

APPENDIX 1-C

Joint Powers Agreement

**JOINT EXERCISE OF POWERS AGREEMENT
ESTABLISHING THE VINA GROUNDWATER SUSTAINABILITY AGENCY**

This JOINT EXERCISE OF POWERS AGREEMENT ("Agreement") establishing the Vina Groundwater Sustainability Agency is made and entered into and effective upon the date when the last Member Agency signs this Agreement ("Effective Date") by and among the public agencies listed on the attached Exhibit A ("Members") for the purpose of forming a Groundwater Sustainability Agency ("GSA") and achieving groundwater sustainability in a portion of the Vina Groundwater Subbasin ("Basin") within the jurisdictional boundaries of its Members.

Recitals

WHEREAS, in 2014, the California legislature adopted, and the Governor signed into law, three bills (SB 1168, AB 1739, and SB 1319) collectively referred to as the "Sustainable Groundwater Management Act" ("SGMA"), that initially became effective on January 1, 2015, and that has been amended from time-to-time thereafter; and

WHEREAS, the stated purpose of SGMA, as set forth in California Water Code section 10720.1, is to provide for the sustainable management of groundwater basins at a local level by providing local groundwater agencies with the authority, and technical and financial assistance necessary, to sustainably manage groundwater; and

WHEREAS, SGMA requires the designation of Groundwater Sustainability Agencies ("GSAs") for the purpose of achieving groundwater sustainability through the adoption and implementation of Groundwater Sustainability Plans ("GSPs") or an alternative plan for all medium and high priority basins as designated by the California Department of Water Resources ("DWR"); and

WHEREAS, each Member is a local agency, as defined by SGMA, duly organized and existing under and by virtue of the laws of the State of California, and each Member has water supply, water management or land use responsibilities within the Vina Subbasin, which is designated subbasin number 5-021.57 in the most recent edition of DWR Bulletin Number 118; and

WHEREAS, Section 10720.7 of SGMA requires all basins designated as high or medium priority basins by the DWR in its Bulletin 118 be managed under GSPs or coordinated GSPs pursuant to SGMA; and

WHEREAS, 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 agency; and

WHEREAS, the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code; the "Act"), authorizes two or more public agencies to, by agreement, jointly exercise any power held in common by agencies entering into such an agreement and to exercise additional powers granted under the Act; and

WHEREAS, the Members desire, through this Agreement, to form the Vina Groundwater Sustainability Agency ("Agency"), a separate legal entity, for the purpose of acting as a GSA for the portion of the Basin within the jurisdictional boundaries of its Members; and

WHEREAS, 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;

NOW THEREFORE, In consideration of the matters recited and the mutual promises, covenant, and conditions set forth in this Agreement, the Members hereby agree as follows:

TERMS OF AGREEMENT

ARTICLE 1. DEFINITIONS

As used in this Agreement, unless context requires otherwise, the meanings of the terms set forth below shall be as follows:

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. "Agency" means the Vina Groundwater Sustainability Agency.

1.3. "Agency Jurisdiction" means those areas in the Basin where the Agency is the exclusive GSA within the basin.

1.4. "Agreement" means this joint powers agreement, which creates the Vina Groundwater Sustainability Agency.

1.5. "Basin" means the Vina Subbasin, to reflect the most recent Bulletin 118 boundaries and as currently shown on the map attached to this Agreement as Exhibit B, which is incorporated herein by this reference.

1.6. "Board of Directors" or "Board" means the governing body of the Agency as established by Article 7 of this Agreement.

1.7. "Board Member" or "Director" shall mean a member of the Agency's Board of Directors.

1.8. "Committee" shall mean any committee established pursuant to Article 11 of this Agreement.

1.9. "Effective Date" means the date on which the last Member executes this Agreement.

1.10. "Fiscal Year" means July 1 through June 30.

1.11. "GSA" shall mean a groundwater sustainability agency.

1.12. "GSP" shall mean a groundwater sustainability plan.

1.13. "Member" means each party to this Agreement that satisfies the requirements of section 6.1 of this Agreement, including any new members as may be authorized by the Board pursuant to Section 6.2 of this Agreement.

1.14. "Member Director" means a director or alternate director appointed by the governing board of each Member pursuant to Article 7 of this Agreement.

1.15. "Member's Governing Body" means the board of directors, trustees or other voting body that controls the individual public agencies that are Members.

1.16. "SGMA" has the meaning assigned to it in the first Recital of the Agreement.

1.17. "Special Project" means a project undertaken by some, but not all Members of the Agency, pursuant to Article 14 of this Agreement.

1.18. "Stakeholder Director" means a Director appointed pursuant to Article 6 that represents stakeholder interests.

1.19. "Association" means Agricultural Groundwater Users of Butte County.

1.20. "State" means the State of California.

1.21. "Management Area" refers to an area within a basin for which a GSP may identify different minimum thresholds, measurable objectives, monitoring, and projects and actions based on unique local conditions or other circumstances as described in the GSP regulations. The GSP must describe each Management Area, including rationale for approach and demonstrate it can be managed without causing undesirable results inside the Management Area or outside of the Management Area.

1.22. "Coordination Agreement" means a legal agreement adopted between two or more GSAs that provides the basis for intra-basin coordination of the GSPs of multiple GSAs within a basin pursuant to SGMA.

ARTICLE 2. THE AGENCY

2.1. Upon the effective date of this Agreement, the Agency is hereby created. Pursuant to the provisions of the Act, the Agency shall be a public agency separate from its Members.

2.2. The Agency Jurisdiction boundaries shall be as shown on the map on Exhibit B, which is attached to this Agreement and incorporated herein by this reference. The Basin boundary will reflect the most recent Bulletin 118 boundaries as they become available. The Board of Directors may, upon a majority vote and without amendment to this Agreement, modify the boundaries of the GSA so as to continue serving as a GSA for the Vina Subbasin, as the same may be modified from time to time by DWR.

