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:

a. 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);

b. Cooperatively carry out the purposes of SGMA;

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

d. 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:

a. 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.

b. 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.

c. 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.

d. 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.

e. 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 depositary 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:

a. 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.

City of Davis

By: _____
Robb Davis, Mayor

ATTEST:

By: _____
Zoe Mirabile, City Clerk

APPROVED AS TO FORM:

By: _____
Harriet Steiner, City Attorney

City of West Sacramento

By: _____
Christopher L. Cabaldon, Mayor

ATTEST:

By: Teresa Willock, Deputy
Kryss Rankin, City Clerk

APPROVED AS TO FORM:

By: _____
Jeffrey Mitchell, City Attorney

City of Winters

By: _____
Wade Cowan, Mayor

ATTEST:

By: _____
Nanci G. Mills, City Clerk

APPROVED AS TO FORM:

By: _____
Ethan Walsh, City Attorney

City of Woodland

By: _____
Angel Barajas, Mayor

ATTEST:

By: _____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

By: _____
Kara Ueda, City Attorney

Dunnigan Water District

By: _____
Name: Blair Voelz
Its: President

Esparto Community Services District

By: _____
Name: Charlie Schaupp
Its: Chair

Madison Community Services District

By: _____
Name: Steve Gomez
Its: Chair

Reclamation District 108

By: _____
Name: Frederick "Fritz" Durst
Its: President

Dunnigan Water District

By: _____
Name: Blair Voelz
Its: President

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Madison Community Services District

By: _____
Name: Steve Gomez
Its: Chair

Reclamation District 108

By: _____
Name: Frederick "Fritz" Durst
Its: President

Reclamation District 537

By: _____
Name: Kristen E. Pigman
Its: President

Reclamation District 827

By: _____
Name: Daniel F. Ramos
Its: President

Reclamation District 730

By: _____
Name: James Heidrick
Its: Trustee

Reclamation District 1600

By: _____
Name: Kent Lang
Its: President

Reclamation District 765

By: _____
Name:
Its:

Reclamation District 2035

By: _____
Name: Robert Thomas
Its: President

Reclamation District 785

By: _____
Name: Ross Peabody
Its: President

Yocha Dehe Wintun Nation

By: _____
Name: James Kinter
Its: Tribal Secretary

Reclamation District 787

By: _____
Name: Roger Cornwell
Its: President

Yolo County Flood Control and Water Conservation District

By: _____
Name: Erik Vink
Its: Chair

Reclamation District 537

By: _____
Name:
Its:

Reclamation District 730

By: James Heidrick
Name: James Heidrick
Its: Trustee

Reclamation District 765

By: _____
Name:
Its:

Reclamation District 785

By: _____
Name: Ross Peabody
Its: President

Reclamation District 787

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Its:

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Its: Tribal Secretary

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Its: Chair

Reclamation District 537

By: _____
Name:
Its:

Reclamation District 730

By: _____
Name: James Heidrick
Its: Trustee

Reclamation District 765

By: _____
Name: Doug Dickson
Its: President

Reclamation District 785

By: _____
Name: Ross Peabody
Its: President

Reclamation District 787

By: _____
Name: Roger Cornwell
Its: President

Reclamation District 827

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Name:
Its:

Reclamation District 1600

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Reclamation District 2035

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Name: Robert Thomas
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Yocha Dehe Wintun Nation

By: _____
Name: James Kinter
Its: Tribal Secretary

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Its: Chair

Reclamation District 537

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Its:

Reclamation District 730

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Name: James Heidrick
Its: Trustee

Reclamation District 765

By: _____
Name:
Its:

Reclamation District 785

By: _____
Name: Ross Peabody
Its: President

Reclamation District 787

By: _____
Name: Roger Cornwell
Its: President

Reclamation District 827

By: _____
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Reclamation District 1600

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Its: Tribal Secretary

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By: _____
Name: Erik Vink
Its: Chair

Reclamation District 537

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Its:

Reclamation District 730

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Reclamation District 785

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Reclamation District 827

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Its:

Reclamation District 1600

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Name: Kent Lang
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Reclamation District 2035

