

RESOLUTION NO. 3162

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CASTAIC LAKE WATER AGENCY
TO APPROVE THE MEMORANDUM OF UNDERSTANDING
TO FORM THE SANTA CLARITA VALLEY
GROUNDWATER SUSTAINABILITY AGENCY AND FINDING APPROVAL OF THE
MEMORANDUM OF UNDERSTANDING EXEMPT FROM REVIEW UNDER THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT**

WHEREAS, the Sustainable Groundwater Management Act of 2014, California Water Code section 10720 et. seq. (SGMA), went into effect on January 1, 2015; and

WHEREAS, the legislative intent of SGMA is to provide for the sustainable management of groundwater basins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to manage groundwater basins through the actions of local governmental agencies to the greatest extent feasible while minimizing state intervention; and

WHEREAS, SGMA requires that California groundwater basins and subbasins designated by the California Department of Water Resources as high priority or medium priority be managed by one or more Groundwater Sustainability Agencies (GSAs) and that such management be accomplished pursuant to one or more approved Groundwater Sustainability Plans (GSPs) for the basin; and

WHEREAS, California Water Code Section 10721(j) defines a GSA as one or more local agencies that implement the provisions of SGMA; and

WHEREAS, any local public agency that has water supply, water management, or land use responsibilities within a groundwater basin may decide to become a GSA over that basin (California Water Code Sections 10721 and 10723); and

WHEREAS, SGMA provides that a combination of local agencies may form a GSA by a joint powers agreement, a memorandum of agreement, or other legal agreement (Water Code Section 10723.6); and

WHEREAS, Castaic Lake Water Agency overlies a portion of the Santa Clara River Valley East Subbasin, groundwater basin number 4-4.07 per the State of California, Department of Water Resources (DWR) Groundwater Bulletin 118, which has been designated by the State of California as a high priority basin; and

WHEREAS, Castaic Lake Water Agency has water supply and water management responsibilities within the Santa Clara River Valley East Subbasin; and

WHEREAS, it is beneficial to the health, safety, and water supply reliability of the Santa Clarita Valley for Castaic Lake Water Agency to retain local jurisdiction over groundwater resources within the Santa Clara River Valley East Subbasin; and

WHEREAS, Castaic Lake Water Agency has been working cooperatively with other local agencies that also plan to manage groundwater in compliance with SGMA, including Newhall County Water District, Los Angeles County Waterworks District No. 36, the Santa Clarita Water Division, the City of Santa Clarita, and the County of Los Angeles; and

WHEREAS, Castaic Lake Water Agency, along with its regional partners Newhall County Water District, Los Angeles County Waterworks District No. 36, the Santa Clarita Water Division, the City of Santa Clarita, and the County of Los Angeles intend to jointly form the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) through a Memorandum of Understanding to work collaboratively to manage groundwater resources in the Santa Clara River Valley East Subbasin and to comply with SGMA; and

WHEREAS, Castaic Lake Water Agency staff evaluated the proposed Memorandum of Understanding and formation of the SCV-GSA in light of the proposed standards for environmental review outlined in the California Environmental Quality Act ("CEQA") and the California Code of Regulations (Cal. Code Regs., tit. 14, §§ 15000 et seq.) ("State CEQA Guidelines"); and

WHEREAS, based on that review, staff determined that the proposed Memorandum of Understanding and the formation of the SCV-GSA would not constitute a project within the meaning of CEQA or the State CEQA Guidelines; and

WHEREAS, even assuming the proposed Memorandum of Understanding and formation of the SCV-GSA constitutes a project within the meaning of CEQA, staff has evaluated the proposed actions and determined that each, individually and in the aggregate, would be exempt from CEQA review pursuant to State CEQA Guidelines sections 15307, 15308, and 15061(b)(3); and

WHEREAS, prior to adopting a resolution of intent to establish Castaic Lake Water Agency as a member of the SCV-GSA, Water Code Section 10723 requires Castaic Lake Water Agency to hold a public hearing, after publication of notice pursuant to California Government Code Section 6066, on whether to become a GSA; and

WHEREAS, pursuant to Government Code Section 6066, notices of a public hearing on whether or not to adopt a resolution to establish the SCV-GSA through a Memorandum of Understanding were published on May 10, 2017 and May 17, 2017; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Castaic Lake Water Agency does hereby resolve as follows:

1. The Board hereby finds and determines that the approval of the Memorandum of Understanding and formation of the SCV-GSA is not a project pursuant to CEQA. Specifically, the Board finds that, because these actions do not approve any projects, or authorize any further activities, they do not constitute the approval of any project within the meaning of CEQA that would contain enough meaningful information for environmental assessment. In the alternative, and assuming the approval of the Memorandum of Understanding and formation of the SCV-GSA constitutes a project under CEQA, the Board finds that these actions, individually and in the aggregate, are exempt from CEQA pursuant to State CEQA Guidelines sections 15307 and 15308, each of which exempts actions, as authorized by state law, taken by regulatory agencies that are designed to assure the maintenance, restoration, enhancement, or protection of the environment or a natural resource where the regulatory process involves procedures for protection of the environment. In addition, the Board finds that these actions are

exempt from further review under CEQA because it can be seen with certainty that there is no possibility that these actions may have a significant effect on the environment pursuant to State CEQA Guidelines section 15061(b)(3).

2. The Board hereby elects that Castaic Lake Water Agency will participate as a member of the SCV-GSA to manage groundwater within the boundaries of the Santa Clara River Valley East Subbasin pursuant to the Memorandum of Understanding to Form the Santa Clarita Valley Groundwater Sustainability Agency; and

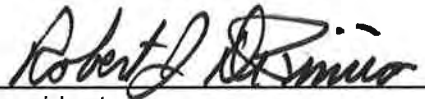
3. The Board hereby authorizes the General Manager to execute the "Memorandum of Understanding to Form the Santa Clarita Valley Groundwater Sustainability Agency," a copy of which is attached hereto as **Exhibit A**; and

4. The Board hereby authorizes the General Manager or his designee to coordinate with the other members of the SCV-GSA to provide a copy of this resolution, Notice of Intent, and all other necessary documentation to DWR within 30 days of full execution of the Memorandum of Understanding and to otherwise comply with the requirements of Water Code Section 10723.8; and

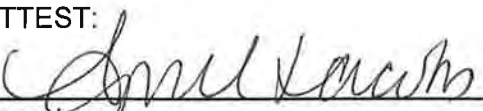
5. The Board hereby authorizes the General Manager or his designee to coordinate with the other members of the SCV-GSA to maintain a list of interested parties regarding the newly formed SCV-GSA pursuant to Water Code Section 10723.4.

6. The Chairperson of the Board shall sign this Resolution and the Secretary of the Board shall certify this Resolution was duly and properly adopted by the Board.

7. The documents and materials that constitute the record of proceedings on which these findings have been based are located at Castaic Lake Water Agency's office located at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. The custodian for these records is the Board Secretary.


President

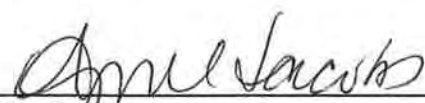
ATTEST:


Secretary

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Castaic Lake Water Agency, and that at a regular meeting of the Board of Directors of said Agency held on May 24, 2017, the foregoing Resolution No. 3162 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: May 24, 2017




Secretary

RESOLUTION NO. 2017-4

**RESOLUTION OF THE BOARD OF DIRECTORS OF
NEWHALL COUNTY WATER DISTRICT
TO APPROVE THE MEMORANDUM OF UNDERSTANDING TO FORM THE SANTA
CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY**

WHEREAS, the Sustainable Groundwater Management Act of 2014, California Water Code section 10720 et. seq. (SGMA), went into effect on January 1, 2015; and

WHEREAS, the legislative intent of SGMA is to provide for the sustainable management of groundwater basins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to manage groundwater basins through the actions of local governmental agencies to the greatest extent feasible while minimizing state intervention; and

WHEREAS, SGMA requires that California groundwater basins and subbasins designated by the California Department of Water Resources as high priority or medium priority be managed by one or more Groundwater Sustainability Agencies (GSAs) and that such management be accomplished pursuant to one or more approved Groundwater Sustainability Plans (GSPs) for the basin; and

WHEREAS, California Water Code Section 10721(j) defines a GSA as one or more local agencies that implement the provisions of SGMA; and

WHEREAS, any local public agency that has water supply, water management, or land use responsibilities within a groundwater basin may decide to become a GSA over that basin (California Water Code Sections 10721 and 10723); and

WHEREAS, SGMA provides that a combination of local agencies may form a GSA by a joint powers agreement, a memorandum of agreement, or other legal agreement (Water Code Section 10723.6); and

WHEREAS, Newhall County Water District overlies a portion of the Santa Clara River Valley East Subbasin, groundwater basin number 4-4.07 per the State of California, Department of Water Resources (DWR) Groundwater Bulletin 118, which has been designated by the State of California as a high priority basin; and

WHEREAS, Newhall County Water District has water supply and water management responsibilities within the Santa Clara River Valley East Subbasin; and

WHEREAS, it is beneficial to the health, safety, and water supply reliability of the Santa Clarita Valley for Newhall County Water District to retain local jurisdiction and control over groundwater resources within the Santa Clara River Valley East Subbasin; and

WHEREAS, Newhall County Water District has been working cooperatively with other local agencies that also plan to manage groundwater in compliance with SGMA, including Castaic Lake Water Agency, Los Angeles County Waterworks District No. 36, the Santa Clarita Water Division, the City of Santa Clarita, and the County of Los Angeles; and

WHEREAS, Newhall County Water District, along with its regional partners Castaic Lake Water Agency, Los Angeles County Waterworks District No. 36, the Santa Clarita Water Division, the City of Santa Clarita, and the County of Los Angeles intend to jointly form the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) through a

Memorandum of Understanding (Exhibit A) to work collaboratively to manage groundwater resources within their respective service areas in the Santa Clara River Valley East Subbasin and to comply with SGMA; and

WHEREAS, prior to adopting a resolution of intent to establish Newhall County Water District as a member of the SCV-GSA, Water Code Section 10723 requires Newhall County Water District to hold a public hearing, after publication of notice pursuant to California Government Code Section 6066, on whether to become a GSA; and

WHEREAS, pursuant to Government Code Section 6066, notices of a public hearing on whether or not to adopt a resolution to establish the SCV-GSA through a Memorandum of Understanding were published on [May 4, 2017] and [May 11, 2017];

NOW, THEREFORE, BE IT RESOLVED that the Newhall County Water District approves the Memorandum of Understanding creating the SCV-GSA and establishing the District as a member of the GSA.

