

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE MAKING RESPONSIBLE AGENCY FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE AMENDED AND RESTATED WATER SUPPLY CONTRACT PROJECT FOR ZONE 3 AND APPROVING EXECUTION OF AN AMENDED AND RESTATED WATER SUPPLY CONTRACT WITH THE SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

WHEREAS, the City of Arroyo Grande (“the City”), entered into a Water Supply Contract (Contract) with the San Luis Obispo County Flood Control and Water Conservation District (District) on October 24, 1966, which was subsequently amended and restated and pursuant to which the City receives a water entitlement from Lopez Reservoir; and

WHEREAS, on or around the same time, other local agencies (said local agencies and the City are collectively referred to as the Zone 3 Contractors) entered into substantially similar Water Supply Contracts with the District and subsequent amendments and restatements thereto pursuant to which they also receive a water entitlement from Lopez Reservoir (the Contract and the Water Supply Contracts with the other Zone 3 Contractors as previously amended and restated are collectively referred to as the Contracts); and

WHEREAS, the Zone 3 Contractors wish to again amend and restate the Contracts to (i) provide storage rights for each of the Zone 3 Contractors to store their unused entitlement, surplus water and State Water Project Water year over year in Lopez Reservoir and (ii) permit the refunding of the bonds associated with the completed Lopez Dam Seismic Retrofit Project in order to reduce the costs of debt service (Project) (which purposes may advance on a similar schedule or on different schedules); and

WHEREAS, the City is a responsible agency for purposes of environmental review of the Project under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21000 et seq. and the CEQA Guidelines; and

WHEREAS, District staff prepared a Negative Declaration for the Project which was approved by the Environmental Division Manager, and which concludes that the Project will not have a significant effect on the environment and that no mitigation measures are required; and

WHEREAS, prior to commencement of preparation of the Negative Declaration, District staff conducted early consultation with potentially affected local, State and Federal

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agencies, Native American groups and other potentially interested parties but no substantive comments were received; and

WHEREAS, notice of intent to adopt the proposed Negative Declaration was also published in a local newspaper and circulated to the relevant, local, State and Federal agencies through the State Clearinghouse and by mail and the thirty (30) day review period for the Project ended on February 28, 2022; the only comments received were from the County of San Luis Obispo Department of Parks and Recreation opining that the Project would have potential net benefits for recreational use; and

WHEREAS, the form of the amended and restated Contracts and the Negative Declaration was presented to and considered by the Board of Supervisors, acting as the governing board of the District (District Board), on August 23, 2022, together with a summary of all comments received during the public review process, and the District Board approved the form of the amended and restated Contract and adopted the Negative Declaration, finding that there is no substantial evidence that the Project will have a significant effect on the environment; and

WHEREAS, the City has reviewed and considered the information contained in the Negative Declaration and the whole environmental record as well as the proposed Amended and Restated Water Supply Contract between the District and the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DOES HEREBY RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

The foregoing recitals are true and correct.

1. **Negative Declaration.** The City Council has considered the environmental impacts of the Project as shown in the Negative Declaration prior to making a decision on the Project. In its independent judgment and analysis, the City Council finds the Negative Declaration is adequate for City use to authorize execution of the Amended and Restated Water Supply Contract between the District and the City. More specifically, on the basis of the environmental record before the City Council, including comments received, the City Council has determined that the Amended and Restated Water Supply Contract will not have a significant effect on the environment.
2. **Approval of Amended and Restated Supply Contract.** The City Council hereby approves and authorizes the Mayor to sign the Amended and Restated Water Supply Contract with the District presented to this Council. To accommodate the possibility of financing purposes proceeding on a different schedule than water storage purposes reflected in the Amended and Restated Water Supply Contract, the amendments in the Amended and Restated Water Supply Contract related to

financing matters may instead be effected under a separate amendment document which the City Council hereby approves and authorizes the Mayor to execute and deliver, with such changes therein as the Mayor shall approve, such approval to be conclusively established by the execution and delivery thereof subject to approval of such changes by the City Attorney.

3. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

On motion of Council Member _____, seconded by Council Member _____, and by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

The foregoing Resolution was approved this 27th day of September, 2022.

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, CITY CLERK

APPROVED AS TO CONTENT:

WHITNEY MCDONALD, CITY MANAGER

APPROVED AS TO FORM:

TIMOTHY J. CARMEL, CITY ATTORNEY