

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

DEPT: Environmental Resources

BOARD AGENDA #: B-12

AGENDA DATE: January 24, 2017

SUBJECT:

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

BOARD ACTION AS FOLLOWS:

No. 2017-36

On motion of Supervisor Olsen, Seconded by Supervisor Withrow
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-5-1

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

DEPT: Environmental Resources
Urgent Routine

BOARD AGENDA #: B-12

AGENDA DATE: January 24, 2017

CEO CONCURRENCE: *pht*

4/5 Vote Required: Yes No

SUBJECT:

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:

1. Approve the Joint Powers Agreement to form a Joint Powers Authority that will serve as the East 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 East Turlock Subbasin Groundwater Sustainability Agency.
4. Appoint the County Water Resources Manager as the Alternate Board Member to the East 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

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

- Turlock
- Northern Delta-Mendota

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. 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 West 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 East Turlock Subbasin are:

Ballico-Cortez Water District
City of Turlock
Eastside Water District
Merced 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 East Turlock Subbasin Groundwater Sustainability Agency (ETS 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 East Turlock Subbasin GSA to develop the JPA to create the ETS GSA. The County will participate as a formal voting member of the new agency. Pursuant to Article 6 of the JPA formation document, the ETS GSA shall be governed by a Governing Board consisting of one (1) 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

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Alternate Board Member. The geographical area of concern regarding the ETS GSA is principally located within Supervisorial District 2. Therefore, staff recommends that the Board 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, in and of itself, to the creation of the East Turlock Subbasin Groundwater Sustainability Agency. However, the ETS 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 this agenda item is 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, Department 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 East Turlock Subbasin Groundwater Sustainability Agency (ETS GSA), including signature page
2. Resolution of Adoption of the JPA forming the ETS GSA

Attachment 1

**East Turlock Subbasin Groundwater Sustainability Agency (ETS GSA)
Joint Powers Agreement**

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

Recitals

WHEREAS, each of the Parties to this Agreement is a local government entity with either water supply, water management, or land use responsibilities within Turlock Subbasin (DWR# 5-22.03) and over and within the boundary of its eastern portion known as the East Turlock Subbasin (ETS); 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 government 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 the East Turlock Subbasin Groundwater Sustainability Agency (ETS GSA) prior to July 1, 2017 within the boundaries provided in Exhibit B; and

WHEREAS, at or following the first meeting of the ETS GSA, this agency will hold a public hearing and 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 pursuant to the Act; and

WHEREAS, this joint powers agency's service area overlies portions of the Turlock Subbasin (DWR# 5-22.03), a CASGEM designated medium 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.

WHEREAS, the Parties will endeavor to develop a basin-wide groundwater sustainability plan (GSP) that is as equitable as possible to all Members, considering the respective Members' impact on groundwater sustainability. Further, all Members are committed to working cooperatively to develop a GSP that is focused on allowing Members to operate and continue providing services while achieving sustainability, to the extent feasible.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, the Parties hereby 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 East Turlock Subbasin Groundwater Sustainability Agency Joint Powers Authority (ETS GSA), which is formed by this Agreement.
- 1.3. "Agreement" means this Joint Powers Agreement, which creates the ETS GSA joint powers agency.
- 1.4. "Associate Members" shall mean all parties named in or added per Article 7 of this Agreement. Associate Members may be governmental or non-governmental entities.
- 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.
- 1.9. "Governing Board" means the governing body of the Agency.
- 1.10. "Board Member" or "Board Members" means members of the Agency's Governing Board.

- 1.11. "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.
- 1.12. "Member" means a public entity, including each of the Parties that satisfies the requirements of Article fourteen (14) (Membership) of this Agreement.
- 1.13. "Special Project" means a project undertaken by some, but not all Members of the Agency.
- 1.14. "State" means the State of California
- 1.15. The "ETS GSA" is the anticipated groundwater sustainability agency to be formed by future action of the Agency upon fulfillment of the requirements set forth in California Water Code section 10723.8.

Article 2. Creation of a Separate Entity

2.1. Upon the effective date of this Agreement, the East Turlock Subbasin Groundwater Sustainability Agency Joint Powers Authority (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 at Eastside Water District, P.O. Box 280, Denair, CA 95316, or at such other place as the Governing Board shall determine.