FURTHER RESOLVED, adoption of this Resolution does not constitute a project under the California Environmental Quality Act because it does not result in any direct or indirect physical change in the environment.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Newhall County Water District held on May 18, 2017. Resolution No. 2017-4 was approved by the following vote:

AYES:

NOES:

ABSTAIN:



Maria Gutzeit
President of Board of Directors of Newhall
County Water District

ATTEST:



Rochelle Patterson
Secretary of the Board of Directors of
Newhall County Water District

ENCLOSURE C

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, APPROVING THE MEMORANDUM OF UNDERSTANDING TO FORM THE SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY

WHEREAS, the Sustainable Groundwater Management Act of 2014, California Water Code section 10720 et. seq. (SGMA), went into effect on January 1, 2015; and

WHEREAS, the legislative intent of SGMA is to provide for the sustainable management of groundwater basins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to manage groundwater basins through the actions of local governmental agencies to the greatest extent feasible while minimizing state intervention; and

WHEREAS, SGMA requires that California groundwater basins and subbasins designated by the California Department of Water Resources as high priority or medium priority be managed by one or more Groundwater Sustainability Agencies (GSAs) and that such management be accomplished pursuant to one or more approved Groundwater Sustainability Plans for the basin; and

WHEREAS, California Water Code Section 10721(j) defines a GSA as one or more local agencies that implement the provisions of SGMA; and

WHEREAS, any local public agency that has water supply, water management, or land use responsibilities within a groundwater basin may decide to become a GSA over that basin (California Water Code Sections 10721 and 10723); and

WHEREAS, SGMA provides that a combination of local agencies may form a GSA by a joint powers agreement, a memorandum of agreement, or other legal agreement (Water Code Section 10723.6); and

WHEREAS, County of Los Angeles and Los Angeles County Waterworks District No. 36, Val Verde, overlies a portion of the Santa Clara River Valley East Subbasin, groundwater basin number 4-4.07 per the State of California, Department of Water Resources Groundwater Bulletin 118, which has been designated by the State of California as a high priority basin; and

WHEREAS, County of Los Angeles and Los Angeles County Waterworks District No. 36, Val Verde, has water supply and water management responsibilities within the Santa Clara River Valley East Subbasin; and

WHEREAS, it is beneficial to the health, safety, and water supply reliability of the Santa Clarita Valley for the County of Los Angeles and Los Angeles County Waterworks District No. 36, Val Verde, to retain local jurisdiction and control over groundwater resources within the Santa Clara River Valley East Subbasin; and

WHEREAS, County of Los Angeles and Los Angeles County Waterworks District No. 36, Val Verde, has been working cooperatively with other local agencies that also plan to manage groundwater in compliance with SGMA; and

WHEREAS, County of Los Angeles and Los Angeles County Waterworks District No. 36, Val Verde,, along with its regional partners, Castaic Lake Water Agency, Newhall County Water District, the Santa Clarita Water Division, and the City of Santa Clarita intend to jointly form the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) through a Memorandum of Understanding to work collaboratively to manage groundwater resources within their respective service areas in the Santa Clara River Valley East Subbasin and to comply with SGMA; and

WHEREAS, prior to adopting a resolution of intent to establish County of Los Angeles and Los Angeles County Waterworks District No. 36, Val Verde as a member of the SCV-GSA, Water Code Section 10723 requires County of Los Angeles and Los Angeles County Waterworks District No. 36, Val Verde to hold a public hearing, after publication of notice pursuant to California Government Code Section 6066, on whether to become a GSA; and

WHEREAS, pursuant to Government Code Section 6066, notices of a public hearing on whether or not to adopt a resolution to establish the SCV-GSA through a Memorandum of Understanding were published on [date] and [date]; and

WHEREAS, adoption of this Resolution does not constitute a project under the California Environmental Quality Act because it does not result in any direct or indirect physical change in the environment;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of the County of Los Angeles, and as the Board of Directors of Los Angeles County Waterworks District No. 36, Val Verde does hereby:

1. Elect that County of Los Angeles and Los Angeles County Waterworks District No. 36, Val Verde will participate as a member of the SCV-GSA to manage groundwater within its statutory boundaries of the Santa Clara River Valley East Subbasin pursuant to the Memorandum of Understanding to Form the Santa Clarita Valley Groundwater Sustainability Agency; and
2. Authorize the Director of the Department of Regional Planning or his designee and the Director of Public Works or his designee to execute the "Memorandum of Understanding to Form the Santa Clarita Valley Groundwater Sustainability Agency," on behalf of the County of

Los Angeles and Los Angeles County Waterworks District No. 36, Val Verde, respectively, a copy of which is attached hereto; and

3. Authorize the Director of the Department of Regional Planning or his designee and the Director of Public Works or his designee to coordinate with the other members of the SCV-GSA to provide a copy of this resolution, a Notice of Intent, and all other necessary documentation to Department of Water Resources within 30 days and to otherwise comply with the requirements of Water Code Section 10723.8; and
4. Authorize the Director of the Department of Regional Planning or his designee and the Director of Public Works or his designee to coordinate with the other members of the SCV-GSA to maintain a list of interested parties regarding the newly formed SCV-GSA pursuant to Water Code Section 10723.4.

[illegible]

The foregoing resolution was on the 23rd day of May, 2017, adopted by the Board of Supervisors as the governing body of the County of Los Angeles and the Los Angeles County Waterworks District No. 36, Val Verde.

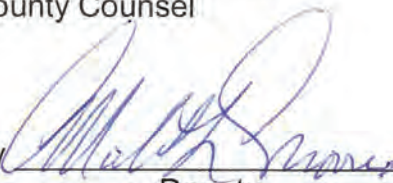


LORI GLASGOW
Executive Officer of the
Board of Supervisors of
the County of Los Angeles

By  Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By  Deputy

RESOLUTION NO. 17-34

RESOLUTION OF THE CITY OF SANTA CLARITA, CALIFORNIA, TO APPROVE THE
MEMORANDUM OF UNDERSTANDING TO FORM THE SANTA CLARITA VALLEY
GROUNDWATER SUSTAINABILITY AGENCY

WHEREAS, the Sustainable Groundwater Management Act of 2014, California Water Code section 10720 et. seq. (SGMA), went into effect on January 1, 2015; and

WHEREAS, the legislative intent of SGMA is to provide for the sustainable management of groundwater basins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to manage groundwater basins through the actions of local governmental agencies to the greatest extent feasible while minimizing state intervention; and

WHEREAS, SGMA requires that California groundwater basins and subbasins designated by the California Department of Water Resources as high priority or medium priority be managed by one or more Groundwater Sustainability Agencies (GSAs) and that such management be accomplished pursuant to one or more approved Groundwater Sustainability Plans for the basin; and

WHEREAS, California Water Code Section 10721(j) defines a GSA as one or more local agencies that implement the provisions of SGMA; and

WHEREAS, any local public agency that has water supply, water management, or land use responsibilities within a groundwater basin may decide to become a GSA over that basin (California Water Code Sections 10721 and 10723); and

WHEREAS, SGMA provides that a combination of local agencies may form a GSA by a joint powers agreement, a memorandum of understanding, or other legal agreement (Water Code Section 10723.6); and

WHEREAS, the City of Santa Clarita overlies a portion of the Santa Clara River Valley East Subbasin, groundwater basin number 4-4.07 per the State of California, Department of Water Resources (DWR) Groundwater Bulletin 118, which has been designated by the State of California as a high priority basin; and

WHEREAS, the City of Santa Clarita has land use responsibilities within the Santa Clara River Valley East Subbasin; and

WHEREAS, it is beneficial to the health, safety, and water supply reliability of the Santa Clarita Valley to retain local jurisdiction and control over groundwater resources within the Santa Clara River Valley East Subbasin; and

WHEREAS, the City of Santa Clarita has been working cooperatively with other local agencies that also plan to manage groundwater in compliance with SGMA, including Castaic Lake Water Agency, Newhall County Water District, Los Angeles County Waterworks District No. 36, the Santa Clarita Water Division, and the County of Los Angeles; and

WHEREAS, the City of Santa Clarita, along with its regional partners Castaic Lake Water Agency, Newhall County Water District, Los Angeles County Waterworks District No. 36, the Santa Clarita Water Division, and the County of Los Angeles intend to jointly form the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) through a Memorandum of Understanding to work collaboratively to manage groundwater resources within their respective service areas in the Santa Clara River Valley East Subbasin and to comply with SGMA; and

WHEREAS, prior to adopting a resolution of intent to establish the City of Santa Clarita as a member of the SCV-GSA, Water Code Section 10723 requires the City of Santa Clarita to hold a public hearing, after publication of notice pursuant to California Government Code Section 6066, on whether to become a GSA; and

WHEREAS, pursuant to Government Code Section 6066, notices of a public hearing on whether or not to adopt a resolution to establish the SCV-GSA through a Memorandum of Understanding were published on April 25, 2017, and May 2, 2017; and

WHEREAS, adoption of this Resolution does not constitute a project under the California Environmental Quality Act because it does not result in any direct or indirect physical change in the environment;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Santa Clarita does hereby:

SECTION 1. Elect that the City of Santa Clarita will participate as a member of the SCV-GSA to manage groundwater within its statutory boundaries of the Santa Clara River Valley East Subbasin pursuant to the Memorandum of Understanding to form the Santa Clarita Valley Groundwater Sustainability Agency.

SECTION 2. Authorize the City Manager or his designee to execute the Memorandum of Understanding to form the Santa Clarita Valley Groundwater Sustainability Agency.

SECTION 3. Authorize the City Manager or his designee to coordinate with the other members of the SCV-GSA to provide a copy of this resolution, a Notice of Intent, and all other necessary documentation to DWR within 30 days and to otherwise comply with the requirements of Water Code Section 10723.8.

SECTION 4. Authorize the City Manager or his designee to coordinate with the other members of the SCV-GSA to maintain a list of interested parties regarding the newly formed SCV-GSA pursuant to Water Code Section 10723.4.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 9th day of May 2017.


MAYOR

ATTEST:


CITY CLERK

DATE: 5/24/17

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SANTA CLARITA)

I, Mary Cusick, City Clerk of the City of Santa Clarita, do hereby certify that foregoing Resolution was duly passed and adopted by the City Council of Santa Clarita at a regular meeting, thereof, held on the 9th day of May 2017, by the following vote:

AYES: COUNCILMEMBERS: McLean, Kellar, Weste, Miranda, Smyth

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None


CITY CLERK

**MEMORANDUM OF UNDERSTANDING TO FORM THE SANTA CLARITA VALLEY
GROUNDWATER SUSTAINABILITY AGENCY**

Parties

This Memorandum of Understanding (MOU), dated 5/29/17, is entered into among Castaic Lake Water Agency, Newhall County Water District, Los Angeles County Waterworks District No. 36, the Santa Clarita Water Division, the City of Santa Clarita, and the County of Los Angeles, individually and collectively referred to as "Party" and "Parties" to form the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) as created herein.

The Parties to this MOU shall be the members of the SCV-GSA.

The SCV-GSA is formed pursuant to the Sustainable Groundwater Management Act to be the Groundwater Sustainability Agency (GSA) for the Santa Clara River Valley East Subbasin, groundwater basin number 4-4.07 per the State of California, Department of Water Resources (DWR) Groundwater Bulletin 118.

