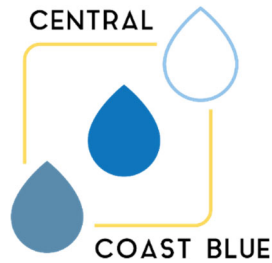


*Board of Directors*  
*Caren Ray Russom, Chair*  
*Karen Bright, Vice Chair*  
*Ed Waage, Board Member*



**CENTRAL COAST BLUE  
REGIONAL RECYCLED WATER AUTHORITY  
BOARD OF DIRECTORS  
REGULAR MEETING AGENDA**

**MONDAY, JUNE 3, 2024, 5:15 P.M.  
ARROYO GRANDE CITY COUNCIL CHAMBERS  
215 E. BRANCH STREET, ARROYO GRANDE, CA 93420**

Virtual Participation Option: <https://us02web.zoom.us/j/86752345420>  
Or by telephone: 1-669-900-6833; 1-346-248-7799 / Enter Webinar ID 867 5234 5420

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*This meeting is being conducted in a hybrid in-person/virtual format. Members of the public may participate and provide public comment during the meeting, in person at the location identified above, virtually at the Zoom link provided above, and/or by submitting written public comments to the Board via email to [clerk@centralcoastblue.com](mailto:clerk@centralcoastblue.com). Written comments received by 2:00 p.m. on the day of the Board meeting will be posted to the Authority's website as supplemental information to the Agenda. If submitting written comments in advance of the meeting, please note the agenda item by number or name.*

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**1. CALL TO ORDER**      Chair Ray Russom

**2. ROLL CALL**

**3. PLEDGE OF ALLEGIANCE**

**4. 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.

**5. PUBLIC COMMENTS**

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.

## **6. CONSENT AGENDA**

The following Consent Agenda items will be acted upon by a single action of the Board unless otherwise requested by an individual Board Member for separate consideration.

6.a. **Approval of Meeting Minutes**

**Recommendation:** Approve the minutes of the Regular Board Meeting of February 5, 2024 and the Special Board Meetings of February 19, 2024 and March 18, 2024.

6.b. **Treasurer's Report for the Quarter Ending on March 31, 2024**

**Recommendation:** Receive and file the Treasurer's Report for the quarter ending March 31, 2024.

6.c. **Third Quarter Financial Report for Fiscal Year 2024**

**Recommendation:** Receive and file the quarterly financial report for the quarter ending on March 31, 2024.

6.d. **Appointment of Interim Treasurer for Central Coast Blue Regional Recycled Water Authority and Adoption of a Resolution Updating the Authorizing Signatories for Banking Purposes**

**Recommendation:** 1) Appoint Nick Szamet to serve as the Interim Treasurer for the Central Coast Blue Regional Recycled Water Authority Joint Powers Authority; and 2) Adopt a Resolution updating the authorized signatories for the purposes of executing checks for the withdrawal of funds.

## **7. NEW BUSINESS**

7.a. **Consideration of a Request by the City of Pismo Beach to Amend the Joint Exercise of Powers Agreement to Add the Pismo Beach Financing Agency as a Member Agency**

**Recommendation:** Recommend to the member agencies of the Central Coast Blue Regional Recycled Water Authority an amendment of the Joint Exercise of Powers Agreement in substantially the form shown in Attachment 2, to add the Pismo Beach Public Financing Agency as a member agency and direct the General Manager to notify the member agencies of the Board's action.

7.b. **Acknowledge and Accept Written Notices of Intent from the Cities of Arroyo Grande and Grover Beach to Withdraw from the Joint Exercise of Powers Agreement**

**Recommendation:** Acknowledge and accept the notices of intent from the Cities of Arroyo Grande and Grover Beach to withdraw from the Joint Exercise of Powers Agreement for the Central Coast Blue Project effective June 30, 2024, and waive the 180-day notice requirement.

7.c. **Accept Written Request from the General Manager to Terminate Vendor Agreement for Professional Services Effective June 30, 2024**

**Recommendation:** Accept the request for termination of the Vendor Agreement for Professional Services with Geoff English effective June 30, 2024.

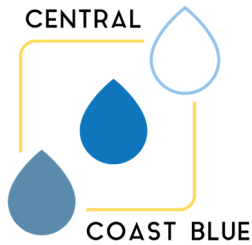
## **8. GENERAL MANAGER REPORT**

## **9. BOARD COMMUNICATIONS**

## **10. ADJOURNMENT**

*This agenda was prepared pursuant to Government Code Section 54954.2 and posted at the following locations: Central Coast Blue Regional Recycled Water Authority, 177 S. Eighth Street, Grover Beach, CA; Arroyo Grande City Hall, 300 E. Branch Street, Arroyo Grande, CA; Pismo Beach City Hall, 760 Mattie Road, Pismo Beach, CA; and Grover Beach City Hall, 154 S. 8<sup>th</sup> Street, Grover Beach, CA. The Agenda and reports can be accessed and downloaded from the Authority's website at [www.centralcoastblue.com](http://www.centralcoastblue.com). All documents related to an item on this agenda submitted to the Board after distribution of the agenda packet are available for public review by appointment by contacting [clerk@centralcoastblue.com](mailto:clerk@centralcoastblue.com) or 805-418-6560 prior to the meeting. Such documents will also be made available on the Authority's website at [www.centralcoastblue.com](http://www.centralcoastblue.com) subject to staff's ability to post the documents online prior to the meeting.*

*If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for disability-related modification or accommodation, contact the Central Coast Blue Regional Recycled Water Authority office at 805-418-6560 as soon as possible and at least 72 hours prior to the meeting date.*



## ***CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY AGENDA REPORT***

**Agenda Item 6.a.**

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**SUBJECT/TITLE:**

Approval of Meeting Minutes

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**RECOMMENDATION:**

Approve the minutes of the Regular Board Meeting of February 5, 2024 and the Special Board Meetings of February 19, 2024 and March 18, 2024.

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**BACKGROUND:**

Attached for the Board's consideration are the draft minutes of the subject meetings for review and approval.

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**FISCAL IMPACT:**

There is no fiscal impact associated with this action.

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**ALTERNATIVES:**

1. Amend and approve the Minutes.

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**ATTACHMENTS:**

1. Draft Action Minutes for February 5, 2024
2. Draft Action Minutes for February 19, 2024
3. Draft Action Minutes for March 18, 2024

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**Submitted by:**

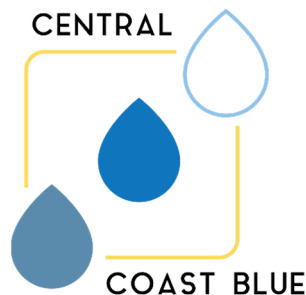
Kelly Wetmore, Interim Secretary/Clerk of the Board

**Meeting Date:** June 3, 2024

**Approved by:**

Geoff English, General Manager





## **ACTION MINUTES**

**CENTRAL COAST BLUE  
REGIONAL RECYCLED WATER AUTHORITY BOARD  
REGULAR BOARD MEETING  
MONDAY, FEBRUARY 5, 2024, 5:15 PM  
ARROYO GRANDE CITY COUNCIL CHAMBERS  
215 E. BRANCH STREET  
ARROYO GRANDE, CALIFORNIA**

### **1. CALL TO ORDER**

Chair Ray Russom called the regular meeting to order at 5:18 p.m.

### **2. PLEDGE OF ALLEGIANCE**

Chair Ray Russom led the pledge of allegiance.

### **3. ROLL CALL**

Board Members Present: Caren Ray Russom, Chair  
Karen Bright, Vice-Chair  
Ed Waage, Board Member

Board Members Absent: None

Staff Present: Geoff English, General Manager  
Kelly Wetmore, Interim Secretary/Clerk of the Board  
Lorena Zarate, Treasurer  
Jennifer Thompson, Assistant Attorney

### **4. AGENDA REVIEW**

General Manager English requested, and the Board concurred, that Item 7.b. be pulled from the agenda and continued to the next regular meeting of March 4, 2024.

### **5. PUBLIC COMMENTS**

Chair Ray Russom called for public comment on items not listed on the agenda. The following members of the public provided comment:

- Pamela Storton (material submitted to the Board)
- Debbie Peterson
- Debra Early
- Kenneth Lieman
- Speaker (no name provided)
- Brenda Auer

- Paul Masters
- Speaker (no name provided)
- Jeff Edwards
- Julie Tacker

## **6. CONSENT AGENDA**

Chair Ray Russom called for public comment. The following members of the public provided comment:

- Debra Early, regarding Item 6.c.
- Debbie Peterson, regarding Item 6.c.
- Brenda Auer, regarding Item 6.b.

**Action:** Board Member Waage moved to approve Consent Agenda Items 6.a. through 6.e., with the recommended courses of action. Vice-Chair Bright seconded, and the motion passed on the following roll call vote:

**AYES:** Waage, Bright, Ray Russom  
**NOES:** None  
**ABSENT:** None  
**ABSTAIN:** None  
**RECUSED:** None

### **6.a. Approval of Meeting Minutes.**

**Recommendation:** Approved the minutes of the Regular Board Meeting of December 4, 2023.

### **6.b. Quarterly Treasurer's Report for the Quarter Ending on December 31, 2023.**

**Recommendation:** Received and filed the Treasurer's Report for the quarter ending December 31, 2023.

### **6.c. Audited Financial Statements for the Year Ended June 30, 2023.**

**Recommendation:** Received and filed the Audited Financial Statements for Fiscal Year 2022-23.

### **6.d. Approval of Amendments to the Purchasing Policy.**

**Recommendation:** Adopted a Resolution amending the Purchasing Policy.

Legislative Record: **Resolution No. JPA R-2024-001** adopted.

### **6.e. Resolution Electing to Become Subject to the Uniform Public Construction Cost Accounting Act.**

**Recommendation:** Adopted a Resolution electing to become subject to the Uniform Public Construction Cost Accounting Act as set forth in the California Public Contract Code.

Legislative Record: **Resolution No. JPA R-2024-002** adopted.

## **7. NEW BUSINESS**

### **7.a Consideration of Fiscal Year 2023-24 Mid-Year Budget Adjustments**

**Recommendation:** Approve the mid-year budget adjustments for Fiscal Year 2023-24.

**Presenting Staff:** Geoff English, General Manager

**Public Comment:** Chair Ray Russom called for public comment. The following members of the public provided comment:

- Brenda Auer
- Paul Masters
- Debra Early
- Kenneth Lieman

**Action:** Vice-Chair Bright moved to approve the mid-year budget adjustments for Fiscal Year 2023-24. Board Member Waage seconded, and the motion passed on the following roll call vote:

**AYES:** Bright, Waage, Ray Russom  
**NOES:** None  
**ABSENT:** None  
**ABSTAIN:** None  
**RECUSED:** None

### **7.b. Approval of an Agreement for Professional Legal Services and Appointment of an Attorney for the Central Coast Blue Regional Recycled Water Authority**

**Recommendation:** 1) Approve and authorize the Board Chair to execute an Agreement for Professional Legal Services with Adamski Moroski Madden Cumberland & Green LLP to provide legal services for a term through June 30, 2027; and 2) Appoint Chase W. Martin to serve as the Attorney for the Central Coast Blue Regional Recycled Water Authority Joint Powers Authority.

**Presenting Staff:** Geoff English, General Manager, recommended the Board continue this item to the next regular meeting.

**Public Comment:** Chair Ray Russom called for public comment. No public comments were received.

**Action:** Board Member Waage moved to continue this item to the next regular meeting. Vice-Chair Bright seconded, and the motion passed on the following roll call vote:

**AYES:** Waage, Bright, Ray Russom  
**NOES:** None  
**ABSENT:** None  
**ABSTAIN:** None  
**RECUSED:** None

### **8. GENERAL MANAGER REPORT**

General Manager English provided an overview of grant funding secured to date for the project; reported on reductions proposed in the State budget for the Water Recycling Funding Program and commented that efforts are underway to modify the proposed budget to retain the grant funds; commented that a Federal Title XVI grant application had been submitted in December with award notification anticipated in May; and provided an update on community outreach efforts.

