

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY

DEPT: Environmental Resources

BOARD AGENDA #: B-11

AGENDA DATE: January 24, 2017

**SUBJECT:**

Approval of the Joint Powers Agreement to form a Joint Powers Authority that will Serve as the West Turlock Subbasin Groundwater Sustainability Agency

**BOARD ACTION AS FOLLOWS:**

No. 2017-35

On motion of Supervisor Withrow, Seconded by Supervisor Olsen  
and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended


2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST:

  
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

GSA-4-1

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

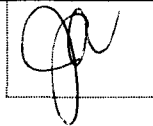
DEPT: Environmental Resources  
Urgent  Routine

BOARD AGENDA #: B-11

AGENDA DATE: January 24, 2017

CEO CONCURRENCE: *pht*

4/5 Vote Required: Yes  No



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**SUBJECT:**

Approval of the Joint Powers Agreement to form a Joint Powers Authority that will Serve as the West Turlock Subbasin Groundwater Sustainability Agency

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**STAFF RECOMMENDATIONS:**

1. Approve the Joint Powers Agreement to form a Joint Powers Authority that will serve as the West Turlock Subbasin Groundwater Sustainability Agency.
2. Authorize the Chairman of the Stanislaus County Board of Supervisors to sign and execute the Agreement on behalf of the County.
3. Appoint the Supervisor from District 2 as the Board Member to the West Turlock Subbasin Groundwater Sustainability Agency.
4. Appoint the County Water Resources Manager as the Alternate Board Member to the West Turlock Subbasin Groundwater Sustainability Agency.

**DISCUSSION:**

The Sustainable Groundwater Management Act (SGMA) was passed in 2014 and became law on January 1, 2015. SGMA requires that all high and medium priority groundwater basins be managed by one or more groundwater sustainability agencies (GSA) and develop one or more groundwater sustainability plans (GSP). Each basin that is subject to SGMA must have all of its geographic area covered by one or more GSAs by June 30, 2017. Any public agency that has water or land use management authority may elect to be a GSA. Each GSA is responsible for developing a GSP or working with other GSAs in the basin to develop an integrated GSP. The GSPs are due to be adopted by either January 31, 2020, or January 31, 2022, depending on whether or not the basin is in a condition of critical overdraft as identified below.

There are four designated groundwater basins underlying the political footprint of Stanislaus County. All of these basins are subject to the requirements of SGMA. These basins include the following:

- Eastern San Joaquin
- Modesto
- Turlock
- Northern Delta-Mendota

## Approval of the Joint Powers Agreement to form a Joint Powers Authority that will Serve as the West Turlock Subbasin Groundwater Sustainability Agency

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Of these four groundwater basins, the Eastern San Joaquin and the Northern Delta-Mendota are classified as being in a critical condition of overdraft and, hence, the GSPs for these basins are due at the earlier date identified above. The GSPs for the Modesto and Turlock groundwater basins are due two years later.

The County's Water Resources Manager has been working with the various GSA planning groups that have been assembled for each of the four groundwater basins over the last two years. The effort has resulted in the proposed creation of various GSA partnerships. Each of the proposed GSA governance structures will be presented to the Board of Supervisors for their consideration of approval and adoption over the next 60 days. The subject matter of this report pertains only to elements of the Turlock Groundwater Subbasin.

The public agencies within the Turlock Groundwater Subbasin that have water or land use management authority have agreed to form two GSAs; a West Turlock Subbasin GSA and an East Turlock Subbasin GSA, to manage the groundwater resources for the basin. The creation of the East Turlock Subbasin GSA will be the subject of a separate, yet similar action by the Board. The signatory agencies to the two GSAs have also committed to developing a single GSP for the entire basin. The entities to be included in the West Turlock Subbasin are:

Ceres  
Delhi County Water District  
Denair Community Services District  
Hickman (Waterford)  
Hilmar County Water District  
Hughson  
Keyes Community Services District  
Modesto  
Stevinson Water District  
Turlock  
Turlock Irrigation District  
Merced County  
Stanislaus County

The parties have agreed to organize themselves under the governance structure of a Joint Powers Agreement (JPA) as allowed for under SGMA. The expressed purpose of this JPA is to formally create the West Turlock Subbasin Groundwater Sustainability Agency (WTS GSA). Adoption of the JPA by the governing body of each member agency enables each party to be recognized as a formal GSA member under the provisions of SGMA.

County staff has been working with all of the other members of the West Turlock Subbasin GSA to develop the JPA to create the WTS GSA. The County will participate as a formal voting member of the new agency. Pursuant to Article 6 of the JPA formation document, the WTS GSA shall be governed by a Governing Board consisting of one Board Member representing each member agency. Each Board Member must be appointed by one of the member agencies and shall certify in writing that he or she has been appointed to be a Board Member by the appointing member agency. Each member agency shall also appoint one Alternate Board Member. The geographical area of concern regarding the WTS GSA is principally located within Supervisorial District 2. Therefore, staff recommends that the Board

Approval of the Joint Powers Agreement to form a Joint Powers Authority that will Serve as the West Turlock Subbasin Groundwater Sustainability Agency

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appoint the Supervisor from District 2 as the WTS GSA Board Member and, in addition, appoint the position of County Water Resources Manager as the Alternate Board Member.

**POLICY ISSUE:**

This proposed action is in compliance with State legislation known as the “Sustainable Groundwater Management Act” which mandates that the formation of such described Groundwater Sustainability Agency’s be created by June 30, 2017. Failure to create a GSA would result in the groundwater resources of the basin being subject to regulation by the State of California.

**FISCAL IMPACT:**

There is no fiscal impact associated with the creation of the West Turlock Subbasin Groundwater Sustainability Agency. However, the WTS GSA will be working with other members in the development and implementation of an integrated Groundwater Sustainability Plan (GSP) for the entire Turlock Groundwater Subbasin of which funding for such GSP development will need to come from the member agencies as agreed upon and described in the JPA governance document. At this time, staff is working to obtain the estimated cost to Stanislaus County so that the funding mechanism can be identified and addressed at a future budget cycle.

**BOARD OF SUPERVISORS’ PRIORITY:**

Approval of these actions are consistent with the Board’s priorities of a Safe Community, a Healthy Community, a Strong Local Economy, Effective Partnerships, and a Well Planned Infrastructure System by ensuring a coordinated approach towards regional groundwater resources management.

**STAFFING IMPACT:**

Existing staff will continue to oversee the work associated with this item.

**CONTACT PERSON:**

Jami Aggers, Director of Environmental Resources	Telephone: 209-525-6770
Walter Ward, Water Resources Manager	Telephone: 209-525-6710

**ATTACHMENT(S):**

1. Joint Powers Agreement (JPA) forming the West Turlock Subbasin Groundwater Sustainability Agency (WTS GSA)
2. Resolution of Adoption of the JPA forming the WTS GSA

# Attachment 1

## **JOINT POWERS AGREEMENT**

### **Forming the West Turlock Subbasin Groundwater Sustainability Agency**

This joint powers agreement ("Agreement") is made and entered into by and among the agencies that have executed this Agreement, as identified in Exhibit A, which are referred to herein individually as a "Party" and collectively as "Parties."

#### **RECITALS**

**WHEREAS**, the Parties desire to enter into this Agreement for the purposes of forming a joint powers agency to serve as a groundwater sustainability agency within the Turlock Subbasin, DWR Basin No. 5-022 ("Turlock Subbasin"); and

**WHEREAS**, each of the Parties to this Agreement is a public agency with either water supply, water management, or land use responsibilities within the Turlock Subbasin; and

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

**WHEREAS**, on September 16, 2014 Governor Jerry Brown signed into law Senate Bills 1168 and 1319 and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act ("the Act"); and

**WHEREAS**, the Act went into effect on January 1, 2015; and

**WHEREAS**, the Act (i) requires sustainable management of certain groundwater basins, (ii) enhances local management of groundwater, (iii) requires local agencies to establish minimum standards for sustainable groundwater management, and (iv) provides local groundwater agencies with the authority, and the technical and financial assistance necessary to sustainably manage groundwater; and

**WHEREAS**, the Parties intend for the joint powers agency formed pursuant to this Agreement to become a groundwater sustainability agency prior to July 1, 2017 within the boundaries provided in Exhibit B within the Turlock Subbasin as defined in Article 2, section 2.2; and

**WHEREAS**, following a public hearing held at its first joint powers agency meeting, this joint powers agency shall consider a resolution to elect to become a groundwater sustainability agency pursuant to California Water Code section 10723(b); and

**WHEREAS**, California Water Code section 10720.7 requires all basins designated as high- or medium-priority basins by California Statewide Groundwater Elevation Monitoring program (“CASGEM”) to be managed under groundwater sustainability plans or coordinated groundwater sustainability plans pursuant to the Act; and

**WHEREAS**, this joint powers agency’s service area overlies portions of the Turlock Subbasin, a CASGEM-designated high-priority basin; and

**WHEREAS**, the Parties, acting through and by this Agreement intend to work cooperatively with other groundwater sustainability agencies operating in the Turlock Subbasin to manage the Subbasin in a sustainable fashion pursuant to the requirements set forth in the Act; and

**WHEREAS**, the Parties agree and endeavor to develop a groundwater sustainability plan that is as equitable as possible to all Members, provided the respective Members’ impact on groundwater sustainability. Further, all Members agree to work collaboratively to develop a Groundwater Sustainability Plan that is focused on allowing all Members to operate and continue providing service while achieving sustainability, to the extent feasible.

