

**CENTRAL COAST BLUE
REGIONAL RECYCLED WATER AUTHORITY
Board Meeting Agenda**

**THURSDAY, DECEMBER 1, 2022, 5:00 PM
GROVER BEACH CITY HALL - COUNCIL CHAMBER
154 SOUTH EIGHTH STREET
GROVER BEACH, CALIFORNIA**

Members of the public may participate and provide public comment on agenda items during the meeting in person at the location identified above by submitting written public comments to the Clerk of the Council at gbadmin@groverbeach.org. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, please contact the Grover Beach City Clerk's Office (805-473-4567) at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

CALL TO ORDER

Mayor Jeff Lee, Grover Beach

FLAG SALUTE

ROLL CALL

- Arroyo Grande: Mayor Caren Ray Russom
- Grover Beach: Mayor Jeff Lee
- Pismo Beach: Mayor Ed Waage

AGENDA REVIEW

At this time the Board will review the order of business to be conducted and receive requests for, or make announcements regarding, any change(s) in the order of the day. The Board should by motion adopt the agenda as presented or as revised.

PUBLIC COMMUNICATIONS

Any member of the public may address the Board for a period not to exceed three minutes total on any item of interest within the jurisdiction of this Board not scheduled on this agenda. The Board will listen to all communications; however, in compliance with the Brown Act, the Board cannot act on items not on the agenda.

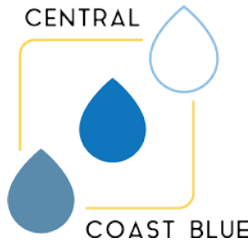
NEW BUSINESS

1. **Adoption of Central Coast Blue Regional Recycled Water Authority Bylaws** (City Attorney David Hale, Grover Beach)
Recommended Action: Adopt Bylaws governing the Central Coast Blue Regional Recycled Water Authority
2. **Selection of Central Coast Blue Regional Recycled Water Authority Board of Directors Chair and Vice Chair** (Mayor Jeff Lee, Grover Beach)
Recommended Action: Select Board Chair and Vice Chair effective upon action through December 31, 2023
3. **Approval of Resolutions for State Water Resources Control Board State Revolving Fund Financing and Water Infrastructure Finance and Innovation Act Program Authorization** (Administrative Services Director Nadia Feeser, Pismo Beach)
Recommended Action: 1) Approve authorizing resolution and reimbursement resolution for the State Water Resources Control Board State Revolving Fund financing for the Central Coast Blue Recycled Water Project and authorize the Board Chair to execute the financing application documents on behalf of the Authority. 2) Approve authorizing resolution for the Water Infrastructure Finance and Innovation Act Loan Program.
4. **Approval of Property Transfer of Advanced Treatment Plant Facility Site (APN 060-543-016) from the City of Pismo Beach to the Central Coast Blue Regional Recycled Water Authority** (City Attorney Dave Fleishman, Pismo Beach)
Recommended Action: Approve property transfer to Authority and authorize Board Chair to execute and cause to be recorded a Certificate of Acceptance for property.
5. **Appointment of Search Committee for Central Coast Blue Regional Recycled Water Authority Manager** (City Manager Matthew Bronson, Grover Beach)
Recommended Action: Appoint Search Committee comprised of Arroyo Grande, Grover Beach, and Pismo Beach City Managers and direct Committee to recommend a Manager for the Board's consideration at the next meeting.

BOARD COMMUNICATIONS

STAFF COMMUNICATIONS

ADJOURNMENT



CENTRAL COAST BLUE JOINT POWERS AUTHORITY AGENDA REPORT

Agenda Item #1

SUBJECT/TITLE:

**ADOPTION OF CENTRAL COAST BLUE REGIONAL RECYCLED WATER
AUTHORITY BYLAWS**

RECOMMENDATION:

1. Adopt Bylaws governing the Central Coast Blue Regional Recycled Water Authority

BACKGROUND:

The initial action of the Central Coast Blue Regional Recycled Water Authority (Authority) is to adopt Bylaws to govern the operation of the Authority. The proposed Bylaws shown in **Attachment 1** are consistent with the Joint Powers Authority (JPA) Agreement adopted by the Arroyo Grande, Grover Beach, and Pismo Beach City Councils in September/October along with Bylaws for other JPAs in the area. The JPA Agreement is shown as **Attachment 2** for the Board's reference. Key provisions of these Bylaws include:

- Establishes the duties and powers of the Board of Directors
- Sets out the duties and responsibilities of the Board Chair and the Vice-Chair
- Defines the protocol for how meetings are to be conducted including but not limited to frequency of meetings, compliance with the Ralph M. Brown Act and posting and preparation of the agenda
- Establishes the protocol for how the Board of Directors votes on matters
- Enumerates the order of business
- Addresses the opportunity for public comment and participation
- Defines the duties of the Manager and other Officers and Employees of the Authority

Conclusion and Recommendation

Staff recommends that the Authority Board adopt the proposed Bylaws.

FISCAL IMPACT:

There is no fiscal impact from this action.

ALTERNATIVES:

1. Adopt an amended version of the Bylaws
2. Do not adopt Bylaws

ATTACHMENTS:

1. Central Coast Blue Regional Water Authority Bylaws
2. Central Coast Blue Regional Water Authority Joint Powers Agreement

Prepared by:

Meeting Date: December 1, 2022

David Hale, Grover Beach City Attorney
Dave Fleishman, Pismo Beach City Attorney
Tim Carmel, Arroyo Grande City Attorney

:

BYLAWS

CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY

Preamble

The Central Coast Blue Regional Recycled Water Authority. (“Authority”) is a public agency voluntarily established by its Member Agencies pursuant to a Joint Exercise of Powers Agreement ("Agreement"), dated _____, 2022, for the purpose of providing a vehicle for the Member Agencies to construct, operate and maintain a regional recycled water project that will enhance supply reliability by injecting advanced purified water into the Northern Cities Management Area of the Santa Maria Groundwater Basin (“Project”). In addition, the Agreement will enable the Member Agencies to develop the Project in a manner that will reduce vulnerability to drought and seawater intrusion by creating a seawater intrusion barrier and supplementing the naturally occurring groundwater.

To the extent that any provision of these Bylaws is inconsistent with the Agreement, the provisions of the Agreement will govern and supersede these Bylaws.

Article I - Definitions

The terms defined within the Agreement including Section 1.1 are incorporated by reference into these Bylaws.

Article II - Membership and Representation

- A. Membership. Member agencies shall withdraw from the Authority in accordance with Article 8 of the Agreement.
- B. Representation. Appointment of the Board of Directors or any alternate of the Board of Directors shall be consistent with Section 2.2 of the Agreement.

Article III - Board of Directors

- A. Powers and Duties. The powers and duties of the Board of Directors, subject to the limitations of applicable law, the Agreement, and these Bylaws, shall include:
 - 1. All of the powers of the Authority provided in Section 1.6 of the Agreement except as may be expressly delegated to others pursuant to the provisions of the Agreement these Bylaws or the direction of the Board of Directors shall be exercised by and through the Board of Directors.
 - 2. Making policy decisions and determining policy matters for the Authority.
 - 3. Conducting the affairs of the Authority.
 - 4. Appointing, fixing the compensation of and removing an Authority Manager and other staff of the Board of Directors.

5. Annually reviewing the proposed Authority budget and adopting an annual budget.
6. Appointing standing committees and, if necessary, ad hoc committees to study specific problems, programs, or other matters the Authority Board of Directors has approved for study consistent with Provision 5.1 of the Agreement.
7. Acting upon policy recommendations, including policy recommendations from committees.

B. Duties of the Board Chair.

1. To act as Presiding Officer over the holding and running of all Authority Board of Director meetings. The duties of the Presiding Officer are as follows:
 - i To open all meetings of the Board at the appointed hour by taking the Chair and calling the Board to order.
 - ii To call for the approval of the minutes.
 - iii To maintain order and proper decorum.
 - iv To announce the business before the Board in the order prescribed by these Bylaws.
 - v To receive and submit all matters properly brought before the Board, to call for votes upon the same, and to announce the results.
 - vi To make known all procedures when so requested, and to decide all questions of order, subject, however, to appeal by a board member to the board as a whole, in which event the majority shall govern and conclusively determine such questions of order.
 - vii To preside at all closed sessions of the Board.
 - viii To perform such other duties as may be required by law or as may pertain to such office.
2. To sign all instruments requiring execution or agreement by the Board.
3. To serve as the chief spokesperson and representative for the Board for matters before the public, the State and federal governments, and the Member Agencies unless delegated to a designee.
4. To work with staff in the development of an Annual Calendar of events and meetings to include, but not be restricted to Board meetings, recesses, special meetings, holidays, etc.
5. To delegate by administrative directive any of the duties assigned to the Board Chair.
6. To assist in preparing the Board meeting agenda.

C. Duties of the Board Vice-Chair.

1. To serve with the Board Chair as spokesperson and representative for the Board.

2. To assist the Board Chair in anticipating issues and problems deserving or in need of special meetings.
3. In the absence of the Board Chair, the Vice-Chair shall exercise the duties and powers of the Board Chair.

ARTICLE IV – Meetings

A. Protocol for Meetings

1. Regular meetings of the Board of Directors shall be held at least once each quarter of the fiscal year. Special meetings of the Board of Directors may be called by the Chair. All meetings shall be called and conducted, and an agenda posted, in accordance with the Ralph M. Brown Act (Government Code Sections 54950 et seq.), as it now exists or may hereafter be amended. The official agenda for each meeting shall be posted by the city clerk of the member agency in whose jurisdiction the meeting is scheduled to take place. City clerks of other member agencies will be provided a copy of the agenda and are encouraged to post the agenda at their official posting location to assure widespread notice of the meetings.
2. The time and date of regular meetings of the Board of Directors shall be established by resolution of the Board. The location of each meeting shall be determined the preceding meeting or by resolution of the Board of Directors.
3. Authority committees shall meet on the call of their Chair or as otherwise provided herein and in compliance with applicable law.

