

Glenn Groundwater Authority

Groundwater Sustainability Agency

PO Box 351, Willows, CA 95988 | 530.934.6501

EXECUTIVE COMMITTEE AGENDA BACKUP MATERIALS

MEETING DATE: OCTOBER 24, 2018

AGENDA ITEM 1: CALL TO ORDER

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

AGENDA ITEM 2: ROLL CALL

Roll call will be conducted.

AGENDA ITEM 3: APPROVAL OF MINUTES

- a. *Approval of meeting minutes from June 27, 2018
- b. *Approval of special meeting minutes from July 9, 2018.
- c. *Approval of meeting minutes from August 22, 2018.

Draft meeting minutes are attached.

GLENN GROUNDWATER AUTHORITY EXECUTIVE COMMITTEE
720 N. Colusa Street, Willows, CA 95988
Telephone: 530-934-6501

MINUTES

GLENN GROUNDWATER AUTHORITY EXECUTIVE COMMITTEE
JUNE 27, 2018
9:30 A.M.
720 NORTH COLUSA STREET, WILLOWS, CA 95988

Committee Members Present:	Agency Representing:
John Viegas	County of Glenn
X Leslie Nerli	Glide Water District
X John Amaro	Glenn-Colusa Irrigation District

Others in attendance:

Lisa Hunter, Glenn County; Erin Smith, Department of Water Resources (DWR); Dan Gamon, DWR; Michael D'Errico, USFWS; Pat Vellines, DWR

1. CALL TO ORDER

John Amaro called the meeting to order at 9:33 AM. Those in attendance were invited to introduce themselves.

2. APPROVAL OF AGENDA AND MINUTES

a. Approval of meeting minutes from May 8, 2018

The meeting minutes from May 8, 2018 were approved as submitted.

Motion: Leslie Nerli, Second: John Amaro, Vote: Unanimous

b. Review and approve agenda.

The agenda was approved as presented.

Motion: Leslie Nerli, Second: John Amaro, Vote: Unanimous

3. PERIOD OF PUBLIC COMMENT

None

4. DRAFT CONFLICT OF INTEREST CODE

a. Review and Discuss Draft Conflict of Interest Code, any comments received, and Resolution to Adopt Conflict of Interest Code.

Lisa Hunter reviewed the draft Conflict of Interest Code and Resolution. No comments were received during the comment period. The item is eligible to be considered at the next Board

Meeting. By consensus, the Committee recommended to forward the Draft Resolution to Adopt a Conflict of Interest Code to the Board for consideration.

- b. Provide direction to Program Manager as necessary.

The Committee directed the Program Manager to add this item as an action item to the next GGA Board meeting.

5. DRAFT ETHICS POLICY AND RESOLUTION TO ADOPT ETHICS POLICY

- a. Review and discuss Draft Ethics Policy and Resolution to Adopt Ethics Policy.

By consensus, the Committee recommended to forward the Draft Ethics Policy and Resolution to Adopt Ethics Policy to the Board for consideration.

- b. Provide direction to Program Manager as necessary.

The Committee directed the Program Manager to add an action item to review, provide comments, and consider approval of the Draft Ethics Policy and Resolution to Adopt Ethics Policy at next GGA Board meeting.

6. ANNUAL AUDITS

- a. Discuss preparation for Request for Proposals soliciting proposals to provide Annual Audit Services for Fiscal Year 2017/2018 with the option to extend for an additional three (3) years thereafter.

Lisa Hunter reviewed example Request for Proposals (RFPs) and requested the committee's input on direction for development of the RFP. A draft list of potential firms or individuals to invite to submit a proposal has been developed. Ms. Hunter will coordinate with member agencies to determine if additional firms should be added to the list. There was discussion on releasing the RFP as "invitation only" or inviting firms and posting the RFP on the website. The committee has the authority to release the RFP, but the process will be further discussed at the next Board meeting. There was discussion that the RFP should include that the firm should have experience auditing similar organization structures and the firms should provide references.

- b. Provide direction to Program Manager as necessary.

The Committee directed the Program Manager to draft the RFP using the examples provided at this meeting and tailor to the GGA's needs and bring back to the Executive Committee for review prior to releasing the RFP. A Special Meeting will be scheduled if needed.

7. BYLAWS

- a. Discuss and review Draft Bylaws.

Lisa Hunter requested that the committee members review and provide additional comments directly to Ms. Hunter via email or phone to incorporate into the next iteration.

- b. Provide direction to Program Manager as necessary.

The Committee requested the Program Manager to compile comments, send compiled comments to Valerie Kincaid, and bring the next draft to the following Executive Committee meeting. Additionally, Ms. Hunter will coordinate with the committee to identify a meeting date for a Special Meeting prior to the next Board meeting.

8. DEVELOPMENT OF AN AGREEMENT WITH COLUSA GROUNDWATER AUTHORITY TO DESCRIBE COOPERATION BETWEEN THE AGENCIES

- a. Discuss development of Agreement with Colusa Groundwater Authority describing cooperation.

There was no update on this item. It was agreed that the item is important to begin developing. Legal Counsel will be working on this project.

- b. Provide direction to Program Manager as necessary.

No additional direction was given.

9. DEPARTMENT OF WATER RESOURCES DRAFT 2018 SGMA BASIN PRIORITIZATION

- a. Discuss and consider providing recommendation to GGA Board regarding providing a comment letter to the Department of Water Resources concerning the Draft 2018 SGMA Basin Prioritization.

Lisa Hunter reviewed that the Board requested the Executive Committee discuss and recommend content to be included in a comment letter. It was confirmed the deadline to submit comments on the SGMA Basin Prioritization is August 20, 2018. There was some discussion on the information on the Colusa Subbasin contained in the DWR dashboard, and the DWR well database, which contains well information through 2015. Ms. Hunter indicated Glenn County staff could provide more up-to-date information on well information if needed. The committee discussed the reports and information used to determine the groundwater related transfers section (component 8.d.2) of the basin score. The committee would like further clarification and available documentation for this item. The committee agreed by consensus that a comment letter should be developed and submitted to DWR. The letter should contain a suggestion to include ranges in priority points in component 8.d.2 and consider documented impacts. There should be consistency in the way components are ranked. Additionally, the criteria and data used to develop the score for component 8.d.2 should also be included. The letter should also include that basins should be considered subject to SGMA or not subject to SGMA, and there should be no differentiation between high and medium priority basins.

- b. Provide direction to Program Manager as necessary.

Lisa Hunter will work with Leslie Nerli to draft a comment letter for the Board's consideration at the Board meeting in July.

10. PROGRAM MANAGER UPDATES

Lisa Hunter will be meeting with Mary Fahey, Colusa Groundwater Authority, and Byron Clark, Davids Engineering, to refine the scope of work on the HCM/Water Budget Project. Ms. Hunter will also be working with Ms. Fahey on the Proposition 1 grant work plan and budget finalization for the contract. Erin Smith will be the DWR Contract Manager. It is likely the agreement numbers for the grant will not be available until mid-August.