**NOW, THEREFORE**, in consideration of the promises, terms, conditions, and covenants contained herein, the Parties hereby incorporate the recitals listed above into this Agreement and agree as follows.

### **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” refers to the Sustainable Groundwater Management Act.
- 1.2. “Agency” means the West Turlock Subbasin Groundwater Sustainability Agency, which is the agency formed by this agreement.
- 1.3. “Agreement” means this joint powers agreement, which creates the West Turlock Subbasin Groundwater Sustainability Agency.
- 1.4. “Associate Member” means a Party that satisfies the requirements of Article fourteen (14) (Membership) of this Agreement, but cannot otherwise vote or appoint a Member to the Governing Board.
- 1.5. “CASGEM” is the California Statewide Groundwater Elevation Monitoring program administered by the Department of Water Resources.
- 1.6. “Committee” shall mean any committee established pursuant to Article thirteen (13) of this Agreement.

- 1.7. "Effective Date" means the date on which the last Party executes this Agreement.
- 1.8. "Fiscal Year" means July 1 through June 30.  
"Governing Board" means the governing body of the Agency.
- 1.9. "Board Member" or "Board Members" mean members of the Agency's Governing Board.
- 1.10. "Member's Governing Body" means the Board of Directors or other voting body that controls the individual public agencies that are members of the Agency.
- 1.11. "Member" means a Party that satisfies the requirements of Article fourteen (14) (Membership) of this Agreement and is not an Associate Member.
- 1.12. "Special Project" means a project undertaken by some, but not all Members of the Agency.
- 1.13. "State" means the State of California.

## **Article 2. Creation of a Separate Entity**

2.1. Agency Separate from Members. Upon the effective date of this Agreement, the West Turlock Subbasin Groundwater Sustainability Agency is hereby created. Pursuant to the provisions of Article I, Chapter 5, Division 7 of Title 1 of the California Government Code, commencing with Section 6500, the Agency shall be a public agency separate from its members. The principle offices shall be located within the boundaries set forth in Exhibit B as defined in Article 2, Section 2.2 or at such other place as the Governing Board shall determine.

2.2. Boundaries. The boundaries of the Agency shall generally be as follows: on the north, the boundary shall be the Tuolumne River; bounded on the south by the Merced River; on the west by the San Joaquin River; and on the east by the eastern jurisdictional boundary of Turlock Irrigation District's Irrigation Service Area. Attached hereto and incorporated herein is Exhibit B, a map showing the boundaries of the Agency.

## **Article 3. Term**

3.1. Effective Dates. This Agreement shall become effective upon execution by all of the Parties and shall continue in full force and effect until terminated pursuant to the provisions of Article 18 (Withdrawal and Termination).

3.2. Amendment. The Members intend to revisit the provisions and terms of this Agreement after the Agency submits a groundwater sustainability plan to the Department of



Water Resources. This provision shall not limit or otherwise constrain the authority of the Members to amend this Agreement by mutual agreement of the Members prior to the submission of the groundwater sustainability plan.

#### **Article 4. Purpose of the Agency**

4.1. Agreement Purpose. The purpose of this Agreement is to create a joint powers agency separate from its Members that will elect to become a groundwater sustainability agency prior to July 1, 2017 for a portion of the Turlock Subbasin as defined in Article 2, section 2.2.

4.2. Collaboration. The Agency will collaborate with other groundwater sustainability agencies within the Turlock Subbasin to develop, adopt and implement a single groundwater sustainability plan or coordinated groundwater sustainability plans for the Turlock Subbasin in order to satisfy the Act's requirements.

4.3. Outreach. The Agency will involve the public and area stakeholders through outreach and engagement in developing, implementing, monitoring and administering a single groundwater sustainability plan or coordinated groundwater sustainability plans for the Turlock Subbasin.

4.4. Coordination. The Agency will strive to achieve intra-basin coordination and cooperate with other groundwater sustainability agencies operating in the Turlock Subbasin in order to satisfy the requirements of the Act, in addition to striving to achieve inter-basin coordination with the neighboring Delta-Mendota, Modesto and Merced Subbasins.

#### **Article 5. Powers of the Agency**

5.1. Restrictions on Exercise of Powers. In accordance with California Government Code section 6509, the following powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to Turlock Irrigation District.

5.2. Powers. Subject to the limitations addressed herein, the Agency shall have the power, in the name of the Agency, to exercise the common powers of the Members, including but not limited to, the following:

5.2.1. Employ agents, consultants, advisors, independent contractors, and employees.

5.2.2. Make and enter into contracts with public or private entities, including the State of California and the United States, and one another.

5.2.3. Acquire, hold, and convey real and personal property.

5.2.4. Incur debts, obligations, and liabilities.

5.2.5. Borrow money.

5.2.6. Accept contributions, grants, or loans from any public or private agency or individual in the United States or any department, instrumentality, or agency thereof for the purpose of financing its activities.

5.2.7. Invest money that is not needed for immediate necessities, as the Governing Board determines advisable, in the same manner and upon the same conditions as other local entities in accordance with section 53601 of the California Government Code.

5.2.8. Sue and be sued; provided that a Member may determine not to participate in the affirmative litigation.

5.2.9. Undertake all other acts reasonable and necessary to carry out the purpose of this Agreement.

5.2.10. Employ or retain full-time or part-time supporting staff.

5.2.11. Exercise and/or delegate all additional powers granted to groundwater sustainability agencies by the Act upon successful election to be a groundwater sustainability agency within the Turlock Subbasin.

5.2.12. Exercise and/or delegate all additional powers granted to groundwater sustainability agencies by the Act upon submittal to the Department of Water Resources of a single groundwater sustainability plan or coordinated groundwater sustainability plans to manage the entire Turlock Subbasin.

5.3. Monetary Obligations. Except as otherwise provided in this agreement, the Agency shall not have the power to bind any Member to any monetary obligation by this Agreement other than through approval pursuant to sections 11.2, 11.3, 11.6 and 18.3.

5.4. Water Rights. The Agency and all of its Members confirm that nothing contained herein shall grant the Agency any power to alter any water right, contract right, or any similar right held by its Members, or amend any Member's water delivery practice, course of dealing, or conduct without the express consent of the holder thereof.

## **Article 6. Agency Governing Board**

6.1. Membership of Governing Board. The Agency shall be governed by a Governing Board consisting of one (1) Board Member representing each Member, except for Associate Members, which have no seat on the Governing Board.

6.2. Requirements. Each Board Member must be appointed by one of the Members. Each Board Member shall certify to the Secretary in writing that he or she has been appointed to be a Board Member by the appointing Member.

6.3. Alternate Board Members. Each Member shall appoint one Alternate Board Member. The Alternate Board Member must meet the requirements set forth in section 6.2. Alternate Board Members have no vote at Governing Board 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.

6.4. Removal of Board Members. Board Members and Alternate Board Members shall serve at the pleasure of their appointing Member's Governing Board and may be removed or replaced at any time. A Board Member that no longer meets the qualifications set forth in section 6.2 is automatically removed from the Agency Governing Board. Upon removal of a Board Member, the Alternate Board Member shall serve as a Board Member until a new Board Member is appointed by the Member. Members must submit any changes in Board Member or Alternate Board Member positions to the Secretary in writing and signed by the Member.

#### **Article 7. Associate Members**

7.1. Associate Member. The Board may allow certain Members to participate in the Agency as Associate Members. Associate Members shall be entitled to participate in the meetings and discussions of the Governing Board but Associate Members shall not have the power to vote on any action to be taken by the Agency or to become an officer of the Agency. Any Member that is not able or chooses not to fund its proportional share of the budget shall be eligible to become an Associate Member.