2.2. The boundaries of the Agency shall be generally described as the land overlying the eastern portion of the Turlock Subbasin. This boundary is also generally described as follows: the west boundary being generally the major north-south boundary of the Turlock Irrigation District; the Tuolumne River being the north boundary; the common Stanislaus County Merced County, Tuolumne County, and Mariposa County as generally the east boundary; and the Merced River being the south boundary. Attached hereto and incorporated herein is Exhibit B, a map showing the boundaries of the Agency.

Article 3. Term

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

Article 4. Purpose of the Agency

4.1. The purpose of this Agreement is to create a joint powers agency separate from its Members that will elect to be the Groundwater Sustainability Agency for the eastern portion of the Turlock Subbasin, as further defined in Article 2, Section 2.2.

4.2. To collaborate with other groundwater sustainability agencies within the Turlock Subbasin to develop, adopt, and implement a single Groundwater Sustainability Plan for the Turlock Subbasin in order to implement the Act's requirements and achieve the sustainably goals as outlined in the Act.

4.3. To involve the public and area stakeholders through outreach and engagement in developing, implementing, monitoring, and administering a single groundwater sustainability plan for the Turlock Subbasin.

4.4. To coordinate and cooperate with other neighboring Groundwater Sustainability Agencies operating in or adjoining to the Turlock Subbasin in order to meet the sustainability requirements outlined in the Act.

Article 5. Powers of the Agency

5.1. Powers. The Agency is hereby authorized, in its own name, to do all acts necessary for carrying out the purposes of this agreement. Upon successfully electing to be a Groundwater Sustainability Agency, the Agency is hereby authorized to exercise the common powers of its members and all additional powers granted to Groundwater Sustainability Agencies in the Act.

5.2. The Agency shall not have the power to bind any Member to any monetary obligation whatsoever by this Agreement other than that authorized by the Members per this Agreement.

5.3. The Agency and all of its Members confirm that nothing contained herein shall grant the Agency any power to alter or impose an obligation of any kind on any water right, contract right, or any similar right held by its Members, or amend or obligate a 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. The Board Members may be directors, officers, appointments, or employees 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 Member and that he or she meets the qualifications established by this section 6.2.

6.3. Alternate Board Member. Each Member may appoint one Alternate Board Member for each Board Member it appoints. Alternate Board Members shall have no vote if the Board Member is present. If the Board Member is not present, the Alternate Board Member appointed by the Member to act in his/her place may cast a vote.

6.4. Removal of Board Members. Board Members and Alternate Board Members serve at the pleasure of their respective Members and may be removed or replaced at any time. Upon removal of a Board Member, the Alternate Board Member shall serve as Board Member until a new Board Member is appointed by the Member. A replacement should be appointed to fill the unexpired term of the previous Board Member within ninety (90) days of the date that such position becomes vacant. Members must submit any changes in Board Member or Alternate Board Member positions to the Secretary in writing and signed by the Member.

6.5. Terms of Office. The term of office for each Member of the Agency's Governing Board is four (4) years. For the purpose of providing staggered terms of office, the term of the initial representatives appointed by Eastside Water District and Ballico-Cortez Water District shall be for a period of two (2) years. The term of office for each representative appointed by all other parties shall be for a period of four (4) years.

Article 7. Associate Members

7.1. Associate Member. The Governing Board may accept associate members to the Agency. Associate Members shall have a specific defined interest in the Act within the boundaries of the ETS GSA acceptable and as determined by the Governing Board. 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 may be eligible to become an Associate Member.

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

7.3. Removal or Addition of Associate Members. The Governing Board may remove any Associate Member or appoint any associate member upon an affirmative vote from three quarters of Board Members.

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 Chairman at meetings should the Chairman be absent.

8.1.3. The Secretary shall be responsible for minutes of all meetings of the Governing Board and assure that a copy of the minutes is provided 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 for two (2) years. An Officer may serve for multiple consecutive terms. Any Officer may resign at any time upon written notice to the Chair.

Article 9. Treasurer, Controller, and Legal Counsel

9.1. Treasurer and Controller. The Agency Governing Board shall appoint one of its members to 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 if Title 1 of the California Government Code.

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 hire an Executive Director who shall be compensated for his or her services, as determined by the Governing Board.

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 such additional full-time and or part-time employees, assistants, and independent contractors that may be necessary from time to time to accomplish the purposes of the Agency, subject to the approval of the Governing Board.