### **9. BOARD COMMUNICATIONS**

There were no Board communications.

### **10. ADJOURNMENT**

There being no further business to come before the Board, Chair Ray Russom adjourned the meeting at 6:49 p.m.

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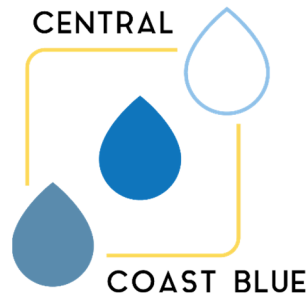
**Caren Ray Russom, Board Chair**

**ATTEST:**

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**Kelly Wetmore, Interim Secretary/Clerk**

**(Approved at Board Mtg \_\_\_\_\_)**



## **ACTION MINUTES**

**CENTRAL COAST BLUE  
REGIONAL RECYCLED WATER AUTHORITY  
SPECIAL BOARD MEETING  
MONDAY, FEBRUARY 19, 2024, 5:15 PM  
ARROYO GRANDE COUNCIL CHAMBER  
215 E. BRANCH STREET  
ARROYO GRANDE, CALIFORNIA**

### **1. CALL TO ORDER**

Chair Ray Russom called the meeting to order at 5:15 p.m.

### **2. PLEDGE OF ALLEGIANCE**

Chair Ray Russom led the pledge of allegiance.

### **3. ROLL CALL**

Board Members Present: Caren Ray Russom, Chair  
Karen Bright, Vice-Chair  
Ed Waage, Board Member

Board Members Absent: None

Staff Present: Geoff English, General Manager  
Kelly Wetmore, Interim Secretary/Clerk of the Board

### **4. PUBLIC COMMENTS**

Chair Ray Russom called for public comment on items listed on the Agenda. The following members of the public provided comment:

- Debra Early
- Debbie Peterson

### **5. CLOSED SESSION**

#### **ANNOUNCEMENT OF CLOSED SESSION ITEM**

General Manager English announced that the Board would meet in closed session to consider the following item:

**PUBLIC EMPLOYEE APPOINTMENT** pursuant to Government Code Section 54957  
Title: Authority Attorney

**ADJOURN TO CLOSED SESSION**

The Board adjourned to closed session.

**RECONVENE TO OPEN SESSION**

The Board reconvened to open session.

**CLOSED SESSION REPORT**

General Manager English reported that the Board received information regarding the status of the recruitment, the Board provided direction to the General Manager to continue recruitment efforts, and there was no reportable action taken on this item.

**6. ADJOURNMENT**

There being no further business to come before the Board, Chair Ray Russom adjourned the meeting at 5:54 p.m.

**APPROVED:**

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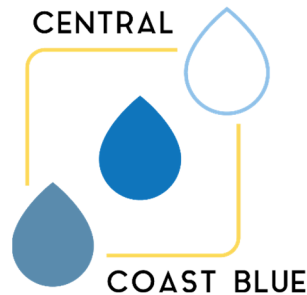
Caren Ray Russom, Board Chair

**ATTEST:**

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Kelly Wetmore, Interim Secretary/Clerk

(Approved at Board Mtg \_\_\_\_\_)



**ACTION MINUTES**

**CENTRAL COAST BLUE  
REGIONAL RECYCLED WATER AUTHORITY  
BOARD MEETING  
MONDAY, MARCH 18, 2024**

**CLOSED SESSION: 3:00 PM  
SPECIAL MEETING: 5:00 PM**

**ARROYO GRANDE COUNCIL CHAMBER  
215 E. BRANCH STREET  
ARROYO GRANDE, CALIFORNIA**

**CLOSED SESSION:**

**1. CALL TO ORDER**

Chair Barneich called the special meeting to order at 3:00 p.m.

**2. ROLL CALL**

Board Members Present: Kristen Barneich, Chair (Alternate)  
Karen Bright, Vice-Chair  
Ed Waage, Board Member

Board Members Absent: None

Staff Present: Geoff English, General Manager  
Kelly Wetmore, Interim Secretary/Clerk of the Board

**3. ANNOUNCEMENT OF CLOSED SESSION ITEM:**

General Manager English announced that the Board would meet in closed session to discuss the following:

**PUBLIC EMPLOYEE APPOINTMENT** pursuant to Government Code Section 54957  
Title: Authority Attorney

**4. PUBLIC COMMENT ON CLOSED SESSION ITEM ONLY**

Chair Barneich called for public comment. No comments were received.

**5. CLOSED SESSION**

The Board convened in Closed Session to discuss the item listed under Item 3 above. Announcements of any reportable action(s) taken in Closed Session will be made at the

beginning of the Special Meeting at approximately 5:15 pm as this portion of the meeting was not videotaped or recorded.

## **6. ADJOURNED**

### **SPECIAL MEETING:**

#### **1. CALL TO ORDER**

Chair Barneich called the special meeting to order at 5:15 p.m.

#### **2. ROLL CALL**

Board Members Present: Kristen Barneich, Chair (Alternate)  
Karen Bright, Vice-Chair  
Ed Waage, Board Member

Board Members Absent: None

Staff Present: Geoff English, General Manager  
Kelly Wetmore, Interim Secretary/Clerk of the Board  
Justin Pickard, Water Systems Consulting

#### **3. PLEDGE OF ALLEGIANCE**

Chair Barneich led the pledge of allegiance.

#### **4. CLOSED SESSION REPORTS**

##### **February 19, 2024 Special Meeting:**

**Public Employee Appointment** pursuant to Government Code Section 54957

Title: Authority Attorney

General Manager English reported that the Board met in Closed Session on February 19, 2024 regarding Public Appointment of an Attorney for the Authority pursuant to Government Code section 54957. The Board received information regarding the status of the recruitment, the Board provided direction to the General Manager to continue recruitment efforts, and there was no reportable action taken on this item.

##### **March 18, 2024 Special Meeting:**

**Public Employee Appointment** pursuant to Government Code Section 54957

Title: Authority Attorney

General Manager English reported that earlier this afternoon, the Board met in Closed Session regarding Public Appointment of an Attorney for the Authority pursuant to Government Code section 54957. The Board conducted interviews and provided direction to the General Manager, and there was no reportable action taken on this item.

#### **5. PUBLIC COMMENT**

Chair Barneich called for public comment on items listed on the agenda. The following members of the public provided comment:

- Brenda Auer
- Julie Tacker



- Speaker (no name provided)
- Linda Drummy
- Anna Mello
- Elizabeth Doukas
- Debbie Peterson
- Debra Early
- Pamela Storton
- Paul Masters

## **6. BUSINESS ITEM**

### **6.a. Central Coast Blue Project Update**

**Recommendation:** Receive an update on the Central Coast Blue Project and provide direction to staff to provide options for consideration at a future meeting to improve project community engagement.

**Presenting Staff:** Geoff English, General Manager  
Justin Pickard, Water Systems Consulting

General Manager English provided an introduction of the item and introduced Justin Pickard from Water Systems Consulting.

Justin Pickard, Water Systems Consulting, gave a presentation which highlighted the Authority's role in project delivery and operation; provided an overview of near-term water supply from Lopez Reservoir, groundwater, and State water sources; provided historical timelines of Lopez Lake storage levels, groundwater storage levels, and State water project allocations; reviewed the need for long term regional water supply; and provided a funding and financing update for the project. In summary, he stated that in consideration of the loss of grant funding, the increases in estimated construction costs, and the temporary improvements to the water supply conditions, the partner agencies are reviewing their individual water supply needs, risks and options, and evaluating funding opportunities. He further stated that on the project management front, the project team has paused detailed design; will be withdrawing the Coastal Development Permit application and the Grover Beach Use Permit application for the treatment facility; will be reevaluating the project timeline and evaluating opportunities to pursue additional funding; and pending the outcome of the individual partner agency water needs assessment, will evaluate value engineering and project delivery options to reduce the overall program cost.

General Manager English commented on increased public interest in the project and the need for increased community engagement. He recommended the Board provide direction to staff to prepare a report for near future consideration of options for increased community engagement, including the retention of a communication firm to provide assistance with project communication needs.

General Manager English and Mr. Pickard responded to questions from the Board.

**Public Comment:** Chair Barneich called for public comments. The following members of the public provided comment:

- Debbie Peterson
- Julie Tacker

- Elizabeth Doukas
- Brenda Auer
- Speaker (no name provided)
- Debra Ann Early
- April Dury
- Pamela Storton
- Jim Brange
- Linda Drummy
- Jeff Edwards

General Manager English responded to questions asked during public comment.

**Action:** No formal action was taken on this item. There was unanimous consensus from the Board to direct staff to prepare a report for future consideration of options for increased community engagement, including the retention of a communication firm to provide assistance with Project communication needs.

## **7. ADJOURNMENT**

There being no further business to come before the Board, Chair Barneich adjourned the meeting at 6:55 p.m.

**APPROVED:**

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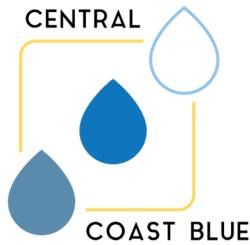
**Caren Ray Russom, Board Chair**

**ATTEST:**

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**Kelly Wetmore, Interim Secretary/Clerk**

**(Approved at Board Mtg \_\_\_\_\_)**



## ***CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY AGENDA REPORT***

**Agenda Item 6.b.**

---

### **SUBJECT/TITLE:**

**Treasurer's Report for the Quarter Ending on March 31, 2024**

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### **RECOMMENDATION:**

Receive and file the Treasurer's Report for the quarter ending March 31, 2024

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### **BACKGROUND:**

One of the assigned duties of the Treasurer for the Authority is to provide the Board with a summary of the Authority's cash activity. Attached hereto is the Quarterly Treasurer's Report for the quarter ending on March 31, 2024. The report includes:

- Cash balance as of March 31, 2024, and a comparison to the prior quarter.
- Details on cash inflows and outflows
- Accounts payable check listing

This report represents a routine quarterly Treasurer's Report for the Authority and reflects actual revenue and expenditures processed during the reporting quarter. The Board may request a different report format if desired.

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### **FISCAL IMPACT:**

The recommended action will result in no fiscal impact to the Authority.

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### **ALTERNATIVES:**

1. Receive and file the Quarterly Treasurer's Report, or
2. Do not accept report and provide the General Manager with alternative direction.

