

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda

**Monday, June 19, 2017
4 to 5 p.m.**

**Meeting Location:
Woodland Community and Senior Center
2001 East Street, Woodland, Rooms 1 & 2**

Public documents relating to any open session item listed on this agenda that are distributed to all or most of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Yolo County Flood Control and Water Conservation District's Administrative Office at 34274 State Highway 16, Woodland 95695.

In compliance with the Americans with Disability Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting please contact Kristin Sicke at (530) 662-0265. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

- 1. CALL TO ORDER**
- 2. APPROVE AGENDA and ADDING ITEMS TO THE POSTED AGENDA** – In order to add an agenda item, it must fit into one of the following categories: a) A majority determination that an emergency (as designed by the Brown Act) exists; or b) A 4/5ths determination that the need to take action arose subsequent to the agenda being posted.
- 3. PUBLIC FORUM** – The Public may address the Yolo Subbasin Groundwater Agency Board of Directors on any item of interest not appearing on the agenda that is within the subject matter of the Yolo Subbasin Groundwater Agency.
- 4. ANNOUNCEMENT OF YOLO SUBBASIN GROUNDWATER AGENCY JOINT POWERS AGREEMENT** – Review of Joint Powers Agreement and Conduct Roll Call
- 5. ELECTION OF OFFICERS** – Election of Chair, Vice Chair, Secretary, and Treasurer
- 6. AUTHORIZATION OF ENTERING INTO MEMORANDUMS OF UNDERSTANDING WITH AFFILIATED PARTIES AND SOLANO COUNTY**
- 7. ELECTION TO BECOME THE GROUNDWATER SUSTAINABILITY AGENCY FOR THE YOLO SUBBASIN**

8. ADMINISTRATIVE ITEMS

- a. Appointment of Executive Officer and Treasurer
- b. Ratification of Preparation and Filing of Secretary of State forms
- c. Establishment of “Working Group” Subcommittee
- d. Determination of Board of Directors Meeting Schedule
- e. Development of Fiscal Year 2017/2018 Interim Budget and Designation of Depository of Agency Funds
- f. Authorization of Purchase of Insurance

9. PRESENTATION: 2-Year Vision and Groundwater Sustainability Plan Development

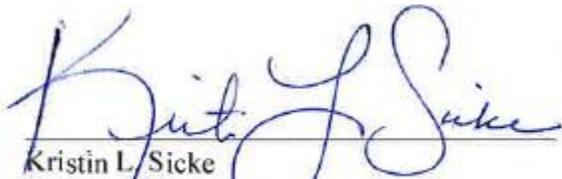
10. MEMBERS’ REPORTS and FUTURE AGENDA ITEMS – Yolo Subbasin Groundwater Agency Members are invited to briefly report on current issues and recommended topics for future Yolo Subbasin Groundwater Agency Board of Directors meetings.

- a. Submittal of Proposition 1 Grant Application
- b. Adoption of Resolution Approving Agency Conflict of Interest Code
- c. Establishment of Subcommittee for Reconsideration of Voting Structure and Expense Allocation (Agreement Section 5.11)

11. NEXT MEETING – Monday, September 18, 2017

12. ADJOURNMENT

Consideration of items not on the posted agenda, items in the following categories: 1) majority determination that an emergency (as defined by the Brown Act) exists; or 2) a 4/5ths determination that the need to take action arose subsequent to posting of the agenda. I declare under penalty of perjury that the foregoing agenda for the June 19, 2017 meeting of the Board of Directors of the Yolo Subbasin Groundwater Agency was posted June 16, 2017 in the Woodland Community and Senior Center located at 2001 East Street, Woodland 95695 and was made available to the public during normal business hours.



Kristin L. Sicke
Assistant General Manager
Yolo County Flood Control and Water Conservation District

**Yolo Subbasin Groundwater Agency Board of Directors
Meeting Agenda Report**

MEETING DATE: June 19, 2017

AGENDA ITEM NO. 1

SUBJECT: Call to Order

BACKGROUND:

In order to start the meeting in the absence of a Board Chair, Beverly Sandeen, Chair of the Water Resources Association of Yolo County, will open the meeting.

**Yolo Subbasin Groundwater Agency Board of Directors
Meeting Agenda Report**

MEETING DATE: June 19, 2017

AGENDA ITEM NO. 2

SUBJECT: Approve Agenda and Adding Items to the Posted Agenda

BACKGROUND

In order to add an agenda item, it must fit into one of the following categories: a) A majority determination that an emergency (as designed by the Brown Act) exists; or b) A 4/5ths determination that the need to take action arose subsequent to the agenda being posted.

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda Report

MEETING DATE: June 19, 2017

AGENDA ITEM NO. 3

SUBJECT: Public Forum

BACKGROUND

Opportunity for public comment on non-agenda items. This time is reserved for members of the Public to address the Yolo Subbasin Groundwater Agency Board on any item of interest not appearing on the agenda that is within the subject matter of the Yolo Subbasin Groundwater Agency. The Board may not act on non-agenda items, except as authorized by Government Code Section 54954.2.

**Yolo Subbasin Groundwater Agency Board of Directors
Meeting Agenda Report**

MEETING DATE: June 19, 2017

AGENDA ITEM NO. 4

SUBJECT: Announcement of Yolo Subbasin Groundwater Agency Joint Powers Agreement

BACKGROUND

Review the Yolo Subbasin Groundwater Agency Joint Powers Agreement (Agreement) and announcement of formation of Yolo Subbasin Groundwater Agency. Conduct the roll call and announce Agency directors and alternate directors.

The directors and alternate directors must take and sign the oath of office required by the California Constitution.

**JOINT EXERCISE OF POWERS AGREEMENT
ESTABLISHING THE YOLO SUBBASIN GROUNDWATER AGENCY**

THIS AGREEMENT is entered into and effective this 19th day of June, 2017 (“**Effective Date**”), pursuant to the Joint Exercise of Powers Act, Cal. Government Code §§ 6500 *et seq.* (“**JPA Act**”) by and among the entities listed in Exhibit A attached hereto and incorporated herein (collectively “**Members**”).

RECITALS

A. 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.

B. Each of the Members and Affiliated Parties overlies the Yolo Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-21.67 as its boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2 (“Subbasin”).

C. Each of the Members is authorized by SGMA to become, or participate in, a Groundwater Sustainability Agency under SGMA through a joint exercise of powers agreement.

D. The Members desire, through this Agreement, to form the Yolo Subbasin Groundwater Agency, a separate legal entity, for the purpose of acting as the Groundwater Sustainability Agency for the Subbasin. The boundaries of the Agency are depicted on the map attached hereto as Exhibit B and incorporated herein.

E. The mission of the Agency is to provide a dynamic, cost-effective, flexible and collegial organization to ensure compliance with SGMA within the Subbasin.

F. Subject to the reservation of authority in Article 8.5 of this Agreement, the Agency will serve a coordinating and administrative role regarding SGMA compliance within the Subbasin. Each of the Members and Affiliated Parties (or groups of Members and Affiliated Parties) will have initial responsibility for groundwater management within their respective Management Areas as delineated in the Groundwater Sustainability Plan (“GSP”) adopted by the Agency.

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

ARTICLE 1: DEFINITIONS

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

a. **“Affiliated Parties”** shall mean those entities that are legally precluded from becoming members of this Agreement but that, after entering into a memorandum of understanding with the Agency, will be granted a voting seat on the Board of Directors pursuant to the terms of this Agreement and the memorandum of understanding. The Affiliated Parties as of the Effective Date are listed in Exhibit C.

b. **“Agency”** shall mean the Yolo Subbasin Groundwater Agency established by this Agreement.

c. **“Agreement”** shall mean this Joint Exercise of Powers Agreement Establishing the Yolo Subbasin Groundwater Agency.

d. **“Board of Directors”** or **“Board”** shall mean the governing body formed to implement this Agreement as established herein.

e. **“DWR”** shall mean the California Department of Water Resources.

f. **“Effective Date”** shall be as set forth in the Preamble of this Agreement.

g. **“Groundwater Sustainability Agency”** or **“GSA”** shall mean an agency enabled by SGMA to regulate portion of the Subbasin cooperatively with all other Groundwater Sustainability Agencies in the Subbasin, in compliance with the terms and provisions of SGMA.

h. **“Groundwater Sustainability Plan”** or **“GSP”** shall have the definition set forth in SGMA.

i. **“GSA Boundary”** shall mean those lands depicted on the map shown in Exhibit B.

j. **“JPA Act”** shall mean the Joint Exercise of Powers Act, Cal. Government Code §§ 6500 et seq.

k. **“Management Area”** shall mean the areas delineated in the GSP for which Members and Affiliated Parties will have initial authority and responsibility for groundwater management in accordance with SGMA.

l. **“Member”** shall mean any of the signatories to this Agreement and “Members” shall mean all of the signatories to this Agreement, collectively. Each of the Members shall be authorized to become, or participate in, a Groundwater Sustainability Agency under SGMA.

m. “**SGMA**” shall mean the California 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 or supplemented from time to time.

n. “**Subbasin**” shall mean the Yolo Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-21.67 as its boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2.

ARTICLE 2: ORGANIZING PRINCIPLES

2.1 The Members and Affiliated Parties intend to work together in mutual cooperation to develop and implement a GSP for the Subbasin in compliance with SGMA.

2.2 To the extent any Member determines, in the future, to become a GSA separate and apart from the Agency, the Agency will allow such Member to become a GSA and the Agency will work cooperatively with such Member to coordinate implementation of SGMA within the Subbasin.

2.3 The Members intend through this Agreement to obtain cost-effective consulting services for the development and implementation of a GSP, in particular for the development of water balances.

ARTICLE 3: FORMATION, PURPOSE AND POWERS

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

3.2 **Certification.** Each Member certifies and declares that it is a legal entity that is authorized to be a party to a joint exercise of powers agreement and to contract with each other for the joint exercise of any common power under Article 1, Chapter 5, Division 7, Title 1, of the Government Code, commencing with section 6500 or other applicable law including but not limited to Cal. Water Code § 10720.3(c).

3.3 **Creation of the Agency.** Pursuant to the JPA Act, the Members hereby form and establish a public entity to be known as the “Yolo Subbasin Groundwater Agency,” which shall be a public entity separate and apart from the Members.