10.4 Staffing Provided by Members. Members may provide Agency staff on a voluntary or reimbursement basis, subject to Governing Board approval.

Article 11. Governing Board Voting

11.1. Quorum. A majority of the Board Members shall constitute a quorum for purposes of transacting business. In the absence of a quorum, any meeting of the Board may be adjourned from time to time 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, approval of extraction limitation for any Member or category of membership, imposition of fees and assessments, and revision of weighted voting proportions, shall require the affirmative vote of at least two-thirds of the voting Members.

11.4. Option for Approval by Weighted Vote. Notwithstanding section 11.2 or 11.3, any Board Member counted as constituting a quorum may demand that approval of any matter be subject to additional approval by weighted voting. Such a demand may be made prior to or after the Board votes on an item. If the demand is made after a vote of the Board pursuant to section 11.2, the demand must be made prior to adjournment of the meeting in which the vote took place. The effect of the demand on the vote is to nullify the Board action and vote, until such time as the action is approved by weighted vote, if ever.

11.5. Weighted Vote. Each Board Member's weighted vote is set forth in Exhibit C. Exhibit C will be reviewed and updated at the end of each calendar year, or when demanded by any voting Member.

11.6. Approval by Weighted Voting. After a demand for weighted voting is invoked, pursuant to section 11.4, action of the Board shall require the affirmative vote of: (1) a majority weighted vote of Board Members voting on the item; AND (2) a majority of Board Member votes that are voting on the item, pursuant to section 11.2 or 11.3.

Article 12. Agency Meetings

12.1. Initial Meeting. The initial meeting of the Agency's Governing Board shall be called by Eastside Water District and held in either Stanislaus or Merced County, California within sixty days of the effective date of this Agreement. A public hearing, pursuant to California Water Code section 10723(b) may be held at this meeting. A draft resolution forming the ETS GSA 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.

12.3. Conduct. All meetings of the Governing 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.

Article 13. Committee Formation

13.1. Internal Committee Formation. There may be established such internal committees as the Governing Board shall determine from time to time. Each such internal committee shall be comprised of representatives of the Members and/or Associate Members, 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 Groundwater Sustainability Plan. 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 the Parties hereto and listed 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 from a majority of Board Members, (d) pays all previously incurred costs that the Governing Board determines have resulted in benefit to 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 from a majority of Board Members, (b) payment of all previously incurred costs that the Governing Board determines have resulted in benefit to the Associate Member and have not yet been paid, and (c) agreement 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, 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 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. Further, to the extent the Project is litigation, the Members who have not entered into the Project Agreement shall not be named or otherwise listed in the pleadings and/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. Members shall pay annual membership fees as set forth in Exhibit E, which may be updated from time to time by the Governing Board at the beginning of the Agency's fiscal year.

16.3. Reserve Funds. Membership annual fees 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 also 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 various 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 Authority 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. 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. The Agency shall further hold harmless and indemnify the Members and Associate 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.

17.4. 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. Nothing herein shall limit the right of the Authority 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 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.

18.2. Effect of 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. Upon withdrawal, a Member agrees that it has a continuing obligation to comply with the Act and shall, if prior to June 30, 2017, and prior to the ETS GSA becoming an exclusive GSA, notify DWR that it shall act as its own GSA or join an alternate GSA that has entered into or will enter into a Coordination Agreement with the Agency in order to avoid an adverse effect upon the continuing Members. Until July 1, 2017, either Merced County or Stanislaus County may also elect to cover the area of the withdrawing Member. If after July 1, 2017, that withdrawing Member shall remain subject to the terms of the GSP that is prepared by the Agency so as to not put the Turlock Subbasin in jeopardy, unless a mutually agreed upon resolution is reached between the ETS GSA, DWR, and the withdrawing Member. This obligation shall survive withdrawal from this Agreement, is for the express benefit of the remaining Members, and is subject to the indemnification provisions of Section 17.2 of this Agreement. A withdrawing Member shall in all events remain liable for its proportionate share of (i) the amount of any fiscal year budget approved prior to the date the withdrawing Member provides its notice of withdrawal; and (ii) any call for funds or assessment levied by the Authority prior to the date the withdrawing Member provides its notice of withdrawal.

18.3. 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.