7.2. Bound by Agency Decisions. Associate Members, regardless of the lack of voting authority, shall be bound by the decisions and actions of the Governing Board on behalf of the Agency.

7.3 Addition of Associate Members. The Governing Board may appoint any local agency, as defined in California Water Code section 10721(n), as an Associate Member upon an affirmative vote pursuant to section 11.3.

#### **Article 8. Officers**

8.1. Officers. The Governing Board shall select a Chair, Vice Chair, Secretary, and any other officers as determined necessary by the Governing Board. The Secretary of the Board is not required to be a member of the Governing Board, but instead, can be a member of the staff of one of the Members.

8.1.1. The Chair shall preside at all Governing Board Meetings.

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

8.1.3. The Secretary shall keep minutes of all meetings of the Governing Board and shall, as soon as possible after each meeting, forward a copy of the minutes to each member and alternate of the Governing Board.

8.1.4. All Officers shall be chosen at the first Governing Board meeting and serve a term of two (2) years. An Officer may serve for multiple consecutive terms. Any Officer may resign at any time upon written notice to the Governing Board. Upon vacancy of an Officer position, the Governing Board shall appoint a replacement Officer who shall complete the vacant Officer position's term.

### **Article 9. Treasurer, Controller, and Legal Counsel**

9.1. Treasurer and Controller. The Turlock Irrigation District shall act as treasurer and controller for the Agency, until such time as the Agency appoints an independent treasurer and controller. 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 Agency funds 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. 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 and those duties and provisions adopted by the Agency.

9.2. Legal Counsel. The Governing Board shall appoint legal counsel as it deems appropriate.

### **Article 10. Executive Director**

10.1. Appointment. The Governing Board may appoint an Executive Director at the time and with the specific compensation for his or her services, as determined by the Governing Board. Prior to such appointment, the Board may establish a committee, pursuant to section 13.1 of this Agreement, which will generally perform duties similar to those described in section 10.2 of this agreement.

10.2. Duties. The Executive Director shall be the chief administration officer of the Agency, shall serve at the pleasure of the Governing Board, and shall be responsible to the Governing Board for the proper and efficient administration of the Agency. The Executive Director shall have the powers designated in the Agency Bylaws.

10.3. Staff. The Executive Director shall employ additional full-time and/or part-time employees, assistants, and independent contractors that may be necessary to accomplish the purposes of the Agency, subject to the approval of the Governing Board for any contract in excess of a specified dollar amount as determined by the Governing Board.

#### **Article 11. Governing Board Voting**

11.1. Quorum. A majority of Board Members shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of the Board may be adjourned by a majority present, but no other business may be transacted.

11.2. Approval Requirements. Except as provided in sections 11.3 and 11.4 below, action of the Board shall require the affirmative vote of a majority of Board Members voting.

11.3 Approval of High Threshold Matters. Action of the Board on high threshold matters, which include the annual budget, approval of any bond or debt instrument, approval of a contract exceeding \$100,000, approval of Membership, approval of a groundwater sustainability plan, involuntary termination, Exhibit D, and approval of extraction limitation for any Member or category of membership shall require the affirmative vote of at least two-thirds of the voting Members.

11.4 Authority to Vacate Approval. Members identified in Exhibit C have the authority to vacate the approval of any item approved pursuant to sections 11.2 or 11.3, except approvals pursuant to section 18.2, which there is no authority to vacate. In order to vacate the approval of an item passed pursuant to section 11.2 or 11.3, the Member shall notify the Board that it is vacating the approval after such approval has been made, but prior to adjournment of the meeting in which the approval took place. The effect of such notice shall nullify the Board action and approval. When an approval is vacated pursuant to this section, the Members agree to further discuss the matter and work toward resolution of any outstanding difference of opinion.

#### **Article 12. Agency Meetings**

12.1. Initial Meeting. The initial meeting of the Agency's Governing Board shall be called by Turlock Irrigation District and held within the Agency's boundary within 30 days of the effective date of this Agreement. A public hearing, pursuant to California Water Code section 10723(b), will be held at this meeting. A draft resolution electing to be the West Turlock Subbasin Groundwater Sustainability Agency will be presented as an action item at this meeting.

12.2. Time and Place. The Governing Board shall meet at least quarterly at a time and place set by the Governing Board, and at such other times as determined by the Governing Board and listed in the Agency's bylaws.

12.3. Conduct. All meetings of the Governing Board shall be noticed, held, and conducted in accordance with the Ralph M. Brown Act. Board Members and Alternate Board Members may use teleconferencing in connection with any meeting in conformance with and to the extent authorized.

### **Article 13. Committee Formation**

13.1. Internal Committee Formation. The Governing Board shall establish internal committees from time to time. Each internal committee shall be comprised of representatives of the Members, Associate Members, or a combination of both, shall exist for the term specified in the action establishing the committee, shall meet as directed by the Governing Board, and shall make recommendations to the Governing Board on the various activities of the Agency. The Governing Board may delegate authority to the internal committee to administer or implement Agency activities.

13.2. External Advisory Committee Formation. The Governing Board may establish one or more advisory committees comprised of diverse social, cultural, and economic elements of the population and area stakeholders within the Agency's boundary. The Governing Board shall encourage the active involvement of the advisory committee(s) prior to and during the development and implementation of the Turlock Subbasin groundwater sustainability plan or coordinated Turlock Subbasin groundwater sustainability plans. The Governing Board will ensure that at least one (1) member from the Governing Board or Agency employee attends and participates in each advisory committee meeting.

### **Article 14. Membership**

14.1. Initial Members. The initial Members of the Agency shall be identified in Exhibit A as long as they have not, pursuant to the provisions thereof, withdrawn from this Agreement in accordance with the terms thereof.

14.2. New Members. Additional Parties may join this Agreement and become a Member provided that the prospective new member, (a) is eligible to join a groundwater sustainability agency as provided by the Act, (b) possesses powers common to all other Members, (c) receives an affirmative vote as defined in Article 11, (d) pays all previously incurred costs that the Governing Board determines to have benefited their agency, (e) pays all applicable fees and charges, and (f) agrees in writing to the terms and conditions of this Agreement.

14.3. Associate Member Conversion to Full Membership. Associate Members may become full voting Members of the Agency upon (a) affirmative vote as defined in Article 11.3, (b) payment of all previously incurred costs that the Governing Board determines have benefited the Associate Member and have not yet been paid, and (c) agreement in writing to the terms of Governing Board members in this Agreement.

**Article 15. Specific Projects**

15.1. 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.

15.2. Member Specific Projects. In addition to the general activities undertaken by all Members of the Agency, the Agency may initiate specific projects or litigation that involves less than all Members. No Member shall be required to be involved in a Project that involves less than all the Members.

15.3. Project Agreement. Prior to undertaking any project or litigation that does not involve all Member Agencies, and subject to potential Board disapproval pursuant to section 15.4, 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 or litigation matter by providing notice to the Governing Board 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 allocated to those Members that have entered into the Project Agreement. Any debts, liabilities, obligations, or indebtedness incurred by the Agency in regard to a particular Project shall be paid by those Members who have executed the Project Agreement in accordance with the terms thereof and those Members who have not executed the Project Agreement shall not be responsible for the payment of those debts, liabilities, and obligations. Further, to the extent the Project is litigation, the Members who chose not to enter into the Project Agreement shall not be named or otherwise listed in the pleadings or appear on litigation materials.

15.4. Governing Board Approval. The Governing Board 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 16. Budget and Expenses**

16.1. General Operating Budget. The Governing Board shall approve an initial budget at its first meeting and an annual budget before the beginning of each fiscal year thereafter. The general operating budget shall be funded by the Parties in the proportion designated in Exhibit D. Whenever the proportion of funding changes, the allocation shall take effect the fiscal quarter after the revision to Exhibit D is finalized.

16.2. Membership Annual Fees. Both Members and Associate Members shall pay annual membership fees as set forth in Exhibit E at the beginning of the Agency's fiscal year.

16.3. Reserve Funds. Membership annual fees from Members and Associate Members shall be deposited in the Agency's general operating fund. This fund shall have a reserve maximum that is established as part of the annual budget process. If the maximum reserve is met, the Agency shall not continue to collect annual fees in excess of the reserve, but will proportionally credit the funding agencies and waive collection of membership annual fees, or a portion thereof, in order to not exceed the reserve.

16.4 Special Project Funding. For projects in which not all Members participate or that are not otherwise funded by the general operating budget, the Members participating in the project shall agree to allocate funding prior to beginning the project.

