967</i> )	See box 24 regarding penalty for exceeding extraction allocation.
<b>Box 27. Failure to Pay Surcharge</b>	
The district may bring a cause of action, in any court having jurisdiction, against an operator of a groundwater extraction facility for the collection of any delinquent extraction surcharge, and Article 5 (commencing with Section 75630) of Chapter 3 of Part 9 of Division 21 applies to those actions. ( <i>Water Code § 37968</i> )	See box 24 regarding penalty for exceeding extraction allocation.
<b>Box 28. Character of Surcharge</b>	
<p>In addition to any other authority, the district may order that an extraction surcharge or late penalty be a personal obligation of the operator or an assessment against the property on which the extraction facility is located. The assessment constitutes a lien upon the property, and the lien attaches upon recordation in the office of the county recorder. The assessment may be collected at the same time and in the same manner as ordinary ad valorem taxes are collected, and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for those taxes. All laws applicable to the levy, collection, and enforcement of ad valorem taxes shall be applicable to an assessment, except that, if any real property to which the lien would attach has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon prior to the date on which the first installment of the taxes would become delinquent, the lien that would otherwise be imposed by this section shall not attach to the real property and an assessment relating to the property shall be transferred to the unsecured roll for collection. (<i>Water Code § 37969</i>)</p>	<p>(d)(1) As an alternative method for the collection of fees imposed pursuant to this section, a groundwater sustainability agency may adopt a resolution requesting collection of the fees in the same manner as ordinary municipal ad valorem taxes.</p> <p>(2) A resolution described in paragraph (1) shall be adopted and furnished to the county auditor-controller and board of supervisors on or before August 1 of each year that the alternative collection of the fees is being requested. The resolution shall include a list of parcels and the amount to be collected for each parcel. (<i>Water Code § 10730</i>)</p> <p>(c) The groundwater sustainability agency may bring suit in the court having jurisdiction against any owner or operator of a groundwater extraction facility within the area covered by the plan for the collection of any delinquent groundwater fees, interest, or penalties imposed under this chapter. If the groundwater sustainability agency seeks an attachment against the property of any named defendant in the suit, the groundwater sustainability agency shall not be required to furnish a bond or other undertaking as provided in Title 6.5 (commencing with Section 481.010) of Part 2 of the Code of Civil Procedure.</p> <p>(d) In the alternative to bringing a suit pursuant to subdivision (c), a groundwater sustainability agency may collect any delinquent groundwater charge and any civil penalties and interest on the delinquent groundwater charge pursuant to the laws applicable to the local agency, or, if a joint powers authority, to the entity designated</p>

**Powers of AB 2453: Paso Robles Basin Water District**

**Related Powers of Sustainable Groundwater Management Act**

pursuant to Section 6509 of the Government Code. The collection shall be in the same manner as it would be applicable to the collection of delinquent assessments, water charges, or tolls. (*Water Code § 10730.6*)<sup>4</sup>

<sup>4</sup> The CWD law provides the following with respect to unpaid charges for water or other services: “In case any charges for water or other services, or either remain unpaid the amount of the unpaid charges may in the discretion of the district be secured at any time by filing for record in the office of the county recorder of any county, a certificate specifying the amount of such charges and the name and address of the person liable therefor. From the time of recordation of the certificate, the amount required to be paid together with interest and penalty constitutes a lien upon all real property in the county owned by the person or afterwards, and before the lien expires, acquired by him” (Water Code § 36729).

### III. ADDITIONAL POWERS UNDER THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT

The Sustainable Groundwater Management Act (SGMA) contains some additional powers that are not included above. By way of example, SGMA provides as follows:

(a) *“A groundwater sustainability agency that adopts a groundwater sustainability plan may file an action to determine the validity of the plan pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure”* (Water Code § 10726.6(a));

(b) *“Division 13 (commencing with Section 21000) of the Public Resources Code does not apply to the preparation and adoption of plans pursuant to this chapter”* (Water Code § 10728.6); and

(c) *“The department may provide technical assistance to any groundwater sustainability agency in response to that agency’s request for assistance in the development and implementation of a groundwater sustainability plan”* (Water Code § 10729(b)).

### IV. ACTIVITIES NORMALLY AND HISTORICALLY UNDERTAKEN BY COUNTY AND/OR COUNTY FLOOD CONTROL DISTRICT

As discussed in Section I above, AB 2453 prohibits the District from involving itself in activities normally and historically undertaken by the County and/or the Flood Control District without County and/or Flood Control District consent. The County and/or Flood Control District has engaged in activities related to a number of the enumerated powers, including activities related to the powers set forth in **boxes 1, 14 and 15** (well regulations and extraction limits) via adoption of Chapter 8.40 of the County Code of Ordinances (Construction, Repair, Modification and Destruction of Wells) and adoption of Urgency Ordinance No. 3246; **boxes 8, 9 and 12** via preparation of various reports related to the condition of the Basin; and **boxes 11 and 12** via preparation and adoption of an AB 3030 plan.



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To: Mr. John Diodati, County of San Luis Obispo  
From: Greg Ghironzi, NBS  
Date: March 31, 2015

**Subject: Paso Robles Basin Water District, Initial Funding Options**

NBS was engaged by the San Luis Obispo County Flood Control and Water Conservation District (the “Flood Control District”) to provide an analysis of the funding options related to the formation of the Paso Robles Basin Water District, as described in Assembly Bill No. 2453 (2014) (“AB 2453”) (the “PRBWD” or the “District”). The formation process must comply with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, administered by the Local Agency Formation Commission (“LAFCO”). It is anticipated that LAFCO will condition the formation of the PRBWD on the establishment of a mechanism to fund the operation of the District. Any such funding mechanism, be it a tax, assessment, fee or charge, is subject to the requirements of Proposition 218 Right to Vote on Taxes Act (“Prop 218”).<sup>1</sup> The formation of the PRBWD would provide a specially elected legislative body and local agency that would likely take the lead in complying with the groundwater management requirements imposed by the Sustainable Groundwater Management Act of 2014 (the “SGMA”) in the Paso Robles Groundwater Basin (the “Basin”).

**SGMA**

The SGMA consists of the following bills which require and provide for the creation and operation of groundwater sustainability agencies (“GSA”s) in high- and medium-priority basins:

- AB 1739 Dickinson
- SB 1168 Pavley
- SB 1319 Pavley

The SGMA provides tools for GSAs to levy fees on the extraction of groundwater in order to fund administration, operation and maintenance activities.<sup>2</sup> This fee authority is generally triggered by the formation of a GSA or the adoption of a groundwater sustainability plan (“GSP”). However, the SGMA also authorizes a “local agency” that has adopted a groundwater management plan pursuant to Water Code Section 10750 et seq. or AB 3030 (an “AB 3030 Plan”) to impose fees for AB 3030 purposes.<sup>3</sup>

AB 2453 independently authorizes the District to levy groundwater extraction charges, including volumetric charges intended to provide an incentive for reduced water use.<sup>4</sup>

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<sup>1</sup> Certain fees are not subject to Proposition 218, including user fees for services that are not property related, fees for services that are property related but that are neither imposed on a parcel nor on a person as an incident of property ownership, and (potentially) regulatory fees.