B. Voting. Voting on the Board of Directors shall be conducted as prescribed in Sections 3.3 and 3.4 of the Agreement and these Bylaws. To the extent not inconsistent with the Agreement, voting shall be conducted as follows:

1. There shall be three methods of counting votes of the Board; by a call of the roll of the Board members; by a voice vote; or by unanimous consent. The vote of each member in any of the prior options shall be recorded by the Secretary of the Board. In the event any given form of counting votes is unclear as to the vote of each member, the Secretary of the Board shall take a call of the roll of the Board members.
2. The Board Chair shall determine the method for voting unless overruled by a majority of the Board Members present.
3. Unless a present Board member states that he or she is not voting, silence shall be recorded as an affirmative vote.
4. The Secretary of the Board shall record each vote and each abstention in the minute Book and announce the results to the Board.
5. After the announcement of results, a Board member shall not be permitted to vote or to change a vote or an abstention, except in the case of a motion to reconsider as

set forth in the most recent edition of Rosenberg's Rules of Order which are hereby incorporated by reference, as amended. Rosenberg's Rules of Order shall be used by the Board of Directors for all parliamentary procedures. Procedural rules are for the purpose of running an orderly meeting and the convenience of the Board, and failure to follow any procedural rule shall not invalidate any action taken by the Board.

C. Order of Business. The general order of business will be as follows, unless the Board Chair determines that the order for a particular meeting or item needs to be modified:

1. Call To Order
2. Flag Salute
3. Roll Call
4. Agenda Review
5. Approval of Minutes
6. Public Comments
7. Consent Agenda
8. Continued Business
9. New Business
10. Board Member Items
11. Manager Items
12. General Counsel Items
13. Board Communications
14. Closed Session (May be placed first in order of business)
15. Closed Session Announcements
16. Adjournment

D. A workshop may be placed on the agenda from time to time, for informational purposes only. The Board may also invite one or more speakers to address the item, with or without time limits.

E. Timed items may be heard at or later than the time stated on the agenda. Untimed items may be called by the Board Chair at any time during the meeting.

F. Board Agenda. The agenda shall be prepared as follows:

1. The Manager, General Counsel or a majority of Board members may place items on a Board Agenda, as provided herein.
2. All proposed resolutions and contracts shall be approved as to form by the General Counsel prior to placement on the Board Agenda.
3. The Manager or designee shall arrange a list of Agenda matters according to the order of business as determined by these Bylaws.
4. The Manager or designee shall furnish each member of the Board and the General Counsel a copy of the Agenda prior to the Board meeting as far in advance of the meeting as time permits.
5. No item shall be placed on the Board Agenda except in accordance with the Brown Act and these Bylaws.

6. The Secretary of the Board shall post and prepare the Agenda in accordance with the Brown Act.

G. Public Comment.

1. At any meeting of the Board, the public has a right to speak on any agenda item on the Board Agenda within the time limits described below. The public shall also have the right at regular Board meetings to speak to matters not on the Agenda during the Community Comments and Suggestions portion of the meeting but must limit their comments to matters within the jurisdiction of the Board.
2. The public has a right at every Board meeting to provide oral testimony in accordance with the Brown Act, subject only to the following:
 - i. Each speaker shall limit his/her remarks on any item listed on a Board Agenda to three minutes (hereinafter “public comment period”), and at special Board meetings, to only those items on the agenda.
 - ii. The public comment period may be extended by the Board Chair subject to a vote of the majority of the Board of Directors.
 - iii. In situations where more than 20 people wish to speak on an item, the Board Chair, subject to a vote of the majority of the Board members, may place reasonable limits on the public comment period, including a specific time limit for the total presentation. Such time limits shall allow for full discussion of the item by interested parties or their representative(s). The purpose of this limitation is to ensure the Board can address its Agenda and avoid repetitious presentations.
 - iv. Items on the Consent Agenda are considered routine, not controversial, and are treated as one agenda item. Public comment on the Consent Agenda shall be limited to three minutes per speaker, and comments shall be limited to discussion of those items on the Consent Agenda.
 - v. A Board member may remove (“pull”) a specific item from the Consent Agenda for separate discussion. Board members may also record a “no” vote or abstention as to one or more items on the Consent Agenda in advance of the vote. The Board may then enact the Consent Agenda by one vote.
 - vi. Items removed for separate discussion by a Board member will be heard after the vote is taken on the Consent Agenda.
3. Speakers shall confine their remarks to those which are relevant to the subject under consideration and are encouraged to present new evidence and points of view not previously considered, to avoid repetition of statements made by previous speakers.

4. Each person addressing the Board shall step up to the podium to speak. Each individual shall speak in an audible tone of voice for the record.
5. Consistent with the Americans with Disabilities Act, alternative methods of addressing the Board shall be allowed for persons with disabilities.

Article V - Manager

If an Authority Manager is appointed by the Board of Directors, the powers and duties of the Manager shall be:

- A. Subject to the authority of and as directed by the Board of Directors, to administer the affairs of the Authority.
- B. Subject to the authority of and as directed by the Board of Directors, to appoint, direct and remove all employees of the Authority and to retain consultants.
- C. Annually to prepare and present a proposed budget to the Board of Directors and to control the approved budget.
- D. To attend the meetings of the Board of Directors.
- E. To perform such other and additional duties as the Board of Directors, these Bylaws, the Agreement, or applicable law may require.
- F. To serve as Custodian of Records of the Authority.

In the event a Manager is not appointed by the Board of Directors, the Chair shall perform the duties set forth in subparagraphs A, B, C, and F, above.

Article VI - Other Officers and Employees

- A. Secretary. Pursuant to Section 4.1 of the Agreement, the Board of Directors shall appoint the Secretary who shall serve at the pleasure of the Board of Directors. The Secretary shall keep a record of all proceedings and shall perform all other duties as specified by the Board.
- B. Treasurer Pursuant to Section 4.2 of the Agreement, the Manager shall designate a Treasurer of the Authority. The Treasurer shall possess the powers to and shall perform those functions required by Government Code sections 6505 and 6505.5 and all other applicable laws and regulations, including any subsequent amendments thereto, the Agreement, these Bylaws or by the direction of the Manager. The Treasurer shall have custody of the funds and shall provide for strict accountability thereof in accordance with Government Code Section 6505.5 and other applicable laws. Pursuant to Government Code Section 6505.6, the Manager may appoint a qualified person to assist the Treasurer in the performance of its duties. The Treasurer shall annually cause an independent audit to be made by a certified public accountant or public accountant in accordance with Government Code sections 6505 and 6505.6.

- C. Additional Officers and Employees. The Board of Directors shall have the power to authorize such additional officers and employees as may be appropriate. Such officers and employees may also be, but are not required to be, officers and employees of the individual Member Agencies or contractors. The General Counsel for the Authority may not be employed by any of the Member Agencies while engaged by the Authority. None of the officers, agents, or employees appointed by the Board of Directors shall be deemed, by reason of their employment by the Board of Directors, to be employed by any of the Member Agencies or, by reason of their employment by the Board of Directors, to be subject to any of the requirements of such Member Agencies.
- D. Bonding requirement. The Board of Directors shall designate the officers or persons having charge of, handling, or having access to any property of the Authority who may be required by the Board of Directors to file an official bond with the Authority. The amount of any such bond, if any, shall be established by the Board of Directors. Should the existing bond or bonds of any such officer be extended to cover the obligations provided herein, said bond shall be the official bond required herein. The premiums on any such bonds attributable to the coverage required herein shall be appropriate expenses of the Authority.
- E. Status of Member Agencies' Officers and Employees. As provided in Government Code Section 6513, all of the privileges and immunities from liability and other benefits that apply to the activity of officers, agents, or employees of any of the Member Agencies when performing their respective functions within the territorial limits of their respective public agencies shall apply to them while engaged in the performance of any of their functions and duties extraterritorially under these Bylaws and in furtherance of the obligations of the Agreement.

Article VII – City Managers Input

The Board of Directors shall receive and consider recommendations made from time to time by the City Managers of the Member Agencies.

Article VIII – General Assembly

A General Assembly may be called by the Chair of the Board of Directors at any time to discuss issues and make recommendations to the Board of Directors. All elected officials of the legislative bodies of all Member Agencies shall be members of the General Assembly. The General Assembly is not required to meet. The Chair of the Board of Directors shall be the Chair of the General Assembly.

Article IX – Budgets

The budget for the Authority shall be adopted consistent with the provisions of Article 6 of the Agreement.

Article X - Amendments

Amendments to these Bylaws may be proposed by a Board of Directors Representative. The Amendment shall be submitted to the Board of Directors at a meeting at least one month prior to the meeting at which the Amendment is voted upon. A majority vote of all of the Board of Directors is required to adopt an Amendment.

Article XI – Written Correspondence

- A. Any written communication relating to a matter pending, or to be brought before the Board shall, whenever possible, be included in the agenda packet for the meeting at which such item is to be considered. If received after the delivery of the agenda packet, it shall be distributed to the Board as soon as practicable after receipt and to be made available to the general public as required by the Brown Act. The Secretary of the Board shall also have copies available for requests by members of the public.
- B. Unless otherwise required by law to be accepted by the Authority at or prior to a Board meeting or hearing, no documents shall be accepted for Board review unless they are submitted to the Secretary of the Board at least 24 hours prior to the Board Agenda being heard. Nonetheless, the Board Chair shall retain discretion to accept additional documents at or prior to the time the Board Agenda item is to be heard. The Secretary of the Board shall note on the Board Agenda, the 24-hour requirement for submitting documents to the Board.

Article XII – Order and Decorum

- A. While the Board is in session, the Board members must preserve order and decorum. A Board member shall neither by conversation or otherwise, delay or interrupt the proceedings or the peace of the Board nor disturb any Board member while speaking or refuse to obey the orders of the Board or its Chair, except as otherwise herein provided.
- B. A Board member or other person properly before the Board shall address the Board Chair, be recognized before proceeding, and confine remarks to the question under discussion.
- C. No person, except authorized by Authority officials and their representatives, may approach the Board's table in the Board's meeting room without the express consent of the Board.
- D. In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the Board conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the Board from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

**A JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE CENTRAL COAST BLUE REGIONAL
RECYCLED WATER AUTHORITY**

THIS JOINT EXERCISE OF POWERS AGREEMENT ("Agreement") is made and entered into by and between the City of Arroyo Grande, a California municipal corporation ("Arroyo Grande"), the City of Grover Beach, a California municipal corporation ("Grover Beach"), and the City of Pismo Beach, a California municipal corporation ("Pismo Beach"). The cities may be individually referred to herein as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, each Party to this Agreement is a public agency authorized and empowered to contract for the joint exercise of powers under Articles 1 through 4, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code of the State of California; and

WHEREAS, in 1983, the Parties hereto entered into a voluntary groundwater management plan to manage the safe yield of the Arroyo Grande Groundwater Basin, which agreement was updated by the Parties through approval of the 2002 Agreement Regarding Management of the Arroyo Grande Groundwater Basin (the "Management Agreement"); and

