



Paso Robles Area Groundwater Authority

Notice of Board of Directors Meeting

To be held at **8:30 a.m.** on **December 1, 2025**
at the Centennial Park Norris Room

PRAGA will make available, as a convenience to the public, virtual access to the meeting via Zoom, which access may be suspended at any time due to technological or other reasons. To ensure the ability to observe or participate in the meeting, members of the public should attend in person.

Virtual Access

Zoom Link: <https://zoom.us/j/95784058749>
Webinar ID: 957 8405 8749
Call-in: +16694449171,,95784058749# US

Member Agency

Shandon-San Juan Water District
City of Paso Robles
County of San Luis Obispo
Estrella El-Pomar Creston Water District

Directors

Matt Turrentine, Chair
John Hamon, Vice Chair
Bruce Gibson
Hilary Graves

Alternates

Marshall Miller
Kris Beal
Heather Moreno
Dana Merrill

AGENDA

December 1, 2025

NOTE: The Paso Robles Area Groundwater Authority (Paso Authority) reserves the right to limit each speaker to three (3) minutes per subject or topic. In compliance with the Americans with Disabilities Act, all possible accommodations will be made for individuals with disabilities, so they may participate in the meeting. Persons who require accommodation for any audio, visual or other disability in order to participate in the meeting of the Paso Authority are encouraged to request such accommodation in advance of the meeting from Taylor Blakslee at (661) 477-3385.

1. Call to Order (Turrentine)
2. Pledge of Allegiance (Turrentine)
3. Roll Call (Blakslee)
4. Meeting Protocols (Blakslee)
5. Consent Agenda (Turrentine)
 - a. Approval of October 22, 2025, Meeting Minutes
 - b. Approval of September and October 2025 Financial Report
 - c. Approval of Hallmark Group Contract Extension through June 30, 2026
6. Executive Director Report
 - a. Overview on SGMA Requirements, PRAGA's Purpose, and GSP Implementation (Blakslee)
7. Ad hoc Report on Stakeholder Feedback on Governance and Funding Issues (Gibson/Graves) – Verbal
8. Action Items
 - a. Approval of Fiscal Year 2025-2026 Budget and Request for GSA Contributions through June 30, 2026 (Blakslee)
 - b. Approval of Contract with Confluence Engineering to Develop the Water Year 2025 Annual Report (Blakslee)
9. Public Comment – Items not on Agenda (Turrentine) (3 min/speaker)
10. Director Comments / Future Agenda Items (Directors)
11. Upcoming Meeting(s) (Blakslee)
12. Adjourn



PASO ROBLES AREA GROUNDWATER AUTHORITY

TO: Board of Directors

FROM: Taylor Blakslee, Hallmark Group

DATE: December 1, 2025

SUBJECT: Agenda Item #5a – Approve Meeting Minutes

Recommendation

Approve the meeting minutes.

Discussion

The draft meeting minutes from the Special Meeting on October 22, 2025, is provided as **Attachment 1** for the Board's consideration of approval.

* * *

Paso Robles Area Groundwater Authority Board of Directors Regular Meeting

October 22, 2025

DRAFT Meeting Minutes

Present:

Matt Turrentine, *Chair*
John Hamon, *Vice Chair*
Bruce Gibson
Hilary Graves

Shandon-San Juan Water District GSA
City of Paso Robles GSA
County of San Luis Obispo
Estrella-El Pomar-Creston Water District GSA

Staff:

Claire Collins, Legal Counsel
Taylor Blakslee, PRAGA Interim Administrator

1. Call to Order

Paso Robles Area Groundwater Authority (PRAGA) Chair Matt Turrentine called the meeting to order at 10:02 a.m.

2. Pledge of Allegiance

The pledge of allegiance was led by Chair Turrentine.

3. Roll Call

Chair Turrentine introduced the new Director representing Estrella-El Pomar-Creston Water District GSA, Hilary Graves. Mr. Blakslee called roll (shown above).

4. Meeting Protocols

Mr. Blakslee provided an overview of the meeting protocols.

5. General Update from Interim Administrator

Mr. Blakslee reported that the Annual Report Request for Proposal is posted online, and the submission deadline is November 7, 2025.

Chair Turrentine opened the floor for public comments.

Public Comments: Murray Powell.

Chair Turrentine closed the floor for public comments.

6. Consent Agenda

Mr. Blakslee reported that the September 24, 2025, board minutes are included in the consent agenda for approval.

Chair Turrentine opened the floor for public comments.

Public Comments: George Tracy, Murray Powell, Greg Grewal.

MOTION

Approve the consent agenda with the suggested revisions to the minutes.

Motion by: Bruce Gibson

Seconded by: John Hamon

Members	Ayes	Noes	Abstain	Recuse
Matt Turrentine (Chair)	X			
John Hamon	X			
Bruce Gibson	X			
Hilary Graves	X			

7. Presentation from Regional Groundwater Stakeholders Group

Mr. Blakslee provided background on the regional groundwater stakeholder group formed after the Proposition 218 protest to discuss governance, funding issues, and trust-building.

Stakeholder Steve Sinton noted that local stakeholder group (including landowners and agricultural representatives) was convened to identify areas of consensus on governance and funding.

Chair Turrentine opened the floor for public comments.

Public Comments: Dale Augustine, Greg Grewal, Ann Myrhe, Murray Powell, Darsha Evans.

Chair Turrentine closed the floor for public comments.

Director Gibson acknowledged outreach gaps and committed to strengthening engagement. He stressed the need to clearly explain SGMA's legal requirements, basin conditions, and the consequences of State Water Board intervention. He stated that five GSAs exist lawfully and the JPA's role is efficient coordination, not replacing GSAs. He supported small-group outreach, near-term progress on MILR/monitoring/Land IQ, and exploring broader representation without dismantling PRAGA.

Director Graves recommended opening meetings with a brief purpose statement tying every agenda to SGMA, basin conditions, and cost of inaction. She asked for comparative cost snapshots from other basins to show reasonableness and transparency. She supported broader participation through an advisory group and small-group "office hours" to lower barriers to engagement. She clarified her understanding that stakeholders are asking to reform representation.

Director Hamon emphasized PRAGA as the vehicle for local control and warned that inaction risks costlier state control. He urged continued momentum on the MILR program, well monitoring, and using Land IQ data to target solutions. He requested examples from other successful GSAs to adapt proven approaches locally. He said landowners need to see the data and the "why" behind actions.

Chair Turrentine supported establishing a liaison approach to coordinate quickly with staff/legal and the stakeholder group. He emphasized the need to demonstrate tangible near-term progress while structural discussions continue.

Mr. Blakslee confirmed staff would compile examples of other GSA costs, SGMA purpose statements, and state-mandated fee structures, and would coordinate with stakeholder representatives to inform upcoming budget development.

Director Graves asked about the use of subcommittees for additional input.

Legal Counsel Claire Collins explained that standing subcommittees of board members are subject to the Brown Act, while an ad hoc liaison group would allow timely engagement. She recommended designating two board members as liaisons to the stakeholder advisory group, coordinating with the existing agency staff group, and supporting a separate stakeholder advisory group facilitated by Mr. Sinton.

8. Action Items

a. Appoint Hallmark Group as Executive Director through June 30, 2026

Director Gibson reported that ad hoc co-member Director Reaugh had resigned, leaving him as the sole ad-hoc member for executive director recruitment. He recommended directing staff to prepare a contract amendment appointing Hallmark Group as (Interim) Executive Director through end of the fiscal year, aligning final terms with the upcoming budget deliberation.

Chair Turrentine opened the floor for public comments.

Public Comments: Murray Powell, Dale Augustine.

Chair Turrentine closed the floor for public comments.

MOTION

Designate Hallmark as Executive Director and extend services through June 30, 2026, via contract amendment.

Legal Counsel Claire Collins recommended deeming Hallmark the Executive Director immediately under the current contract, with a contract extension brought back next meeting through June 30, 2026.

AMENDED MOTION

Deem Hallmark Group as Executive Director under current contract effective immediately and direct staff to return at next board meeting with contract extension through June 30, 2026.

Motion by: Bruce Gibson

Seconded by: John Hamon

Members	Ayes	Noes	Abstain	Recuse
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Matt Turrentine (Chair)	X			
John Hamon	X			
Bruce Gibson	X			
Hilary Graves	X			

b. Approve 2026 Meeting Calendar

Mr. Blakslee reported that the proposed 2026 meeting calendar includes monthly meetings with a combined meeting in November and December.

Chair Turrentine opened the floor for public comments.

Public Comments: Paul Hoover, Murray Powell.

Chair Turrentine closed the floor for public comments.

Board members discussed balancing public convenience, director availability, and room scheduling, with flexibility to adjust start times.

MOTION

Approve 2026 meeting calendar.

Motion by: Bruce Gibson

Seconded by: John Hamon

Members	Ayes	Noes	Abstain	Recuse
Matt Turrentine (Chair)	X			
John Hamon	X			
Bruce Gibson	X			
Hilary Graves	X			

9. Public Comments – Items not on the Agenda

Chair Turrentine opened the floor for public comments.

Public Comments: Greg Grewal, Dale Augstine, Alan Duckworth, Jesse Trace, Cody Ferguson, Ann Myrhe, Darsha Evans, Murray Powell.

10. Director Comments / Future Agenda

Director Gibson emphasized the request for examples of other GSA plans and practices that are working for Board review.

11. Upcoming Meetings

Mr. Blakslee reported that the next regular meeting is scheduled for November 19, 2025. He added due to conflicts this meeting will likely be cancelled, and a special meeting will be scheduled for early November.

12. Adjourn at 11:51 a.m.

Drafted by: Grace Bianchi, Hallmark Group



PASO ROBLES AREA GROUNDWATER AUTHORITY

TO: Board of Directors

FROM: Jacqueline Harris, Hallmark Group

DATE: December 1, 2025

SUBJECT: Agenda Item #5b – Approval of September and October 2025 Financial Report

Recommendation

Approve financial reports for September and October 2025.

Discussion

The financial reports for September and October 2025 are provided as **Attachment 1** and **Attachment 2**, respectively.

* * *



The summary of invoices below is presented for Board consent. Payment of invoices is expected to occur by November 30, 2025.

Vendor/Consultant	Invoice Billing Period	Invoice Total
Hallmark Group	September 2025	\$12,673.92
Hanson Bridgett	September 2025	\$11,211.00
Total		\$23,884.92

The Authority's bank balance at J.P. Morgan Chase was \$136,229 as of September 30, 2025.



Paso Robles Area Groundwater Authority

Financial Statements

September 2025

Paso Robles Area Groundwater Authority
Financial Statements
Fiscal Year-to-Date Through September 30, 2025

Statement of Net Position

Current Assets

Cash - J.P. Morgan Chase <i>(non-interest bearing checking)</i>	\$ 136,230
Accounts Receivable	108,000

Total Assets

\$ 244,230

Current Liabilities

Accounts Payable	\$ 23,885
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Total Liabilities

\$ 23,885

Net Position

Unrestricted	\$ 220,345
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Total Net Position

\$ 220,345

Statement of Change in Net Position

Revenue

Member Agency Funding	\$ 300,000
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Total Revenue

\$ 300,000

Operating Expenses

Contracted Administrator	\$ 73,581
Legal <i>(General Counsel)</i>	71,436
Insurance	-
Technical Consulting <i>(Prop 218)</i>	34,151
JPA Start-Up Costs	79
Office and Travel Expenses	3,931

Total Operating Expenses

\$ 183,178

Change in Net Position

\$ 116,822

Paso Robles Area Groundwater Authority

Receipts and Disbursements

Fiscal Year-to-Date Through September 30, 2025

Transaction Date	Transaction Type	Number	Name	Amount
07/31/2025	Bill Payment (Check)	2599	Jerry Reaugh	\$ (132.20)
07/31/2025	Bill Payment (Check)	2600	Hallmark Group	(28,047.59)
07/31/2025	Bill Payment (Check)	2601	Hallmark Group	(16,185.55)
07/31/2025	Bill Payment (Check)	2602	Streamline Software, Inc.	(500.00)
07/31/2025	Bill Payment (Check)	2603	Streamline Software, Inc.	(6,000.00)
07/31/2025	Bill Payment (Check)	2604	Estrella-El Pomar-Creston Water Dist.	(2,410.41)
07/31/2025	Bill Payment (Check)	2605	Paso Robles Joint USD	(204.86)
07/31/2025	Bill Payment (Check)	2606	Hanson Bridgett LLP	(51,259.38)
07/31/2025	Bill Payment (Check)	2607	Hanson Bridgett LLP	(14,250.00)
08/28/2025	Bill Payment (Check)	3000	Hallmark Group	(43,320.07)
08/28/2025	Bill Payment (Check)	3001	Hanson Bridgett LLP	(47,701.13)
08/28/2025	Bill Payment (Check)	3002	Jerry Reaugh	(206.48)
09/17/2025	Deposit	78738	City of Paso Robles	48,000.00
09/17/2025	Deposit	1427	Estrella-El Pomar-Creston Water Dist.	45,000.00
09/17/2025	Deposit	3087990	County of San Luis Obispo GSA	99,000.00
09/17/2025	Deposit	1425	Estrella-El Pomar-Creston Water Dist.	437.75
09/24/2025	Voided Check	3003	Printer error	-
09/24/2025	Voided Check	3004	Printer error	-
09/25/2025	Bill Payment (Check)	3005	Hallmark Group	(20,892.42)
09/25/2025	Bill Payment (Check)	3006	Hanson Bridgett LLP	(14,260.00)
09/25/2025	Bill Payment (Check)	3007	SCI Consulting Group	(34,150.79)
				\$ (87,083.13)

Paso Robles Area Groundwater Authority

Accounts Receivable

As of September 30, 2025

Name	Current	1 - 30	31 - 60	61 - 90	91 And Over	Total
Estrella-El Pomar-Creston Water District	\$ 45,000.00	\$ -	\$ -	\$ -	\$ -	\$ 45,000.00
Shandon-San Juan Water District	63,000.00	-	-	-	-	63,000.00
Total	\$ 108,000.00	\$ -	\$ -	\$ -	\$ -	\$ 108,000.00

Paso Robles Area Groundwater Authority
Accounts Payable
As of September 30, 2025

Name	Current	1 - 30	31 - 60	61 - 90	91 And Over	Total
Hallmark Group	\$ 12,673.92	\$ -	\$ -	\$ -	\$ -	\$ 12,673.92
Hanson Bridgett LLP	11,211.00	-	-	-	-	11,211.00
Total	\$ 23,884.92	\$ -	\$ -	\$ -	\$ -	\$ 23,884.92



The summary of invoices below is presented for Board consent. Payment of invoices is expected to occur by November 30, 2025.