<sup>2</sup> Water Code §§ 10730 and 10730.2. Water Code § 10730 also references permit fees.

<sup>3</sup> Water Code § 10730.2(b)

<sup>4</sup> Water Code § 37690

## **GSA**

The prerequisites for a GSA to levy any fees or charges are relevant. With the exception noted above in connection with AB 3030 Plans, the first and most obvious prerequisite is that the GSA must exist. In order for the District to exist as such an agency, the likely LAFCO requirement to establish a stable funding mechanism must be addressed. *This initial or baseline financing is the focus of this report.*

The Draft Five Year Operating Expenses Budget is included as Attachment A. The budget declares a total annual estimated cost of \$950,000 per year from 2016 through 2020 for the PRBWD. The budget also shows detail that the expenses provide for the creation and management of the GSA, including the subsequent collection of data enabling the creation of the GSP. The GSP will then drive the basis for calculating any future authorized fees or charges. The draft budget also includes an estimate of expenses if the Flood Control District were to manage the Basin as a GSA.

The initial funding mechanism can be structured to provide for the long term ongoing overhead operational costs and/or be structured to eventually be supplemented or replaced by funds collected as an overhead cost allocation component to any future extraction fee or charge.<sup>5</sup>

## **Proposition 218**

Any initial financing tool we consider is subject to the requirements of Proposition 218 Right to Vote on Taxes Act.<sup>6</sup> For our purposes, Prop 218 categorizes various collections as an assessment, fee or tax. We will address each category and then focus on the most appropriate and advantageous members of those categories.

## **Special Assessments**

Special Assessments are constitutionally governed by Article XIID and by applicable enabling legislation. Primary examples of enabling legislation would be a 1913/15 Act<sup>7</sup> assessment for infrastructure development and a 1982 Act<sup>8</sup> assessment for infrastructure maintenance. These acts have been used for the construction and maintenance of storm/flood control facilities. Groundwater management is a relatively new concept and there is no specific enabling legislation that provides for the levy of a special assessment for this purpose.<sup>9</sup>

This together with the fact that special assessments require a finding of special benefit (which is defined as "...a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute 'special benefit'") makes a special assessment a less feasible funding mechanism.<sup>10</sup>

The issue of special benefit has been well litigated over the last several years and the courts have placed a significant burden on the local agency to prove special benefit. The nature of groundwater management, specifically the difficulty of proving one parcel benefits in a quantifiably different manner and amount from another parcel could make a finding of special benefit a challenge.

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<sup>5</sup> Water Code § 10730.2(a)

<sup>6</sup> As discussed in Footnote 1, certain fees are not subject to Proposition 218.

<sup>7</sup> Streets and Highways Code §§ 10000, 8500

<sup>8</sup> Government Code § 54703

<sup>9</sup> Although there is no specific enabling legislation, there are some statutory provisions within various acts which authorize such assessments under certain circumstances. For example, Water Code Section 10754.2 authorizes the imposition of "fees and assessments for groundwater management based on the amount of groundwater extracted" in accordance with certain procedural requirements.

<sup>10</sup> Article XIID § 2(i)

In conclusion, the issue of special benefit together with an absence of specific enabling legislation listing groundwater management as an authorized improvement or maintenance service makes the Prop 218 special assessment category of revenue problematic.

### **Property-Related Fees and Regulatory Fees**

**Property-Related Fees:** Property related fees are constitutionally governed by Article XIID and by applicable enabling legislation. A property-related fee is a levy other than an ad valorem tax, a special tax, or an assessment, imposed upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property-related service.<sup>11</sup> A “property related service” is a public service having a direct relationship to property ownership.<sup>12</sup>

Depending on the manner in which it is levied, a fee for groundwater management services could be considered to be a fee imposed as an incident of property ownership and as such would be subject to the substantive and procedural requirements of Article XIID.

Article XIID, Section 6, imposes certain procedural requirements where property-related fees are imposed or increased. Fees for “sewer, water, and refuse collection services” are subject to notice, hearing and majority protest procedures. Other fees for property-related services are subject to these same procedures, and in addition, they are subject to a subsequent voter-approval procedure.

The Proposition 218 Omnibus Implementation Act (1997) defines “water” as follows: “any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source.”<sup>13</sup> In *Griffith v. Pajaro Management Agency* (2013) 220 Cal.App.4th 586 (“*Griffith*”), the Sixth District Court of Appeal addressed the meaning of “water service,” and held that a pump charge to fund three projects that together provide supplemental water constituted a property-related fee for water service. In the recently decided *Great Oaks Water Company v. Santa Clara Valley Water District* (March 26, 2015) 6d Civil No. H035260 (“*Great Oaks*”), the Sixth District Court of Appeal again addressed the meaning of “water service,” and held that a pump charge used to fund the importation, treatment and distribution of water and the replenishment of a groundwater basin constituted a property-related fee for water service.

Thus, **if** the fee imposed to fund the District constituted a property-related fee for “water service,” the fee could be imposed if there was no majority protest (a subsequent vote would not be required) subject to the other requirements on property-related fees set forth in Proposition 218.<sup>14</sup> More specifically, the fee must meet the definition of a property-related fee (and not constitute a tax or assessment) as well as those requirements set forth in subdivision (2)(b) of Section 6, including, without limitation:

- 1) The service is used by, or immediately available to the owner of the property.<sup>15</sup>
- 2) The amount charged to each parcel must not exceed the proportional cost of the service attributable to that parcel.<sup>16</sup>

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<sup>11</sup> Article XIID, § 2(e)

<sup>12</sup> Article XIID, § 2(h)

<sup>13</sup> Government Code § 53750(m)

<sup>14</sup> The fee would otherwise need to be approved by a majority vote of the property owners of the property subject to the fee or charge or, at the option of the agency, by a two-thirds vote of the electorate.

<sup>15</sup> Article XIID § (b)(4)

<sup>16</sup> Article XIID § 6(b)(3)

**Regulatory Fees:** Regulatory fees are generally imposed pursuant to the government’s police power to curtail the potential for adverse effects to the community of various activities. What distinguishes regulatory fees from other fees and charges is that regulatory fees are imposed under the state’s police power, rather than its taxing power, and are generally imposed for engaging in a regulated activity. Examples are building and development fees, and alcohol and gambling permits. Regulatory fees must not exceed the cost of conferring the benefit, granting the privilege or providing the service or product and must be allocated based on the burden on or benefits received from the governmental activity.<sup>17</sup> In the recently decided *City of San Buenaventura v. United Water Conservation District et al.* (March 17, 2015) 2d Civil No. B251810 (“*City of San Buenaventura*”), the Second District Court of Appeal found that pump charges imposed by the United Water Conservation District pursuant to its principal act were neither property-related fees nor taxes but rather regulatory fees not subject to Proposition 218.<sup>18</sup> However, in addressing the same issue, the Sixth District Court of Appeal in *Great Oaks* found that the pump charge at issue was not a regulatory fee, because it was not structured to deter excessive consumption but rather designed predominantly to secure revenues.