WHEREAS, on April 30, 2002, the Parties hereto, among others, entered into a settlement agreement (the "Settlement Agreement") related to a 1997 groundwater adjudication litigation filed by the Santa Maria Valley Water Conservation District, which reaffirmed the Management Agreement, established separate water management areas (the "Original Management Areas") to be independently managed by the Parties and others, and requiring the Parties and others to develop an equitable cost sharing agreement for any newly constructed water resource and water production facilities within the Original Management Areas; and

WHEREAS, on June 30, 2005, the Parties hereto entered into a stipulation imposing a physical solution for ensuring the Arroyo Grande Groundwater Basin's long-term stability (the "Stipulation"). The Stipulation adopted a local management approach, establishing three management areas (the "Current Management Areas") and requiring a monitoring program to be established in each of the Current Management Areas; and

WHEREAS, on January 25, 2008, the Santa Clara Superior Court entered Judgment in the Santa Maria Groundwater Adjudication litigation approving the Stipulation, without qualification (the "Adjudication Decree"); and

WHEREAS, the Parties are participating in the Central Coast Blue Project to construct a regional recycled water project that will enhance supply reliability by injecting advanced purified water into the Northern Cities Management Area of the Santa Maria Groundwater Basin ("Project"). The Project will reduce vulnerability to drought and seawater intrusion by creating a seawater intrusion barrier and supplementing the naturally occurring groundwater; and

WHEREAS, Phase 1 of the Project includes construction of an Advanced Treatment Facility ("ATF"), treatment of secondary treated flows from Pismo Beach's Wastewater Treatment Plant ("WWTP"), construction of approximately five injection wells and associated transmission lines, and injection of flows from the WWTP ("Phase 1"). Phase 1 proposes to treat wastewater from Pismo Beach to an advanced purification level to create between nine hundred (900) and one thousand (1,000) acre-feet of additional water per year; and

WHEREAS, Phase 2 of the Project will include upgrades to the ATF to increase capacity, construction of approximately two additional injection wells and associated transmission lines, and injection of flows from the South San Luis Obispo County Sanitation District Wastewater Treatment Plant ("Phase 2"); and

WHEREAS, Arroyo Grande, Grover Beach and Pismo Beach believe that the best way to achieve their joint goals in a way that is mutually beneficial is to form a joint powers agency under Articles 1 through 4, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code of the State of California ("Joint Exercise of Powers Act"); and

WHEREAS, by forming a joint powers agency ("JPA") under the Joint Exercise of Powers Act, the Parties believe they will be better able to, through a separate JPA, oversee and manage the planning and implementation, including but not limited to construction, operation and administration of, the Project.

NOW THEREFORE, in consideration of the above Recitals and of the mutual promises and agreements contained herein, the Parties agree as follows:

ARTICLE 1 GENERAL PROVISIONS

1.1 **Definitions.** Unless the context otherwise requires, the words and terms defined in this Section 1.1 shall, for the purposes of this Agreement, have the meanings herein specified.

- 1.1.1. Act means Articles 1 through 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of powers common to public agencies.
- 1.1.2. Agreement means this Joint Exercise of Powers Agreement.
- 1.1.3. Ancillary Facilities means injection wells, storage tanks, pump stations, associated piping, and any other equipment located on an Ancillary Facilities Site.
- 1.1.4. Ancillary Facilities Sites means any real property or real property interest held by the Authority for purposes of the Project, excluding the Facility Site.
- 1.1.5. Annual Budget means the budget adopted pursuant to Section 6.2.2 of this Agreement.
- 1.1.6. Authority means the Central Coast Blue Regional Recycled Water Authority, which is created by this Agreement.
- 1.1.7. Board or Board of Directors means the Board of Directors referred to in Article 2 of this Agreement, which is the governing body of the Authority.
- 1.1.8. Bonds means bonds, notes, commercial paper, and any other evidence of indebtedness of the Authority authorized and issued pursuant to the Act, any indebtedness issued or incurred by the Authority pursuant to any act supplementary to the Act, including, but not limited to, refunding bonds authorized and issued pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.
- 1.1.9. Cost Sharing Agreement means the Cost Sharing Agreement for the Parties' Participation in the Central Coast Blue Project dated March 14, 2022, a copy of which is attached hereto as Exhibit A and incorporated herein.

- 1.1.10. Director means a member of the Board appointed to the Board pursuant to Section 2.2 of this Agreement.
- 1.1.11. Effective Date means the last date on which all Parties to this Agreement have executed the Agreement.
- 1.1.12. Facility or Facilities means the advanced water treatment facility that will receive and further treat wastewater influent from Pismo Beach’s WWTP, in Phase 1, which as of the date of this Agreement is proposed to be constructed on Assessor’s Parcel Number 060-543-016 in the City of Grover Beach, including the Facility’s equalization basin, injection wells, storage tanks, pump station and associated piping and equipment from the Pismo Beach.WWTP, but excluding the joint outfall shared by the South San Luis Obispo County Sanitation District and the City of Pismo Beach which both agencies use to discharge their municipal waste.
- 1.1.13. Facility Site means Assessor’s Parcel Number 060-543-016 in the City of Grover Beach, California.
- 1.1.14. Financing Agreement means any agreement between the Authority and a Member Agency securing the obligation of the Member Agency to make payments relating to Bonds or other obligations issued or incurred by the Authority in connection with the financing of the Facilities or the improvement, use or acquisition of real or personal property that is or will be owned or operated by the Authority, or to refinancing of such previously issued or incurred Bonds or other obligations.
- 1.1.15. Manager means the manager of the Authority.
- 1.1.16. Member Agency(ies) means Arroyo Grande, Grover Beach and Pismo Beach and any other entity added to this Agreement by a subsequent amendment.
- 1.1.17. Member of the Board or Board Member means and includes any duly appointed Director, Chair and/or Vice-Chair of the Board.
- 1.1.18. Party(ies) means those entities who have executed this Agreement or any Amendment to this Agreement and who have not withdrawn from the Authority.

1.2 **Purpose.** This Agreement is made pursuant to the Act by Arroyo Grande, Grover Beach and Pismo Beach, each of which is authorized to contract with the other pursuant hereto. The purposes of this Agreement are to create the Authority, provide for the administration of the Authority and to enable the Authority to: (1) take all actions necessary to operate, and maintain Phases 1 and 2 of the Project. Phase 1 includes construction of an ATF, treatment of all secondary treated flows from Pismo Beach’s WWTP, construction of approximately five injection wells and associated transmission lines, and injection of flows from the WWTP; and (2) pursue grant funding and financing options for the Project and future projects; and (3) collectively interact with regulatory agencies with oversight over the Parties and the Project.

1.3 **Creation of Authority.** Pursuant to the Act, there is hereby created a public entity known as the “Central Coast Blue Regional Recycled Water Authority.” The Authority shall be a public entity separate and apart from the Member Agencies and shall administer this Agreement.

1.4 **Term.** The term of this Agreement shall commence on the Effective Date and shall continue until terminated by the Parties as provided in Article 7 of this Agreement.

1.5 **Phase 1, Project Facility Site Ownership, Construction Financing, and Operation**

1.5.1. **Phase 1 of Project.** As set forth in Article III, Section 1 – Lead Agency Duties of the Cost Sharing Agreement, Pismo Beach will be Lead Agency and act as project developer through final completion of Phase 1 of the Project. As the Lead Agency, Pismo Beach will act as the construction manager for Phase 1 and will provide administration of construction and start-up of Phase 1 on behalf of the Member Agencies. The Parties shall pay their pro rata shares of Pre-Construction costs for any professional service expenses incurred by Pismo Beach in connection with obtaining such Phase 1 approvals, in accordance with Section 6.3.2 below.

1.5.2. **Ownership of Facility Sites and Facilities.** Pismo Beach has previously purchased the Facility Site, which is located in Grover Beach and identified as Assessor’s Parcel Number 060-543-016 (“Facility Site”). Within sixty (60) days of the Effective Date of this Agreement, Pismo Beach shall transfer the Facility Site to the Authority. The Authority shall own all Facilities located at the Facility Sites, including, but not limited to, the real property, buildings, water and treatment facilities, and support infrastructure and assets, injection wells and related transmission lines.

1.5.3. **Ownership of Ancillary Facilities Sites and Ancillary Facilities.** The Authority shall own all Ancillary Facilities Sites and Ancillary Facilities located thereon.

1.5.4. **Financing of Construction Costs.** To finance Construction Costs, as defined in the Cost Sharing Agreement, the Authority shall apply for and obtain financing for such costs through the issuance of Bonds, entering into loans or Financing Agreements or any other financing mechanisms not otherwise covered by grant funding awarded to the Project. Any loans entered into and secured for construction of the Project may consist of separate installment sale agreements based on the respective share of each Member Agency, and any prepayment may be paid either directly to the Authority by each Party consistent with the Water Purveyor Contribution percentages identified in Section 6.3.2 hereof or directly to the grant funding agency or bond trustee, depending on the funding mechanism. In the event that the Authority is not able to finance the Construction Costs as described in this Section 1.5.4, the Parties will seek financing consistent with the financing plan described in Article III, Section 1.c of the Cost Sharing Agreement for its respective share of Construction Costs.

1.5.5. **Operation and Maintenance of the Facilities.** The Authority will have total responsibility for the operation and maintenance of the Facilities.

1.5.6. **Procurement Methods.** The Board may adopt such policies relating to procurement of services, equipment, supplies and other materials needed to accomplish the purposes of this Agreement.