Recitals

WHEREAS, on September 16, 2014, Governor Jerry Brown signed into law Senate Bills 1168 and 1319, and Assembly Bill 1739, collectively known as the Sustainable Groundwater Management Act (SGMA), codified in Part 2.74 of Division 6 of the California Water Code, commencing with Section 10720;

WHEREAS, SGMA went into effect on January 1, 2015;

WHEREAS, various clarifying amendments to SGMA were signed in 2015 and became effective on January 1, 2016, including Senate Bills 13 and 226 and Assembly Bills 617 and 939;

WHEREAS, the legislative intent of SGMA is to provide sustainable management of California's groundwater basins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide local agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater;

WHEREAS, the legislative intent of SGMA does not enable local public entities to grant groundwater entitlements to any person, agency or entity, as such entitlements arise from the common law, statutory law, and are determined by judicial findings in groundwater adjudications;

WHEREAS, the Parties are local public agencies, as defined by SGMA, with management authority in the Santa Clara River Valley East Groundwater Subbasin (Basin), as further depicted in **Exhibit A** to this MOU, each respectively having water supply, water management, and/or land use

responsibilities in at least some portion of the Basin and the statutory authority to become GSAs for the Basin;

WHEREAS, the Basin, identified and designated by the Bulletin 118 as Subbasin No. 4-4.07, is a high priority basin and therefore, is subject to the requirements of SGMA;

WHEREAS, SGMA Section 10735.2 requires the formation of one or more GSAs to manage the Basin by June 30, 2017;

WHEREAS, SGMA Section 10723.6 authorizes multiple local agencies in a basin to form a GSA by way of memorandum of agreement or other legal agreement;

WHEREAS, SGMA Section 10720.7 requires the Basin, which is not designated as subject to critical conditions of overdraft, to be managed by one or more Groundwater Sustainability Plans (GSP) by January 31, 2022;

WHEREAS, SGMA Section 10727 authorizes (1) a single GSP covering an entire basin developed and implemented by one GSA, (2) a single GSP covering an entire basin developed and implemented by multiple GSAs, and (3) multiple GSPs covering an entire basin developed and implemented by multiple GSAs and coordinated pursuant to a single coordination agreement that covers an entire basin;

WHEREAS, the Parties wish to use the authorities granted to them under SGMA and utilize this MOU to memorialize the roles and responsibilities and shared intent, desire, and interests in forming a GSA to cover the entire Basin and to cooperate and coordinate in subsequently preparing and implementing one or more GSPs for sustainable management of the Basin;

WHEREAS, the Parties will consider the interests of all beneficial uses and users of groundwater in the Basin, as set forth in SGMA Section 10723.2, when carrying out the policy, purposes, and requirements of SGMA throughout the Basin; and

WHEREAS the Parties have conducted outreach to beneficial users, including conducting interviews, holding local public meetings, and inviting the public to attend meetings held by the Parties to develop this MOU.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, it is mutually understood and agreed as follows:

Agreement

I. Incorporation of Recitals

The recitals stated above are incorporated herein by reference.

II. Creation of Agency

- A. Creation of the Santa Clarita Valley Groundwater Sustainability Agency. In accordance with Water Code Section 10723.8, it is the intent of the Parties to create a GSA which shall be known as the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) on the date the Parties execute this MOU. The members of the SCV-GSA are Castaic Lake Water Agency, the Santa Clarita Water Division, Newhall County Water District, Los Angeles County Waterworks District No. 36, the City of Santa Clarita, and the County of Los Angeles.
- B. Purpose. The purpose of this MOU is to form the SCV-GSA pursuant to the applicable provisions and requirements of SGMA, including but not limited to SGMA Section 10723.6(a)(2), for the entire Basin and for the Parties to cooperate and coordinate in later preparing and implementing one or more GSPs for the entire Basin and to carry out the policy, purposes, and requirements of SGMA throughout the Basin.
- C. It is each Party's intent, goal, and objective to maintain complete control and autonomy over any and all surface water supplies, groundwater supplies, water facilities, water operations, water management, and water supply matters to which each Party and each Party's constituents are currently producing or are legally entitled to by law, diversion, permit, entitlement, or contract, and to maintain sole authority and discretion over any and all of their individual financial matters.
- D. Additionally, the Parties may prepare a Joint Powers Agreement and create a Joint Powers Authority to take on the role of SCV-GSA. By this MOU, the Parties agree to cooperate and explore the Joint Powers Authority option provided by SGMA Section 10723.6(a)(1).

III. Definitions

The following terms, whether used in the singular or plural, and when used with initial capitalization, shall have the meanings specified herein. The Parties intend that these definitions be consistent with SGMA's definitions, and in the event of a discrepancy, SGMA controls.

- A. **Basin** refers to the Santa Clara River Valley East Groundwater Subbasin, groundwater basin number 4-4.07 per Bulletin 118, as further depicted in **Exhibit A** to this MOU.
- B. **DWR** means the California Department of Water Resources.
- C. **GSA** means Groundwater Sustainability Agency, as defined by SGMA, that implements the provisions of SGMA.
- D. **GSP** means Groundwater Sustainability Plan, as defined by SGMA, proposed or adopted by a GSA pursuant to SGMA.

- E. **Memorandum of Understanding** or **MOU** refers to this Memorandum of Understanding.
- F. **Party** or **Parties** refers to Castaic Lake Water Agency, Newhall County Water District, Los Angeles County Waterworks District No. 36, the Santa Clarita Water Division, the City of Santa Clarita, and the County of Los Angeles, the signatories to this MOU.
- G. **SGMA** refers to the Sustainable Groundwater Management Act as defined in the Recitals.
- H. **SCV-GSA** refers to the Santa Clarita Valley Groundwater Sustainability Agency and consists of the following members: Castaic Lake Water Agency, Santa Clarita Water Division, Newhall County Water District, Los Angeles County Waterworks District No. 36, the City of Santa Clarita, and the County of Los Angeles.

IV. Coordination and Cooperation

- A. **Continued Cooperation.** The Parties to this MOU will continue to meet, confer, coordinate, and collaborate to carry out the purpose of this MOU as set forth in section II.B and to discuss and develop technical, managerial, financial, and other criteria and procedures for the preparation, governance, and implementation of one or more GSPs and to carry out the policy, purposes, and requirements of SGMA in the Basin.
- B. **Points of Contact.** Each Party shall designate a principal contact person for that Party, who may be changed from time to time at the sole discretion of the designating Party. The principal contact person for each Party shall be responsible for coordinating with the principal contact persons for the other Parties in scheduling meetings and other activities under this MOU.
- C. **Management Areas.** The Parties acknowledge that SGMA and provisions of the SGMA GSP regulations promulgated by DWR authorize the establishment of management areas for the development and implementation of sustainable groundwater management within the boundaries of the Basin, including but not limited to Section 354.20 of the SGMA GSP Regulations (23 C.C.R. § 354.20); and accordingly, the Parties acknowledge that the establishment of management areas within the Basin is a governance alternative that the Parties may explore.

V. Roles and Responsibilities

- A. The Parties will jointly establish their roles and responsibilities for developing and implementing a GSP or coordinated GSPs for the Basin in accordance with SGMA.

- B. The Parties will work in good faith and coordinate all activities to carry out the purpose of this MOU. The Parties shall cooperate with one another and work together in the pursuit of all activities and decisions described in the MOU.
- C. Each of the Parties will provide expertise, guidance, and data on those matters for which it has specific expertise or statutory authority, as needed to carry out the purpose of this MOU.
- D. The Parties shall cause all applicable noticing and submission of required information to DWR regarding formation of the SCV-GSA.
- E. As provided in Section IV, *supra*, the Parties to this MOU will continue to meet, confer, coordinate, and collaborate to discuss and develop governance, management, technical, and other issues, including respective roles and responsibilities for issues such as, but not limited to:
 - i. Modeling;
 - ii. Metering program;
 - iii. Monitoring;
 - iv. Hiring consultants;
 - v. Developing and maintaining list of interested persons under SGMA Section 10723.4;
 - vi. Budgeting (see also Section VI, *infra*); and
 - vii. Other initial tasks as determined by the Parties.
- F. The Parties will consider the interests of groundwater beneficial users located in the Basin pursuant to SGMA Section 10723.2.
- G. The Parties will appoint a governing board for SCV-GSA. The duties of the governing board, the appointment of its representatives, meetings, and voting procedures shall be determined by the Parties. Details and procedures shall be determined by the Parties and adopted by resolution. The governing board will include all local agencies, as defined by SGMA, willing to serve. The governing board may include voting and non-voting members. The governing board may from time to time appoint one or more advisory committees or establish *ad hoc* committees representing beneficial uses to assist in carrying out the purpose of the SCV-GSA.

VI. Funding

Each Party's participation in this MOU is at that Party's sole cost and expense. The Parties agree to cooperate and coordinate in pursuing State grant and loan funding opportunities that may apply to carrying out SGMA in the Basin. The Parties shall mutually develop a budget and cost sharing agreement for the work to be undertaken by the SCV-GSA pursuant to this MOU. Such agreement will be as an amendment to this MOU or be incorporated herewith. Both the budget and cost sharing agreement shall be developed and executed prior to any financial expenditures or

incurrence of any financial obligations or liabilities by the SCV-GSA, and no Party can incur, or cause to incur, any financial obligation upon any other Party, without the express consent of the Party whom is undertaking the financial obligation. In the absence of such express consent, any such purported financial obligation is void.

VII. Consideration of Interests of All Beneficial Uses and Users of Groundwater

- A. The Parties will participate in outreach to and engagement of the public, including beneficial users of groundwater, including, without limitation, those identified in SGMA Section 10723.2.
- B. The Parties expressly acknowledge and agree that the preparation, adoption, and implementation of one or more GSPs for the Basin may involve cooperation with one or more federal agencies.

VIII. Term, Termination, and Withdrawal

- A. Term. This MOU shall continue and remain in effect unless and until terminated by the unanimous mutual written consent of the Parties or as otherwise authorized by law.
- B. Withdrawal. Any Party may decide, in its sole discretion, to withdraw from this MOU by providing thirty (30) days' written notice to the other Parties. A Party that withdraws from this MOU shall remain obligated to pay its share of expenses incurred under this MOU as outlined in the budget and any other cost sharing arrangements or agreements incurred or accrued up to the date the Party provided notice of withdrawal. Withdrawal by a Party shall not cause or require the termination of this MOU or the existence of the SCV-GSA with respect to the non-withdrawing Parties.

IX. Notice Provisions

All notices required by this MOU will be deemed to have been given when made in writing and delivered, mailed, or faxed to the respective representatives of the Parties at their respective addresses as follows:

Castaic Lake Water Agency
Matt Stone, General Manager
27234 Bouquet Canyon Road
Santa Clarita, California 91350
Phone: 661-297-1600
Fax: 661-297-1611

Santa Clarita Water Division
Keith Abercrombie, Retail Manager
26521 Summit Circle
Santa Clarita, CA 91350-3049
Phone: 661-259-2737
Fax: 661-286-4333

Newhall County Water District
Stephen L. Cole, General Manager
23780 North Pine Street
Newhall, CA 91321
Phone: 661-702-4439
Fax: 661-259-9673

Los Angeles County Waterworks District No. 36
Adam Ariki, Assistant Deputy Director
900 South Fremont Avenue
Alhambra, CA 91803
Phone: 626-300-3300
Fax: 626-300-3385

City of Santa Clarita
Kenneth Striplin, City Manager
23920 Valencia Boulevard, Suite 300
Valencia, CA 91335
Phone: 661-255-4907
Fax: 661-259-8125

County of Los Angeles
Mitch Glaser, Assistant Administrator
320 West Temple Street
Los Angeles, CA 90012
Phone: 213-974-4971
Fax: 213-626-0434

Any Party may change the address to which such communications are to be given by providing the other Parties with written notice of such change at least fifteen (15) calendar days prior to the effective date of the change.