16.5. Agency Contributions. Each of the Parties may, but are not required to, contribute additional money, office space, furnishings, equipment, supplies, or services as their respective Governing Boards may deem appropriate.

16.6. Grants and Other Funding Funds may be derived through State and Federal grants, or other available sources. The Agency may also apply for available State and Federal funds and shall make new and additional applications from time to time as appropriate. The Agency may also establish and collect fees, leases, or rents as may be authorized by law under the common powers of all the Parties.

16.7. Public and Private Donations. The Agency may accept and expend funds from public or private sources subject to the legal restrictions which are set forth in the common powers of the Parties for the purpose of carrying out its powers, duties, responsibilities, and obligations specified in this Agreement.

16.8. Budget Consistency. The Agency shall be limited to the making of expenditures or incurring of liabilities in the amount of the appropriations allowed by the budget as adopted and revised by the Agency.

16.9. Scope of Budget and Expenses. The General Operating Budget of the Agency will be limited to covering costs of operating the Agency pursuant to this Agreement. However, as will be more fully developed and set forth in the groundwater sustainability plan, the Agency does not anticipate the General Operating Budget as funded by weighted voting shares will be required or responsible for funding specific sustainability implementation projects or programs that will be implemented in geographic regions specific to individual Members. Rather, this Agreement anticipates that implementation of sustainability programs will be funded by the specific Member(s) that are responsible for implementing such actions in their respective local service area or geographic region. After



the development of the groundwater sustainability plan, the General Operating Budget will only be responsible for funding general Agency operation; it will not fund the implementation of the groundwater sustainability plan.

### **Article 17. Liability and Indemnification**

17.1. Liability. In accordance with California Government Code Section 6508.1, the debts, liabilities, and obligations of the Agency shall be the debts, liabilities, and obligations of the Agency alone, and not the Members.

17.2. Indemnification. The members of the Governing Board, officers, and employees of the Agency shall use ordinary care and reasonable diligence in the exercise of their powers, and in the performance of their duties pursuant to this Agreement. They shall not be liable to the Parties to this agreement for any mistake of judgment or any other action made, taken, or omitted by any agent, employee, or independent contractor selected with reasonable care, nor for loss incurred through the investment of the Agency's funds, or failure to invest the same.

17.3. No Responsibility for Others. To the extent authorized under California law, no Board Member, officer, or employee of the Agency shall be responsible for any action made, taken, or omitted, by any other Board Member, officer or employee.

17.4. Defense and Insurance. The funds of the Agency shall be used to defend, indemnify, and hold harmless the Agency and any Board Member, officer, or employee of the Agency for actions taken in good faith and within the scope of his or her authority. The Agency shall further hold harmless and indemnify the Members, including their officers and employees, from any claim or liability arising from acts or omissions of the Agency within the scope of this Agreement. Nothing herein shall limit the right of the Agency to purchase insurance or to create a self-insurance mechanism to provide coverage for the foregoing indemnity.

### **Article 18. Withdrawal and Termination**

18.1. Withdrawal. A Member or Associate Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective after the Member has obtained alternative coverage under the Sustainable Groundwater Management Act through another groundwater sustainability agency, and upon sixty (60) days written notice to the Governing Board.

18.2. Involuntary Termination. Upon a determination by the Governing Board that the actions of a Member (i) fail to comply with the terms of this Agreement, or (ii) conflict with or undermine the functioning of the Agency or the preparation and implementation of the GSP, the Governing Board may in its discretion terminate that Member's membership

in the 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. Such an action shall require an affirmative vote pursuant to section 11.3.

18.3. Effect of Withdrawal or Involuntary Termination. To the extent a Member withdraws or is involuntarily terminated from this Agreement and that withdrawal results in a violation of the Act, the remaining Members invoke section 10735.2(e) of the Water Code to ensure any probationary status that results from the withdrawal is limited to the area that is no longer covered by this Agreement. Pursuant to Water Code section 19735.2(e), the remaining Members and the geographic areas managed by these Members will be excluded from any such resulting probationary status.

18.4. Rights 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 Article 18.66, whether occurring before or 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. In such event the Agency and its remaining Members (i) shall not object to or interfere with the lands in the withdrawing or terminated Member's boundaries being in a GSA, as designated by the withdrawing or terminated Member or otherwise, (ii) shall facilitate such transition to the extent reasonably necessary, and (iii) shall withdraw from managing that portion of the Subbasin within the boundaries of the withdrawing or terminating Member and shall so notify the California Department of Water Resources.

18.5. Obligations Upon Withdrawal. Any Member who withdraws shall remain obligated to pay its share of all debts, liabilities, and obligations of the Agency incurred or accrued prior to the effective date of such withdrawal, other than debts, liabilities, and obligations incurred pursuant to any Project Agreement to which the withdrawing Member is not a participant. Any payment that has been made by a withdrawing Member and is not obligated toward a debt or liability will be refunded to the Member upon withdrawal.

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

18.7. Disposition of Agency Assets upon Termination.

18.7.1. 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.

18.7.2. Agency Property. The Agency shall first offer any assets of the Agency for sale to the Members on terms and conditions determined by the Governing Board. 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 Governing Board.

## **Article 19. Miscellaneous**

19.1. Notices. Notices hereunder shall be sufficient if delivered via electronic mail, First-Class mail or facsimile transmission to the addresses following the Party signature blocks hereafter.

19.2. Bylaws. At, or as soon as practicable after the first Governing Board meeting the Governing Board shall draft and approve Bylaws of the Agency to govern day-to-day operations of the Agency.

19.3. Amendment. This Agreement may be amended at any time, by mutual 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.

19.4. 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.

19.5. 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. After the Agreement is executed, each Party shall be delivered an originally executed counterpart with all Party signatures.

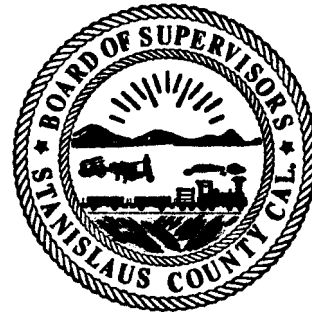
**IN WITNESS WHEREOF**, the Parties hereto execute this Agreement on the last date written beside each Party representative's signature.

**Joint Powers Agreement  
Forming the West Turlock Subbasin Groundwater Sustainability Agency**

**IN WITNESS WHEREOF**, the Parties hereto execute this Agreement on the last date written beside each Party representative's signature.

COUNTY OF STANISLAUS

By: *Vito Chiesa*  
Vito Chiesa  
Chairman of the Board of Supervisors



ATTEST:

By: *Elizabeth A. King*  
Elizabeth A. King  
Clerk of the Board of Supervisors

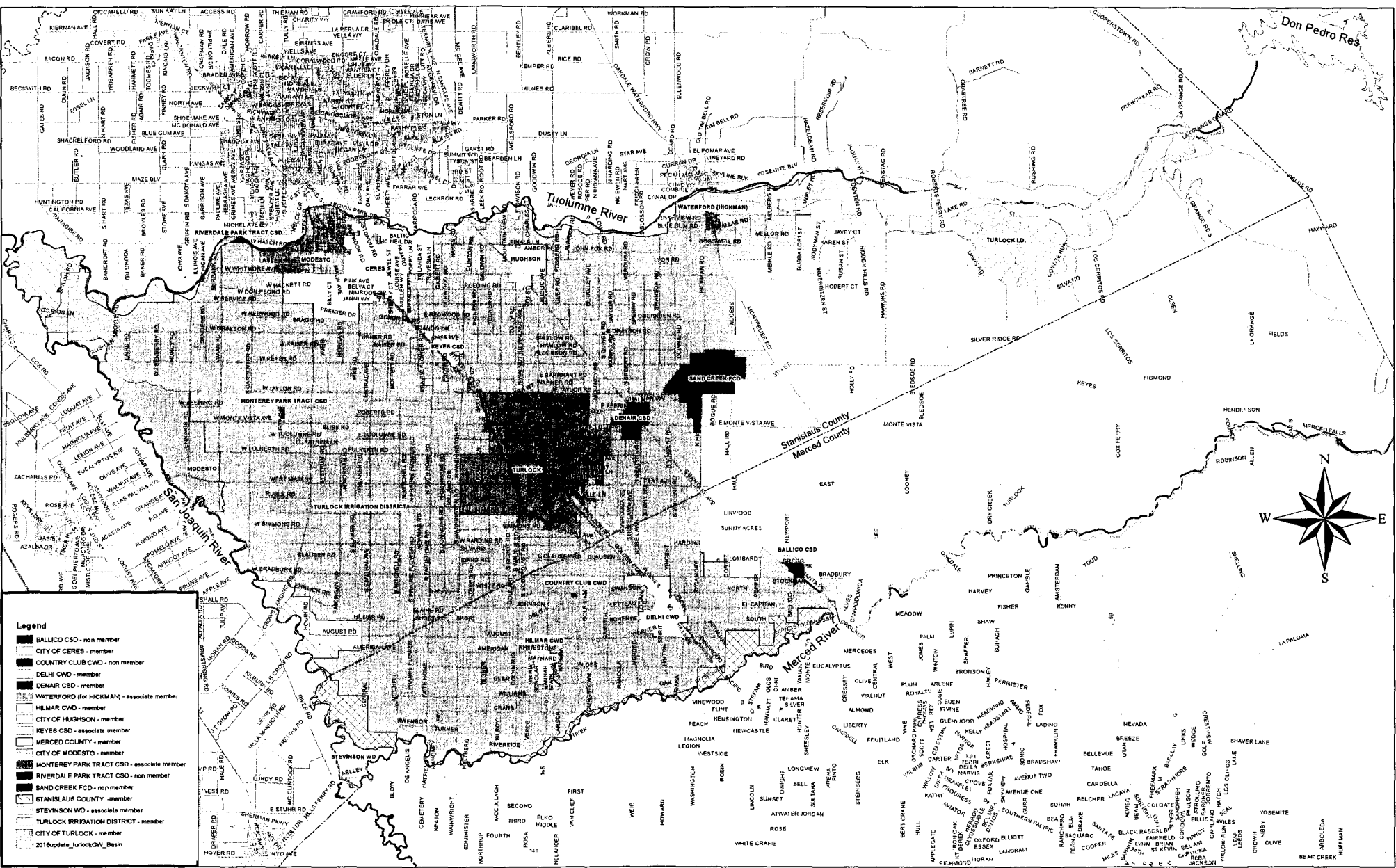
APPROVED AS TO FORM:

By: *Thomas E. Boze*  
Thomas Boze  
Deputy County Counsel  
*Assistant*

## Exhibit A

### Members and Associate Members

<b>Agency Name</b>	<b>Membership Status</b>
City of Ceres	Member
City of Hughson	Member
City of Modesto	Member
City of Turlock	Member
Delhi County Water District	Member
Denair Community Services District	Member
Hilmar County Water District	Member
Merced County	Member
Stanislaus County	Member
Turlock Irrigation District	Member
City of Waterford (for Hickman)	Associate Member
Monterey Park Tract Community Services District	Associate Member
Stevinson Water District	Associate Member
Keyes Community Services District	Associate Member



West Turlock Subbasin Agencies



Exhibit B

## Exhibit C

### Agencies with Authority to Vacate Approval

Agency Name	Membership Status
City of Turlock	Member
Turlock Irrigation District	Member

## Exhibit D

### Proportional Funding of General Operating Budget

Agency	Membership Status	Acreage (Acres)	Acreage Percentage	Production (AF)	Production Percentage	Average Percentage	Percentage with Multiplier for Urban 25%	Funding Percentage
Turlock Irrigation District	Member	164,627	79.30%	126,565	67.45%	73.37%	69.39%	40.15%
City of Turlock	Member	11,014	5.31%	22,804	12.15%	8.73%	10.91%	40.15%
Stanislaus County	Member	8,393	4.04%	13,091	6.98%	5.51%	5.21%	5.21%
City of Ceres	Member	5,925	2.85%	9,612	5.12%	3.99%	4.98%	4.98%
City of Modesto	Member	8,528	4.11%	1,788	0.95%	2.53%	3.16%	3.16%
Merced County	Member	4,936	2.38%	7,805	4.16%	3.27%	3.09%	3.09%
Delhi CWD	Member	1,582	0.76%	1,725	0.92%	0.84%	1.05%	1.05%
City of Hughson	Member	1,134	0.55%	1,479	0.79%	0.67%	0.83%	0.83%
Denair CSD	Member	669	0.32%	1,507	0.80%	0.56%	0.70%	0.70%
Hilmar CWD	Member	791	0.38%	1,280	0.68%	0.53%	0.66%	0.66%
TOTAL:		207,598	100.00%	187,655	100.00%	100.00%	100.00%	100.00%

**Notes:**

- 1) Members have the obligation to fund their proportional share of the general operating budget per the "Funding Percentage"
- 2) Turlock Irrigation District and the City of Turlock have an equal proportional share of the general operating budget per the "Funding Percentage"

City of Waterford for Hickman	Associate	148	0.07%	190	0.10%	0.09%
Keyes CSD	Associate	483	0.23%	1,040	0.55%	0.39%
Stevinson WD	Associate	1,101	0.53%	0		
Monterey Park Tract CSD	Associate	31	0.015%	0		

**Note:**

- 1) Associate Members have no obligation to fund their proportional share of the general operating budget



## Exhibit E

### Annual Membership Fees

Agency Name	Membership Status	Annual Fees
City of Ceres	Member	\$10,000
City of Hughson	Member	\$10,000
City of Modesto	Member	\$10,000
City of Turlock	Member	\$10,000
Delhi County Water District	Member	\$10,000
Denair Community Services District	Member	\$10,000
Hilmar County Water District	Member	\$10,000
Merced County	Member	\$10,000
Stanislaus County	Member	\$10,000
Turlock Irrigation District	Member	\$10,000
City of Waterford for Hickman	Associate Member	\$2,000
Monterey Park Tract Community Services District	Associate Member	\$2,000
Stevinson Water District	Associate Member	\$2,000
Keyes Community Services District	Associate Member	\$2,000

# Attachment 2

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
STATE OF CALIFORNIA

2017-35

Date: January 24, 2017

On motion of Supervisor Withrow Seconded by Supervisor Olsen  
and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

Item # \*B-11

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

**RESOLUTION ADOPTING THE JOINT POWERS AGREEMENT FORMING THE  
WEST TURLOCK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY**

WHEREAS, the Sustainable Groundwater Management Act (SGMA) was signed into law on September 16, 2014 and adopted as California Water Code, section 10720, et. seq.; and

WHEREAS, the purpose of SGMA is to provide sustainable management of groundwater basins and enhance local management of groundwater through empowering local management agencies with authority, technical, and financial assistance necessary to sustainably manage groundwater; and

WHEREAS, SGMA requires high and medium priority basins to be managed by one or more groundwater sustainability agencies and such agency/agencies must be formed by June 30, 2017; and

WHEREAS, Water Code section 10723(a) authorizes any local agency with water or land management authority overlying a basin to become a groundwater sustainability agency for that basin; and

WHEREAS, portions of unincorporated Stanislaus County (County) are located in the Turlock Subbasin as defined in the California Department of Water Resources Bulletin 118 and is considered a high priority basin; and

WHEREAS, the County is a local public agency that is eligible to become a Groundwater Sustainability Agency pursuant to SGMA; and

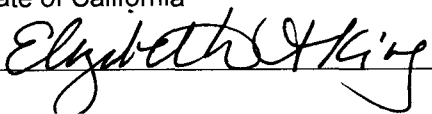
WHEREAS, the County is committed to working with regional partners to sustainably manage groundwater resources; and

WHEREAS, retaining local jurisdiction and control over groundwater management is beneficial to the health, safety, and water supply reliability of the County and its constituents; 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; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF STANISLAUS COUNTY that the Joint Powers Agreement forming the West Turlock Subbasin Groundwater Sustainability Agency is hereby approved and the Board Chairman is hereby authorized and directed to sign and execute said agreement on behalf of the County.