ARTICLE 3. PURPOSE OF THE AGENCY

3.1. The purpose of this Agreement is to create a joint powers agency (Agency) that will elect to be a GSA for the Basin. The purpose of the Agency is to (a) provide for the joint exercise of powers common to each of the Members and powers granted pursuant to SGMA (subject to the restrictions contained in this Agreement); (b) cooperatively carry out the purposes of SGMA; (c) become a GSA for purposes of management of the Basin in accordance with

SGMA; (d) develop, adopt, and implement a legally sufficient GSP for the Basin in order to implement SGMA requirements and achieve the sustainability goals outlined in SGMA; (e) to enter into a Coordination Agreement (as applicable) with other GSAs in the Vina subbasin to mutually achieve groundwater sustainability; and (f) to comply with any further legislative mandates that alter or amend SGMA within the Agency Jurisdiction. Additional organizing principles include (a) public involvement and stakeholder outreach and engagement in developing and implementing the Vina Subbasin Groundwater Sustainability Plan; and (b) mutual respect for the autonomy of individual Members and preservation of each Member's separate legal authorities, powers, duties and rights as separate public agencies, except as set forth in this Agreement.

ARTICLE 4. TERM

4.1. This Agreement shall become effective upon execution by each of the Parties and shall continue in full force and effect until terminated pursuant to the provisions of Article 17.

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

ARTICLE 5. POWERS OF THE AGENCY

5.1 Powers. To the extent authorized by the Members through the Board of Directors, and subject to the limitations of this Agreement, the Agency shall possess the ability to exercise those powers specifically granted by the Act and SGMA. Additionally, the Agency shall possess the ability to exercise the common powers of its Members related to the purposes of the Agency, including, but not limited to, the following:

- 5.1.1 To designate itself the GSA for the Agency Jurisdiction pursuant to SGMA.
- 5.1.2 To develop, adopt and implement a GSP for the Agency Jurisdiction pursuant to SGMA.
- 5.1.3 To adopt rules, regulations, policies, bylaws and procedures governing the operation of the Agency and adoption and implementation of a GSP for the Agency Jurisdiction.
- 5.1.4 To adopt ordinances within the Agency Jurisdiction consistent with the purpose of the Agency as necessary to implement the GSP and otherwise meet the requirements of the SGMA.
- 5.1.6 To obtain legal, financial, accounting, technical, engineering, and other services needed to carry out the purposes of this Agreement.
- 5.1.7 To perform periodic reviews of the GSP including submittal of annual

reports.

- 5.1.8 To require the registration and monitoring of wells within the Agency Jurisdiction.
- 5.1.9 To issue revenue bonds or other appropriate public or private debt and incur debts, liabilities or obligations.
- 5.1.10 To exercise the powers permitted under Government Code section 6504 or any successor statute.
- 5.1.11 To levy taxes, assessments, charges and fees as provided in SGMA or otherwise provided by law.
- 5.1.12 To regulate and monitor groundwater extractions within the Agency Jurisdiction as permitted by SGMA, provided that this Agreement does not extend to a Member's operation of its systems to distribute water once extracted or otherwise obtained, unless and to the extent required by other laws now in existence or as may otherwise be adopted.
- 5.1.13 To establish and administer projects and programs for the benefit of the Basin.
- 5.1.14 To cooperate, act in conjunction and contract with the United States, the State of California, federally recognized Tribes or any agency thereof, counties, municipalities, special districts, groundwater sustainability agencies, public and private corporations of any kind (including without limitation, Public Utilities Commission (PUC) regulated utilities and mutual water companies), and individuals, or any of them, for any and all purposes necessary or convenient for the full exercise of powers of the Agency.
- 5.1.15 To accumulate operating and reserve funds and invest the same as allowed by law for the purposes of the Agency and to invest funds pursuant to California Government Code section 6509.5 or other applicable State Law.
- 5.1.16 To apply for and accept grants, contributions, donations and loans under any federal, state or local programs for assistance in development or implementing any of its projects or programs for the purposes of the Agency.
- 5.1.17 To acquire by negotiation, lease, purchase, construct, hold, manage, maintain, operate and dispose of any buildings, property, water rights, works or improvements within and without the respective boundaries of the Members necessary to accomplish the purposes described herein.
- 5.1.18 To sue and be sued in the Agency's own name.
- 5.1.19 To exercise the common powers of its Members to develop, collect, provide and disseminate information that furthers the purposes of the Agency, including but not limited to the operation of the Agency and

adoption and implementation of a GSP for the Agency Jurisdiction to the Members' legislative, administrative, and judicial bodies, as well as the public generally.

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

5.1.21 To enter into a Coordination Agreement with other GSAs in the Vina Basin who elect to develop and implement their own GSP.

5.2 Preservation of Powers. Each Member reserves the right, in its sole and absolute discretion and the Agency and all of its Members confirm that nothing contained herein shall grant the Agency any power to:

5.2.1 Alter any water right, contract right, or any similar right held by its Members or any Member's landowners or customers, or amend a Member's water delivery practice, course of dealing, or conduct without the express consent of the holder thereof.

5.2.2 Limit or interfere with the respective Members' rights and authorities over their own internal matters, including, but not limited to, an agency's legal rights to surface water supplies and assets, groundwater supplies and assets, facilities, operations, water management and water supply matters.

5.2.3 Modify or limit a Member's police powers, land use authorities, well permitting or any other authority.

5.2.4 Prevent an eligible local agency from becoming a GSA, and exercise the powers conferred to a GSA, within the Member's boundaries, except in the case of Butte County who shall have the right to become a GSA for those areas not overlapping other Members' boundaries;

5.3 Coordination within the Basin. Each Member acknowledges that SGMA requires that multiple GSAs within a Basin subject to SGMA must coordinate, and are required to use the same data and consistent methodologies for certain required technical assumptions when developing a GSP, and that the entire Basin must be managed under one or more GSP(s) to be deemed in compliance with SGMA.