Vendor/Consultant	Invoice Billing Period	Invoice Total
Full Sail Bookkeeping	October 2025	\$187.74
Hallmark Group	September 2025	\$12,673.92
Hallmark Group	October 2025	\$10,911.53
Hanson Bridgett	September 2025	\$11,211.00
Hanson Bridgett	October 2025	\$6,653.00
Total		\$41,637.19

The Authority's bank balance at J.P. Morgan Chase was \$244,220 as of October 31, 2025.



Paso Robles Area Groundwater Authority

Financial Statements

October 2025

Paso Robles Area Groundwater Authority

Financial Statements

Fiscal Year-to-Date Through October 31, 2025

Statement of Net Position

Current Assets	
Cash - J.P. Morgan Chase <i>(non-interest bearing checking)</i>	\$ 244,220
Accounts Receivable	-
Total Assets	\$ 244,220
Current Liabilities	
Accounts Payable	\$ 41,637
Total Liabilities	\$ 41,637
Net Position	
Unrestricted	\$ 202,583
Total Net Position	\$ 202,583

Statement of Change in Net Position

Revenue	
Member Agency Funding	\$ 300,000
Total Revenue	\$ 300,000
Operating Expenses	
Contracted Administrator	\$ 84,181
Legal <i>(General Counsel)</i>	78,078
Technical Consulting <i>(Prop 218)</i>	34,151
JPA Start-Up Costs	79
Office and Travel Expenses	4,451
Total Operating Expenses	\$ 200,940
Change in Net Position	\$ 99,060

Paso Robles Area Groundwater Authority

Receipts and Disbursements

Fiscal Year-to-Date Through October 31, 2025

Transaction Date	Transaction Type	Number	Name	Amount
07/31/2025	Bill Payment (Check)	2599	Jerry Reaugh	\$ (132.20)
07/31/2025	Bill Payment (Check)	2600	Hallmark Group	(28,047.59)
07/31/2025	Bill Payment (Check)	2601	Hallmark Group	(16,185.55)
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09/25/2025	Bill Payment (Check)	3006	Hanson Bridgett LLP	(14,260.00)
09/25/2025	Bill Payment (Check)	3007	SCI Consulting Group	(34,150.79)
10/09/2025	Deposit	1432	Estrella-El Pomar-Creston Water Dist.	45,000.00
10/09/2025	Deposit	1568	Shandon-San Juan Water District	63,000.00
10/10/2025	Bill Payment (Check)	3008	Jerry Reaugh (postage reimbursement)	(9.70)
				\$ 20,907.17

Paso Robles Area Groundwater Authority
Accounts Payable
As of October 31, 2025

Name	Current	1 - 30	31 - 60	61 - 90	91 And Over	Total
Full Sail Bookkeeping	\$ -	\$ 187.74	\$ -	\$ -	\$ -	\$ 187.74
Hallmark Group	\$ 10,911.53	\$ 12,673.92	\$ -	\$ -	\$ -	\$ 23,585.45
Hanson Bridgett LLP	6,653.00	11,211.00	-	-	-	\$ 17,864.00
Total	\$ 17,564.53	\$ 24,072.66	\$ -	\$ -	\$ -	\$ 41,637.19



PASO ROBLES AREA GROUNDWATER AUTHORITY

TO: Board of Directors

FROM: Taylor Blakslee, Hallmark Group

DATE: December 1, 2025

SUBJECT: Agenda Item #5c – Approval of Hallmark Group Contract Extension through June 30, 2026

Recommendation

Approve Amendment 1 with Hallmark Group to provide Executive Director services through June 30, 2026, for an amount not to exceed \$96,000.

Discussion

On October 22, 2025, the Board took action to deem Hallmark Group as Executive Director under the current contract effective immediately and direct staff to return at the next Board meeting with a contract extension through June 30, 2026.

Amendment 1 extends Hallmark Group's services through June 30, 2026 for an amount not to exceed \$96,000 and is provided as **Attachment 1** for consideration of approval in the packet. This amount matches the amount included in the draft revised Fiscal Year 2025-2026 budget.

* * *

PRAGA CONTRACT AMENDMENT 1

PRAGA AMENDMENT 1

PASO ROBLES AREA GROUNDWATER AUTHORITY EXECUTIVE DIRECTOR

Contractor:	The Hallmark Group
Request for Services:	Executive Director
Amount:	\$96,000.00
Contract Period:	January 1, 2026 – June 30, 2026

DESCRIPTION OF TASK

The Hallmark Group serves as the Paso Robles Area Groundwater Authority (PRAGA) Executive Director. For the January 2026 through June 2026 period, the below tasks match the line items and dollar amounts from the approved FY 2025-2026 budget.

SCOPE OF WORK FOR PRAGA EXECUTIVE DIRECTOR

TASK 1 – MEETING FACILITATION

- 1.1 Prepare for and facilitate six Board meetings
- 1.2 Prepare for and facilitate agency member staff meetings

TASK 2 – OUTREACH

- 2.1 Respond to public inquiries

TASK 3 – AUTHORITY ADMINISTRATION

- 3.1 Administer Form 700s
- 3.2 Manage website updates

TASK 4 – BUDGET DEVELOPMENT

- 4.1 Draft the FY 26-27 budget and cash flow
- 4.2 Collaborating with Authority Member staff and the Board for review and finalization

TASK 5 – FINANCIAL SERVICES

- 5.1 Support the annual RFP and selection process for auditors

Attachment 1

- 5.2 Draft financial reports
- 5.3 Process monthly invoices, and prepare the annual Form 1099

TASK 6 – CONSULTANT MANAGEMENT/PROCUREMENT

- 6.1 Develop RFPs and manage the selection process
- 6.2 Manage consultant to ensure costs are within budget and deliverables met

TASK 7 – GSP IMPLEMENTATION COORDINATION

- 7.1 Coordinate Groundwater Sustainability Plan (GSP) implementation activities, including overseeing GSP management tasks, facilitating stakeholder engagement, and ensuring timely progress on implementation goals

COST PROPOSAL

	TASK	COST
1	Paso Authority Meeting Facilitation	\$59,000.00
2	Outreach	\$3,000.00
3	Authority Administration	\$1,500.00
4	Budget Development	\$5,000.00
5	Financial Services	\$8,500.00
6	Consultant Mgmt. / Procurement	\$5,000.00
7	GSP Implementation Coordination	\$14,000.00
	TOTAL	\$96,000.00

TERM

The term of this Amendment is January 1, 2026 through June 30, 2026.

DETAILED COSTS

Attachment 1

Contractor shall invoice all services according to the Agreement. The total amount of this Amendment shall not exceed \$96,000.00.

 CONTACT PERSONS

PASO ROBLES AREA GROUNDWATER AUTHORITY	HALLMARK GROUP
Representative: Matt Turrentine	Representative: Charles R. Gardner Jr.
PO Box 82	500 Capitol Mall, Suite 2350
Paso Robles, CA 93447	Sacramento, CA 95814
Phone: 805-312-1828	Phone: (916) 923-1500
Email: mturrentine@ssjwd.org	Email: cgardner@hgcpm.com

 AUTHORIZED SIGNATURES

Contractor and the Paso Robles Area Groundwater Authority agree that these services will be performed in accordance with the terms and conditions of Standard Agreement.



 Matt Turrentine
Board Chairman

 Charles R. Gardner Jr.
President

 Date

 Date



PASO ROBLES AREA GROUNDWATER AUTHORITY

TO: Board of Directors

FROM: Taylor Blakslee, Hallmark Group

DATE: December 1, 2025

SUBJECT: Agenda Item #6a – Overview on SGMA Requirements, PRAGA’s Purpose, and GSP Implementation

Recommendation

Informational only.

Discussion

During the development of a budget and funding mechanism, stakeholders have inquired about the purpose and mission of the Paso Robles Area Groundwater Authority. In response to this question, staff developed a presentation (provided as **Attachment 1**) outlining key components of a Groundwater Sustainability Plan and the work required to continue implementing the GSP in the Paso Robles basin.

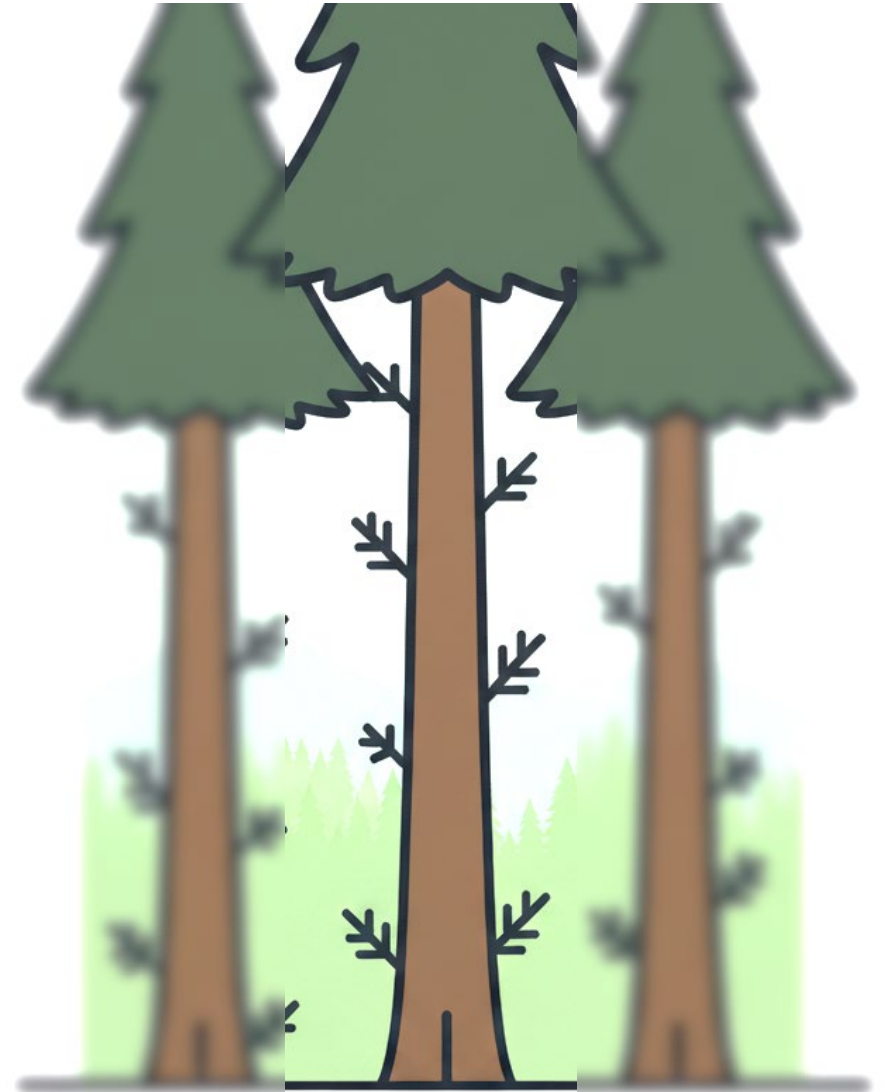
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6a. Overview on SGMA Requirements, PRAGA's Purpose, and GSP Implementation

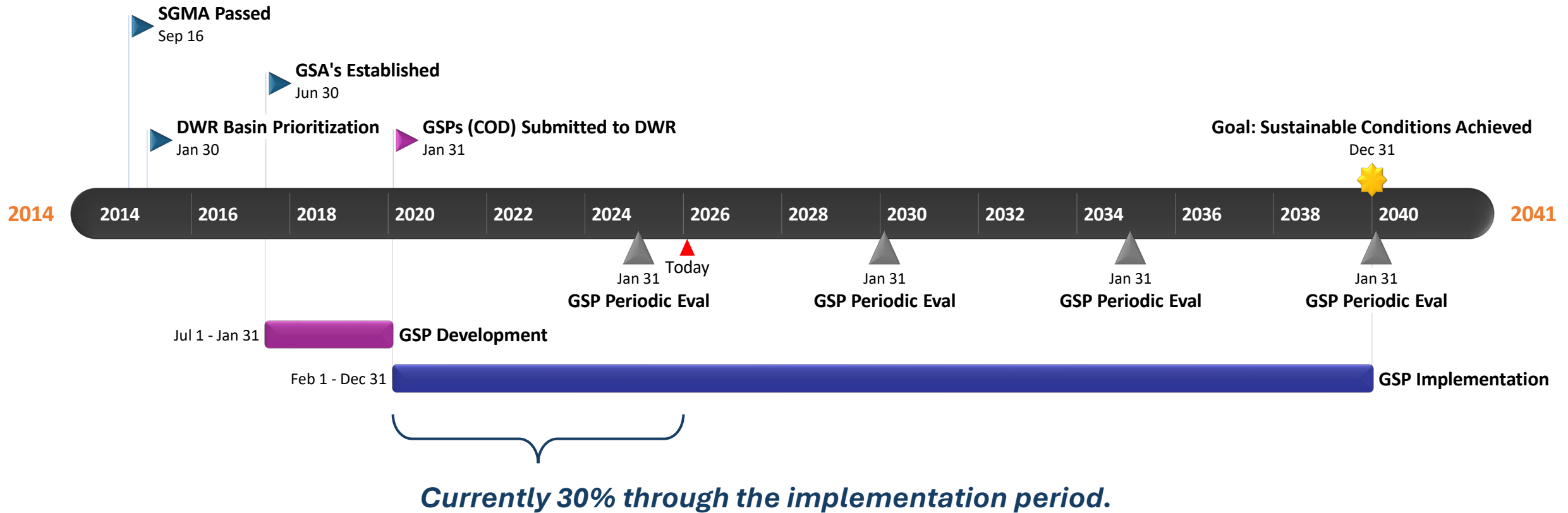
December 1, 2025

PRAGA's Purpose

Allow the four basin Groundwater Sustainability Agencies (GSAs), under a single entity, to comply with SGMA and achieve sustainability by 2040 **by implementing the Groundwater Sustainability Plan (GSP).**