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### **ATTACHMENTS:**

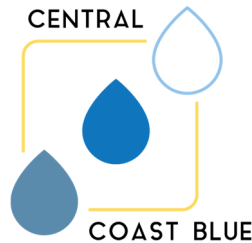
1. Quarterly Treasurer's Report for the Quarter Ending on March 31, 2024

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### **Prepared by:**

Lorena Zarate, Central Coast Blue Regional Recycled Water Authority, Treasurer

**Meeting Date:** June 3, 2024



## ***CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY***

### **Quarterly Treasurer's Report January 1, 2024 to March 31, 2024**

#### **Resources Description**

Balance as of December 31, 2023 \$ 105,796.44

#### Deposits:

FY2022-2023 Addt'l Contribution and reimburs. for UFI inv from AG	\$ 28,971.00
Rent Received for 980 Huber Lane	\$ 3,424.00
Refund from Office Depot for toner	\$ 208.89

Total Resources **\$ 32,603.89**

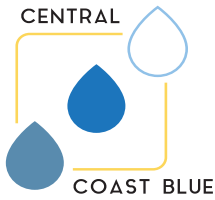
#### **Expenditures Description**

#### Check Run:

Jan 4, 2024	\$ 7,887.63
Jan 11, 2024	\$ 2,248.56
Jan 18, 2024	\$ 1,890.00
Jan 25, 2024	\$ 610.00
Feb 1, 2024	\$ 179.25
Feb 8, 2024	\$12,079.87
Feb 15, 2024	\$40,470.00
Feb 22, 2024	\$ 3,631.25
Feb 29, 2024	\$ 191.06
Mar 7, 2024	\$ 2,011.51
Mar 14, 2024	\$ 8,681.11
Mar 21, 2024	\$ 60.99

Total Expenditures **\$79,941.23**

**Cash Balance as of Mar 31, 2024 \$ 58,459.10**



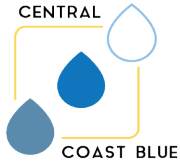
By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP - JPA-Mechanics Bank - JPA						
JPA10734	Elan Financial Services	01/04/2024	Regular	0	244.11	57
<a href="#">Dec 2023</a>	Invoice	01/02/2024	Dec 2023-Credit Card Charges for CCB JPA	0	244.11	
JPA10652	English, Geoffrey	01/04/2024	Regular	0	6087.77	58
<a href="#">Dec 2023</a>	Invoice	01/03/2024	Dec 2023-GM Service for CCB JPA	0	6087.77	
JPA10682	Wetmore, Kelly	01/04/2024	Regular	0	1555.75	59
<a href="#">KW-009</a>	Invoice	01/03/2024	Dec 23 - Interim Secretary/Clerk of the Boar	0	1555.75	

Bank Code AP - JPA Summary				
Payment Type	Payable	Payment	Discount	Payment
	Count	Count		
Regular Checks	3	3	0.00	7,887.63
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	3	3	0.00	7,887.63

Fund Summary

Fund	Name	Period	Amount
899	Central Coast Blue - JPA	1/2024	7887.63
			<hr/> 7887.63



By Check Number

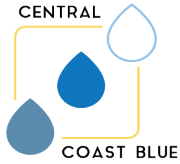
Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP - JPA-Mechanics Bank - JPA						
JPA10245	Confluence Engineering Solutions	01/11/2024	Regular	0	2193.75	60
<a href="#">1140</a>	Invoice	01/10/2024	Engineering for CCB JPA	0	2193.75	
JPA10853	ODP Business Solutions, LLC	01/11/2024	Regular	0	54.81	61
<a href="#">345027548001</a>	Invoice	01/11/2024	Office Supplies for CCB	0	47.52	
<a href="#">345333177001</a>	Invoice	01/11/2024	Office Supplies	0	7.29	

Bank Code AP - JPA Summary				
	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	3	2	0.00	2,248.56
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	3	2	0.00	2,248.56

Fund Summary

Fund	Name	Period	Amount
899	Central Coast Blue - JPA	1/2024	2248.56
			<hr/> 2248.56





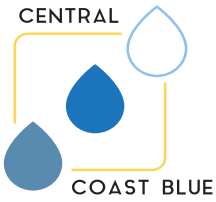
By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP - JPA-Mechanics Bank - JPA						
JPA10687	Lozano Smith, LLP	01/18/2024	Regular	0	1890	62
<a href="#">2206887</a>	Invoice	01/16/2024	Legal Services - Dec 2023	0	1890	

Bank Code AP - JPA Summary				
	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	1	1	0.00	1,890.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	1	1	0.00	1,890.00

Fund Summary

Fund	Name	Period	Amount
899	Central Coast Blue - JPA	1/2024	1890
			<hr/> 1890



CCB Regional Recycled Water Authority

# Check Report

By Check Number

Date Range: 01/25/2024 -

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP - JPA-Mechanics Bank - JPA						
JPA10875	Five Star Rain Gutters Inc	01/25/2024	Regular	0	610	63

Bank Code AP - JPA Summary

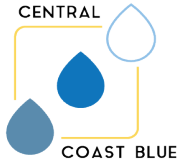
	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	1	1	0.00	610.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	1	1	0.00	610.00

## All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	1	1	0.00	610.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>1</b>	<b>1</b>	<b>0.00</b>	<b>610.00</b>

## Fund Summary

Fund	Name	Period	Amount
899	Central Coast Blue - JPA	1/2024	<u>610</u>
			<b>610</b>



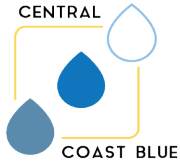
By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP - JPA-Mechanics Bank - JPA						
JPA10734	Elan Financial Services	02/01/2024	Regular	0	179.25	64
<a href="#">Jan 2024</a>	Invoice	01/29/2024	Credit card charges for CCB JPA	0	179.25	

Bank Code AP - JPA Summary				
	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	1	1	0.00	179.25
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	1	1	0.00	179.25

**Fund Summary**

<b>Fund</b>	<b>Name</b>	<b>Period</b>	<b>Amount</b>
899	Central Coast Blue - JPA	2/2024	179.25
			<hr/> 179.25



CCB Regional Recycled Water Authority

# Check Register

Packet: APPKT00319 - 2/8/24-CCB JPA Check Run

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
<b>Bank Code: AP - JPA-Mechanics Bank - JPA</b>						
JPA10245	Confluence Engineering Solutions	02/08/2024	Regular	0	1518.75	65
<a href="#">1144</a>	Invoice	02/07/2024	AWPF Alternatives Analysis Report	0	1518.75	
JPA10652	English, Geoffrey	02/08/2024	Regular	0	9164.62	66
<a href="#">Jan 24</a>	Invoice	02/06/2024	Jan 24 - GM Services for CCB JPA	0	9164.62	
JPA10682	Wetmore, Kelly	02/08/2024	Regular	0	1396.5	67
<a href="#">DW-010</a>	Invoice	02/06/2024	Jan 24-Interim Secretary/Clerk of the Board	0	1396.5	

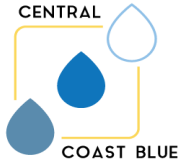
**Bank Code AP - JPA Summary**

	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	3	3	0.00	12,079.87
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	<b>3</b>	<b>3</b>	<b>0.00</b>	<b>12,079.87</b>

**Fund Summary**

<b>Fund</b>	<b>Name</b>	<b>Period</b>	<b>Amount</b>
899	Central Coast Blue - JPA	2/2024	12079.87
			<b>12079.87</b>





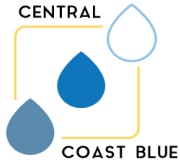
By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP - JPA-Mechanics Bank - JPA						
JPA10183	GLENN BURDETTE, INC	02/15/2024	Regular	0	15000	68
<a href="#">226319</a>	Invoice	02/14/2024	226319 - Audit FY 2022-23	0	15000	
JPA10860	Urban Futures	02/15/2024	Regular	0	25470	69
<a href="#">10/17/24</a>	Invoice	02/14/2024	Financial Advisory Fee ( Final Partial Paymer	0	25470	

Bank Code AP - JPA Summary				
	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	2	2	0.00	40,470.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	2	2	0.00	40,470.00

**Fund Summary**

<b>Fund</b>	<b>Name</b>	<b>Period</b>	<b>Amount</b>
899	Central Coast Blue - JPA	2/2024	40470
			<hr/> 40470



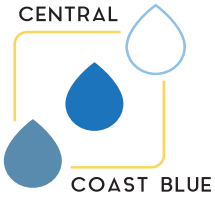
By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP - JPA-Mechanics Bank - JPA						
JPA10687	Lozano Smith, LLP	02/22/2024	Regular	0	3631.25	70
<a href="#">2209613</a>	Invoice	02/21/2024	2209613 - Legal Services Jan 2024	0	3631.25	

Bank Code AP - JPA Summary				
	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	1	1	0.00	3,631.25
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	1	1	0.00	3,631.25

**Fund Summary**

<b>Fund</b>	<b>Name</b>	<b>Period</b>	<b>Amount</b>
899	Central Coast Blue - JPA	2/2024	3631.25
			<hr/>
			<b>3631.25</b>



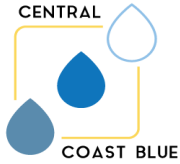
By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP - JPA-Mechanics Bank - JPA						
JPA10734	Elan Financial Services	02/29/2024	Regular	0	191.06	71
<a href="#">2/27/24</a>	Invoice	02/27/2024	CCB Purchases-Adobe Pro & Online Services	0	191.06	

Bank Code AP - JPA Summary				
	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	1	1	0.00	191.06
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	1	1	0.00	191.06

Fund Summary

Fund	Name	Period	Amount
899	Central Coast Blue - JPA	2/2024	191.06
			<hr/> 191.06



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP - JPA-Mechanics Bank - JPA						
JPA10853	ODP Business Solutions, LLC	03/07/2024	Regular	0	100.51	72
<a href="#">356795953001</a>	Invoice	03/05/2024	356795953001 - Office Supplies	0	100.51	
JPA10682	Wetmore, Kelly	03/07/2024	Regular	0	1911	73
<a href="#">Feb 2024</a>	Invoice	03/05/2024	Interim Secretary/Clerk of the Board CCB JP	0	1911	

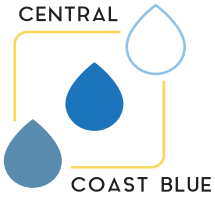
Bank Code AP - JPA Summary

	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	2	2	0.00	2,011.51
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	2	2	0.00	2,011.51

Fund Summary

Fund	Name	Period	Amount
899	Central Coast Blue - JPA	3/2024	2011.51
			<u>2011.51</u>





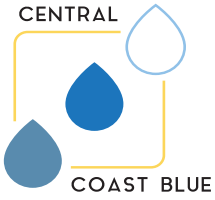
By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP - JPA-Mechanics Bank - JPA						
JPA10652	English, Geoffrey	03/14/2024	Regular	0	8681.11	74
<a href="#">2024-February</a>	Invoice	03/11/2024	Feb 2024 GM Services for CCB	0	8681.11	

Bank Code AP - JPA Summary				
	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	1	1	0.00	8,681.11
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	1	1	0.00	8,681.11

**Fund Summary**

<b>Fund</b>	<b>Name</b>	<b>Period</b>	<b>Amount</b>
899	Central Coast Blue - JPA	3/2024	8681.11
			<hr/>
			<b>8681.11</b>



CCB Regional Recycled Water Authority

# Check Register

Packet: APPKT00419 - 3/21/24 - CCB JPA Check Run

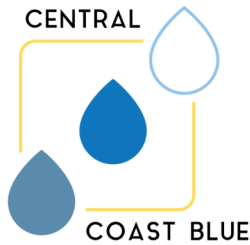
By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Payable Date	Payable Description	Discount Amount	Payable Amount	
Bank Code: AP - JPA-Mechanics Bank - JPA						
JPA10853	ODP Business Solutions, LLC	03/21/2024	Regular	0	60.99	75
<a href="#">357635009001</a>	Invoice	03/20/2024	Office Supplies	0	60.99	

Bank Code AP - JPA Summary				
	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	1	1	0.00	60.99
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	1	1	0.00	60.99

Fund Summary

Fund	Name	Period	Amount
899	Central Coast Blue - JPA	3/2024	60.99
			<hr/> 60.99



## **CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY AGENDA REPORT**

**Agenda Item 6.c.**

---

### **SUBJECT/TITLE:**

**Third Quarter Financial Report for Fiscal Year 2024**

---

### **RECOMMENDATION:**

Receive and file the quarterly financial report for the quarter ending on March 31, 2024.

---

### **BACKGROUND:**

On June 19, 2023, the Board approved and adopted the Fiscal Year 2023-2024 Central Coast Blue Regional Recycled Water Authority Budget. The Approved Budget included operational expenditures of approximately \$162,327 for the fiscal year 2024, to be funded by contributions from the three (3) participating agencies based on the Cost Sharing Arrangement established in Section 6.3.2 of the Joint Exercise of Powers Agreement as follows:

- City of Arroyo Grande - (25%)      \$40,581.75
- City of Grover Beach - (36%)      \$58,437.72
- City of Pismo Beach - (39%)      \$63,307.53

Subsequently, the Board approved budget adjustments related to the mid-year budget review on February 5, 2024, for a total amount of \$130,900, to be funded by contributions from the member agencies, as follows:

- City of Arroyo Grande - (25%)      \$39,445
- City of Grover Beach - (36%)      \$29,844
- City of Pismo Beach - (39%)      \$61,611

Attached hereto is the Q3 2024 Budget to Actual report. This report contains unaudited information and covers revenue and expenditure activity from July 2023 through March 2024. As a general rule, expenditures should be approximately 75% of the budget at the end of the third quarter. The Q3 2024 Budget to Actual report shows total expenditures are within budget and less than 75% so far year-to-date.