5.4 Coordination between Basins. In order to maintain consistency and the efficient use of resources, to the extent feasible, the Agency shall strive to coordinate between and among the other adjoining subbasins for administration, matters involving public communication and outreach, and for developing frameworks to support groundwater management, which may include agreement to certain areas of coordination, provided that the Agency retain its own authority and that such recommendations are ratified by the Board. The Agency may clarify and acknowledge coordination among the other GSAs through a document or agreement if deemed appropriate.

ARTICLE 6. MEMBERSHIP

6.1. Initial Members. The initial Members of the Agency shall be the County of Butte, City of Chico, and Durham Irrigation District.

6.2. New Members. Additional Parties may join the Agency and become a Member provided that the prospective new member: (a) is eligible to join a GSA as provided by SGMA (Water Code §10723), (b) possesses powers common to all other Members, (c) pays its share of all previously incurred costs, if any, (d) pays all applicable fees and charges, if any, and (e) receives unanimous consent of the existing Members, evidenced by the execution of a written amendment to this Agreement signed by all Members, including the additional public agency.

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

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

6.3.2. Each Member may contribute to the Agency.

6.3.3. Contributions of public funds and of personnel, services, equipment, or property may be made to the Agency by any Member for any of the purposes of this Agreement, provided that no repayment will be made for such contributions.

ARTICLE 7. AGENCY DIRECTORS AND OFFICERS

7.1. Formation of the Board of Directors. The Agency shall be governed and administered by a Board of Directors ("Board of Directors" or "Board") which is hereby established and which shall be initially composed of one (1) voting seat per Member. Without amending this Agreement, the composition of the Board may be altered from time to time to reflect the addition of stakeholder directors, the withdrawal of any Member and/or the admission of any New Member. The governing board shall be known as the "Board of Directors of the Vina Groundwater Sustainability Agency." All voting power shall reside in the Board. The Board shall consist of the following representatives, who shall be appointed in the manner set forth in Section 7:

7.1.1. One (1) representative appointed by the governing board of each Member, who shall be a member of the governing body of the Member (each, a "Member Director").

7.1.2. Two (2) Stakeholder Directors appointed by the Butte County Board of Supervisors. One Stakeholder Director shall be representative of agricultural groundwater user stakeholders and interests within the Agency Jurisdiction and one Stakeholder Director shall be representative of domestic well user stakeholders and interests within the Agency Jurisdiction. The two (2) Stakeholder Directors shall meet the following qualifications:

(a) One (1) Agricultural Stakeholder Director. The Agricultural Stakeholder Director shall meet the following criteria, determined at the sole discretion of the Butte County Board of Supervisors: (1) reside in the Agency Jurisdiction; (2) own/lease real property in active commercial agricultural production overlying the Agency Jurisdiction or be an employee of a commercial agricultural production operation overlying the Agency Jurisdiction involved with water use decisions; (3) the commercial agricultural production operation extracts groundwater from the Agency Jurisdiction for the irrigation/frost protection of at least fifty (50) acres of agricultural crops in commercial operation; and (4) the business entity that the

Agricultural Stakeholder represents has commercial agricultural interests solely within the Sacramento Valley region. The Agricultural Stakeholder, or the entity he/she represents, may not be a party to any pending litigation against the Agency or any of its Members.

(b) One (1) Non-Agricultural Domestic Well User Stakeholder Director. The Domestic Well User Stakeholder Director shall meet the following criteria, determined at the sole discretion of the Butte County Board of Supervisors: (1) reside in the Agency Jurisdiction and owns or leases residential real property in the Agency Jurisdiction; and (2) extracts groundwater from the Agency Jurisdiction for domestic water use only. The Domestic Well User Stakeholder may not be a party to any pending litigation against the Agency or any of its Members.

7.2. Duties of the Board of Directors. The business and affairs of the Agency, and all of the powers of the Agency, including without limitation all powers set forth in Article 5, are reserved to and shall be exercised by and through the Board of Directors, except as may be expressly delegated to others pursuant to this Agreement, Bylaws, or by specific action of the Board of Directors.

7.3. Appointment of Directors. The Directors shall be appointed as follows:

7.3.1. Member Directors. Each Member Director must sit on the governing board of the Member agency and be appointed by that governing board by notification, which shall be transmitted to the Chair of the Agency following adoption by the Member.

7.3.2. Stakeholder Directors. The two (2) Stakeholder Directors shall be appointed as follows:

(a) Agricultural Stakeholder Director. Butte County shall conduct an open application process and identify the qualified candidates. The Agricultural Groundwater Users of Butte County (Association) shall provide a list of four (4) nominees selected from the list of qualified candidates.

(b) Domestic Well User Stakeholder Director. Butte County shall conduct an open application process and identify the qualified candidates.

(c) Ad-hoc Nomination Committee. Member Agencies, excluding Butte County, shall form an ad-hoc nomination committee that shall provide recommendations on Stakeholder Directors' selection to the Butte County Board of Supervisors through an open, transparent public process.

(d) The Butte County Board of Supervisors shall consider the four (4) agricultural nominees, the domestic candidates and recommendations of the Ad-hoc Nomination Committee at a regular meeting and shall appoint the Stakeholder Directors and Alternates.

7.4. Alternate Directors. Each Member's governing body shall also appoint one Alternate Director to the Board of Directors. An Alternate Stakeholder Director shall be appointed by the Butte County Board of Supervisors for each Stakeholder Director. All Alternate Directors shall be appointed in the same manner as set forth in Section 7.3. Alternate Directors shall have no vote, and shall not participate in any discussions or deliberations of the Board unless appearing as a substitute for a Director due to absence or conflict of interest. If the

Director is not present, or if the 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. Each Alternate Director shall be appointed prior to the third meeting of the Board. Alternate Directors are encouraged to attend all Board meetings and stay informed on current issues before the Board. Alternate Board Members have no vote at Board of Director meetings if the Board Member is present. If the Board Member is not present, the Alternate Board Member shall be entitled to participate in all respects as a regular Board Member.