Ms. Hunter advised that the Executive Committee may need to hold a Special Meeting. Ms. Hunter suggested cancelling the regular Board meeting in July, and instead hold the Special Executive Committee meeting at that time in order to prepare items for consideration at the Board's August meeting. Ms. Hunter will work with the Chairman to finalize and approve any meeting changes.

Ms. Hunter requested guidance on asking Legal Counsel to attend the next Board meeting. It was agreed to request that Valerie Kincaid attend the Board meeting.

Ms. Hunter also provided a brief update on Basin Boundary Modifications in the region. The approved Letters of Support were sent to the Colusa Groundwater Authority and Butte County. The Corning Subbasin will remain as-is. There is a new Butte Basin proposal being developed.

11. DISCUSS ADDITIONAL POTENTIAL ITEMS TO BE ADDED TO THE JULY 9, 2018 GGA BOARD MEETING AGENDA

The committee reviewed the items discussed above to include on the next GGA Board agenda. The items include the Conflict of Interest Code, the Ethics Policy, direction on the audit services selection process, and the draft bylaws if the next iteration is compiled and ready for distribution. It was mentioned that it is important that the Board members receive large documents, such as the draft bylaws, within a reasonable amount of time to ensure the Board members have enough time to review prior to making a decision on the document.

12. EXECUTIVE COMMITTEE MEMBER REPORTS AND COMMENTS

None

13. NEXT MEETING

A Special Meeting is tentatively scheduled for July 9, 2018 at 1:30 P.M. The July 25, 2018 meeting will likely be cancelled.

14. ADJOURN

The was adjourned at 11:22 A.M.

GLENN GROUNDWATER AUTHORITY EXECUTIVE COMMITTEE
720 N. Colusa Street, Willows, CA 95988
Telephone: 530-934-6501

MINUTES

GLENN GROUNDWATER AUTHORITY EXECUTIVE COMMITTEE
JULY 9, 2018
1:30 P.M.
720 NORTH COLUSA STREET, WILLOWS, CA 95988

Committee Members Present:	Agency Representing:
X John Viegas	County of Glenn
X Leslie Nerli	Glide Water District
X John Amaro	Glenn-Colusa Irrigation District

Others in attendance:

Lisa Hunter, Glenn County; Mary Fahey, Colusa Groundwater Authority

1. CALL TO ORDER

John Amaro called the meeting to order at 1:33 PM. Those in attendance were invited to introduce themselves.

2. APPROVAL OF AGENDA

- a. Review and approve agenda.

The agenda was approved as presented.

Motion: John Viegas, Second: Leslie Nerli, Vote: Unanimous

3. PERIOD OF PUBLIC COMMENT

None.

4. ANNUAL AUDITS

- a. Discuss preparation for Request for Proposals soliciting proposals to provide Annual Audit Services for Fiscal Year 2017/2018 with the option to extend for an additional three (3) years thereafter.

The committee reviewed the draft Request for Proposals focusing on the highlighted portions of the draft and the List of Potential Firms for Consideration handout. The proposed schedule was discussed. The proposed closing date is a few days after the August 13, 2018 GGA meeting in which the Board would provide more clarification on who will sit on the selection committee. It was clarified that Section 10 would be deleted if nothing further was suggested to be added. A motion was made to release the RFP and invite the firms listed on the handout to submit proposals. It was further clarified that the RFP would be sent to all the firms listed on handout.

Motion: Leslie Nerli, Second: John Viegas, Vote: Unanimous

- b. Provide direction to Program Manager as necessary

The committee directed the Program Manager to add choosing the selection committee members to the next GGA Board meeting agenda.

5. BYLAWS

- a. Discuss and review Draft Bylaws.

Lisa Hunter suggested that committee members also review the Draft Bylaws to determine if anything should be added to help clarify agency processes. The committee reviewed the Draft Bylaws and comments in the handout focusing on highlighted areas and areas that include tracked changes and comments. Additional clarifications and changes were suggested including clarifications to the conflict resolution section, committees, and vacancies.

- b. Provide direction to Program Manager as necessary.

The committee directed the Program Manager to compile the comments and work with Legal Counsel to develop a final draft for the Board's consideration at the August Board meeting. This item will be added to the August Board meeting for review and comment with a target for September approval.

6. DEVELOPMENT OF AN AGREEMENT WITH COLUSA GROUNDWATER AUTHORITY TO DESCRIBE COOPERATION BETWEEN THE AGENCIES

- a. Discuss development of Agreement with Colusa Groundwater Authority describing cooperation.

Lisa Hunter and Mary Fahey have discussed the need to hold a Colusa Groundwater Authority/Glenn Groundwater Authority Joint Executive Committee meeting to discuss this item, as well as the potential for a joint comment letter, which will be discussed under Item 7, and the Proposition 218 process options. Legal Counsel from both agencies would also attend the Joint Meeting. Lisa Hunter reviewed the draft Memorandum of Understanding and key principles. The committee discussed suggested clarifications, changes, and additions, including the number and composition of representatives, functions, and voting of the Basin Advisory Committee mentioned in Article 4 and Financial Provisions discussed in Article 6. Committee members will review the Draft MOU and provide comment to Ms. Hunter.

- b. Provide direction to Program Manager as necessary.

The committee directed the Program Manager to compile comments and work with Legal Counsel to develop the next iteration of the Draft MOU.

7. DEPARTMENT OF WATER RESOURCES DRAFT 2018 SGMA BASIN PRIORITIZATION

- a. Discuss and consider providing recommendation to GGA Board regarding providing a comment letter to the Department of Water Resources concerning the Draft 2018 SGMA Basin Prioritization.

Lisa Hunter mentioned that there are comment letters posted on the Department of Water Resources website that can be used as examples if needed. Ms. Hunter then reviewed the draft comment letter. The committee suggested having questions addressed to the Program Manager rather than the Chairman. It was discussed that there should be consistent messaging in the Colusa Groundwater Authority and Glenn Groundwater Authority comment letters; however, due to the timeline, it may not be possible to send a joint letter, although the committee would entertain the approach of a joint letter. A motion was made to coordinate the comment letter with Colusa and if possible to send a joint letter or if timing does not allow, send the letter with Chairman signature.

Motion: Leslie Nerli, Second: John Viegas

Upon further discussion, Ms. Hunter indicated the Board has given the Executive Committee the authority to recommend a comment letter to the Board. Ms. Nerli amended the motion to recommend to the Board that the comment letter be coordinated with Colusa and if possible to send a joint letter or if timing does not allow, send the letter with Chairman signature. Mr. Viegas agreed with the amendment.