SGMA Timeline



Basin's Designated as Critically Overdraft

21

Critically
Overdraft Basins

Basin/Subbasin Number*	Basin/Subbasin Name
3-001	Santa Cruz Mid-County
3-002.01	Pajaro Valley
3-004.01	180/400-Foot Aquifer
3-004.06	Paso Robles Area
3-008	Los Osos Valley
3-013	Cuyama Valley
4-004.02	Oxnard
4-006	Pleasant Valley
5-022.01	Eastern San Joaquin
5-022.04	Merced
5-022.05	Chowchilla
5-022.06	Madera
5-022.07	Delta-Mendota
5-022.08	Kings
5-022.09	Westside
5-022.11	Kaweah
5-022.12	Tulare Lake
5-022.13	Tule
5-022.14	Kern County
6-054	Indian Wells Valley
7-024.01	Borrego Springs

FIGURE 2 – Groundwater Basins Subject to Critical Conditions of Overdraft

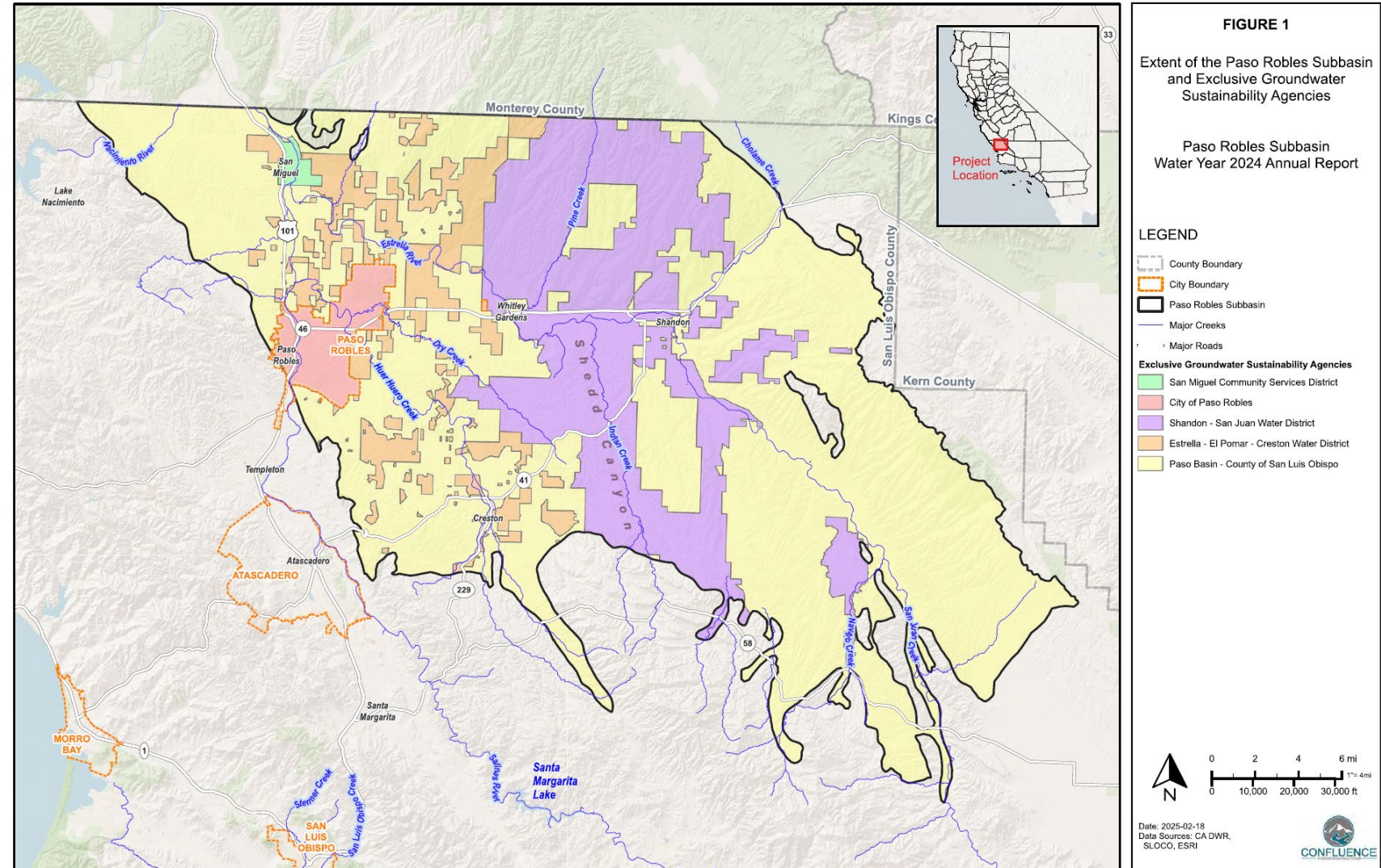


What is a Groundwater Sustainability Plan (GSP)?

- Required by SGMA.
- A document that, often hundreds of pages, that follows an outline required by the California Department of Water Resources (DWR) to demonstrate how the basin will achieve sustainability by 2040.
- A Groundwater Sustainability Plan (GSP) is a living document that should adapt to respond to basin conditions and/or as more information is collected.
- A GSP is reviewed by DWR:
 1. Initial approval of GSP.
 2. An Annual Report is submitted to DWR by April 1st.
 3. At least every five years, or whenever the GSP is amended, a periodic evaluation shall be submitted to DWR.

What Are Tenets of a Good GSP?

- **Locally-developed.**
 - Developed in coordination with the five GSAs in the basin.

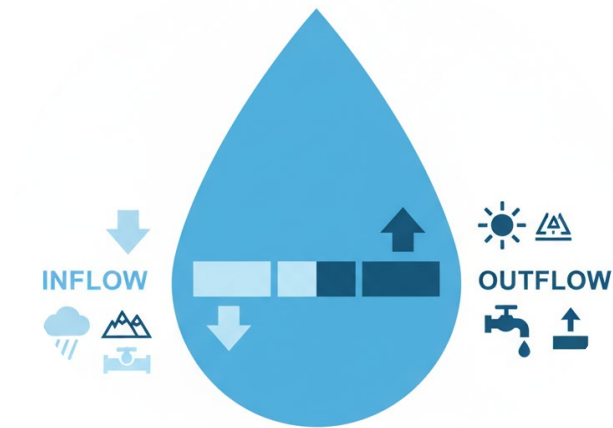


What Are Tenets of a Good GSP?

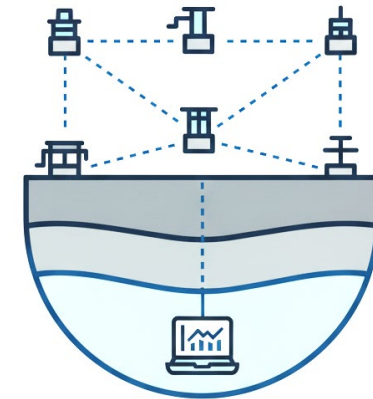
- Science-based.



**Robust hydrologic
conceptual model
of the basin**









**Comprehensive
water budget**



**Representative
monitoring
network to track
groundwater levels**

What Are Tenets of a Good GSP?

- Roadmap to **ensure sustainability** by avoiding “undesirable results” for the six sustainability indicators.


Sustainability Indicators						
	Lowering GW Levels	Reduction of Storage	Seawater Intrusion	Degraded Quality	Land Subsidence	Surface Water Depletion
Metric(s) Defined in GSP Regulations	<ul style="list-style-type: none"> Groundwater Elevation 	<ul style="list-style-type: none"> Total Volume 	<ul style="list-style-type: none"> Chloride concentration isocontour 	<ul style="list-style-type: none"> Migration of Plumes Number of supply wells Volume Location of isocontour 	<ul style="list-style-type: none"> Rate and Extent of Land Subsidence 	<ul style="list-style-type: none"> Volume or rate of surface water depletion
	1	2	3	4	5	6

The “heart” of SGMA and gold standard to achieve sustainability.

What Are Tenets of a Good GSP?

- Required for **each** sustainability indicator:
 1. Sustainability goal
 2. Undesirable results definition
 3. Sustainable management criteria:
 - Measurable objectives
 - Minimum thresholds

Example:

Sustainability Indicators	 Lowering GW Levels
Metric(s) Defined in GSP Regulations	• Groundwater Elevation

What Are Tenets of a Good GSP?

- What is **sustainability goal**?
- A statement in the GSP that succinctly states the GSA's objectives and desired conditions of the groundwater basin, how the basin will get to that desired condition, and why the measures planned will lead to success.
- GSAs must develop a sustainability goal that is applicable to the entire basin.
- **Not** quantitative.
- Supported by the locally-defined minimum thresholds and undesirable results.

What Are Tenets of a Good GSP?

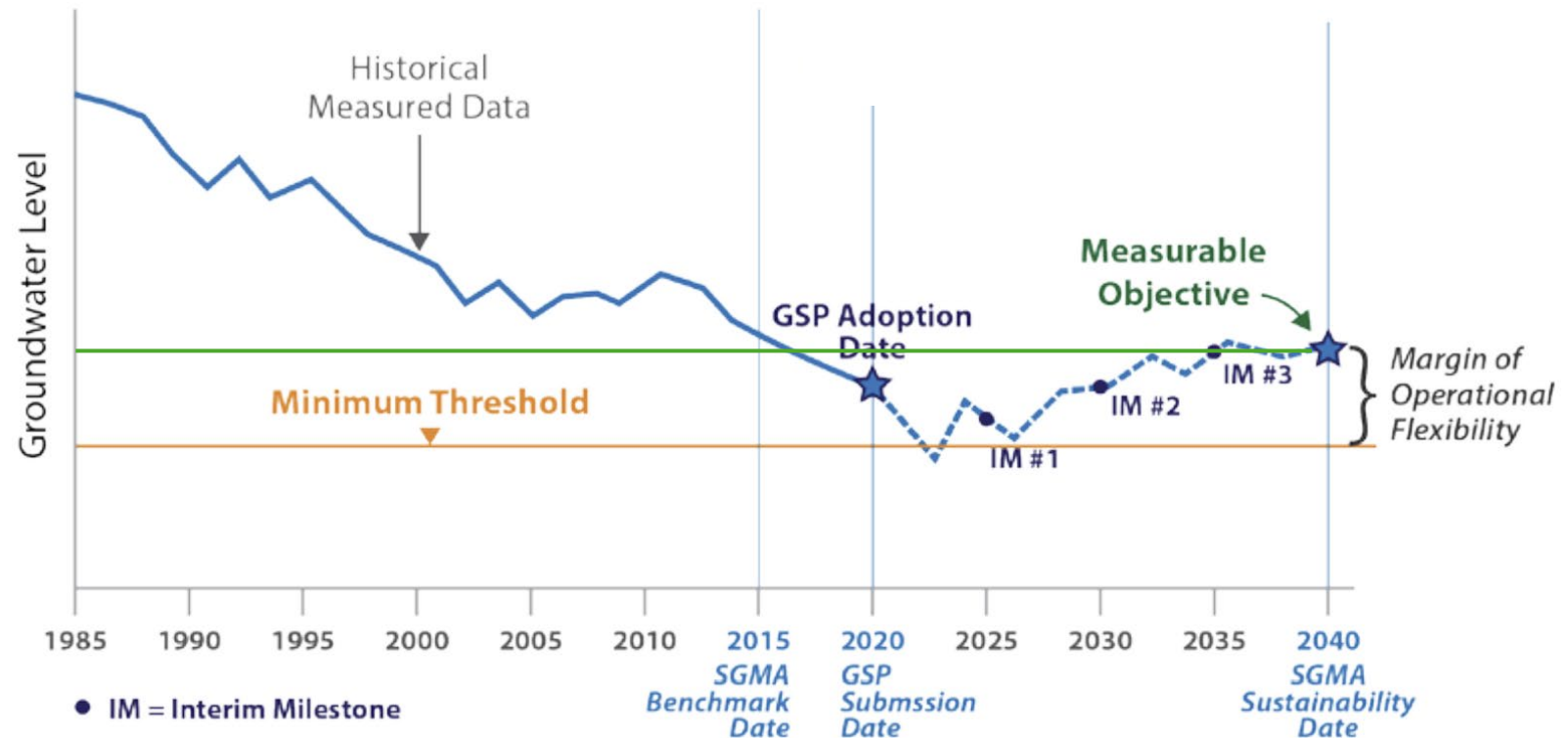
- What is an **undesirable result**?
- When conditions related to any of the six sustainability indicators become “significant and unreasonable.”
- Based on minimum threshold exceedances.
- Exceeding a minimum threshold at a single monitoring site is not necessarily an undesirable result, but it could signal the need for modifying one or more management actions, or implementing a project to benefit an area before the issue becomes more widespread throughout the basin.
- Defined by each GSP and agreed to by the GSAs.