1.6 **Powers of Authority**

- 1.6.1. General Powers. The Authority shall exercise, in the manner herein provided, the powers which are common to each of the Member Agencies, powers otherwise permitted under the Act, and powers necessary to accomplish the purposes of this Agreement.
- 1.6.2. Specific Powers. Subject to the limitations set out in Section 1.6.1, the Authority is hereby authorized, in its own name, to do all acts necessary, convenient and appropriate for the exercise of the foregoing powers for the purposes set forth in this Agreement and to do any or all of the following:
- i. To make and enter contracts, including contracts with its Member Agencies;
 - ii. To employ agents, attorneys, consultants and employees or to contract for personnel to fulfill its mission and purpose. The Authority shall not contact employees of the Member Agencies at their current places of employment about employment opportunities with the Authority;
 - iii. To lease, acquire, construct, manage, maintain or operate any building, works or improvements;
 - iv. To lease, acquire, hold or dispose of real or personal property;
 - v. To acquire and hold property, including funds, Project agreements and other obligations of any kind, and pledge, encumber or assign the same, or the revenues therefrom or any portion of such revenues, or other rights, whether then owned or possessed, or thereafter acquired, for the benefit of the bondholders, and as security or additional security for any bonds or the performance of obligations under an indenture;
 - vi. To provide for the advance of bond proceeds and other funds pursuant to Project agreements as necessary to pay or reimburse for Project costs;
 - vii. To borrow money and issue Bonds and incur debts, liabilities or obligations for the purpose of paying all or any part of the costs of the Project or for any other authorized purpose, which do not constitute a debt, liability or obligation of any Member Agency;
 - viii. To receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations, and governmental entities, provided that the Authority consents to such gifts, contributions and donations;
 - ix. To fix the compensation, if any, paid to the Board of Directors, Secretary, Treasurer, Controller and Attorney, in compliance with all applicable laws;
 - x. To prescribe the duties, compensation and other terms and conditions of employment of other agents, officers and employees;
 - xi. To adopt reasonable rules and regulations for the conduct of the day-to-day operations of the Authority;

- xii. To apply for, accept, receive and disburse grants, loans and other aid from any agency of the United States of America or of the State of California;
- xiii. To sue and be sued in its own name;
- xiv. To enter into Financing Agreements, state funding agreements and federal funding agreements relating to the Project, and assume rights and obligations pursuant to these agreements;
- xv. To invest money in the treasury, pursuant to Government Code Section 6505.5, that is not required for the immediate necessities of the Authority, as the Authority determines advisable, in the same manner and on the same conditions as local agencies, pursuant to Section 53601 of the Government Code;
- xvi. To contract and pay compensation for professional, financial, and other services;
- xvii. To carry out and enforce all provisions of this Agreement;
- xviii. To exercise any and all powers which are provided for in the Act and in Government Code section 6584 et seq., including, without limitation, Government Code section 6588, as they exist on the Effective Date of this Agreement or may hereafter be amended;
- xix. To exercise any power necessary or incidental to the foregoing powers.

**ARTICLE 2
BOARD OF DIRECTORS**

2.1. **Creation.** The Authority shall be governed by a board of three (3) members, which is hereby established and which shall be composed of one (1) representative appointed from each Member Agency. The governing board shall be known as the "Board of Directors of the Central Coast Blue Regional Recycled Water Authority." All voting power shall reside in the Board.

2.2. **Members of the Board of Directors.**

2.2.1. **Directors Appointed.** Upon the Effective Date of this Agreement, each Member Agency which has not already done so shall designate and appoint, by resolution or minute order of its governing body, one (1) member of its governing body to act as its representative on the Board of Directors, and one individual to act as an alternate to each Director so appointed. The alternate appointed by each Member Agency shall have the authority to attend, participate in and vote at any meeting of the Board when the regular member is absent.

2.2.2. **Membership.** Each Director and alternate of the Board of Directors shall serve until a successor is appointed; provided, however, each Director and alternate serves at the pleasure of the appointing Member Agency's governing body and may be removed at any time, with or without cause, at the sole discretion of the appointing Member Agency governing body. If a Director or alternate's membership on the appointing Member Agency's governing body ceases, his or her membership on the Board shall also cease.

- 2.2.3. **Chair.** The Board of Directors shall elect one of its members as Chair of the Board. The term of office for the Chair of the Board shall be one (1) year. The Chair of the Board shall preside at all meetings and shall perform such other duties as are specified by the Board of Directors.
- 2.2.4. **Vice-Chair.** The Board of Directors shall elect one of its members as Vice-Chair. The term of office for the Vice-Chair shall be one (1) year. The Vice-Chair shall perform all the duties of the Chair of the Board in the absence of the Chair of the Board or in the event the Chair of the Board is unable to perform such duties, and shall perform such other duties as are specified by the Board of Directors.
- 2.2.5. **Board Compensation.** Except for reimbursement for actual costs and expenses, the Board shall serve without compensation from the Authority. Compensation may be provided as approved by the Member Agencies appointing each Director and alternate, and any such compensation will be the responsibility of the Member Agency.
- 2.2.6. **Reimbursement of Costs.** Each Board Member is entitled to reimbursement for their travel, meals, lodging and other actual and necessary expenses incurred in the performance of the duties required or authorized by the Board pursuant to Government Code Section 53232.2.
- 2.3. **Powers of the Board.** All the power and authority of the Authority shall be exercised by the Board of Directors.
- 2.4. **Provision for Bylaws.** The Board may cause to be developed and may adopt, from time to time, such bylaws for the Authority to govern its day-to-day operations. Each Member Agency shall receive a copy of any bylaws developed and adopted under this Section.

ARTICLE 3 MEETINGS OF THE BOARD

- 3.1 **Meetings.** The Board shall provide for its regular meetings by resolution; provided, however, that at least one regular meeting shall be held each fiscal quarter. The date, hour and place of the regular meetings shall be fixed by resolution of the Board and filed with the governing body of each of the Member Agencies. The Board may meet in joint session with other public agencies and advisory bodies in accordance with State law.
- 3.2 **Ralph M. Brown Act.** All meetings of the Board, including, without limitation, regular, adjourned regular, special, adjourned special, and emergency meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act, commencing with section 54950 of the Government Code.
- 3.3 **Voting.** Each Board Member shall have one vote. Except as otherwise provided by law or by this Agreement, all actions of the Board shall be approved on the affirmative vote of a majority of the Members of the Board.
- 3.4 **Quorum.** A majority of the Members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time.
- 3.5 **Minutes.** The Secretary of the Authority shall cause minutes of regular, adjourned regular, special, adjourned special, and emergency meetings to be kept and shall, as soon as possible after each

meeting, cause a copy of the minutes to be forwarded to each Member of the Board and to each Member Agency.

3.6 **Rules.** The Board may adopt from time to time such rules and regulations for the conduct of its affairs as may be required.

ARTICLE 4 OFFICERS AND EMPLOYEES OF THE AUTHORITY

4.1 **Secretary.** The Board of Directors shall appoint a Secretary who shall serve at the pleasure of the Board. The Secretary may, but need not, be a member of the Board of Directors. The Secretary shall be responsible for the minutes and other records of the proceedings of the Board of Directors and shall perform such other duties as the Board of Directors specifies.

4.2 **Treasurer and Auditor Controller.** Pursuant to Government Code Sections 6505.5 and 6505.6, the Authority's Treasurer and Auditor/Controller shall be the Manager's senior financial officer (such as its chief financial officer, director of finance, or finance manager as designated by the Manager. The Treasurer shall be the depository and have custody of all money of the Authority, from whatever source, and shall have all of the duties and obligations set forth in Sections 6505 and 6505.5 of the Government Code. The offices of Treasurer and Auditor/Controller may be held by separate individuals, or combined and held by one individual as the Board may elect. The Treasurer and Auditor/Controller shall serve at the pleasure of the Manager and may be removed at any time, with or without cause, in the sole discretion of the Manager.

4.3 **Authority Attorney.** The Attorney for the Authority, who may not be counsel to one of the Member Agencies, shall be engaged by the Board of Directors. The Attorney for the Authority or a designated deputy shall attend or participate in meetings of the Board of Directors; provided, however, that the absence of the Authority Attorney shall not affect the validity of any meeting. The Attorney shall perform such other duties the Board of Directors specifies.

4.4 **Official Bond.** Pursuant to Government Code section 6505.1, the public officer, officers or persons who have charge of, handle or have access to any property of the Authority shall file an official bond in an amount to be fixed by the Parties to this Agreement.

4.5 **Additional Officers and Employees.** The Board shall have the power to appoint such additional officers and to employ such employees, assistants, contractors, consultants and others as may be appropriate. Such power shall include, but not be limited to, the power to appoint a Manager for the purposes of managing and administering the Authority, and an Operator for the purposes of providing operations, maintenance, and similar services to the Authority. A Member Agency may be appointed as the Authority's Manager and/or Operator pursuant to a written agreement with the Authority.

ARTICLE 5 COMMITTEES

5.1 **Committees.** The Board of Directors, by a majority vote, may form committees for any purpose. Such vote shall designate the method for appointing committee members, the scope of the duties and responsibility of the committee, whether the committee is a standing or ad hoc committee, and such other matters as the Board may deem appropriate.

**ARTICLE 6
FINANCES**

Fiscal year. The Fiscal Year of the Authority shall be the period commencing on July 1 of each year and ending on and including the following June 30.

6.2 Annual Budget.

6.2.1 **Interim Budget.** The Board shall, within one hundred and twenty days (120) days of the Effective Date of this Agreement, approve an interim budget, which shall constitute the operating budget until the Annual Budget is adopted.

6.2.2 **Annual Budget.** Except for costs related to construction of Phase I, which shall be subject to the Cost Sharing Agreement, annually, in March of each year, the Board shall adopt a preliminary budget and an allocation of contributions from Member Agencies for presentation to each Member Agencies' governing body. The governing body of each Member Agency shall, no later than May 31 of each year, review and comment on the preliminary budget and allocation of contributions. Thereafter, annually, prior to July 1 of each year, the Board shall adopt a final budget for all expenses to be made by the Authority during the ensuing Fiscal Year and adopt an allocation of contributions from Member Agencies consistent with Section 6.3.2. Each annual budget shall be adopted and shall be effective on the affirmative unanimous vote of the Directors, except that the first Annual Budget may be adopted by an affirmative vote of a majority of the Directors. Contributions for each Member Agency shall be due and payable to the Authority on a monthly basis with the first payment being made within thirty (30) days of approval of the budget.

6.2.3 **Failure to Obtain Budget Approval.** In the event the Board does not adopt a budget prior to the beginning of a fiscal year, the budgeted amounts of all expenses and allocation of contributions from Member Agencies shall remain the same as the amounts last approved by the Board in its most recently adopted budget; provided, however, that the amounts shall be increased by the Consumer Price Index ("CPI") with a minimum increase of no less than two percent (2%). The CPI shall mean the Consumer Price Index, Bureau of Labor Statistics, U.S. Department of Labor Consumer Price Index-All Urban Consumers, All Items, Los Angeles-Long Beach-Anaheim CA for the twelve (12) month period ending the February prior to the beginning of the fiscal year, or if this index no longer exists, an index approved by a majority of the Board. This factor shall be applied to the budget until such time as a new budget is adopted by the Board. Any shortfall in revenues shall be made up from available reserves dedicated by the Board for such purpose and, if insufficient to cover the shortfall, any available reserve funds which have not been designated by the Board for a particular purpose or otherwise legally restricted for other purposes. Reserves shall mean any available cash or investments.

6.3 **Funds, Accounts and Reports.** There shall be strict accountability of all funds and reporting of all receipts and disbursements.