Vote: Unanimous

- b. Provide direction to Program Manager as necessary.

Lisa Hunter will work with Mary Fahey to determine if the timeline might support the development of a joint letter. The draft letter will be placed on the August GGA Board agenda as an action item.

8. NEXT MEETING

The next meeting GGA Executive Committee is scheduled for August 22, 2018.

9. ADJOURN

The was adjourned at 3:44 PM.

GLENN GROUNDWATER AUTHORITY EXECUTIVE COMMITTEE
720 N. Colusa Street, Willows, CA 95988
Telephone: 530-934-6501

MINUTES

GLENN GROUNDWATER AUTHORITY EXECUTIVE COMMITTEE
AUGUST 22, 2018
9:30 A.M.
720 NORTH COLUSA STREET, WILLOWS, CA 95988

Committee Members Present:	Agency Representing:
X John Viegas	County of Glenn
Leslie Nerli	Glide Water District
X John Amaro	Glenn-Colusa Irrigation District

Others in attendance:

Lisa Hunter, GGA/Glenn County; Sharla Stockton, Glenn County; Mary Fahey, CGA/Colusa County; Linda Sloan, Provost & Pritchard; Erin Smith, Department of Water Resources (9:43). Leslie Nerli called in and did not participate as a committee member.

1. CALL TO ORDER

John Amaro called the meeting to order at 9:34 AM.

2. APPROVAL OF MINUTES

- Approval of meeting minutes from June 27, 2018.
- Approval of special meeting minutes from July 9, 2018.

Meeting minutes were not complete for the June 27, 2018 and July 9, 2018. This item will be brought back to the next meeting.

3. PERIOD OF PUBLIC COMMENT

None

4. ANNUAL AUDITS

- Receive update on Request for Proposals to provide Annual Audit Services process.
- Provide direction to Program Manager as necessary.

Lisa Hunter stated the schedule that was approved at the Glenn Groundwater Authority (GGA) Board meeting is included in the meeting packet. A meeting of the Selection Committee will need to be scheduled in order to review the proposals. If needed, interviews would be scheduled afterward. A recommendation will be brought to the Board at the September 10, 2018 meeting. It was decided that the Executive Committee, serving as

the Selection Committee would tentatively meet on August 27 to review proposals. Ms. Hunter will coordinate with the committee to finalize the meeting date.

5. BYLAWS

- a. Discuss and review Draft Bylaws.
- b. Provide direction to Program Manager as necessary.

The committee reviewed the compiled comments on the Draft Bylaws from the July 9 meeting. Additional clarifications comments were made throughout the draft document. Discussion topics included approval of agendas, conflict resolution, committees, and vacancies affecting a quorum. The committee also discussed vacancy and chronic absence notifications to member agencies. Clarification was also requested on who would run the meeting in the absence of the Chair and Vice Chair. The committee also requested clarification on adding a Board member call-in procedure, which would likely be added to Section 3.1. There was additional discussion regarding the finances and public records sections.

Ms. Hunter will forward the compiled comments to Valerie Kincaid. Ms. Hunter and Ms. Kincaid will work together to develop a clean copy for Board review, comments, and consideration of approval at the September 10, 2018 meeting.

6. DEVELOPMENT OF AN AGREEMENT WITH COLUSA GROUNDWATER AUTHORITY TO DESCRIBE COOPERATION BETWEEN THE AGENCIES

- a. Discuss development of Agreement with Colusa Groundwater Authority describing cooperation.
- b. Provide direction to Program Manager as necessary.

Ms. Hunter reviewed the draft agreement, which includes comments from the July 9 meeting. A clean copy will be developed after this meeting, which will be sent to the Colusa Groundwater Authority (CGA) for their input. A Joint Executive meeting will be scheduled to review the MOU after both the CGA and GGA have made comments and reviewed the MOU thoroughly. There was some discussion on the potential role, composition, and number of members of the Basin Advisory Committee. The committee also discussed striving for unanimous approval, but including a process if there is not unanimity during decision-making. It was mentioned there may be potential acreage changes due to basin boundary modification requests. This may be a consideration in the cost-allocation between the GGA and CGA. Options for splitting basin-wide costs equally, project agreements, and the potential for other grant funding were discussed. It was mentioned the document can be revisited as needed. Ms. Hunter will work with Ms. Kincaid to develop the next iteration of the MOU to share with the CGA Executive Committee.

7. LONG-TERM FUNDING

- a. Discuss long-term funding plan and develop options or recommendations regarding next steps in the process for the GGA Board's consideration.
- b. Provide direction to Program Manager as necessary.

Ms. Hunter reviewed the information in the meeting packet including the long-term funding options, discussion at the Joint GGA/CGA Executive Committee meeting on August 6, and discussion at the August 13, 2018 GGA Board meeting. The McMullin Area GSA fee study is included in the meeting packet as an example of a fee study completed by another Groundwater Sustainability Agency. The committee discussed the differences between an Engineer's Report and a less complicated Fee Study. The committee agreed that a fee study seemed more appropriate than an Engineer's Report. Discussion included the need for SGMA outreach and education to ensure Proposition 218 success. Erin Smith also stated the State Water Resources Control Board has been willing to give presentations in regards to the fee structure as part of the outreach process. Ms. Hunter stated a public relations firm or a communications team would be ideal for outreach related work. The group also suggested Dave Ceppos be a part of the outreach process. There was discussion on public relations firm versus facilitator involvement, public relations/facilitator roles, public and community meetings, and panel discussions. Ms. Smith suggested having a two-phased approach to outreach, the first being a general SGMA overview and the second covering more intensive topics such as the long-term funding process.

Ms. Fahey provided an update on the CGA process, stating originally the CGA put out an RFP for Option 2, Property-Related Fees, and later learned about Option 3, Property-Related Fees for Water Service. At the next CGA meeting, the CGA Board will select a funding option and determined whether to move forward with an Engineer's Report or a fee study. Ms. Hunter stated there is benefit in having a third party firm conduct the work associated with the project who is familiar with the Proposition 218 process and has a best practices in place.

The Executive Committee's recommendation to the GGA board is to conduct a fee study and select one firm or team of consultants to perform all tasks necessary to conduct the Proposition 218 process including public outreach, facilitation, GIS work, and fee study development. The Executive Committee will also recommend that the GGA Board authorize the Executive Committee to develop and release an RFP for these services. If time permits, Ms. Hunter will draft an RFP for consideration.

There was additional discussion on the potential to sole-source Provost & Pritchard to complete this work since they are conducting a similar process in the Colusa Groundwater Authority area which would provide consistency across the basin. This option may also provide cost efficiencies. Ms. Hunter will request guidance from Legal Counsel, and if appropriate, this option will be recommended to the GGA Board at the September 10, 2018 meeting rather than the RFP option.