3.4 **Designation.** Pursuant to Government Code § 6509, the Members hereby designate the County of Yolo for purposes of determining restrictions upon the manner of exercising the power of the Agency.

3.5 **Purposes of the Agency.** The purposes of the Agency are to:

Provide for the joint exercise of powers common to each of the Members and powers granted pursuant to SGMA (subject to the restrictions contained in this Agreement);

Cooperatively carry out the purposes of SGMA;

Become a GSA for purposes of management of the Subbasin in accordance with SGMA; and

Develop, adopt and implement a legally sufficient GSP for the Subbasin, subject to the limitations set forth in this Agreement.

3.6 Powers of the Agency. To the extent authorized through the Board of Directors, and subject to the limitations set forth in this Agreement, the Agency shall have and may exercise any and all powers commonly held by the Members in pursuit of the Agency's purposes, as described in Article 3.5, including but not limited to the power:

- a. To exercise all powers granted to a GSA under SGMA;
- b. To take any action for the benefit of the Members and Affiliated Parties necessary or proper to carry out the purposes of the Agency as provided in this Agreement and to exercise all other powers necessary and incidental to the exercise of the powers set forth herein;
- c. To levy, impose and collect reasonable taxes, fees, charges, assessments and other levies to implement the GSP and/or SGMA;
- d. To borrow funds and to apply for grants and loans for the funding of activities within the purposes of the Agency;
- e. To adopt rules, regulations, policies, bylaws and procedures related to the purposes of the Agency;
- f. To sue and be sued; and
- g. To issue revenue bonds.

3.7 Powers Reserved to Members. Each of the Members reserves the right, in its sole and absolute discretion, to become a GSA and to exercise the powers conferred to a GSA within the Member's boundaries in accordance with Article 6.7 of this Agreement.

3.8 Relationship of Members and Affiliated Parties to Each Other. Each Member and each Affiliated Party shall be individually responsible for its own covenants, obligations and liabilities under this Agreement. No Member or Affiliated Party shall be deemed to be the agent of, or under the direction or control of, or otherwise have the right or power to bind, any other Member or Affiliated Party without the express written consent of the Member or Affiliated Party.

3.9 Term. This Agreement shall be effective as of the Effective Date and shall remain in effect until terminated in accordance with Article 6.5 of this Agreement.

3.10 Boundaries of the Agency. The geographic boundaries of the Agency and that portion of the Subbasin that will be managed by the Agency pursuant to SGMA are depicted in Exhibit B.

3.11 Role of Members and Affiliated Parties. Each Member and Affiliated Party agrees to undertake such additional proceedings or actions as may be necessary in order to carry out the terms and intent of this Agreement. The support of each Member and each Affiliated Party is required for the success of the Agency. This support will involve the following types of actions:

The Members and Affiliated Parties will provide support to the Board of Directors and any third party facilitating the development of the GSP by making available staff time, information and facilities within available resources.

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

Each Member and Affiliated Party shall contribute its share of operational fund allocations, as established and approved by the Board of Directors in the Agency's annual budget.

Contributions of public funds and of personnel, services, equipment or property may be made to the Agency by any Member or Affiliated Party for any of the purposes of this Agreement, provided that no repayment will be made by the Agency for such contributions in the absence of a separate written contract between the Agency and the contributing Member or Affiliated Party.

a. To the extent that Members and Affiliated Parties make personnel available to the Agency as contemplated under the provisions of Section 3.11, the Members acknowledge and agree that at all times such personnel shall remain under the exclusive control of the Member or Affiliated Party supplying such personnel. The Agency shall not have any right to control the manner or means in which such personnel perform services. Rather, the Member or Affiliated Party supplying personnel shall have the sole and exclusive authority to do the following:

(i) Make decisions regarding the hiring, retention, discipline or termination of personnel. The Agency will have no discretion over these functions.

(ii) Determine the wages to be paid to personnel, including any pay increases. These amounts shall be determined in accordance with the Member or Affiliated Party's published publicly available pay schedule, if any, and shall be subject to changes thereto approved by its governing body.

(iii) Set the benefits of its personnel, including health and welfare benefits, retirement benefits and leave accruals in accordance with the Member or Affiliated Party's policies.

(iv) Evaluate the performance of its personnel through performance evaluations performed by a management level employee that reports directly to a representative of the Member or Affiliated Party or its governing body.

(v) Perform all other functions related to the service, compensation or benefits of any personnel assigned to perform services on behalf of the Agency.

3.12 **Employees.** The Members do not anticipate that the Agency will have any employees. However, the Agency may do any of the following:

a. Engage one or more Members or third parties to manage any or all of the business of the Agency on terms and conditions acceptable to the Board of Directors as specified in a separate written contract. To the extent that a manager is appointed, the manager shall at all times maintain exclusive control over any employees of the manager assigned to perform services under the manager’s contract with the Agency, including, but not limited to, matters related to hiring, probationary periods, disciplinary action, termination, benefits, performance evaluations, salary determinations, promotions and demotions, and leave accruals.

b. The Board shall have the power to contract with competent registered civil engineers and other consultants to investigate and to carefully devise a plan or plans to carry out and fulfill the objects and purposes of SGMA, and complete a GSP.

3.13 **Participation of Affiliated Parties.** The Agency shall allow Affiliated Parties to participate in the governance of the Agency and on its Board of Directors in the same manner as Members, provided that each Affiliated Party agrees, through a memorandum of understanding (“MOU”) with the Agency, to adhere to all applicable terms of this Agreement, including the payment of the Affiliated Party’s assigned share of operational fund allocations, as established by the Board of Directors in the annual budget. The MOU may include provisions tailored to the unique circumstances or characteristics of the Affiliated Parties. The MOU shall also address, without limitation, the nature and extent of any obligations of the Agency to hold harmless, defend and indemnify Affiliated Parties. The designated representative of an Affiliated Party shall join the Board of Directors as soon as that Affiliated Party has entered into an MOU with the Agency. Affiliated Parties shall have the right to withdraw from participation in the governance of the Agency and on the Board of Directors, subject to the provisions of the MOU between the Agency and that Affiliated Party. Entities not listed in Exhibit C may request to be included as Affiliated Parties, and the Board of Directors shall decide whether to allow such entities to become Affiliated Parties in accordance with Article 6.1.

ARTICLE 4: GOVERNANCE

4.1 **Board of Directors.** The business of the Agency will be conducted by a Board of Directors that is hereby established and that shall be initially composed of one representative from each of the Members and one representative from each of the Affiliated Parties. Without amending this Agreement, the composition of the Board of Directors shall be altered from time to time to reflect the withdrawal or involuntary termination of any Member or Affiliated Party and/or the admission of any new Member or Affiliated Party. Each Member and each Affiliated Party will appoint one member of the Agency Board of Directors. Each Member and each Affiliated Party may designate one alternate to serve in the absence of that Member’s or Affiliated Party’s appointed Director. All members of the Agency Board of Directors and all alternates will be required to file a Statement of Economic Interests (FPPC Form 700). Each Member and each Affiliated Party shall notify the Agency in writing of its designated representative on the Agency Board of Directors.

4.2 **Term of Directors.** Each member of the Agency Board of Directors will serve until replaced by the appointing Member or Affiliated Party.

4.3 **Officers.** The Board of Directors shall elect a chairperson, a vice chairperson, a secretary and a treasurer. The chairperson and vice-chairperson shall be directors of the Board and the secretary and treasurer may, but need not, be directors of the Board. The chairperson shall preside at all meetings of the Board and the vice-chairperson shall act as the chairperson in the absence of the chairperson elected by the Board. The treasurer shall meet the qualifications set out in Government Code section 6505.5 as a depository of funds for the Agency.

4.4 **Powers and Limitations.** All the powers and authority of the Agency shall be exercised by the Board, subject, however, to the rights reserved by the Members and Affiliated Parties as set forth in this Agreement.

4.5 **Quorum.** A majority of the members of the Agency Board of Directors will constitute a quorum.

4.6 **Voting.** Except as to actions identified in Article 4.7, the Agency Board of Directors will conduct all business by majority vote of those directors present. Each member of the Board of Directors will have one (1) vote. Prior to voting, the Members and Affiliated Parties shall endeavor in good faith to reach consensus on the matters to be determined such that any subsequent vote shall be to confirm the consensus of the Members and Affiliated Parties. If any Member or Affiliated Party strongly objects to a consensus-based decision prior to a vote being cast, the Members and Affiliated Parties shall work in good faith to reasonably resolve such strong objection, and, if the same is not resolved collaboratively, then the matter will proceed to a vote for final resolution under this Article 4.6 or Article 4.7, below, as applicable.

4.7 **Supermajority Vote Requirement for Certain Actions.** The following actions will require a two-thirds (2/3) vote by the directors present:

Approval of the Agency's annual budget;

b. Decisions related to the levying, imposition or collection of taxes, fees, charges and other levies;

c. Decisions related to the expenditure of funds by the Agency beyond expenditures approved in the Agency's annual budget;

d. Adoption of rules, regulations, policies, bylaws and procedures related to the function of the Agency;

e. Decisions related to the establishment or adjustment of the Members' or Affiliated Parties' obligations for payment of the Agency's operating and administrative costs as provided in Article 5.1;

f. Approval of a GSP;

g. Involuntary termination of a Member or Affiliated Party pursuant to Article 6.3;

h. With respect to the addition of Affiliated Parties other than those listed in Exhibit D, approval of (i) a memorandum of understanding between the Agency and any such Affiliated Parties, (ii) the addition of such Affiliated Parties to this Agreement, and (iii) a voting seat for such Affiliated Parties on the Agency Board of Directors;

i. Amendment of this Agreement; provided, however, that the provisions of Article 6.7 (Rights of Member to Become GSA in Event of Withdrawal or Termination) may be amended only by unanimous vote of the Board of Directors;

j. Modification of the funding amounts specified in Exhibit D;

k. The addition of new Members to this Agreement; and

l. Termination of this Agreement.

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

4.9 **By-Laws.** The Board may adopt by-laws to supplement this Agreement. In the event of conflict between this Agreement and the by-laws, the provisions of this Agreement shall govern.

4.10 **Administrator.** The Members hereby designate Yolo County Flood Control and Water Conservation District to serve as administrator of, and keeper of records for, the Agency.