ATTEST: ELIZABETH A. KING, Clerk  
Stanislaus County Board of Supervisors,  
State of California



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**PowerPoints  
for  
Agenda Items  
B-11 and B-12**

**January 24, 2017**

# Stanislaus County Board of Supervisors Meeting

January 24, 2017

## *Action Item B-11*

Approval of the Joint Powers Agreement to Form a Joint Powers Authority that will serve as the West Turlock Subbasin Groundwater Sustainability Agency

# Sustainable Groundwater Management Act (SGMA) Implementation

Effective Date: January 2015

Develop long-term Groundwater Sustainability Plans that include programs, projects and practices that avoid undesirable results in six resource areas:

Land Subsidence

Water Quality Degradation

Seawater Intrusion

Streamflow Capture

Drawdown Interference

Aquifer Storage Depletion

# Groundwater Sustainability Agency (GSA)

Local Control is a cornerstone of the legislation

Public agencies with water and/or land use authority

Memorandum of Understanding/Agreement

Joint Powers Authority/Agency

Other Legal Contract or Legislation

**June 30, 2017** deadline - otherwise face State Water Board enforcement for non-compliance



# GSA Responsibilities

- GSA coverage must be Basin-wide
  - One or more (coordination)
  - No Gaps or Overlaps (basin probation status – State Water Board intervention)
- GSAs must prepare and implement Groundwater Sustainability Plans (GSPs)
  - Sustainable Yield + Measurable Objectives
  - 50 Year Planning Horizon with 20 Year Implementation Period

# Groundwater Sustainability Plan Due Dates

## GSP Deadlines – Basin Category

- Critical Condition of Overdraft

January 31, 2020

- High & Medium Priority Basins

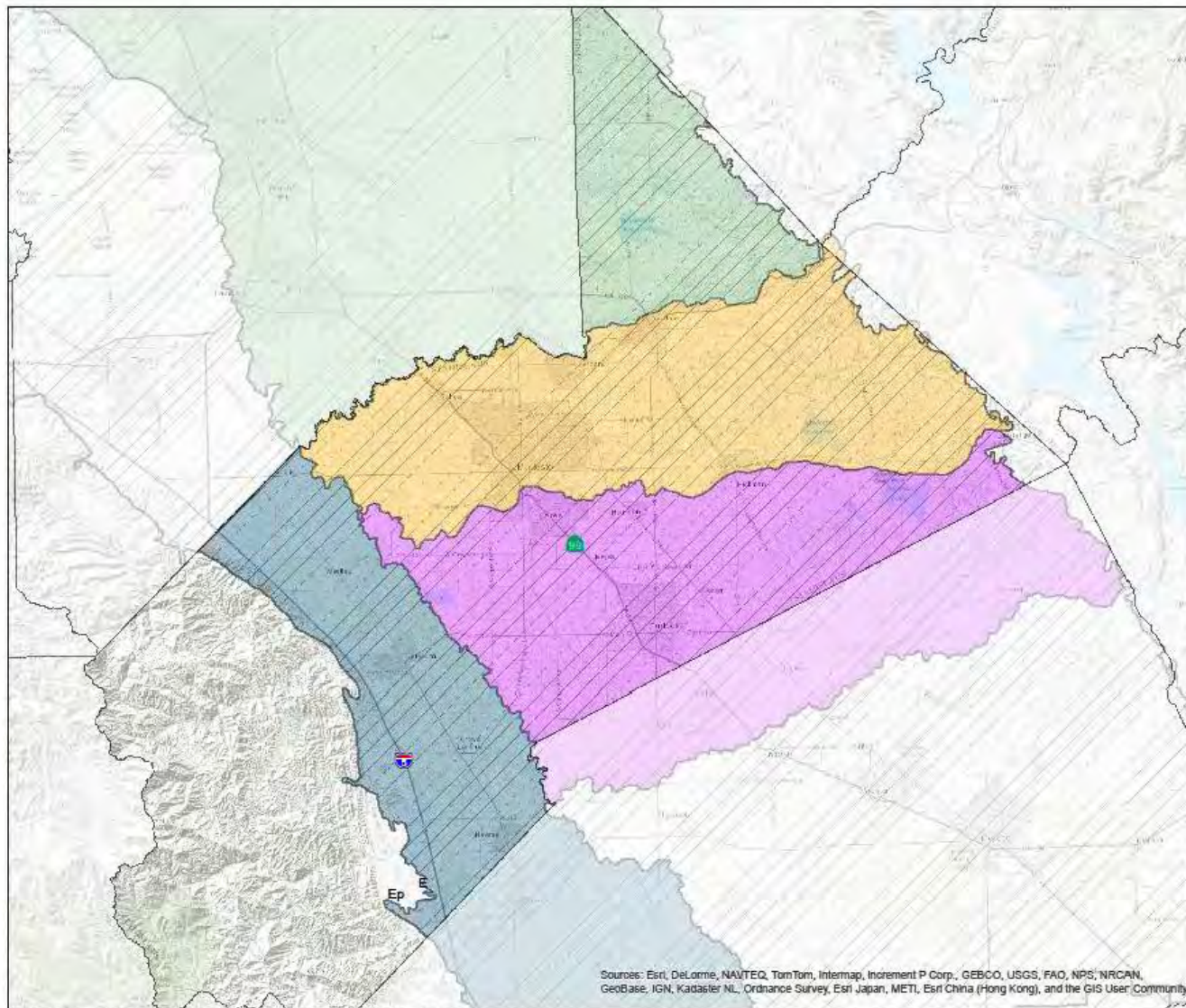
January 31, 2022

Annual reporting of conditions

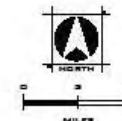
Five Year Updates









**GROUNDWATER BASIN AND SUBBASIN MAP**  
 STANISLAUS COUNTY, CALIFORNIA  
 APRIL 2014



**Groundwater Basin**


 San Joaquin Valley

**Subbasin**

 Eastern San Joaquin

 Modesto

 Turlock

 Delta-Mendota

**County**

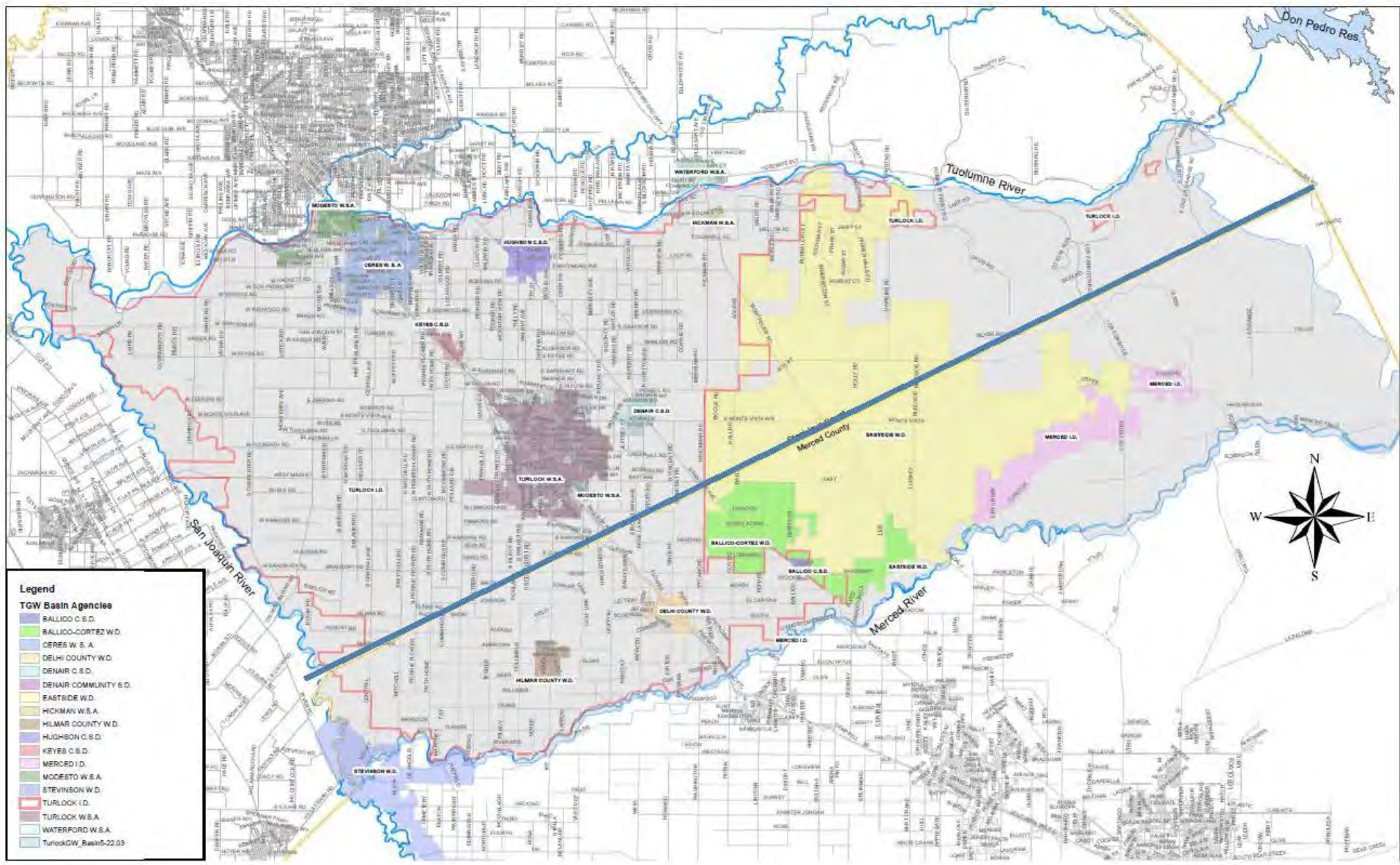
 Stanislaus County

Sources: California Department of Water Resources



Sources: Esri, DeLorme, NAVTEQ, TomTom, Intermap, Increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), and the GIS User Community





