

Joint CGA/GGA Executive Committee

JOINT EXECUTIVE COMMITTEE AGENDA BACKUP MATERIALS

MEETING DATE: SEPTEMBER 4, 2019

AGENDA ITEM 1: Call To Order

- a. Introductions

The Chairperson will call the meeting to order and invite participants to introduce themselves voluntarily.

AGENDA ITEM 2: *Approval of Agenda and Minutes

- a. Review and Approval of Minutes of the August 6, 2018 Meeting

Any additions to the agenda must meet the requirements of Government Code Section 54954.2 (b).

Draft meeting minutes are attached.

Joint CGA/GGA Executive Committee

August 6, 2018 | 1:00-3:00 p.m.

Colusa County Farm Bureau, 520 Market Street, Colusa, CA 95932

MEETING MINUTES

In Attendance:

CGA: Denise Carter (Chair, County of Colusa), Lance Boyd (Princeton-Codora-Glenn Irrigation District and Provident Irrigation District), Thad Bettner (Glenn Colusa Irrigation District), Darrin Williams (Private Pumper), Knute Meyers (Colusa County Water District), Ernest Conant (Counsel), Mary Fahey (CGA Program Manager)

GGA: John Amaro (Chair, GCID), John Viegas (Glenn County), Leslie Nerli (Glide Water District), Valerie Kincaid (Counsel), Lisa Hunter (GGA Program Manager)

Others in Attendance: Christy Scofield (landowner), Dan Griffith (Sycamore Mutual Water Company), Dan Gamon (DWR), Erin Smith, (DWR NRO)

1. Call To Order

Denise Carter, Chair of the Colusa Groundwater Authority (CGA), opened the meeting at 1:07 p.m.

2. Approval of Agenda and Minutes

It was moved by Mr. Viegas to approve the Agenda and seconded by Mr. Williams. The motion passed unanimously.

It was moved by Mr. Williams and seconded by Mr. Myers to approve the Minutes of the September 22, 2017 Meeting. The motion passed unanimously.

3. Period Of Public Comment

Mr. Dan Gamon, DWR, said that he was the grant manager for the Glenn County Proposition 1 Counties with Stressed Basins grant project that has just wrapped up. He said it was a pleasure working with Ms. Hunter and he feels it was a very good project.

4. Discussion, Long-term Funding Options (Conant, Kincaid)

Mr. Conant began the discussion by describing three funding options:

1. Regulatory Fee
2. Proposition 218 Assessment, Majority Approval
3. Proposition 218 Assessment, Majority Protest

The group discussed the various options. Currently there is not enough data available in the basin to implement the Regulatory Fee.

There are differences in the procedures and costs between options #2 and #3. The group discussed the differences between an Engineer's Report (required for option #2) and a Rate Study (required for option #3). Some felt that even if option #3 is chosen, the GSAs could still have the full Engineer's Report completed because it would be good information to have. All agreed that both the CGA and GGA should choose the same option. There was general consensus that option #3 was the most practical.

It was decided that the next steps are:

- GSA Boards decide on the preferred option
- GSA Boards decide on the process
- Work with the counties on the tax rolls
- Decide whether the Cities and small communities will be included in assessments

5. Discussion, Coordination Agreement/MOU between CGA and GGA

Ms. Hunter provided an overview of the development of the MOU. She explained that the GGA Executive Committee has reviewed the MOU and they have some suggested edits. Ms. Kincaid said that the document is in draft form and is a starting place. The purpose of the MOU is to define how the two GSAs will work together. She stated that is good to have this in place in advance of any potential conflicts.

Ms. Kincaid described the Basin Advisory Committee. Their purpose is to guide GSP development, along with other work. This is not a new decision-making body, the full GSA Boards would still have final approval authority on any decisions.

The group reviewed the rest of the agreement with no outstanding comments. It was recommended to change the name of the Basin Advisory Committee to TAC. The GGA is still reviewing the document and expect to have a final draft completed in the next couple of months.

Next steps: the CGA Executive Committee will meet and review the MOU, provide edits and bring it to the CGA Board in September.