ARTICLE 5: FINANCIAL PROVISIONS

5.1 **Contributions and Expenses:** Members and Affiliated Parties shall share in the general operating and administrative costs of operating the Agency in accordance with the funding amounts set forth in Exhibit D attached hereto and incorporated herein. Each Member and Affiliated Party will be assessed quarterly, beginning on July 1 of each year. Members and Affiliated Parties shall pay assessments within thirty (30) days of receiving assessment notice from the Treasurer. Each Member and each Affiliated Party will be solely responsible for raising funds for payment of the Member’s or Affiliated Party’s share of the Agency’s general operating and administrative costs. The obligation of each Member and each Affiliated Party to make payments under the terms and provision of this Agreement is an individual and several obligation and not a joint obligation with those of the other Members and Affiliated Parties. Contributions of grant funding, state, federal, or county funding may be provided as funding or a portion of funding on behalf of Members and Affiliated Parties.

5.2 **Liability for Debts.** The Members do not intend through this Agreement to be obligated either jointly or severally for the debts, liabilities or obligations of the Agency, except as may be specifically provided for in Government Code § 895.2 as amended or supplemented;

provided, however, that if any Member is held liable for the acts and omissions of the Agency caused by negligent or wrongful acts or omissions occurring in the performance of this Agreement, such Member shall be entitled to contribution from the other Members so that after such contribution each Member bears its proportionate share of the liability in accordance with Article 5.1 and Exhibit D. This Article 5.2 shall not apply to acts or omissions of a Member in implementing the GSP adopted by the Agency within such Member's boundaries or a Management Area managed in whole or in part by such Member.

5.3 **Indemnification.** The Agency shall hold harmless, defend and indemnify the Members and their officers, employees and agents, and members of the Agency Board of Directors, from and against any and all 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 the Agency or its Board, officers, employees or agents under 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. The obligations of the Agency to hold harmless, defend and indemnify Affiliated Parties, if any, will be addressed in the separate MOUs between the Agency and Affiliated Parties.

5.4 **Repayment of Funds.** No refund or repayment of the initial commitment of funds specified in Article 5.2 will be made to a Member or Affiliated Party ceasing to be a Member or Affiliated Party, whether pursuant to removal by the Board of Directors or pursuant to a voluntary withdrawal. The refund or repayment of any other contribution shall be made in accordance with the terms and conditions upon which the contribution was made, the terms and conditions of this Agreement or other agreement of the Agency and withdrawing Member or Affiliated Party.

5.5 **Budget.** The Agency's fiscal year shall run from July 1 through June 30. Each fiscal year, the Board shall adopt a budget for the Agency for the ensuing fiscal year. Within ninety (90) days of the effective date of this Agreement, the Board shall adopt a budget. Thereafter, a budget shall be adopted no later than June 1 of the preceding fiscal year. A draft budget shall be prepared no later than March 1 of the preceding fiscal year.

5.6 **Alternate Funding Sources.** The Board may obtain State of California or federal grants.

5.7 **Depositary.** The Board shall designate a Treasurer of the Agency, who shall be the depositary and have custody of all money of the Agency, from whatever source, subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent. All funds of the Agency shall be held in separate accounts in the name of the Agency and not commingled with funds of any Member or Affiliated Party or any other person or entity. The Treasurer shall perform the duties specified in Government Code §§6505 and 6505.5.

5.8 **Accounting.** Full books and accounts shall be maintained for the Agency in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. The books and records of the Agency shall be open to inspection by the Members and Affiliated Parties at all reasonable times, and by bondholders and lenders as and to the extent provided by resolution or indenture.

5.9 **Audit.** A qualified firm, serving in the capacity of auditor, shall audit the records and the accounts of the Agency annually in accordance with the provisions of section 6505 of the Law. Copies of such audit reports shall be filed with the State Controller and each Member and each Affiliated Party within six months of the end of the Fiscal Year under examination.

5.10 **Expenditures.** All expenditures within the designations and limitations of the applicable approved budget shall be made upon the approval of any officer so authorized by the Agency Board of Directors. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the approval and written order of the Board. The Board shall requisition the payment of funds only upon approval of claims or disbursements and requisition for payment in accordance with policies and procedures adopted by the Board.

5.11 **Reconsideration of Voting Structure and Expense Allocation.** No later than the first Board meeting following the two-year anniversary of the Effective Date of this Agreement, the Board of Directors shall consider whether to recommend to the Members that the voting structure described in Article 4.6 and/or the expense allocation provisions described in Article 5.1 and Exhibit D should be modified in any respect. If the Board of Directors recommends modification of Article 4.6, Article 5.1, or Exhibit D, the governing body of each Member and each Affiliated Party shall consider the modifications recommended by the Board of Directors and, within 45 days following the Board recommendation, shall report back to the Board of Directors regarding the Member's or Affiliated Party's position regarding the recommended modifications.

ARTICLE 6: CHANGES TO MEMBERSHIP, WITHDRAWAL AND TERMINATION

6.1 **Changes to Members and Affiliated Parties.** The Agency Board of Directors may, in its sole and absolute discretion, approve the addition of new Members or Affiliated Parties to the Agency by supermajority vote. In the event of Board approval of a new Member the new Member shall execute this Agreement but amendment of this Agreement will not be required. In the event of Board approval of a new Affiliated Party the new Affiliated Party shall execute a memorandum of understanding in accordance with Article 3.13. The Board of Directors shall provide all Members and Affiliated Parties with 30 days' advance written notice prior to any Board action to add a new Member or Affiliated Party.

6.2 **Noncompliance.** In the event any Member or Affiliated Party (1) fails to comply with the terms of this Agreement, or (2) undertakes actions that conflict with or undermine the functioning of the Agency or the preparation or implementation of the GSP, such Member or Affiliated Party shall be subject to the provisions for involuntary removal of a Member or Affiliated Party set forth in of Article 6.3 of this Agreement. Such actions of a Member or Affiliated Party shall be as determined by the Board of Directors and 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 minimum thresholds that are likely to lead to "undesirable results" under SGMA.

6.3 Involuntary Termination. If the Board of Directors determines that a Member or Affiliated Party is in noncompliance as provided in Article 6.2, the Board of Directors may terminate that Member's or Affiliated Party's participation in this Agency, provided that, prior to any such vote, all of the Members and Affiliated Parties shall meet and confer regarding all matters related to the proposed removal. In the event of the involuntary termination of a Member or Affiliated Party, the terminated Member or Affiliated Party shall remain fully responsible for its proportionate share of all financial obligations and liabilities incurred by the Agency prior to the effective date of termination as specified in Article 5.1 and Exhibit D, as existing as of the effective date of termination.

6.4 Withdrawal of Members and Affiliated Parties. Subject to the provisions of Article 6.7, a Member or Affiliated Party may, in its sole discretion, unilaterally withdraw from participation in the Agency, effective upon ninety (90) days' prior written notice to the Agency, provided that (a) the withdrawing Member or Affiliated Party will remain responsible for its proportionate share of any obligation or liability duly incurred by the Agency, as specified in Article 5.1 and Exhibit D, as existing as of the effective date of withdrawal. A withdrawing Member or Affiliated Party will not be responsible for any obligation or liability that the Member or Affiliated Party has voted against or has voiced its disapproval on at a Board meeting, providing the Member or Affiliated Party gives notice of its withdrawal from the Agency as soon thereafter as is practicable. In the event the withdrawing Member or Affiliated Party has any rights in any property or has incurred obligations to the Agency, the Member or Affiliated 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 Agency. The Agency may not sell, lease, transfer or use any rights of a Member or Affiliated Party who has withdrawn without first obtaining the written consent of the withdrawing Member or Affiliated Party.

6.5 Termination of Agreement. This Agreement and the Agency may be terminated by a supermajority vote of the Board of Directors. However, in the event of termination, each of the Members and Affiliated Parties will remain responsible for its proportionate share of any obligation or liability duly incurred by the Agency, in accordance with Article 5.1 and Exhibit D, as existing as of the effective date of termination. Nothing in this Agreement will prevent the Members or Affiliated Parties from withdrawing as provided in this Agreement, or from entering into other joint exercise of power agreements.

6.6 Disposition of Property Upon Termination. Upon termination of this Agreement, the assets of the Agency shall be transferred to the Agency's successor, provided that a public entity will succeed the Agency, or in the event that there is no successor public entity, to the Members and Affiliated Parties in proportion to the contributions made by each Member or Affiliated Party. If the successor public entity will not assume all of the Agency's assets, the Board shall distribute the Agency's assets between the successor entity and the Members and Affiliated Parties in proportion to the any obligation required by Articles 5.1 or 5.6.

6.7 Rights of Members and Affiliated Parties to Become GSA in Event of Withdrawal or Termination. Upon withdrawal or involuntary termination of a Member or Affiliated Party, or termination of this Agreement pursuant to Article 6.5, whether occurring before or after June 30, 2017, the withdrawing or terminated Member or Affiliated Party will retain all rights and powers to become or otherwise participate in a GSA for the lands within its boundaries.

In such event, the Agency and its remaining Members and Affiliated Parties shall (i) not object to or interfere with the lands in the withdrawing or terminated Member's or Affiliated Party's boundaries being in a GSA, as designated by the withdrawing or terminated Member or Affiliated Party or otherwise; (ii) facilitate such transition to the extent reasonably necessary; and (iii) where the withdrawing Member or Affiliated Party has authority under SGMA to be or participate in a GSA, withdraw from managing that portion of the Subbasin within the boundaries of the withdrawing or terminated Member or Affiliated Party and so notify the California Department of Water Resources. In order to maintain compliance with SGMA in the event of the withdrawal or involuntary termination of a Member or Affiliated Party, where the withdrawing Member or Affiliated Party has authority under SGMA to be or participate in a GSA, the withdrawal or involuntary termination will not be effective until a GSA has been established in accordance with SGMA for those lands overlying the Subbasin affected by the withdrawal or involuntary termination.

6.8 **Use of Data.** Upon withdrawal, any Member or Affiliated Party shall be entitled to use any data or other information developed by the Agency during its time as a Member or Affiliated Party. Further, should a Member or Affiliated Party withdraw from the Agency after completion of the GSP, it shall be entitled to utilize the GSP for future implementation of SGMA within its boundaries.