6.3.1 **Sources of Funds.** The sources of funds available to the Authority may include, but are not limited to, the following:

- i. Grants, donations, and loans received by the Authority from local, State, or Federal agencies or from individuals or businesses.
- ii. Funds collected as user charges or user fees by Member Agencies.
- iii. Funds collected from Members pursuant to this Agreement.
- iv. Funds received from State and Federal disaster relief agencies.
- v. Funds obtained by issuing Bonds.
- vi. Funds collected pursuant to a Financing Agreement.
- vii. "In kind" contributions from Member Agencies.
- viii. Funds from any other source derived.

The Authority shall arrange for the receipt of such funds from the above sources as are available to the Authority and as are necessary for the conduct of the Authority's activities. Member Agencies may, in the appropriate circumstances: (a) make contributions from their treasuries for the purposes set forth in this Agreement; (b) make payments of public funds to defray the cost of such purposes; and (c) make advances of public funds for such purposes. The provisions of Government Code section 6513 are incorporated into this Agreement.

6.3.2 **Water Purveyor Contributions.** The Parties shall pay their pro rata share of all Pre-Construction and Construction Costs incurred by Pismo Beach in connection with Phase 1 of the Project.

The Parties agree to the following cost allocation of the total Pre-Construction and Construction costs for Phase 1 for each Party:

- i. Arroyo Grande shall contribute 25%.
- ii. Grover Beach shall contribute 36%.
- iii. Pismo Beach shall contribute 39%.

As provided in Section 6.2.2, annual contributions by Member Agencies for ongoing operations shall be consistent with the above percentages.

6.3.3 **Accounts.** Revenues or funds received or made available to the Authority from any source whatsoever, shall be deposited into accounts that may be established by the Authority and may be expended by the Authority in any legal manner, subject to such reservations as may be imposed by the Authority from time to time.

6.3.4 **Reports.** The Treasurer shall, within one hundred and eighty days (180) days after the close of each Fiscal Year, give a complete written report of all financial activities for such fiscal year to the Board of Directors and to each Member Agency. The Authority's books and records shall be open to inspection at all reasonable times by representatives of each Member Agency.

6.4 **Payments and Advances.** No expenditures in excess of those budgeted shall be made without approval of a revised or amended budget, which may from time to time be submitted to and approved by the Board of Directors.

6.5 **Audit.** The Treasurer and Auditor/Controller shall cause an annual audit of the accounts and records of the Authority to be made and reported in accordance with Sections 6505 through 6505.6 of the Government Code. The audit shall be conducted by an independent certified public accountant. The audit shall conform to generally accepted auditing standards. Such report shall be filed within twelve (12) months of the end of the Fiscal Year under examination.

ARTICLE 7 COST ALLOCATION

7.1 **Operations and Maintenance Costs.** Each Party shall pay its allocated share of all expenses incurred by the Authority for administration, operation, and maintenance of its Facilities and Ancillary Facilities based on the Water Purveyor Contribution percentages.

7.2. **Capital Improvement Costs.** Capital improvement costs to acquire, construct, or improve Facilities and Ancillary Facilities shall be subject to allocation between the Parties based on the Water Purveyor Contribution percentages.

7.3 **Debt Service.** In connection with the issuance of Bonds or the incurrence of other obligations by the Authority to finance or refinance Construction Costs or capital improvement costs to acquire, construct or improve Facilities and Ancillary Facilities, each Party shall negotiate a Financing Agreement with the Authority that includes provisions by which each Party shall make payments with respect to such Party's share of debt service on the Bonds or other obligations incurred by the Authority, consistent with any pre-existing contractual obligations of each Party.

Each Financing Agreement will stipulate that the debt service payments made by a Party to the Authority will be subject to the payment limitations set forth in Article IV, Section 5 of the Cost Sharing Agreement. For purposes of this Section 7.3, the provisions of Article IV, Section 5 of the Cost Sharing Agreement shall continue in full force and effect in the event that the Cost Sharing Agreement shall terminate.

At the time of a Bond issuance or the entering into of any other obligation by the Authority, if a Party elects to pay its share of the capital improvement costs in full with cash, it will not be allocated any share of the debt service on such Bonds or other obligations incurred by the Authority, and will not be required to enter into a Financing Agreement with the Authority, for that Bond issuance or obligation.

ARTICLE 8 TERMINATION/WITHDRAWAL/AMENDMENT

8.1 **Duration and Termination.** This Agreement shall become effective as of the Effective Date and shall continue in full force and effect until terminated by the mutual written agreement of all Member Agencies, which agreement shall meet the requirements imposed by the terms and conditions of all outstanding bonds, notes, warrants, indentures and other evidences of indebtedness; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to conclude the affairs of the Authority.

8.2 **Withdrawal.** Notwithstanding any other provision of this Agreement, any Member Agency may withdraw from the Authority by providing the Authority with one hundred eighty (180) days written notice of its intent to withdraw. A withdrawal from the Authority constitutes a withdrawal of that Member Agency's representatives from the Board of Directors.

8.3 **Effect of Withdrawal.** The withdrawal of a Member Agency shall not terminate its responsibility to contribute its share of any obligation incurred by the Authority, including amounts determined by the Board for (1) liabilities and claims accrued during the time the agency was a Member Agency or (2) budgeted expenses for the Fiscal Year in which notice of intent to withdraw is given. Except as the withdrawing Member Agency may agree, in writing, with the Board, the withdrawing Member Agency shall automatically relinquish all rights as a Member Agency under this Agreement, on the effective date of the withdrawal. Upon termination of this Agreement, a Member Agency that has withdrawn will be treated like all other Member Agencies for purposes of disbursement of Authority assets, unless otherwise agreed in writing.

8.4 **Disbursement.** Upon termination of this Agreement and after payment of all liabilities, costs, expenses and charges validly incurred under this Agreement, all remaining assets of the Authority shall be disbursed among Member Agencies, including any Member Agencies which previously withdrew from the Authority. All assets shall be divided among the Member Agencies in accordance with and proportionate to the Water Purveyor Contribution amounts stated in Section 6.3.2, if it is feasible to do so.

8.5 **Amendment.** This Agreement may be amended at any time by the written approval of the governing body of each Member Agency upon recommendation of a majority of the Board of Directors of the Authority.

ARTICLE 9 SPECIAL PROVISIONS

9.1 **Insurance.** The Authority shall maintain types and levels of insurance coverage for the Authority as the Board of Directors determines to be reasonably adequate, provided, however, that each Member Agency shall be named as an additional insured on such policy of and/or agreement for insurance coverage.

9.2 **Liability of Authority, Board, Officers, Employees.** Pursuant to Government Code section 6508.1, the debts, liabilities, and obligations of the Authority shall not be the debts, liabilities and obligations of any of the Member Agencies or any of their respective members, officers, directors, employees or agents. The Authority, its Directors, officers, employees, staff and agents shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No Member Agency, its officer, director or employee shall be responsible for any action taken or omitted by any other Member Agency, or its officers, or employees or the Authority, its officers, or employees.

9.3 **Indemnity.** The Authority shall indemnify, defend and hold harmless the Board of Directors, the individual Member Agencies, and their elected officials, members, officers, directors, employees and agents from and against any and all liability, loss, damages, expenses, costs (including, without limitations, costs and fees of litigation or arbitration) of every nature, arising out of any act or omission related to this Agreement, including, but not limited to those related to the use of any property and/or facility of any Member Agency. The Authority shall indemnify, defend and hold harmless the individual Member Agencies, and their elected officials, members, officers, directors, employees and agents from and against any and all liability, loss, damages, expenses, costs (including, without limitations, costs and

fees of litigation or arbitration) of every nature, arising out of any willful misconduct of the Authority Board of Directors or its Board Members, officers or employees. Further, the duty of the Authority to indemnify, defend and hold harmless shall not extend to the activities of the individual Member Agencies, and their members, officers, directors, employees and agents that are outside the scope of this Agreement. The Authority's duty to indemnify each Member Agency pursuant to this Agreement shall survive that Member Agency's withdrawal from the Agency. This section shall not be deemed to supersede, extinguish, or modify the indemnification provisions in the Cost Sharing Agreement.

9.4 **Conflict of Interest Code.** The Authority shall, by resolution, adopt a conflict of interest code as required by law.

ARTICLE 10 MISCELLANEOUS PROVISIONS

10.1 **Severability.** If any section, clause or phrase of this Agreement or the application thereof to any Party or any other person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, it shall be deemed severable, and the remainder of the Agreement or the application of such provisions to the other Party or to other persons or circumstances shall not be affected thereby. Each Party hereby declares that it would have entered into this Agreement, and each subsection, sentence, clause and phrase thereof, irrespective that one or more sections, subsections sentences, clauses or phrases or the application thereof might be held invalid.

10.2 **Notices.** Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or by registered or certified mail, postage prepaid to the respective Parties, as follows:

City of Arroyo Grande
Attention: City Manager
300 E Branch Street
Arroyo Grande, CA 93420

City of Pismo Beach
Attention: City Manager
760 Mattie Road
Pismo Beach, CA 93449

City of Grover Beach
Attention: City Manager
154 S. Eighth Street
Grover Beach, CA 93433

10.3 **Other Obligations.** The responsibilities and obligations of each Party to this Agreement shall be solely as provided in this Agreement, or as may be provided for in other agreements to be executed by the Parties, including but not limited to the Cost Sharing Agreement. In the event there is any conflict between this Agreement and the Cost Sharing Agreement, the provisions of this Agreement shall be controlling.

10.4 **Consent.** Whenever in this Agreement or in any amendment thereto consent or approval is required, the same shall not be unreasonably withheld.

10.5 **Other Agreements Not Prohibited.** Other agreements by and between the Parties of this Agreement or any other entity are neither prohibited nor modified in any manner by execution of this Agreement.

10.6 **Assignment.** The rights, titles and interests of any Party to this Agreement shall not be assignable or transferable without the consent of the governing body of each Party hereto and the Board of Directors. Any assignment of a membership in the Authority made under this Section 10.6 by the governing body of any Party hereto will not result in the novation of the assignor Member Agency's obligations with respect to this Agreement, a Financing Agreement or any other agreement which may obligate the assignor Member Agency, unless such novation is agreed to in writing by such consenting Member Agency, the assignee and the assignor Member Agency.

10.7 **Section Headings.** The section headings herein are for convenience of the Parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Agreement.

10.8 **Laws of California.** This Agreement is made in the State of California, under the Constitution and laws of such State, and shall be construed and enforced in accordance with the laws of such State.

10.9 **Construction of Language.** It is the intention of the Parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

10.10 **Cooperation.** The Parties recognize the necessity and hereby agree to cooperate with each other in carrying out the purposes of this Agreement.

10.11 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties hereto.

