

PROPOSITION 1 Coordination Agreement

THIS PROPOSITION 1 COORDINATION AGREEMENT (the "Agreement") is made effective as of November 9, 2017 by the Marina Coast Water District Groundwater Sustainability Agency ("MCWD") and the Salinas Valley Basin Groundwater Sustainability Agency ("SVBGSA") regarding proposals for Sustainable Groundwater Planning ("SGWP") Grant Program funds, authorized by the Water Quality, Supply, and Infrastructure Improvement Act of 2014 ("Proposition 1") within the Monterey Subbasin and the 180/400 foot Subbasin, with reference to the following facts:

A. Eligibility criteria for Category 2 proposals for SGWP Grant Program funds, authorized by Proposition 1, only accept one application per Basin/Subbasin; and

B. An eligible agency may be part of the Proposition 1 application as a project proponent, but must identify a single entity that will act as the grant applicant and submit a basin-wide application and receive the grant on behalf of the basin; and

C. If multiple applications are received within a basin for Category 2 projects, DWR will contact the applicants and request that the Parties consolidate one single application for the basin to be submitted before the close of the open filing period; and

D. The applicant must include a Proposal level "Summary" highlighting each project contained in the Proposal and must demonstrate that it encompasses the entire basin or describes why a portion of the basin is not covered in the Proposal.

E. Applicants requesting funding for Category 2 Proposition 1 application must provide documentation of any communications with beneficial users of groundwater in the basin that may potentially be affected by implementation of the project, including, but not limited to DACs, SDACs, agricultural water users, municipal water users, wildlife refuges, or other stakeholders.

F. The Filing Period Closes November 13, 2017 for proposals for SGWP Grant Program funds; and

G. Proposition 1 requires a minimum cost share of 50% of the total project cost.

THEREFORE, in consideration of the facts recited above the Parties agree to the following with regards to Proposition 1 applications:

1. The Parties agree that MCWD shall be the Party responsible for submitting a grant application/proposal to DWR for a Category 2, Tier 2 Groundwater Sustainability Plan grant for the Monterey Subbasin and MCWD shall be the grantee if the proposal is successful. MCWD shall be responsible for the cost of preparing the grant. MCWD will coordinate with SVBGSA and obtain input from SVBGSA in preparation of the grant application/proposal for the Monterey Subbasin.

2. The Parties further agree that SVBGSA shall be the Party responsible for submitting a grant application/proposal to DWR for a Category 2, Tier 1 Groundwater Sustainability Plan grant for the 180/400 Foot Aquifer Subbasin and SVBGSA shall be the grantee if the proposal is successful. SVBGSA shall be responsible for the cost of preparing the grant. SVBGSA will coordinate with MCWD and obtain input from MCWD in preparation of the grant application/proposal for the 180/400 Foot Aquifer Subbasin.

3. A coordination committee including representatives from MCWD and SVBGSA shall be formed for each subbasin.

4. The parties agree that they shall share all data necessary to facilitate the completion of the Proposition 1 applications/proposals.

5. The Proposition 1 application for the Monterey Subbasin will include:

a) A project for the preparation of the GSP by MCWD for the Marina Subarea and the Ord Subarea, as shown on attached Exhibit "A;" and

b) A project for the preparation of a GSP by SVBGSA for the Corral de Tierra Subarea, also as shown on attached Exhibit "A".

6. The Marina, Ord and Corral de Tierra subareas shall be managed as follows:

a) If MCWD is allowed under the Sustainable Groundwater Management Act ("SGMA") to include the Ord Subarea within its Groundwater Sustainability Agency boundaries, MCWD shall manage the Marina and Ord Subareas as part of its GSA under the GSP described in Section 5 (a), above.

b) If MCWD is not allowed under SGMA to include the Ord Subarea within its Groundwater Sustainability Agency boundaries, the Ord Subarea may be designated by the SVBGSA as a Management Area within the boundaries of its GSA, and MCWD shall be allowed to manage the Ord Subarea under the GSP described in Section 5 (a), above.

c) SVBGSA shall manage the Corral de Tierra Subarea.

7. The GSP Project for the Monterey Subbasin will include review and potential refinement of the portion of the Salinas Valley Integrated Hydrologic Model ("SVIHM") that addresses the Monterey Subbasin and nearby subbasins. SVIHM is being developed by the USGS for the entire Salinas River Valley Basin.

8. MCWD will provide matching grant funds for development of the GSP and for SVIHM model review and refinement for the Marina Subarea and Ord Subarea of the Monterey Subbasin. Notwithstanding anything to the contrary, in the event MCWD is prevented from including the Ord Subarea within its GSP or the SVBGSA elects to include the Ord Subarea within its own GSP for the Monterey Subbasin, then SVBGSA shall reimburse

MCWD for all matching funds which MCWD has provided or expended proportionately for the Ord subarea after the effective date of this agreement, and SVBGSA shall be responsible for all matching funds applicable to the Ord Subarea for purposes of the SGWP Grant Program.

9. SVBGSA and MCWD may include additional project(s) in each other's grant applications for the Monterey and 180/400 Foot Aquifer Subbasins if they provide all required information in the appropriate format and demonstrate matching funds by an agreed upon timeframe.