All notices will be effective upon receipt and will be deemed received through delivery if personally served or served by fax, or on the fifth (5th) day following deposit in the mail if sent by first class mail.

X. Amendments

Amendments to this MOU require unanimous written consent of all Parties and a written instrument duly signed and executed by all Parties.

XI. Hold Harmless

No Party, nor any officer or employee of a Party, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by another Party under or in connection with this MOU. The Parties further agree, pursuant to California Government Code Section 895.4, that each Party shall fully indemnify and hold harmless each other Party and its agents, officers, employees, and contractors from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any work delegated to or action taken or omitted to be taken by such Party under this MOU. This provision shall survive termination of MOU or withdrawal by any Party.

XII. General Terms

- A. Successors and Assigns. The terms of this MOU shall be binding on all successors in interest and assigns of each Party.
- B. Compliance with Law. In performing their respective obligations under this MOU, the Parties shall comply with and conform to all applicable laws, rules, regulations, and ordinances.
- C. Waiver. The waiver by any Party or any of its officers, agents, or employees, or the failure of any Party or its officers, agents, or employees to take action with respect to any right conferred by, or any breach of any obligation or responsibility of this MOU, will not be deemed to be a waiver of such obligation or responsibility, or subsequent breach of same, or of any terms, covenants, or conditions of this MOU, unless such waiver is expressly set forth in writing in a document signed and executed by the appropriate authority of the Parties.
- D. Authorized Representatives. The persons executing this MOU on behalf of the Parties hereto affirmatively represent that each has the requisite legal authority to enter into this MOU on behalf of their respective Party and to bind their respective Party to the terms and conditions of this MOU. The persons executing this MOU on behalf of their respective Party understand that the Parties are relying on these representations in entering into this MOU.
- E. Exemption from CEQA. Neither this MOU nor the preparation of a GSP constitute a "project" or approval of a project under the California Environmental Quality Act (CEQA) and State CEQA guidelines and both are expressly exempt from CEQA review pursuant to SGMA Section 10728.6.

- F. Jurisdiction and Venue. This MOU shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this MOU shall be brought and maintained to the extent allowed by law in the County of Los Angeles, California.
- G. Attorney's Fees, Costs, and Expenses. In the event of a dispute among the Parties arising under this MOU, each Party shall assume and be responsible for its own attorney's fees, costs, and expenses.
- H. Entire Agreement/Integration. This MOU constitutes the sole, entire, integrated, and exclusive agreement among the Parties regarding the contents herein. Any other contracts, agreements, terms, understandings, promises, or representations not expressly set forth or referenced in this writing are null and void and of no force and effect.
- I. Construction and Interpretation. The Parties agree and acknowledge that this MOU has been developed through negotiation, and that each Party has had a full and fair opportunity to revise the terms of this MOU. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in construing or interpreting this MOU.
- J. Severability. The provisions of this MOU are severable, and the adjudicated invalidity of any provision or portion of this MOU shall not in and of itself affect the validity of any other provision or portion of this MOU, and the remaining provisions of the MOU shall remain in full force and effect, except to the extent that the invalidity of the severed provisions would result in a failure of consideration or would materially adversely affect any Party's benefit of its bargain. If a court of competent jurisdiction were to determine that a provision of this MOU is invalid or unenforceable and results in a failure of consideration or materially adversely affects any Party's benefit of its bargain, the Parties agree to promptly use good faith efforts to amend this MOU to reflect the original intent of the Parties in the changed circumstances.
- K. Force Majeure. No Party shall be liable for the consequences of any unforeseeable force majeure event that (1) is beyond its reasonable control, (2) is not caused by the fault or negligence of such Party, (3) causes such Party to be unable to perform its obligations under this MOU, and (4) cannot be overcome by the exercise of due diligence. In the event of the occurrence of a force majeure event, the Party unable to perform shall promptly notify the other Parties. It shall further pursue its best efforts to resume as quickly as possible and shall suspend performance only for such period of time as is necessary as a result of the force majeure event.
- L. Execution in Counterparts. The Parties intend to execute this MOU in counterparts. It is the intent of the Parties to hold one (1) counterpart with single original signatures to evidence the MOU and to thereafter forward other original counterparts

on a rotating basis for all signatures. Thereafter, each Party shall be delivered an originally executed counterpart with all Party signatures.

- M. No Third Party Beneficiaries. This MOU is not intended, and will not be construed, to confer a benefit or create any right on a third party or the power or right to bring an action to enforce any of its terms
- N. Construction, References, Captions. It being agreed the Parties or their agents have participated in the preparation of this MOU, the language of this MOU shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this MOU.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the day and year first above written.

CASTAIC LAKE WATER AGENCY

By: Matthew D. S.

NEWHALL COUNTY WATER DISTRICT

By: [Signature]

SANTA CLARITA WATER DIVISION

By: Keith A. Seronnie

CITY OF SANTA CLARITA

By: [Signature]

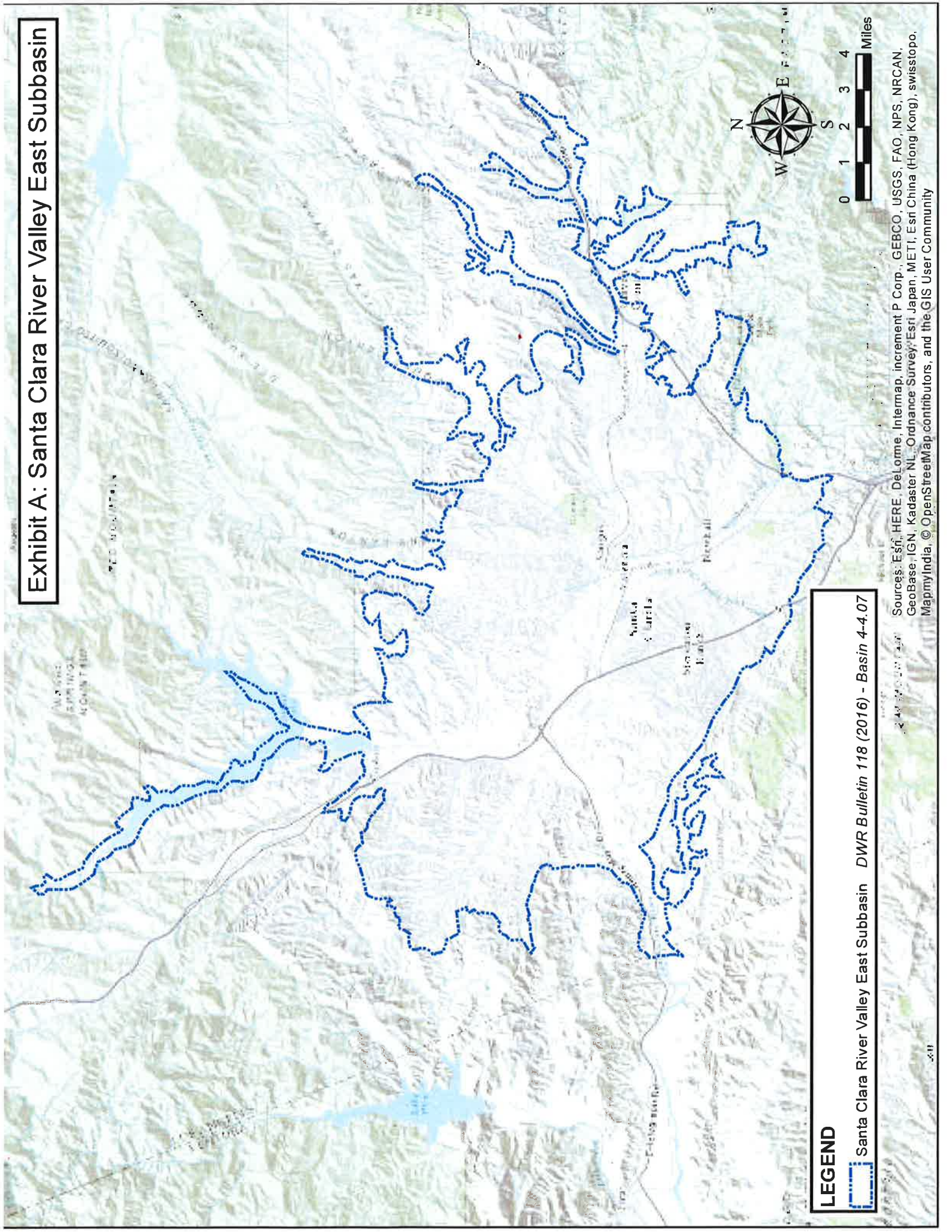
COUNTY OF LOS ANGELES

By: M. Glaser

LOS ANGELES COUNTY WATERWORKS
DISTRICT NO. 36

By: [Signature]

Exhibit A: Santa Clara River Valley East Subbasin



LEGEND

Santa Clara River Valley East Subbasin

DWR Bulletin 118 (2016) - Basin 4-4.07

Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

RESOLUTION NO. SCV-54

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY AUTHORIZING THE GENERAL MANAGER TO EXECUTE A GRANT AGREEMENT ON BEHALF OF THE SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY (SCV-GSA) WITH THE CALIFORNIA DEPARTMENT OF WATER RESOURCES FOR PREPARATION OF PORTIONS OF A GROUNDWATER SUSTAINABILITY PLAN (GSP)

WHEREAS, Castaic Lake Water Agency (CLWA), along with the City of Santa Clarita, the County of Los Angeles, Los Angeles County Waterworks District No. 36, Newhall County Water District and the Santa Clarita Water Division jointly formed the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) through a Memorandum of Understanding (MOU) on May 24, 2017; and

WHEREAS, the MOU requires that the parties cooperate and coordinate in pursuing State of California grant and loan funding opportunities that may apply to carrying out the Sustainable Groundwater Management Act (SGMA); and

WHEREAS, in November 2017, following adoption of Resolutions by the SCV-GSA and CLWA, CLWA applied for a Proposition 1 grant on behalf of the SCV-GSA for preparation of portions of a Groundwater Sustainability Plan (GSP) that would be made part of a SCV-GSA adopted Final GSP; and

WHEREAS, the grant provides significant funding for critical portions of the GSP and also requires that the full GSP be completed; and

WHEREAS, on January 1, 2018, the Santa Clarita Valley Water Agency (SCV Water) was formed and is the successor to Castaic Lake Water Agency, the Santa Clarita Water Division, and Newhall County Water District, pursuant to Senate Bill 634, Chapter 833 (SB 634); and

WHEREAS, the members to the MOU are now SCV Water, the City of Santa Clarita, the County of Los Angeles, and Los Angeles County Waterworks District No. 36; and

WHEREAS, on April 4, 2018, the Department of Water Resources notified CLWA that its application for grant funds on behalf of the SCV-GSA was conditionally awarded \$416,106; and

WHEREAS, the members to the MOU have developed a Joint Powers Agreement and Administrative Services Agreement to form the SCV-GSA Joint Powers Authority; and

WHEREAS, under the Administrative Services Agreement, SCV Water will administer the conditions of the grant on behalf of the SCV-GSA Joint Powers Authority; and

WHEREAS, with creation of SCV Water and formation of the SCV-GSA Joint Powers Authority, DWR has requested SCV Water and the SCV-GSA prepare revised resolutions to authorize execution the grant agreement; and

WHEREAS, on October 1, 2018, the SCV-GSA Board of Directors adopted a Resolution authorizing SCV Water, consistent with the Joint Powers Agreement and Administrative Services Agreement, to execute and administer the Proposition 1 grant for preparation of portions of a GSP, which also requires completion of a SCV-GSA Board adopted final GSP, and provision of the local cost share; and

WHEREAS, SCV-Water commits to administering the grant and funding the local cost share consistent with the fully executed Joint Powers Agreement and Administrative Services Agreement.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors, the governing body of the Santa Clarita Valley Water Agency, resolves and orders as follows:

The General Manager is authorized and directed to enter into and execute an agreement with DWR to receive a grant under the 2017 Sustainable Groundwater Planning Grant pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) (Water Code Section 79700 et. seq.) for project components supporting planning and development of the GSP and requiring completion of a SCV-GSA Board adopted final GSP.