6. Discussion, Basin Setting Project (HCM/Water Budget)

Ms. Hunter explained that the Glenn Groundwater Authority has contracted with Davids Engineering, Inc. for the HCM and Water Budget project and the Colusa Groundwater Authority is the Grant Administrator. The grant is for \$1 million, but estimated cost for GSP development is \$1.5 million. The GSAs are going to have to cover some of the expenses to complete the GSP. She said there will need to be a determination of how the payment process will work before the MOU is executed, perhaps an Agreement could be drafted. Will the HCM/Water Budget project be paid for with grant funds or agency funds?

It was recommended to utilize grant funding to pay for the HCM/Water Budget work. There was some discussion regarding potentially utilizing GSA acreage as a way to distribute expenses. No decisions were made regarding the payment process or an Agreement between the CGA and GGA.

7. Discussion and Possible Action Regarding Basin Prioritization Comment Letter(s)

After discussion it was decided that each GSA Board would provide their own separate comment letter.

8. Member Reports and Comments

Mr. Bettner addressed the committees regarding the State Water Resources Control Board Phase II program.

Mr. Williams mentioned the County Farm Bureaus planned to hold public outreach at the Colusa Fairgrounds.

9. Adjourn

The meeting was adjourned at 2:48 p.m.

10. Next Meeting: To be determined

DRAFT

Joint CGA/GGA Executive Committee

AGENDA ITEM 3: Period of Public Comment

At this time, members of the public may address the Committee Members regarding items that are not on the agenda but are of relevance. The Committee may not act on items not on the agenda.

AGENDA ITEM 4: CGA and GGA Operations Updates

CGA and GGA Program Managers will provide brief activity updates. Reminders and/or clarifications may also be made at this time.

AGENDA ITEM 5: Review and discuss Memorandum of Understanding Between the Colusa Groundwater Authority and Glenn Groundwater Authority, and provide direction to Staff on next steps

The purpose of the CGA/GGA MOU is to define how the two GSAs will work together.

The DRAFT MOU is attached.

MEMORANDUM OF UNDERSTANDING
BETWEEN THE COLUSA GROUNDWATER AUTHORITY AND THE GLENN
GROUNDWATER AUTHORITY

This Agreement is entered into and effective as of _____, 2018 (“Effective Date”) by and among the Colusa Groundwater Authority (“CGA”) and the Glenn Groundwater Authority (“GGA”) (collectively “Parties” or individually a “Party”).

RECITALS

WHEREAS, on August 29, 2014 the California Legislature passed comprehensive groundwater legislation contained in SB 1168, SB 1319, and AB 1739. Collectively, those bills, as subsequently amended, enacted the “Sustainable Groundwater Management Act” (“SGMA”). Governor Brown signed the legislation on September 16, 2014 and it became effective on January 1, 2015; and

WHEREAS, each of the Parties overlies the Sacramento Valley Groundwater Basin, Colusa Subbasin, California Department of Water Resources (“DWR”) Basin No. 5-021.52 as its boundaries may be modified from time to time in accordance with Water Code section 10722.2 (the “Basin); and

WHEREAS, DWR has designated the Basin as a medium-priority basin not subject to critical conditions of overdraft;

WHEREAS, pursuant to SGMA, specifically Water Code section 10720.7(a)(2), the Basin must be managed under a groundwater sustainability plan (“GSP”) or coordinated GSPs by January 31, 2022; and

WHEREAS, on or about June 20, 2017, the GGA elected to manage the groundwater over the boundaries of its members within the Colusa Subbasin by acting as the Groundwater Sustainability Agency (“GSA”) pursuant to SGMA; and

WHEREAS, on or about June 21, 2017, the CGA elected to manage the groundwater over the boundaries of its members within the Colusa and West Butte Subbasins by acting as the GSA pursuant to SGMA; and

WHEREAS, the Parties desire, through this Agreement, to collectively develop a single GSP to sustainably manage the Basin; and

WHEREAS, the Parties plan to review this Agreement and the provisions therein after a joint GSP has been developed or in 2022, whichever occurs earlier; and

THEREFORE, in consideration of the mutual promises, covenants and conditions herein set forth, the Parties agree as follows:

ARTICLE 1: DEFINITIONS

1.1 **Definitions.** As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereafter set forth shall be as follows:

- a) “**Agreement**” shall mean this Agreement between the CGA and the GGA.
- b) “**Basin**” shall mean the California Sacramento Valley Groundwater Basin, Colusa Subbasin, California Department of Water Resources (“DWR”) Basin No. 5-021.52 as its boundaries may be modified from time to time in accordance with Water Code section 10722.2.
- c) “**CGA**” shall mean the Colusa Groundwater Authority, a Party to this Agreement.
- d) “**Confidential Information**” shall mean the confidential information exchanged amongst and between the Parties as provided by Article 5 of this Agreement.
- “
- e) “**Basin-Wide Activities**” shall mean those activities or actions that affect the Basin as a whole or are otherwise required by SGMA to be determined at the Basin level.
- f) “**Coordination Agreement**” shall mean a legal agreement adopted between two or more GSAs that provides the basis for intra-basin coordination for more than one Groundwater Sustainability Plan within a single basin.
- g) “**DWR**” shall mean the California Department of Water Resources.
- h) “**Effective Date**” shall be as set forth in the Preamble.
- i) “**GGA**” shall mean to the Glenn Groundwater Authority, a Party to this Agreement.
- j) “**Groundwater Sustainability Agency**” or “**GSA**” shall mean an agency enabled by SGMA to regulate a portion of the Basin cooperatively with all other Groundwater Sustainability Agencies in the Basin, in compliance with the terms and provisions of SGMA.
- k) “**Groundwater Sustainability Plan**” or “**GSP**” shall mean a plan of a Groundwater Sustainability Agency proposed or adopted pursuant to SGMA.
- l) “**Joint Technical Advisory Committee**” or “**Joint TAC**” shall mean a meeting of the technical advisory committees of both of the Parties.
- m) “**Management Area**” shall mean an area within a basin for which the GSP may identify different minimum thresholds, measurable objectives, monitoring, or projects and management actions based on differences in water use sector, water source type, geology, aquifer characteristics, or other factors.
- n) “**Members**” shall mean the member agencies of each of the Parties’ Joint Powers Agreements.

- o) “Parties” shall mean both signatories to this Agreement.
- p) “Party” shall mean an individual signatory to this Agreement.
- q) “Project Agreement” shall mean a separate agreement amongst and between the Parties for a specific project, whose purpose, terms, or financial contributions are different than those set forth in this Agreement.
- r) “SGMA” shall mean the Sustainable Groundwater Management Act of 2014 and all regulations adopted under the legislation (SB 1168, SB 1319, and AB 1739) that collectively comprise the Act, as that legislation and those regulations may be amended from time to time.

ARTICLE 2: KEY PRINCIPLES

2.1 The Parties acknowledge and agree that SGMA is a new, complex and evolving legislation. While this Agreement reflects the Parties’ initial approach to achieve SGMA compliance, the Parties acknowledge they may experience changes in political boundaries, gain experience in the application of SGMA, or discover other considerations that may affect the decision of each Party with regard to how best it may comply with SGMA within each of their own boundaries. DWR has acknowledged the need for entities to be able to change their decisions about participating in or becoming a GSA, and it is the intent of the Parties to support flexibility in admitting additional Parties, accommodating voluntary withdrawals, coordinating with other multi-agency or individual GSAs, changing the form of their organizational documents, and making other types of adjustments required by the Parties to achieve efficient compliance with SGMA, consistent with the schedule and requirements of SGMA for coordination throughout the Basin and the provisions of this Agreement.

2.2 The Parties intend to work together in mutual cooperation to develop a GSP in compliance with SGMA, for the sustainable management of groundwater in the Basin. This collaboration may include jointly obtaining consulting, administrative and management services needed to efficiently and effectively develop a GSP, to conduct outreach to other Basin agencies and private parties, and to identify mechanisms for the management and funding commitments necessary for the purposes of this Agreement.