ARTICLE 7: SPECIAL PROJECTS

7.1 **Special Project Agreements.** Fewer than all of the Members and Affiliated Parties may enter into a special project agreement to achieve any of the purposes or activities authorized by this Agreement, and to share in the expenses and costs of such special project, for example, to share in funding infrastructure improvements within the boundaries of only those Members and Affiliated Parties and their Management Areas. Special project agreements must be in writing and documentation and must be provided to each of the Members and Affiliated Parties.

7.2 **Expenses.** Members and Affiliated Parties that enter into special project agreements agree that any special project expenses incurred for each such special project are the costs of the special project participants, respectively, and not of any other Members or Affiliated Parties not participating in the special project, and the special project expenses shall be paid by the parties to the respective special project agreements.

7.3 **Indemnification of Other Members.** Members and Affiliated Parties participating in special project agreements if conducted by the Agency, shall hold other Members and Affiliated Parties who are not parties to the special project agreement free and harmless from and indemnify each of them against any and all costs, losses, damages, claims and liabilities arising from the special project agreement. The indemnification obligation of Members and Affiliated Parties participating in special project agreements shall be the same as specified in Article 5.2 for Members and Affiliated Parties in general, except that they shall be limited to liabilities incurred for the special project.

ARTICLE 8: ACTIONS BY THE AGENCY WITHIN MANAGEMENT AREAS AND INDIVIDUAL JURISDICTIONS

8.1 **Role of the Agency.** Subject to the reservation of authority set forth in Article 8.5, the Agency will serve a coordinating and administrative role in order to provide for sustainable groundwater management of the Subbasin in a manner that does not limit any Member's or Affiliated Party's rights or authority over its own water supply matters, including, but not limited to, a Member's or Affiliated Part's surface water supplies, groundwater supplies, facilities, operations, water management and financial affairs.

8.2 **Members' and Affiliated Parties' Responsibility within Management Areas and Individual Jurisdictions.** Subject to the reservation of authority in Article 8.5, each of the Members and Affiliated Parties (or groups of Members and Affiliated Parties) will have initial responsibility to implement SGMA and the GSP adopted by the Agency within their respective Management Areas, as delineated in the GSP.

8.3 **Water Budgets.** The GSP will provide for the preparation of water budgets by Members or Affiliated Parties or groups of Members and Affiliated Parties for their respective Management Areas. The GSP will specify the elements to be included in water budgets and the timing for completion.

8.4 **Sustainability.** In the event a water budget prepared in accordance with Article 8.3 shows that groundwater pumping within a Management Area exceeds such area's sustainable yield, as defined in Cal. Water Code § 10721(v) and (w), or an "undesirable result," as defined in Cal. Water Code § 10721(x), exists, the Member or Affiliated Party or group of Members and Affiliated Parties with groundwater management responsibility over such area shall develop and implement a plan to achieve sustainability or eliminate the undesirable result within that area. The GSP will specify the elements to be included in and time requirements for implementation of the plan.

8.5 **Reservation of Authority.** In the event of a failure by a Member or Affiliated Party or group of Members or Affiliated Parties to develop and implement a plan to achieve sustainability or eliminate an undesirable result within a Management Area as provided in Article 8.4, the Agency reserves and retains all requisite authority to (i) develop and implement a plan to achieve sustainability or eliminate an undesirable result, and (ii) allocate the cost of development and implementation of such plan to Members or Affiliated Parties within such Management Area. The GSP will specify the procedures for development and implementation of a plan by the Agency under such circumstances.

ARTICLE 9: MISCELLANEOUS PROVISIONS

9.1 **Amendments.** This Agreement may be amended from time to time by a supermajority vote of the Board of Directors; provided, however, that the provisions of Article 6.7 (Rights of Member to Become GSA in Event of Withdrawal or Termination) may be amended only by unanimous vote of the Board of Directors.

9.2 **Binding on Successors.** The rights and duties of the Members and Affiliated Parties under this Agreement may not be assigned or delegated without the advance written consent of the Agency (as evidenced by a majority vote of the Board of Directors) and any attempt to assign or delegate such rights or duties in contravention of this Article 9.2 shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Agency then in effect.

9.3 **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 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 to the addresses or facsimile numbers of the Members and Affiliated Parties set forth in Exhibit E to this Agreement.

9.4 **Counterparts.** This Agreement may be executed by the Members 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.

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

9.6 **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement is held to be unlawful, invalid or unenforceable, it is hereby agreed by the Members 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.

9.7 **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 Members to this Agreement.

9.8 **Construction and Interpretation.** This Agreement has been arrived at through negotiation and each Member 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 Member shall not apply in the construction or interpretation of this Agreement.

9.9 **Entire Agreement.** This Agreement constitutes the entire agreement among the Members and supersedes all prior agreements and understandings, written or oral. This Agreement may only be amended by written instrument executed by all Members.

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written to form and establish the Yolo Subbasin Groundwater Agency.

[Signature blocks]

Exhibit A
List of Members

Member Agencies

City of Davis

City of West Sacramento

City of Winters

City of Woodland

Dunnigan Water District

Esparto Community Service District (CSD)

Madison CSD

Reclamation District (RD) 108

RD 537

RD 730

RD 765

RD 785

RD 787

RD 827

RD 1600

RD 2035

Yocha Dehe Wintun Nation

Yolo County

Yolo County Flood Control and Water Conservation District

Exhibit B
Map of Agency Boundaries

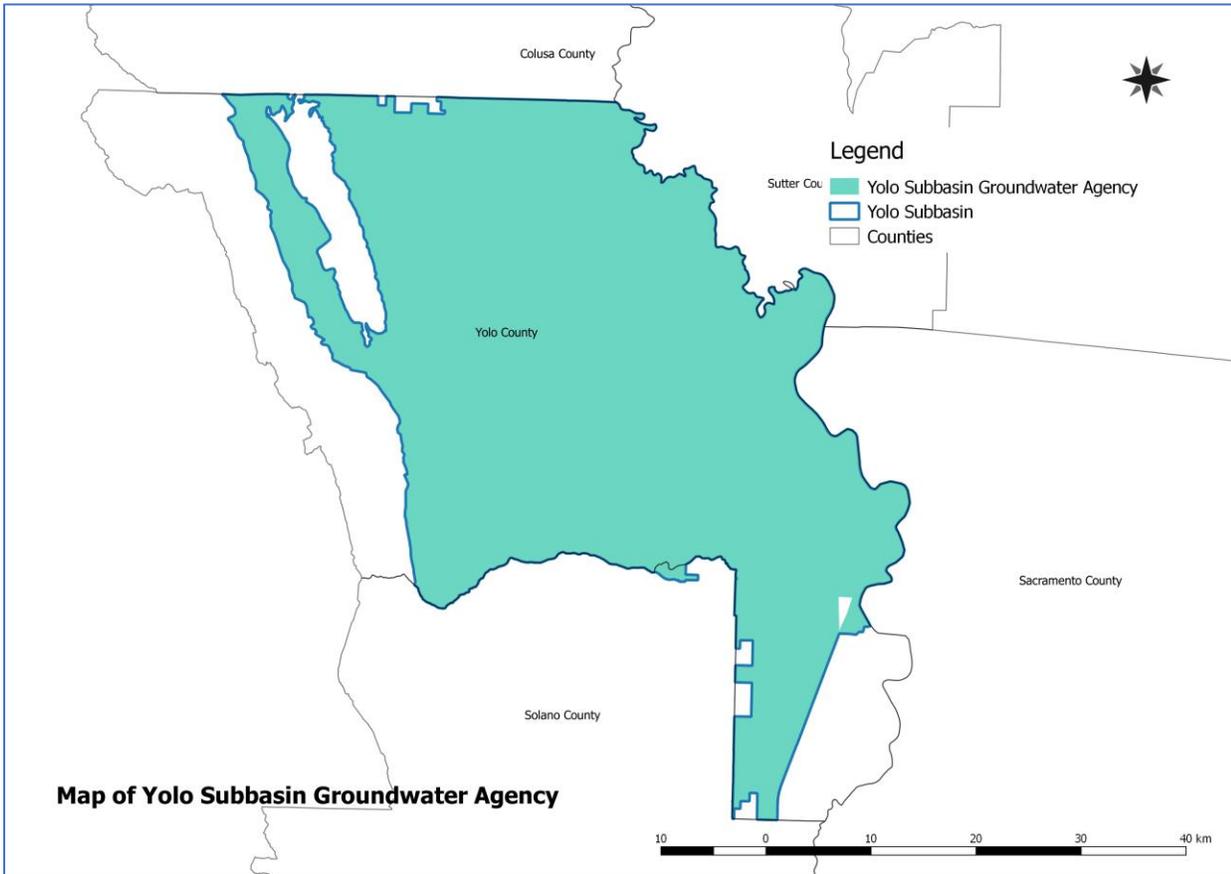


Exhibit C
List of Affiliated Parties

Affiliated Parties

California American Water Company -- Dunnigan

Colusa Drain Mutual Water Company

Environmental Party**

University of California, Davis

Private Pumper Representative as appointed by Yolo County Farm Bureau

**To be determined.

Exhibit D
Funding Amounts

It is proposed that administrative fees in the range of approximately \$400,000 to \$500,000 per year be collected for the first two years of the GSA. **After two years, the fee structure will be revisited and adjusted as appropriate.**

Key

Blue = JPA Parties and Existing WRA member

Orange = JPA Parties

Entity Contributions		
Municipal Agencies		\$
City of Davis		\$40,000
City of Woodland		\$40,000
City of West Sacramento		\$40,000
City of Winters		\$20,000
Yocha Dehe Wintun Nation		\$10,000
Esparto CSD		\$5,000
Madison CSD		\$5,000
		\$160,000
Entity Contributions		
Rural Agencies (\$0.50/acre)	0.5 Acres	\$
Yolo County Flood Control & WCD	200,000	\$100,000
Yolo County (White Areas)*	160,000	\$40,000
Direct Contributions (White Areas)**	40,000	\$20,000
Other Contributions from Rural Agencies***		\$40,000
Dunnigan Water District	10,700	\$5,350
RD 108	23,200	\$11,600
RD 2035	18,000	\$9,000
RD 537	5,200	\$2,600
RD 730	4,498	\$2,249
RD 765	1,400	\$700
RD 785	3,200	\$1,600
RD 787	9,400	\$4,700
RD 827	1,225	\$613
RD 1600	6,924	\$3,462
		\$241,874