8. HYDROGEOLOGIC CONCEPTUAL MODEL/WATER BUDGET PROJECT

- a. Discussion on project progress.
- b. Review draft Funding Agreement.
- c. Provide direction to Program Manager as necessary.

Ms. Hunter provided an update to the committee on the HCM/Water Budget Project. The CGA and GGA Program Managers had a kickoff meeting with consultants and discussed next steps for the project. There will likely be a public outreach meeting in November to introduce the HCM/Water Budget project to the public. This meeting could also include a general SGMA overview and an introduction on the long-term funding process.

A draft funding agreement letter developed by Ms. Kincaid was distributed. There was discussion regarding acreage that will likely be added to the Colusa Subbasin due to potential basin boundary modifications and the division of cost between the agencies. Ms. Hunter highlighted the thirty-day requirement for remit payment and commented that it may need to be more than thirty days due to the meeting schedule and approval time. It was mentioned that it is anticipated this project will be reimburse through the Proposition 1 grant. The CGA is the lead agency for the grant. Ms. Hunter and Ms. Fahey will work together to propose a process for invoicing and payment between the agencies to be included in the funding agreement letter. This item will be brought back for further discussion at a future meeting.

9. PROGRAM MANAGER UPDATES

Ms. Hunter indicated letterhead options have been developed.

10. EXECUTIVE COMMITTEE MEMBER REPORTS AND COMMENTS

None

11. DISCUSS ADDITIONAL POTENTIAL ITEMS TO BE ADDED TO THE SEPTEMBER 10, 2018 GGA BOARD MEETING AGENDA

The committee reviewed items discussed above to be added to the September 10, 2018 GGA Board meeting agenda including audit services selection, Bylaws, and the long-term funding process.

12. NEXT MEETING

The next GGA Executive Committee meeting is scheduled for September 26, 2018 at 9:30 AM.

13. ADJOURN

The meeting adjourned at 12:09 PM.

Glenn Groundwater Authority

Groundwater Sustainability Agency

PO Box 351, Willows, CA 95988 | 530.934.6501

AGENDA ITEM 4: PERIOD OF PUBLIC COMMENT

Members of the public are encouraged to address the GGA Executive Committee on items relevant to the GGA that are not on the agenda. Public comments are limited to no more than 5 minutes. No action may be taken on public comments.

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

AGENDA ITEM 5: STAFF UPDATES

The Program Manager will provide brief activity updates. Reminders and/or clarifications may also be made at this time.

AGENDA ITEM 6: DEVELOPMENT OF AN AGREEMENT WITH COLUSA GROUNDWATER AUTHORITY TO DESCRIBE COOPERATION BETWEEN THE AGENCIES

- a. *Discuss development of an Agreement with Colusa Groundwater Authority describing cooperation.
- b. Provide direction to Program Manager as necessary.

Continue discussion on the Draft CGA/GGA MOU.

The MOU is intended to describe cooperation between the agencies for Groundwater Sustainability Plan development, Proposition 1 grant fund and technical support activities, SGMA implementation, and similar items. The Draft MOU was discussed and comments provided at the July 9, 2018 and August 22, 2018 Executive Committee Meetings. The CGA/GGA Joint Executive Committee, with Legal Counsel from both agencies, also reviewed and discussed the Draft MOU at the August 6, 2018 meeting. The attached iteration has been developed to address comments and clarifications provided at these previous meetings.

The GGA Executive Committee will provide a clean draft to the CGA Executive Committee. The CGA and GGA Executive Committees and Legal Counsel will work together to develop the document for review and consideration of approval by each of the Boards.

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
Colusa Groundwater Authority Program Manager
100 Sunrise Boulevard, Suite A
Colusa, CA 95932
Email: mfahey@countyofcolusa.com
Phone: 530.458.0719

With a copy to: Ernest Conant

Young Wooldridge, LLP
1800 30th Street, Fourth Floor
Bakersfield, CA 93301-1909
Email: econant@youngwooldridge.com
Phone: 661.243.8445

GGA

Lisa Hunter
Glenn Groundwater Authority Program Manager
720 N Colusa St
Willows, CA 95988
Email: lhunter@countyofglenn.net
Phone: 530.934.6501

With copy to: Valerie Kincaid

O'Laughlin & Paris LLP

2617 K Street, Suite 100
Sacramento, CA 95816
Email: vkincaid@olaughlinparis.com
Phone: 916.599.5498

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]

Glenn Groundwater Authority

Groundwater Sustainability Agency

PO Box 351, Willows, CA 95988 | 530.934.6501

AGENDA ITEM 7: ANNUAL AUDIT SERVICES

- a. Discuss Engagement Letter and Client Portal Agreement provided by CliftonLarsonAllen.
- b. *Authorize Chairman to execute the Engagement Letter.
- c. *Authorize the Program Manager to sign the Client Portal Agreement.
- d. Provide direction to Program Manager as necessary.

September 10, 2018, the Board selected CliftonLarsonAllen (CLA) to provide annual audit services for Fiscal Year 2017/2018 with the option of extending the contract for three fiscal years thereafter. The Board gave the Executive Committee the authority to negotiate a contract with CLA and authorized the Chairman to sign the negotiated contract. The Program Manager has coordinated with CLA staff, who provided an Engagement Letter and Client Portal Agreement. Legal Counsel reviewed the Engagement Letter and Client Portal Agreement and provided suggestions to the Engagement Letter, which are incorporated into the attached letter.

September 14, 2018

Ms. Lisa Hunter, Program Manager
Glenn Groundwater Authority
720 North Colusa Street
Willows, CA 95988

Dear Ms. Hunter:

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") will provide for the Glenn Groundwater Authority ("you," "your," or "the entity") for the year ended June 30, 2018.

Rich Gonzalez is responsible for the performance of the audit engagement.

Audit services

We will audit the financial statements of the governmental activities, and the major funds, which collectively comprise the basic financial statements of the Glenn Groundwater Authority, as of and for the year ended June 30, 2018, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management's discussion and analysis.
2. Budgetary comparison schedule

Nonaudit services

We will also provide the following nonaudit service:

- Preparation of your financial statements and related notes.

Audit objectives

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We will issue a written report upon completion of our audit of your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to

modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform

the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and compliance relevant information about any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP. Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest

period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design, implementation, and maintenance of effective internal control, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report.

You are responsible for ensuring that management is reliable and for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the

foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements and related notes. Since the preparation and fair presentation of the financial statements is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for those financial statements. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Use of financial statements

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements

addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State Controller, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the State Controller. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide

services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Our engagement and responsibility end on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Mediation

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of California, without giving effect to choice of law principles.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between the parties. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

Fees

Our fees for these services will be \$9,500. The fee is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Unanticipated services

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are listings of services considered to be outside the scope of our engagement. If any such service needs to be completed before the audit can proceed in an efficient manner, we will determine whether we can provide the service and maintain our independence. If appropriate, we will notify you and provide a fair and reasonable price for providing the service. We will bill you for the service at periodic dates after the additional service has been performed.