2.3 The Parties intend to mutually cooperate to the extent possible to jointly implement the GSP within the Basin.

2.4 To the extent the Parties are not able to collaborate on a single GSP, each Party reserves the right to develop a GSP for the portion of the Basin the GSA is authorized to manage. To the extent it is not possible to jointly implement the GSP within the Basin, each Party reserves the right to implement the GSP within its boundaries, and work with all other Parties to coordinate such implementation in accordance with the requirements of SGMA.

2.4 The Parties expressly intend that this Agreement shall not limit or interfere with the respective Parties rights and authorities over their own internal matters, including, but not limited to, a Party’s legal rights to surface water supplies and assets, groundwater supplies and assets, facilities, operations, water management and water supply matters. The Parties make no

commitments by entering into this Agreement to share or otherwise contribute their water supply assets as part of the development or implementation of a GSP.

2.5 Nothing in this Agreement is intended to modify or limit a Party's police powers, land use authorities, or any other authority.

ARTICLE 3: FORMATION, PURPOSE AND POWERS

3.1 **Recitals:** The foregoing recitals are incorporated by reference.

3.2 **Certification:** Each of the Parties certifies and declares that it is a public agency (as defined in Government Code section 6500 et seq.) that is authorized to be a GSA and manage groundwater for the portion of the Basin for which its members overlie.

3.3 **Purpose of the Agreement.** The purposes of this Agreement are to:

- a) Establish mechanisms which will support the sustainable management of groundwater in the Basin;
- b) Provide for coordination amongst and between the Parties to develop and implement a GSP; and
- c) Otherwise satisfy the requirements of SGMA for coordination among the CGA and the GGA.

3.4 **Authority Under this Agreement.** To the extent authorized by the Parties, subject to the limitations set forth in this Agreement and the limitations of all applicable laws, the Parties acting collectively shall have the following authority including, but not limited to, the power to:

- a) Coordinate the implementation of SGMA among the Parties in accordance with this Agreement;
- b) Recommend the adoption of actions, rules, regulations, policies, and procedures related to the coordination of the Parties for the purposes of implementation of SGMA;
- c) Perform all acts necessary or proper to carry out fully the purposes of this Agreement and to exercise all other powers necessary and incidental to the implementation of the powers set forth herein.

3.5 **Powers Reserved to the Parties.** Each Party will have the sole and absolute right, at its sole discretion, to:

- a) Act as a GSA within its boundaries managed in whole or in part by such Parties;
- b) Approve any portion, section or chapter of the GSP developed pursuant to this Agreement;

- c) Exercise authorities granted to each of the Parties as a GSA under SGMA;
- d) Exercise authority to implement SGMA and any GSP adopted pursuant to this Agreement;
- e) Defend any challenge to the adoption or implementation of a GSP developed pursuant to this Agreement; and

f) Notwithstanding anything to the contrary in this Agreement, this Agreement does not provide any Party the authority to undertake any activities within the geographic or service area boundaries of any other Party pursuant to the GSP developed or adopted hereunder, unless the Parties have formally and expressly consented and agreed in writing to the activity proposed.

3.6 Term. This Agreement shall be effective as of the Effective Date and shall remain in effect until terminated in accordance with Article 7 of this Agreement.

3.7 Role of Party Members. Each of the Parties agrees to undertake such additional proceedings as may be necessary in order to carry out the terms and intent of this Agreement, including the support of its Members, to participate in this Agreement. This support may involve the following types of actions:

a) The Parties will provide support to the Joint TAC and any third party facilitating development of the GSP by making available staff time, information and facilities within available resources.

b) Policy support shall be provided by the Parties to either approve, or respond quickly to, any recommendations made as to funding shares, operational decisions, fare structures, and other policy areas.

c) Each of the Parties may contribute public resources including but not limited to personnel, services, equipment or property to facilitate this Agreement. Such in-kind resource support is made in order to facilitate this Agreement and comply with SGMA; without a separate Project Agreement, the contributions shall not be made with the expectation of reimbursement from other Parties.