*Yolo County is not \$0.50/acre

**Direct Contributions from private pumpers currently residing in "white areas"

***RD 108, RD 787, RD 2035, and YFCWCD (\$10,000/each)

Affiliated Parties with Board Voting Seats		
1 Base	\$	
University of California, Davis	\$40,000	
Colusa Drain Mutual Water Company	\$10,000	
California American Water Company - Dunnigan	\$5,000	
Yolo County Farm Bureau	\$10,000	
Environmental Party - TBD		
		\$65,000

Sub Total:	\$466,874
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Exhibit E
Addresses for Notice

City of Davis

23 Russell Boulevard
Davis, CA 95616

Reclamation District 108

975 Wilson Bend Road
Grimes, CA 95950

Reclamation District 1600

429 First Street
Woodland, CA 95695

City of West Sacramento

1110 West Capitol Avenue
West Sacramento, CA 95691

Reclamation District 537

P.O. Box 822
West Sacramento, CA 95691

Reclamation District 2035

45332 County Road 25
Woodland, CA 95776

City of Winters

318 First Street
Winters, CA 95694

Reclamation District 730

429 First Street
Woodland, CA 95695

Yocha Dehe Wintun Nation

P.O. Box 18
Brooks, CA 95606

City of Woodland

300 First Street
Woodland, CA 95695

Reclamation District 765

1401 Halyard Drive Suite 140
West Sacramento, CA 95691

Yolo County

625 Court Street Room 206
Woodland, CA 95695

Dunnigan Water District

3817 First Street
Dunnigan, CA 95937

Reclamation District 785

429 First Street
Woodland, CA 95695

**Yolo County Flood Control and Water
Conservation District**

34274 State Highway 16
Woodland, CA 95695

Esparto CSD

26490 Woodland Avenue
Esparto, CA 95627

Reclamation District 787

41758 County Road 112
Knights Landing, CA 95645

Madison CSD

2896 Main Street
Madison, CA 95653

Reclamation District 827

P.O. Box 781
West Sacramento, CA 95691

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda Report

MEETING DATE: June 19, 2017

AGENDA ITEM NO. 5

SUBJECT: Election of Officers

BACKGROUND

Yolo Subbasin Groundwater Agency Joint Powers Agreement Section 4.3 provides for the Board to elect from its members a Chairperson to preside over Board meetings, and a Vice-Chairperson to preside over Board meetings in the absence of the Chair. Additionally, Section 4.3 provides for the Board of Directors to elect a Secretary and Treasurer, which do not need to be directors of the Board. The Treasurer shall meet the qualifications set out in Government Code Section 6505.5 as a depository of funds for the Agency.

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda Report

MEETING DATE: June 19, 2017

AGENDA ITEM NO. 6

SUBJECT: Authorization of Entering into Memorandums of Understanding with Affiliated Parties and Solano County

BACKGROUND

The mission of the Yolo Subbasin Groundwater Agency (Agency) is to provide a dynamic, cost-effective, flexible, inclusive, and collegial organization to ensure compliance with the Sustainable Groundwater Management Act (SGMA) within the Yolo Subbasin. The Agency Joint Powers Agreement (Agreement) provides for participation in the Agency by Affiliated Parties, or entities that are legally precluded from becoming members of the Agreement. In order to grant Affiliated Parties a voting seat on the Agency Board of Directors, the Affiliated Parties must enter into a memorandum of understanding with the Agency, which defines the terms and conditions under which the Affiliated Party will participate in the implementation of SGMA through the Agency. Affiliated Parties are Yolo County Farm Bureau, Colusa Drain Mutual Water Company, California-American Water Company, and the University of California, Davis.

In order to ensure jurisdictional coverage of property within the Solano County portion of the Yolo Subbasin as defined by SGMA, the Agency will also enter into a memorandum of understanding with Solano County. This memorandum of understanding will memorialize the Agency and University of California, Davis's responsibility in sustainable groundwater management within the Solano County portion of the Yolo Subbasin.

It is recommended that the Agency Board of Directors adopt Resolution 2017-1 and Resolution 2017-2 to Approve Entering into Memorandums of Understanding with Affiliated Parties and Approve Entering into a Memorandum of Understanding with Solano County, respectively.

RESOLUTION NO. 2017-1

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE YOLO SUBBASIN GROUNDWATER AGENCY APPROVING ENTERING INTO MEMORANDUMS OF UNDERSTANDING WITH AFFILIATED PARTIES

WHEREAS, the California Legislature has adopted, and the Governor has signed into law, the Sustainable Groundwater Management Act of 2014 (“SGMA”), which authorizes local agencies to manage groundwater in a sustainable fashion; and

WHEREAS, in order to exercise the authority granted in SGMA, a local agency or combination of local agencies must elect to become or form a Groundwater Sustainability Agency (“GSA”); and

WHEREAS, the Yolo Subbasin Groundwater Agency (“Agency”) has been duly established through execution of a Joint Exercise of Powers Agreement (“JPA”) in accordance with Cal. Government Code Section 6500 *et seq.* The JPA provides for participation in the Agency by Members and “Affiliated Parties,” as defined in the JPA; and

WHEREAS, the Agency and Affiliated Parties overlie the Yolo Subbasin of the Sacramento Valley Groundwater Basin (designated as Subbasin No. 5-21.67 by the California Department of Water Resources) and are committed to the sustainable management of the Yolo Subbasin; and

WHEREAS, the current Affiliated Parties consist of the Yolo County Farm Bureau, California-American Water Company, Colusa Drain Mutual Water Company, and University of California, Davis (collectively “Current Affiliated Parties”); and

WHEREAS, the Agency and the Current Affiliated Parties have negotiated the terms of separate memorandums of understanding which specify the terms and conditions under which the Current Affiliated Parties will participate in the implementation of SGMA through the Agency; and

WHEREAS, on June 19, 2017, the Yolo Subbasin Groundwater Agency Board of Directors considered approving entering into memorandums of understanding with the Current Affiliated Parties;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Yolo Subbasin Groundwater Agency as follows:

1. The Board of Directors finds that execution of memorandums of understanding with each of the Current Affiliated Parties is in the best interest of the Agency.
2. The Board of Directors hereby approves each of the separate memorandums of understanding with the Current Affiliated Parties.
3. The Chair of the Board of Directors is hereby authorized to execute the separate memorandums of understanding with the Current Affiliated Parties on behalf of

the Agency. The Chair is expressly authorized to approve non-substantive changes in the form of the memorandums of understanding with the Current Affiliated Parties following consultation with and approval as to form by the Agency's legal counsel.

4. The Board of Directors and Agency staff are authorized to take all action necessary to carry out the terms and conditions of the memorandums of understanding with the Current Affiliated Parties. memorandums of understanding prior to the execution by the Board Chair.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Yolo Subbasin Groundwater Agency on June 19, 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Signed by me after its passage this 19th day of June 2017.

, Chair

ATTEST:

, Secretary

RESOLUTION NO. 2017-2

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE YOLO SUBBASIN
GROUNDWATER AGENCY APPROVING ENTERING INTO A MEMORANDUM OF
UNDERSTANDING WITH THE COUNTY OF SOLANO**

WHEREAS, the California Legislature has adopted, and the Governor has signed into law, the Sustainable Groundwater Management Act of 2014 (“SGMA”), which authorizes local agencies to manage groundwater in a sustainable fashion; and

WHEREAS, in order to exercise the authority granted in SGMA, a local agency or combination of local agencies must elect to become or form a Groundwater Sustainability Agency (“GSA”); and

WHEREAS, the Yolo Subbasin Groundwater Agency (“Agency”) has been duly established through execution of a Joint Exercise of Powers Agreement (“JPA”) in accordance with Cal. Government Code Section 6500 *et seq.* The JPA provides for participation in the Agency by Members and “Affiliated Parties,” as defined in the JPA; and

WHEREAS, the Agency and the County of Solano overlie the Yolo Subbasin of the Sacramento Valley Groundwater Basin (designated as Subbasin No. 5-21.67 by the California Department of Water Resources) and are committed to the sustainable management of the Yolo Subbasin; and

WHEREAS, a Solano County Portion of the Yolo Subbasin Area is all within the boundaries of the Davis campus of the University of California; and

WHEREAS, the Regents of the University of California (“Regents”) by and for the Davis campus and the Agency will be entering into a separate memorandum of understanding pursuant to which the Regents will participate in the Agency as an “Affiliated Party” as defined in the JPA; and

WHEREAS, the Agency and the County of Solano have negotiated the terms of a memorandum of understanding which specifies the terms and conditions under which the Agency will serve as the Groundwater Sustainability Agency for the Yolo Subbasin, including but not limited to the Solano County Portion of the Yolo Subbasin Area; and

WHEREAS, on June 19, 2017, the Yolo Subbasin Groundwater Agency Board of Directors considered approving entering into a memorandum of understanding with the County of Solano;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Yolo Subbasin Groundwater Agency as follows:

1. The Board of Directors finds that execution of a memorandum of understanding with the County of Solano is in the best interest of the Agency.

2. The Board of Directors hereby approves the memorandum of understanding with the County of Solano.
3. The Chair of the Board of Directors is hereby authorized to execute the memorandum of understanding with the County of Solano on behalf of the Agency. The Chair is expressly authorized to approve non-substantive changes in the form of the memorandum of understanding with the County of Solano following consultation with and approval as to form by the Agency's legal counsel.
4. The Board of Directors and Agency staff are authorized to take all action necessary to carry out the terms and conditions of the memorandum of understanding with the County of Solano.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Yolo Subbasin Groundwater Agency on June 19, 2017 by the following vote:

AYES:
 NOES:
 ABSTAIN:
 ABSENT:

Signed by me after its passage this 19th day of June 2017.