Changes in engagement timing and assistance by your personnel

The fee estimate is based on anticipated cooperation from your personnel and their assistance with timely preparation of confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, we will advise management. Additional time and costs may be necessary because of such unanticipated delays. Examples of situations that may cause our estimated fee to increase include:

- Significant delays in responding to our requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents)
- Rescheduling our fieldwork
- Schedule disruption caused by litigation, financial challenges (going concern), loan covenants (waivers), etc.
- Identifying a significant number of proposed audit adjustments
- Schedules prepared by your personnel that do not reconcile to the general ledger
- Numerous revisions to information and schedules provided by your personnel
- Restating financial statements for accounting errors in the prior year
- Lack of availability of entity personnel during audit fieldwork

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Additional Language

Termination

You have the right to terminate this Agreement, at any time, upon fifteen (15) days written notice to CLA. In event of such termination, CLA shall be entitled to compensation for services rendered through and including the date of giving of notice of termination. CLA shall provide GGA with its usable work product in a form that GGA may use. Should this information be in electronic format, CLA shall cooperate in providing access to such software and files as are reasonably necessary to transfer the information.

Indemnity

CLA shall defend, indemnify and save harmless GGA, its elected and appointed officials, officers, agents and employees from all liability from loss damage or injury to persons or property, including the payment by CLA of any and all legal costs and attorney's fees, in any manner arising out of any negligent or intentional or willful acts or omissions of CLA in performance of this Agreement, including but not limited to, all consequential damages to the maximum extent permitted by law.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. Please sign, date, and return a copy of this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP



Rich Gonzalez, CPA
Principal
916-784-7800
Rich.Gonzalez@CLAconnect.com

Enclosure

Response:

This letter correctly sets forth the understanding of the Glenn Groundwater Authority.

Authorized governance signature: _____

Title: _____

Date: _____

Authorized management signature: _____

Title: _____

Date: _____

This Client Portal Agreement ("Agreement") is made by and between you ("Client") and CliftonLarsonAllen LLP ("Firm"), effective on the date it is executed by Firm's authorized representative, upon the following terms and conditions:

1. **Purpose.** Firm provides a Client Portal (secure Internet site) to permit easy and secure electronic transfer of documents between Client and Firm as well as ongoing Client access to certain documents (may include confidential documents) created or maintained by Firm. The Client Portal may also contain documents created and uploaded by the Client to the Client Portal.

2. **Use.** The Client Portal web-based applications are exclusively provided to clients of Firm and are intended for their sole use. By using any feature of Firm's Client Portal, Client and Client's assigned agents consent to the following terms and conditions and acknowledge that Firm is relying on such consent in allowing Client and Client's assigned agents to use the Client Portal. Firm may modify, suspend, discontinue or restrict the use of any portion of the Client Portal, including the availability of any portion of the content at any time, without notice or liability. Similarly, Firm may amend the terms and conditions of this Client Portal Agreement at any time. Such terms will be communicated in the electronic End User License Agreement. Continued use of the Client Portal after the posting of any amended terms and conditions shall constitute agreement by Client and Client's assigned agents to be bound by any such changes.

3. **Service Availability.** Firm will reasonably endeavor to provide 24 hour daily availability of the Client Portal. However, Firm makes no representation or warranty that 24 hour service will be available. Client agrees and acknowledges that the Client Portal will, at times, be unavailable for any number of reasons, including regularly scheduled maintenance, service upgrades, or mechanical or electronic failures. Client further understands and agrees that use of the Client Portal may be impacted by factors related to Client's Internet service provider(s), public networks, and such other relevant entities ("Third Party Service Providers") and by factors related to Client's workstations/hardware, Client's operating systems, Client's software, and Client's web browsers. Firm is not responsible for any such impact or for any problems or technical malfunctions of any telephone or fiber network or lines, computer on-line systems, servers or providers, computer equipment, software, or any combination thereof, including any injury or damage to Client's computer or peripherals related to downloading any materials from the Client Portal, and is likewise not responsible for the failure of any e-mail to be received as a result of any such problems or technical malfunctions.

4. **Security.** Firm will reasonably endeavor to make the Client Portal secure from unauthorized access. The Client Portal server operating system and application software will be updated and virus-scanned regularly. However, Client recognizes that no completely secure system for electronic data transfer has yet been devised.

5. **Logon Accounts and Their Security.** In order to maintain security, Client agrees to designate _____ (name) _____ (email address) a Portal Admin as the initial "Client Primary Contact." Through that individual, Client may set up an additional or replacement "Client Primary Contact." The Client Primary Contact(s) will have the ability and sole responsibility to set up and administer individual logon accounts (user accounts) for the Client Portal. Client is solely responsible for each user account that a Client Primary Contact sets up and for the access rights assigned to each user. An initial logon password will be transmitted to each user via email. Users will be prompted to change their passwords upon initial logon. **(Firm strongly recommends that Client establish a policy that logon information not be shared among Client's employees).** The Client Primary Contact(s) and all users of individual logon accounts will be responsible for (1) authorizing, monitoring, controlling access to and maintaining the strict confidentiality of their usernames and passwords, (2) not allowing another person to use their usernames or passwords, and (3) any charges or damages that may be incurred as a result of their neglect to maintain the strict confidentiality of their usernames and passwords.

6. **Termination of Logon Account.** As noted above, Client is solely responsible for the user accounts that Client authorizes and for the access rights assigned to each user. As such, Client is solely responsible for making sure that access to the Client Portal is terminated when a user ceases to be an authorized agent of Client (e.g., when a user's employment or other relationship with Client terminates). The Client Primary Contact(s) will have the ability to terminate any logon account at any time.

7. **Documents Stored on the Client Portal.** Firm may upload to the Client Portal only financial statement information relating to certain Firm clients who have expressly consented to such information being accessed by Client and, in particular, shall never be used to share personal information on any firm client employee or customer.. Client shall keep this in mind in deciding to whom access to the Client Portal will be granted.

The Client Primary Contact(s) and other users may upload or download documents from the Client Portal according to the access permission granted by the Client Primary Contact(s).

Firm reserves the right to delete documents from the Client Portal at any time and for any reason. That said, documents uploaded to the Client Portal will normally remain on the Client Portal for a reasonable period of time or until requested to be deleted by Client or until Client terminates this agreement.

Firm reserves the right at all times to disclose any information as necessary to satisfy any applicable law, regulation, legal process or governmental request, or to edit, refuse to post or to remove any information or materials, in whole or in part, in Firm's sole discretion. Client will indemnify Firm and hold Firm harmless for all time and costs (including attorney fees) that Firm is compelled to incur in responding to subpoenas, discovery requests, or other legal process (including government requests) resulting in any way from the documents contained on the Client Portal.