3.8 Other Officers, Employees and Consultants. To the extent the Parties need support from employees, officers, consultants or otherwise need to hire employees, the Parties may do the following:

a) Provide that any employee of the Parties' respective Members, with the express approval of the Parties, may work on behalf of the Parties under this Agreement, and shall perform the same various duties under the direction of the Joint TAC as for his or her employer in order to carry out this Agreement. This work may be completed and funded under the existing employment with the Parties or each of their Members. In the alternative, the Basin Joint TAC may recommend that work be performed by employees of the Members of the Parties be

reimbursed by the Parties. Such recommendation shall include the scope of activities and recommended reimbursement structure.

b) With the consent of the Parties, the Parties may independently contract or hire consultants and/or employees to perform work under this Agreement. Under this arrangement, the hiring or contracting Party must present the contract to the Joint TAC for review and recommendation for approval from the Parties. The contract must designate the non-contracting Party as an intended third-party beneficiary, and include appropriate indemnity, insurance, and non-disclosures to protect all Parties.

ARTICLE 4: GOVERNANCE

4.1 **Joint Technical Advisory Committee (“Joint TAC”).** Activities under this Agreement will be guided by the Joint TAC, which shall consist of each Party’s technical advisory committee. . The Joint TAC shall work collaboratively under this Agreement to develop recommendations for the technical and substantive Basin-wide issues. Recommendations from the Joint TAC that require approval or action of the Parties shall be provided to each Party’s respective governing boards for adoption, approval, or other recommended action. The Joint TAC shall be responsible, but not limited to, the following actions:

- a) Develop budget(s) for any project or program that requires funding from the Parties;
- b) Draft reports or options with regard to decisions related to the levying of taxes, assessments or property-related fees and charges that would be implemented basin-wide;
- c) Propose guidance and options for obtaining grant funding;
- d) Recommend the adoption of rules, regulations, policies, and procedures related to the Agreement;
- e) Recommend the approval of contracts with consultants or subcontractors that would undertake work on behalf of the Parties pursuant to this Agreement;
- f) Update each Party’s respective governing boards on specific issues, including the development of the GSP, when appropriate or requested;
- g) Advise the Parties when the Basin Advisory Committee cannot reach a consensus on a decision requiring unanimity;
- h) Conduct outreach with stakeholder groups in coordination with other committees as appropriate;
- i) Participate and guide the development of GSP and materials in support thereof; and

- j) Recommend action and/or approval of a GSP.

4.2 **Quorum.** A quorum for Joint TAC meetings requires that each of the separate TACs achieve a quorum independently. A quorum shall be necessary for purposes of transacting business as Joint TAC, except that less than a quorum may vote to adjourn the meeting.

4.3 **Recommendations.** Each Party's technical advisory committee shall be responsible for making recommendations to its respective governing board. In the event that consistent recommendations are required from each Party's technical advisory committee, unanimous approval from each Party's present technical advisory committee representatives (i.e., the Joint TAC) is required. Should the Joint TAC find itself unable to agree on consistent recommendations, Article 4.6 shall apply.

4.4 **Meetings.** The Joint TAC shall provide for regular and special meetings in accordance with Chapter 9, Division 2, Title 5 of the California Government Code (the "Ralph M. Brown Act" commencing at section 54950), and any subsequent amendments of those provisions.

4.5 **Advisory Committees.** The Joint TAC may establish other advisory committees, technical committees or other committees for any purpose, including but not limited to the GSP purposes in Water Code section 10727 et.seq.

4.6 **Voting Procedures to Address an Impasse/Lack of Unanimity.** When the Joint TAC is unable to reach a unanimous decision on making a consistent recommendation for any matter upon which a consistent recommendation is required, the matter may be subjected to the following additional procedures, upon a majority vote of those present,.

- a) **Straw Polls.** Straw polls (i.e., an unofficial vote conducted as a test of opinion) may be taken by Joint TAC representatives for the purpose of refining ideas and providing guidance for moving forward.

- b) **Provisional Voting.** Provisional votes may occur prior to final votes. This will be done when an initial vote is needed to refine a proposal but the Joint TAC representatives wish to consult with their respective Parties before taking a final vote.

- c) **Delay of Final Vote.** A vote shall be delayed if any Joint TAC representative declares its intention to propose an alternative or modified recommendation, to be proposed at the next meeting, or as soon thereafter as the Joint TAC representative can obtain any further information or clarifying direction from his or her appointing Party.