10.12 **Enforcement.** The Authority is hereby authorized to take any and all legal or equitable actions, including, but not limited to, an injunction and specific performance, necessary or permitted by law to enforce this Agreement.

10.13 **Integration.** This Agreement constitutes the full and complete Agreement of the Parties.

10.14 **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

[Signatures on following page.]

IN WITNESS WHEREOF, the Parties have caused this Joint Exercise of Powers Agreement to be executed and attested by their proper officers thereunto duly authorized on the day and year set forth below, making the same effective on the date signed by the last of all Parties hereto.

CITY OF ARROYO GRANDE:

By: _____
Caren Ray Russom, Mayor
Date: _____

ATTEST:

By: _____
Jessica Matson, City Clerk
Date: _____

APPROVED AS TO FORM:

By: _____
Timothy J. Carmel, City Attorney
Date: _____

CITY OF GROVER BEACH:

By: _____
Jeff Lee, Mayor
Date: _____

ATTEST:

By: _____
Wendi Sims, City Clerk
Date: _____

APPROVED AS TO FORM:

By: _____
David P. Hale, City Attorney
Date: _____

CITY OF PISMO BEACH:

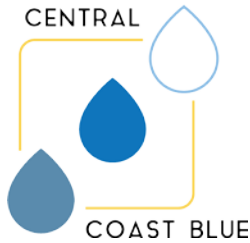
By: _____
Ed Waage, Mayor
Date: _____

ATTEST:

By: _____
Erica Inderlied, City Clerk
Date: _____

APPROVED AS TO FORM:

By: _____
David M. Fleishman, City Attorney
Date: _____



CENTRAL COAST BLUE JOINT POWERS AUTHORITY AGENDA REPORT

Agenda Item #2

SUBJECT/TITLE:

**SELECTION OF CENTRAL COAST BLUE REGIONAL RECYCLED WATER
AUTHORITY BOARD OF DIRECTORS CHAIR AND VICE CHAIR**

RECOMMENDATION:

1. Select Board Chair and Vice Chair effective upon action through December 31, 2023

BACKGROUND:

One of the initial actions of the new Central Coast Blue Regional Recycled Water Authority (Authority) Board of Directors is selection of a Chair and Vice Chair. Pursuant to the adopted Authority Bylaws, the Chair will serve as the Presiding Officer for all Authority Board of Directors meetings, sign documents requiring execution or agreement by the Board, serve as chief spokesperson and representative for the Board, and carry out other duties. The Vice Chair will serve as Presiding Officer and assist with other duties in the absence of the Chair. The term for the Chair and Vice Chair shall be one year in length effective upon Board action through December 31, 2023.

Conclusion and Recommendation

Staff recommends that the Authority Board select a Chair and Vice Chair to be effective upon action through December 31, 2023.

FISCAL IMPACT:

There is no fiscal impact from this action.

ALTERNATIVES:

1. Defer selection of a Chair and Vice Chair of the Authority Board of Directors to a future Board meeting
2. Do not select a Chair and Vice Chair

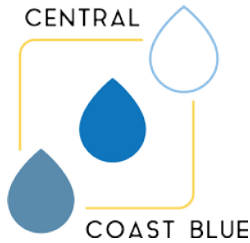
ATTACHMENTS:

N/A

Prepared by:

Meeting Date: December 1, 2022

Matthew Bronson, Grover Beach City Manager



CENTRAL COAST BLUE JOINT POWERS AUTHORITY AGENDA REPORT

Agenda Item #3

SUBJECT/TITLE:

APPROVAL OF RESOLUTIONS FOR STATE WATER RESOURCES CONTROL BOARD STATE REVOLVING FUND FINANCING AND WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT PROGRAM

RECOMMENDATION:

1. Approve authorizing resolution and reimbursement resolution for the State Water Resources Control Board State Revolving Fund financing for the Central Coast Blue Recycled Water Project and authorize the Board Chair to execute the financing application documents on behalf of the Authority.
2. Approve authorizing resolution for the Water Infrastructure Finance and Innovation Act (WIFIA) Loan Program.

BACKGROUND:

The Central Coast Blue Regional Recycled Water Authority (JPA) is pursuing funding of the Central Coast Blue Recycled Water Project (Project) through various grants and low interest rate financing options. One of the low interest financing options is through the State Water Resources Control Board State Revolving Fund (SRF). As part of the application for financing through the SRF, the JPA is required to submit an Authorizing Resolution (**Attachment 1**) and a Reimbursement Resolution (**Attachment 2**) for the Project. Another option for low interest financing is through the WIFIA program, or the Water Infrastructure Finance and Innovation Act of 2014, which established the WIFIA program, a federal credit program administered by EPA for eligible water and wastewater infrastructure projects. As part of this application, the JPA is required to have an authorized signer and an Authorizing Resolution for WIFIA (**Attachment 3**) is also included. Due to the desire for a low interest cost to finance the portion of the Project that is not supported by grants, staff recommends that the JPA Board approve the resolutions.

The Central Coast Blue Recycled Water Project

The Project will help address the threat of seawater intrusion into existing groundwater wells by injecting treated recycled water into the Santa Maria Groundwater Basin. Phase 1 of the Project will treat wastewater from Pismo Beach's wastewater treatment plant to an advanced purification level to create between 900 and 1,000 acre-feet of additional water per year. This new developed water will be injected into the basin at key locations to help to ensure that a sufficient barrier exists within the basin to keep seawater from flooding into the aquifer and contaminating the wells used by the cities. As a result, the Project will support the City's ability to rely on groundwater to supply water to its existing residents and businesses into the future, and it will reduce vulnerability to drought and seawater intrusion by creating a seawater intrusion barrier and supplementing the naturally occurring groundwater.

Governance Documents

In the spring of 2021, the partner agencies, which consists of the cities of Arroyo Grande, Grover Beach, and Pismo Beach, already approved a Cost Sharing Agreement outlining how costs and benefits of the project will be distributed. These costs will be shared by the three cities in proportion to their share of the benefits allocated to each jurisdiction. In the fall of 2021, the partner agencies also individually approved the Joint Exercise of Powers Agreement, which creates the Central Coast Blue Regional Recycled Water Authority.

Resolutions

This staff report includes three resolutions for the JPA's consideration and approval:

- Authorizing Resolution for CWSRF – Authorizes and directs the City Manager of the City of Pismo Beach as the lead agency or designee to sign and file for, on behalf of the JPA, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board and provide assurances, certifications, and commitments as required for the financial assistance application.
- Reimbursement Resolution – All loan applicants that are publicly-owned entities are required to submit an adopted Reimbursement Resolution for review by the CWSRF tax attorney. The language may not vary from the language provided in the template. The Reimbursement Resolution is required to be a stand-alone resolution. This resolution states the JPA's intention to reimburse expenditures paid prior to the issuance of the obligations or the approval by the State Water Board of the project funds in the principal amount of \$50,000,000. Please note that the total amounts of the projects that is currently estimated to be financed, after assuming grant funding, is \$36.1 million for the Project. The amount in the reimbursement resolution includes a 39% contingency to cover the difference between the estimate and the actual bid amount of the project, as the amount of the Project cannot exceed the reimbursement amount in this resolution.
- Authorizing Resolution for WIFIA – Authorizes and directs the City Manager of the City of Pismo Beach as the lead agency or designee to sign and file for, on behalf of the JPA, a WIFIA loan application for a financing agreement from the WIFIA program, a federal credit program administered by EPA for eligible water and wastewater infrastructure projects.

Conclusion and Recommendation

Staff recommends that the JPA adopt an authorizing resolution to authorize the City Manager of the City of Pismo Beach as the lead agency to file a financial assistance application for a financing agreement with the CWSRF for the planning, design, and construction of the Central Coast Blue Recycled Water Project.

Staff also recommends that the JPA adopt a reimbursement resolution to authorize the advance of funds for planning, design, and construction of the Central Coast Blue Recycled Water Project subject to later reimbursement by the CWSRF.

Finally, staff recommends that the JPA adopt an authorizing resolution to authorize the City Manager of the City of Pismo Beach as the lead agency apply for funding from the WIFIA program for the Central Coast Blue Recycled Water Project.

FISCAL IMPACT:

The financial impact of approving the attached resolutions is a potential low-interest rate borrowing cost of approximately \$1.9 million per year. This amount would be allocated to the three partner agencies based on their allocated share as outlined in the Joint Exercise of Powers Agreement and the Cost-Sharing Agreement.

The amount in the reimbursement resolution is a larger amount to cover any costs that may come up during the implementation of the project. In the likely event that the project costs are closer to the projected cost, the financing cost will be lower. In addition, dependent on the timing of the project approval, the interest rate may change.

ALTERNATIVES:

1. Change the authorizing resolution to list a different authorizing person.
 2. Adjust the amount in the reimbursement resolution.
 3. Do not approve and provide staff with alternate direction.
-

ATTACHMENTS:

1. SRF Authorizing Resolution
 2. SRF Reimbursement Resolution
 3. WIFIA Authorizing Resolution
-

Prepared by:

Meeting Date: December 1, 2022

Nadia Feeser, Pismo Beach Administrative Services Director

RESOLUTION NO: JPA R-2022-00X

A RESOLUTION OF THE CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY AUTHORIZING THE CITY MANAGER OF THE CITY OF PISMO BEACH AS THE LEAD AGENCY TO FILE A FINANCIAL ASSISTANCE APPLICATION FOR A FINANCING AGREEMENT WITH THE STATE WATER RESOURCES CONTROL BOARD FOR THE PLANNING, DESIGN, AND CONSTRUCTION OF THE CENTRAL COAST BLUE RECYCLED WATER PROJECT

WHEREAS, the Central Coast Blue Regional Recycled Water Authority desires to finance the costs of the constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure, specifically the Central Coast Blue Recycled Water Project; and

WHEREAS, the Central Coast Blue Regional Recycled Water Authority intends to finance the construction and/or reconstruction of the Central Coast Blue Recycled Water Project or portions of the Central Coast Blue Recycled Water Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board).

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Coast Blue Regional Recycled Water Authority, (the "Entity"), that the City Manager of the City of Pismo Beach as the lead agency (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Central Coast Blue Recycled Water Project (the "Project").

BE IT FURTHER RESOLVED, that this Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

BE IT FINALLY RESOLVED, that the Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

UPON MOTION OF Board Member _____, seconded by Board Member _____, the foregoing resolution was adopted by the Central Coast Blue Regional Recycled Water Authority this 1st day of December 2022, by the following vote:

AYES:

NOES:

ABSENT:

**ABSTAIN:
RECUSED:**

Approved:

CCBRRWA, Chair

Attest:

Wendi Sims, Grover Beach City Clerk

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Central Coast Blue Regional Recycled Water Authority, held on December 1, 2022.