The challenge with a property-related or regulatory fee is limited enabling legislation. AB 2453 only authorizes the imposition of groundwater extraction charges and the California Water District law focuses its fee authority on fees for the distribution of water.<sup>19</sup> In addition, it is difficult to know how a court would classify such an extraction charge, as it is highly factually dependent and because there is a split in authority.<sup>20</sup> In *City of San Buenaventura*, the extraction charge imposed by defendant was based on actual consumption. The issue of whether a charge on unmetered residential wells based on estimated usage constitutes a regulatory fee was left open. The Court simply indicated that it did not necessarily agree with the Court in *Griffith*.<sup>21</sup> With respect to an acreage based fee (as opposed to a pump fee), in addition to a lack of enabling legislation, it is more susceptible to classification as a tax or assessment.<sup>22</sup>

In sum, the above constitute both legal and financial engineering uncertainties and challenges associated with the imposition of a fee to fund the District.

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<sup>17</sup> Article XIID, §§ (e)(1) and (e)(2)

<sup>18</sup> The Court found that the fees did not exceed the defendant’s reasonable costs of maintaining the groundwater supply. In addition to pump charges, defendant also imposed property taxes and water delivery charges in order to generate revenue.

<sup>19</sup> The Flood Control District Act does not contain any fee authority.

<sup>20</sup> In *City of San Buenaventura*, the court noted that *Griffith* was based on a unique set of facts—“that the vast majority of property owners in the Pajaro Valley obtained their water from wells, and that alternative sources were not practically feasible.”

<sup>21</sup> In *Griffith*, the court concluded that a fee or charge on smaller, unmetered wells based on estimated usage was not “justified on regulatory grounds” but that a regulatory purpose “might still be readily invoked with respect to metered extractions.”

<sup>22</sup> In *Pajaro Valley Water Mgmt. v. Amrhein* (2007) 150 Cal.App.4th 1364, 1381, the Sixth District Court of Appeal found that the pump tax was not an assessment because the charge was not a levy or charge “upon real property” but one upon an activity—the extraction of groundwater. The court found that another provision contained within the principal act authorizing the plaintiff to “fix charges upon land” for the purpose of completing any of the powers, projects and purposes for which plaintiff is organized contemplates an assessment.

## **Special Tax**

Special taxes are constitutionally governed by Article XIII C and by applicable enabling legislation. There are two special tax candidates. The parcel tax and a special tax imposed pursuant to the Mello-Roos Community Facilities Act of 1982 (CFD), both of which are based on any reasonable method to assign costs and must be approved by a 2/3 vote of the registered voters voting in the election. The only condition is that the tax cannot be based on property value in contravention of Proposition 13's limitation on ad valorem taxes.

**Parcel Tax:** A parcel tax may be enacted pursuant to Government Code Section 50075. The parcel tax can be levied against all taxable property within the proposed boundary of the PRBWD in anticipation of its formation.<sup>23</sup> The parcel tax is not a fee, and it, therefore, need not be shown that it is proportional to the cost or that the levy does not exceed the cost to provide the service.<sup>24</sup> There is no requirement that the special tax be apportioned on the basis of the benefit to any property. Successful creation of a parcel tax requires approval of 2/3 of the registered voters voting in the election.

We do not foresee any legal challenges to overcome in order to enact a parcel tax.

**CFD:** A CFD may be formed pursuant to the Mello-Roos Community Facilities Act of 1982<sup>25</sup> and is one of the most common special taxes utilized in the State. It is used to fund schools, police and fire protection services and flood/storm control maintenance as well as capital projects that include infrastructure needs and facilities. The absence of the requirement to demonstrate special benefit as required by a special assessment, together with the ability to issue debt in the form of municipal bonds has driven the popularity of CFDs into the forefront of special taxes. There is no requirement that the special tax be apportioned on the basis of benefit to any property. Successful creation of a CFD requires approval of 2/3 of the registered voters voting in the election.

The challenge with this funding mechanism is defining the activities/costs described in the Draft Five Year Operating Expenses Budget as facilities and/or services authorized by CFD law. More specifically, with respect to services, only seven types of enumerated services can be funded by a CFD, none of which are water services or water management services (only flood and storm protection services are enumerated).<sup>26</sup> With respect to facilities, the authorization is more general and the list of facilities identified in the CFD law is not exhaustive.

## **Flood Control District as the GSA**

This report assumes the desire of the Flood Control District to assist in the formation of the PRBWD as the GSA to manage the Basin. However, under the authorities discussed above, the Flood Control District as the local agency who has adopted an AB 3030 plan prior to January 1, 2015, may step into the role of the GSA and choose to begin the process to levy fees *on the extraction of groundwater for purposes of AB 3030* pursuant to Water Code Section 10730.2(b) if it believes it has sufficient data to justify the fee. Similarly, the Flood Control District may take the lead to enact a tax.<sup>27</sup> The collection of these revenues could then flow to a subsequently formed GSA and be used for the purposes for which they were enacted.

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<sup>23</sup> Government Code § 50077(c)

<sup>24</sup> Government Code § 50076

<sup>25</sup> Government Code § 53311

<sup>26</sup> Water Code § 53313

<sup>27</sup> The Flood Control District would need to create a Zone of Benefit in order to designate territory coterminous with the Basin in order to levy parcel tax.

**Summary of Approval Process**

Type	Special Benefit Required	Process	Approval
Assessment	Yes	Mailed Ballot (Property Owner)	No Majority Protest – of ballots cast - weighted by assessment amount
Property-Related Fee	No	Notice & Hearing (Property Owner)	Majority of property owners must not file written protest; vote required unless fee for “water service”
Tax	No	Mailed Ballot (Registered Voter)	2/3 approval of electorate who cast ballots

**Summary of Formation Approval Timeline**

Type	Initiation	Notice Period	Tabulation
Assessment	Mailed notice sent after approval of Engineer’s Report with finding of Special Benefit and Reso to form	Public hearing no less than 45 days from mailing of notice	At close of public hearing
Property-Related Fee	Mailed notice sent after approval of Reso declaring details of fee (reason, amount, basis, etc.)	Public hearing no less than 45 days from mailing of notice; election not less than 45 days after public hearing	At close of public hearing/election
Parcel Tax	Adopt Reso of special tax and call for all ballot election and establish drop off center. Coordinate with registrar.	Special Election no less than 10 or more than 29 days prior to election. Or next general election.	At close of polling as defined by special election

It should be noted that depending on the mechanism chosen, with the exception of a regulatory fee, either property owners or voters will be approving the funding. Those groups may require different means and timelines to communicate with in order to gain public involvement and input on the proposal. Also note that care must be taken to avoid advocacy of any particular outcome.