- d) If the process outlined in Article 4.6 subsections (a) – (c) fails to result in a unanimous vote, any Joint TAC representative not voting in favor of an action may request that the vote be delayed so that the Joint TAC can obtain further information on the recommended action (e.g., by directing an advisory committee under this Agreement), or so that the Joint TAC representative can obtain clarifying direction from his or her appointing Party.

e) The Parties acknowledge the limited time provided by SGMA to complete the GSP preparation process and agree to use their best efforts to cooperate through the Joint TAC.

ARTICLE 5: INFORMATION AND DATA SHARING

5.1 **Exchange of Information.** The Parties acknowledge and recognize pursuant to this Agreement and SGMA that the Parties will need to exchange information amongst and between the Parties.

5.2 **Procedure for Exchange of Information.** The Parties may exchange information through collaboration and/or information requests made at the Joint TAC level or through working/stakeholder committees. However, to the extent it is necessary to make a written request for information to other Parties, the following procedure shall be followed:

- a) Each Party shall designate a representative to respond to information requests.
- b) Each Party shall provide the name and contact information of its designee to the Joint TAC.
- c) Requests shall then be communicated either in writing, in person, by mail, by facsimile machine, or by other electronic means to the appropriate designated representative.

5.3 **Non-Disclosure of Confidential Information.** It is understood and agreed to that the Parties to this Agreement may provide one another with certain information that may be considered confidential. To ensure the protection of such information and in consideration of the agreement to exchange said information, the Parties agree as follows:

- a) The confidential information to be disclosed under this agreement (“Confidential Information”) includes data, information, modeling, projections, estimates, plans that are not public and in which the Parties have a reasonable expectation of confidentiality, regardless of whether such information is designated as “Confidential Information” at the time of its disclosure.
- b) In addition to subsection (a) above, Confidential Information shall also include, and the Parties shall have a duty to protect, other confidential and/or sensitive information which is: (1) disclosed as such in writing and marked as confidential (or with another similar designation) at the time of disclosure; and/or (2) disclosed in any other manner and identified as confidential at the time of disclosure and is also summarized and designated as confidential in a written memorandum delivered within thirty (30) days of the disclosure.
- c) The Parties shall use the Confidential Information only for the purposes set forth in this Agreement.
- d) The Parties shall limit disclosure of Confidential Information within its own organization to its directors, officers, appointed committee members, and/or employees having a legitimate need to know.

e) The Parties agree that neither Party shall disclose the other Party's Confidential Information to a third-party, such as an agent or consultant, without the prior written consent from the other Party.

f) Each Party shall satisfy its obligations under this Article if it takes affirmative measures to ensure compliance with these confidentiality obligations by its employees, agents, consultants, and others who are permitted to access or use the Confidential Information.

g) This Agreement imposes no obligation upon the Parties with respect to any Confidential Information that: (1) was possessed before receipt; (2) is or becomes a matter of public knowledge through no fault of the receiving Party; (3) is rightfully received from a third-party not owing a duty of confidentiality; (4) is disclosed without a duty of confidentiality to a third-party by, or with the authorization of the disclosing Party; or (5) is independently developed.

h) If there is a breach or threatened breach of any provision of this Article, it is agreed and understood between the Parties that the non-breaching Party shall have no adequate remedy in money or other damages and accordingly shall be entitled to injunctive relief. Provided, however, no specification in this Agreement of any particular remedy shall be construed as a waiver or prohibition of any other remedies in the event of a breach or threatened breach of this Agreement.

ARTICLE 6: FINANCIAL PROVISIONS

6.1 **Contributions and Expenses.** Each Party shall be responsible for funding its participation in this Agreement. The Parties agree to divide costs with each Party responsible for [fifty percent (50%) of the costs of funding approved Basin-wide activities, including development of the GSP OR costs proportionately divided by acreage]. Funding for non-Basin-wide activities that the Parties agree shall not be split proportionately will be addressed through a separate Project Agreement. For the activities addressed under a Project Agreement, the Joint TAC shall develop a scope of work, proposed cost allocation, and separate Project Agreement that would need to be approved by each Party's respective governing board before it is binding on such Parties.