(Seal)

Wendi Sims, Grover Beach City Clerk

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

RESOLUTION NO: JPA R-2022-00X

A RESOLUTION OF THE CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY AUTHORIZING THE ADVANCE OF FUNDS FOR PLANNING, DESIGN, AND CONSTRUCTION OF THE CENTRAL COAST BLUE RECYCLED WATER PROJECT SUBJECT TO LATER REIMBURSEMENT BY THE STATE WATER RESOURCES CONTROL BOARD

WHEREAS, the Central Coast Blue Regional Recycled Water Authority, (the "Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$50,000,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

UPON MOTION OF Board Member _____, seconded by Board Member _____, the foregoing resolution was adopted by the Central Coast Blue Regional Recycled Water Authority this 1st day of December 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

Approved:

Attest:

CCBRRWA, Chair

Wendi Sims, Grover Beach City Clerk

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Central Coast Blue Regional Recycled Water Authority, held on December 1, 2022.

(Seal)

Wendi Sims, Grover Beach City Clerk

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

RESOLUTION NO: JPA R-2022-00X

A RESOLUTION OF THE CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY AUTHORIZING THE CITY MANAGER OF THE CITY OF PISMO BEACH AS THE LEAD AGENCY TO FILE AN APPLICATION FOR A FINANCING AGREEMENT WITH THE WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT FOR THE PLANNING, DESIGN, AND CONSTRUCTION OF THE CENTRAL COAST BLUE RECYCLED WATER PROJECT

WHEREAS, the Central Coast Blue Regional Recycled Water Authority desires to finance the costs of the constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure, specifically the Central Coast Blue Recycled Water Project; and

WHEREAS, the Central Coast Blue Regional Recycled Water Authority intends to finance the construction and/or reconstruction of the Central Coast Blue Recycled Water Project or portions of the Central Coast Blue Recycled Water Project with moneys ("Project Funds") provided by the Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) established the WIFIA program, a federal credit program administered by EPA for eligible water and wastewater infrastructure projects; and

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Coast Blue Regional Recycled Water Authority, (the "Entity"), that the City Manager of the City of Pismo Beach as the lead agency (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, an application for a financing agreement from the WIFIA for the planning, design, and construction of the Central Coast Blue Recycled Water Project (the "Project").

BE IT FURTHER RESOLVED, that this Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the application, including executing financial agreements from the WIFIA and any amendments or changes thereto.

BE IT FINALLY RESOLVED, that the Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

UPON MOTION OF Board Member _____, seconded by Board Member _____, the foregoing resolution was adopted by the Central Coast Blue Regional Recycled Water Authority this 1st day of December 2022, by the following vote:

AYES:

NOES:

ABSENT:

**ABSTAIN:
RECUSED:**

Approved:

CCBRRWA, Chair

Attest:

Wendi Sims, Grover Beach City Clerk

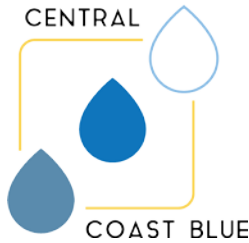
CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Central Coast Blue Regional Recycled Water Authority, held on December 1, 2022.

(Seal)

Wendi Sims, Grover Beach City Clerk

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)



CENTRAL COAST BLUE JOINT POWERS AUTHORITY AGENDA REPORT

Agenda Item #4

SUBJECT/TITLE:

APPROVAL OF PROPERTY TRANSFER OF ADVANCED TREATMENT PLANT FACILITY SITE (APN 060-543-016) FROM THE CITY OF PISMO BEACH TO THE CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY

RECOMMENDATION:

1. Approve property transfer to Authority and authorize the Board Chair to execute and cause to be recorded a Certificate of Acceptance for the property.
-

BACKGROUND:

The City of Pismo Beach purchased property located at 980 Huber Street in the City of Grover Beach in 2019. The purpose of the property acquisition was to construct an advanced water treatment facility now known as Central Coast Blue (“CCB” ”), and for the City of Pismo Beach to construct a water production well. Pursuant to Article IV of the CCB Cost Sharing Agreement among the three cities of Pismo Beach, Grover Beach and Arroyo Grande, the purchase price paid by Pismo Beach for the property is considered part of the construction cost for Phase 1 of the CCB Project.

Under Article IV, Section 1 the Cost Sharing Agreement, the three cities agreed to cooperate to minimize the property tax implications of Pismo Beach’s ownership of the property by either allocating the property tax costs among the three cities, or by transferring title to the property to the joint powers authority called for under Article III, Section 3 of the Cost Sharing Agreement.

Under Section 1.5.2 of the joint powers agreement that formed the Central Coast Blue Regional Recycled Water Authority (“Authority”), the City of Pismo Beach is required to transfer the property to the Authority within 60 days of the effective date of the JPA agreement.

The City of Pismo Beach has executed a Grant Deed with Reservation of Easement, for the water production well, and to accomplish the real property transfer of the CCB facility site to the Authority. To complete the transfer, the Board must accept the deed from the City of Pismo Beach and authorize the recordation of a certificate of acceptance acknowledging the acceptance of the deed.

The proposed Grant Deed includes a Reservation of Easement to preserve the ability of Pismo Beach to develop a groundwater well for its future use. The value of this easement will offset the total property acquisition costs allocated to Arroyo Grande and Grover Beach.

Conclusion and Recommendation

Staff recommends that the Authority approve the property transfer to the Authority of the Advanced Treatment Plant Facility Site (APN 060-543-016) from the City of Pismo Beach, and authorize the Board Chair to execute and cause to be recorded a Certificate of Acceptance for the property.

FISCAL IMPACT:

There is no anticipated fiscal impact from this action.

ALTERNATIVES:

1. Do not accept property transfer. This option is not recommended, as the transfer of the property was contemplated both in the Cost Sharing Agreement and the JPA agreement.
-

ATTACHMENTS:

1. Grant Deed with Reservation of Easement from City of Pismo Beach to Central Coast Blue Regional Recycled Water Authority
 2. Certificate of Acceptance
-

Prepared by:

Meeting Date: December 1, 2022

Dave Fleishman, Pismo Beach City Attorney

RECORDING REQUESTED BY and
WHEN RECORDED, RETURN TO:

City of Pismo Beach
Attn: City Clerk
760 Mattie Road
Pismo Beach, California 93449



This document is recorded for the benefit of the City of Pismo Beach, a Municipal Corporation, and is exempt from fee per Government Code Section 27383

GRANT DEED AND RESERVATION OF EASEMENT

APN: 060-543-016

Address: 980 Huber Street, Grover Beach, California 93433

For valuable consideration, receipt of which is hereby acknowledged, CITY OF PISMO BEACH ("Grantor") hereby grant(s) to the Central Coast Blue Regional Recycled Water Authority, a public entity organized under the laws of the State of California ("Grantee"), that certain real property situated in the City of Grover Beach, County of San Luis Obispo, State of California, as said property is described in Exhibit A and shown graphically in Exhibit B, attached hereto, and made a part hereof ("the Real Property"),

RESERVING UNTO GRANTOR THE FOLLOWING:

1. All oil, gas, water and mineral rights now vested in Grantor, and the right to use the surface of the portion of the Real Property described in Exhibit C and shown graphically in Exhibit D to extract and use such oil, gas, water and mineral rights; and
2. An exclusive and perpetual easement upon, over, through, across and under the portion of the Real Property described in Exhibit C and shown graphically in Exhibit D for the purpose of constructing, using, maintaining, operating, altering, adding to, repairing, replacing, and/or removing water well facilities and associated equipment and facilities, and purposes incidental thereto, together with the perpetual right to remove buildings, structures, trees, bushes, undergrowth, and any other obstruction interfering with the use of said easement by Grantor, and its successors or assigns, to have and to hold said easement unto itself, and unto its successors and assigns. Grantor has the right to fence and restrict all access by Grantee and others to the water well site herein described.

[signatures begin on next page]

City of Pismo Beach

By James R. Lewis
City Manager

Date:_____

APPROVED:

Benjamin A. Fine, RCE 71653
Director of Public Works/City Engineer

Date:_____

EXHIBIT A
LEGAL DESCRIPTION

APN: 060-543-016

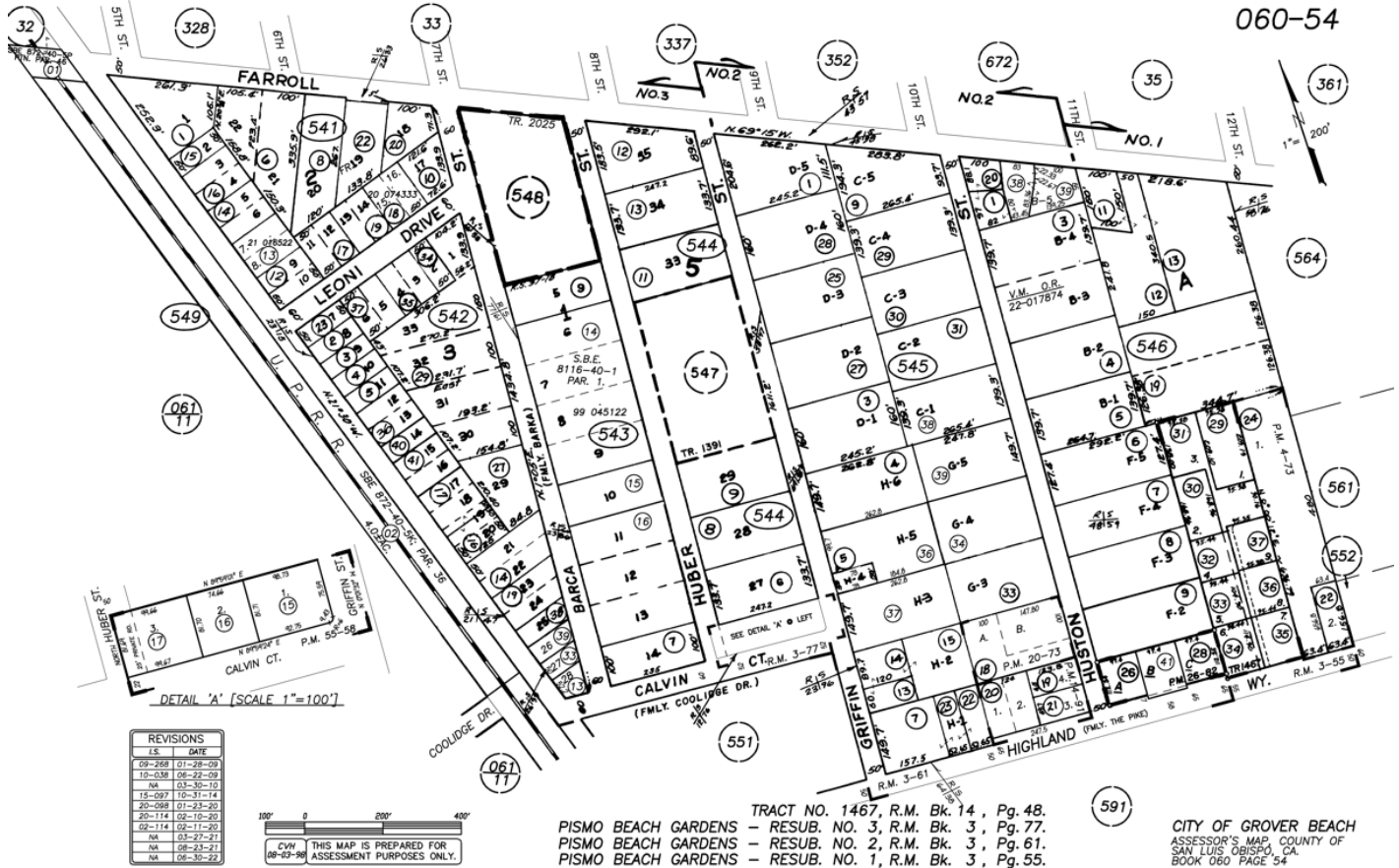
Address: 980 Huber Street, Grover Beach, CA 93433