7.5. Terms of Office. The term of office for each member of the Agency's Board of Directors is four (4) years and these individuals may be reappointed. Each Member Director and Alternate Member Director shall serve at the pleasure of the appointing Member's Governing Body and may be removed from the Board of Directors by the appointing Members' Governing Body at any time. If at any time a vacancy occurs on the Board of Directors, a replacement shall be appointed to fill the unexpired term of the previous Board Member pursuant to this Article 7 and within ninety (90) days of the date that such position becomes vacant.

7.6. Removal of Board Members. A Director that no longer meets the qualifications set forth in section 7.1.1 is automatically removed from the Agency Board of Directors. Upon removal of a Director, the Alternate Director shall serve as a Director until a new Director is appointed. Members must submit any changes in Member Director or Alternate Member Director positions to the Chair in writing with submissions signed by the Member. A Stakeholder Director may only be removed by the Butte County Board of Supervisors for failure to attend three (3) consecutive meetings or as a result of no longer meeting the qualifications set forth in Article 7 of this Agreement.

7.7. Vacancies. A vacancy on the Board of Directors shall occur when a Director resigns or reaches the end of that Director's term, as set forth in Section 7.5. For Member Directors, a vacancy shall also occur when he or she is removed by his or her appointing Member's governing body. For Stakeholder Directors, a vacancy shall also occur when the Stakeholder Director is removed, as set forth in Section 7.6. Upon the vacancy of a Director, the Alternate Director shall serve as Director until a new Director is appointed as set forth in Section 7.3 unless the Alternate Director is already serving as an Alternate Director in the event of a prior vacancy, in which case, the seat shall remain vacant until a replacement Director is appointed as set forth in Section 7.4. Members shall submit any changes in Director or Alternate Director positions to the Chair by written notice signed by an authorized representative of the Member.

ARTICLE 8. AGENCY MEETINGS

8.1. Initial Meeting. The initial meeting of the Agency's Board of Directors shall be called by the County of Butte and held in the Chico City Council Chambers, 421 Main Street Chico CA 95928, within 60 days of the effective date of this Agreement.

8.2. Time and Place. The Board of Directors shall provide in its adopted bylaws or by other means authorized or required by law for the time and place for holding regular meetings, at least annually, and at such other times as determined by the Board of Directors.

8.3. Conduct. All meetings of the Board shall be noticed, held, and conducted in

accordance with the Ralph. M. Brown Act to the extent applicable. Board Members and Alternate Board Members may use teleconferencing in connection with any meeting in conformance with and to the extent authorized by the applicable laws.

ARTICLE 9. BOARD OF DIRECTORS VOTING

9.1. Quorum. A majority of the members of the Board of Directors shall constitute a quorum for purposes of transacting business.

9.2. Director Votes. Each member of the Board of Directors of the Agency shall have one (1) vote. With the exception of the items in section 9.3 below, an affirmative vote by a majority of the Board of Directors is required to approve any item. Prior to taking a vote on any item of business, the Board of Directors shall strive for consensus of all members on items.

9.3. Supermajority Voting Requirement. A supermajority requires an affirmative vote of four or more Directors. Items that require a supermajority vote to pass consist of the following, which may be amended from time to time by the Board by a supermajority, or as may otherwise be required by this Agreement or by law:

- Bylaws adoption, modification or alteration
- GSP adoption, modification or alteration
- Adoption of assessments, charges and fees
- Adoption of regulations and ordinances
- Adoption or modification of annual budgets, including capital projects
- Property acquisition (excepting right of ways)
- Appointment of Treasurer, subject to the provisions in Article 12, Administrator, Plan Manager or General Counsel
- Modifications to the composition and number or removal of members of committees
- Acceptance of Management Area chapters submitted by Member(s).
- Establishment of new or modification to existing Management Areas
- Development of the Management Area chapter(s) and associated cost allocations to Members within such Management Area(s) in the event of a failure by a Member(s) to develop Management Area chapter(s) for their respective portion of the subbasin.

ARTICLE 10. OFFICERS

10.1. Officers. The Board of Directors shall select a Chair and Vice-Chair and any other officers as determined necessary by the Board of Directors.

10.1.1. The Chair shall preside at all Board Meetings.

10.1.2. The Vice-Chair shall act in place of the Chair at meetings should the Chair be absent.

10.1.3. All Officers shall be chosen at the first Board of Directors meeting of the calendar year. An Officer may serve for multiple consecutive terms. Any Officer may resign at any time upon written notice to the Agency.

ARTICLE 11. COMMITTEE FORMATION

11.1 Management Committee. There shall be established by the Board of Directors a committee comprised of at least one (1) staff representative from each Member. The Management Committee shall meet as directed by the Board of Directors, and shall recommend agenda items, proposed action for the Board of Directors, administer the Stakeholder Advisory Committee, establish and administer technical working groups, and bring staff reports to the Board of Directors.

11.2 Internal Committee Formation. There shall be established such internal committees as the Board of Directors shall determine from time to time. Each such internal committee shall be comprised of a minority number of the seated Directors, shall exist for the term specified in the action establishing the committee, shall meet as directed by the Board of Directors, and shall make recommendations to the Board of Directors on the various activities of the Agency.

11.3. Stakeholder Advisory Committee Formation. The Board of Directors shall establish an advisory committee comprised of diverse social, cultural, and economic elements of the population and area stakeholders within the Agency Jurisdiction. The Board of Directors shall encourage the active involvement of the advisory committee(s) prior to and during the development and implementation of the GSP. The Board of Directors will ensure that at least one (1) member from the Management Committee administers the advisory committee(s). The advisory committee(s) shall meet as directed by the Board of Directors and as specified in Appendix A, and shall make recommendations to the Board of Directors as requested.