- Legend**
- BALBUCE C.S.D.
  - BALBUCE-CORTEZ W.D.
  - CERES W.S.A.
  - DELHI COUNTY W.D.
  - DENAIR C.S.D.
  - DENAIR COMMUNITY S.D.
  - EASTSIDE W.D.
  - HICKMAN W.S.A.
  - HILMAR COUNTY W.D.
  - HUGHSON C.S.D.
  - KEYES C.S.D.
  - MERCED I.D.
  - MOORETO W.S.A.
  - STEVENSON W.D.
  - TURLOCK I.D.
  - TURLOCK W.S.A.
  - WATERFORD W.S.A.
  - TurlockGW\_Basin5-22-03

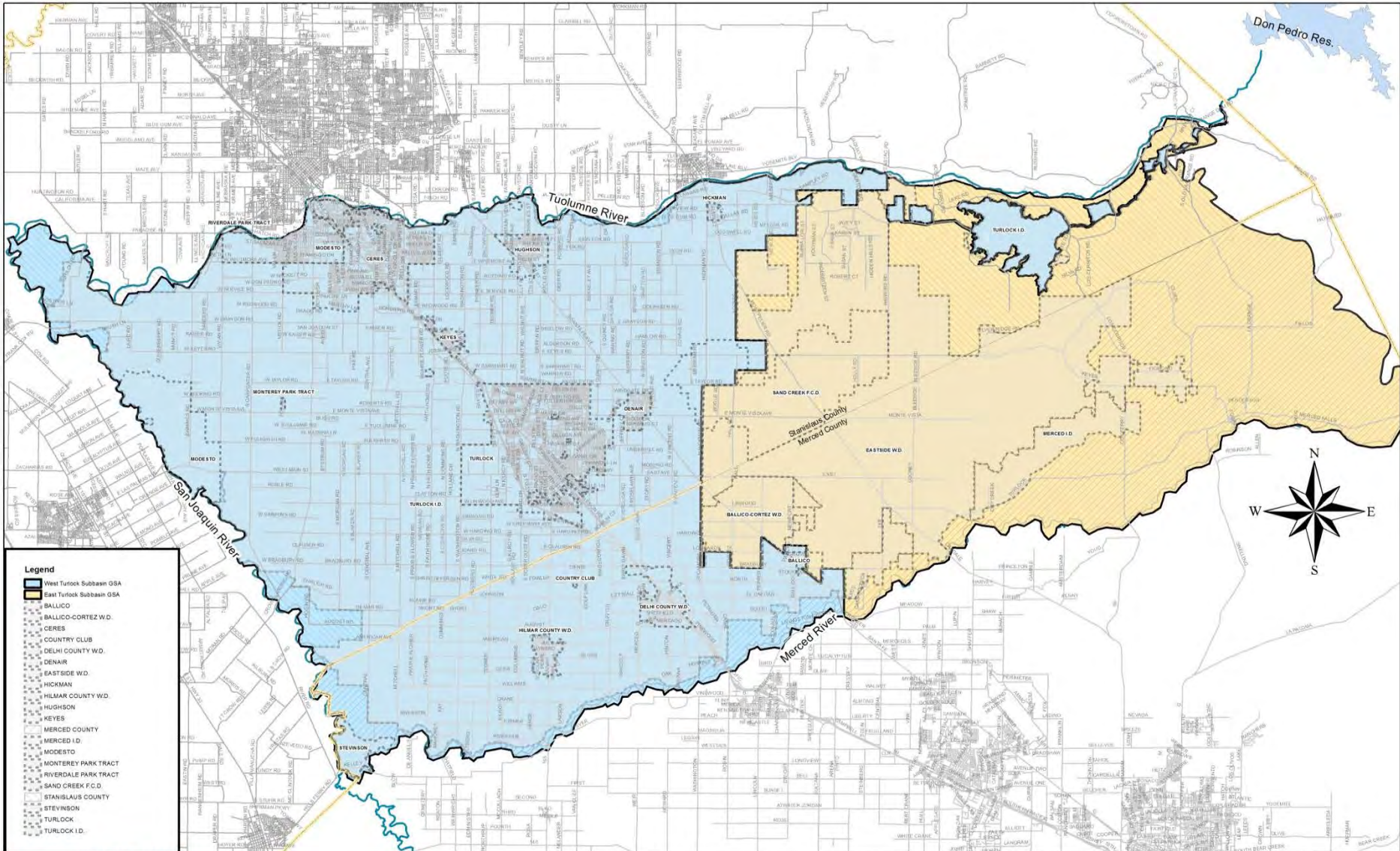


# Turlock Groundwater Basin

Member agencies agreed to create two GSAs to provide full basin coverage:

- West Turlock Subbasin GSA
- East Turlock Subbasin GSA





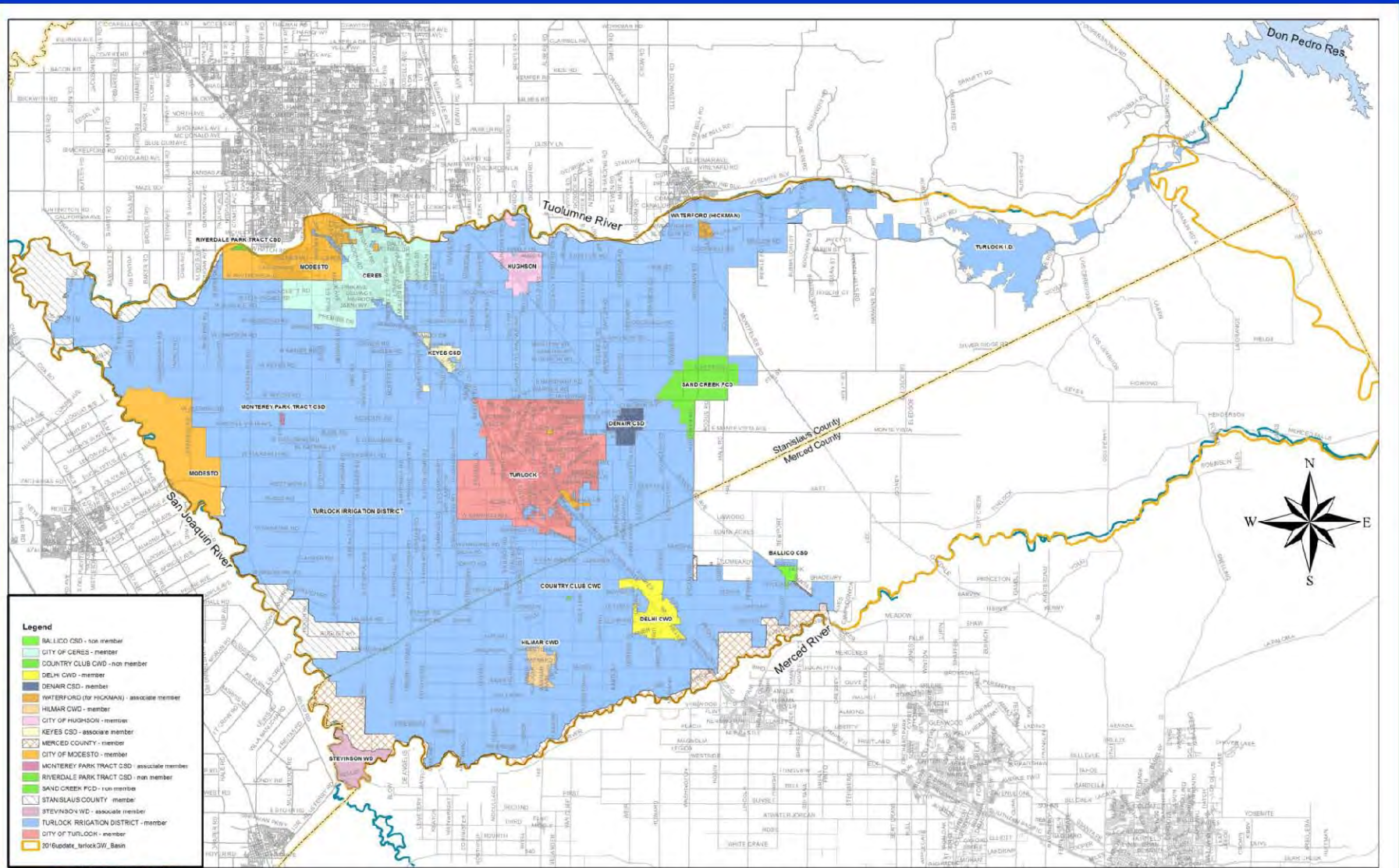
- Legend**
- West Turlock Subbasin GSA
  - East Turlock Subbasin GSA
  - BALLICO
  - BALLICO-CORTEZ W.D.
  - CERES
  - COUNTRY CLUB
  - DELM COUNTY W.D.
  - DENAIR
  - EASTSIDE W.D.
  - HICKMAN
  - HILMAR COUNTY W.D.
  - HUGHSON
  - KEYES
  - MERCED COUNTY
  - MERCED I.D.
  - MODESTO
  - MONTEREY PARK TRACT
  - RIVERDALE PARK TRACT
  - SAND CREEK F.C.D.
  - STANISLAUS COUNTY
  - STEVINSON
  - TURLOCK
  - TURLOCK I.D.