 , Chair

ATTEST:

 , Secretary

**MEMORANDUM OF UNDERSTANDING BETWEEN THE YOLO SUBBASIN
GROUNDWATER AGENCY AND << AFFILIATED PARTY >>**

THIS Memorandum of Understanding is entered into and effective this _____ day of _____, 2017 (“**Effective Date**”), by and between the Yolo Subbasin Groundwater Agency (“**Agency**”), a joint exercise of powers agency organized and existing pursuant to the Joint Exercise of Powers Act, Cal. Government Code §§ 6500 *et seq.*, and the << Affiliated Party >> (“<< **Affiliated Party** >>”). Agency and << Affiliated Party >> are sometimes referred to in this Agreement together as the “Parties.”

RECITALS

A. 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.

B. The Agency was established pursuant to a Joint Exercise of Powers Agreement dated June 19, 2017 (“**JPA Agreement**”) to, among other things, act as the Groundwater Sustainability Agency (“**GSA**”) for the Yolo Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-21.67 as its boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2 (“**Subbasin**”). A true and correct copy of the JPA Agreement, as it exists as of the Effective Date of this Memorandum, is attached hereto as Exhibit “A.”

C. The mission of the Agency is to provide a dynamic, cost-effective, flexible and collegial organization to ensure compliance with SGMA within the Subbasin.

D. The JPA Agreement provides for participation in the Agency by “Affiliated Parties,” defined in Article 1.1.a of the JPA Agreement as “those entities that are legally precluded from becoming members of this Agreement but that, after entering into a memorandum of understanding with the Agency, will be granted a voting seat on the Board of Directors pursuant to the terms of this Agreement and the memorandum of understanding.”

E. The << Affiliated Party >> service area overlies the Subbasin. The << Affiliated Party >> has a vital interest in the sound management of the Subbasin.

F. Agency and the << Affiliated Party >> desire to enter into this Memorandum for the purpose of memorializing the terms and conditions under which the << Affiliated Party >> will participate in the implementation of SGMA through the Agency.

THEREFORE, in consideration of the mutual promises, covenants and conditions herein set forth, Agency and the << Affiliated Party >> agree as follows:

ARTICLE 1: DEFINITIONS

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

- a. **“Agency”** shall mean the Yolo Subbasin Groundwater Agency established by the JPA Agreement.
- b. **“Board of Directors”** or **“Board”** shall mean the governing body of the Agency as described in the JPA Agreement.
- c. **“DWR”** shall mean the California Department of Water Resources.
- d. **“Effective Date”** shall be as set forth in the Preamble of this Memorandum of Understanding.
- e. **“Groundwater Sustainability Agency”** or **“GSA”** shall mean an agency enabled by SGMA to regulate a portion of the Subbasin cooperatively with all other Groundwater Sustainability Agencies in the Subbasin, in compliance with the terms and provisions of SGMA.
- f. **“Groundwater Sustainability Plan”** or **“GSP”** shall have the definition set forth in SGMA.
- g. **“JPA Agreement”** shall mean the Joint Exercise of Powers Agreement Establishing the Yolo Subbasin Groundwater Agency dated June 19, 2017, attached hereto as Exhibit “A.”
- h. **“Management Area”** shall mean the areas delineated in the GSP for which Members and Affiliated Parties will have initial authority and responsibility for groundwater management in accordance with SGMA.
- i. **“Member”** shall mean any of the signatories to the JPA Agreement and “Members” shall mean all of the signatories to the JPA Agreement, collectively.
- j. **“Memorandum”** shall mean this Memorandum of Understanding.
- k. **“SGMA”** shall mean the California 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 or supplemented from time to time.
- l. **“Subbasin”** shall mean the Yolo Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-21.67 as its boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2.

ARTICLE 2: TERM OF MEMORANDUM OF UNDERSTANDING

2.1 This Memorandum will continue in full force and effect until the first to occur of the following: (i) termination of the JPA Agreement in accordance with Article 6.5 thereof; (ii) involuntary termination of the << Affiliated Party >> from participation in the Agency in accordance with Article 6.3 of the JPA Agreement; or (iii) withdrawal and termination by the << Affiliated Party >> from participation in the Agency in accordance with Article 6.4 of the JPA Agreement.

ARTICLE 3: RIGHTS AND RESPONSIBILITIES OF THE PARTIES

3.1 The << Affiliated Party >> will participate in the Agency as an Affiliated Party and will have all of the rights and responsibilities of an Affiliated Party as specified in the JPA Agreement.

3.2 Without limiting the generality of Article 3.1, the << Affiliated Party >> and the Agency will have the following specific rights and responsibilities:

a. Within thirty days following the Effective Date of this Memorandum, the << Affiliated Party >> shall designate one representative to participate on the Board of Directors. The << Affiliated Party >> may also designate one alternate to participate on the Board of Directors in the absence of the << Affiliated Party's >> appointed director. The << Affiliated Party's >> participation on the Board of Directors shall be governed by the JPA Agreement, including but not limited to Article 4 thereof.

b. The << Affiliated Party >> and Agency expressly acknowledge, and agree to be bound by, Article 3.8 of the JPA Agreement (Relationship of Members and Affiliated Parties to Each Other) as such provision exists as of the Effective Date or as it may be subsequently amended.

c. The << Affiliated Party >> and Agency expressly acknowledge, and agree to be bound by, Article 3.11 of the JPA Agreement (Role of Members and Affiliated Parties) as such provision exists as of the Effective Date or as it may be subsequently amended.

d. The << Affiliated Party >> and Agency expressly acknowledge, and agree to be bound by, Article 5.1 of the JPA Agreement (Contributions and Expenses) as such provision exists as of the Effective Date or as it may be subsequently amended.

f. The Agency agrees to hold harmless, defend and indemnify the << Affiliated Party >> and its officers, employees and agents to the same extent as the Members and their officers, employees and agents in accordance with Article 5.3 of the JPA Agreement (Indemnification) as such provision exists as of the Effective Date or as it may be subsequently amended.

g. The << Affiliated Party >> and Agency expressly acknowledge, and agree to be bound by, Article 5.11 of the JPA Agreement (Reconsideration of Voting Structure and

Expense Allocation) as such provision exists as of the Effective Date or as it may be subsequently amended.

h. The << Affiliated Party >> and Agency expressly acknowledge, and agree to be bound by, Article 6 of the JPA Agreement (Changes to Membership, Withdrawal and Termination) as such provision exists as of the Effective Date or as it may be subsequently amended.

i. The << Affiliated Party >> and Agency expressly acknowledge, and agree to be bound by, Article 7 of the JPA Agreement (Special Projects) as such provision exists as of the Effective Date or as it may be subsequently amended.

j. The << Affiliated Party >> and Agency expressly acknowledge, and agree to be bound by, Article 8 of the JPA Agreement (Actions by the Agency Within Management Areas and Individual Jurisdictions) as such provision exists as of the Effective Date or as it may be subsequently amended.

ARTICLE 4: WITHDRAWAL AND TERMINATION

4.1 The Parties acknowledge and agree that the << Affiliated Party >> may, in their sole discretion, unilaterally withdraw from participation in the Agency in accordance with Article 6.4 of the JPA Agreement.

4.2 In the event of withdrawal by the << Affiliated Party >> from participation in the Agency, the << Affiliated Party >> acknowledges, and agree to be bound by, Article 6.4 of the JPA Agreement which provides, among other things, that a withdrawing Affiliated Party “will remain responsible for its proportionate share of any obligation or liability duly incurred by the Agency, as specified in Article 5.1 and Exhibit D, as existing as of the effective date of withdrawal.”

ARTICLE 5: MISCELLANEOUS PROVISIONS

5.1 **Binding on Successors.** The rights and duties of the Parties under this Memorandum may not be assigned or delegated by either Party without the advance written consent of the other Party. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Agency then in effect.

5.2 **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 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 to the addresses or facsimile numbers of the Parties set forth in Exhibit B to this Agreement.

5.3 **Counterparts.** This Memorandum 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.

5.4 **Choice of Law.** This Memorandum shall be governed by the laws of the State of California.

5.5 **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Memorandum is held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties that the remainder of the Memorandum 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.

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

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

5.8 **Entire Agreement.** This Memorandum constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, written or oral. This Memorandum may only be amended by written instrument executed by both Parties.

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

[Signature blocks]

**MEMORANDUM OF UNDERSTANDING BETWEEN THE YOLO SUBBASIN
GROUNDWATER AGENCY AND THE UNIVERSITY OF CALIFORNIA, DAVIS**

THIS Memorandum of Understanding is entered into and effective this _____ day of _____, 2017 (“**Effective Date**”), by and between the Yolo Subbasin Groundwater Agency (“**Agency**”), a joint exercise of powers agency organized and existing pursuant to the Joint Exercise of Powers Act, Cal. Government Code §§ 6500 *et seq.*, and the Regents of the University of California, by and on behalf of its Davis campus (“**Regents**”). Agency and Regents are sometimes referred to in this Agreement together as the “Parties.”

RECITALS

A. 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.

B. The Agency was established pursuant to a Joint Exercise of Powers Agreement dated June 19, 2017 (“**JPA Agreement**”) to, among other things, act as the Groundwater Sustainability Agency (“**GSA**”) for the Yolo Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-21.67 as its boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2 (“**Subbasin**”). A true and correct copy of the JPA Agreement, as it exists as of the Effective Date of this Memorandum, is attached hereto as Exhibit “A.”

C. The mission of the Agency is to provide a dynamic, cost-effective, flexible and collegial organization to ensure compliance with SGMA within the Subbasin.

D. The JPA Agreement provides for participation in the Agency by “Affiliated Parties,” defined in Article 1.1.a of the JPA Agreement as “those entities that are legally precluded from becoming members of this Agreement but that, after entering into a memorandum of understanding with the Agency, will be granted a voting seat on the Board of Directors pursuant to the terms of this Agreement and the memorandum of understanding.”

E. The Davis campus of the University of California overlies the Subbasin. The Regents have a vital interest in the sound management of the Subbasin.

F. Agency and the Regents desire to enter into this Memorandum for the purpose of memorializing the terms and conditions under which the Regents will participate in the implementation of SGMA through the Agency.