## **Ranking According to Feasibility**

- 1) Parcel Tax – Government Code 50075
  - a. Challenges – None<sup>28</sup>
  
- 2) Property Related Fee (in the form of a pump charge or charge on extraction) – Article XIID
  - a. Challenges
    - i. Must show levy to fund compliance with SGMA is a property-related service rather than tax or assessment (*and must show levy to fund compliance is a “water service” to eliminate election requirement*)
    - ii. Must show the service is used by or immediately available to property owner
    - iii. Must show the amount charged to each parcel does not exceed the proportional cost of the service attributable to that parcel
    - iv. A property-related fee in the form of an acreage-based fee is not included in this ranking due to a lack of statutory authority – neither AB 2453 nor the general California Water District Law expressly authorize such a fee for groundwater management (additionally, such a levy is more susceptible to classification as an assessment)
  
- 3) Regulatory Fee (in the form of a pump charge or charge on extraction) – Article XIIC
  - a. Challenges
    - i. Must be imposed on a regulated “activity” (for this reason, a fee in the form of an acreage-based fee is not included in this ranking)
    - ii. The County does not have metered well data
    - iii. Must show that the amount charged does exceed the cost of conferring the benefit, granting the privilege or providing the service or product and that the amount charged is allocated based on the burden on or benefits received from the governmental activity (this would be particularly challenging if the fee is the District’s sole revenue source)
    - iv. May need to be structured in a manner to deter excessive consumption (split in authority)
  
- 4) Assessment – Article XIID
  - a. Challenges
    - i. Difficulty of finding of special benefit
    - ii. Limited statutory authority to levy assessments for groundwater management
  
- 5) CFD (Mello-Roos) – Government Code 53311
  - a. Challenges
    - i. Must show activities described in budget conform to those authorized by statute

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<sup>28</sup> Of the five ranked options, the parcel tax is indisputably the most widely accepted option.

## LIST OF ATTACHMENTS

- A. Draft Five Year Operating Expenses Budgets
- B. Summary of Land Uses
- C. Preliminary Allocation of Costs for Fee or Tax

ATTACHEMENT A

*Five Year Operating Expenditures - Paso Water District*

<b>Category</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Salaries & Benefits					
Executive Director (Division Manager - Utilities)	\$187,874	\$187,874	\$187,874	\$187,874	\$187,874
Groundwater Engineer (Engineer IV -Public Works)				163,943	163,943
Administrative Assistant/Board Clerk (Senior Account Clerk - PW)	72,894	72,894	72,894	72,894	72,894
Groundwater Sustainability Plan	250,000	250,000	250,000	100,000	100,000
Legal Services	100,000	100,000	100,000	100,000	100,000
Grant Writing / Advocacy	50,000	50,000	50,000	50,000	50,000
Office Lease	20,000	20,000	20,000	20,000	20,000
IT Support (including GIS)	10,000	10,500	11,025	11,576	12,155
Payroll Service	2,400	2,520	2,646	2,778	2,917
Software/Website	9,000	3,500	3,500	3,500	3,500
Conferences/Training	5,000	5,000	5,000	5,000	5,000
Travel Expenses	5,000	5,250	5,513	5,788	6,078
Dues & Subscriptions	10,000	10,000	10,000	10,000	10,000
Insurance	11,700	12,285	12,899	13,544	14,221
Legal Notices & Ads	7,500	7,875	8,269	8,682	9,116
Office Supplies	2,000	2,100	2,205	2,315	2,431
Postage	3,000	3,150	3,308	3,473	3,647
Printing	2,500	2,625	2,756	2,894	3,039
Utilities	5,000	5,250	5,513	5,788	6,078
Telephone/Communications	3,500	3,675	3,859	4,052	4,254
Office Equipment Leases	3,000	3,000	3,000	3,000	3,000
Board Elections	15,000		15,000		15,000
Future Prop 218	50,000	50,000	50,000	50,000	50,000
LAFCO District Fees	1,200	1,260	1,323	1,389	1,459
Collection Fee/Bad Debt	50,000	50,000	50,000	50,000	50,000
Annual Audit	5,000	5,250	5,513	5,788	6,078
Contingency (average of 7%)	68,432	85,992	67,905	65,721	47,317
<b>TOTAL</b>	<b>\$950,000</b>	<b>\$950,000</b>	<b>\$950,000</b>	<b>\$950,000</b>	<b>\$950,000</b>

## ATTACHEMENT A

**Five Year Operating Expenditures - Flood Control District**

<b>Category</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Salaries & Benefits					
Executive Director (Division Manager - Utilities)	\$187,874	\$187,874	\$187,874	\$187,874	\$187,874
Groundwater Engineer (Engineer IV -Public Works)				163,943	163,943
Administrative Assistant/Board Clerk (Senior Account Clerk - PW)	72,894	72,894	72,894	72,894	72,894
Groundwater Sustainability Plan	250,000	250,000	250,000	100,000	100,000
Legal Services	100,000	100,000	100,000	100,000	100,000
Grant Writing / Advocacy	50,000	50,000	50,000	50,000	50,000
Office Lease	20,000	20,000	20,000	20,000	20,000
IT Support (including GIS)	10,000	10,500	11,025	11,576	12,155
Software/Website	9,000	3,500	3,500	3,500	3,500
Conferences/Training	5,000	5,000	5,000	5,000	5,000
Travel Expenses	5,000	5,250	5,513	5,788	6,078
Dues & Subscriptions	10,000	10,000	10,000	10,000	10,000
Insurance	11,700	12,285	12,899	13,544	14,221
Legal Notices & Ads	7,500	7,875	8,269	8,682	9,116
Office Supplies	2,000	2,100	2,205	2,315	2,431
Postage	3,000	3,150	3,308	3,473	3,647
Printing	2,500	2,625	2,756	2,894	3,039
Utilities	5,000	5,250	5,513	5,788	6,078
Telephone/Communications	3,500	3,675	3,859	4,052	4,254
Office Equipment Leases	3,000	3,000	3,000	3,000	3,000
Future Prop 218	50,000	50,000	50,000	50,000	50,000
LAFCO District Fees	1,200	1,260	1,323	1,389	1,459
Collection Fee/Bad Debt	50,000	50,000	50,000	50,000	50,000
Annual Audit	5,000	5,250	5,513	5,788	6,078
Contingency	60,832	63,512	60,551	43,499	40,234
<b>TOTAL</b>	<b>\$925,000</b>	<b>\$925,000</b>	<b>\$925,000</b>	<b>\$925,000</b>	<b>\$925,000</b>