President

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Santa Clarita Valley Water Agency, and that at a regular meeting of the Board of Directors of said Agency held on October 2, 2018, the foregoing Resolution No. SCV-54 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: October 2, 2018


Secretary



JOINT EXERCISE OF POWERS AGREEMENT

by and among

SANTA CLARITA VALLEY WATER AGENCY,

THE CITY OF SANTA CLARITA,

LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 36, VAL VERDE,

and

THE COUNTY OF LOS ANGELES

modifying and assuming the role of

THE SANTA CLARITA VALLEY

GROUNDWATER SUSTAINABILITY AGENCY

2018

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JOINT EXERCISE OF POWERS AGREEMENT

THE SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY

This Joint Exercise of Powers Agreement (“JPA” or “Agreement”) is made and effective on the last date executed (“Effective Date”), by and among the Santa Clarita Valley Water Agency (“SCV-Water”), the City of Santa Clarita, Los Angeles County Waterworks District No. 36, Val Verde, and the County of Los Angeles, sometimes referred to herein individually as a “Member” and collectively as the “Members” for purposes of modifying and assuming the role of the Santa Clarita Valley Groundwater Sustainability Agency (“SCV-GSA”) and setting forth the terms pursuant to which the SCV-GSA shall operate. Capitalized defined terms used herein shall have the meanings given to them in Article 1 of this Agreement.

The SCV-GSA was formed pursuant to the Sustainable Groundwater Management Act to be the Groundwater Sustainability Agency (GSA) for the Santa Clara River Valley East Subbasin, groundwater basin number 4-4.07 (“Basin”), per the State of California, Department of Water Resources (DWR) Groundwater Bulletin 118.

RECITALS

A. On September 16, 2014, Governor Jerry Brown signed into law Senate Bills 1168 and 1319, and Assembly Bill 1739, collectively known as the Sustainable Groundwater Management Act (SGMA), codified in Part 2.74 of Division 6 of the California Water Code, commencing with Section 10720.

B. SGMA became effective on January 1, 2015, and various clarifying amendments to SGMA, including Senate Bills 13 and 226 and Assembly Bills 617 and 939, were signed in 2015 and became effective on January 1, 2016.

C. The legislative intent of SGMA is to provide sustainable management of California’s groundwater basins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide local agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater.

D. The Members are all local public agencies with water supply, water management, and/or land use responsibilities in at least some portion of the Basin and as a result, each has the statutory authority to participate in GSAs for the Basin. A map of the basin and the service area boundary of each Member is included in **Exhibit A**.

E. The Basin, identified and designated by Department of Water Resources Bulletin 118 as Subbasin No. 4-4.07, is a high priority basin and therefore, is subject to the requirements of SGMA.

F. SGMA Section 10735.2 required the formation of one or more GSAs to manage the Basin by June 30, 2017. SGMA Section 10723.6 authorizes multiple local agencies in a basin to form a GSA by way of memorandum of agreement or other legal agreement.

G. Castaic Lake Water Agency, Newhall County Water District, Los Angeles County Waterworks District No. 36, Val Verde, the Santa Clarita Water Division, the City of Santa Clarita, and the County of Los Angeles formed the SCV-GSA by Memorandum of Understanding (MOU) dated May 24, 2017. The parties to the MOU set forth their intention and reserved the right to prepare a joint powers agreement to assume the role of the SCV-GSA.

H. Santa Clarita Valley Water Agency (SCV Water) is the successor to Castaic Lake Water Agency, the Santa Clarita Water Division, and Newhall County Water District, which were dissolved, pursuant to Senate Bill 634, Chapter 833 (SB 634). In addition, SB 634 required SCV Water to dissolve Valencia Water Company, a large private retail water provider in the area whose stock was owned by SCV Water, and transfer its assets into SCV Water. This transfer was accomplished in January 2018 and as a result, the Valencia Water Division is operated as a retail service division and is part of the public agency, SCV Water.

I. Under SGMA and pursuant to Government Code Section 6500, et seq., a combination of local agencies may form a GSA through a joint exercise of powers agreement.

J. The Members have determined that the sustainable management of the Basin pursuant to SGMA may best be achieved through the cooperation of the Members operating through a joint powers agreement.

K. The Joint Exercise of Powers Act of 2000 ("Act") authorizes the Members to create a joint powers authority and to jointly exercise any power common to the Members and to exercise additional powers granted under the Act.

L. The Act, including the Marks-Roos Local Bond Pooling Act of 1985 (Government Code sections 6584, et seq.), authorizes an entity created pursuant to the Act to issue bonds, and under certain circumstances, to purchase bonds issued by, or to make loans to, the Members for financing public capital improvements, working capital, liability and other insurance needs or projects whenever doing so would result in significant public benefits, as determined by the Members. The Act further authorizes and empowers a joint powers authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sales.

M. Based on the foregoing legal authority, as well as the authority granted in SGMA, the Members desire to create a joint powers authority for the purpose of taking all actions deemed necessary by the joint powers authority to ensure sustainable management of the Basin as required by SGMA.

N. The governing board of each Member has determined it to be in the Member's best interest and in the public interest that this Agreement be executed.

O. This Agreement supersedes and terminates the previously executed MOU and the joint powers authority created herein hereby assumes the role of the SCV-GSA.

TERMS OF AGREEMENT

In consideration of the mutual promises and covenants herein contained, the Members agree as follows:

ARTICLE 1. DEFINITIONS

The following terms have the following meanings for purposes of this Agreement:

1.1 “Act” means The Joint Exercise of Powers Act, set forth in Chapter 5 of division 7 of Title 1 of the Government Code, sections 6500, et seq., including all laws supplemental thereto.

1.2 “Agreement” has the meaning assigned thereto in the Preamble.

1.3 “Auditor” means the auditor of the financial affairs of the SCV-GSA appointed by the Board of Directors pursuant to Section 13.3 of this Agreement.

1.4 “Basin” means the Santa Clara River Valley East Groundwater Subbasin, groundwater basin number 4-4.07 per Bulletin 118, as further depicted in **Exhibit A** to this MOU.

1.5 “Board of Directors” or “Board” means the governing body of the SCV-GSA as established by Article 6 of this Agreement.

1.6 “Director” and “Alternate Director” shall mean a director and alternate director appointed pursuant to Article 6 of this Agreement.

1.7 “DWR” means the California Department of Water Resources.

1.8 “Effective Date” has the meaning assigned thereto in the Preamble.

1.9 “GSA” means Groundwater Sustainability Agency, as defined by SGMA, that implements the provisions of SGMA.

1.10 “GSP” means Groundwater Sustainability Plan, as defined by SGMA, proposed or adopted by a GSA pursuant to SGMA.

1.11 “Member” has the meaning in the Preamble and further means each party to this Agreement that satisfies the requirements of Section 5.1 of this Agreement, including any new members as may be approved by the Members pursuant to Section 5.2 of this Agreement.

1.12 “Officer(s)” means the Chair, Vice Chair, and Secretary to be appointed by the Board of Directors pursuant to Section 7.1 of this Agreement.

1.13 “SCV-GSA” means the Santa Clarita Groundwater Sustainability Agency and consists of the following members: Santa Clarita Valley Water Agency, the City of Santa Clarita, Los Angeles County Waterworks District No. 36 Val Verde, and the County of Los Angeles.

1.14 "SGMA" refers to the Sustainable Groundwater Management Act as defined in the Recitals.

1.15 "State" means the State of California.

1.16 "Supermajority Vote" means five (5) affirmative votes.

ARTICLE 2. CREATION OF THE AUTHORITY

2.1 Creation of Authority. There is hereby created pursuant to the Act a joint powers authority, which shall be a public entity separate from the Members to this Agreement. This Agreement terminates the MOU and the joint powers authority hereby assumes the role of the SCV-GSA and shall be known as the SCV-GSA. Within ten (10) days after the Effective Date of this Agreement, the SCV-GSA shall cause a statement of the information concerning the SCV-GSA, required by Government Code section 53051, to be filed with the office of the California Secretary of State and with the County Clerk for the County of Los Angeles, setting forth the facts required to be stated pursuant to Government Code section 53051(a). Within thirty (30) days after the Effective Date of this Agreement and after any amendment, the SCV-GSA shall cause a notice of this Agreement or amendment to be prepared and filed with the office of the California Secretary of State containing the information required by Government Code section 6503.5. Within thirty (30) days after the Effective Date, the SCV-GSA shall send a copy of this Agreement to DWR.

2.2 Purpose of the Joint Powers Authority. Each Member to this Agreement has in common the power to study, plan, develop, finance, acquire, construct, maintain, repair, manage, operate, control, and govern water supply projects and exercise groundwater management authority within the Basin either alone or in cooperation with other public or private non-member entities, and each is a local agency eligible to serve as the GSA, either alone or jointly through a joint powers agreement as provided for by SGMA. This Agreement is being entered into in order to jointly exercise some or all of the foregoing common powers, as appropriate, and for the exercise of such additional powers as may be authorized by law in the manner herein set forth, in order to effectuate the purposes of this Agreement. The purpose of the SCV-GSA is to serve as the GSA for the Basin and to develop, adopt, and implement the GSP for the Basin pursuant to SGMA and other applicable provisions of law.

ARTICLE 3. TERM

This Agreement shall become effective upon its execution by each of the Members and shall remain in effect until terminated pursuant to the provisions of Article 16 (Withdrawal of Members) of this Agreement.