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

ARTICLE 1: DEFINITIONS

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

- a. **“Agency”** shall mean the Yolo Subbasin Groundwater Agency established by the JPA Agreement.
- b. **“Board of Directors”** or **“Board”** shall mean the governing body of the Agency as described in the JPA Agreement.
- c. **“DWR”** shall mean the California Department of Water Resources.
- d. **“Effective Date”** shall be as set forth in the Preamble of this Memorandum of Understanding.
- e. **“Groundwater Sustainability Agency”** or **“GSA”** shall mean an agency enabled by SGMA to regulate a portion of the Subbasin cooperatively with all other Groundwater Sustainability Agencies in the Subbasin, in compliance with the terms and provisions of SGMA.
- f. **“Groundwater Sustainability Plan”** or **“GSP”** shall have the definition set forth in SGMA.
- g. **“JPA Agreement”** shall mean the Joint Exercise of Powers Agreement Establishing the Yolo Subbasin Groundwater Agency dated June 19, 2017, attached hereto as Exhibit “A.”
- h. **“Management Area”** shall mean the areas delineated in the GSP for which Members and Affiliated Parties will have initial authority and responsibility for groundwater management in accordance with SGMA.
- i. **“Member”** shall mean any of the signatories to the JPA Agreement and “Members” shall mean all of the signatories to the JPA Agreement, collectively.
- j. **“Memorandum”** shall mean this Memorandum of Understanding.
- k. **“SGMA”** shall mean the California 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 or supplemented from time to time.
- l. **“Subbasin”** shall mean the Yolo Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-21.67 as its boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2.

ARTICLE 2: TERM OF MEMORANDUM OF UNDERSTANDING

2.1 This Memorandum will continue in full force and effect until the first to occur of the following: (i) termination of the JPA Agreement in accordance with Article 6.5 thereof; (ii) involuntary termination of the Regents from participation in the Agency in accordance with Article 6.3 of the JPA Agreement; or (iii) withdrawal and termination by the Regents from participation in the Agency in accordance with Article 6.4 of the JPA Agreement.

2.2 In the event of termination of the Regents' participation in the Agency, the Regents will confirm whether the Regents intend to comply with SGMA through other regulatory means as an alternative to participation in the Agency, or whether the Regents intend to allow the Agency to continue acting as a GSA for that portion of the Subbasin underlying the Davis campus of the University of California. In no circumstances, however, will any of the Regents' actions or decisions with respect to SGMA be interpreted to provide any entity other than the Regents with land use authority over the University of California and the Davis campus portion of the Subbasin.

ARTICLE 3: RIGHTS AND RESPONSIBILITIES OF THE PARTIES

3.1 The Regents will participate in the Agency as an Affiliated Party and will have all of the rights and responsibilities of an Affiliated Party as specified in the JPA Agreement.

3.2 Without limiting the generality of Article 3.1, the Regents and the Agency will have the following specific rights and responsibilities:

a. Within thirty days following the Effective Date of this Memorandum, the Regents shall designate one representative to participate on the Board of Directors. The Regents may also designate one alternate to participate on the Board of Directors in the absence of the Regents' appointed director. The Regents' participation on the Board of Directors shall be governed by the JPA Agreement, including but not limited to Article 4 thereof.

b. The Regents and Agency expressly acknowledge, and agree to be bound by, Article 3.8 of the JPA Agreement (Relationship of Members and Affiliated Parties to Each Other) as such provision exists as of the Effective Date or as it may be subsequently amended.

c. The Regents and Agency expressly acknowledge, and agree to be bound by, Article 3.11 of the JPA Agreement (Role of Members and Affiliated Parties) as such provision exists as of the Effective Date or as it may be subsequently amended.

d. The Regents and Agency expressly acknowledge, and agree to be bound by, Article 5.1 of the JPA Agreement (Contributions and Expenses) as such provision exists as of the Effective Date or as it may be subsequently amended.

e. The Agency agrees to hold harmless, defend and indemnify the Regents and its officers, employees and agents in accordance with Article 5.3 of the JPA Agreement (Indemnification) as such provision exists as of the Effective Date or as it may be subsequently amended.

f. The Regents and Agency expressly acknowledge, and agree to be bound by, Article 5.11 of the JPA Agreement (Reconsideration of Voting Structure and Expense Allocation) as such provision exists as of the Effective Date or as it may be subsequently amended.

g. The Regents and Agency expressly acknowledge, and agree to be bound by, Article 6 of the JPA Agreement (Changes to Membership, Withdrawal and Termination) as such provision exists as of the Effective Date or as it may be subsequently amended.

h. The Regents and Agency expressly acknowledge, and agree to be bound by, Article 7 of the JPA Agreement (Special Projects) as such provision exists as of the Effective Date or as it may be subsequently amended.

i. The Regents and Agency expressly acknowledge, and agree to be bound by, Article 8 of the JPA Agreement (Actions by the Agency Within Management Areas and Individual Jurisdictions) as such provision exists as of the Effective Date or as it may be subsequently amended.

ARTICLE 4: WITHDRAWAL AND TERMINATION

4.1 The Parties acknowledge and agree that the Regents may, in their sole discretion, unilaterally withdraw from participation in the Agency in accordance with Article 6.4 of the JPA Agreement.

4.2 In the event of withdrawal by the Regents from participation in the Agency, the Regents acknowledge, and agree to be bound by, Article 6.4 of the JPA Agreement which provides, among other things, that a withdrawing Affiliated Party “will remain responsible for its proportionate share of any obligation or liability duly incurred by the Agency, as specified in Article 5.1 and Exhibit D, as existing as of the effective date of withdrawal.”

ARTICLE 5: MISCELLANEOUS PROVISIONS

5.1 **Binding on Successors.** The rights and duties of the Parties under this Memorandum may not be assigned or delegated by either Party without the advance written consent of the other Party. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Agency then in effect.

5.2 **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 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 to the addresses or facsimile numbers of the Parties set forth in Exhibit B to this Agreement.

5.3 **Counterparts.** This Memorandum 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.

5.4 **Choice of Law.** This Memorandum shall be governed by the laws of the State of California.

5.5 **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Memorandum is held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties that the remainder of the Memorandum 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.

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

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

5.8 **Entire Agreement.** This Memorandum constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, written or oral. This Memorandum may only be amended by written instrument executed by both Parties.

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

[Signature blocks]

**MEMORANDUM OF UNDERSTANDING BETWEEN THE YOLO SUBBASIN
GROUNDWATER AGENCY AND THE COUNTY OF SOLANO**

THIS Memorandum of Understanding is entered into and effective this _____ day of _____, 2017 (“**Effective Date**”), by and between the Yolo Subbasin Groundwater Agency (“**Agency**”), a joint exercise of powers agency organized and existing pursuant to the Joint Exercise of Powers Act, Cal. Government Code §§ 6500 *et seq.*, and the County of Solano (“**County**”). Agency and County are sometimes referred to in this Agreement together as the “Parties.”

RECITALS

A. 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.

B. The Agency was established pursuant to a Joint Exercise of Powers Agreement dated June 19, 2017 (“**JPA Agreement**”) to, among other things, act as the Groundwater Sustainability Agency (“**GSA**”) for the Yolo Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-21.67 as its boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2 (“**Subbasin**”). A true and correct copy of the JPA Agreement, as it exists as of the Effective Date of this Memorandum, is attached hereto as Exhibit “A.”

C. The mission of the Agency is to provide a dynamic, cost-effective, flexible and collegial organization to ensure compliance with SGMA within the Subbasin.

D. A portion of the Subbasin lies within the County of Solano as depicted on the map attached hereto as Exhibit “B” (the “**Solano County Portion of the Subbasin Area**”). The Solano County Portion of the Subbasin Area is all within the boundaries of the Davis campus of the University of California.

E. The Regents of the University of California (“Regents”) by and for the Davis campus and the Agency have entered into a separate memorandum of understanding pursuant to which the Regents will participate in the Agency as an “Affiliated Party” as defined in the JPA Agreement.

F. Agency and the County desire to enter into this Memorandum for the purpose of memorializing the Parties’ agreement that the Agency will serve as the Groundwater Sustainability Agency for the Subbasin, including but not limited to the Solano County Portion of the Subbasin Area.

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

ARTICLE 1: DEFINITIONS

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

- a. **“Agency”** shall mean the Yolo Subbasin Groundwater Agency established by the JPA Agreement.
- b. **“Board of Directors”** or **“Board”** shall mean the governing body of the Agency as described in the JPA Agreement.
- c. **“DWR”** shall mean the California Department of Water Resources.
- d. **“Effective Date”** shall be as set forth in the Preamble of this Memorandum of Understanding.
- e. **“Groundwater Sustainability Agency”** or **“GSA”** shall mean an agency enabled by SGMA to regulate a portion of the Subbasin cooperatively with all other Groundwater Sustainability Agencies in the Subbasin, in compliance with the terms and provisions of SGMA.
- f. **“Groundwater Sustainability Plan”** or **“GSP”** shall have the definition set forth in SGMA.
- g. **“JPA Agreement”** shall mean the Joint Exercise of Powers Agreement Establishing the Yolo Subbasin Groundwater Agency dated _____, 2017, attached hereto as Exhibit “A.”
- h. **“Management Area”** shall mean the areas delineated in the GSP for which Members and Affiliated Parties will have initial authority and responsibility for groundwater management in accordance with SGMA.
- i. **“Member”** shall mean any of the signatories to the JPA Agreement and **“Members”** shall mean all of the signatories to the JPA Agreement, collectively.
- j. **“Memorandum”** shall mean this Memorandum of Understanding.
- k. **“SGMA”** shall mean the California Sustainable Groundwater Management Act of 2014 and all regulations adopted under the legislation (SB 1168, SB 1319 and AB 1739) that collectively constitute the Act, as that legislation and those regulations may be amended or supplemented from time to time.

1. “**Solano County Portion of the Subbasin Area**” shall mean that portion of the Subbasin that lies within the County of Solano as depicted on the map attached hereto as Exhibit “B.”

m. “**Subbasin**” shall mean the Yolo Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-21.67 as its boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2.

ARTICLE 2: TERM OF MEMORANDUM

2.1 This Memorandum will continue in full force and effect until the first to occur of (i) termination of the JPA Agreement; or (ii) termination of this Agreement by the County or the Agency in accordance with Article 4.

ARTICLE 3: RIGHTS AND RESPONSIBILITIES OF THE PARTIES

3.1 Agency will be the GSA for the Solano County Portion of the Subbasin Area.

3.2 County hereby delegates to the Agency all necessary authority for Agency to serve as the GSA for the Solano County Portion of the Subbasin Area.