ATTACHMENT B  
 PRGW District Parcels - Preliminary Modeling  
 Summary by LUC

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>
21	1	39.12	Non OSC T&V
22	29	8,935.32	OSC Property
23	1	236.54	Land Locked-Vac or Improv
30	1	0.12	Antenna Site
31	2	186.80	Landfill
33	66	158.07	Residual Land Segment
35	2	0.33	Well Site
39	2	151.87	Open Space Easement
50	1	6.37	Miscellaneous
51	1	82.04	Misc Imps
100	193	508.85	Vacant Single Family
101	75	100.49	Vacant Urban 1-2.49
102	16	52.26	Vacant Urban 2.5-5
103	5	96.06	Vacant Urban >5
104	351	737.90	Vacant Rural 1-4.99
105	235	2,019.27	Vacant Rural 5-9.99
106	197	2,638.05	Vacant Rural 10-19.99
107	133	3,758.11	Vacant Rural 20-39.99
108	129	7,629.66	Vacant Rural 40-80
109	321	85,760.14	Vacant Rural >80
110	227	8,533.75	Single Family
115	6	35.83	SFR W/ 2ND Living Unit
121	1	1.80	Common Area
130	89	372.18	MH 1-2.49 AC
131	20	73.07	MH 2.5-4.99 AC
132	57	478.89	MH 5-9.99 AC
133	139	1,621.87	MH 10-20 AC
134	101	8,809.17	MH >20 AC
135	44	4.32	MH PK - Rental SP
136	174	416.56	MH PK - Owned SP
138	3	1.92	MH SFR Lot
145	3	12.09	Mountain Cabin
160	1386	2,253.95	SFR 1-2.49 AC
161	346	1,320.44	SFR 2.5-4.99 AC
162	558	4,319.12	SFR 5-9.99 AC
163	440	5,670.64	SFR 10-19.99 AC
164	213	5,805.28	SFR 20-39.99 AC
165	133	7,384.45	SFR 40-80 AC
166	157	29,470.15	SFR >80 AC
170	31	54.07	SFR W/ Sec 1-2.49 AC
171	18	62.26	SFR W/Sec 2.5-4.99 AC
172	50	392.74	SFR W/Sec 5-9.99 AC

ATTACHMENT B  
 PRGW District Parcels - Preliminary Modeling  
 Summary by LUC

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>
173	53	689.99	SFR W/ Sec 10-19.99 AC
174	42	1,170.72	SFR W/Sec 20-39.99 AC
175	34	1,598.54	SFR W/Sec 40-80 AC
176	45	10,371.20	SFR W/Sec >80
201	1	12.00	Duplex/ 2 Units
205	24	1,653.55	Income 2-4 Units, Detached
222	2	12.49	Income 5-10 Units, Detached
300	15	43.73	Vacant Commercial
305	1	18.05	Commercial & Residential
309	7	4.11	Res On Commercial
310	3	2.49	Retail Sales
321	1	1.09	Restaurant Small Sit Down
325	1	0.41	Bar/Cocktail Lounge
326	2	34.43	Wine Tasting/Micro Brew
333	1	3.67	Office 1-5 Units
379	1	10.00	Bed & Breakfast
380	3	9.92	Automotive Uses
381	3	15.98	Automotive - Service Station
385	4	17.13	Commercial Service
404	2	18.15	Res Care Facility
420	1	35.55	Recreational
423	3	17.08	Recreational - Camp Ground
430	1	1.60	Vacant Industrial
509	1	1.73	Res On Industrial/ MFG
511	2	11.23	Manufacturing - Light
515	3	7.13	Mini Storage
520	1	7.66	Warehousing
530	1	333.15	Mining Misc
543	10	95.85	Oil - Pump Station
550	1	16.41	Oil Pipeline County Assessed
580	1	14.25	Septage/Sludge Sites
600	97	23,684.13	Agricultural Property
611	302	54,046.97	Trees/Vines Grapes
614	2	461.77	Trees/Vines Apples
619	1	140.56	Trees/Vines Pistachio
620	1	9.69	Trees/Vines Olives
630	13	1,879.22	IRR
631	15	944.33	IRR Alfalfa
632	2	474.06	IRR Row Crop
636	25	1,309.79	Winery
640	91	13,980.87	Dry Farm
650	438	143,184.02	Graze

ATTACHMENT B  
 PRGW District Parcels - Preliminary Modeling  
 Summary by LUC

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>
660	2	372.47	Specialty
661	7	830.55	Specialty Horses
810	2	275.77	Church
820	4	13.98	School
850	3	101.34	Vacant Government
852	2	5.04	Government - Fire Dept
857	41	5,540.71	Government
860	16	110.90	Public Utility
RD	<u>2</u>	<u>5.05</u>	<u>Road</u>
<b>TOTALS</b>	<b>7,293</b>	<b>453,792.43</b>	

ATTACHMENT B  
 PRGW District Parcels - Preliminary Modeling  
 Summary by LUC Description

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>
600	97	23,684.13	Agricultural Property
30	1	0.12	Antenna Site
381	3	15.98	Automotive - Service Station
380	3	9.92	Automotive Uses
325	1	0.41	Bar/Cocktail Lounge
379	1	10.00	Bed & Breakfast
810	2	275.77	Church
305	1	18.05	Commercial & Residential
385	4	17.13	Commercial Service
121	1	1.80	Common Area
640	91	13,980.87	Dry Farm
201	1	12.00	Duplex/ 2 Units
857	41	5,540.71	Government
852	2	5.04	Government - Fire Dept
650	438	143,184.02	Graze
205	24	1,653.55	Income 2-4 Units, Detached
222	2	12.49	Income 5-10 Units, Detached
630	13	1,879.22	IRR
631	15	944.33	IRR Alfalfa
632	2	474.06	IRR Row Crop
23	1	236.54	Land Locked-Vac or Improv
31	2	186.80	Landfill
511	2	11.23	Manufacturing - Light
134	101	8,809.17	MH >20 AC
133	139	1,621.87	MH 10-20 AC
130	89	372.18	MH 1-2.49 AC
131	20	73.07	MH 2.5-4.99 AC
132	57	478.89	MH 5-9.99 AC
136	174	416.56	MH PK - Owned SP
135	44	4.32	MH PK - Rental SP
138	3	1.92	MH SFR Lot
515	3	7.13	Mini Storage
530	1	333.15	Mining Misc
51	1	82.04	Misc Imps
50	1	6.37	Miscellaneous
145	3	12.09	Mountain Cabin
21	1	39.12	Non OSC T&V
333	1	3.67	Office 1-5 Units
543	10	95.85	Oil - Pump Station
550	1	16.41	Oil Pipeline County Assessed
39	2	151.87	Open Space Easement
22	29	8,935.32	OSC Property

ATTACHMENT B  
 PRGW District Parcels - Preliminary Modeling  
 Summary by LUC Description