What Are Tenets of a Good GSP?

What is a measurable objective?

- A quantitative goal that reflect the basin's desired groundwater conditions and allow the GSA to achieve the sustainability goal within 20 years.

Example for groundwater levels:

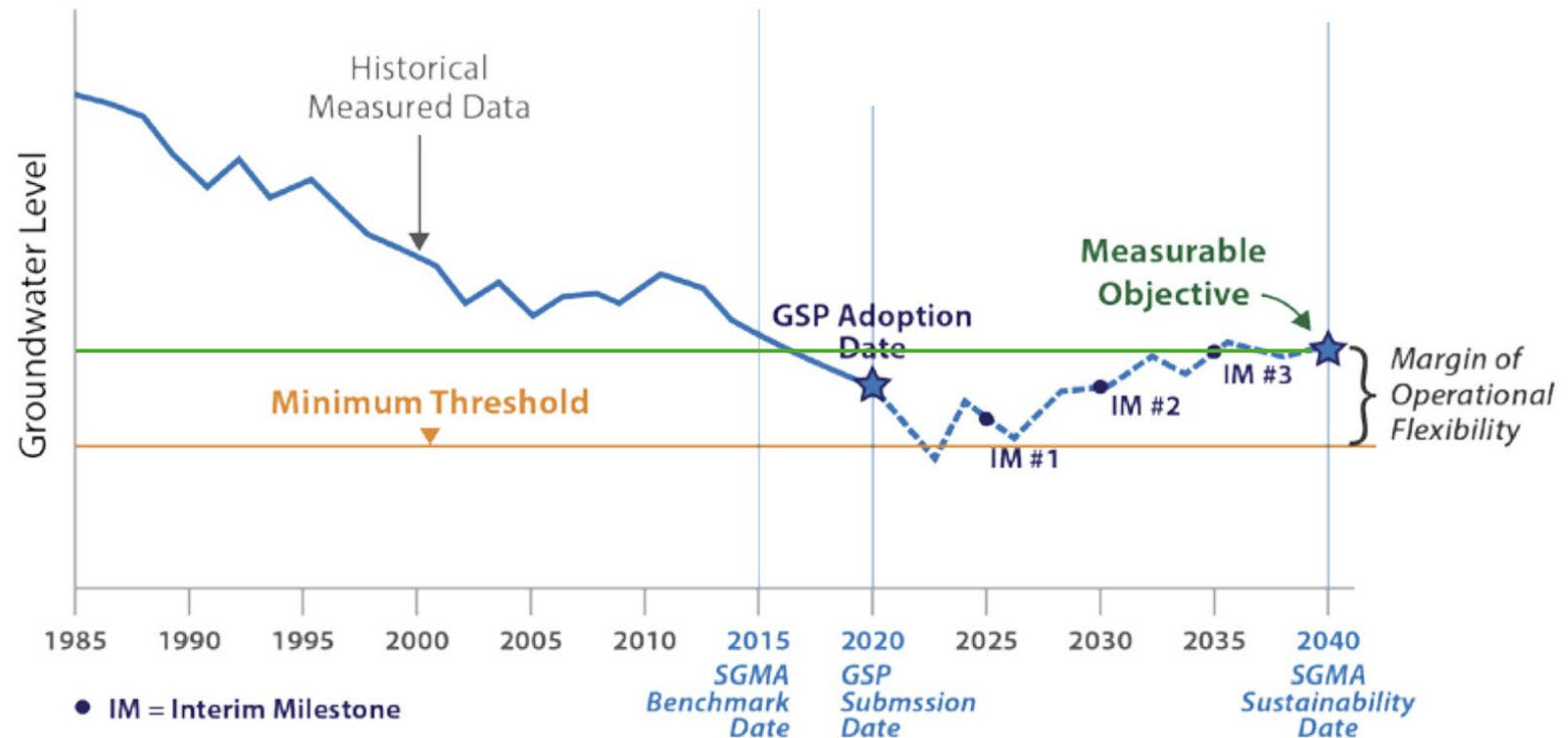


What Are Tenets of a Good GSP?

What is a minimum threshold objective?

- A quantitative value that represents the groundwater conditions at a representative monitoring site that, when exceeded individually or in combination with minimum thresholds at other monitoring sites, may cause an undesirable result(s) in the basin.

Example for groundwater levels:

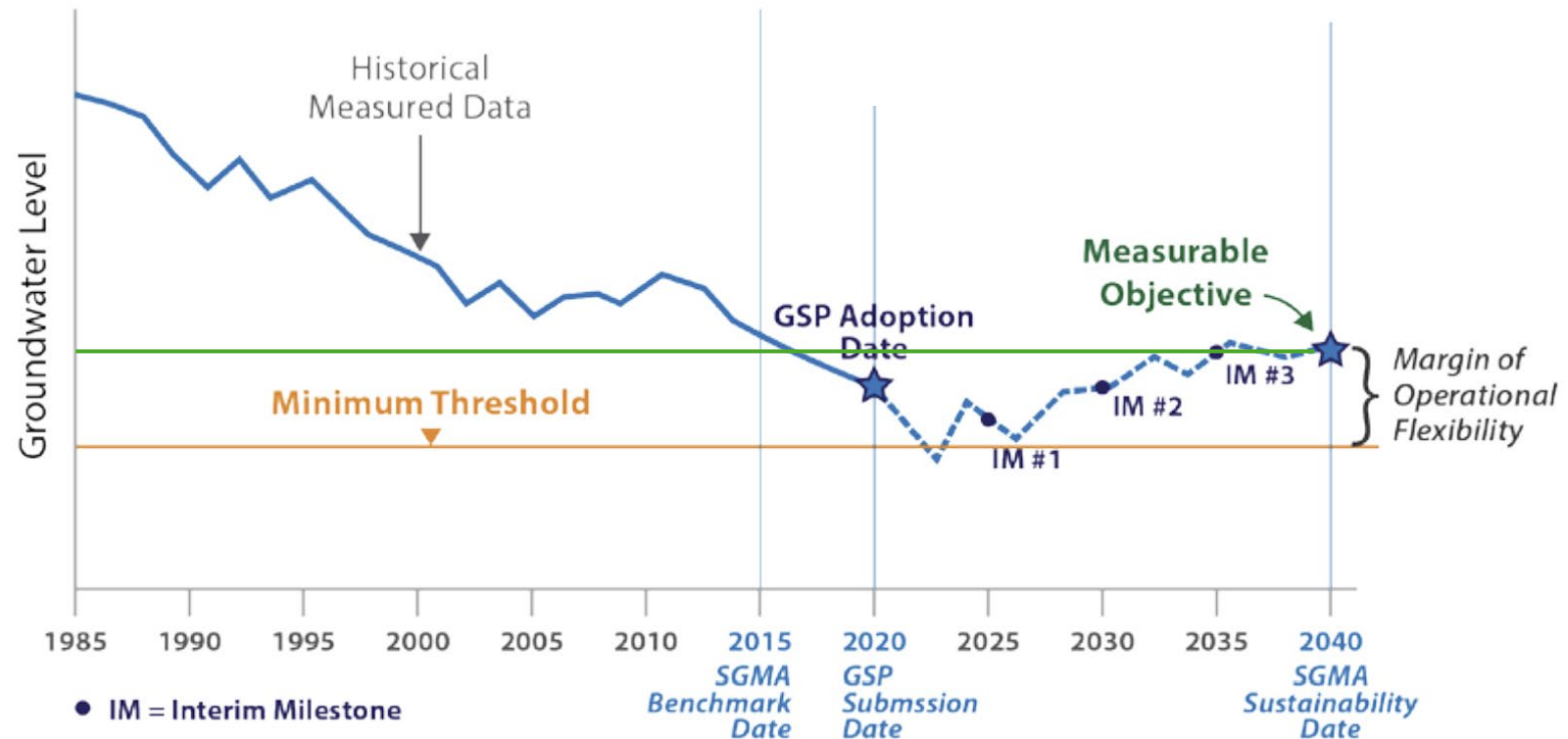


What Are Tenets of a Good GSP?

What is a margin of operational flexibility?

- A reasonable margin of operational flexibility between the minimum threshold and measurable objective.
- Meant to accommodate droughts, climate change, conjunctive use operations, or other groundwater management activities.

Example for groundwater levels:



What Are Tenets of a Good GSP?

- Implementation of effective projects and management actions.
- Include stakeholder engagement and transparency.
- Be adaptive “living” document.

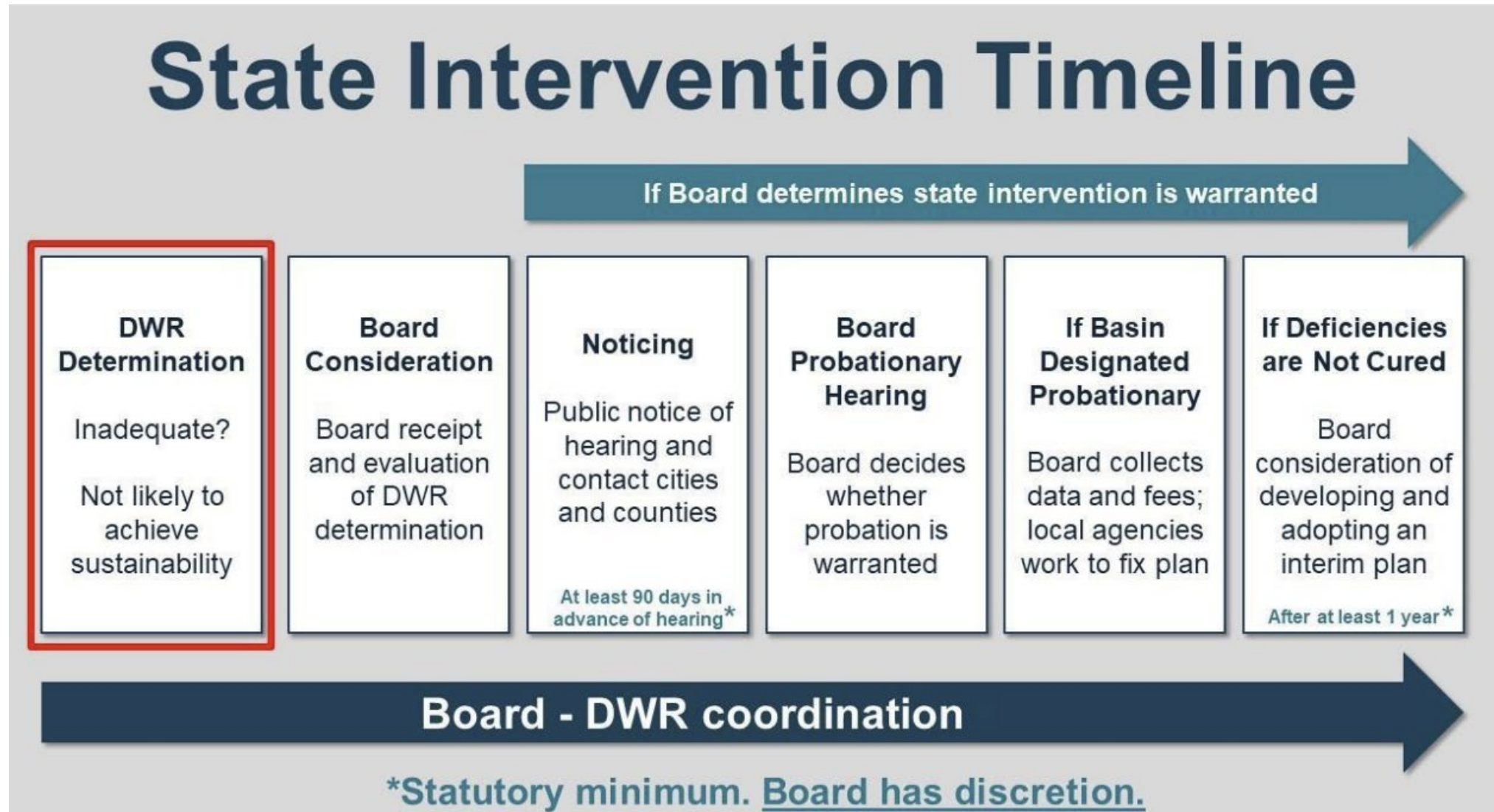
Why Are We Trying to Avoid Minimum Threshold Exceedances / Undesirable Results?

- On-the-ground impacts of declining groundwater levels:
 - Dry wells; expensive to mitigate, most cost-effective pathway is prevention and early detection of potential issues.
 - Increased energy/pumping costs.
 - Potential movement of poor water quality to other portions of the basin.
 - Potential environmental impacts (e.g. interconnected surface water and groundwater dependent ecosystems).

Why Are We Trying to Avoid Minimum Threshold Exceedances / Undesirable Results?

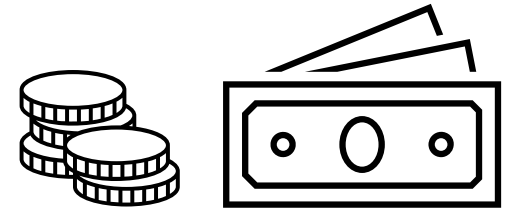
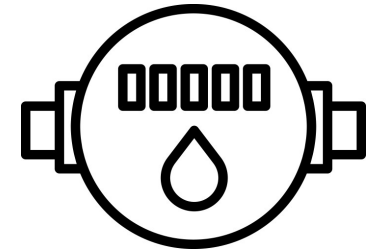
- Regulatory impacts:
 - Exceedances could lead to an undesirable result signaling the basin is not on a pathway to achieving sustainability.
 - Could trigger corrective actions from DWR (could be expensive to address).
 - Failure of the GSP could trigger a probationary pathway with the Stater Water Resources Control Board (very expensive process/loss of local control).