6.2 **Funding Responsibility.** Each Party will be solely responsible for raising funds for payment of the Party's share of operating and administrative costs. The obligation of each the Parties to make payments under the terms and provisions of this Agreement is an individual and severable obligation and not a joint obligation with those of the other Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. No Party shall be precluded from independently pursuing any of the activities contemplated in this Agreement. No Party shall be the agent or have the right or power to bind any other Party without such Party's express written consent, except as expressly provided in this Agreement.

6.3 **Reimbursement for Basin-wide Activities.** In the event that a Party individually expends funds or incurs an obligation for a Basin-wide activity (e.g., retaining a consultant for GSP development), the other Party to this Agreement shall reimburse said Party for its share of the Basin-wide activity's expenses. This obligation shall apply only to such Basin-wide activities that were previously authorized by each Party's governing body. The Party who expended the funds or

incurred the obligation shall invoice the other Party not more than every thirty (30) days, as needed. The invoice shall include a description of the work that has been completed and copies of consultant or subcontractor invoices and related documents. The invoiced Party shall pay the other Party for its share of the Basin-wide activity expense within sixty (60) days of receiving an invoice.

6.4 Future Grant Funding. In addition to Proposition 1 funding, the Parties may secure contributions of grant funding from state, federal, county or private sources for Projects between the Parties. Following the execution of this Agreement, unless otherwise agreed to in writing, all grant funding secured for Projects between the Parties shall be apportioned between the Parties in the same percent as the funding responsibility for the application cost.

6.5 Proposition 1 Funding. On behalf of the Parties, CGA submitted a grant application to DWR for Proposition 1 (Prop 1) funds for GSP development and related projects in the Basin. The Parties shared the costs for the grant application equally, each paying 50% of the application costs. In April 2018, DWR awarded CGA one-million dollars (\$1,000,000) in Proposition 1 funding to develop a GSP for the Basin. CGA, as the applicant, is the sole grantee of the grant award. However, the Parties agree that the Prop 1 funding is to be shared by the Parties in the same proportion as the grant application was funded, i.e. 50/50. The methods of paying for GSP costs, invoicing for Prop 1 funding, and allocating cost-share will be further agreed to by the Parties in the Grant Agreement with DWR and recommendations from the Joint TAC. In the event this Agreement is terminated as provided in Article 7.4 below, the Parties agree the GGA shall be entitled to its proportionate share of the remaining Proposition 1 grant funds at the time of termination.

ARTICLE 7: CHANGES IN PURPOSE, PARTICIPATION, WITHDRAWAL, AND TERMINATION

7.1 Changes in Purpose. This Agreement shall remain in place and all applicable provisions shall remain in effect even if the Parties determine it is not possible to develop a single GSP pursuant to this Agreement. In that instance, the Parties may develop separate, multiple GSPs and continue to collaborate as necessary to comply with SGMA. If more than one GSP will be developed for the Basin, the Parties Agree to develop a Coordination Agreement amongst and between the Parties drafting separate GSPs.

7.2 Noncompliance with this Agreement. In the event either Party (1) fails to comply with the terms of this Agreement, or (2) undertakes actions that conflict with or undermine the compliance with SGMA and/or achieving sustainable groundwater management, the Party alleging non-compliance shall provide written notice summarizing the nature of lacking compliance to the Party against whom the allegations are lodged. The alleged non-compliant Party agrees to make best efforts to resolve or remedy any such non-compliance. Such actions may include, for example, failure to pay its agreed upon contributions when due; refusal to participate in GSA activities or to provide required monitoring of sustainability indicators; refusal to enforce controls as required by the GSP; refusal to implement any necessary actions as outlined by the approved GSP; and exceedance of minimum thresholds that are likely to lead to “undesirable results” under SGMA.

7.3 **Mediation.** To the extent notice and informal discussion of non-compliance pursuant to Article 7.2 does not resolve the issue of non-compliance, the Parties agree to participate in good faith to settle the alleged non-compliance by mediation administered under the American Arbitration Association standard mediation procedures before resorting to arbitration, litigation, or some other dispute resolution procedure.