11.4. Technical Working Groups. There may be established by the Management Committee technical working groups from time to time, the purpose of which shall be to provide advice to the Management Committee on issues of a technical nature related to the activities of the Agency. The Board of Directors will ensure that at least one (1) member from the Management Committee administers technical working groups.

ARTICLE 12. OPERATIONS AND MANAGEMENT

12.1 Administrator and Plan Manager

12.1.1 Administrator: The Board may appoint an Administrator, from time-to-time and when it seems appropriate. If appointed, the Administrator shall serve at the pleasure of the Board of Directors and his/her duties and responsibilities shall be set forth by the Board in their bylaws or actions.

12.1.2 Plan Manager: The Board shall appoint a Plan Manager. The Administrator and Plan Manager may be the same individual. The Plan Manager shall serve at the pleasure of the Board of Directors and his/her duties and responsibilities shall be set forth by the Board.

12.2 Treasurer and Controller. The County of Butte shall act as treasurer and controller for the Agency. The controller of the Agency shall cause an independent audit of the Agency's finances to be made by a certified public accountant in compliance with California Government Code section 6505. The treasurer of the Agency shall be the depositor and shall have custody of all money of the Agency from whatever source. The controller of the Agency shall draw warrants and pay demands against the Agency when the demands have been approved by the Agency or any authorized representative pursuant to any delegation of Agency adopted by the

Agency. The treasurer and controller shall comply strictly with the provisions of statutes relating to their duties found in Chapter 5 (commencing with section 6500) of Division 7 of Title 1 of the California Government Code.

12.2. Legal Counsel and Other Consultants. The Board of Directors may appoint legal counsel who shall serve at the pleasure of the Board. Subject to the limits of the Agency's approved budget, the Board shall also have the power to appoint and contract for the services of other officers, consultants, advisers and independent contractors as it may deem necessary or convenient for the business of the Agency, all of whom shall serve at the pleasure of the Board. The appointed General Legal Counsel and other appointed officers of the Agency shall not be employees or contractors of one or more of the Members. Appointment of a General Legal Counsel shall be subject to all applicable Rules of Professional Responsibility, and notwithstanding anything to the contrary in this Agreement, each of the Members expressly reserve and do not waive their rights to approve or disapprove of potential conflicts of Agency General Legal Counsel.

12.3 Employees and Management. The Agency will not have any employees. In lieu of hiring employees, the Agency may engage one or more Members to manage any or all of the business of the Agency on terms and conditions acceptable to the Board of Directors. Any Member so engaged shall have such responsibilities as set forth in an agreement for such Member's services, which shall be approved by a super-majority vote of the Directors. The Agency shall have the power to employ competent registered civil engineers and other consultants to investigate and to carefully devise a plan or plans to carry out and fulfill the objects and purposes of SGMA, and complete a GSP.

12.4 Principal Office. At the initial meeting of the Board, the Board shall establish a principal office for the Agency, which shall be located at a place overlying the Agency Jurisdiction. The Board may change the principal office from time to time so long as that principal office remains at a location overlying the Agency Jurisdiction.

12.5 Bylaws. The Board shall adopt Bylaws governing the conduct of the meetings and the day-to-day operations of the Agency within six months of the Effective Date of this Agreement.

12.6 Official Seal and Letterhead. The Board may adopt, and/or amend, an official seal and letterhead for the Agency.

12.7 Conflict of Interest Code. The Board shall adopt and file a Conflict of Interest Code pursuant to the provisions of the Political Reform Act of 1974 within six months of the Effective Date. The Board may review and revise the Conflict of Interest Code from time to time as appropriate or when required by law.

ARTICLE 13. MANAGEMENT AREAS

13.1 Formation of Management Areas. There will be three Management Areas within the Agency's Jurisdiction. One Management Area overlies the Butte County area north of the City of Chico and Big Chico Creek, within the jurisdictional boundary of the Agency, referred to as the Vina North Management Area. The second Management Area encompasses the area that overlies the municipal area within and adjacent to the City of Chico as is, referred to as the Vina

Chico Management Area. The third Management Area overlies the Durham Irrigation District and the Butte County areas south of the City of Chico and is referred to as the Vina South Management Area. The final boundaries and titles of the Management Areas shall be determined by the Agency Board in consultation with the Vina Stakeholder Advisory Committee.

13.2 Management Areas Chapters. Management Areas refer to an area within a basin for which a GSP may identify minimum thresholds, measurable objectives, monitoring, and projects and actions based on unique local conditions. The Management Areas will be distinct “chapters” in the GSP that will include specific minimum thresholds, measurable objectives, monitoring and projects. All chapters must be consistent with the subbasin-wide sustainability goals.

13.3 Management Area Lead Responsibilities and Coordination. Subject to the reservation of authority in Article 13.5, each of the Members will have the responsibility to cooperatively develop their relevant Management Area chapter for inclusion into the GSP. The development of all Management Area chapters will be coordinated through the Management Committee to ensure consistency and efficiency. Butte County will be responsible for preparing the Vina North Management Area chapter within the Agency Jurisdiction. The City of Chico will be responsible for preparing the Vina Chico Management Area chapter for the municipal area within and adjacent to Chico. Butte County and Durham Irrigation District will be responsible for preparing the Vina South Management Area chapter.

13.4 Role of Agency. Subject to the reservation of authority set forth in Article 13.5, the Agency will serve a coordination and administrative role in the development of the Management Area chapters prepared by the applicable Member agencies. The Agency will be responsible for reviewing and accepting Management Area chapters which they determine to be compliant with SGMA and applicable regulations for inclusion into the GSP. Upon inclusion of Management Area chapters into the GSP, the Agency will be responsible for implementation and enforcement pursuant to Article 5.