What Happens if DWR Determines the GSP is Inadequate?



What Happens if DWR Determines the GSP is Inadequate?

- Impacts of being put in probation
 - Meters required for large pumpers (over 500 AFY).
 - GSP likely revised (very expensive process funded by basin) – other basins have spent over \$2M to revise GSP in coordination with the SWRCB.
 - Users pumping under 2 AF per year may be exempt from reporting, decided at the SWRCB hearing
 - SWRCB can require reporting from these users if their collective pumping is significant for basin management.



What Happens if DWR Determines the GSP is Inadequate?

- SWRCB Fees
 - Annual Base Filing Fee: \$300/well
 - Extraction Fee in Probationary Basins: \$20/AF
 - Automatic Late Fee: 25% per month (for extractors that don't file reports by due date)

\$3.5M

*Annual
Baseline Costs
to SWRCB*

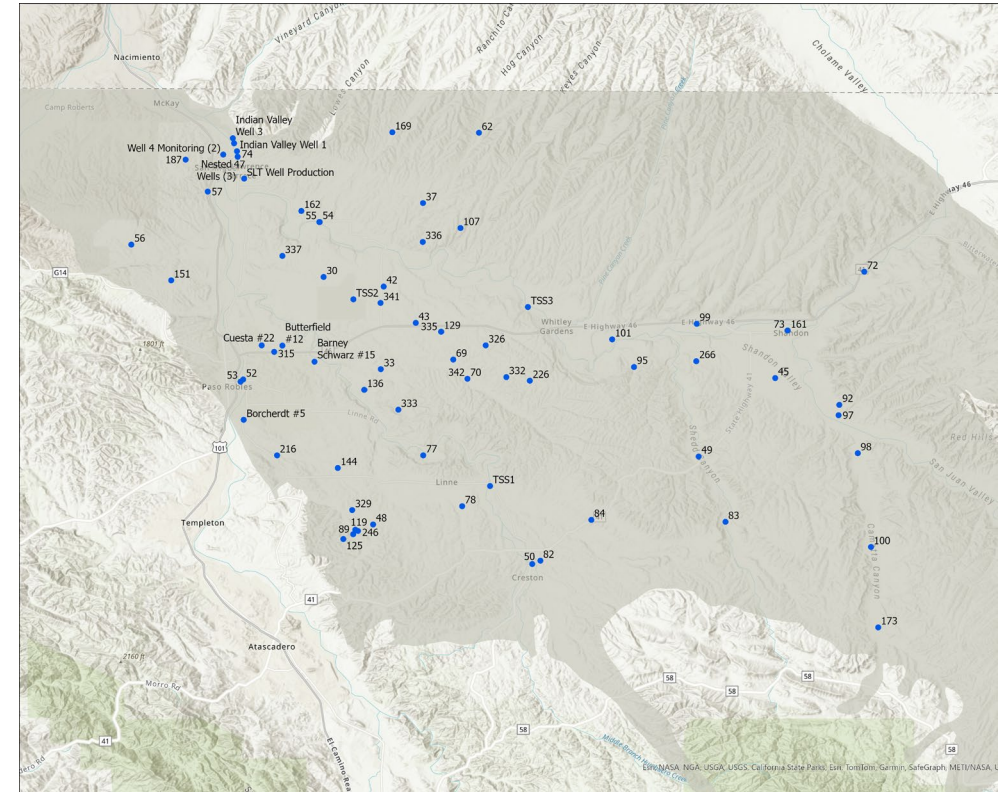
Potential Cost Impact to Paso Basin...

	Cost Item	Type	Qty.		Cost Per Unit	Total
1	Annual Groundwater Extraction Fee	Annual	75,100	AF (WY 23-24 Annual Report)	\$ 20.00	\$ 1,502,000
2	Annual Well Registration Cost	Annual	5,500	Wells (County Databse)	\$ 300.00	\$ 1,650,000
3	Meter Installation Cost	One-time	515	Wells (Regulatory Lands Database)	\$ 2,500.00	\$ 1,287,500
						\$ 4,439,500

GSP Implementation Milestones

- Have an approved GSP.
- Submitted a periodic evaluation.
- Formed a JPA.
- Addressed significant data gaps including:
 - Expanded the monitoring network from 23 → 75 wells, including 4 alluvial wells.
 - Will instrument up to 49 wells with transducers (real-time data).
 - Developing and implementing the MILR program.
 - Developing a domestic well mitigation program.

Expanded Monitoring Network, 2025



Continued GSP Implementation

1. Submit Annual Reports and periodic evaluation to DWR.
2. Consider managing the 75+ monitoring network (semi-annual data) and evaluate network periodically.
3. Establish new RMWs and SMCs in the expanded monitoring network.
4. Determine ISW depletions and SMCs following DWR BMPs.
5. Address representative monitoring wells with minimum threshold exceedances.
6. Implement the MLR program to allow reduction in groundwater pumping demand.

Continued GSP Implementation

6. Consider updating the basin model to refine the overdraft estimate.
7. Continue to implement feasible projects and management actions (P/MA) as defined in the GSP and evaluate those P/MAs periodically.
8. Consider implementing pumping allocations in the basin if sustainability cannot be achieved by voluntary fallowing and/or water conservation.
9. Develop a public-facing data management system to host groundwater level data.
10. Implement a domestic well mitigation program.
11. Perform public outreach initiatives to receive stakeholder feedback on GSP implementation.



PASO ROBLES AREA GROUNDWATER AUTHORITY

TO: Board of Directors

FROM: Taylor Blakslee, Hallmark Group

DATE: December 1, 2025

SUBJECT: Agenda Item #8a – Approval of Fiscal Year 2025-2026 Budget and Request for GSA Contributions through June 30, 2026

Recommendation

Approve the revised Fiscal Year 2025-2026 Budget and submit a funding request to PRAGA GSA's totaling \$300,000.

Discussion

On May 28, 2025, the Paso Robles Area Groundwater Authority (PRAGA) adopted the Fiscal Year 2025-2026 budget with the condition that it be reconsidered if the Prop 218 was unsuccessful.

Since the Prop 218 was unsuccessful on August 1, 2025, staff developed a revised Fiscal Year 2025-2026 budget for Board consideration which is provided as **Attachment 2**. The revised Fiscal Year budget totals \$944,952, where the current un-funded portion (January through June 2026) is \$392,200.

A cash flow analysis highlighting the revenue needs of PRAGA through June 30, 2026 is provided as **Attachment 3**, and staff is recommending PRAGA requests voluntary funding from the four Groundwater Sustainability Agencies totaling \$300,000.

A presentation covering both previous and current budget development and funding needs is provided as **Attachment 1**.

At the January 2026, Board meeting, staff will present funding mechanism options that the Board will need to select one of those options to stay on schedule to develop and implement a funding mechanism for Fiscal Year 2026-2027 that appropriately incorporates stakeholder input.

* * *

8a. Approval of Fiscal Year Budget and Request for GSA Contributions through June 30, 2026

Background

- PRAGA formed in April 2025 and \$229,148 was contributed by funds committed to the PBCC by GSAs to the PRAGA bank account per terms of the JPA.
- On May 28, 2025, PRAGA adopted a \$2.9M budget for Fiscal Year 2025-2026 developed during the draft cost of service study.
- However, the Board motion was to “approve the fiscal year 2025-2026 budget with the condition that if Proposition 218 fails, staff will consider a new budget and return to the Board for further review.”

PRAGA Funded Budget Components		FY 25-26
Program Administration		
SGMA-Required		
1	Annual Report	\$110,000
2	GSP Fifth Year Evaluation	\$0
3	GSP Amendment	\$0
4	Groundwater Model Use/Update	\$0
5	Basin Monitoring Operations & Maintenance	\$150,000
6	Data Management System (DMS)	\$200,000
7	ET Ag Water Usage Program (LandIQ)	\$100,000
SGMA-Required Subtotal		\$560,000
Administrative		
8	Executive Director & Support Staff	\$234,000
9	Legal Counsel	\$82,500
10	IT Support	\$50,000
11	Agency Administrative Costs	\$50,000
12	Grant Development	\$60,000
13	Technical Consultant(s) (Administrative Support)	\$110,000
14	Outreach Program	\$75,000
15	Website Creation and Management	\$6,000
16	GW Fee Billing & Collection	\$50,000
Administrative Subtotal		\$717,500
Program Administration Subtotal		\$1,277,500
Projects and Management Actions		
Regulatory Programs		
17	Domestic Well Impact Mitigation Program	\$50,000
18	Address Additional GSP Data Gaps	\$75,000
19	Well Verification & Registration Program	\$25,000
Demand Management Programs		
20	Demand Reduction and Water Supply Programs	\$1,300,000
Reserve Funds		
21	Prudent Reserve	\$200,000
Projects and Management Actions Subtotal		\$1,650,000
Total		\$2,927,500

Background

- On August 1, 2025, the Prop 218 did not pass, and staff presented alternative options for budget and funding mechanisms.
- On August 18, 2025, the Treasurer requested, and the Board approved, contributions from PRAGA GSA members totaling \$300,000.
- Contributions were to fund anticipated obligations through December 31, 2025 in accordance with the JPA.

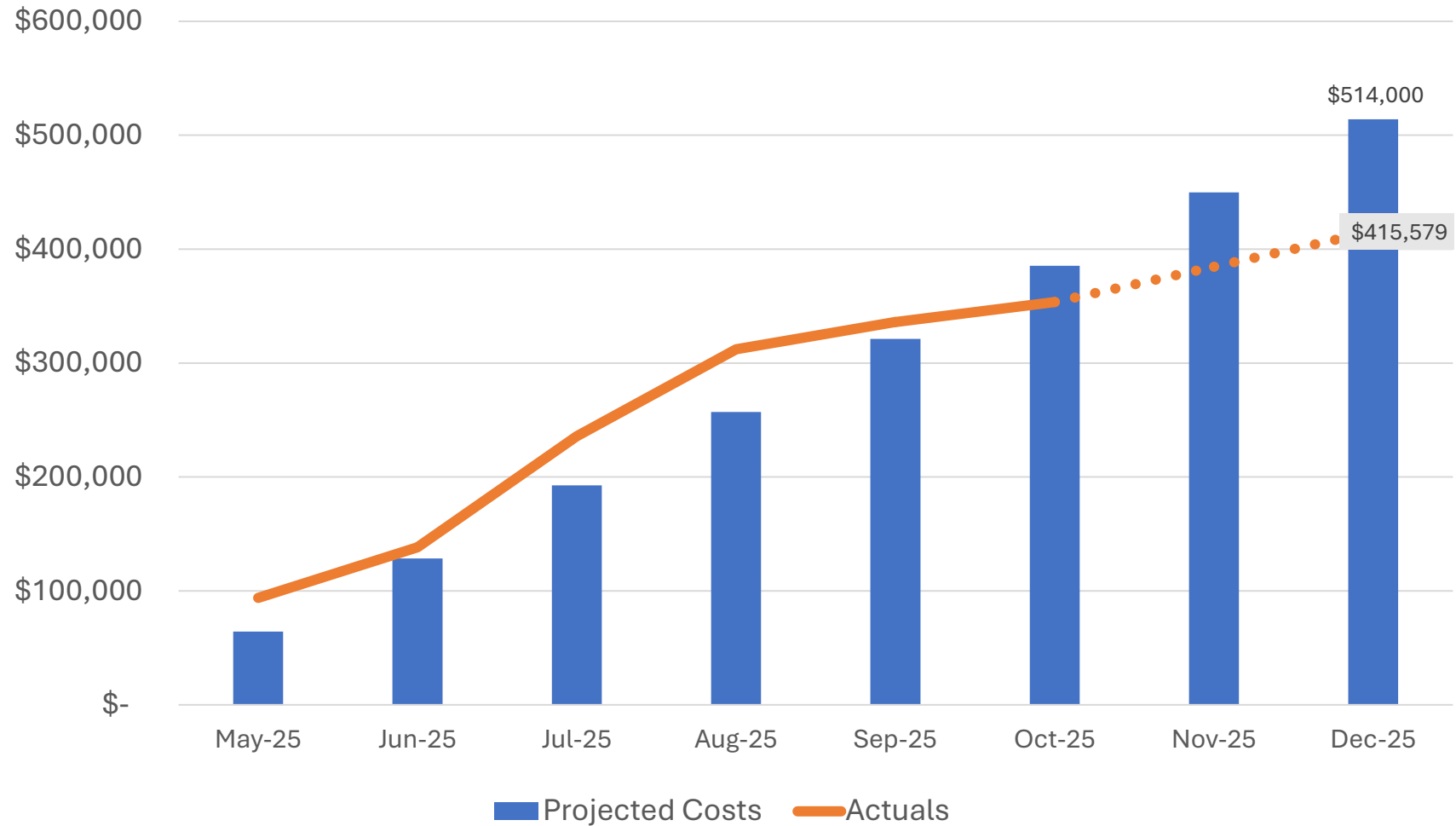
PRAGA Funded Budget Components		FY 25-26
Program Administration		
SGMA-Required		
1	Annual Report	\$110,000
2	GSP Fifth Year Evaluation	\$0
3	GSP Amendment	\$0
4	Groundwater Model Use/Update	\$0
5	Basin Monitoring Operations & Maintenance	\$150,000
6	Data Management System (DMS)	\$200,000
7	ET Ag Water Usage Program (LandIQ)	\$100,000
SGMA-Required Subtotal		\$560,000
Administrative		
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Projects and Management Actions		
Regulatory Programs		
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19	Well Verification & Registration Program	\$25,000
Demand Management Programs		
20	Demand Reduction and Water Supply Programs	\$1,300,000
Reserve Funds		
21	Prudent Reserve	\$200,000
Projects and Management Actions Subtotal		\$1,650,000
Total		\$2,927,500

Action Needed Today

1. **Approve** the revised Fiscal Year 2025-2026 **budget** (determine level of activity for the January – June 2026 period).
2. Request **GSAs contribute** \$300,000 to fund Jan-Jun 2026.