ARTICLE 4. POWERS

The SCV-GSA shall possess the power in its own name to exercise any and all common powers of its Members reasonably related to the purposes of the SCV-GSA, including but not limited to the following powers, together with such other powers as are expressly set forth in SGMA and as it may be amended in the future. For purposes of Government Code section 6509, the powers of the SCV-GSA

shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed on SCV Water, and in the event of the withdrawal of SCV Water as a Member under this Agreement, then the manner of exercising the SCV-GSA's powers shall be those restrictions imposed on the County of Los Angeles.

4.1 To exercise all powers afforded to the SCV-GSA under SGMA, including without limitation:

4.1.1 To adopt rules, regulations, policies, bylaws, and procedures governing the operation of the SCV-GSA.

4.1.2 To develop, adopt, and implement a GSP for the Basin, and to exercise jointly the common powers of the Members in doing so.

4.1.3 To obtain rights, permits, and other authorizations for, or pertaining to, implementation of a GSP for the Basin.

4.1.4 To collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the Basin.

4.1.5 To acquire property and other assets by grant, lease, purchase, bequest, devise, gift, or eminent domain, and to hold, enjoy, lease or sell, or otherwise dispose of, property, including real property, water rights, and personal property, necessary for the full exercise of the SCV-GSA's powers.

4.1.6 To establish and administer a conjunctive use program for the purposes of maintaining sustainable yield in the Basin consistent with the requirements of SGMA.

4.1.7 To exchange and distribute water.

4.1.8 To regulate groundwater extractions as permitted by SGMA.

4.1.9 To spread, sink, and inject water into the basin to recharge the groundwater Basin.

4.1.10 To store, transport, recapture, recycle, purify, treat, or otherwise manage and control water for beneficial use.

4.1.11 To develop and facilitate market-based solutions for the use, sale, or lease, and management of water rights.

4.1.12 To impose assessments, groundwater extraction fees, or other charges, and to undertake other means of financing the SCV-GSA as authorized by Chapter 8 of SGMA, commencing at section 10730 of the Water Code.

4.1.13 To exercise the common powers of its Members to develop, collect, provide, and disseminate information that furthers the purposes of the SCV-GSA, including but not limited to the operation of the SCV-GSA and adoption and implementation of a GSP for the Basin to the Members' legislative, administrative, and judicial bodies, as well as the public generally.

4.1.14 To perform other ancillary tasks relating to the operation of the SCV-GSA pursuant to SGMA, including without limitation, environmental review, engineering, and design.

4.2 To apply for, accept, and receive licenses, permits, water rights, approvals, agreements, grants, loans, contributions, donations, or other aid from any agency of the United States, the State of California, or other public agencies or private persons or entities necessary for the SCV-GSA's purposes.

4.3 To make and enter contracts necessary to the full exercise of the SCV-GSA's power.

4.4 To employ, designate, or otherwise contract for the services of agents, officers, employees, attorneys, engineers, planners, financial consultants, technical specialists, advisors, and independent contractors.

4.5 To incur debts, liabilities, or obligations, to issue bonds, notes, certificates of participation, guarantees, equipment leases, reimbursement obligations, and other indebtedness, as authorized by the Act.

4.6 To cooperate, act in conjunction, and contract with the United States, the State of California, or any agency thereof, counties, municipalities, public and private corporations of any kind (including without limitation, investor-owned utilities), and individuals, or any of them, for any and all purposes necessary or convenient for the full exercise of the powers of the SCV-GSA.

4.7 To sue and be sued in the SCV-GSA's own name. Third parties must comply with the requirements of the Government Claims Act prior to filing any action for money or damages against the SCV-GSA.

4.8 To provide for the prosecution of, defense of, or other participation in, actions or proceedings at law or in public hearings in which the Members, pursuant to this Agreement, have an interest and employ counsel and other expert assistance for these purposes.

4.9 To accumulate operating and reserve funds for the purposes herein stated.

4.10 To invest money that is not required for the immediate necessities of the SCV-GSA, as the SCV-GSA determines is advisable, in the same manner and upon the same conditions as Members, pursuant to Government Code section 53601, as that section now exists or may hereafter be amended.

4.11 To undertake any investigations, studies, and matters of general administration.

4.12 To perform all other acts necessary or proper to carry out fully the purposes of this Agreement.

ARTICLE 5. MEMBERSHIP

5.1 Members. The Members of the SCV-GSA shall be the Santa Clarita Valley Water Agency, the City of Santa Clarita, Los Angeles County Waterworks District No. 36 Val Verde, and the

County of Los Angeles, as long as they have not, pursuant to the provisions hereof, withdrawn or been terminated from this Agreement.

5.2 New Members. It is recognized that a public agency that is not a Member on the Effective Date of this Agreement may wish to participate in the SCV-GSA. Additional public agencies or mutual water companies may become members of the SCV-GSA upon such terms and conditions as established by the Board of Directors and upon the unanimous consent of the existing Members, evidenced by the execution of a written amendment to this Agreement signed by all of the Members, including the additional public agency or mutual water company. The addition of new Members shall not affect any rights of existing Members without the consent of all affected Members.

ARTICLE 6. BOARD OF DIRECTORS

6.1 Formation of the Board of Directors. The SCV-GSA shall be governed by a Board of Directors ("Board of Directors" or "Board"). The Board shall consist of seven (7) Directors who shall be appointed in the manner set forth as follows:

6.1.1 Four (4) Directors appointed by the Board of Directors for the Santa Clarita Valley Water Agency, which is the successor entity to the Castaic Lake Water Agency, the Newhall County Water District, the Santa Clarita Water Division, and the Valencia Water Company.

6.1.2 One (1) Director appointed by the City Council for the City of Santa Clarita.

6.1.3 One (1) Director appointed by the County of Los Angeles Board of Supervisors.

6.1.4 One (1) Director appointed by Los Angeles County Waterworks District No. 36, Val Verde.

6.2 Initial Directors. The six (6) individuals who were appointed to the predecessor SCV-GSA pursuant to the MOU by a Member or a predecessor in interest to a Member are hereby deemed by the Members to be appointed to the Board of Directors. Consistent with Section 6.1.1 above, the Santa Clarita Valley Water Agency shall appoint one additional director so it has a total of four appointed Directors.

6.3 Alternate Directors. Each Member may also appoint Alternate Directors for its members of the Board of Directors. Unless appearing as a substitute for a Director due to absence or conflict of interest, Alternate Directors shall have no vote, and shall not participate in any discussions or deliberations of the Board. In such instances, Alternate Directors are not prohibited from attending meetings and may participate in public comment. If a Director is not present, or if a Director has a conflict of interest which precludes participation by the Director in any decision-making process of the Board, the Alternate Director appointed to act in his/her place shall assume all rights of the Director, and shall have the authority to act in his/her absence, including casting votes on matters before the Board.

6.4 Duties of the Board of Directors. The business and affairs of the SCV-GSA, and all of the powers of the SCV-GSA, including without limitation all powers set forth in Article 4 (Powers), are reserved to and shall be exercised by and through the Board of Directors, except as may be expressly delegated pursuant to this Agreement, bylaws, or by specific action of the Board of Directors.

6.5 Director Terms and Removal. Each Director shall be appointed to serve for a term of two years. A Member's Director may be removed during his or her term or reappointed for multiple terms at the pleasure of the Member that appointed him or her. No individual Director may be removed in any other manner, including by the affirmative vote of the other Directors. The term of an Initial Director shall begin on the date this Agreement becomes effective.

6.6 Vacancies. A vacancy on the Board of Directors shall occur when a Director resigns, is removed, or at the end of the Director's term as set forth in Section 6.5. Upon the vacancy of a Director, the seat shall remain vacant until a replacement Director is appointed as set forth in Section 6.1. Replacement Directors who are appointed to fill vacant seats before the term of such seats have concluded shall inherit the term of the Director they are replacing. Members shall submit any changes in Director positions to the Board Secretary by written notice signed by an authorized representative of the Member.

ARTICLE 7. OFFICERS

7.1 Officers. Officers of the SCV-GSA shall be a chair, vice chair, and secretary. A treasurer shall be appointed consistent with the provisions of Section 13.3. The vice chair shall exercise all powers of the chair in the chair's absence or inability to act.

7.2 Appointment of Officers. Officers shall be appointed annually by, and serve at the pleasure of, the Board of Directors. The initial Officers shall be those that were selected as officers by the members of the predecessor SCV-GSA pursuant to the MOU. Officers shall be appointed thereafter at the first Board meeting following January 1st of each year. Any Officer may resign at any time upon written notice to the Board.

7.3 Principal Office. The principal office of the SCV-GSA shall be established by the Board of Directors, and may thereafter be changed by a simple majority vote of the full Board. The principal office of the SCV-GSA shall be located within the jurisdictional boundaries of one or more of the Members.

ARTICLE 8. DIRECTOR MEETINGS

8.1 Initial Meeting. The initial meeting of the Board of Directors shall be held in the County of Los Angeles, California within sixty (60) days of the Effective Date of this Agreement.

8.2 Time and Place. The Board of Directors shall meet at least quarterly, at a date, time and place set by the Board within the jurisdictional boundaries of one or more of the Members, and at such times as may be determined by the Board.

8.3 Meetings. All meetings of the Board of Directors, including special meetings, shall be noticed, held, and conducted in accordance with the Ralph M. Brown Act (Government Code sections 54950, et seq.). The Board may use teleconferencing in connection with any meeting in conformance with and to the extent authorized by applicable law.

8.4 Local Conflict of Interest Code. The Board of Directors shall adopt a local conflict of interest code pursuant to the provisions of the Political Reform Act of 1974 (Government Code sections 81000, et seq.) at the first meeting following the appointment of the Directors.

ARTICLE 9. VOTING

9.1 Quorum. A quorum of any meeting of the Board of Directors shall consist of a majority of the Directors. In the absence of a quorum, any meeting of the Directors may be adjourned by a vote of a simple majority of Directors present, but no other business may be transacted. For purposes of this Article, a Director shall be deemed present if the Director appears at the meeting in person or participates telephonically or by other electronic means, provided the telephone or electronic appearance is consistent with the requirements of the Ralph M. Brown Act.

9.2 Director Votes. Voting by the Board of Directors shall be made on the basis of one vote for each Director.

9.3 Affirmative Decisions of the Board of Directors - Simple Majority Vote. Except as otherwise specified in this Agreement, all decisions of the Board of Directors shall require the affirmative vote of at least four (4) Directors.

9.4 Matters Requiring Supermajority Vote. Decisions concerning the following matters shall require a supermajority vote of the Directors in order to pass: (1) the adoption of the GSP and any amendments thereto; (2) any amendments to the bylaws; (3) approval of the annual budget; (4) the adoption of any groundwater regulatory or extraction fees; (5) the adoption of any taxes, fees or assessments subject to Proposition 218; (6) a decision to initiate or settle litigation; (7) a decision to commence eminent domain proceedings; and (8) the approval of any agreement between the SCV-GSA and any Member.