8. **Client's Responsibility.** Client must, at Client's own cost: (a) provide for Client's own access to the Internet and pay any service fees, telephone charges and online service usage associated with such access, and (b) provide all equipment necessary for Client to make connection to the Client Portal, including a computer and modem.

9. **No Unlawful or Prohibited Use.** As a condition of using of the Client Portal, Client warrants to Firm that Client and Client's assigned agents will not use the Client Portal to conduct or solicit any activity that is unlawful or that is otherwise prohibited by any contractual provision by which Client is bound. Client may not use the Client Portal in any manner that could damage, disable, overburden, or impair the Client Portal or interfere with any other party's use and enjoyment of the Client Portal. Client may not obtain or attempt to obtain any materials or information through any means not intentionally made available or provided for through the Client Portal. Client agrees to comply with all applicable laws, rules, and regulations in connection with the Client Portal. Finally, Client warrants that it will not provide access to the Client Portal to any third party; such access has not been agreed to by the Firm's clients.

10. **Icons, Logos, and Other Proprietary Material.** The trademarks, logos, and service marks (collectively the "Trademarks") displayed on the Client Portal are registered and common law trademarks of Firm. Nothing contained on the Client Portal should be construed as granting, by implication, or otherwise, any license or right to use any of the Trademarks displayed on the Client Portal without the written permission of Firm. Use of any of the Trademarks displayed on the Client Portal or displayed on any content on the Client Portal is strictly prohibited. Client and anyone whom Client authorizes to use the Client Portal should assume that everything they see or read on the Client Portal is copyrighted and is a trade secret and may not be used without the written permission of Firm.

11. **Links To Third Party Sites.** CLA has contracted with CCH for the purpose of providing a CLA branded product. The Client Portal may contain links to other Websites ("Linked Sites"). The Linked Sites are not under the control of Firm and Firm is not responsible for the contents of any Linked Site, including without limitation any link contained in a Linked Site, or any changes or updates to a Linked Site. Firm is not responsible for webcasting or any other form of transmission received from any Linked Site. Firm is providing these links only as a convenience to Client, and the inclusion of any link does not imply endorsement by Firm of the Linked Site or any association with the operators of the Linked Site.

12. **Confidentiality, Information Protection, and Protection of Data.** Notwithstanding any existing legal or contractual obligations regarding confidentiality between Client and Firm, Client undertakes to treat all knowledge relating to business secrets, which come into Client's possession through the use of the Client Portal, as confidential. Client shall assure that any protected data that comes into Client's possession through the use of the Client Portal is not transmitted to any unauthorized person. Client shall notify Firm of any documents or communications that require password protection if fewer than all individuals with access to the Client Portal should not have access to such information. In partial consideration of the opportunity to access the resources of the Client Portal, Client agrees to maintain the strict confidentiality of access of the Client Portal and its data to Client and Client's assigned agents, and to indemnify and hold harmless Firm and its officers, principals, and employees and their heirs, successors, and assigns from and against any and all claims, actions, demands, losses, damages, judgments, costs, and expenses, including without limitation, reasonable attorney fees and liabilities of every kind that may arise from Client's or Client's assigned agents' use of the Client Portal or because of violation of these terms and conditions of use.

13. **Term and Termination.** This Agreement and the services contemplated by it may be terminated by either Firm or Client with or without cause and with or without notice at any time; provided, however, that the warranty disclaimers and liability waiver set forth below in Paragraph 14 shall survive any such termination. Upon termination of this agreement or relationship by Client or Firm, the client has 30 days to download portal content from the Client Portal. Notice of termination may be sent via email or in writing. This Agreement is automatically terminated if the Client/Firm relationship is ended.

14. **Warranty Disclaimer and Liability Waiver.** FIRM MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE EFFICACY OF THE SECURITY OF THE CLIENT PORTAL. FURTHERMORE, FIRM DOES NOT WARRANT THAT THE CLIENT PORTAL'S FUNCTIONS WILL BE UNINTERRUPTED OR ERROR-FREE, THAT DEFECTS WILL BE CORRECTED, OR THAT THE CLIENT PORTAL OR THE SERVER THAT MAKES IT AVAILABLE IS FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS. THE CONTENT AND SERVICES ARE PROVIDED ON AN "AS IS" BASIS AND FIRM SPECIFICALLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION, WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES OF MERCHANTABILITY OR WARRANTIES AGAINST INFRINGEMENT.

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT OR OTHERWISE EXPRESSLY PROVIDED BY APPLICABLE LAW OR REGULATION, CLIENT AGREES THAT NEITHER FIRM, NOR ANY PARTY THAT PROVIDES INTERNET ACCESS OR EQUIPMENT USED TO ACCESS THE CLIENT PORTAL (INCLUDING "THIRD PARTY SERVICE PROVIDERS" AS DEFINED ABOVE), NOR ANY AGENT, INDEPENDENT CONTRACTOR, OR SUBCONTRACTOR OF ANY OF THE FOREGOING WILL BE LIABLE FOR ANY LOSS, INJURY, OR DAMAGE, INCLUDING, WITHOUT LIMITATION, DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, WHETHER UNDER A CONTRACT, TORT, OR ANY OTHER THEORY OF LIABILITY, ARISING IN ANY WAY OUT OF THE CLIENT PORTAL, ITS CONTENT, ITS SECURITY OR ANY SERVICES PROVIDED IN CONNECTION WITH IT, OR OUT OF THE INTERNET ACCESS PROVIDER USED TO ACCESS THE CLIENT PORTAL OR THE EQUIPMENT USED TO ACCESS THE CLIENT PORTAL, INCLUDING, WITHOUT LIMITATION, ANY LOSS, INJURY, OR DAMAGE RELATING TO ANY FAILURE OF PERFORMANCE, ERROR, OMISSION, INTERRUPTION, DEFECT, DELAY IN OPERATION OR TRANSMISSION, COMPUTER VIRUS, LINE FAILURE OR UNAUTHORIZED INTERCEPTION OR ACCESS TO THE COMMUNICATION BETWEEN FIRM AND CLIENT, EVEN IF FIRM OR THE THIRD PARTY SERVICE PROVIDERS ARE AWARE OF THE POSSIBILITY OF SUCH EVENTS.

15. **Miscellaneous.** The individuals signing this Agreement each represent and warrant that they are authorized to enter into this Agreement on behalf of Client and Firm, respectively, as those terms are defined in this Agreement. This is the entire agreement between Firm and Client regarding its subject matter. This Agreement does not modify or affect any existing or future engagement letter or agreement between Firm and Client. This Agreement is made and entered in the State of Minnesota and is to be construed under the laws of the State of Minnesota exclusive of its choice of law provisions, as they from time to time exist.

Executed by the parties acting by and through their authorized representatives on the dates set forth below.