Report on May-Dec 2025 Spending Plan



Direction Needed: Jan-Jun 2026 (6 mo.) Budget Activity

- Jan-Jun 2026 costs to fund core activities including:
 - Regulatory compliance (i.e. Annual Report)
 - Monthly meetings to plan for and implement a funding mechanism, and GSP implementation activities.
 - Outreach to support GSP implementation activities and a funding mechanism.
 - Budget development for FY 26-27.

	Budget Components	Jan-Jun 2026 (6 months)
	Program Administration	
	SGMA-Required	
1	Annual Report	\$88,000
2	GSP Fifth Year Evaluation	\$0
3	GSP Amendment	\$0
4	Groundwater Model Use/Update	\$0
5	Basin Monitoring Operations & Maintenance	\$0
6	Data Management System (DMS)	\$0
7	ET Ag Water Usage Program (LandIQ)	\$0
	SGMA-Required Subtotal	\$88,000
	Administrative	
8	Executive Director & Support Staff	\$96,000
9	Legal Counsel	\$60,000
10	IT Support	\$0
11	Insurance and JPA Start-Up	\$6,000
12	Grant Development	\$0
13	Technical Consultant(s)	\$0
14	SCI Prop 218 Development (did not pass on Aug 1st)	\$0
15	Land IQ Prop 218 Support & On-Call Svcs (did not pass on Aug 1st)	\$0
16	SCI Funding Mechanism Development/Implementation (Planned)	\$50,000
17	Public Education and Outreach Program	\$36,000
18	Website Management	\$4,000
19	GW Fee Billing & Collection	\$0
	Administrative Subtotal	\$252,000
	Program Administration Subtotal	\$340,000
	Projects and Management Actions	
	Regulatory Programs	
20	Domestic Well Impact Mitigation Program	\$0
21	Address Additional GSP Data Gaps	\$0
22	Well Verification & Registration Program	\$0
	Demand Management Programs	
23	Demand Reduction and Water Supply Programs	\$0
24	MILR Program (Fallow Only)	\$0
	Projects and Management Actions Subtotal	\$0
	Subtotal	\$340,000
25	Prudent Reserve	\$52,200
	Total	\$392,200

Cash Flow Analysis and GSA Contribution Request

PASO ROBLES AREA GROUNDWATER AUTHORITY
FY25/26 Monthly Projected Cash Flow

Budget
Ref #

		Actual												FY 25/26 Projected												Total Cash Sources and Uses
			Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26												
BEGINNING CASH BALANCE		\$ -	\$ 223,313	\$ 104,323	\$ 13,095	\$ 136,230	\$ 244,220	\$ 202,583	\$ 177,583	\$ 116,233	\$ 350,233	\$ 284,233	\$ 204,583	\$ 162,583												
CASH SOURCES																										
GSA Funding (Member Agencies)					192,000	108,000				300,000					\$ 829,148											
TOTAL CASH SOURCES			-	-	192,000	108,000	-	-	-	300,000	-	-	-	-	\$ 829,148											
TOTAL CASH AVAILABLE		\$ -	\$ 223,313	\$ 104,323	\$ 205,095	\$ 244,230	\$ 244,220	\$ 202,583	\$ 177,583	\$ 416,233	\$ 350,233	\$ 284,233	\$ 204,583	\$ 162,583												
CASH USES																										
SGMA Annual Report									10,000	25,000	25,000	25,000			\$ 85,000											
Executive Director & Support Staff			44,233	43,320	20,892		23,585	15,000	15,000	16,000	16,000	16,000	16,000	16,000	\$ 242,031											
Legal Counsel			65,509	47,701	14,260		17,864	10,000	10,000	10,000	10,000	10,000	10,000	10,000	\$ 215,335											
Insurance and JPA Start-up			9,247	206	(438)	10	188						6,000		\$ 21,049											
SCI (GW Charge Program Support) - Prev. 218					34,151										\$ 34,151											
Land IQ ET Contract (Precip/ET QA/QC)									21,350			13,650			\$ 35,000											
SCI (Funding Mechanism for FY 26-27)									10,000	10,000	10,000	10,000	10,000	\$ 50,000												
Outreach Program								5,000	5,000	5,000	5,000			\$ 20,000												
TOTAL CASH USES			\$ 118,990	\$ 91,228	\$ 68,865	\$ 10	\$ 41,637	\$ 25,000	\$ 61,350	\$ 66,000	\$ 66,000	\$ 79,650	\$ 42,000	\$ 36,000	\$ 702,565											
ENDING CASH BALANCE		\$ -	\$ 104,323	\$ 13,095	\$ 136,230	\$ 244,220	\$ 202,583	\$ 177,583	\$ 116,233	\$ 350,233	\$ 284,233	\$ 204,583	\$ 162,583	\$ 126,583												

Approval of Revised FY 2025-2026 Budget and GSA Contributions

	GSA	Percent	Contribution Request
1	City	16%	\$48,000
2	County	33%	\$99,000
3	EPC	30%	\$90,000
4	SSJ	21%	\$63,000
	TOTAL		\$300,000

Recommended Motion:

Adopt the revised FY 26-27 budget and request GSA contributions totaling \$300,000 to fund PRAGA activities through June 30, 2026.

			Adopted on 5-28-25	Cost Collection Approved on 8-18-25	Costs to be Approved on 12-1-25	Revised FY 25-26 Budget to be Approved on 12-1-25	55
	Budget Components	Initial Approved Budget	Jul-Dec 2025 (6 months)	Jan-Jun 2026 (6 months)	Revised FY 25-26 Budget	% Change	
	Program Administration						
	SGMA-Required						
1	Annual Report	\$110,000	\$14,000	\$88,000	\$102,000	-7%	
2	GSP Fifth Year Evaluation	\$0	\$0	\$0	\$0		
3	GSP Amendment	\$0	\$0	\$0	\$0		
4	Groundwater Model Use/Update	\$0	\$0	\$0	\$0		
5	Basin Monitoring Operations & Maintenance	\$150,000	\$0	\$0	\$0	-100%	
6	Data Management System (DMS)	\$200,000	\$0	\$0	\$0	-100%	
7	ET Ag Water Usage Program (LandIQ)	\$100,000	\$100,000	\$0	\$100,000	0%	
	SGMA-Required Subtotal	\$560,000	\$114,000	\$88,000	\$202,000	-64%	
	Administrative						
8	Executive Director & Support Staff	\$234,000	\$157,446	\$96,000	\$253,446	8%	
9	Legal Counsel	\$82,500	\$155,471	\$60,000	\$215,471	161%	
10	IT Support	\$50,000	\$0	\$0	\$0	-100%	
11	Insurance and JPA Start-Up	\$50,000	\$15,084	\$6,000	\$21,084	-58%	
12	Grant Development	\$60,000	\$0	\$0	\$0	-100%	
13	Technical Consultant(s)	\$110,000	\$0	\$0	\$0	-100%	
14	SCI Prop 218 Development (did not pass on Aug 1st)		\$34,151	\$0	\$34,151		
15	Land IQ Prop 218 Support & On-Call Srvcs (did not pass on Aug 1st)		\$35,000		\$35,000		
16	SCI Funding Mechanism Development/Implementation (Planned)		\$0	\$50,000	\$50,000		
17	Public Education and Outreach Program	\$75,000	\$10,000	\$36,000	\$46,000	-39%	
18	Website Management	\$6,000	\$2,000	\$4,000	\$6,000	0%	
19	GW Fee Billing & Collection	\$50,000	\$0	\$0	\$0	-100%	
	Adminstrative Subtotal	\$717,500	\$409,152	\$252,000	\$661,152	-8%	
	Program Administration Subtotal	\$1,277,500	\$523,152	\$340,000	\$863,152	-32%	
	Projects and Management Actions						
	Regulatory Programs						
20	Domestic Well Impact Mitigation Program	\$50,000	\$0	\$0	\$0	-100%	
21	Address Additional GSP Data Gaps	\$75,000	\$0	\$0	\$0	-100%	
22	Well Verification & Registration Program	\$25,000	\$0	\$0	\$0	-100%	
	Demand Management Programs						
23	Demand Reduction and Water Supply Programs	\$1,300,000	\$0	\$0	\$0	-100%	
24	MILR Program (Fallow Only)				\$0		
	Projects and Management Actions Subtotal	\$1,450,000	\$0	\$0	\$0	-100%	
	Subtotal	\$2,727,500	\$523,152	\$340,000	\$863,152	-68%	
25	Prudent Reserve	\$200,000	\$29,600	\$52,200	\$81,800	-59%	
	Total	\$2,927,500	\$552,752	\$392,200	\$944,952	-68%	

Funding Mechanism Decision for Fiscal Year 2026-2027

- The Fiscal Year 2025-2026 budget assumes costs for the development of a funding mechanism for Fiscal Year 2026-2027.
- Staff has previously presented information regarding the below funding mechanism options:
 1. Prop 26
 2. Prop 218
 3. Hybrid: Prop 26 for “core activates” and then either a Prop 218 or special activities agreement as future projects are identified.
- To remain on schedule, staff will present these options (with a staff recommendation) and **ask the Board to select one of those options at the January 28th meeting.**

Why is Establishing a Long-Term Funding Mechanism Important?

- To fund the implementation of the GSP.
- Per the JPA, if PRAGA does not establish a fee to fund its activities, the agreement will terminate automatically on June 30, 2026.
- The GSAs are not able to continue contributing money at the current cost share percentages.
- In most SGMA basins, the costs for managing GSAs and implementing GSPs is collected from groundwater pumpers in the basin.
- Charging landowners directly encourages water use efficiency.
- Without a funding mechanism, the GSP cannot be implemented and risks a SWRCB takeover and loss of local control.

Revised Draft Fiscal Year 2025-2026 Budget

Monday, December 1, 2025

	Adopted on 5-28-25	Cost Collection Approved on 8-18-25	Costs to be Approved on 12-1-25	Revised FY 25-26 Budget to be Approved on 12-1-25		
Budget Components	Initial Approved Budget	Jul-Dec 2025 (6 months)	Jan-Jun 2026 (6 months)	Revised FY 25-26 Budget	% Change	
Program Administration						
IMA-Required						Budget Notes
Annual Report	\$110,000	\$14,000	\$88,000	\$102,000	-7%	RFP development in Q3 2025. Consultant work Dec-March
FP Fifth Year Evaluation	\$0	\$0	\$0	\$0		2025 eval already submitted to State, next eval not due until 2030.
FP Amendment	\$0	\$0	\$0	\$0		No current plan to amend the GSP.
Groundwater Model Use/Update	\$0	\$0	\$0	\$0		No current plan to update the model.
Basin Monitoring Operations & Maintenance	\$150,000	\$0	\$0	\$0	-100%	No current cost to PRAGA, each GSA continues monitoring in their respective areas, however, need to determine basin collection approach in the future.
Waste Management System (DMS)	\$200,000	\$0	\$0	\$0	-100%	Recommend deferring.
Ag Water Usage Program (LandIQ)	\$100,000	\$100,000	\$0	\$100,000	0%	Covered by the grant.
SGMA-Required Subtotal	\$560,000	\$114,000	\$88,000	\$202,000	-64%	
Administrative						
Executive Director & Support Staff	\$234,000	\$157,446	\$96,000	\$253,446	8%	Monthly meetings starting in January 2026
Legal Counsel	\$82,500	\$155,471	\$60,000	\$215,471	161%	Monthly meetings starting in January 2026
Support	\$50,000	\$0	\$0	\$0	-100%	Not needed since support staff has necessary internal IT support.
Insurance and JPA Start-Up	\$50,000	\$15,084	\$6,000	\$21,084	-58%	Develop audit policy and engage Auditor for FY 25-26 + 2 months (14 months total); RFP, etc.,
Grant Development	\$60,000	\$0	\$0	\$0	-100%	Not needed this fiscal year. Include in FY 26-27 for potential Prop 4 grant opportunity.
Technical Consultant(s)	\$110,000	\$0	\$0	\$0	-100%	
SCI Prop 218 Development (did not pass on Aug 1st)		\$34,151	\$0	\$34,151		SCI work to support Prop 218 (did not pass).
Land IQ Prop 218 Support & On-Call Svcs (did not pass on Aug 1st)		\$35,000		\$35,000		Contract approved on 8-18-25 for \$35k. \$21,350 for Prop 218 (did not pass) ET support, and \$13,650 for on-call services (if needed).
SCI Funding Mechanism Development/Implementation (Planned)		\$0	\$50,000	\$50,000		Costs to develop and implement a Funding Mechanism for FY 26-27.
Public Education and Outreach Program	\$75,000	\$10,000	\$36,000	\$46,000	-39%	Assumes PR firm is selected to perform outreach activities for PRAGA.
Website Management	\$6,000	\$2,000	\$4,000	\$6,000	0%	Monthly website cost = \$500 through Streamline, billed annually in May
RV Fee Billing & Collection	\$50,000	\$0	\$0	\$0	-100%	No cost if GSAs contribute. Direct bill landowners if Prop 26/218 implemented in FY 25-26. Develop RFP or HG to administer. Estimate based on 1,200 landowners.
Administrative Subtotal	\$717,500	\$409,152	\$252,000	\$661,152	-8%	
Program Administration Subtotal	\$1,277,500	\$523,152	\$340,000	\$863,152	-32%	
Projects and Management Actions						
Regulatory Programs						
Domestic Well Impact Mitigation Program	\$50,000	\$0	\$0	\$0	-100%	Program to be developed in FY 25-26. Potentially fund in FY 26-27.
Address Additional GSP Data Gaps	\$75,000	\$0	\$0	\$0	-100%	Address DWR periodic eval feedback if received in FY 25-26.
Well Verification & Registration Program	\$25,000	\$0	\$0	\$0	-100%	Grant/County developing program; still in development.
Land Management Programs						
Land Reduction and Water Supply Programs	\$1,300,000	\$0	\$0	\$0	-100%	
MLR Program (Follow Only)				\$0		MLR follow land registry platform covered by grant
Projects and Management Actions Subtotal	\$1,450,000	\$0	\$0	\$0	-100%	
Subtotal	\$2,727,500	\$523,152	\$340,000	\$863,152	-68%	
Student Reserve	\$200,000	\$29,600	\$52,200	\$81,800	-59%	Board directed to use 10% on 8-18-25.
Total	\$2,927,500	\$552,752	\$392,200	\$944,952	-68%	