Real property in the City of Grover Beach, County of San Luis Obispo, State of California, described as follows:

Lots 11, 12 and 13 in Block 1 of Resubdivision No. 3 of Pismo Beach Gardens, in the City of Grover Beach, County of San Luis Obispo, State of California, according to map recorded July 15, 1926 in Book 3, Page 77 of Maps.

EXHIBIT B REFERENCE MAP

APN: 060-543-016
Address: 980 Huber Street, Grover Beach, CA 93433



TRACT NO. 1467, R.M. Bk. 14, Pg. 48.
PISMO BEACH GARDENS - RESUB. NO. 3, R.M. Bk. 3, Pg. 77.
PISMO BEACH GARDENS - RESUB. NO. 2, R.M. Bk. 3, Pg. 61.
PISMO BEACH GARDENS - RESUB. NO. 1, R.M. Bk. 3, Pg. 55.

CITY OF GROVER BEACH
ASSESSOR'S MAP, COUNTY OF
SAN LUIS OBISPO, CA.
BOOK 060 PAGE 54

EXHIBIT C
EASEMENT DESCRIPTION

APN: 060-543-016

Address: 980 Huber Street, Grover Beach, CA 93433

The Easterly 75 feet of the Northerly 25 feet of Lot 11 in Block 1 of Pismo Beach Gardens in the City of Grover Beach, California as shown on map filed in Book 3 of Maps at page 77, records of San Luis Obispo County, California, being more particularly described as follows:

Beginning at the Northeasterly corner of said Lot 11 on the Westerly right of way line of Huber Street according to said map of Pismo Beach Gardens and as shown on Record of Survey map recorded in Book 23 of Licensed Surveys at Page 86 in the office of the Recorder of said County; thence along the Northerly line of said Lot 11,

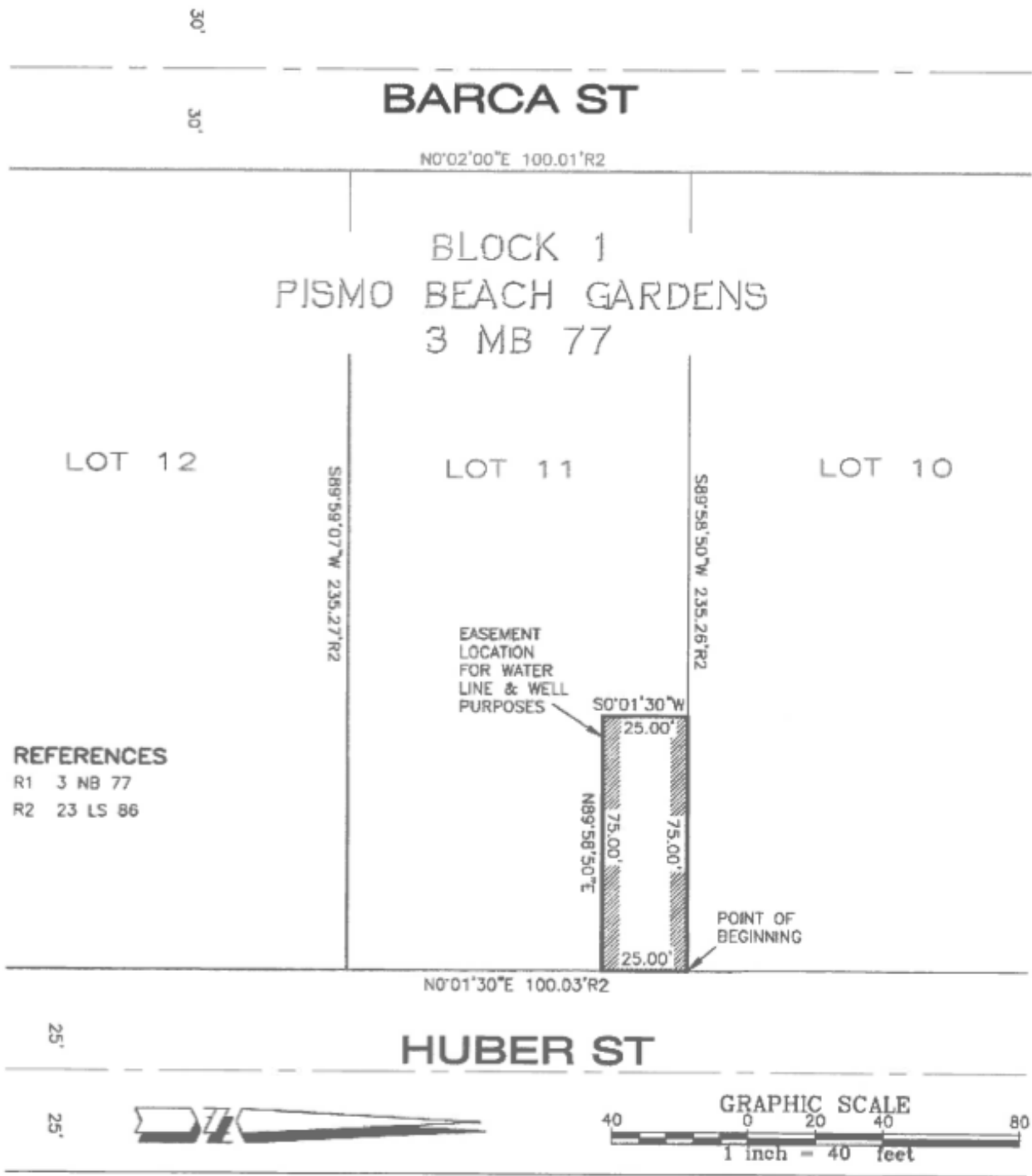
South 89°58'50" West, 75.00 feet; thence parallel with said Huber Street, South 0°01'30" West, 25.00 feet; thence parallel with said Northerly line of Lot 11,

North 89°58'50" East, 75.00 feet to said Westerly line of Huber Street; thence along said Westerly line,

North 0°01'30" East, 25.00 feet to the Point of Beginning and containing 1,875 square feet, more or less.

**EXHIBIT D
EASEMENT MAP**

APN: 060-543-016
Address: 980 Huber Street, Grover Beach, CA 93433



REFERENCES
R1 3 NB 77
R2 23 LS 86

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

**Central Coast Blue Regional
Recycled Water Authority**
c/o City of Pismo Beach
760 Mattie Road
Pismo Beach, California 93449

APN: 060-543-016

(SPACE ABOVE FOR RECORDER'S USE)

(EXEMPT FROM RECORDING FEES PURSUANT TO GOVERNMENT CODE SECTIONS 6103 AND 27383)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by quit claim deed dated _____, _____, _____ from _____, to the Central Coast Blue Regional Recycled Water Authority, a joint powers agency formed under the Joint Exercise of Powers Act, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors of the Central Coast Blue Regional Recycled Water Authority pursuant to authority conferred by Government Code Section 27281 and the grantee consents to recordation thereof by its duly authorized officer.

Central Coast Blue Regional Recycled Water
Authority

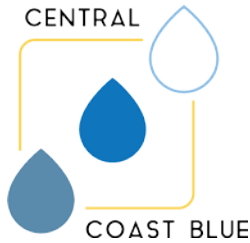
Dated: _____, 20____

By: _____
XXX, Board Chair

ATTEST:

Dated: _____, 20____

Acting Board Clerk



CENTRAL COAST BLUE JOINT POWERS AUTHORITY AGENDA REPORT

Agenda Item #5

SUBJECT/TITLE:

APPOINTMENT OF SEARCH COMMITTEE FOR CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY MANAGER

RECOMMENDATION:

1. Appoint Search Committee comprised of Arroyo Grande, Grover Beach, and Pismo Beach City Managers and direct Committee to recommend a Manager for the Board's consideration at the next Board meeting

BACKGROUND:

Both the Central Coast Blue Regional Recycled Water Authority (Authority) Joint Powers Authority Agreement and Bylaws allow for the appointment of a Manager for the purpose of managing and administering the Authority. The Authority Board of Directors would make this appointment and the Manager would be subject to the authority of and directed by the Board. To assist the Board in this process, staff recommends the Board appoint a Search Committee comprised of the Arroyo Grande, Grover Beach, and Pismo Beach City Managers. The Search Committee would be directed to identify potential candidates for this position and recommend a Manager for the Board's consideration at the next Board meeting in early 2023.

Conclusion and Recommendation

Staff recommends that the Authority Board appoint a Search Committee comprised of the Arroyo Grande, Grover Beach, and Pismo Beach City Managers and direct Committee to recommend a Manager for the Board's consideration at the next Board meeting.

FISCAL IMPACT:

There is no fiscal impact from this action.

ALTERNATIVES:

1. Do not appoint Search Committee to recommend a Manager
2. Modify composition of Search Committee

ATTACHMENTS:

N/A

Prepared by:

Meeting Date: December 1, 2022

Matthew Bronson, Grover Beach City Manager
Whitney McDonald, Arroyo Grande City Manager
James R. Lewis, Pismo Beach City Manager