CLIENT: _____
By _____
Printed Name _____
Title _____
Date _____

FIRM: CLIFTONLARSONALLEN LLP
By Rich Bongaly _____
Printed Name _____
Title _____
Date _____
CLA Client ID _____

CliftonLarsonAllen LLP
CLIENT PORTAL AGREEMENT
Additional Clients (Optional)

Client Name	CLA Client ID
Client Name	CLA Client ID
Client Name	CLA Client ID
Client Name	CLA Client ID
Client Name	CLA Client ID
Client Name	CLA Client ID
Client Name	CLA Client ID
Client Name	CLA Client ID
Client Name	CLA Client ID
Client Name	CLA Client ID
Client Name	CLA Client ID

Glenn Groundwater Authority

Groundwater Sustainability Agency

PO Box 351, Willows, CA 95988 | 530.934.6501

AGENDA ITEM 8: LONG-TERM FUNDING

- a. Discuss scope and fee estimate provided by Provost & Pritchard to complete all necessary tasks to prepare for and implement a Property-Related Fee Assessment for Water Service consistent with the process of Colusa Groundwater Authority.
- b. *Consider providing a recommendation to the Board to:
 - i. Engage with Provost & Pritchard to negotiate a contract to provide services to complete all tasks necessary to prepare for and implement a Property-Related Fee Assessment for Water Service
OR
 - ii. Develop a Request for Proposals or Request for Qualifications to provide services to prepare for and implement a Property-Related Fee Assessment for Water Service.
- c. Provide direction to Program Manager as necessary.

At the September 10, 2018 GGA Board meeting, the Board authorized the Executive Committee to request a quote from Provost & Pritchard to complete all necessary tasks to prepare for and implement a Property-Related Fees Assessment for Water Service consistent with the process of Colusa Groundwater Authority. The Program Manager and representatives from Provost & Pritchard met to discuss this task. The scope and fee estimate provided by Provost & Pritchard is attached for further discussion.

Colusa Groundwater Authority (CGA) is utilizing the services of Provost & Pritchard to move forward with the Proposition 218 process, Property-Related Fees for Water Service, for the CGA.



111 Mission Ranch Blvd., Suite 140
Chico, CA 95926-2267
Tel: (866) 776-6200

www.ppeng.com

September 20, 2018

Lisa Hunter, Program Manager
Glenn Groundwater Authority
720 North Colusa Street
Willows, CA 95988

RE: Scope and Fee Estimate to Assist with Proposition 218, Majority Protest Process

Dear Ms. Hunter:

Thank you for the opportunity to submit this scope and fee estimate to provide services to assist the Glenn Groundwater Authority (GGA) with the Proposition 218 majority protest process for funding its Groundwater Sustainability Plan (GSP). This scope and fee estimate discusses our understanding of the project and recommends a scope of services together with associated fees. This is not a proposal, but a proposal can quickly be prepared using the included scope and fee.

Project Understanding

Provost & Pritchard Consulting Group (Provost & Pritchard) is responding to a GGA request for a quote to prepare a fee study and provide related services for a Proposition 218, majority protest option. The scope is intended to provide for two pricing options for total individual land owners; for adding outreach meetings, as needed; and discusses efficiencies that could be gained by coordinating with the Colusa Groundwater Authority Proposition 218 effort. The two individual land owner options offered for consideration are: 1) all parcels within the GGA area (approximately 7,400 individual land owners), and 2) the GGA area minus the Cities of Orland and Willows (approximately 4,300 individual land owners).

Scope of Services

The following is provided for GGA's consideration for work intended to be done by the Provost & Pritchard team. The final scope of services will be developed in coordination with GGA staff and Board Members to identify the specific tasks and schedule to be included.

TASK 1 – Coordination and Communication

Provost & Pritchard will coordinate with the GGA as required to establish timelines, deliverables, etc. and participate in periodic meetings and conferences with GGA staff and GGA Subcommittee members to review findings, property base, budgets, and other relevant items. Provost & Pritchard will prepare for, attend, and document meetings under this Task. Periodic reports to the GGA will be made regarding progress. Review of the cost estimates and fee analysis done in other tasks will be reviewed with the GGA prior to finalizing the Fee Study. The

\\ppeng.com\pzdata\docs\Marketing\Proposals\2018\Glenn Groundwater Authority - Prop 218 18-344\Working Drafts\2018-0920 Scope and Fee Quote.docx

Engineering • Surveying • Planning • Environmental • GIS • Construction Services • Hydrogeology • Consulting
Fresno • Bakersfield • Visalia • Clovis • Modesto • Los Banos • Chico • Merced

GGA Executive Committee
Meeting Date: October 24, 2018

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Fee Study developed in Task 3 will be reviewed with legal counsel and the GGA to ensure Proposition 218 and legal compliance. Communication and coordination with the Glenn County Assessor's Office, Glenn County Auditor and other parties will be done as needed. Provost & Pritchard will respond to property owner inquiries regarding the proposed added fee throughout the project.

Efficiencies within this task are possible if any of the three coordination meetings included in this task are held jointly for the Colusa and Glenn GSAs. Total estimated savings is \$500 per joint meeting, up to \$1,500.

TASK 2 –Parcel Evaluation

Provost & Pritchard will assist with the preparation of budgets and cost estimates for the services to be funded. Provost & Pritchard will acquire and analyze current property data from the Glenn County Assessor, other sources of real property information, and perform comparison of the Assessor data with other property data sources and data accuracy validation sources. An Access database will be created to concatenate parcel lists for each owner to minimize duplicative efforts.

Provost & Pritchard will review and discuss alternative fee structures (land classifications and proposed charge type for each classification) with GGA's representatives. Provost & Pritchard will assist in the development of options for a structure to propose to GGA's governing board.

Efficiencies within this task are possible due to reuse of developed methodologies between the Colusa and Glenn GSAs. Total estimated savings is \$800 to \$1,000 depending on the number of individual land owners.

TASK 3 – Fee Study

Provost & Pritchard will develop a detailed Fee Study to meet the requirements of Proposition 218. The Fee Study will incorporate information reviewed in Task 1 and identify the share of costs to be shared and unit (per acre, per parcel, etc.) to divide the costs by for each class of lands selected in Task 2. The Fee Study will also substantiate that the fee to be imposed would not exceed the reasonable share of costs of providing the service to each unit of land. The requirements of the Fee Study are still subject to various, and possibly contradictory, interpretations. Provost & Pritchard, therefore, will use its reasonable professional efforts and judgment to interpret and comply with applicable requirements of Proposition 218 and work closely with GGA's legal counsel in order to complete the report. Supporting maps and tables will be included in the Fee Study.