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>
860	16	110.90	Public Utility
420	1	35.55	Recreational
423	3	17.08	Recreational - Camp Ground
404	2	18.15	Res Care Facility
309	7	4.11	Res On Commercial
509	1	1.73	Res On Industrial/ MFG
33	66	158.07	Residual Land Segment
321	1	1.09	Restaurant Small Sit Down
310	3	2.49	Retail Sales
RD	2	5.05	Road
820	4	13.98	School
580	1	14.25	Septage/Sludge Sites
166	157	29,470.15	SFR >80 AC
163	440	5,670.64	SFR 10-19.99 AC
160	1386	2,253.95	SFR 1-2.49 AC
161	346	1,320.44	SFR 2.5-4.99 AC
164	213	5,805.28	SFR 20-39.99 AC
165	133	7,384.45	SFR 40-80 AC
162	558	4,319.12	SFR 5-9.99 AC
115	6	35.83	SFR W/ 2ND Living Unit
173	53	689.99	SFR W/ Sec 10-19.99 AC
170	31	54.07	SFR W/ Sec 1-2.49 AC
176	45	10,371.20	SFR W/Sec >80
171	18	62.26	SFR W/Sec 2.5-4.99 AC
174	42	1,170.72	SFR W/Sec 20-39.99 AC
175	34	1,598.54	SFR W/Sec 40-80 AC
172	50	392.74	SFR W/Sec 5-9.99 AC
110	227	8,533.75	Single Family
660	2	372.47	Specialty
661	7	830.55	Specialty Horses
614	2	461.77	Trees/Vines Apples
611	302	54,046.97	Trees/Vines Grapes
620	1	9.69	Trees/Vines Olives
619	1	140.56	Trees/Vines Pistachio
300	15	43.73	Vacant Commercial
850	3	101.34	Vacant Government
430	1	1.60	Vacant Industrial
109	321	85,760.14	Vacant Rural >80
106	197	2,638.05	Vacant Rural 10-19.99
104	351	737.90	Vacant Rural 1-4.99
107	133	3,758.11	Vacant Rural 20-39.99
108	129	7,629.66	Vacant Rural 40-80

ATTACHMENT B  
 PRGW District Parcels - Preliminary Modeling  
 Summary by LUC Description

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>
105	235	2,019.27	Vacant Rural 5-9.99
100	193	508.85	Vacant Single Family
103	5	96.06	Vacant Urban >5
101	75	100.49	Vacant Urban 1-2.49
102	16	52.26	Vacant Urban 2.5-5
520	1	7.66	Warehousing
35	2	0.33	Well Site
326	2	34.43	Wine Tasting/Micro Brew
<u>636</u>	<u>25</u>	<u>1,309.79</u>	<u>Winery</u>
<b>TOTALS</b>	<b>7,293</b>	<b>453,792.43</b>	

## ATTACHMENT C

### PRGW District Parcels Preliminary Allocation of Costs

This preliminary allocation spreads costs at a rate of \$2 per acre of land. Acreage data is according to San Luis Obispo County Assessor. This rate generates approximately \$907,584 per year and does not account for any land uses or owners that may be determined to be exempt or un-levyable.

The preliminary rate was applied and the following tables created to show how properties are affected. The tables aggregate property according to Land Use Code ("LUC") and sort the results as follows:

- Table 1. Sort by Parcel Count – shows which LUCs have the greatest number of parcels.
- Table 2. Sort by Total Acres – shows which LUCs have the greatest number of acres.
- Table 3. Sort by \$ per parcel – shows which LUCs have the highest *average* acreage/levy per parcel.

Table Header Key:

LUC: Land Use Code

Count: Total number of parcels within that LUC

Acres: Total acres within that LUC

LUC Description: Text description of LUC

@ \$2 / Acre: Total dollars levied on that LUC if levied at \$2 per acre

\$ / Parcel: *Average* dollars per parcel levied on that LUC if levied at \$2 per acre

The preliminary rate is intended to be a starting point for modeling and discussion. The selection of the financing method will determine what criteria must be followed to calculate the final rate. The final rate must comply with specific requirements that will be addressed in detail during the formation phase of the financing district. In general the following concepts govern the potential financing methods:

Special Tax, Parcel Tax – must pass a "reasonableness" test.

Property Related Fee – must pass a "proportionality" test.

It is expected modifications to the preliminary rate will be made once the financing method is selected and further data gathered. The objective to create a legal and fair rate that is acceptable to the rate payers is our common end.

ATTACHMENT C  
PRGW District Parcels - Preliminary Modeling

Table 1 Sort by Parcel Count

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>	<u>@ \$2 / Acre</u>	<u>\$ / Parcel</u>
160	1,386	2,253.95	SFR 1-2.49 AC	\$4,507.90	\$3.25
162	558	4,319.12	SFR 5-9.99 AC	8,638.24	15.48
163	440	5,670.64	SFR 10-19.99 AC	11,341.28	25.78
650	438	143,184.02	Graze	286,368.04	653.81
104	351	737.90	Vacant Rural 1-4.99	1,475.80	4.20
161	346	1,320.44	SFR 2.5-4.99 AC	2,640.88	7.63
109	321	85,760.14	Vacant Rural >80	171,520.28	534.33
611	302	54,046.97	Trees/Vines Grapes	108,093.94	357.93
105	235	2,019.27	Vacant Rural 5-9.99	4,038.54	17.19
110	227	8,533.75	Single Family	17,067.50	75.19
164	213	5,805.28	SFR 20-39.99 AC	11,610.56	54.51
106	197	2,638.05	Vacant Rural 10-19.99	5,276.10	26.78
100	193	508.85	Vacant Single Family	1,017.70	5.27
136	174	416.56	MH PK - Owned SP	833.12	4.79
166	157	29,470.15	SFR >80 AC	58,940.30	375.42
133	139	1,621.87	MH 10-20 AC	3,243.74	23.34
165	133	7,384.45	SFR 40-80 AC	14,768.90	111.04
107	133	3,758.11	Vacant Rural 20-39.99	7,516.22	56.51
108	129	7,629.66	Vacant Rural 40-80	15,259.32	118.29
134	101	8,809.17	MH >20 AC	17,618.34	174.44
600	97	23,684.13	Agricultural Property	47,368.26	488.33
640	91	13,980.87	Dry Farm	27,961.74	307.27
130	89	372.18	MH 1-2.49 AC	744.36	8.36
101	75	100.49	Vacant Urban 1-2.49	200.98	2.68
33	66	158.07	Residual Land Segment	316.14	4.79
132	57	478.89	MH 5-9.99 AC	957.78	16.80
173	53	689.99	SFR W/ Sec 10-19.99 AC	1,379.98	26.04
172	50	392.74	SFR W/Sec 5-9.99 AC	785.48	15.71
176	45	10,371.20	SFR W/Sec >80	20,742.40	460.94
135	44	4.32	MH PK - Rental SP	8.64	0.20
174	42	1,170.72	SFR W/Sec 20-39.99 AC	2,341.44	55.75
857	41	5,540.71	Government	11,081.42	270.28
175	34	1,598.54	SFR W/Sec 40-80 AC	3,197.08	94.03
170	31	54.07	SFR W/ Sec 1-2.49 AC	108.14	3.49
22	29	8,935.32	OSC Property	17,870.64	616.23
636	25	1,309.79	Winery	2,619.58	104.78
205	24	1,653.55	Income 2-4 Units, Detached	3,307.10	137.80
131	20	73.07	MH 2.5-4.99 AC	146.14	7.31
171	18	62.26	SFR W/Sec 2.5-4.99 AC	124.52	6.92
860	16	110.90	Public Utility	221.80	13.86
102	16	52.26	Vacant Urban 2.5-5	104.52	6.53