ARTICLE 10. STAFF AND SERVICES

10.1 Staff and Services. The SCV-GSA may employ full-time and/or part-time employees, assistants, and independent contractors who may be necessary from time to time to accomplish the purposes of the SCV-GSA, subject to the approval of the Board of Directors. The SCV-GSA may contract with a Member or other public agency or private entity for various services, including without limitation, those related to the SCV-GSA's finances, purchasing, risk management, information technology, and human resources. A written agreement shall be entered between the SCV-GSA and the Member or other public agency or private entity contracting to provide such service, and that agreement shall specify the terms on which such services shall be provided, including without limitation, the compensation, if any, that shall be made for the provision of such services.

10.2 Initial Administration and Staffing. Unless otherwise determined by the Board, SCV Water will manage the administrative operations of the SCV-GSA and the development of the GSP. In connection with this role and pursuant to a separate agreement between SCV Water and the SCV-GSA, SCV Water will provide staff resources to administer the operations of the SCV-GSA and will be authorized to contract directly with consultants and other parties, including the State of California, as required to carry out the direction of the SCV-GSA Board. Unless otherwise provided by the Board,

any procurement, purchasing, and contracting shall be done in accordance with SCV Water's adopted policies. The separate agreement between SCV Water and the SCV-GSA contemplated in this Section shall address the reimbursement of costs and expenses incurred by SCV Water in fulfilling its role and may be reviewed by the Board at any time. A draft of this separate agreement is attached.

ARTICLE 11. BYLAWS

11.1 The Board of Directors may adopt bylaws of the SCV-GSA to govern the day-to-day operations of the SCV-GSA.

ARTICLE 12. COMMITTEES

12.1 Board Committees. The Board of Directors may from time to time establish one or more standing or ad hoc committees consisting of Directors to assist in carrying out the purposes and objectives of the SCV-GSA, including but not limited to a Budget and Finance Committee, Planning Committee, and an Executive Committee. The Board of Directors shall determine the purpose and need for such committees. Meetings of standing committees shall be subject to the requirements of the Brown Act.

12.2 Other Committees. The Board may from time to time and in its discretion establish any other committees to assist in carrying out the purposes and objectives of the SCV-GSA.

ARTICLE 13. ACCOUNTING PRACTICES

13.1 General. The Board of Directors shall establish and maintain such funds and accounts as may be required by generally accepted public agency accounting practices. The SCV-GSA shall maintain strict accountability of all funds and report all receipts and disbursements of the SCV-GSA.

13.2 Fiscal Year. Unless the Board of Directors decides otherwise, the fiscal year for the SCV-GSA shall run concurrent with the fiscal year of SCV Water.

13.3 Appointment of Treasurer and Auditor; Duties. The Treasurer shall be the Chief Finance Officer of SCV Water and the Auditor shall be appointed by the Board in the manner, and shall perform such duties and responsibilities, specified in sections 6505, 6505.5 and 6505.6 of the Act. The Treasurer shall be bonded in accordance with the provisions of section 6505.1 of the Act.

ARTICLE 14. BUDGET AND EXPENSES

14.1 Budget. Within one hundred twenty (120) days after the first meeting of the Board of Directors, and thereafter prior to the commencement of each fiscal year, the Board shall adopt a budget for the SCV-GSA for the ensuing fiscal year. In the event that a budget is not so approved, the prior year's budget shall be deemed approved for the ensuing fiscal year, and any groundwater extraction fee or assessment(s) of contributions of Members, or both, approved by the Board during the prior fiscal year shall again be assessed in the same amount and terms for the ensuing fiscal year.

14.2 SCV-GSA Funding and Initial Contributions.

14.2.1 Funding Account. For the purpose of funding the expenses and ongoing operations of the SCV-GSA, the Board of Directors shall maintain a funding account in connection with the annual budget process. The Board of Directors may fund the SCV-GSA as provided in Chapter 8 of SGMA, commencing with section 10730 of the Water Code.

14.2.2 Annual Member Contributions. In order to fund the SCV-GSA and continue to develop the GSP, prior to the adoption and approval of a GSP, the Members must and hereby agree to contribute a non-reimbursable twenty thousand dollars (\$20,000) each fiscal year to the SCV-GSA for the first five fiscal years. After the fifth fiscal year, the Board shall consider the appropriate level of annual payments. The first payment of twenty thousand dollars (\$20,000) shall be paid to the SCV-GSA within thirty (30) days of the execution of this Agreement for fiscal year 2017-18. Payments for subsequent fiscal years shall be paid to the SCV-GSA within thirty (30) days after the start of each fiscal year thereafter. These contributions shall be used for any purpose authorized for payment from fees imposed pursuant to California Water Code Section 10730, including administrative and consulting costs.

14.3 Issuance of Indebtedness. The SCV-GSA may issue bonds, notes, or other forms of indebtedness, as permitted under Section 4.5, provided such issuance be approved at a meeting of the Board.

14.4 Future Member Contributions. In the event the cost of the ongoing administration of the SCV-GSA and/or the development, adoption, and ongoing administration of the GSP exceeds the Members' initial contributions, the Board may, by a super-majority vote, adopt a resolution requiring each of the Members to provide additional non-reimbursable funding, above the annual contributions, to the SCV-GSA and demonstrating in detail (1) the need for funding and (2) the purposes for which additional funding will be utilized. Upon receipt of the resolution requiring additional funding, the Members may meet and confer regarding the resolution. However, each Member shall consider and act upon the resolution no later than ninety (90) days following the adoption of the resolution by the Board unless otherwise extended by the Board. Failure by a Member to affirm the resolution may be grounds for termination pursuant to Section 16.2.

14.5 Voluntary Member Contributions. Nothing in this Agreement shall prohibit a member from making voluntary monetary or in-kind contributions to the SCV-GSA at any time. To the extent the SCV-GSA is able to secure other funding sources, and to the extent permitted by law, the SCV-GSA shall reimburse voluntary Member contributions provided pursuant to this Section 14.5. The SCV-GSA's authority to reimburse such contributions shall be considered a cost of the SCV-GSA's groundwater sustainability program. Notwithstanding the SCV-GSA's obligation to reimburse voluntary Member contributions pursuant to this Section 14.5, a Member who makes a voluntary contribution may, in its discretion, elect to make any such voluntary contribution non-reimbursable.

ARTICLE 15. LIABILITIES

15.1 Liability. In accordance with Government Code section 6507, and as authorized by Government Code Section 6508.1, the debt, liabilities, and obligations of the SCV-GSA shall be the debts, liabilities, and obligations of the SCV-GSA alone, and not the Members.

15.2 Indemnity. To the fullest extent permitted by law, funds of the SCV-GSA may be used to defend, indemnify, and hold harmless the SCV-GSA, each Member, each Director, and any officers, agents, and employees of the SCV-GSA for their actions taken within the course and scope of their duties while acting on behalf of the SCV-GSA. To the fullest extent permitted by law, the SCV-GSA agrees to save, indemnify, defend, and hold harmless each Member from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are in any way attributable in whole or in part, to acts or omissions of the SCV-GSA or its employees, officers or agents or negligent acts or omissions (not including gross negligence or wrongful conduct) of the employees, officers or agents of any Member, while acting within the course and scope of a Member relationship with the SCV-GSA. In addition, to the fullest extent permitted by law, the SCV-GSA shall indemnify, defend and hold harmless, each Member from any liabilities incurred as a result of handling, receipt, use, or disposal of hazardous materials, hazardous substances, and hazardous wastes however defined under Federal, State, or local laws, ordinances, or regulations.

15.3 Privileges and Immunities. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers compensation, and other benefits which apply to the activity of officers, agents, or employees of any of the Members when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement. None of the officers, agents, or employees appointed by the Board of Directors shall be deemed, by reason of their employment by the Board of Directors, to be employed by any of the Members or, by reason of their employment by the Board of Directors to be subject to any of the requirements of such Members.

15.4 Liability Insurance. The Board of Directors shall obtain, and maintain in effect, appropriate liability insurance to cover the activities of the SCV-GSA's Directors and staff in the ordinary course of their duties.

15.5 Bond – Property of the Agency. Whomever is designated to be responsible for the handling of SCV-GSA property shall be required to file an official bond in an amount to be determined by the Board consistent with Government Code section 6505.1. SCV-GSA shall pay for the required bond.

ARTICLE 16. WITHDRAWAL AND TERMINATION

16.1 Unilateral Withdrawal. Any Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective upon one hundred eighty (180) days written notice. Such notice shall be provided to the Board Secretary, the Board of Directors, and each of the Members. If a Member withdraws, this Agreement will continue in full force and effect among the remaining Members.

16.2 Termination of Members. As an alternative to pursuing litigation against a Member for failure to meet its obligations as set forth in this Agreement or as may be adopted by the Board from time to time, the Board may vote to terminate such Member. Termination may be effected by the vote of all but one of the current Directors. In the event of a termination, this Agreement shall continue in full force and effect among the remaining members.

16.3 Rescission or Termination of SCV-GSA. This Agreement may be rescinded and the SCV-GSA terminated by unanimous written consent of all Members, except during the outstanding term of any SCV-GSA indebtedness.

16.4 Effect of Withdrawal or Termination. Upon termination of this Agreement, unilateral withdrawal, or termination of a Member, a Member shall remain obligated to pay its share of all debts, liabilities, and obligations required of the Member pursuant to terms of this Agreement, and that were incurred or accrued prior to the effective date of such termination or withdrawal, including, without limitation, those debts, liabilities, and obligations pursuant to Sections 4 and 14. For purposes of this Agreement, annual contributions are incurred or accrued as of the effective date of this Agreement and the first day of every fiscal year thereafter. Any Member who withdraws or is terminated from the SCV-GSA shall have no right to participate in the business and affairs of the SCV-GSA or to exercise any rights of a Member under this Agreement or the Act, but shall continue to share in reimbursements, if any, from the SCV-GSA on the same basis as if such Member had not withdrawn, provided that a Member that has withdrawn from the SCV-GSA shall not receive reimbursements, if any, in excess of the reimbursable contributions made to the SCV-GSA while a Member.

16.5 Return of Contribution. Upon termination of this Agreement, any surplus money on-hand shall be returned to the Members in proportion to their contributions made. To the extent permitted by law, the Board of Directors shall first offer any property, works, rights, and interests of the SCV-GSA for sale to the Members on terms and conditions determined by the Board of Directors. If no such sale to Members is consummated, the Board of Directors shall offer the property, works, rights, and interest of the SCV-GSA for sale to any non-member for good and adequate consideration. The net proceeds from any sale shall be distributed among the Members in proportion to their contributions made.

ARTICLE 17. SPECIAL PROJECTS

17.1 Special Projects and Committees. In addition to the general activities undertaken by all Members of the SCV-GSA, the SCV-GSA may initiate Special Projects and form Special Project Committees that involve fewer than all Members. No Member shall be required to be involved in a Special Project that involves fewer than all Members.