TASK 4 – Public Outreach

Provost & Pritchard will develop an Outreach Plan in coordination with GGA staff and board members, in conjunction with the GSP Outreach Plan. Most Proposition 218 elections that fail do so as a result of poor public outreach or a combination of inability and willingness to pay. Therefore, public outreach will be critical for project success. This includes early gauging of public perceptions, their willingness to bear higher fees and for how much, as well as a campaign to inform and utilize the influence of prominent landowners and updates to GGA members' existing web sites. Early gauging will be conducted through the initial public meeting and early GSP outreach activities.

Two mailers, one public information meeting and one public hearing are recommended to inform and seek input from landowners who would be subject to the fees. The first mailer will notify

landowners about the process and need for raising local funds and will serve as an invitation to the initial public workshop. The mailer would also serve as a “trial run” of the landowner mailing list to help work out data glitches in advance of the protest mailer. The second mailer will be prepared for the final public hearing and will include the landowner’s parcel specific information and protest instructions. All mailing packages will be developed in coordination with and subject to review by GGA staff and counsel.

Digital versions of the mailers and workshop notices, and periodic updates will be posted on the GGA’s website, <https://www.countyofglenn.net/dept/agriculture/water-resources/glenn-groundwater-authority>. The primary theme of public outreach associated with the Proposition 218 process will consist of continued education regarding the benefits of local control of groundwater, which is only possible with sufficient funds to develop and implement an effective GSP.

The Provost & Pritchard team will prepare the mailers and periodic updates, respond to property owner inquiries, and work with the GGA to plan and organize the public workshop and public hearing. In addition, the Provost & Pritchard project team will work with GGA staff and board members to develop presentations and facilitate the public workshop and the public hearing for the review of the Fee Study and Proposition 218 process. Facilitation work by Mr. Dave Ceppos and the Consensus and Collaborative Program (CCP) at CSU Sacramento includes advice on the agenda, facilitation strategy, and supporting facilitation materials; providing feedback on other meeting materials; and speakers (if warranted). Liaison offline with stakeholders and project leadership as needed between meetings would also be included. Facilitation would include: in-person meeting facilitation and management services, including encouraging and balancing participation, maintaining focus, promoting good faith discussions (sharing information, seeking to understand one another, generating inclusive solutions), and building consensus. If additional public information meetings are desired, the per meeting fee estimate is \$5,000.

The public meeting and official hearing would be conducted with the assistance of GGA’s legal counsel in the manner set forth in the Government Code for the type of meetings and hearing selected by GGA.

Efficiencies within this task are possible due to reuse of developed message materials between the Colusa and Glenn GSAs. Total estimated savings is \$3,600.

TASK 5 – Notice and Tally of Protests

Provost & Pritchard will utilize Excel data from the Access landowner database and roll to generate customized notices and protest instructions in accordance with Proposition 218 requirements.

Notices will be printed and mailed by CSU Chico, University Printing Services to each parcel owner in GGA to receive a fee. Two scenarios for individual parcel owners within the GGA are assumed: approximately 7,400 for all areas in the GGA, and approximately 4,300 if excluding those within the member cities of Orland and Willows. Provost & Pritchard will assist with responding to property owner inquiries that result from mailings including name and address changes.

Provost & Pritchard will coordinate with GGA to set up a secure protest collection box at an address of GGA’s choice, then open, count, and certify protest results on the day of the hearing

in a manner that is transparent. During and after the election, Provost & Pritchard will coordinate closely with the Glenn County offices that receive and manage Board of Supervisors approval of the roll.

TASK 6 – Final Fee Levies

Submit the final roll as it may be revised following the public hearing to the appropriate Glenn County office. Provide a test file to the Glenn County Assessor's office at least 30 days prior to preparation of data.

Time and Materials (Fee Budget)

Provost & Pritchard Consulting Group would perform these services on a time and materials basis, in accordance with our Standard Fee Schedule in effect at the time services are rendered. Fees would be invoiced monthly as they are accrued. Reimbursable expenses would be invoiced in addition to hourly fees and are included in the fee estimate.

Proposed Fee – Proposition 218 Majority Protest Option			
Phase	Estimated Fee 4,300 Land Owners	Estimated Fee 7,400 Land Owners	Efficiency Savings
Task 1 – Coordination and Communication	\$15,000	\$21,000	\$500 to \$1,500
Task 2 – Parcel Evaluation	\$7,500	\$10,500	\$800 to \$1,000
Task 3 – Fee Study	\$9,500	\$13,000	
Task 4 – Public Outreach*	\$18,000	\$18,000	\$3,700
Task 5 – Notice and Tally of Protests	\$8,800	\$12,000	
Task 6 – Final Fee Levies	\$3,700	\$3,700	
Total Estimated Fee:	\$62,500	\$78,200	\$5,000 to \$6,200

*Additional public information meetings can be performed for an additional fee of \$5,000 each.

Assumptions

- A. GGA, its member agencies and Glenn County agencies will furnish on a timely basis:
 1. GIS and database information to be used for developing the proposed roll and initial Tasks.
 2. Copies of pertinent documents, agreements, correspondence, and other requested information;
 3. Reviews of documents produced by Provost & Pritchard.
- B. Information provided by the GGA will be of sufficient quality to be relied upon to accomplish the scope of work.
- C. Provost & Pritchard will attend an initial kickoff meeting with the GGA, up to three progress meetings, one public information meeting, and the public hearing at the base fee. Additional meetings could be added, if requested, for an additional fee.

- D. GGA and member agencies will work with Provost & Pritchard to identify proposed income requirements, areas included or excluded from assessments, and make decisions regarding potential charges that will be covered in a timely manner.
- E. Legal services will be provided by GGA's legal counsel under separate contract. Input from legal counsel will be needed throughout the entire Proposition 218 process to ensure that all documents, notices, etc. are in compliance with applicable statutes.
- F. GGA's staff, board members, and legal counsel will work together with Provost & Pritchard and CCP to communicate and educate the landowners affected by the charges including at public meetings.
- G. GGA will bear any costs associated with any need to set up a new secure protest receiving address.

Respectfully,
Provost & Pritchard Consulting Group



Linda G. Sloan, PG8299, CHG930
Project Manager



Mike Day, RCE 39494
Principal-in-Charge

Glenn Groundwater Authority

Groundwater Sustainability Agency

PO Box 351, Willows, CA 95988 | 530.934.6501

AGENDA ITEM 9: EXECUTIVE COMMITTEE MEMBER REPORTS AND COMMENTS

Members of the Executive Committee 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 10: DISCUSS ADDITIONAL POTENTIAL ITEMS TO BE ADDED TO THE NEXT GGA BOARD MEETING AGENDA

Members of the Executive Committee are encouraged to discuss potential items they wish to add to the next GGA Board Agenda.

AGENDA ITEM 11: NEXT MEETING

The next meeting is scheduled for November 28, 2018 at 9:30 AM.

AGENDA ITEM 12: ADJOURN