13.5 Reservation of Authority. In the event of a failure by a Member to develop and submit a Management Area chapter within the deadline set by the Agency, the Agency reserves and retains all requisite authority to (1) develop and approve the Management Area chapter, and (2) allocate the cost of development of the Management Area chapter to Members within such Management Area.

13.6 Additional Management Areas. Additional Management Areas may be defined and established by the Board of Directors as set forth in 9.3.

ARTICLE 14. SPECIFIC PROJECTS

14.1. Projects. The Agency intends to carry out activities in furtherance of its purposes and consistent with the powers established by the Agreement with the participation of all Members.

14.2. Member Specific Projects. In addition to the general activities undertaken by all Members of the Agency, the Agency may initiate specific projects that involve less than all Members.

14.3. Project Agreement. Prior to undertaking any project that does not involve all Member Agencies, the Members electing to participate in the Project shall enter into a Project Agreement. A Member may elect not to participate in a specific project matter by providing notice and not entering into the Project Agreement specific to the matter in which the Member has elected not to participate. Each Project Agreement shall provide the terms and conditions by which the Members that enter into the Project Agreement will participate in the Project. All assets, rights, benefits, and obligations attributable to the Project shall be assets, rights, benefits, and obligations of those Members which have entered into the Project Agreement. Any debts, liabilities, obligations, or indebtedness incurred by the Agency in regard to a particular Project shall be the debts, liabilities, obligations, and indebtedness of those Members who have executed the Project Agreement in accordance with the terms thereof and shall not be the debts, liabilities, obligations, and indebtedness of those Members who have not executed the Project Agreement. Members that do not enter into Project Agreements will not receive or be entitled to any of the benefits accruing from the project.

14.4. Board of Directors Approval. The Board of Directors shall have the authority to disapprove any Project Agreement upon a determination that the Project Agreement has specific, substantial adverse impacts upon Members that have not executed the Project Agreement.

ARTICLE 15. FINANCIAL PROVISIONS

15.1. Agency Funding and Contributions. In order to provide the needed capital to initially fund the Agency, the Agency shall be initially funded through a GSP grant awarded by the DWR and through in-kind contributions of Members. In subsequent years and as needed, the Agency may be funded through additional voluntary contributions by Members and as otherwise provided in Chapter 8 of SGMA (commencing with section 10730 of the Water Code).

15.2. Budgets. Within ninety (90) days after the first meeting of the Board of the Agency, and thereafter prior to the commencement of each fiscal year, the Board of Directors shall adopt a budget for the Agency for the ensuing fiscal year.

15.3. Long-Term Funding. Upon formation of the Agency, the Board of Directors shall work on the development, adoption and implementation of a long-term funding plan to cover the operating and administrative expenses of the Agency.

ARTICLE 16. LIABILITY AND INDEMNIFICATION

16.1. Liability. The Members do not intend hereby to be obligated either jointly or severally for the debts, liabilities or obligations of the Agency, except as may be specifically provided for in California Government Code section 895.2, as amended or supplemented. Therefore, unless and to the extent otherwise required by law or agreed to herein by the Members, in accordance with California Government Code section 6507 the debts, liabilities and obligations of the Agency shall not be the debts, liabilities or obligations of the Member entities. The Agency shall own and hold title to all funds, property and works acquired by it during the term of this Agreement.

16.2. Indemnification. Funds of the Agency may be used to defend, indemnify, and hold harmless the Agency, each Member, each Director, and any officers, agents and employees of the Agency for their actions taken within the course and scope of their duties while acting on behalf of the Agency. Other than for gross negligence or intentional acts, to the fullest extent

permitted by law, the Agency 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, negligent acts or omissions of the Agency officers or agents, or the employees, officers or agents of any Member, while acting within the course and scope of a Member relationship with the Agency.

Members participating in special project agreements if conducted by the Agency, shall hold each of the other parties to this Agreement who are not parties to the special project agreement free and harmless from and indemnify each of them against any and all costs, losses, damages, claims and liabilities arising from the special project agreement.

ARTICLE 17. WITHDRAWAL AND TERMINATION

17.1. Withdrawal. A Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective upon sixty (60) days written notice to the remaining Members. The notice of withdrawal shall state whether the withdrawing Member will elect to serve as a GSA for all or any portion of the lands within its boundaries or if the Agency shall continue to serve as the GSA for the withdrawing Member's boundaries. In the event the withdrawing Member's notice of withdrawal would create an overlap of GSA boundaries with the boundaries of any other Member, not including Butte County, the affected Members will meet and confer in good faith to attempt to resolve the overlap. In the event Butte County withdraws, it will not create a GSA overlap with the boundaries of any of the other Members.

17.2. Termination of Agency. This Agreement may be rescinded and the Agency terminated by unanimous written consent of all Members, except during the outstanding term of any Agency indebtedness.

17.3. Involuntary Termination. The Members acknowledge that SGMA requires that multiple GSAs within a given subbasin must coordinate and are required to use the same data and consistent methodologies for certain required technical assumptions when developing a GSP and that the entire Basin must be implementing one or more GSPs for the Basin to be deemed in compliance with SGMA. As a result, upon a supermajority determination of the Board of Directors that the actions of a Member (1) fail to comply with the terms of this Agreement; or (2) conflict with or undermines the functioning of the Agency or the preparation and implementation of the requirements of the GSP, the Board of Directors may terminate that Member's membership in this Agency, provided that prior to any vote to remove a Member involuntarily all of the Members shall meet and confer regarding all matters related to the proposed removal.