---

### **FISCAL IMPACT:**

The recommended action will result in no fiscal impact to the Authority.

---

### **ALTERNATIVES:**

1. Receive and file the FY 2023-24 third quarter financial report; or
2. Do not approve and provide the General Manager with alternative direction.

---

### **ATTACHMENTS:**

1. Q3 2024 Budget to Actual Report

---

**Prepared by:**

Lorena Zarate, Central Coast Blue Regional Recycled Water Authority Treasurer

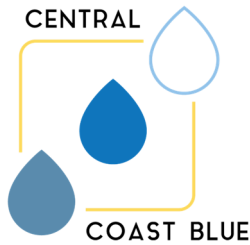
**Meeting Date:** June 3, 2024

# CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY

## Quarterly Budget to Actual Report July 1, 2023 to March 31, 2024

		Current Adjusted Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Spent
<b>Fund: 899 - Central Coast Blue - JPA</b>					
<b>Revenue</b>					
<a href="#">899-000-43020-000</a>	Rents	10,000.00	11,484.00	1,484.00	115%
<a href="#">899-000-45070-000</a>	Miscellaneous	293,227.00	237,327.00	(55,900.00)	81%
	<b>Revenue Total:</b>	<b>303,227.00</b>	<b>248,811.00</b>	<b>(54,416.00)</b>	<b>82%</b>
<b>Expense</b>					
<a href="#">899-000-51000-000</a>	Services - Administrative	200,417.00	152,651.08	47,765.92	76%
<a href="#">899-000-51010-000</a>	Advertising and Notices	500.00	-	500.00	0%
<a href="#">899-000-51040-000</a>	Services - Auditing	10,000.00	15,000.00	(5,000.00)	150%
<a href="#">899-000-51080-000</a>	Services - Communications	3,900.00	700.00	3,200.00	18%
<a href="#">899-000-51140-000</a>	Dues and Subscriptions	2,000.00	678.08	1,321.92	34%
<a href="#">899-000-51230-000</a>	Insurance	10,000.00	-	10,000.00	0%
<a href="#">899-000-51250-000</a>	Services - Legal	41,550.00	16,626.50	24,923.50	40%
<a href="#">899-000-51280-000</a>	Miscellaneous Fees/Charges	15,500.00	-	15,500.00	0%
<a href="#">899-000-51290-000</a>	Supplies - Operating	3,960.00	2,085.99	1,874.01	53%
<a href="#">899-000-51310-000</a>	Postage and Shipping	100.00	11.99	88.01	12%
<a href="#">899-000-51340-000</a>	Rentals & Leases - Facilities	500.00	1,060.00	(560.00)	212%
<a href="#">899-000-51450-000</a>	Training and Education - Staff	2,000.00	1,491.61	508.39	75%
<a href="#">899-000-51470-000</a>	Utilities - Electricity	2,100.00	46.64	2,053.36	2%
<a href="#">899-000-51520-000</a>	Utilities - Water	700.00	-	700.00	0%
	<b>Expense Total:</b>	<b>293,227.00</b>	<b>190,351.89</b>	<b>102,875.11</b>	<b>65%</b>
<b>Fund: 899 - Central Coast Blue - JPA Surplus (Deficit):</b>		<b>10,000.00</b>	<b>58,459.11</b>	<b>48,459.11</b>	
<b>Report Surplus (Deficit):</b>		<b>10,000.00</b>	<b>58,459.11</b>	<b>48,459.11</b>	

Report contains Unaudited Information



## **CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY AGENDA REPORT**

**Agenda Item 6.d.**

---

### **SUBJECT/TITLE:**

**Appointment of Interim Treasurer for Central Coast Blue Regional Recycled Water Authority and Adoption of Resolution Updating the Authorized Signatories for Banking Purposes**

---

### **RECOMMENDATION:**

1) Appoint Nick Szamet to serve as the Interim Treasurer for the Central Coast Blue Regional Recycled Water Authority Joint Powers Authority; and 2) Adopt a Resolution updating the authorized signatories for the purposes of executing checks for the withdrawal of funds.

---

### **BACKGROUND:**

The Joint Exercise of Powers Agreement (“Agreement”) created by the City Councils of the Cities of Arroyo Grande, Grover Beach, and Pismo Beach established the Central Coast Blue Regional Recycled Water Authority (“Authority”) and provided specific provisions for appointment of a Treasurer for the Authority.

Article 4 of the Agreement (Officers and Employees of the Authority) provides specific language relevant to the appointment of the Treasurer position. See the relevant section of the Agreement below:

***4.1 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 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.

The office of Treasurer is crucial to the operations of the Authority and plays an integral role in financial administration. On April 17, 2023, Lorena Zarate, Finance Manager for the City of Grover Beach, was appointed to the position of Authority Treasurer. Ms. Zarate recently accepted a position with another government entity and left her positions with the City of Grover Beach and the Authority effective May 16, 2024.

The Treasurer position oversees the financial administration component of the current services agreement between the City of Grover Beach and the Central Coast Blue Regional Recycled Water Authority. Due to recent actions by the City Councils of Grover

Beach and Arroyo Grande to withdraw from the Joint Powers Agreement, it is especially important that the Treasurer position be filled in order to provide continued management and oversight of the Authority's finances and to assist in the pending disposition of the JPA. It is recommended that Nick Szamet, City of Grover Beach Administrative Services Director, be appointed to fill the role of Interim Treasurer.

Additionally, on April 17, 2023, the Board adopted Resolution No. JPA R-2023-004 updating the authorized signatories to execute checks for the withdrawal of funds. The appointment of a new Treasurer will necessitate another update to the banking Resolution to authorize Mr. Szamet to conduct necessary banking business associated with the position of Interim Treasurer (Attachment 1).

### **Conclusion and Recommendation**

It is recommended that the Board appoint Nick Szamet to serve as the Interim Treasurer for the Central Coast Blue Regional Recycled Water Authority Joint Powers Authority; and adopt a Resolution updating the authorized signatories for the purposes of executing checks for the withdrawal of funds.

---

### **FISCAL IMPACT:**

Pursuant to Section 4 of the JPA Agreement, the Authority shall compensate Grover Beach for such services in the amount equal to the direct costs incurred by Grover Beach in providing the services. Direct costs shall consist of salary and benefit costs for time dedicated exclusively by employees in performing services for the JPA. No overhead costs shall be charged.

---

### **ALTERNATIVES:**

1. Do not approve the appointment or adopt the Resolution and provide direction to the General Manager.

---

### **ATTACHMENTS:**

1. Proposed Resolution

---

### **Prepared by:**

Geoff English, Central Coast Blue Regional Recycled Water Authority, General Manager

**Meeting Date:** June 3, 2024



**RESOLUTION NO. JPA R-2024-XXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
CENTRAL COAST BLUE REGIONAL RECYCLED WATER  
AUTHORITY UPDATING THE LIST OF AUTHORIZED  
SIGNATORIES FOR THE PURPOSES OF EXECUTING CHECKS  
FOR THE WITHDRAWAL OF FUNDS**

---

**WHEREAS**, the Central Coast Blue Regional Recycled Water Authority (“Authority”) was created on or about October 7, 2022, following approval of the Joint Exercise of Powers Agreement Creating the Central Coast Blue Regional Recycled Water Authority (“Agreement”) by the City Councils of the Cities of Arroyo Grande, Grover Beach, and Pismo Beach; and

**WHEREAS**, Section 1.6 of the Agreement identifies the Powers of the Authority, including but not limited to the power to employ and pay contractors and employees of the Authority; and

**WHEREAS**, on February 15, 2023, the Board adopted Resolution No. JPA R-2023-001 authorizing the General Manager to open and maintain a bank account on behalf of the Authority and establishing authorized signatories to execute checks for the withdrawal of funds; and

**WHEREAS**, on April 17, 2023, the Board appointed the City of Grover Beach Finance Manager, Lorena Zarate, as the Treasurer for the Authority and adopted Resolution No. JPA R-2023-004 updating the authorized signatories to execute checks for the withdrawal of funds; and

**WHEREAS**, Lorena Zarate resigned her position as Finance Manager of the City of Grover Beach and Treasurer of the Authority effective May 16, 2024; and

**WHEREAS**, on June 3, 2024, the Board appointed the City of Grover Beach Administrative Services Director, Nick Szamet, as the Interim Treasurer for the Authority.

**WHEREAS**, the Board shall update and authorize the list of authorized signatories for the purposes of executing checks for the withdrawal of funds.

**NOW, THEREFORE BE IT RESOLVED** by the Board of Directors of the Central Coast Blue Regional Recycled Water Authority as follows:

1. That the Authority employees in the positions listed below are hereby authorized to enter into agreements to deposit or withdraw money from financial institutions located in California, including United States branches of foreign banks licensed to do business in California, upon a determination of financial soundness of such financial institutions.

Board Chair  
General Manager  
Treasurer

**RESOLUTION NO. JPA R-2024-XXX**

**PAGE 2**

2. That the employees listed below are currently filling the designated positions as of the date of this Resolution.

Board Chair: Caren Ray Russom

General Manager: Geoff English

Treasurer: Nick Szamet

3. This Resolution supersedes Resolution No. JPA R-2023-004 dated April 17, 2023, and any and all other resolutions inconsistent herewith.

On motion of Board Member \_\_\_\_\_, seconded by Board Member \_\_\_\_\_, and on the following roll call vote, to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**RECUSED:**

the foregoing Resolution was passed and adopted this \_\_\_\_ day of June, 2024.

---

**CAREN RAY RUSSOM, BOARD CHAIR**

**ATTEST:**

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**KELLY WETMORE, INTERIM SECRETARY/CLERK**

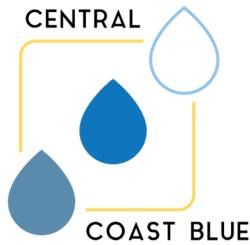
**CERTIFICATION**

I, Kelly Wetmore, Interim Secretary/Clerk of the Board, do hereby certify that the foregoing Resolution was duly adopted at a special meeting of the Board of Directors of the Central Coast Blue Regional Recycled Water Authority on the \_\_\_\_ day of \_\_\_\_\_, 2024.

Executed this \_\_\_\_ day of June, 2024.

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**KELLY WETMORE, INTERIM SECRETARY/CLERK**



## ***CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY AGENDA REPORT***

### **Agenda Item 7.a.**

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#### **SUBJECT/TITLE:**

**Consideration of a Request by the City of Pismo Beach to Amend the Joint Exercise of Powers Agreement to Add the Pismo Beach Financing Agency as a Member Agency**

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#### **RECOMMENDATION:**

Recommend to the member agencies of the Central Coast Blue Regional Recycled Water Authority JPA an amendment of the Joint Exercise of Powers Agreement in substantially the form shown in Attachment 2, to add the Pismo Beach Public Financing Agency as a member agency and direct the General Manager to notify the member agencies of the Board's action.

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#### **BACKGROUND:**

The cities of Arroyo Grande, Grover Beach, and Pismo Beach ("member agencies") entered into a Joint Exercise of Powers Agreement ("Agreement") in October 2022, which included provisions to govern the development and management of the Central Coast Blue Project ("Project").

As noted in a later item on the Board's agenda, the cities of Arroyo Grande and Grover Beach have submitted formal notices of intent to withdraw from the Agreement, as well as from the related Cost-Sharing Agreement. Pursuant to Section 8.2 of the Agreement, withdrawal is effective one hundred eighty (180) days after written notice is provided to the Authority. Under the Agreement, withdrawal from the Authority constitutes a withdrawal of that member agency's representatives from the Board of Directors.