18.4. Disposition of Agency Assets upon Termination.

18.4.1. 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.

18.4.2. 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 and to thereafter forward other original counterparts on a rotating basis for all signatures. Thereafter, each Party shall be delivered an originally executed counterpart with all Party signatures.

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

Note: The remaining pages of this Agreement consist of five (5) signature pages; one from each of the Members, and five (5) Exhibit pages; one for each of the Exhibits (A through E).

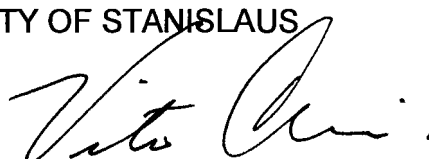
Joint Powers Agreement

Forming the East Turlock Subbasin Groundwater Sustainability Agency

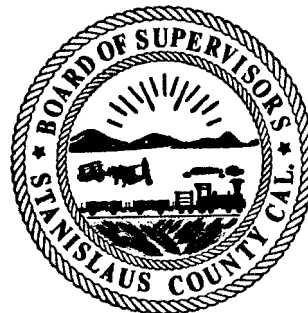
IN WITNESS WHEREOF, the Parties hereto execute this Agreement on the last date written beside each Party representative's signature.

COUNTY OF STANISLAUS

By: _____

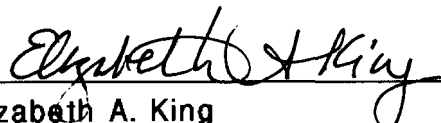


Vito Chiesa
Chairman of the Board of Supervisors



ATTEST:

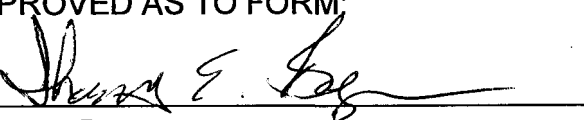
By: _____



Elizabeth A. King
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

By: _____



Thomas Boze
Deputy County Counsel
Assistant

Exhibit A

Members and Proposed Associate Members

| Name | Membership Status |
|-----------------------------------|---------------------------|
| Ballico-Cortez Water District | Member |
| Eastside Water District | Member |
| Merced County | Member |
| Merced Irrigation District | Member |
| Stanislaus County | Member |
| City of Turlock | Proposed Associate Member |
| Eastside Water Quality Coalition | Proposed Associate Member |
| Sand Creek Flood Control District | Proposed Associate Member |

