

RESOLUTION NO. 12

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTECITO GROUNDWATER BASIN GROUNDWATER SUSTAINABILITY
AGENCY REAFFIRMING AND CLARIFYING ITS INTENT TO SHARE RESOURCES
WITH THE MONTECITO WATER DISTRICT**

WHEREAS, the Montecito Groundwater Basin Groundwater Sustainability Agency (GSA) is organized and existing under and pursuant to the Sustainable Groundwater Management Act (SGMA) [Water Code §§10720-10737.8]; and

WHEREAS, the Montecito Water District (MWD) is a County Water District organized and existing under and pursuant to the County Water District Law [Water Code §§30000 – 33901]; and

WHEREAS, the GSA is authorized under SGMA to sustainably manage the Montecito Groundwater Basin (Basin), including the development and implementation of a Groundwater Sustainability Plan; and

WHEREAS, the MWD is authorized under the County Water District Law to serve the unincorporated areas of Montecito and Summerland within the County of Santa Barbara; and

WHEREAS, the GSA may perform any act necessary or proper to carry out the SGMA, and to adopt rules, regulations, ordinances, and resolutions for that purpose [Water Code §10725 and §10725.2]; and

WHEREAS, the MWD may perform all acts necessary to carry out fully all provisions of the County Water District Law, and do any act necessary to furnish sufficient water in the district for any present or future beneficial use [Water Code §31001 and §31020]; and

WHEREAS, the mission of the GSA is to consider the interests of all beneficial uses and users of groundwater as it develops and implements a Groundwater Sustainability Plan for the long-term management of groundwater for the Basin; and

WHEREAS, the mission of the MWD is to provide an adequate and reliable supply of high-quality water to the residents of Montecito and Summerland, at the most reasonable cost; and

WHEREAS, despite being organized under separate and distinct legislative Acts, a commonality of purpose exists by and between the GSA and the MWD as to the adequate, reliable, and sustainable management of water resources in the Basin, and the service area, respectively; and

WHEREAS, an opportunity to share resources by and between the GSA and the MWD exists and will allow them to avoid inefficient duplication of resources; and

WHEREAS, the GSA and the MWD previously adopted similar resolutions, Resolution No. 3 and Resolution 2192 respectively, memorializing their intent to share resources where efficiencies are gained by doing so; and

WHEREAS, the GSA and the MWD wish to reaffirm their intent to share resources, and clarify the methodology for sharing resources, by a Resolution enacted by each entity; and

NOW THEREFORE BE IT RESOLVED THAT:

1. Resolution No. 3 is hereby rescinded in its entirety and replaced with Resolution No. 12.
2. The GSA hereby agrees to share its resources, including but not limited to physical resources, human resources, intellectual resources and financial resources with the MWD to the fullest extent authorized by law, including but not limited to the California Water Code and Government Code, so far as efficiencies are realized by both entities and such sharing of resources is in accordance with the budgets and revenue of each individual entity and consistent with best financial practices.
3. The MWD will remain the employer of all staff of MWD and the GSA, and it shall maintain books of account consistent with generally accepted accounting principles and generally accepted audit standards to allow a fair and reasonable allocation between the two agencies of the cost of the resources they will share pursuant to this resolution and the companion resolution adopted by the MWD.
4. The GSA and MWD will maintain separate banking accounts for respective operations and investments.
5. The short-term lending of cash resources between the GSA and MWD to accommodate cash flow needs is authorized, and will be performed in accordance with the following requirements of this Resolution:
 - a. The GSA and MWD Board Presidents shall be informed and shall provide written approval of any cash loan prior to its initiation, and the cash loan shall be reported to the Board of Directors at the next regularly scheduled meetings of the GSA and the MWD.
 - b. The accounting of cash transferred shall be clear and transparent within the accounting system and reflected throughout the term of the loan in each unaudited quarterly and monthly financial statements of the GSA and MWD.
 - c. The borrower shall reimburse the lender the entire balance of the cash loaned plus interest. Interest shall be determined based upon the rate of return the lender could have earned if the cash loaned was invested with the lender's other funds over the term of the loan and shall not be less than the current rate of interest earned by the lender on its investments over the term of the loan.
 - d. Any cash loan shall not exceed \$500,000 without prior written approval of the GSA and MWD Board Presidents and any authorized loan in excess of this amount shall be reported to the Board of Directors at the next regularly scheduled meetings of the GSA and MWD.
 - e. The term of a loan between GSA and MWD shall not exceed one year without prior written approval of the GSA and MWD Board Presidents and any authorized

loan in excess of this term shall be reported the Board of Directors at the next regularly scheduled meetings of the GSA and the MWD.

6. In the event that the similar, companion, Resolution adopted by the MWD, is repealed or materially modified without the consent of the GSA, this Resolution will be null and void, and of no force or effect.

PASSED AND ADOPTED by the Board of Directors of the Montecito Groundwater Basin Groundwater Sustainability Agency this 13th day of February 2024 by the following roll call vote:

AYES: Coates, Goebel, Hayman, Plough, Wicks
NOES:
ABSENT:
ABSTAIN:

APPROVED:



Brian Goebel, Board President

ATTEST:



Nicholas Turner, Secretary