Pismo Beach has expressed its interest in continuing the existence of the Authority to preserve the previous investment in the joint powers governance entity and the opportunity to develop the Project notwithstanding the withdrawal of Arroyo Grande and Grover Beach from the Authority. To that end, Pismo Beach has requested that it be permitted to present a proposed amendment to the Agreement to the other member agencies that would accomplish a number of matters, generally outlined as follows:

1. The Agreement would be amended to remove Arroyo Grande and Grover Beach as Member Agencies, and to add the Pismo Beach Public Financing Agency as a Member Agency;
2. The Agreement would be amended to change the Water Purveyor Contributions to reflect the withdrawal of Arroyo Grande and Grover Beach, and setting the allocation of costs at 100% for Pismo Beach;
3. The Agreement would be amended to remove the restriction prohibiting the Authority's attorney from being counsel to one of the Member Agencies;

4. The Agreement would be amended to remove the provision that Arroyo Grande and Grover Beach would participate in the division of remaining assets upon the dissolution of the Authority at some undetermined point in the future; and
5. Other conforming changes would be made to the Agreement to reflect the withdrawal of Arroyo Grande and Grover Beach and the addition of the Pismo Beach Public Financing Agency.

The purpose of this report and accompanying presentation is to facilitate discussion among the Board members regarding the proposed changes to the Agreement, and to obtain a recommendation from the Board to the respective member agencies to amend the Agreement to accomplish the matters discussed above.

Amendments to the Agreement are specially addressed in Article 8 Termination/ Withdrawal/ Amendment of the JEPA as shown below:

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.

The immediate fiscal impact of this recommendation is expected to be neutral, as the drafting of the amendment to the Agreement has been undertaken by Pismo Beach. Should the Board approve the recommendation, staff anticipates a future reduction in costs to the Authority due to Pismo Beach assuming the administrative operation of the Authority upon approval of the amendment by the member agencies.

#### **CONCLUSIONS AND RECOMMENDATIONS:**

It is recommended that the Board approve a recommendation to the current member agencies to amend the Agreement in substantially the form shown in Attachment 2, and to direct the General Manager to notify the member agencies of the Board's action.

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#### **FISCAL IMPACT:**

Fiscal impacts described in this report.

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#### **ALTERNATIVES:**

None.

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#### **ATTACHMENTS:**

1. Joint Exercise of Powers Agreement Creating the Central Coast Blue Regional Recycled Water Authority
2. Proposed Amendment to JPA Agreement

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**Meeting Date:** June 3, 2024

**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.

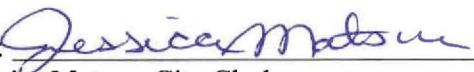
*[Signatures on following page.]*

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.

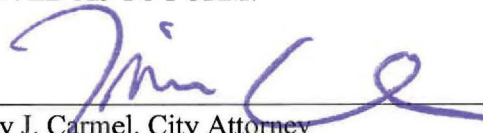
**CITY OF ARROYO GRANDE:**

By:   
Caren Ray Russon, Mayor  
Date: 9/27/22

ATTEST:

By:   
Jessica Matson, City Clerk  
Date: 9/29/22

APPROVED AS TO FORM:

By:   
Timothy J. Carmel, City Attorney  
Date: 9/29/22

**CITY OF GROVER BEACH:**

By: \_\_\_\_\_  
Jeff Lee, Mayor  
Date: \_\_\_\_\_

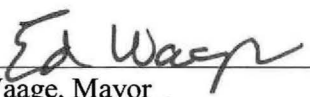
ATTEST:

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: 10/17/22

ATTEST:

By:   
Erica Inderlied, City Clerk  
Date: 10/17/2022

APPROVED AS TO FORM:

By:   
David M. Fleishman, City Attorney  
Date: 6 OCTOBER 2022

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 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: \_\_\_\_\_

**CITY OF GROVER BEACH:**

By: \_\_\_\_\_  
Jeff Lee, Mayor  
Date: 9/27/22

ATTEST:

By: Wendi Sims  
Wendi Sims, City Clerk  
Date: 9/27/2022

APPROVED AS TO FORM:

By: \_\_\_\_\_  
David P. Hale, City Attorney  
Date: 9/27/22

**AMENDMENT NUMBER 1  
TO JOINT EXERCISE OF POWERS AGREEMENT  
CREATING THE CENTRAL COAST BLUE  
REGIONAL RECYCLED WATER AUTHORITY**

This Amendment Number 1 to Joint Exercise of Powers Agreement Creating the Central Coast Blue Regional Recycled Water Authority ("First Amendment") is effective as of June 30, 2024 (the "Effective Date").

**WHEREAS**, the Cities of Arroyo Grande, Grover Beach and Pismo Beach (each a "Member Agency" and collectively the "Member Agencies") entered into a joint exercise of powers agreement ("Agreement") for the Member Agencies' participation in the Central Coast Blue Project, which established the Central Coast Blue Regional Recycled Water Authority ("Authority"); and

**WHEREAS**, the Parties wish to amend the Agreement to reflect the withdrawal of Arroyo Grande and Grover Beach effective June 30, 2024; and

**WHEREAS**, the Parties wish to amend the Agreement with this First Amendment to reflect the addition of the Pismo Beach Public Financing Agency as a member agency under the Agreement effective June 30, 2024; and

**WHEREAS**, Section 8.5 of the Agreement requires that any amendment to the Agreement be approved by the governing body of each Member Agency upon recommendation of the Board of Directors of the Authority, which recommendation was given on June 3, 2024.

**NOW, THEREFORE**, Arroyo Grande, Grover Beach and Pismo Beach hereto agree as follows:

1. Section 1.1.9 is revised to read as follows:

"Construction Costs shall mean the cost incurred as of the effective date of the first construction contract for Phase 1 of the Project through the determination by the Parties that construction of Phase 1 is complete, including the cost of the purchase of the Facility site for the Project. Construction Cost does not include legal expenses attributable to each Party's City Attorney, retained counsel or their associates."

2. Section 1.1.13 is revised to read as follows:

Facility Site is defined in Section 1.5.2 herein.

3. Section 1.1.16 is revised to read as follows:

"Member Agency(ies) means Pismo Beach, the Pismo Beach Public Financing Agency, and any other entity added to this Agreement by subsequent amendment."

4. The first sentence of Section 1.2 is revised to read as follows:

"This Agreement is made pursuant to the Act by Pismo Beach and the Pismo Beach Public Financing Agency, each of which is authorized to contract with the other pursuant hereto."

5. Section 1.5.1 is revised to read as follows:

Phase 1 of Project. 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.

6. Section 1.5.2 is revised to read as follows:

"Pismo Beach has previously transferred to the Authority Facility Parcel #1, which is located in Grover Beach and identified as Assessor's Parcel Number 060-543-016. Prior to June 30, 2024, Grover Beach shall complete the transfer to the Authority of Facility Parcel #2, which is located in Grover Beach and identified as Assessor's Parcel Number 060-543-007 (collectively Facility Parcels #1 and #2 are referred to as the "Facility Site")." The Authority shall own all Facilities located at the Facility Site, including, but not limited to, the real property, buildings, water and treatment facilities, and support infrastructure and assets, injection wells and related transmission lines."

7. Section 1.5.4 is revised to read as follows:

"To finance Construction Costs, 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."

8. Section 1.6.2(ii) is revised to read as follows:

"To employ agents, attorneys, consultants and employees or to contract for personnel to fulfill its mission and purpose."

9. Section 2.1 is revised to read as follows:

"Creation. Until such time as additional member agencies are added to this Agreement through amendment under Section 8.5, the Authority shall be governed by a board of two (2) 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."

10. Section 2.2.1 is revised to add the following sentence at the end of the existing section:

"Any Member Agency which joins the Authority pursuant to an amendment to this Agreement shall designate and appoint a regular and alternate representative in the manner described in this section upon the effective date of such amendment."

11. Section 4.3 is revised to read as follows:

"Authority Attorney. The Attorney for the Authority shall be engaged by the Board of Directors and may be the attorney for one of the Member Agencies. 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."

12. The first sentence of Section 6.2.2 is revised to read as follows:

"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."

13. Section 6.3.2 of is revised to read as follows:

"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. Pismo Beach shall contribute 100%.

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

14. The existing second paragraph of Section 7.3 shall be stricken entirely and revised to read as follows:

"The respective obligation of each Party to make payments herein with respect to the Pre- Construction and Construction Costs of Phase 1 or in furtherance of the objective and purpose of this Agreement, is a special, limited obligation payable solely from net revenues of each party' s respective Enterprise fund(s), and does not constitute a debt or pledge of the faith and credit of each Party or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction. The payments made under this Agreement, if any, are payable from net revenues of each party's respective

Enterprise fund(s) on such a basis as is dictated by each Party's existing debt instruments. The respective obligation of each Party to make payments hereunder or in furtherance of the objective and purpose of this Agreement is further subject to the Parties establishing sufficient net revenues to fund the obligations of this Agreement, which includes, but is not limited to, approval by the Parties' governing bodies for an increase in enterprise user fees sufficient to meet the above obligations of this Agreement, the successful implementation of a Proposition 218 protest hearing wherein the Parties are authorized to proceed with approval of a fee increase, and the attainment of Proposition 1 Groundwater Grant Program Grant Funding by the State Water Resources Control Board."

15. Section 8.3 is revised to read as follows:

"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, only those Member Agencies who are parties to this Agreement at the time of termination shall be permitted to participate in disbursement of Authority assets. Notwithstanding the foregoing sentence, Arroyo Grande and Grover Beach shall be entitled to reimbursement for their respective shares of the purchase price of Facility Site #1 and Facility Site #2 as follows: not later than 30 days following full execution of this First Amendment by the Parties, Pismo Beach shall remit to Arroyo Grande the sum of \$499,855.34, and to Grover Beach the sum of \$719,791.71.

Notwithstanding anything to the contrary set forth in any other agreements among the Parties approving the amendment revising this Section 8.3, and notwithstanding the withdrawal from this Agreement of any Party, the Parties hereto acknowledge and agree that the recycled water injected into the ground pursuant to this Agreement, as well as all new developed water subsequently extracted, is New Developed Water as defined in the January 25, 2008 Judgment entered by the Santa Clara Superior Court in the Santa Maria Groundwater Adjudication litigation."

16. Section 9.3 shall be revised to delete the last sentence in its entirety, which currently reads:

"This section shall not be deemed to supersede, extinguish, or modify the indemnification provisions in the Cost Sharing Agreement."

17. Section 10.2 is revised to read as follows:

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

Pismo Beach Public Financing Agency  
Attention: Executive Director  
760 Mattie Road Pismo Beach, CA 93449”

18. Section 10.3 is revised to read as follows:

“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.”

Except as set forth herein, all other terms and conditions of the Agreement, shall remain in full force and effect.

Dated: \_\_\_\_\_

City of Arroyo Grande

\_\_\_\_\_  
Caren Ray Russom, Mayor

Attest:

\_\_\_\_\_  
Jessica Matson, City Clerk

Dated: \_\_\_\_\_

City of Grover Beach

\_\_\_\_\_  
Karen Bright, Mayor

Attest:

\_\_\_\_\_  
Wendi Sims, City Clerk

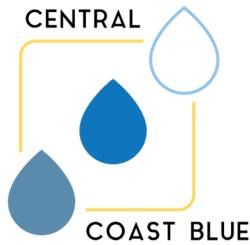
Dated: \_\_\_\_\_

City of Pismo Beach

\_\_\_\_\_  
Ed Waage, Mayor

Attest:

\_\_\_\_\_  
Erica Inderlied, City Clerk



## **CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY AGENDA REPORT**

### **Agenda Item 7.b.**

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#### **SUBJECT/TITLE:**

**Acknowledge and Accept Written Notices of Intent from the Cities of Arroyo Grande and Grover Beach to Withdraw from the Joint Exercise of Powers Agreement**

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#### **RECOMMENDATION:**

Acknowledge and accept the notices of intent from the Cities of Arroyo Grande and Grover Beach to withdraw from the Joint Exercise of Powers Agreement for the Central Coast Blue Project effective June 30, 2024, and waive the 180-day notice requirement.