17.4. Effect of Withdrawal or Termination. This Agreement may be terminated and the Agency dissolved by a unanimous vote of the Member Directors. Upon termination of this Agreement or unilateral withdrawal, a Member shall remain obligated to pay its share of all debts, liabilities and obligations of the Agency required of the Member pursuant to the terms of this Agreement which were incurred or accrued prior to the date of such termination or withdrawal, including without limitation, those debts, liabilities and obligations pursuant to Section 5. Any Member that withdraws from the Agency shall have no right to participate in the business and affairs of the Agency or to exercise any rights of a Member under this Agreement

or the Act, but shall continue to share in distributions from the Agency on the same basis as if such Member had not withdrawn, provided that a Member that has withdrawn from the Agency shall not receive distributions in excess of the contributions made to the Agency while a Member. The right to share in distributions granted under this section shall be in lieu of any right the withdrawn Member may have to receive a distribution or payment of the fair value of the Member's interest in the Agency.

17.5. Right of Member to Become GSA in Event of Withdrawal or Termination. Upon withdrawal or involuntary termination of a Member, or termination of this Agreement pursuant to section 17.2, regardless of its occurrence after June 30, 2017, the withdrawing or terminated Member will retain all rights and powers to become or otherwise participate in a GSA for the lands within its boundaries. A Member may, in its sole discretion, withdraw from the JPA, effective sixty (60) days after written notice to the Agency. In such an event, the Agency and its remaining Members will not object to or interfere with the lands in the withdrawing Member's boundaries; will facilitate such a transition to the extent necessary; and will withdraw from management that portion of the subbasin and so notify DWR. Upon withdrawal or termination, any Member shall be entitled to use data or other information developed by the Agency during its time as a Member. Further should a member withdraw from the Agency after completion of the GSP, it shall be entitled to utilize the GSP for future implementation of SGMA within its boundaries.

17.6. Disposition of Agency Assets upon Termination.

17.6.1. Surplus Funds. Upon termination of this Agreement, any reserves or surplus money on-hand shall be returned to the Members in the same proportion said Members have funded such reserves or surplus, in accordance with California Government Code section 6512.

17.6.2. Agency Property. The Agency shall first offer any assets of the Agency 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 shall offer the assets of the Agency for sale to any non-member for good and adequate consideration on terms and conditions determined by the Board of Directors.

ARTICLE 18. MISCELLANEOUS

18.1. No Predetermination or Irretrievable Commitment of Resources. Nothing in this Agreement shall constitute a determination by the Agency 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. Notices. Notices hereunder shall be sufficient if delivered via electronic mail, First-Class mail or facsimile transmission to the addresses below:

County of Butte: Department of Water and Resource Conservation, 308 Nelson Ave, Oroville, CA 95965

City of Chico: 411 Main Street, Chico, CA 95928

18.3. Amendment. This Agreement may be amended at any time, by unanimous agreement of the Members, provided that before any amendments shall be operative or valid, it shall be reduced to writing and signed by all Members hereto.

18.4. Agreement Complete. This Agreement 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.

18.5. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions will remain in force and unaffected to the fullest extent permitted by law and regulation.

18.6. Execution in Counterparts. The Parties intend to execute this Agreement in counterparts. It is the intent of the Parties to hold one (1) counterpart with single original signatures to evidence the Agreement and to thereafter forward four (4) other original counterparts on a rotating basis for all signatures. Thereafter, each Member shall be delivered an originally executed counterpart with all Member signatures.

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 other 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 or assigns of the Members.

18.10. Other JPAs. Nothing in this Agreement shall prevent the Members from entering into other joint exercise of power agreements.

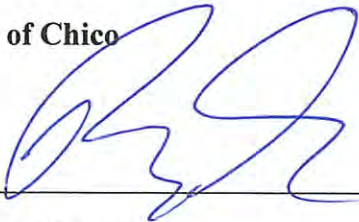
18.11. Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action related to the terms of this Agreement shall be brought and tried in Butte County Superior Court.

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective governing boards, have caused their names to be affixed by their proper and respective officers as of the date of execution of this Agreement.

County of Butte

By:  Date: 3/12/19
Chair
Board of Supervisors

City of Chico

By:  Date: 04/09/2019
Mayor
City Council

Durham Irrigation District

By:  Date: 3/12/19
President
Board of Directors

Exhibit A: List of Member Agencies

Exhibit B: Vina Subbasin Map

Appendix A: Stakeholder Advisory Committee to the Agency Board

EXHIBIT A

LIST OF MEMBERS

County of Butte
Department of Water and Resource Conservation
308 Nelson Ave
Oroville, CA 95973