3.3 Agency will bear all costs associated with SGMA implementation within the Solano County Portion of the Subbasin Area including, without limitation, all costs associated with the development or implementation of a GSP for the Solano County Portion of the Subbasin Area.

3.4 The Agency will work collaboratively with the County and any GSA(s) in Solano County to coordinate SGMA implementation.

ARTICLE 4: TERMINATION OF MEMORANDUM

4.1 Either the County or the Agency may terminate this Memorandum effective upon sixty (60) days prior written notice to the other Party.

4.2 Upon receipt of a notice of termination of this Memorandum, the Parties shall meet and confer to determine the respective rights and responsibilities of the Parties regarding management of the Solano County Portion of the Subbasin Area in accordance with SGMA. The Parties acknowledge, however, that neither Party can exercise land use authority over property owned or controlled by the Regents and must consult with the Regents regarding management of the Solano County Portion of the Subbasin Area in the event of termination of this Memorandum.

ARTICLE 5: MISCELLANEOUS PROVISIONS

5.1 **Binding on Successors.** The rights and duties of the Parties under this Memorandum may not be assigned or delegated by either Party without the advance written consent of the other Party. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Agency then in effect.

5.2 **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 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 to the addresses or facsimile numbers of the Parties set forth in Exhibit B to this Agreement.

5.3 **Counterparts.** This Memorandum 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.

5.4 **Choice of Law.** This Memorandum shall be governed by the laws of the State of California.

5.5 **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Memorandum is held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties that the remainder of the Memorandum 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.

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

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

5.8 **Entire Agreement.** This Memorandum constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, written or oral. This Memorandum may only be amended by written instrument executed by both Parties.

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

[Signature blocks]

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda Report

MEETING DATE: June 19, 2017

AGENDA ITEM NO. 7

SUBJECT: Election to Become the Groundwater Sustainability Agency for the Yolo Subbasin

BACKGROUND

The California Legislature adopted, and the Governor signed into law, the Sustainable Groundwater Management Act of 2014 (SGMA), which authorizes local agencies to manage groundwater in a sustainable fashion. In order to exercise the authority granted in (SGMA), a local agency or combination of local agencies must elect to become or form a Groundwater Sustainability Agency (GSA), and Water Code Section 10723.8 requires that a local public agency electing to become a GSA notify the Department of Water Resources (DWR) of its election and intention to undertake sustainable groundwater management within the agency's jurisdictional boundary.

The Yolo Subbasin Groundwater Agency (Agency) has been duly established through execution of a Joint Powers Agreement in accordance with California Government Code Section 6500 *et seq.* The Yolo Subbasin Groundwater Agency overlies the Yolo Subbasin of the Sacramento Valley Groundwater Basin and is committed to the sustainable management of the Yolo Subbasin.

The Agency Board of Directors will hold a public hearing to consider adoption of Resolution 2017-3 Electing to Become the Groundwater Sustainability Agency for the Yolo Subbasin. It is recommended that the Agency Board of Directors adopt Resolution 2017-1 authorizing the Executive Officer or his designee to inform DWR of the election.

RESOLUTION NO. 2017-3

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE YOLO SUBBASIN GROUNDWATER AGENCY ELECTING TO BECOME THE GROUNDWATER SUSTAINABILITY AGENCY FOR THE YOLO SUBBASIN

WHEREAS, the California Legislature has adopted, and the Governor has signed into law, the Sustainable Groundwater Management Act of 2014 (“SGMA”), which authorizes local agencies to manage groundwater in a sustainable fashion; and

WHEREAS, in order to exercise the authority granted in SGMA, a local agency or combination of local agencies must elect to become or form a Groundwater Sustainability Agency (“GSA”); and

WHEREAS, the Yolo Subbasin Groundwater Agency (“Agency”) has been duly established through execution of a Joint Exercise of Powers Agreement (“JPA”) in accordance with Cal. Government Code Section 6500 *et seq.* The JPA provides for participation in the Agency by Members and “Affiliated Parties,” as defined in the JPA; and

WHEREAS, the Agency overlies the Yolo Subbasin of the Sacramento Valley Groundwater Basin (designated as Subbasin No. 5-21.67 by the California Department of Water Resources) and is committed to the sustainable management of the Yolo Subbasin; and

WHEREAS, Water Code Section 10723.8 requires that a local public agency electing to become a GSA notify the Department of Water Resources (“DWR”) of its election and intention to undertake sustainable groundwater management within the agency’s jurisdictional boundary; and

WHEREAS, pursuant to Government Code Section 6066, notice of a public hearing on the Yolo Subbasin Groundwater Agency election to become a GSA has been published as required by law; and

WHEREAS, on June 19, 2017, the Yolo Subbasin Groundwater Agency Board of Directors held a public hearing to consider adoption of this Resolution; and

WHEREAS, the Yolo Subbasin Groundwater Agency, pursuant to the vote of the Agency Board of Directors, wishes to exercise the powers and authorities of a GSA granted by SGMA and to begin the process of cooperatively preparing a Groundwater Sustainability Plan.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Yolo Subbasin Groundwater Agency as follows:

1. The facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the Yolo Subbasin Groundwater Agency’s adoption of this Resolution.

2. The Yolo Subbasin Groundwater Agency hereby elects to become the GSA to manage groundwater within the Yolo Subbasin, DWR Subbasin No. 5-21.67.
3. The Board authorizes the Executive Officer or his designee within 30 days of adopting this Resolution, to inform DWR of the Yolo Subbasin Groundwater Agency's election and take such other and further steps necessary to comply with the SGMA and DWR requirements.
4. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Yolo Subbasin Groundwater Agency on June 19, 2017 by the following vote:

AYES:
 NOES:
 ABSTAIN:
 ABSENT:

Signed by me after its passage this 19th day of June 2017.

 , Chair

ATTEST:

 , Secretary

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda Report

MEETING DATE: June 19, 2017

AGENDA ITEM NO. 8

SUBJECT: Administrative Items

BACKGROUND

a. Appointment of Executive Officer and General Counsel

It is recommended that the Agency Board of Directors appoint an Executive Officer to administer the activities of the Agency and to be the primary point of contact with the Board Chair. Among other duties, the Executive Officer will work with the Board Chair and Vice Chair to establish Board of Directors' meeting agendas, carry out the directives of the Board of Directors, and to coordinate the activities of the Working Group.

It is recommended that the Agency Board of Directors appoint a General Counsel to represent the Agency in legal matters.

b. Ratification of Preparation and Filing of Secretary of State forms

In compliance with Government Code Section 6503.5, the Yolo Subbasin Groundwater Agency (Agency) must submit two copies of the Agency Joint Powers Agreement (Agreement) to the office of the Secretary of State within 30 days after the effective date of the Agreement. The notice shall contain the following:

- a) The name of each public agency that is a party to the agreement
- b) The date that the agreement became effective
- c) A statement of the purpose of the agreement or the power to be exercised
- d) A description of the amendment or amendments made to the agreement, if any.

It is recommended that the Agency Board of Directors authorize the Executive Officer to prepare and submit the filing of Secretary of State forms.

c. Establishment of "Working Group" Subcommittee

The process of creating the Agency to oversee implementation of the Sustainable Groundwater Management Act (SGMA) in the Yolo Subbasin relied heavily on input and feedback from stakeholders working collaboratively in what was called the "Working Group".

This Working Group, which consisted of member agency staff, policymakers, and any other interested stakeholders that wished to participate, proved an effective forum for vetting issues and achieving consensus. It is recommended that the Agency Board of Directors establish the Working Group as an official subcommittee of the Agency, and charge it with developing

recommendations and providing guidance to the Board on the development and implementation of the Groundwater Sustainability Plan (GSP) and other matters related to the efficient management of the Agency.

The Executive Officer will be responsible for convening and managing meetings of the Working Group, and reporting to the Agency Board of Directors on the activities of the Working Group.

d. Determination of Board of Directors Meeting Schedule

For consistency with the Water Resources Association of Yolo County (WRA) Board meeting schedule, it is recommended that the Agency Board of Directors adopt the same Board meeting schedule through Fiscal Year 2017/2018.

e. Development of Fiscal Year 2017/2018 Interim Budget and Designation of Depository of Agency Funds

As described in Section 5.1 of the Agreement, Members and Affiliated Parties shall share in the general operating and administrative costs of operating the Agency in accordance with the funding amounts set forth in Exhibit D. Section 5.1 also calls out for Members and Affiliated Parties to be assessed quarterly, beginning on July 1 of each year.

It is recommended that the Agency Board of Directors authorize the Executive Officer to coordinate with the Yolo County Treasurer on designation of depository of Agency funds and to assess the Members and Affiliated Parties for their contribution as described in Section 5.1.

f. Authorization of Purchase of Insurance

It is recommended that the Agency Board of Directors authorize the Executive Officer to work on a proposal for purchasing insurance for the Agency.

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda Report

MEETING DATE: June 19, 2017

AGENDA ITEM NO. 9

SUBJECT: Presentation: 2-Year Vision and Groundwater Sustainability Plan Development

BACKGROUND

The primary task of a Groundwater Sustainability Agency (GSA) is to develop a Groundwater Sustainability Plan (GSP) that complies with the Sustainable Groundwater Management Act legislation and the Department of Water Resources' (DWR) GSP Guidelines. The most critical element of the GSP is the development of water balances for each of the member agencies and for the Yolo Subbasin as a whole. The Working Group has been engaged with Stockholm Environment Institute (SEI) to develop these water balances. SEI will make a brief presentation on the Water Evaluation and Planning (WEAP) model that they are utilizing to develop these water balances and their work to-date with member agencies. Other elements of the required GSP will be discussed as well as the potential to receive grant funding to support the development of the GSP.

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda Report

MEETING DATE: June 19, 2017

AGENDA ITEM NO. 10

SUBJECT: Members' Reports and Future Agenda Items

BACKGROUND

Yolo Subbasin Groundwater Agency Members are invited to briefly report on current issues and recommended topics for future Yolo Subbasin Groundwater Agency Board meetings.

- a. Submittal of Proposition 1 Grant Application
- b. Adoption of Resolution Approving Agency Conflict of Interest Code
- c. Establishment of Subcommittee for Reconsideration of Voting Structure and Expense Allocation (Agreement Section 5.11)