SHANDON-SAN JUAN WATER DISTRICT

<u>DRAFT</u> PRIORITIES AND PRINCIPLES FOR ACHIEVING GROUNDWATER SUSTAINABLITY

June 2, 2021
Subject to Board review and project developments

In furtherance of our efforts to promote effective groundwater management and improve groundwater conditions in the Paso Robles Groundwater Basin (Basin), the Shandon-San Juan Water District (District) adopts the following principles.

PRIORITIES FOR THE DISTRICT

The District will:

- 1. Pursue all appropriate methods to stabilize and recover water levels in the Paso Robles Groundwater Basin (Basin) to protect well levels;
- 2. Create alliances with individuals and agencies (including the County and cities) as "Participating Partners" to achieve groundwater sustainability; and
- Establish fair and equitable methods for our members to achieve groundwater sustainability through reduced water pumping, including conservation and curtailments, and increased (supplemental) water supplies.
- 4. Acting as a Groundwater Sustainability Agency, pursue as soon as possible a detailed and concrete timeline for implementing specific management actions to achieve sustainability through best management practices and pumping restrictions without supplemental water to provide landowners with certainty about future operations. We will also pursue a timeline for adding supplemental water to the Basin so potential Participating Partners can determine what actions are in its best interest.

BENEFITS OF SECURING SUPPLEMENTAL WATER

Securing supplemental water will allow the District to:

- 1. Increase the total water supply available in the District and to the Basin.
- 2. Improve overall groundwater conditions in the Basin.
- 3. Control costs of producing groundwater.
- 4. Provide for diversification of water supplies available.
- 5. Provide an important component to achieving compliance with the Sustainable Groundwater Management Act (SGMA).
- 6. Support the local economy which is significantly dependent on agricultural productivity.
- 7. Support recreational uses at Lake Nacimiento through Labor Day.

PRIORITIES FOR SUPPLEMENTAL WATER

In the event of successful acquisition of supplemental water supplies, the District will:

- 1. Use that water to offset pumping restrictions to protect jobs, agricultural production and the local economy, and
- 2. Pursue partnerships throughout the Basin to achieve the broadest possible benefit from supplemental water supplies.

SUPPLEMENTAL WATER SHARING AGREEMENTS (Subject to State Permit Conditions)

- Agencies (including the County and cities) and individual pumpers who contribute to the cost of securing water rights, developing delivery systems, securing rights of way and assisting in storing supplemental water, along with the Shandon-San Juan Water District members, shall share the highest priority to use of supplemental water.
- 2. In order to benefit from supplemental water, each user must first agree to implement Best Management Practices for the efficient use of water throughout its operations.
- 3. Landowners who cooperate with the District by providing access for facilities, including spreading grounds, can be considered for supplemental water as full or partial compensation for their participation.

RULES FOR SUPPLEMENTAL WATER

The District will be responsible for accurately accounting for all supplemental water, including the amount delivered to each location, percolation rates, recharge losses to evaporation and soil profile, net augmentation to storage, pumping extractions, amounts of water in storage and recovery, the places of use of pumped water and overall changes in the local groundwater conditions (including depth to groundwater and water quality at approved monitoring sites).

The District shall be responsible for equipping all sites with appropriate measuring, monitoring and recording equipment sufficient to enable the District to gather such information as is needed to account for all supplemental water.

Supplemental water shall first be available at cost to Members and Participating Partners of the District in accordance with State law. The primary District purpose is SGMA compliance while simultaneously helping maintain the local economy.

Supplemental water may not be used outside the boundaries of the Paso Robles Groundwater Basin by the District, its members or its Participating Partners and may not be sold outside the Basin for use by anyone to any person or entity for any purpose.

Cost of water shall include water right application fees and expenses, development fees and expenses, construction costs, operating costs, facilities costs, maintenance, improvements and overhead directly related to importing water. Development related costs will be amortized over the longest possible period of time consistent with the repayment of related loans and bonds.