10. The Parties acknowledge that the submission deadline for any Proposition 1 application is November 13, 2017. As such, the Parties agree to the following schedule for coordination of grant applications for the Monterey and 180/400 Foot Aquifer Subbasins:

- Proposition 1 Applicant to share draft Proposition 1 application with other Party (10/20/2017)
- Proposition 1 Applicant to receive feedback on Draft Proposition 1 application from other Party (by 10/27/2017)
- Proposition 1 Applicant to obtain complete information from other Party for any independent Projects (for which other Party is providing matching funds) for inclusion in in Draft Proposition I application (10/27/2017)
- Submit Prop 1 application to DWR by 11/13/2017

In the event either Party fails to provide any of the required information to the submitting Party by the identified dates, then this Agreement shall terminate and either Party may submit a Proposition 1 application on their own behalf, without regard to the other Party.

11. Assuming agreement is reached between the Parties regarding the Proposition 1 applications for the Monterey Subbasin and 180/400 Foot Aquifer Subbasin, the Parties will provide letters of support for each other's Proposition 1 grant applications for the 180/400 Foot Aquifer Subbasin and the Monterey Subbasin by November 3, 2017.

Agreed and acknowledged on November 21, 2017, by the signatures below:

SALINAS VALLEY BASIN
GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Gary Peterson

Title: _____

General Manager

MARINA COAST WATER DISTRICT
GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Keith Van Der Maaten

Title: _____

General Manager

APPROVED AS TO FORM: _____

Leslie J. Girard

SVBGSA Agency Counsel

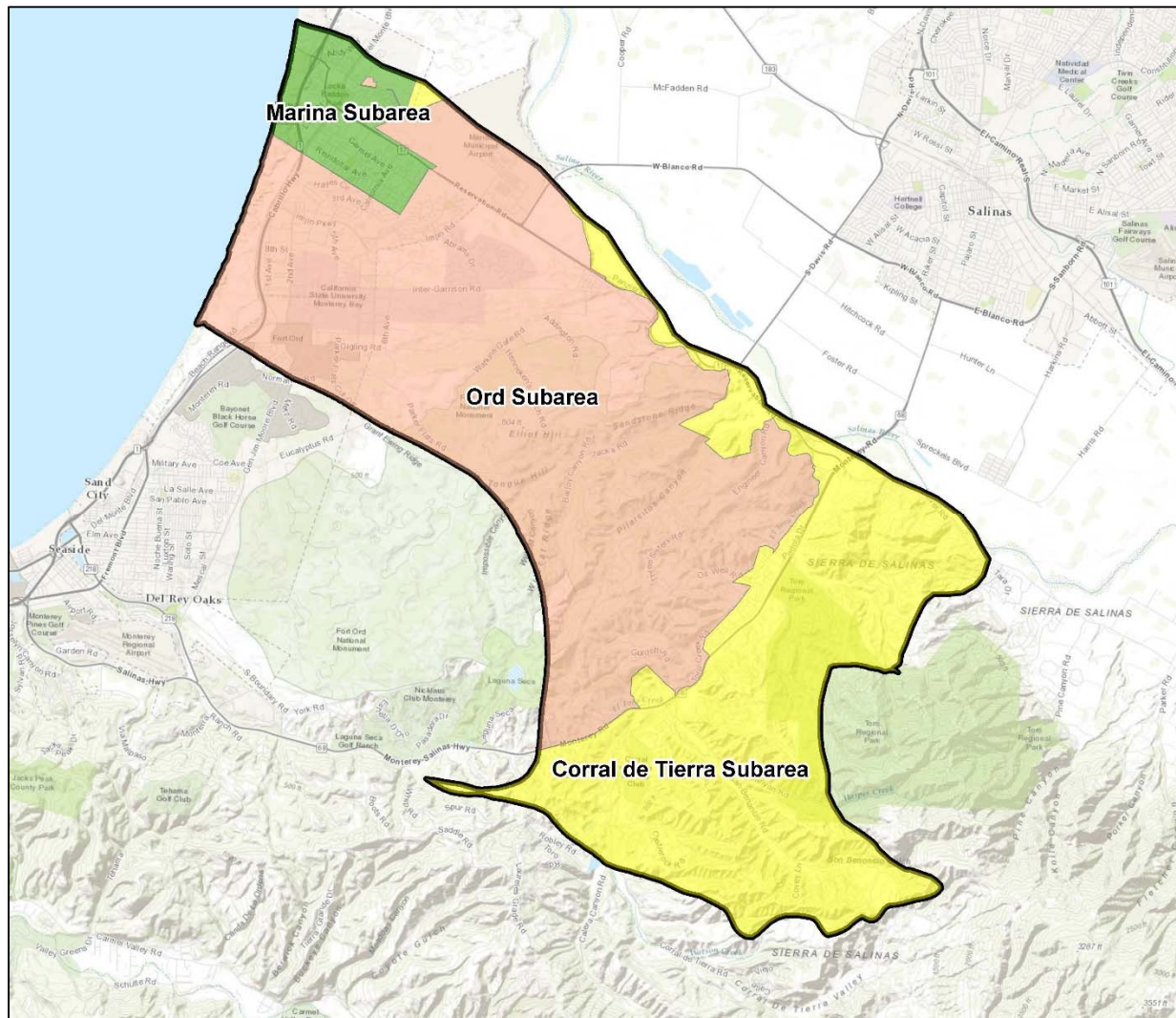
APPROVED AS TO FORM: _____

Roger K. Masuda

Roger K. Masuda

MCWDGSA Agency Counsel

EXHIBIT A. MONTEREY BASIN SUBAREAS



Legend

-  Monterey Subbasin (DWR 3-004.10)
-  Marina Subarea
-  Ord Subarea
-  Corral de Tierra Subarea