ATTACHMENT C  
PRGW District Parcels - Preliminary Modeling

Table 1 Sort by Parcel Count

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>	<u>@ \$2 / Acre</u>	<u>\$ / Parcel</u>
631	15	944.33	IRR Alfalfa	1,888.66	125.91
300	15	43.73	Vacant Commercial	87.46	5.83
630	13	1,879.22	IRR	3,758.44	289.11
543	10	95.85	Oil - Pump Station	191.70	19.17
309	7	4.11	Res On Commercial	8.22	1.17
661	7	830.55	Specialty Horses	1,661.10	237.30
115	6	35.83	SFR W/ 2ND Living Unit	71.66	11.94
103	5	96.06	Vacant Urban >5	192.12	38.42
385	4	17.13	Commercial Service	34.26	8.57
820	4	13.98	School	27.96	6.99
381	3	15.98	Automotive - Service Station	31.96	10.65
380	3	9.92	Automotive Uses	19.84	6.61
138	3	1.92	MH SFR Lot	3.84	1.28
515	3	7.13	Mini Storage	14.26	4.75
145	3	12.09	Mountain Cabin	24.18	8.06
423	3	17.08	Recreational - Camp Ground	34.16	11.39
310	3	2.49	Retail Sales	4.98	1.66
850	3	101.34	Vacant Government	202.68	67.56
810	2	275.77	Church	551.54	275.77
852	2	5.04	Government - Fire Dept	10.08	5.04
222	2	12.49	Income 5-10 Units, Detached	24.98	12.49
632	2	474.06	IRR Row Crop	948.12	474.06
31	2	186.80	Landfill	373.60	186.80
511	2	11.23	Manufacturing - Light	22.46	11.23
39	2	151.87	Open Space Easement	303.74	151.87
404	2	18.15	Res Care Facility	36.30	18.15
RD	2	5.05	Road	10.10	5.05
660	2	372.47	Specialty	744.94	372.47
614	2	461.77	Trees/Vines Apples	923.54	461.77
35	2	0.33	Well Site	0.66	0.33
326	2	34.43	Wine Tasting/Micro Brew	68.86	34.43
30	1	0.12	Antenna Site	0.24	0.24
325	1	0.41	Bar/Cocktail Lounge	0.82	0.82
379	1	10.00	Bed & Breakfast	20.00	20.00
305	1	18.05	Commercial & Residential	36.10	36.10
121	1	1.80	Common Area	3.60	3.60
201	1	12.00	Duplex/ 2 Units	24.00	24.00
23	1	236.54	Land Locked-Vac or Improv	473.08	473.08
530	1	333.15	Mining Misc	666.30	666.30
51	1	82.04	Misc Imps	164.08	164.08
50	1	6.37	Miscellaneous	12.74	12.74

ATTACHMENT C  
PRGW District Parcels - Preliminary Modeling

Table 1 Sort by Parcel Count

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>	<u>@ \$2 / Acre</u>	<u>\$ / Parcel</u>
21	1	39.12	Non OSC T&V	78.24	78.24
333	1	3.67	Office 1-5 Units	7.34	7.34
550	1	16.41	Oil Pipeline County Assessed	32.82	32.82
420	1	35.55	Recreational	71.10	71.10
509	1	1.73	Res On Industrial/ MFG	3.46	3.46
321	1	1.09	Restaurant Small Sit Down	2.18	2.18
580	1	14.25	Septage/Sludge Sites	28.50	28.50
620	1	9.69	Trees/Vines Olives	19.38	19.38
619	1	140.56	Trees/Vines Pistachio	281.12	281.12
430	1	1.60	Vacant Industrial	3.20	3.20
<u>520</u>	<u>1</u>	<u>7.66</u>	<u>Warehousing</u>	<u>15.32</u>	<u>15.32</u>
<b>TOTALS</b>	<b>7,293</b>	<b>453,792.43</b>		<b>\$907,584.86</b>	<b>N/A</b>

ATTACHMENT C  
PRGW District Parcels - Preliminary Modeling

Table 2 Sort by Tot Acres

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>	<u>@ \$2 / Acre</u>	<u>\$ / Parcel</u>
650	438	143,184.02	Graze	\$286,368.04	\$653.81
109	321	85,760.14	Vacant Rural >80	171,520.28	534.33
611	302	54,046.97	Trees/Vines Grapes	108,093.94	357.93
166	157	29,470.15	SFR >80 AC	58,940.30	375.42
600	97	23,684.13	Agricultural Property	47,368.26	488.33
640	91	13,980.87	Dry Farm	27,961.74	307.27
176	45	10,371.20	SFR W/Sec >80	20,742.40	460.94
22	29	8,935.32	OSC Property	17,870.64	616.23
134	101	8,809.17	MH >20 AC	17,618.34	174.44
110	227	8,533.75	Single Family	17,067.50	75.19
108	129	7,629.66	Vacant Rural 40-80	15,259.32	118.29
165	133	7,384.45	SFR 40-80 AC	14,768.90	111.04
164	213	5,805.28	SFR 20-39.99 AC	11,610.56	54.51
163	440	5,670.64	SFR 10-19.99 AC	11,341.28	25.78
857	41	5,540.71	Government	11,081.42	270.28
162	558	4,319.12	SFR 5-9.99 AC	8,638.24	15.48
107	133	3,758.11	Vacant Rural 20-39.99	7,516.22	56.51
106	197	2,638.05	Vacant Rural 10-19.99	5,276.10	26.78
160	1,386	2,253.95	SFR 1-2.49 AC	4,507.90	3.25
105	235	2,019.27	Vacant Rural 5-9.99	4,038.54	17.19
630	13	1,879.22	IRR	3,758.44	289.11
205	24	1,653.55	Income 2-4 Units, Detached	3,307.10	137.80
133	139	1,621.87	MH 10-20 AC	3,243.74	23.34
175	34	1,598.54	SFR W/Sec 40-80 AC	3,197.08	94.03
161	346	1,320.44	SFR 2.5-4.99 AC	2,640.88	7.63
636	25	1,309.79	Winery	2,619.58	104.78
174	42	1,170.72	SFR W/Sec 20-39.99 AC	2,341.44	55.75
631	15	944.33	IRR Alfalfa	1,888.66	125.91
661	7	830.55	Specialty Horses	1,661.10	237.30
104	351	737.90	Vacant Rural 1-4.99	1,475.80	4.20
173	53	689.99	SFR W/ Sec 10-19.99 AC	1,379.98	26.04
100	193	508.85	Vacant Single Family	1,017.70	5.27
132	57	478.89	MH 5-9.99 AC	957.78	16.80
632	2	474.06	IRR Row Crop	948.12	474.06
614	2	461.77	Trees/Vines Apples	923.54	461.77
136	174	416.56	MH PK - Owned SP	833.12	4.79
172	50	392.74	SFR W/Sec 5-9.99 AC	785.48	15.71
660	2	372.47	Specialty	744.94	372.47
130	89	372.18	MH 1-2.49 AC	744.36	8.36
530	1	333.15	Mining Misc	666.30	666.30
810	2	275.77	Church	551.54	275.77