# Turlock Groundwater Basin

Member agencies agreed to create a single integrated Groundwater Sustainability Plan for the entire basin



# West Turlock Subbasin GSA



- Legend**
- BALICO CSD - non member
  - CITY OF CERES - member
  - COUNTRY CLUB CWD - non member
  - DELHI CWD - member
  - DENAIR CSD - member
  - WATERFORD (for HIGHWAY) - associate member
  - HILMAR CWD - member
  - CITY OF HUGHSON - member
  - KEYES CSD - associate member
  - MERCED COUNTY - member
  - CITY OF MOCESTO - member
  - MONTEREY PARK TRACT CSD - associate member
  - RIVERDALE PARK TRACT CSD - non member
  - SAND CREEK PCD - non member
  - STANISLAUS COUNTY - member
  - STEVENSON WD - associate member
  - TURLOCK IRRIGATION DISTRICT - member
  - CITY OF TURLOCK - member
  - 30/Guadalupe/Turlock/W. Basin

West Turlock Subbasin Agencies



Exhibit B



# West Turlock Subbasin GSA

- City of Ceres
- City of Hughson
- City of Waterford
- Keyes CSD
- Delhi CWD
- Stevinson WD
- Stanislaus County
- City of Turlock
- City of Modesto
- Denair CSD
- Monterey Park CSD
- Hilmar CWD
- Turlock ID
- Merced County

# West Turlock Subbasin Groundwater Sustainability Agency (WTS GSA)

- Joint Powers Agency (JPA)
  - Powers, Duties and Authority
  - Membership and Governance
  - Funding (GSP preparation and implementation)
    - Acreage
    - Volume

# Staff Recommendations

- Approval of the Joint Powers Agreement to Form a Joint Powers Authority that will Serve as the West Turlock Subbasin Groundwater Sustainability Agency

# Staff Recommendations (cont'd)

- Authorize the Chairman of the Stanislaus County Board of Supervisors to sign and execute the Agreement on behalf of the County.

## Staff Recommendations (cont'd)

- Appoint the Supervisor from District 2 (currently Vito Chiesa) to serve on the Board of Directors of the WTS GSA and appoint the County Water Resources Manager (currently Walter Ward) as the Alternate Board Member to the WTS GSA.

- **QUESTIONS & DISCUSSION**

# Stanislaus County Board of Supervisors Meeting

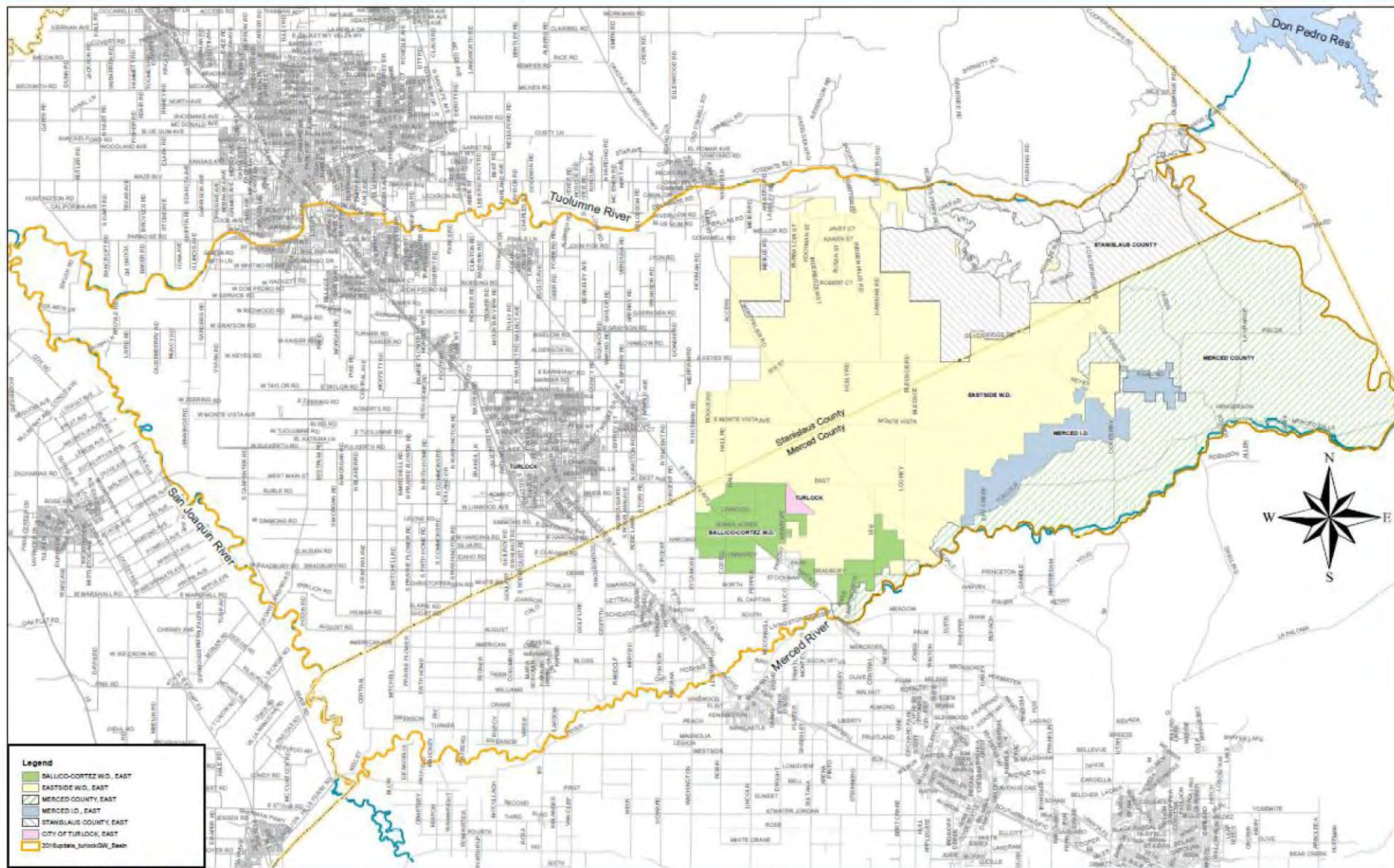
January 24, 2017

## *Action Item B-12*

Approval of the Joint Powers Agreement to Form a Joint Powers Authority that will serve as the East Turlock Subbasin Groundwater Sustainability Agency



# East Turlock Subbasin GSA



# East Turlock Subbasin GSA

- Eastside WD
- Ballico-Cortez WD
- Merced Irrigation District
- City of Turlock
- Merced County
- Stanislaus County

# East Turlock Subbasin Groundwater Sustainability Agency (ETS GSA)

- Joint Powers Agency (JPA)
  - Powers, Duties and Authority
  - Membership and Governance
  - Funding (GSP preparation and implementation)
    - Acreage
    - Volume

# Staff Recommendations

- Approval of the Joint Powers Agreement to Form a Joint Powers Authority that will Serve as the East Turlock Subbasin Groundwater Sustainability Agency

## Staff Recommendations (cont'd)

- Authorize the Chairman of the Stanislaus County Board of Supervisors to sign and execute the Agreement on behalf of the County.

## Staff Recommendations (cont'd)

- Appointing the Supervisor from District 2 (currently Vito Chiesa) to serve on the Board of Directors of the ETS GSA and appoint the County Water Resources Manager (currently Walter Ward) as the Alternate Board Member to the ETS GSA.

- **QUESTIONS & DISCUSSION**