7.4 **Withdrawal and Termination.** Either Party may, in its sole discretion, unilaterally withdraw and terminate its participation from this Agreement, effective upon thirty (30) days prior written notice to the governing board of the other Party, provided that the withdrawing Party will remain responsible for its proportionate share of any obligation or liability duly incurred while a Party to this Agreement. In the event the withdrawing Party has any rights in any property or has incurred obligations, the Party may not sell, lease or transfer such rights or be relieved of its obligations, except in accordance with a written agreement executed by it and the other Party.

As to any remaining grant funds at the time of termination (e.g., Proposition 1 funds), each Party shall remain entitled to its proportionate share of said funds upon termination of this Agreement. In the event the remaining grant funds are in one Party's name, the grantee Party shall, in good faith, cooperate with the other Party and facilitate said Party's access to its proportionate share of the remaining grant funds.

7.5 **Disposition of Property Upon Termination.** Upon termination of this Agreement, the Joint TAC shall recommend the Parties distribute the assets between the successor entity and the Parties in proportion to how the assets were provided.

7.6 **Use of Data.** Upon withdrawal, a Party shall be entitled to use any data or other information developed during its time as a Party to this Agreement. Further, should a Party withdraw after completion of the GSP, it shall be entitled to utilize the GSP for further implementation of SGMA within its boundaries.

ARTICLE 8: MISCELLANEOUS PROVISIONS

8.1 **Indemnification.** Each of the Parties shall hold harmless, defend and indemnify the other Party, and its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property arising out of the activities of this Agreement. These indemnification obligations shall continue beyond the Term of this Agreement as to any acts or omissions occurring before or under this Agreement or any extension of this Agreement.

8.2 **Non-Entity Status.** The Parties acknowledge and agree that this Agreement does not create a legal entity with power to sue or be sued, to enter into contract, or to enjoy the benefits or accept the obligations of a legal entity.

8.3 **Liability of Joint TAC.** Each Party must defend, indemnify and hold harmless the other Party from the actions of its employees or agents taken within the scope of the authority of this Agreement.

8.4 **Amendments.** This Agreement may only be amended by a written instrument executed by all Parties.

8.5 **Binding on Successors.** Except as otherwise provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without a unanimous vote by the Parties. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties hereto.

8.6 **Notice.** Any notice or instrument required to be given or delivered under this Agreement may be made by: (a) depositing the same in any United States Post Office, postage prepaid, and shall be deemed to have been received at the expiration of seventy-two (72) hours after its deposit in the United States Post Office; (b) transmission by facsimile copy to the addressee; (c) transmission by electronic mail; or (d) personal delivery, as follows:

CGA

Mary Fahey
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8.7 **Counterparts.** This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original. All such counterparts shall together constitute but one and the same instrument.

8.8 **Choice of Law.** This Agreement shall be governed by the laws of the State of California.

8.9 **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement are held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

8.10 **Headings.** The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

8.11 **Construction and Interpretation.** This Agreement has been arrived at through negotiation and each of the Parties has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Parties shall not apply in the construction or interpretation of this Agreement.

8.12 **Entire Agreement.** This Agreement constitutes the entire agreement among the Parties and supersedes all prior agreements and understandings, written or oral.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above-written.

[signature blocks]

Joint CGA/GGA Executive Committee

AGENDA ITEM 6: Discussion; procedure for Proposition 1 GSP Grant repayments and retention

The CGA is the Grant Administrator for the Proposition 1 GSP Grant. The GGA is contracted with Davids Engineering, Inc. for the Hydrogeologic Conceptual Model and Water Budget project. The grant requires a 10% retention, which will be repaid following successful completion of the grant terms.

Discussion is necessary to ensure all parties have a clear understanding of expectations for payments to consultants, repayments from grant activities, and how the retention is accounted for.

AGENDA ITEM 7: Member Reports and Comments

Members of the Executive Committees are encouraged to share information, reports, comments, and suggested future agenda items. Action cannot be taken on items brought up under this item.

AGENDA ITEM 8: Adjourn

The Chairperson will adjourn the meeting.

AGENDA ITEM 9: Next Meeting

The next meeting will be scheduled as needed.