17.2 Special Project Agreement. With the unanimous approval of the Directors, Members may undertake Special Projects in the name of the SCV-GSA. Prior to undertaking a Special Project, the Members electing to participate in the Special Project shall enter into an activity agreement. Such activity agreement shall provide that (i) no Special Project undertaken pursuant to such agreement shall conflict with the terms of this Agreement; and (ii) the Members to the activity agreement shall indemnify, defend, and hold the SCV-GSA, and the SCV-GSA's other Members, harmless from and against any liabilities, costs, or expenses of any kind resulting from the Special Project described in the

activity agreement. All assets, rights, benefits, debts, liabilities, and obligations attributable to a Special Project shall be assets, rights, benefits, debts, liabilities, and obligations solely of the Members that have entered into the activity agreement for that Special Project, in accordance with the terms of the activity agreement, and shall not be the assets, rights, benefits, debts, liabilities, and obligations of those Members that have not executed the activity agreement. Members not electing to participate in the Special Project shall have no rights, benefits, debts, liabilities, or obligations attributable to such Special Project.

ARTICLE 18. MISCELLANEOUS PROVISIONS

18.1 No Predetermination or Irretrievable Commitment of Resources. Nothing herein shall constitute a determination by the SCV-GSA or any of its Members that any action shall be undertaken or that any unconditional or irretrievable commitment of resources shall be made, until such time as the required compliance with all local, state, or federal laws, including without limitation the California Environmental Quality Act, National Environmental Policy Act, or permit requirements, as applicable, has been completed.

18.2 Public Involvement. The SCV-GSA shall comply with all of the requirements in SGMA regarding public outreach and involvement, including but not limited to Water Code sections 10723.2 and 10723.4.

18.3 Notices. Notices to a Director or Member hereunder shall be sufficient if delivered to the Board Clerk, City Clerk, or Board Secretary of the respective Director or Member and addressed to the Director or Member. Delivery may be accomplished by U.S. Postal Service, private mail service, or electronic mail.

18.4 Amendments to Agreement. This Agreement may be amended or modified at any time only by subsequent written agreement approved and executed by all of the Members.

18.5 Agreement Complete. The foregoing constitutes the full and complete Agreement of the Members. This Agreement supersedes all prior agreements and understandings, whether in writing or oral, related to the subject matter of this Agreement that are not set forth in writing herein.

18.6 Severability. Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any applicable federal law or any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, or provisions of this Agreement shall not be affected thereby, provided, however, that if the remaining parts, terms, or provisions do not comply with the Act, this Agreement shall terminate.

18.7 Withdrawal by Operation of Law. Should the participation of any Member to this Agreement be decided by the courts to be illegal or in excess of that Member's authority or in conflict with any law, the validity of this Agreement as to the remaining Members shall not be affected thereby.

18.8 Assignment. The rights and duties of the Members may not be assigned or delegated without the written consent of all Members. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void.

18.9 Binding on Successors. This Agreement shall inure to the benefit of, and be binding upon, the successors, and assigns of the Members, whose assignments have complied with Section 18.7 herein.

18.10 Dispute Resolution. In the event that any dispute arises among the Members relating to (i) this Agreement, (ii) the rights and obligations arising from this Agreement, (iii) a Member proposing to withdraw from membership in the SCV-GSA, or (iv) a Member proposing to initiate litigation in relation to legal rights to groundwater within, or the management of, the Basin, the aggrieved Member or Members proposing to withdraw from membership shall provide written notice to the other Members of the controversy or proposal to withdraw from membership. Within thirty (30) days after such written notice, the Members shall attempt in good faith to resolve the controversy through informal means. If the Members cannot agree upon a resolution of the controversy within thirty (30) days from the providing of written notice specified above, the dispute shall be submitted to mediation prior to commencement of any legal action or prior to withdrawal of a Member proposing to withdraw from membership. The mediation shall be no less than a full day (unless agreed otherwise among the Members) and the cost of mediation shall be paid in equal proportion among the Members. The mediator shall be either voluntarily agreed to, or, if the parties cannot agree upon a mediator, appointed by the Superior Court upon a suit and motion for appointment of a neutral mediator. Upon completion of mediation, if the controversy has not been resolved, any Member may exercise all rights to bring a legal action relating to the controversy or withdraw from membership as otherwise authorized pursuant to this Agreement. The SCV-GSA shall also participate in mediation upon request by a Director concerning a dispute alleged by the Director concerning the management of the Basin or rights to extract groundwater from the Basin, with the terms of such mediation to be conducted in the same manner provided for in this Section 18.9 for disputes between or among Members.

18.11 Counterparts. This Agreement may be executed in counterparts. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other Members to this Agreement is in the physical possession of the Member seeking enforcement thereof.

18.12 Singular Includes Plural. Whenever used in this Agreement, the singular form of any term includes the plural form and the plural form includes the singular form.

18.13 Member Authorization. The governing bodies of the Members have each authorized execution of this Agreement, as evidenced by the respective signatures below.

IN WITNESS WHEREOF, the Members hereto have executed this Agreement by authorized officials thereof on the dates indicated below, which Agreement may be executed in counterparts.

[Signatures on Following Pages]

SANTA CLARITA VALLEY WATER AGENCY

DATED: 9-18-18

By: Matthew 25

Title: GENERAL MANAGER

APPROVED AS TO FORM:

By: Jim Byrd

Title: General Counsel

CITY OF SANTA CLARITA

DATED: 9.27.18

By: [Signature]
Title: Assistant City Manager

APPROVED AS TO FORM:

By: [Signature]
Title: CITY ATTORNEY



COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION

500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

MARY C. WICKHAM
County Counsel

September 18, 2018

TELEPHONE
(213) 893-0924
FACSIMILE
(213) 687-7337
TDD
(213) 633-0901

VIA EXPRESS MAIL

Rick Viergutz
26521 Summit Circle
Santa Clarita, California 91350-3049

**Re: Santa Clarita Valley Water Agency Joint Exercise of Power
Agreement**

Dear Mr. Viergutz,:

Pursuant to Michael Moore's instructions enclosed herein are the signatures pages for the Santa Clarita Valley Water Agency Joint Exercise of Power Agreement. If you have any questions or comments, please contact me.

Very truly yours,

MARY C. WICKHAM
County Counsel

By 
ROCIO MURILLO
Legal Office Support Assistant I
Public Works Division

RM:rm

Enclosure

LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 36, VAL VERDE

DATED: 9-17-18

By: [Signature]
Title: Assistant Deputy Director

APPROVED AS TO FORM:

By: [Signature] FOR R.O.M.
Title: Dep. L

THE COUNTY OF LOS ANGELES

DATED: 9/13/18

By: 

Title: DIRECTOR OF
REGIONAL PLANNING

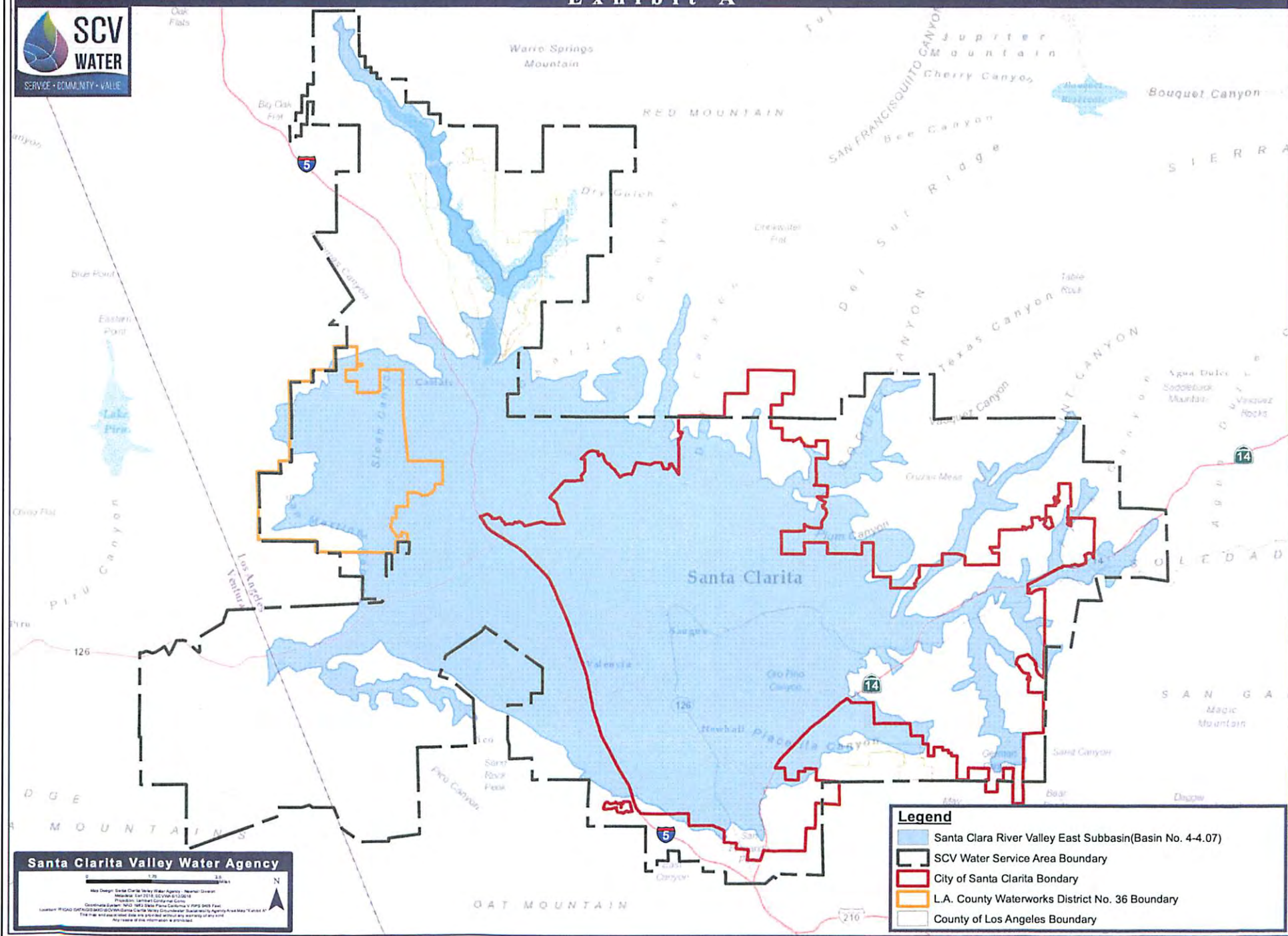
APPROVED AS TO FORM:

By:  FOR MICHAEL MOORE

Title: DEP. COUNTY COUNSEL

EXHIBIT "A"

Santa Clarita Valley Groundwater Sustainability Agency Area Map "Exhibit A"



Legend

- Santa Clara River Valley East Subbasin (Basin No. 4-4.07)
- SCV Water Service Area Boundary
- City of Santa Clarita Boundary
- L.A. County Waterworks District No. 36 Boundary
- County of Los Angeles Boundary

Santa Clarita Valley Water Agency

Map Design: Santa Clarita Valley Water Agency, Internal Control
 Modified: Jan 2015, SCVWA 01/2015
 Projection: NAD 83, UTM Zone 11N
 Coordinate System: NAD 83, UTM Zone 11N
 Location: 34°02'N 118°12'W
 The map and associated data are provided without any warranty of any kind.
 Any reuse of this information is prohibited.