---

#### **BACKGROUND:**

In the Fall of 2022, the Cities of Arroyo Grande, Grover Beach and Pismo Beach, public agencies 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, entered into a Joint Exercise of Powers Agreement (JEPA) to create the Central Coast Blue Regional Recycled Water Authority (JPA).

The purpose of the JEPA as stated in Article 1, Section 1.2 states as follows:

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.

Article 1, Section 1.5 designated the City of Pismo Beach as the Lead Agency as referenced in the companion Cost Sharing Agreement, as follows:

#### **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.

On March 18, 2024, the JPA Board of Directors received a report outlining changed conditions that had a significant financial impact on the Central Coast Blue Project. The changed conditions included the following:

- The loss of \$10 million of a previously awarded \$15 million State grant due to State budget constraints;
- An increase of approximately 40% over the originally projected cost, for a revised construction cost range estimate from \$85-112 million in 2022 to \$134-159 million in 2024; and
- Temporary improvements to the local water supply conditions that potentially will provide 4 to 5 years of sufficient water supply based on projections from the water managers of the partner agencies.

As a result of the above stated changed conditions, the Central Coast Blue Project was placed on “pause” while the JPA member agencies evaluated their separate water supply needs and plans. During this process, the City Councils of Arroyo Grande and Grover Beach have each taken action to begin the process of exiting the JPA. Written Notices of Intent to Withdraw from the JPA from both member agencies have been received by the Authority (Attachments 2 and 3).

The potential for the separation of member agencies from the JPA and Cost Sharing Agreement was anticipated during the formation of the JPA. As outlined in Section 8.2. of the Joint Exercise of Powers Agreement (JEPA), “[...] 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 [...]”. Therefore, upon notice from two member agencies and expiration of the 180-day period, those agencies will be removed from the JPA. The respective effective dates for removal under the JEPA terms are as follows:

- City of Grover Beach: November 12, 2024, or sooner upon mutual agreement.
- City of Arroyo Grande: November 13, 2024, or sooner upon mutual agreement.

With the withdrawal of these two member agencies, the City of Pismo Beach will be the only remaining member of the JPA. The City of Pismo Beach has requested the addition of the Pismo Beach Public Financing Agency as a member agency of the JPA along with accompanying amendments to the JEPA agreement to preserve the investments made to the formation of the JPA. If the requested amendments to the JPA agreement are approved, they will be forwarded to the member agencies for consideration in June.

Contingent upon approval by all three member agencies of the proposed amendments to the Joint Exercise of Powers Agreement, the effective date of removal from the JPA is proposed to be June 30, 2024, necessitating waiver of the 180-day notice requirement.

## **Conclusion and Recommendation**

It is recommended that the Board acknowledge and accept the Notices of Intent from the Cities of Arroyo Grande and Grover Beach to withdraw from the Joint Exercise of Powers Agreement for the Central Coast Blue Project, effective June 30, 2024, and waive the 180-day notice requirement.

---

### **FISCAL IMPACT:**

Pursuant to Section 8.3 of the Agreement, the departing member agencies shall pay their share of budgeted expenses for the current fiscal year ending on June 30, 2024. If the effective date of withdrawal is approved as June 30, 2024, then the departing member agencies shall have no obligation to contribute towards any budgeted expenses incurred by the Authority for the fiscal year beginning July 1, 2024.

The departing member agencies shall continue to contribute their respective shares of liabilities and claims accrued by the Authority until the effective date of the member agencies' withdrawal, pursuant to Section 8.3. Any responsibilities or obligations of the member agencies under the terms of the Agreement shall cease upon the effective date of withdrawal, pursuant to Section 10.3 of the Agreement. The proposed effective date for the withdrawal for the two departing agency members is June 30, 2024, subject to member agency approval of the proposed amendment to the JEPA by all three member agencies.

---

### **ALTERNATIVES:**

1. Acknowledge and accept the Notices of Intent from the Cities of Arroyo Grande and Grover Beach to withdraw from the Joint Exercise of Powers Agreement for the Central Coast Blue Project, but do not waive the 180-notice requirement; or
2. Do not approve the recommended actions.

---

### **ATTACHMENTS:**

1. Joint Exercise of Powers Agreement (JEPA)
2. Grover Beach Notice of Intent to Withdraw from the JPA dated May 22, 2024
3. Arroyo Grande Notice of Intent to Withdraw from the JPA dated May 17, 2024

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**Prepared by:**

Geoff English, Central Coast Blue Regional Recycled Water Authority, General Manager

**Meeting Date:** June 3, 2024

**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.

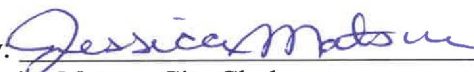
*[Signatures on following page.]*

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.

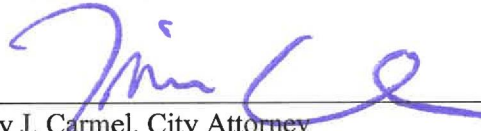
**CITY OF ARROYO GRANDE:**

By:   
Caren Ray Russon, Mayor  
Date: 9/27/22

ATTEST:

By:   
Jessica Matson, City Clerk  
Date: 9/29/22

APPROVED AS TO FORM:

By:   
Timothy J. Carmel, City Attorney  
Date: 9/29/22

**CITY OF GROVER BEACH:**

By: \_\_\_\_\_  
Jeff Lee, Mayor  
Date: \_\_\_\_\_

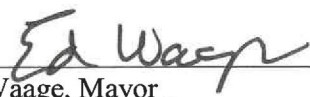
ATTEST:

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: 10/17/22

ATTEST:

By:   
Erica Inderlied, City Clerk  
Date: 10/17/2022

APPROVED AS TO FORM:

By:   
David M. Fleishman, City Attorney  
Date: 6 OCTOBER 2022

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 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: \_\_\_\_\_

**CITY OF GROVER BEACH:**

By: \_\_\_\_\_  
Jeff Lee, Mayor  
Date: 9/27/22

ATTEST:

By: Wendi Sims  
Wendi Sims, City Clerk  
Date: 9/27/2022

APPROVED AS TO FORM:

By: \_\_\_\_\_  
David P. Hale, City Attorney  
Date: 9/27/22





# City of Grover Beach

Mayor Karen Bright

Mayor Pro Tem Robert Robert

Council Member Daniel Rushing, Council Member Clint Weirick, Council Member Zach Zimmerman

Matthew Bronson  
City Manager

May 22, 2024

Mr. Geoff English  
General Manager  
Central Coast Blue Regional Recycled Water Authority  
177 S. 8th St.  
Grover Beach, CA 93433

Re: Notice of Intent to Withdraw from Central Coast Blue Regional Recycled Water Authority

Dear Mr. English:

The City of Grover Beach ("City"), as authorized by its City Council at its May 13, 2024 regular meeting, and pursuant to Section 8.2 of the Joint Exercise of Powers Agreement Creating the Central Coast Blue Regional Recycled Water Authority ("Agreement") hereby notifies the Central Coast Blue Regional Recycled Water Authority ("Authority"), and each of its Member Agencies, of the City's intent to withdraw from the Authority, effective November 12, 2024, unless City and Authority mutually agree to an Agreement amendment allowing for an earlier withdrawal. Section 8.2 of the Agreement provides as follows, in pertinent part:

[A]ny Member Agency may withdraw from the Authority by providing the Authority with one hundred eighty (180) days written notice of its intent to withdraw.

Pursuant to Section 8.3 of the Agreement, the City shall pay its share of budgeted expenses for the current fiscal year ending on June 30, 2024, but the City shall have no obligation to contribute towards any budgeted expenses incurred by the Authority for the fiscal year beginning July 1, 2024. Additionally, the City shall continue to contribute its share of liabilities and claims accrued by the Authority until the effective date of the City's withdrawal, pursuant to Section 8.3. Otherwise, any responsibilities or obligations of the City under the terms of the Agreement shall cease upon the effective date of withdrawal, pursuant to Section 10.3 of the Agreement.

Upon the effective date of the withdrawal, the City's representatives on the Authority Board of Directors shall also be withdrawn, and the Authority's obligation to indemnify the City, pursuant to Section 9.3 of the Agreement, shall remain in effect. If the Agreement is

terminated following the City's withdrawal, the City must be treated like all other Member Agencies for purposes of disbursement of Authority assets, as required by Sections 8.3 and 8.4 of the Agreement.

The City looks forward to continuing to work with its regional partners, including the other Member Agencies, on long-term solutions to the region's water needs during this withdrawal period and in the future. Please contact Matthew Bronson, City Manager at (805) 473-4567 or [mbronson@groverbeach.org](mailto:mbronson@groverbeach.org) if you have any questions.

Sincerely,



Matthew Bronson  
City Manager

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

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



CITY OF  
**ARROYO GRANDE**  
CALIFORNIA

May 17, 2024

**VIA CERTIFIED MAIL**

Geoff English  
General Manager  
Central Coast Blue Regional Recycled Water Authority  
177 S. 8th St.  
Grover Beach, CA 93433

Re: Notice of Intent to Withdraw from Central Coast Blue Regional Recycled Water Authority

Dear Mr. English:

The City of Arroyo Grande (“City”), as authorized by its City Council at its May 14, 2024 regular meeting, and pursuant to Section 8.2 of the Joint Exercise of Powers Agreement Creating the Central Coast Blue Regional Recycled Water Authority (“Agreement”) hereby notifies the Central Coast Blue Regional Recycled Water Authority (“CCB”), and each of its members, of the City’s intent to withdraw from CCB, effective **November 13, 2024**, unless City and CCB mutually agree to a different effective date of withdrawal. Section 8.2 of the JPA provides as follows, in pertinent part:

[A]ny Member Agency may withdraw from the Authority by providing the Authority with one hundred eighty (180) days written notice of its intent to withdraw.

Pursuant to Section 8.3 of the Agreement, the City shall pay its share of budgeted expenses for the current fiscal year ending on June 30, 2024, but the City shall have no obligation to contribute towards any budgeted expenses incurred by CCB for the fiscal year beginning July 1, 2024. Additionally, the City shall continue to contribute its share of liabilities and claims accrued by CCB until the effective date of the City’s withdrawal, pursuant to Section 8.3. Otherwise, any responsibilities or obligations of the City under the terms of the Agreement shall cease upon the effective date of withdrawal, pursuant to Section 10.3 of the Agreement.

Upon the effective date of the withdrawal, the City’s representatives on the CCB Board of Directors shall also be withdrawn, and the CCB’s obligation to indemnify the City, pursuant to Section 9.3 of the Agreement, shall remain in effect. If the Agreement is terminated following the City’s withdrawal, the City must be treated like all other Member Agencies for purposes of disbursement of CCB assets, as required by Sections 8.3 and 8.4 of the Agreement.





CITY OF  
**ARROYO GRANDE**  
CALIFORNIA

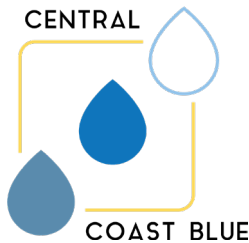
The City looks forward to continuing to work with its regional partners, including the other Member Agencies, on long-term solutions to the region's water needs during this withdrawal period and in the future. Please contact Matthew Downing, City Manager at (805) 473-5400 or [mdowning@arroyogrande.org](mailto:mdowning@arroyogrande.org) if you have any questions.

Sincerely,

Matthew Downing  
City Manager

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

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



## ***CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY AGENDA REPORT***

**Agenda Item 7.c.**

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### **SUBJECT/TITLE:**

**Accept Written Request from the General Manager to Terminate Vendor Agreement for Professional Services Effective June 30, 2024**

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### **RECOMMENDATION:**

Accept the request for termination of the Vendor Agreement for Professional Services with Geoff English effective June 30, 2024.