GSA Contributions (Jan-Jun 2026)		
1 City	16%	\$ 48,000
2 County	33%	\$ 99,000
3 EPC	30%	\$ 90,000
4 SSI	21%	\$ 63,000
	100%	\$ 300,000

PASO ROBLES AREA GROUNDWATER AUTHORITY
FY25/26 Monthly Projected Cash Flow

Budget
Ref #

		Actual					FY 25/26 Projected								Total Cash Sources and Uses
		Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26		
BEGINNING CASH BALANCE	\$ -	\$ 223,313	\$ 104,323	\$ 13,095	\$ 136,230	\$ 244,220	\$ 202,583	\$ 177,583	\$ 116,233	\$ 350,233	\$ 284,233	\$ 204,583	\$ 162,583		
CASH SOURCES															
GSA Funding (Member Agencies)				192,000	108,000				300,000					\$ 829,148	
TOTAL CASH SOURCES		-	-	192,000	108,000	-	-	-	300,000	-	-	-	-	\$ 829,148	
TOTAL CASH AVAILABLE	\$ -	\$ 223,313	\$ 104,323	\$ 205,095	\$ 244,230	\$ 244,220	\$ 202,583	\$ 177,583	\$ 416,233	\$ 350,233	\$ 284,233	\$ 204,583	\$ 162,583		
CASH USES															
SGMA Annual Report								10,000	25,000	25,000	25,000			\$ 85,000	
Executive Director & Support Staff		44,233	43,320	20,892		23,585	15,000	15,000	16,000	16,000	16,000	16,000	16,000	\$ 242,031	
Legal Counsel		65,509	47,701	14,260		17,864	10,000	10,000	10,000	10,000	10,000	10,000	10,000	\$ 215,335	
Insurance and JPA Start-up		9,247	206	(438)	10	188							6,000	\$ 21,049	
SCI (GW Charge Program Support) - Prev. 218				34,151										\$ 34,151	
Land IQ ET Contract (Precip/ET QA/QC)								21,350			13,650			\$ 35,000	
SCI (Funding Mechanism for FY 26-27)								10,000	10,000	10,000	10,000	10,000	\$ 50,000		
Outreach Program								5,000	5,000	5,000	5,000		\$ 20,000		
TOTAL CASH USES		\$ 118,990	\$ 91,228	\$ 68,865	\$ 10	\$ 41,637	\$ 25,000	\$ 61,350	\$ 66,000	\$ 66,000	\$ 79,650	\$ 42,000	\$ 36,000	\$ 702,565	
ENDING CASH BALANCE	\$ -	\$ 104,323	\$ 13,095	\$ 136,230	\$ 244,220	\$ 202,583	\$ 177,583	\$ 116,233	\$ 350,233	\$ 284,233	\$ 204,583	\$ 162,583	\$ 126,583		



PASO ROBLES AREA GROUNDWATER AUTHORITY

TO: Board of Directors

FROM: Taylor Blakslee, Hallmark Group

DATE: December 1, 2025

SUBJECT: Agenda Item #8b – Approval of Contract with Confluence Engineering to Develop the Water Year 2025 Annual Report

Recommendation

Execute a contract with Confluence Engineering to develop and submit the Water Year 2025 Annual Report for an amount not to exceed \$85,026.

Discussion

In accordance with the Sustainable Groundwater Management Act (SGMA), the California Department of Water Resources (DWR) requires Annual Reports to be submitted by April 1st of each year for the proceeding water year (WY) (October 1st through September 30th).

PRAGA staff coordinated with member agency staff to prepare a Request for Proposals (RFP) for the development and submittal of the WY 2025 Annual Report. On October 10, 2025, a RFP was released and proposals were due on November 7, 2025.

Staff recommends the Board execute a contract with Confluence Engineering to develop and submit the WY 2025 Annual Report. The scope of services and contract (not to exceed \$85,026) are included as **Attachment 1** and **Attachment 2**, respectively.

* * *

Paso Robles Basin Groundwater Sustainability Plan

Water Year 2025 Annual Report

Scope of Work

The Confluence Engineering Solutions and Cleath-Harris Geologists team (ConfluenceES Team) developed the following scope of work based on the requirements outlined in the SGMA regulations, the Authority's request for proposal, and experience in preparing prior annual reports for the Subbasin. The scope addresses the tasks required to complete the WY 2025 Annual Report and ensures the Subbasin remains on track toward sustainable groundwater management. Each task has been designed to meet the needs of the Authority, address comments received in DWR's Review of Annual Report for the Paso Robles Area Subbasin, Water Year 2024 letter, and to comply with the expectations of DWR, as outlined in *A Guide to Annual Reports, Periodic Evaluations, & Plan Amendments* (DWR, 2023).

Task 1. Data Collection and Analysis

Data Collection

Our Team will gather the required information to prepare the WY 2025 Annual Report through publicly available sources and via data requests to the appropriate agencies for groundwater level, production records and other necessary data. The ConfluenceES Team will leverage our experience from producing the previous Paso Subbasin annual reports and our existing relationships with agency contacts to ensure that the data collection and compilation phase of the project is performed efficiently.

Assumptions: the Authority will assist with timely delivery of requested datasets, including: groundwater level data for spring and fall 2025 from the County, SSJWD and EPCWD monitoring networks, groundwater production data for San Miguel Community Services District, County Service Area (CSA) 16, and the City of Paso Robles, and surface water deliveries to City of Paso Robles (Nacimiento Water Project) and Shandon CSA-16 (State Water Project).

Data Analysis

Section 356.2 of the SGMA regulations require that the following data are analyzed and reported for each annual reporting period:

- Groundwater elevation data (for each principal aquifer)
- Groundwater extractions and use
- Surface water supply and use
- Total water use by water use sector and water source type
- Change in groundwater in storage

Groundwater Elevation Data

Groundwater elevation data for the Subbasin are collected primarily through the San Luis Obispo County Groundwater Level Monitoring Program, managed by the County Groundwater Sustainability Department (GSD), with data gathered biannually, typically in April and October. The ConfluenceES Team has extensive experience working with data from this program. Since 2021, this dataset has been supplemented by additional groundwater elevation data from the Shandon-San Juan Water District (SSJWD) and Estrella-El Pomar-Creston Water District (EPCWD) expanded monitoring networks. Nate Page was involved in setting up these expanded monitoring networks and is intimately familiar with the resulting groundwater level datasets. The SSJWD and EPCWD groundwater level datasets have been incorporated into the Subbasin groundwater elevation and change in groundwater in storage analyses since their inception, filling previous data gaps and providing enhanced insights into Subbasin conditions.

Groundwater level contour maps for the principal aquifers (Paso Robles Formation Aquifer and Alluvial Aquifer) will be based on data collected in the County Groundwater Level Monitoring Program and the SSJWD and EPCWD expanded monitoring networks. For the WY 2025 Annual Report, contour maps will represent groundwater conditions for April and October 2025.

The GSP groundwater level monitoring network includes representative monitoring site (RMS) wells, a subset of the County's monitoring program with data-sharing consent from well owners. Hydrographs for each RMS well listed in the GSP will be updated with groundwater level data and water year type through October 2025 for inclusion in the WY 2025 Annual Report.

Groundwater Extractions

Groundwater extractions for WY 2025 will be reported, including estimates of extractions by water use sector, method and accuracy of measurement, and general locations of extraction. Updated groundwater extraction information will be compiled for municipal and small public water systems (PWS), rural domestic users, and irrigated agricultural demand. Municipal demand will use metered data, small PWS demand will be based on data reported to the California Department of Drinking Water and rural domestic demand will be estimated based on water use factors from the groundwater model and informed by work we are currently completing as part of the Paso Robles Groundwater Basin Cost of Service Rate Study.

Irrigated agricultural demand typically accounts for upwards of 90 percent of the total groundwater use in the Subbasin. Groundwater extraction for agricultural irrigation will be estimated using crop mapping, ground-truthed satellite acquired evapotranspiration (ET) data, and precipitation data produced by Land IQ. As was completed for the WY 2024 Annual Report, the estimated irrigated agricultural water demand analysis will include an estimation of and an adjustment for the portion of demand satisfied by effective precipitation¹. The ConfluenceES Team will prepare water use sector-specific groundwater use estimates, accompanied by a map indicating general extraction locations and volumes.

Assumptions: the Authority will provide access to pertinent spatial and tabular datasets, including WY 2025 crop mapping, monthly precipitation and ground-truthed ET data produced

¹ Effective Precipitation: the portion of rainfall that remains in the soil profile available to meet crop evapotranspiration needs after runoff, evaporation, and deep percolation are removed.

by Land IQ. The Authority will also provide authorization to communicate directly with Land IQ regarding these datasets.

Surface Water Supply

SGMA regulations require that an accounting of available surface water supplies and surface water use be incorporated into the annual report. These data will be compiled by water use sector, described, and incorporated into the total water use data compilation and descriptions.

Total Water Use

The total water use for WY 2025 will be reported by source and water use sector in tabular and graphical format. Presentation of the data will include the method of measurement and a qualitative assessment of the accuracy of the measurement methodology.

Change in Groundwater in Storage

The annual change in groundwater in storage specific to WY 2025 and the cumulative change in groundwater in storage will be presented in the WY 2025 Annual Report. The annual change in groundwater in storage will be derived from a comparison of fall groundwater elevation contour maps from one year to the next. For this analysis, fall 2024 groundwater elevations will be subtracted from the fall 2025 groundwater elevations resulting in a map that depicts the changes in groundwater elevations that occurred during WY 2025. The volume change inferred from this groundwater elevation change map will represent a total volume, including the volume displaced by the aquifer material and the volume of groundwater stored within the void spaces of the aquifer. From this result the change in groundwater in storage will be estimated by multiplying the total volume by the aquifer storage coefficient (S), a unitless factor. The ConfluenceES Team will prepare a change in groundwater in storage estimate for each principal aquifer. The WY 2025 change of groundwater in storage will be presented as a change in groundwater elevation map (one for each principal aquifer) and in a graph showing annual and cumulative change in groundwater in storage and water year type.

Task 2. Annual Report Development

The ConfluenceES Team will prepare the WY 2025 Annual Report generally following the outline below, as presented in *A Guide to Annual Reports, Periodic Evaluations, & Plan Amendments* (DWR, 2023):

1. Executive Summary
2. Data Analysis Summary
 - a. Groundwater Elevation
 - b. Groundwater Extraction
 - c. Surface Water Supply
 - d. Total Water Use
 - e. Change in Storage
3. Progress Toward Implementation
 - a. Current Conditions for Each Sustainability Indicator
 - b. Projects and Management Actions
 - c. Progress Made on Addressing Recommended Corrective Actions in the Department's GSP Determination (for approved Plans)
 - d. Other Information on Implementation Progress

e. Reporting Monitoring Data as Appendices

In addition, an Annual Report Elements Guide will be developed including specific water use information using DWR templates.

The ConfluenceES Team will prepare an Administrative Draft of the WY 2025 Annual Report for review by Authority staff. Following comment from the Authority staff, our Team will prepare a Public Draft of the report to be presented at an Authority board meeting. Public comments will be compiled, organized and included in an appendix of the report. After addressing public comments, the ConfluenceES Team will complete a Draft Final and Final report with an intervening period of review from Authority staff. The Final Report shall include the ConfluenceES Team's professional stamps and signatures.

Assumptions: the Authority will provide timely review of draft reports and provide mechanism to post the Public Draft report for public review and comment.

Task 3. Meetings, Stakeholder Feedback, and Project Management

The ConfluenceES Team intends to complete the WY 2025 Annual Report on time and within budget by drawing on the collective experience and expertise of our streamlined team, leveraging our long-established relationships with GSA staff and using the same workflows and procedures that have resulted in successful delivery of the first six Paso Robles Subbasin annual reports.

As project manager, Nate Page will ensure that the project proceeds on schedule and will provide regular progress reports to the Authority regarding status of scope, schedule and budget.

The ConfluenceES Team will coordinate with the Authority and key stakeholders on the development and review of the WY 2025 Annual Report. Our Team has budgeted for the following meetings and public outreach initiatives:

- Up to three working-session virtual meetings with Authority staff and key stakeholders.
- Facilitate and lead a public outreach meeting on the Draft WY 2025 Annual Report.
- Present at two Authority board meetings, including preparation of PowerPoint presentations.

Assumptions: the Authority will provide the physical location for the meeting if the public outreach meeting is to be held in-person and the Authority will assist with noticing the meeting.