By: _____
Name: Robert Thomas
Its: President

Yocha Dehe Wintun Nation

By: _____
Name: James Kinter
Its: Tribal Secretary

Yolo County Flood Control and Water Conservation District

By: _____
Name: Erik Vink
Its: Chair

Yolo County

By: _____
Duane Chamberlain, Chair
Board of Supervisors

APPROVED AS TO FORM:

By: _____
Philip J. Pogledich, County Counsel

ATTEST: Julie Dachtler, Deputy Clerk
Board of Supervisors

By: _____
Deputy (SEAL)

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

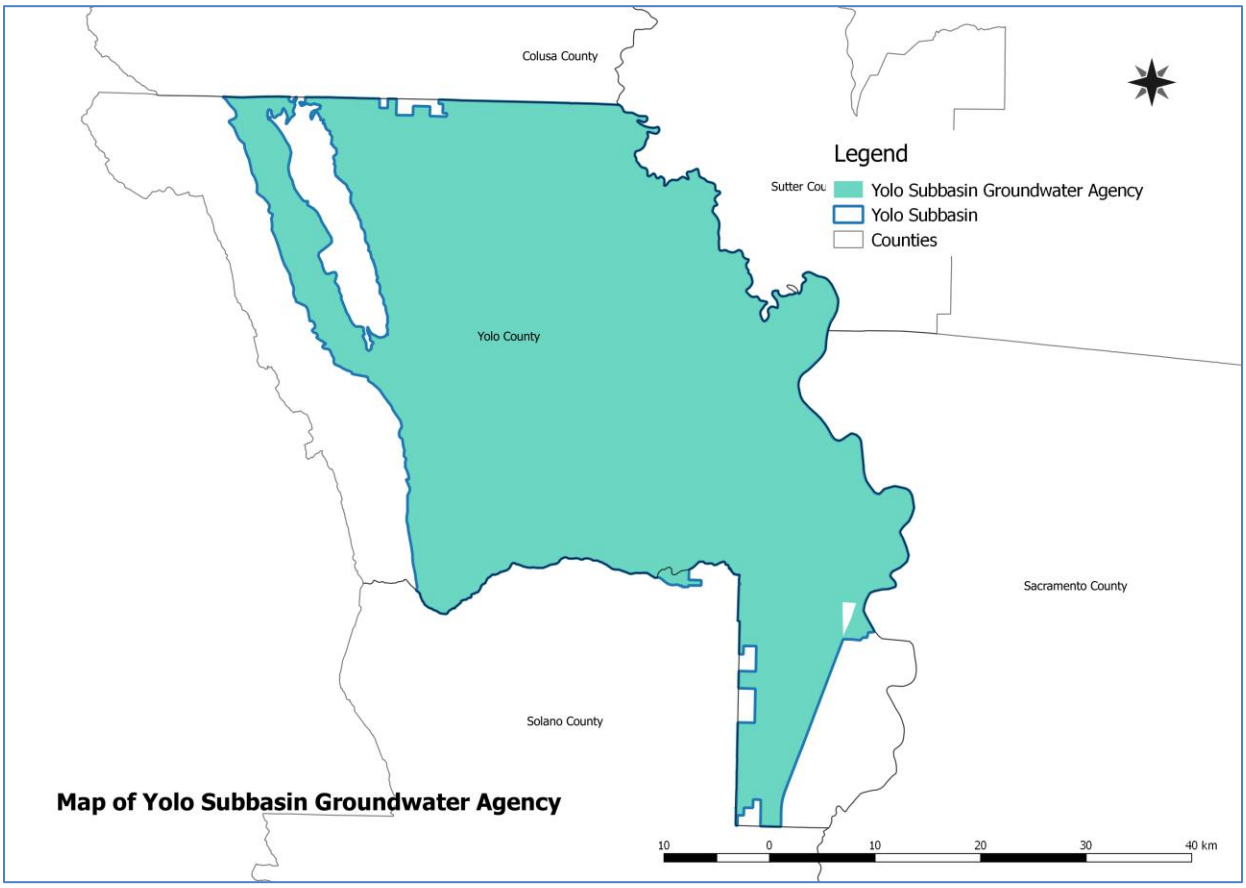

Exhibit C

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
	483,747	$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 YCFCWCD ($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

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