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### **BACKGROUND:**

On February 15, 2023, the Board approved a Vendor Services Agreement (“Agreement”) with Geoff English to serve as General Manager of the Central Coast Blue Regional Recycled Water Authority (“Authority”) managing day-to-day operations and activities, serving as the Executive Officer of the Authority, and supporting the Board of Directors in its efforts. The term of the Agreement is currently effective through December 31, 2025 (Attachment 1).

In light of recent actions by the member agencies and potential future actions, an earlier termination of the Agreement for General Manager services is warranted to minimize future expenditures and to assist with potential near future actions. As such, a request to terminate the Agreement between the Authority and the General Manager effective June 30, 2024, has been submitted to the Board by the General Manager (Attachment 2).

### **Conclusion and Recommendation**

It is recommended that the Board accept the request for termination of the Vendor Agreement for Professional Services with Geoff English effective June 30, 2024.

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### **FISCAL IMPACT:**

Approval of the recommended actions will reduce costs for the Authority by eliminating the contracted General Manager position.

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### **ALTERNATIVES:**

1. Accept the request with a later termination date.

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### **ATTACHMENTS:**

1. Vendor Agreement for Professional Services
2. Correspondence dated May 22, 2024

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### **Prepared by:**

Geoff English, Central Coast Blue Regional Recycled Water Authority General Manager

**Meeting Date:** June 3, 2024

**CENTRAL COAST BLUE REGIONAL RECYCLED WATER AUTHORITY  
VENDOR AGREEMENT FOR PROFESSIONAL SERVICES**

This Vendor Agreement for Professional Services ("AGREEMENT") is made and entered into as of the date the AGREEMENT is fully executed by all parties (the "Effective Date"), by and between the Central Coast Blue Regional Recycled Water Authority, a California Joint Powers Authority ("AUTHORITY"), and **Geoff English** ("VENDOR"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

**RECITALS:**

AUTHORITY wishes to retain the services of an experienced and qualified VENDOR to provide the following services:

**For service as General Manager of the AUTHORITY managing day-to-day operations and activities, serving as the executive officer of the AUTHORITY and supporting the joint powers authority Board of Directors in its efforts.**

VENDOR represents and warrants that it is qualified to perform those services.

**AGREEMENT:**

**I. SERVICES TO BE PERFORMED BY VENDOR**

VENDOR will provide the services **of the management, general administration and support of the AUTHORITY as the AUTHORITY'S executive officer**. VENDOR warrants that all work and services set forth will be performed in a competent, professional and satisfactory manner. Extra work beyond that described in this section is not authorized without the express written approval of AUTHORITY. VENDOR shall request and receive written approval prior to performing any extra work. Any work beyond that reflected in the role stated in this section shall not be compensated by AUTHORITY unless prior written approval was provided under this paragraph.

**II. TERM**

Unless earlier terminated in accordance with Section IV below, the AGREEMENT will continue in full force and effect from the Effective Date through **December 31, 2025**.

**III. COMPENSATION**

**A. VENDOR'S Fee**

For services rendered pursuant to this AGREEMENT, VENDOR will be paid \$87.91 per hour on a time and materials basis during the Term of this Agreement. However, in no event will the total amount of money paid VENDOR, for services initially contemplated by this AGREEMENT and associated expenses, exceed the sum of **one hundred thousand dollars (\$100,000)** in any calendar year, unless otherwise first approved in writing by AUTHORITY.

**B. Schedule of Payment**

VENDOR will submit invoices monthly for actual services performed and associated expenses. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made

within thirty (30) days of receipt of each invoice as to all non-disputed fees. If AUTHORITY disputes any of VENDOR's fees it shall give written notice to VENDOR within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this AGREEMENT shall be made within forty-five (45) days of receipt of an invoice therefor.

#### **IV. TERMINATION OF AGREEMENT**

- A. AUTHORITY may at any time, for any reason, with or without cause, suspend or terminate this AGREEMENT, or any portion hereof, by serving upon VENDOR at least ten (10) days' prior written notice. Upon receipt of said notice, VENDOR shall immediately cease all work under this AGREEMENT, unless the notice provides otherwise. If AUTHORITY suspends or terminates a portion of this AGREEMENT, such suspension or termination shall not make void or invalidate the remainder of this AGREEMENT.
- B. In the event this AGREEMENT is terminated pursuant to this Section, AUTHORITY shall pay to VENDOR the actual value of the work performed up to the time of termination, provided that the work performed is of value to AUTHORITY. Upon termination of the AGREEMENT pursuant to this Section, VENDOR will submit an invoice to AUTHORITY pursuant to Section III.

#### **V. FORCE MAJEURE**

If any party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, "acts of God," inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental control, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused for a period equal to the period of such cause for failure to perform.

#### **VI. RETENTION OF FUNDS**

VENDOR authorizes AUTHORITY to deduct from any amount payable to VENDOR (whether or not arising out of this AGREEMENT) any amounts the payment of which may be in dispute or that are necessary to compensate AUTHORITY for any losses, costs, liabilities, or damages suffered by AUTHORITY, and all amounts for which AUTHORITY may be liable to third parties, by reason of VENDOR's acts or omissions in performing or failing to perform VENDOR's obligations under this AGREEMENT. In the event that any claim is made by a third party, the amount or validity of which is disputed by VENDOR, or any indebtedness exists that appears to be the basis for a claim of lien, AUTHORITY may withhold from any payment due, without liability for interest because of the withholding, an amount sufficient to cover the claim. The failure of AUTHORITY to exercise the right to deduct or to withhold will not, however, affect the obligations of VENDOR to insure, indemnify, and protect AUTHORITY as elsewhere provided in this AGREEMENT.

#### **VII. AUTHORITY REPRESENTATIVE**

The Board Chair is designated as the "AUTHORITY Representative," authorized to act in its behalf with respect to the work and services specified in this AGREEMENT and to make all decisions in connection with this AGREEMENT. Whenever approval, directions, or other actions are required by AUTHORITY under this AGREEMENT, those actions will be taken by AUTHORITY Representative, unless otherwise stated. AUTHORITY's AUTHORITY Manager has the right to designate another AUTHORITY Representative at any time, by providing notice to VENDOR.

**VIII. VENDOR REPRESENTATIVE(S)**

The person(s) employed by VENDOR whose name(s) are set forth immediately following the signatures of the parties executing this AGREEMENT are designated as being the representative(s) of VENDOR authorized to act on its behalf with respect to the work specified in this AGREEMENT and make all decisions in connection with this AGREEMENT.

**IX. INDEPENDENT CONTRACTOR**

VENDOR is, and at all times will remain as to AUTHORITY, a wholly independent contractor. Neither AUTHORITY nor any of its elected officials, officers, employees or agents will have control over the conduct of VENDOR or any of VENDOR's employees, except as otherwise set forth in this AGREEMENT and then only as to the results to be accomplished and not the method by which VENDOR provides the Scope of Services. VENDOR may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of AUTHORITY.

**X. OTHER LICENSES AND PERMITS**

VENDOR warrants that it has all professional, contracting and other permits and licenses required to undertake the work contemplated by this AGREEMENT.

**XI. VENDOR'S ACCOUNTING RECORDS; OTHER PROJECT RECORDS**

- A. VENDOR shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by AUTHORITY that relate to the performance of services under this AGREEMENT. VENDOR shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services.
- B. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. VENDOR shall provide free access to the representatives of AUTHORITY or its designees at reasonable times to such books and records; shall give AUTHORITY the right to examine and audit said books and records; shall permit AUTHORITY to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this AGREEMENT. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment. Upon completion of, or in the event of termination or suspension of this AGREEMENT, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this AGREEMENT shall become the sole property of AUTHORITY and may be used, reused, or otherwise disposed of by AUTHORITY without the permission of VENDOR. With respect to computer files, VENDOR shall make available to AUTHORITY, at VENDOR's office and upon reasonable written request by AUTHORITY, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. VENDOR hereby grants to AUTHORITY all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by VENDOR in the course of providing the services under this AGREEMENT.
- C. All plans, studies, sketches, drawings, reports, and specifications as herein required are the property of AUTHORITY, whether the work for which they are made be executed or not. In the event this AGREEMENT is terminated, and at the end of the term of this AGREEMENT, all such plans, studies, sketches, drawings, electronic documentation, reports, and specifications

shall be delivered immediately to AUTHORITY. VENDOR may retain one copy of each document for VENDOR'S records, but shall have no proprietary rights to them. AUTHORITY agrees to indemnify VENDOR against any damages caused by the unauthorized re-use of said documents.

## **XII. INDEMNIFICATION**

### **A. Non-design, non-construction Professional Services:**

To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8), VENDOR shall indemnify, defend, and hold harmless AUTHORITY, and its elected officials, officers, employees, volunteers, and agents ("AUTHORITY Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of VENDOR's performance or VENDOR's failure to perform its obligations under this AGREEMENT or out of the operations conducted by VENDOR, including AUTHORITY's active or passive negligence, except for such loss or damage arising from the sole negligence or willful misconduct of AUTHORITY. In the event AUTHORITY Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from VENDOR's performance of this AGREEMENT, VENDOR shall provide a defense to AUTHORITY Indemnitees or at AUTHORITY's option, reimburse AUTHORITY Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims.

### **B. Non-design, construction Professional Services:**

To the extent the Scope of Services involve a "construction contract" as that phrase is used in Civil Code Section 2783, this paragraph shall apply in place of paragraph A. To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8), VENDOR shall indemnify, defend, and hold harmless the AUTHORITY, and its elected officials, officers, employees, volunteers, and agents ("AUTHORITY Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of VENDOR's performance or VENDOR's failure to perform its obligations under this AGREEMENT or out of the operations conducted by VENDOR, except for such loss or damage arising from the active negligence, sole negligence or willful misconduct of AUTHORITY. In the event AUTHORITY Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from VENDOR's performance of this AGREEMENT, VENDOR shall provide a defense to AUTHORITY Indemnitees or at AUTHORITY's option, reimburse AUTHORITY Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims.

### **C. Design Professional Services:**

In the event VENDOR is a "design professional," and the Scope of Services require VENDOR to provide "design professional services" as those phrases are used in Civil Code Section 2782.8, this paragraph shall apply in place of paragraphs A or B. To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8) VENDOR shall indemnify, defend and hold harmless AUTHORITY and its elected officials, officers, employees, volunteers and agents ("AUTHORITY Indemnitees"), from and against all claims, damages, injuries, losses, and expenses including costs, attorney fees, expert consultant and expert witness fees arising out of, pertaining to or relating to, the negligence, recklessness or willful misconduct of VENDOR, except to the extent caused by the sole negligence, active negligence or willful misconduct of AUTHORITY. Negligence, recklessness or willful misconduct of any subcontractor employed by VENDOR shall be conclusively deemed to be the negligence, recklessness or willful misconduct of VENDOR unless



adequately corrected by VENDOR. In the event AUTHORITY Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from VENDOR's performance of this AGREEMENT, VENDOR shall provide a defense to AUTHORITY Indemnitees or at AUTHORITY's option, reimburse AUTHORITY Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims. In no event shall the cost to defend charged to VENDOR under this paragraph exceed VENDOR's proportionate percentage of fault. However, notwithstanding the previous sentence, in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, VENDOR shall meet and confer with other parties regarding unpaid defense costs.

- D. Payment by AUTHORITY is not a condition precedent to enforcement of the indemnities in paragraph A, B, or C. In the event of any dispute between VENDOR and AUTHORITY, as to whether liability arises from the active negligence, sole negligence or willful misconduct of AUTHORITY or its officers, employees, or agents, VENDOR will be obligated to pay for AUTHORITY's defense until such time as a final judgment has been entered adjudicating AUTHORITY as having been actively negligent, solely negligent or as having engaged in willful misconduct. Except as otherwise required by Civil Code Section 2782.8, VENDOR will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation. The provisions of this Section XII shall survive completion of VENDOR's services or the termination of this AGREEMENT.