Task 4. Annual Report Submittal

Following final Authority approval of the annual report, the ConfluenceES Team will submit the Final WY 2025 Annual Report and Annual Report Elements Guide to DWR in accordance with DWR's requirements no later than April 1, 2026.

The ConfluenceES Team will also verify that groundwater elevation readings representing the seasonal low and seasonal high groundwater conditions for the GSP groundwater elevation RMS wells in the Subbasin are uploaded to DWR Monitoring Network Module electronically by the Department's deadlines.

Assumption: the contractor hired by the San Luis Obispo County Groundwater Sustainability Department (GSD) to perform the WY 2025 spring and fall groundwater elevation monitoring will perform the required data uploads to DWR.

Task 5. Post Submission Follow Up with DWR (if required)

The ConfluenceES Team will remain available to support the Authority with providing supplemental data or developing responses if required by DWR during their review of the WY 2025 Annual Report. Our cost estimate includes a level of effort to review any correspondence received from DWR and drafting of a scope to fulfill any requests. The full scope for this task would be determined after receipt of DWR comments, as the complexity of this task would depend on the extent of the comments. If authorized, the work would be performed in accordance with our schedule of fees associated with this project.

Schedule

Ensuring adherence to your schedule is a top priority for the ConfluenceES Team. The schedule below details a plan to deliver the final WY 2025 Annual Report by April 1, 2026. If any deviations arise, our team will promptly address them and propose a solution to the Authority staff.

	2025		2026		
Milestone	NOV	DEC	JAN	FEB	MAR
Notice to Proceed (11/21/2025)					
Kickoff meeting (12/1/2025)					
Prepare Administrative Draft Annual Report					
Administrative Draft to Authority (2/13/2026)					
Authority staff review (2/13/2026–2/20/2026)					
Revise Administrative Draft and deliver Public Draft					
Public Draft posted for review (2/27/2026)					
Public Comment Period (2/27/2026–3/13/2026)					
Public Outreach Meeting (TBD)					
Document/address comments and revise report					
Final Draft for Authority approval (3/20/2026)					
Authority review					
Minor revisions and preparation of Final Report					
Submittal to DWR (no later than 4/1/2026)					

Cost Estimate

The ConfluenceES Team proposes a total Not to Exceed (NTE) fee of \$85,026 for the completion of WY 2025 Annual Report. The compensation shall be paid on a “Time and Materials” basis, at the rates specified in the table below. Estimated hours and cost for each task, personnel billing rates, reimbursable expenses, and the estimated total project cost are presented below.

		ConfluenceES					Cleath-Harris Geologists					ODCs			
		Principal Engineer	Senior Engineer/Hydrogeo	Associate Engineer			Principal	Env. Sci	Staff Geo				Misc Costs and Printing		
		Dan Heime	Nate Page	Charlotte Arnao	Total Hours	ConfluenceES Total	Spencer Harris	Tim Kershaw	Staff Geo	Total Hours	Total Subs	Subs Markup		Total ODCs	Total
Billing Rate:		\$ 265	\$ 245	\$ 165			\$ 200	\$ 170	\$ 150			10%	1%		
Task 1 – Data Collection and Analysis															
	Task Total	3	54	32	89	\$ 19,305	9	64	6	79	\$ 13,580	\$ 1,358	\$ 193	\$ 1,551	\$ 34,436
Task 2 – Annual Report Development															
	Task Total	3	48	28	79	\$ 17,175	16	26	0	42	\$ 7,620	\$ 762	\$ 172	\$ 934	\$ 25,729
Task 3 – Meetings, Stakeholder Feedback, and Project Management															
	Task Total	17	48	24	89	\$ 20,225	3	10	0	13	\$ 2,300	\$ 230	\$ 202	\$ 432	\$ 22,957
Task 4 – Annual Report Submittal															
	Task Total	0	1	4	5	\$ 905	0	0	0	0	\$ -	\$ -	\$ 9	\$ 9	\$ 914
Task 5 – Post Submission Follow Up with DWR (if required)															
	Task Total	0	4	0	4	\$ 980	0	0	0	0	\$ -	\$ -	\$ 10	\$ 10	\$ 990
Total		23	155	88	266	\$ 58,590	28	100	6	134	\$ 23,500	\$ 2,350	585.9	\$ 2,936	\$ 85,026

PROFESSIONAL SERVICES AGREEMENT FOR CONSULTANT SERVICES

This agreement is made and entered into, effective November __, 2025 between the PASO ROBLES AREA GROUNDWATER AUTHORITY ("Authority"), and Confluence Engineering Solutions, Inc., a California Corporation ("Consultant"). Authority and Consultant are sometimes referred to collectively herein as the "Parties".

RECITALS

WHEREAS, the Authority desires to contract with Consultant for the professional hydrogeology and engineering services as set forth on exhibit "A" and incorporated herein by this reference (the "Project").

WHEREAS, Consultant represents that it has the qualifications and technical skills, experience and expertise to perform these services for the Authority.

NOW THEREFORE, based on the terms and conditions herein, the parties agree as follows:

1. Scope of Services

Consultant shall provide Authority with professional services in accordance with the terms and provisions of this Agreement.

Consultant warrants that its services shall be performed in a manner consistent with the level of care and skill ordinarily exercised by hydrogeology and engineering professionals under similar circumstances in the same or similar locality. No other warranty or representation, express or implied, is included or intended by Consultant's Proposal, this Agreement, or any reports or documents prepared herewithin.

Subject to the terms and conditions set forth in this Agreement, Consultant shall provide Authority the services described in the Scope of Work in Exhibit "A", attached hereto and incorporated herein as though set forth in full.

2. Term of Contract

Unless otherwise earlier terminated as specified in Section 17, this Agreement shall commence on the date set forth above and shall expire at completion of the Project no later than November 4, 2026. Consultant shall complete all work in accordance with the timelines set forth in the Proposal, unless both the Authority and Consultant agree, in writing, to an extension. Any such extension to the Term of Contract shall specify a date by which all work shall be completed.

3. Force Majeure

The time period(s) specified in the Term of Contract for performance of the services rendered pursuant to this Agreement will be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, if the Consultant shall, within ten (10) days of the commencement of such delay, notify the Authority

in writing of the causes of the delay. The extent of delay and extension of the time for performing the services shall be set by mutual agreement between the Authority and Consultant and recorded in writing. In no event will Consultant be entitled to recover damages against the Authority for any delay in the performance of this Agreement, however caused; Consultant's sole remedy being extension of the Agreement pursuant to this Section.

4. Independent Contractor Relationship

- a. It is expressly understood between the parties that no employee/employer relationship is intended, the relationship of Consultant to Authority being that of an independent contractor. Authority shall not be required to make any payroll deductions or provide Workers' Compensation Insurance coverage or health benefits to Consultant.
- b. Consultant is solely responsible for selecting the means, methods and procedures for performing its services hereunder as assigned by the Authority and for coordinating all portions of the work so the results will be satisfactory to Authority. Consultant will supply all tools and instruments required to perform its services under this Agreement.
- c. Pursuant to this Agreement, Consultant is rendering professional services only and any payments made to it are compensation solely for such services as it may render and recommendations it may make in the performance of services.

5. Compensation Rates

Authority Agrees to pay Consultant for services performed and reimbursable costs in accordance with the rates and terms contained in the Exhibit "A". The total amount billed for the Project shall not exceed _____ (\$_____) unless additional payment is approved in writing by Authority. The hourly rates shown in Exhibit "A" are subject to annual adjustments effective each anniversary of the contract signing date.

6. Payment to Consultant

Authority shall pay Consultant monthly in proportion to the services performed plus reimbursable expenses and charges for additional services within thirty (30) days after receipt of Consultant's invoices in a form approved by Authority's, with the exception of any disputed amounts which shall be withheld until resolution of the dispute.

7. Assistance by Authority

Authority agrees to provide to Consultant available information of relevance to Consultant's work, including all data and documents pertaining to the Project. Authority pledges to work cooperatively with Consultant and render all reasonable assistance toward completion of Consultant's work.

8. Ownership of Documentation

All maps, data, reports and other documentation (other than Consultant's drafts, notes and internal memoranda), including duplication of same prepared by Consultant in the

performance of these services, shall become the property of the Authority and shall be retained by the Consultant for a period of three years after completion of the Project. If requested by the Authority, all, or the designated portions of such documentation, shall be delivered to the Authority.

9. Examination of Records

Consultant agrees that Authority shall have access to and the right to examine at any reasonable time and on reasonable notice Consultant's documents, papers and records, including accounting records, relating to or involving this Agreement.

10. Insurance

During the Term, Consultant shall maintain commercial general liability coverage in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate.

Consultant shall maintain automobile insurance at covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the service to be performed under this Agreement in an amount not less than \$1, 000,000 combined.

Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate.

Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

Consultant shall submit to Authority along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Authority, its officers, agents, employees and volunteers. Coverage shall be primary and general liability policies shall provide or be endorsed to provide that Authority, its officers, agents, employees and volunteers.

11. Indemnification

Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless Authority from damages, liabilities, and costs to the extent such liabilities, and costs are caused by Consultant's willful misconduct, recklessness, negligent acts, errors, or omissions in the performance of the services under this agreement. Notwithstanding the foregoing, neither Consultant nor Authority shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected to this Agreement or the performance of the services under this Agreement and Consultant's total indemnity obligation under this agreement shall not exceed the lesser of \$500,000 of the amount paid to Consultant under this Agreement.

12. Severability and Survival

If any of the provisions contained in this Agreement are held illegal, invalid, or unenforceable, the other provisions shall remain in full effect. Limitations of liability shall survive termination of this Agreement for any cause.

13. Assignments

Neither party shall have the power to or will assign any of the duties or rights or any claim arising out of or related to this Agreement, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable.

14. Notice

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile, or overnight courier service during Client's and Consultant's regular business hours; (ii) on the second business day following deposit in the United States mail if delivered by mail, postage prepaid, or (iii) the day of delivery if delivered by email, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

To Consultant:

Daniel Heimel
Confluence Engineering Solutions, Inc.
PO Box 7098 Los Osos, CA 93412
danheimel@confluencees.com

To Authority:

Paso Robles Area Groundwater Authority
PO Box 82 Paso Robles, CA 93447
info@PasoRoblesAGA.org

15. Terms

No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral understanding or agreement not incorporated herein shall be binding on any of the parties.

16. Incorporation of Recitals

The foregoing recitals are incorporated herein as though fully set forth.

17. Termination of Contract

This Agreement may be terminated for convenience on 30 days' written notice or if either party fails substantially to perform through no fault of the other and does not commence correction of such nonperformance within 5 days of written notice and diligently complete the correction thereafter. The preceding sentence does not apply to a non-payment for services rendered, at which time, Authority shall be deemed to be in default and Consultant may suspend services. On termination, Consultant will be paid for all authorized work performed up to the termination date.

18. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any dispute between the parties shall be filed and heard in a court of competent jurisdiction in San Luis Obispo County, California.

19. Nondiscrimination

Consultant agrees that he will abide by all applicable federal, state, and local laws, rules and regulations concerning nondiscrimination and equal opportunity in contracting. Such laws include, but are not limited to, the following; Title VII of the Civil Rights Act of 1964 as amended; the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; and California Labor Code sections 1101 and 1102. Consultant shall not discriminate against any employee, subcontractor, or officer of the Authority because of race, age, color, ancestry, religion, sex/gender, sexual orientation or identification, mental disability, physical disability, national origin, political beliefs, organizational affiliation, or marital status in the selection for training, hiring, contracting, utilization, or other forms of compensation. Consultant shall not discriminate in providing the services under this Agreement because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation or identification, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, marital status, or other category protected under the law. If Authority finds that any of these provisions have been willfully violated, such violation shall constitute a material breach of Agreement upon which Authority may determine to cancel, terminate, or suspend this Agreement. In addition to an independent finding by Authority of such violation, a finding by the State of California or by the United States of a violation shall constitute a finding by Authority of such violation.

20. Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment, and to all other reasonable costs for investigating such action, taking depositions and discovery, including all other necessary costs the court allows which are incurred in such litigation.

21. Conflict of Interest.

- a. Consultant shall comply with all conflict of interest laws and regulations.
- b. Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the Authority in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the Authority has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the Authority to any and all remedies at law or in equity.

- c. No member, officer, or employee of Authority, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any Agreement or sub-Agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.
- d. Consultant is not aware of any other clients of Consultant that would place Consultant in a "conflict of interest" as that term is defined in the Political Reform Act, California Government Code section 81000 et. seq. Authority acknowledges that Consultant has worked for or is currently working on various matters for other entities with interests in the Paso Robles Groundwater Basin, including County of San Luis Obispo, City of Paso Robles, Shandon San Juan Water Authority, and Estrella-El Pomar-Creston Water Authority, however no decision of Authority is reasonably anticipated to affect Consultant's income, assets or liabilities. If an actual conflict of interest arises or Authority decides that an unacceptable dispute, conflict, or adverse interest exists or is about to arise, Authority shall not seek to disqualify Consultant from working for any of said entities but will instead provide written notice of the unacceptable conflict and work with Consultant to resolve including via waiver by Authority, of such conflict. If Authority cannot resolve the conflict, Authority may terminate this Agreement. Authority will execute any and all documents necessary to implement this section.

22. Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

AUTHORITY:

PASO ROBLES AREA GROUNDWATER AUTHORITY

By: _____

_____, _____
Paso Robles Area Groundwater Authority

CONSULTANT:

Confluence Engineering Solutions, Inc.,
a California Corporation

By: _____

Daniel Heimel, President
Confluence Engineering Solutions, Inc.

Exhibit A: Consultant Proposal