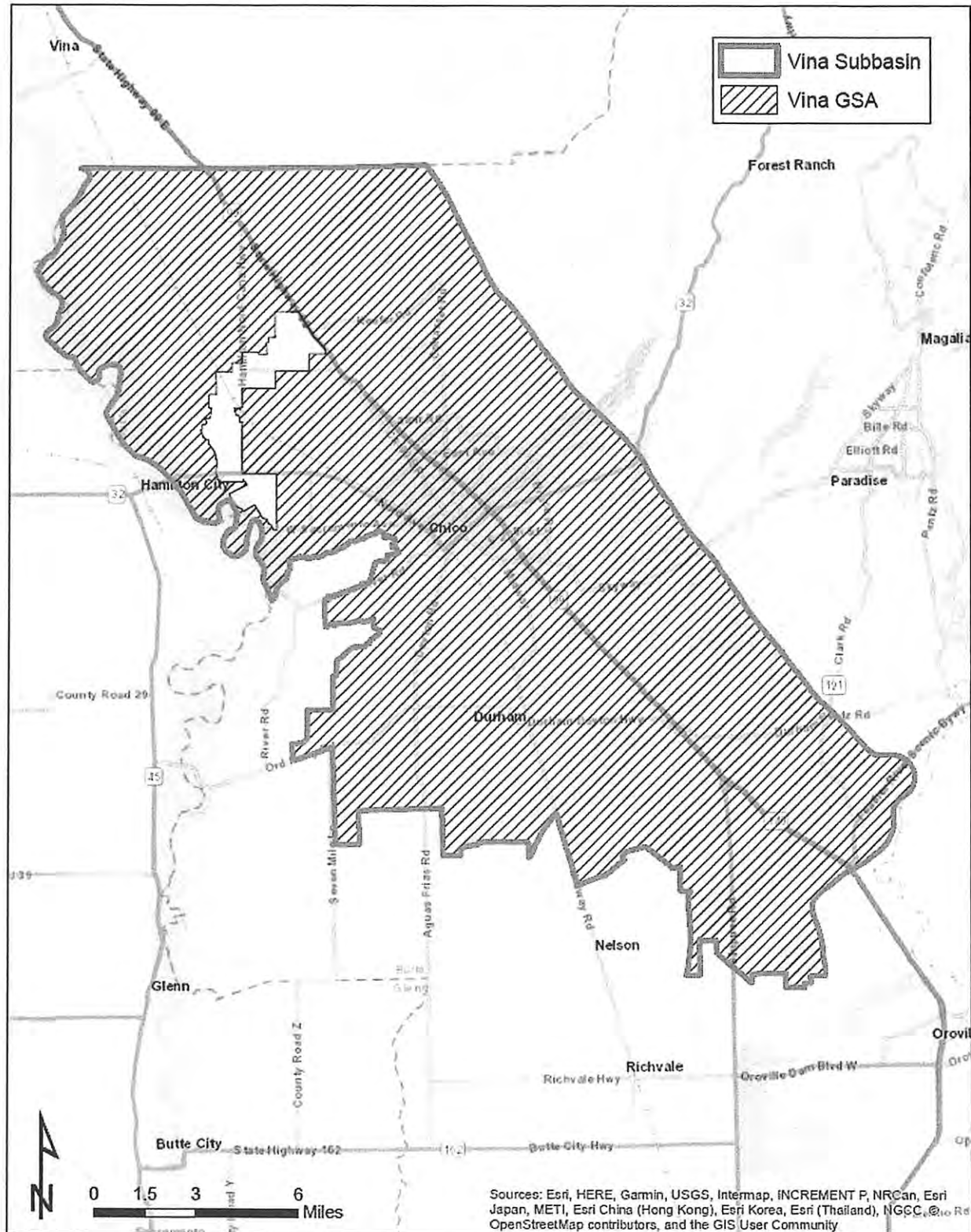
City of Chico
411 Main Street
Chico, CA 95928

Durham Irrigation District
9418-C Midway
Durham, CA 95938

EXHIBIT B

VINA SUBBASIN AND THE

BOUNDARY OF THE VINA GROUNDWATER SUSTAINABILITY AGENCY



APPENDIX A

Stakeholder Advisory Committee to the Agency Board

The purpose of the Advisory Committee (AC) is to provide input and recommendations to the Agency Board of Directors concerning GSP development and implementation and on matters of policy affecting the GSA. The intent of the AC is to provide community perspective and a forum for public/stakeholder participation in the GSA.

The AC will review and/or provide recommendations to the Agency Board on groundwater-related issues that may include:

- Development, adoption, amendment of the GSP
- Sustainability goals and objectives
- Best management practices
- Monitoring programs
- Annual work plans and reports (including mandatory 5-year milestone reports)
- Modeling scenarios
- Inter-basin coordination activities
- Projects and management actions to achieve sustainability
- Community outreach
- Local regulations to implement SGMA
- Fee proposals
- Other

The AC will not be involved in the Agency's day to day operations, such as contracting, budgeting, etc.

Membership

Composition of the AC is intended to represent the beneficial uses and users of groundwater identified in SGMA, as applicable in the Agency Jurisdiction. AC members may not serve concurrently on the Agency Board. Members must live or work within the Agency Jurisdiction or represent an organization with a presence in the Agency Jurisdiction.

The Agency Board will appoint representatives to the AC, for a total not to exceed 10 members. The following represents a draft, proposed list of possible AC representation:

- Cal Water-Chico (1)
- Agricultural groundwater users (3):
- At-large domestic well users (2):
- At-large environmental representative (1)
- At-large business representative (1)

The Agency Board may appoint other interests representing beneficial users and uses of groundwater as per Water Code Section 10723.3.

Member Appointment

The Agency Board will appoint At-large members to fill AC seats. Interested individuals from the community or organizations may apply to the Agency Board, designating in the application the seat that the applicant would intend to fill.

The Agency Board encourages candidates with experience and familiarity with groundwater and its management. The Agency Board will also give preference to applicants who have the backing of multiple organizations or individuals and/or have experience working with diverse community-based groups.

Application Timeline

The Agency Board will establish a timeline and process for appointment of the initial AC following Agency formation. In subsequent years, applicants will submit an application for vacant seats. The GSA will post applications on its website.

Advisory Committee Member Terms

AC member seats are four-year terms. AC members are not term-limited. However, each term AC members must resubmit an application to the Agency Board.

The Agency Board can only remove an AC member if the member fails to attend three consecutive meetings or if the AC member no longer meets the criteria for AC membership. The Agency Board will appoint alternates, if the Agency Board deems alternates necessary.

Decision Making and Governing Board Consideration

To inform Agency Board decision-making, the AC will provide written recommendations that will be included in Management Committee reports. The recommendations will identify areas of agreement and disagreement. The AC will strive for consensus when possible, but reaching consensus is not necessary. When unable to reach consensus on recommendations, the AC will outline the areas in which it does not agree, providing some explanation to better inform Agency Board decision-making.

Pursuant to Agency Board direction, the Management Committee will develop the annual work plan and schedule for AC meetings. The AC will adopt a charter describing their purpose, operating principles and ground rules that will be confirmed by the Agency Board.

The Agency Board will consider AC recommendations when making decisions. If the Agency Board does not agree with the recommendations of the AC, the Agency Board shall state the reasons for its decision.

Public Process

All AC meetings are subject to the Brown Act and will be noticed and open to the public.