### **XIII. NON-LIABILITY OF AUTHORITY OFFICERS AND EMPLOYEES**

No elected official, officer, employee, or agent of AUTHORITY will be personally liable to VENDOR, in the event of any default or breach by AUTHORITY or for any amount that may become due to VENDOR.

### **XIV. INSURANCE**

- A. Without limiting VENDOR's indemnification of AUTHORITY, and prior to commencement of the Scope of Services, VENDOR shall obtain, provide and maintain at its own expense during the term of this AGREEMENT, policies of insurance of the type and amounts described below and in a form that is satisfactory to AUTHORITY.
1. General liability insurance. VENDOR shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office (ISO) form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.
  2. Automobile liability insurance. If VENDOR owns vehicles used in performing the Scope of Services in any manner, VENDOR shall maintain automobile insurance at least as broad as Insurance Services Office (ISO) form CA 00 01 covering bodily injury and property damage for all activities of VENDOR arising out of or in connection with any work to be performed under this AGREEMENT, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.
  3. Workers' compensation insurance. VENDOR shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000), as required by law.

4. VENDOR 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.

B. Other provisions or requirements:

1. Proof of insurance. VENDOR shall provide certificates of insurance to AUTHORITY as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by AUTHORITY's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with AUTHORITY at all times during the term of this contract. AUTHORITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements to such policies, at any time.
2. Duration of coverage. VENDOR shall procure and maintain for the duration of the AGREEMENT insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by VENDOR, its agents, representatives, employees, or subconsultants.
3. Primary/noncontributing. Coverage provided by VENDOR shall be primary and any insurance or self-insurance procured or maintained by AUTHORITY shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of AUTHORITY before AUTHORITY's own insurance or self-insurance shall be called upon to protect it as a named insured.
4. AUTHORITY's rights of enforcement. In the event any policy of insurance required under this AGREEMENT does not comply with these specifications or is canceled and not replaced, AUTHORITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by AUTHORITY will be promptly reimbursed by VENDOR or AUTHORITY will withhold amounts sufficient to pay premium from VENDOR payments. In the alternative, AUTHORITY may terminate this AGREEMENT as provided in paragraph IV.
5. Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by AUTHORITY's Risk Manager.
6. Waiver of subrogation. All insurance coverage maintained or procured pursuant to this AGREEMENT shall be endorsed to waive subrogation against AUTHORITY, its elected or appointed officials, agents, officers, employees, and volunteers or shall specifically allow VENDOR or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. VENDOR hereby waives its own right of recovery against AUTHORITY, and shall require similar written express waivers and insurance clauses from each of its subconsultants.
7. Enforcement of contract provisions (non-estoppel). VENDOR acknowledges and agrees that any actual or alleged failure on the part of AUTHORITY to inform VENDOR



of non-compliance with any requirement imposes no additional obligations on AUTHORITY nor does it waive any rights hereunder.

8. Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If VENDOR maintains higher limits than the minimums shown above, AUTHORITY requires and shall be entitled to coverage for the higher limits maintained by VENDOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to AUTHORITY.
9. Notice of cancellation. VENDOR agrees to oblige its insurance agent or broker and insurers to provide to AUTHORITY with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage. In the event VENDOR's policy of insurance cannot be endorsed to provide this notice of cancellation, VENDOR shall provide AUTHORITY notice of such cancellation, in writing, not later than 24 hours following the effective time of such cancellation.
10. Additional insured status. General liability policies shall provide or be endorsed to provide that AUTHORITY and its officers, officials, employees, and agents shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies. Each such insurance policy shall contain language substantially similar to the following clause:  
  

"The AUTHORITY, its elected and appointed officials, officers, employees, and agents are named as additional insureds as respects operations of the named insured performed under contract with the AUTHORITY."

AUTHORITY need not be named as an additional insured on professional liability insurance policies.
11. Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to AUTHORITY and approved of in writing by AUTHORITY's Risk Manager or AUTHORITY Attorney.
12. Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that VENDOR's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.
13. Pass-through clause. VENDOR agrees to ensure that its sub-consultants, sub-contractors, and any other party providing any work under the Scope of Services under the direction of VENDOR, provide the same minimum insurance coverage and endorsements required of VENDOR. VENDOR agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. VENDOR agrees that upon request, all AGREEMENTS with consultants, subcontractors, and others engaged in performing work under the Scope of Services will be submitted to AUTHORITY for review.
14. AUTHORITY's right to revise specifications. AUTHORITY reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving VENDOR ninety (90) days' advance written notice of such change. If such

change results in substantial additional cost to VENDOR, AUTHORITY and VENDOR may renegotiate VENDOR's compensation.

15. Self-insured retentions. Any self-insured retentions must be declared to and approved by AUTHORITY. AUTHORITY reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by AUTHORITY.
16. Timely notice of claims. VENDOR shall give AUTHORITY prompt and timely notice of claims made or suits instituted that arise out of or result from VENDOR's performance under this AGREEMENT, and that involve or may involve coverage under any of the required liability policies.
17. Additional insurance. VENDOR shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Scope of Services.

## **XV. SUBCONTRACTORS**

Before VENDOR retains or hires a subcontractor to provide any work, labor, or services relative to this AGREEMENT, VENDOR must:

- A. Present the name and identifying information of the subcontractor that will provide any work, labor, or services to AUTHORITY;
- B. Present to AUTHORITY the form of subcontract that will be used with the subcontractor for AUTHORITY's approval, which approval will not be unreasonably withheld. Such subcontract agreement must include an indemnity agreement that is generally in accord with the indemnity obligations contained in paragraph XII of this AGREEMENT and must specifically name AUTHORITY as an indemnified party; and
- C. Secure from the subcontractor evidence of insurance coverage that meets with this AGREEMENT including naming AUTHORITY as an additional insured as required by this AGREEMENT, unless such requirement is waived in writing by AUTHORITY's Risk Manager as provided in paragraph XXIV below.

## **XVI. CONFLICT OF INTEREST**

No officer or employee of AUTHORITY may have any financial interest, direct or indirect, in this AGREEMENT, nor may any officer or employee participate in any decision relating to the AGREEMENT that affects the officer or employee's financial interest or the financial interest of any corporation, partnership, or association in which the officer or employee is directly or indirectly interested, in violation of any law, rule or regulation.

No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

**XVII. NOTICE**

All notices, requests, demands, or other communications under this AGREEMENT will be in writing. Notice will be sufficiently given for all purposes as follows:

- A. Personal delivery. When personally delivered to the recipient; notice is effective on delivery.
- B. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice; notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
- C. Certified mail. When mailed certified mail, return receipt requested; notice is effective on receipt, if delivery is confirmed by a return receipt.
- D. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account; notice is effective on delivery, if delivery is confirmed by the delivery service.
- E. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice; notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as set forth immediately following the signatures of the parties executing this AGREEMENT.

- F. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- G. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this AGREEMENT. Any change in address or fax number that is not provided to the other party will not void delivery of any notice under this AGREEMENT, and delivery to the last known address or fax number shall be deemed sufficient for notice under this AGREEMENT.

**XVIII. PROHIBITION AGAINST ASSIGNMENT AND SUBCONTRACTING**

This AGREEMENT and all exhibits are binding on the heirs, successors, and assigns of the parties. The AGREEMENT may not be assigned or subcontracted by either AUTHORITY or VENDOR without the prior written consent of the other.

**XIX. INTERPRETATION**

The terms of this AGREEMENT shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this AGREEMENT or any other rule of construction that might otherwise apply.

**XX. SEVERABILITY**

If any part of this AGREEMENT is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the AGREEMENT will remain in full force and effect.

**XXI. TIME OF ESSENCE**

Time is of the essence in the performance of this AGREEMENT.

**XXII. GOVERNING LAW; JURISDICTION**

This AGREEMENT will be administered and interpreted under the laws of the State of California. Jurisdiction of and venue for any litigation arising from the AGREEMENT will be in the Superior Court of the San Luis Obispo County, or in the United States District Court for the Central District of California.

**XXIII. COMPLIANCE WITH STATUTES AND REGULATIONS**

VENDOR will be knowledgeable of and will comply with all applicable federal, state, county and AUTHORITY statutes, rules, regulations, ordinances and orders. VENDOR and its subcontractor(s) shall not discriminate against any person in the performance of this AGREEMENT on the basis of race, religion, national origin, color, age, sex, sexual orientation, AIDS, HIV status, disability, or any other basis protected by state or federal law, and shall comply with applicable federal and state equal employment opportunity laws, ordinances, rules and regulations.

**XXIV. WAIVER OF BREACH**

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this AGREEMENT.

**XXV. ATTORNEY'S FEES**

Except as provided for in paragraph XIV, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this AGREEMENT (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this AGREEMENT, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment, including post judgment attorney's fees costs and expenses and any attorneys' fees or costs incurred on appeal of any judgment.

**XXVI. EXHIBITS**

All exhibits identified in this AGREEMENT are incorporated into the AGREEMENT by this reference. In the event of any conflict between the terms of this AGREEMENT and the terms of an exhibit, the terms of this AGREEMENT shall control. Notwithstanding the foregoing sentence, the provisions of Section XII of this AGREEMENT shall not be altered, amended, limited or otherwise affected in any manner by any language included in an exhibit to this AGREEMENT, even if such exhibit purports to affect the provisions of Section XII.

## **XXVII. VENDOR'S AUTHORITY TO EXECUTE**

The persons executing this AGREEMENT on behalf of the VENDOR warrant that:

- A. the VENDOR is duly organized and existing under the appropriate State laws;
- B. they are duly authorized to execute this AGREEMENT on behalf of the VENDOR;
- C. by so executing this AGREEMENT, the VENDOR is formally bound to the provisions of this AGREEMENT; and
- D. entering into this AGREEMENT does not violate any provision of any other AGREEMENT to which the VENDOR is bound.

## **XXVIII. INTEGRATION; AMENDMENT**

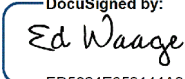
This AGREEMENT represents the entire understanding of AUTHORITY and VENDOR as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this AGREEMENT. The AGREEMENT may not be modified or altered except in writing signed by both parties.

**IN WITNESS WHEREOF**, the parties hereto have caused this AGREEMENT to be executed the day and year last written below.

*Signatures begin on next page.*

**AUTHORITY:**

AUTHORITY of Central Coast Blue Regional  
Recycled Water Authority, a California Joint  
Powers Authority

Signed:   
Name: Ed Waage

Title: Chair  
Dated: 2/15/2023

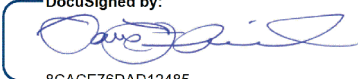
Address for giving notice (See Section XVII):  
154 S 8th St, Grover Beach, CA 93433

**ATTEST:**

Signed:   
Name: Erica Inderlied

Title: Interim AUTHORITY Clerk

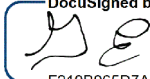
**APPROVED AS TO FORM:**

Signed:   
Name: David M. Fleishman

Title: City Attorney for the City of Pismo Beach

**VENDOR:**

Geoff English

Signed:   
Name: \_\_\_\_\_

Title: General Manager

Dated: 2/16/2023

Address for giving notice (See Section XVII):

1476 Pamela Court  
Templeton CA 93465

Email address for official communications:  
geoffenglish2016@gmail.com

Vendor Representative (See Section VIII):

Name/Title: Geoff English  
General Manager



May 22, 2024

Board Chair, Ray-Russom and Directors of the Board:

Please consider this correspondence to be written notice requesting termination of my agreement with the Central Coast Blue Regional Recycled Water Authority for General Manager services.

Given recent partner agency actions and potential future actions, termination of my General Manager services agreement is warranted to minimize future expenditures and will be helpful for potential near future actions.

I am committed to working closely with you and the City Managers of the partner agencies to assist with administrative duties related to the next steps for the Authority. I will continue to assist with a management transition; however, it is my request to conclude my services no later than June 30, 2024.

It has been a pleasure working for you. My warmest thanks and regards.



Geoff English