ATTACHMENT C  
PRGW District Parcels - Preliminary Modeling

Table 2 Sort by Tot Acres

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>	<u>@ \$2 / Acre</u>	<u>\$ / Parcel</u>
23	1	236.54	Land Locked-Vac or Improv	473.08	473.08
31	2	186.80	Landfill	373.60	186.80
33	66	158.07	Residual Land Segment	316.14	4.79
39	2	151.87	Open Space Easement	303.74	151.87
619	1	140.56	Trees/Vines Pistachio	281.12	281.12
860	16	110.90	Public Utility	221.80	13.86
850	3	101.34	Vacant Government	202.68	67.56
101	75	100.49	Vacant Urban 1-2.49	200.98	2.68
103	5	96.06	Vacant Urban >5	192.12	38.42
543	10	95.85	Oil - Pump Station	191.70	19.17
51	1	82.04	Misc Imps	164.08	164.08
131	20	73.07	MH 2.5-4.99 AC	146.14	7.31
171	18	62.26	SFR W/Sec 2.5-4.99 AC	124.52	6.92
170	31	54.07	SFR W/ Sec 1-2.49 AC	108.14	3.49
102	16	52.26	Vacant Urban 2.5-5	104.52	6.53
300	15	43.73	Vacant Commercial	87.46	5.83
21	1	39.12	Non OSC T&V	78.24	78.24
115	6	35.83	SFR W/ 2ND Living Unit	71.66	11.94
420	1	35.55	Recreational	71.10	71.10
326	2	34.43	Wine Tasting/Micro Brew	68.86	34.43
404	2	18.15	Res Care Facility	36.30	18.15
305	1	18.05	Commercial & Residential	36.10	36.10
385	4	17.13	Commercial Service	34.26	8.57
423	3	17.08	Recreational - Camp Ground	34.16	11.39
550	1	16.41	Oil Pipeline County Assessed	32.82	32.82
381	3	15.98	Automotive - Service Station	31.96	10.65
580	1	14.25	Septage/Sludge Sites	28.50	28.50
820	4	13.98	School	27.96	6.99
222	2	12.49	Income 5-10 Units, Detached	24.98	12.49
145	3	12.09	Mountain Cabin	24.18	8.06
201	1	12.00	Duplex/ 2 Units	24.00	24.00
511	2	11.23	Manufacturing - Light	22.46	11.23
379	1	10.00	Bed & Breakfast	20.00	20.00
380	3	9.92	Automotive Uses	19.84	6.61
620	1	9.69	Trees/Vines Olives	19.38	19.38
520	1	7.66	Warehousing	15.32	15.32
515	3	7.13	Mini Storage	14.26	4.75
50	1	6.37	Miscellaneous	12.74	12.74
RD	2	5.05	Road	10.10	5.05
852	2	5.04	Government - Fire Dept	10.08	5.04
135	44	4.32	MH PK - Rental SP	8.64	0.20

ATTACHMENT C  
PRGW District Parcels - Preliminary Modeling

Table 2 Sort by Tot Acres

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>	<u>@ \$2 / Acre</u>	<u>\$ / Parcel</u>
309	7	4.11	Res On Commercial	8.22	1.17
333	1	3.67	Office 1-5 Units	7.34	7.34
310	3	2.49	Retail Sales	4.98	1.66
138	3	1.92	MH SFR Lot	3.84	1.28
121	1	1.80	Common Area	3.60	3.60
509	1	1.73	Res On Industrial/ MFG	3.46	3.46
430	1	1.60	Vacant Industrial	3.20	3.20
321	1	1.09	Restaurant Small Sit Down	2.18	2.18
325	1	0.41	Bar/Cocktail Lounge	0.82	0.82
35	2	0.33	Well Site	0.66	0.33
<u>30</u>	<u>1</u>	<u>0.12</u>	<u>Antenna Site</u>	<u>0.24</u>	<u>0.24</u>
<b>TOTALS</b>	<b>7,293</b>	<b>453,792.43</b>		<b>\$907,584.86</b>	<b>N/A</b>

ATTACHMENT C  
PRGW District Parcels - Preliminary Modeling

Table 3 Sort by \$ per Parcel

<u>LUC</u>	<u>Count</u>	<u>Acres</u>	<u>LUC Description</u>	<u>@ \$2 / Acre</u>	<u>\$ / Parcel</u>
650	438	143,184.02	Graze	\$286,368.04	\$653.81
109	321	85,760.14	Vacant Rural >80	171,520.28	534.33
611	302	54,046.97	Trees/Vines Grapes	108,093.94	357.93
166	157	29,470.15	SFR >80 AC	58,940.30	375.42
600	97	23,684.13	Agricultural Property	47,368.26	488.33
640	91	13,980.87	Dry Farm	27,961.74	307.27
176	45	10,371.20	SFR W/Sec >80	20,742.40	460.94
22	29	8,935.32	OSC Property	17,870.64	616.23
134	101	8,809.17	MH >20 AC	17,618.34	174.44
110	227	8,533.75	Single Family	17,067.50	75.19
108	129	7,629.66	Vacant Rural 40-80	15,259.32	118.29
165	133	7,384.45	SFR 40-80 AC	14,768.90	111.04
164	213	5,805.28	SFR 20-39.99 AC	11,610.56	54.51
163	440	5,670.64	SFR 10-19.99 AC	11,341.28	25.78
857	41	5,540.71	Government	11,081.42	270.28
162	558	4,319.12	SFR 5-9.99 AC	8,638.24	15.48
107	133	3,758.11	Vacant Rural 20-39.99	7,516.22	56.51
106	197	2,638.05	Vacant Rural 10-19.99	5,276.10	26.78
160	1,386	2,253.95	SFR 1-2.49 AC	4,507.90	3.25
105	235	2,019.27	Vacant Rural 5-9.99	4,038.54	17.19
630	13	1,879.22	IRR	3,758.44	289.11
205	24	1,653.55	Income 2-4 Units, Detached	3,307.10	137.80
133	139	1,621.87	MH 10-20 AC	3,243.74	23.34
175	34	1,598.54	SFR W/Sec 40-80 AC	3,197.08	94.03
161	346	1,320.44	SFR 2.5-4.99 AC	2,640.88	7.63
636	25	1,309.79	Winery	2,619.58	104.78
174	42	1,170.72	SFR W/Sec 20-39.99 AC	2,341.44	55.75
631	15	944.33	IRR Alfalfa	1,888.66	125.91
661	7	830.55	Specialty Horses	1,661.10	237.30
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173	53	689.99	SFR W/ Sec 10-19.99 AC	1,379.98	26.04
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