Exhibit B

ETS GSA Boundary Map

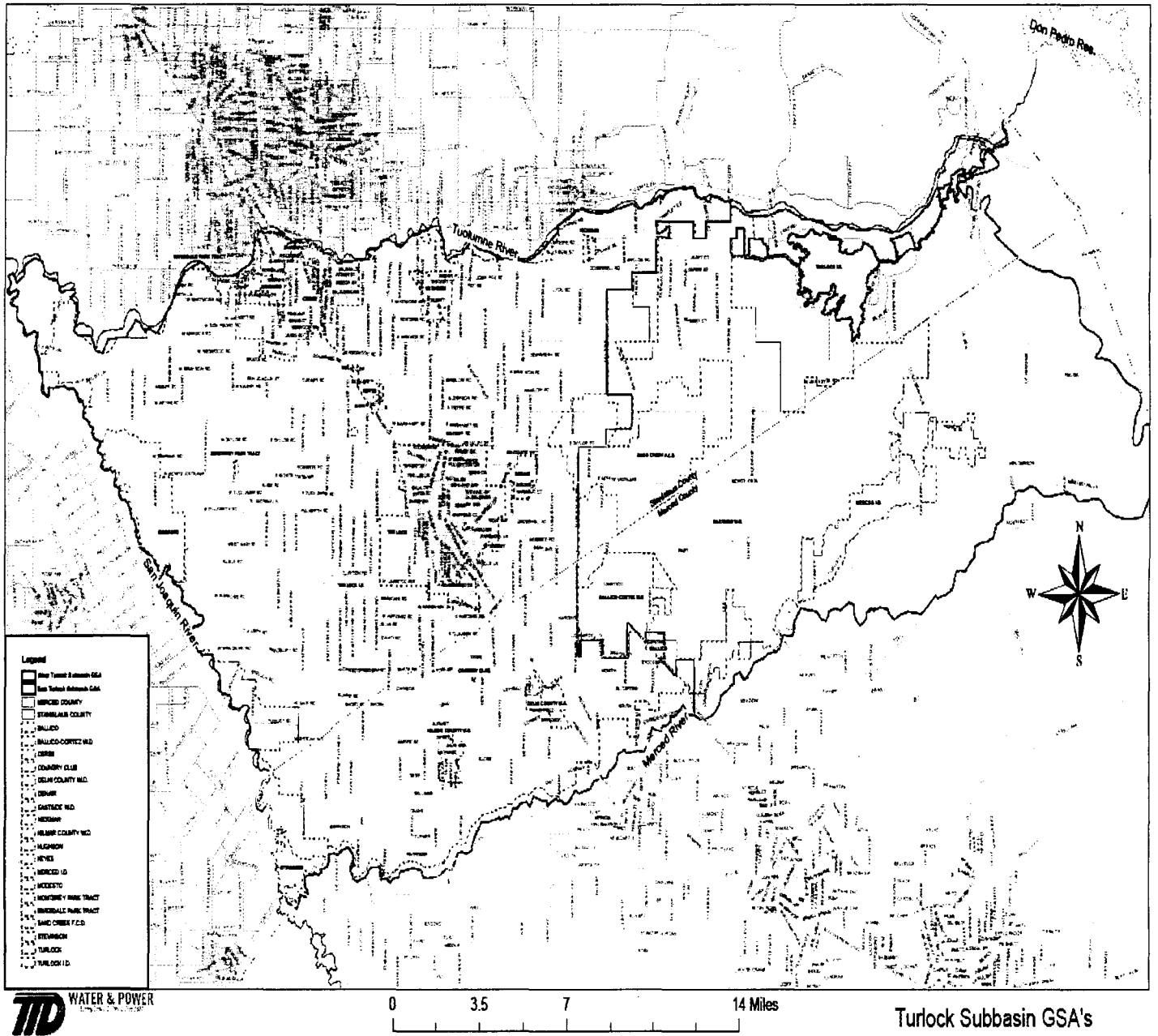


Exhibit C

ETS GSA Initial Proposed Vote Weighting

| East Turlock Subbasin Groundwater Sustainability Agency (ETS GSA) Member | Production Per TGBA Roadmap (12/15/16) | Percentage of ETS GSA Weighted Vote |
|--|--|--|
| Ballico Cortez WD | 20,197 | 6.62 % |
| Eastside WD | 164,696 | 53.95% |
| Merced County | 77,765 | 25.47% |
| Merced ID | 118 | 0.04% |
| Stanislaus County | 45,524 | 13.93% |
| TOTAL | 305,300 | 100% |

Exhibit D

ETS GSA Proportional Funding of General Operating Budget

| Member | Production (AF) | Production Percentage | Funding Percentage |
|-------------------|------------------------|------------------------------|---------------------------|
| Ballico Cortez WD | 20,197 | 6.62% | 6.62% |
| Eastside WD | 164,696 | 53.95% | 53.95% |
| Merced County | 77,765 | 25.47% | 25.47% |
| Merced ID | 118 | 0.04% | 0.04% |
| Stanislaus County | 45,524 | 13.93% | 13.93% |
| TOTAL | 305,300 | 100% | 100% |

Exhibit E

ETS GSA Annual Membership Fees

| Member | Annual Membership Fee (%) | Fee Based on \$25,000 Budget (\$) |
|--------------------------|----------------------------------|--|
| Ballico Cortez WD | 6.62 | 1,422 |
| Eastside WD | 53.95 | 12,242 |
| Merced County | 25.47 | 6,999 |
| Merced ID | 0.04 | 503 |
| Stanislaus County | 13.93 | 3,833 |
| TOTAL | 100 | 25,000 |

Attachment 2

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

2017-36

Date: January 24, 2017

On motion of Supervisor Olsen Seconded by Supervisor Withrow
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-12

THE FOLLOWING RESOLUTION WAS ADOPTED:

**RESOLUTION ADOPTING THE JOINT POWERS AGREEMENT FORMING THE
EAST 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

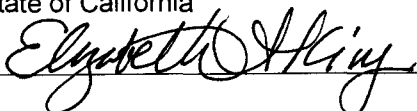
WHEREAS, the County is committed to working with regional partners to sustainably manage groundwater resources; and

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 East 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



**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

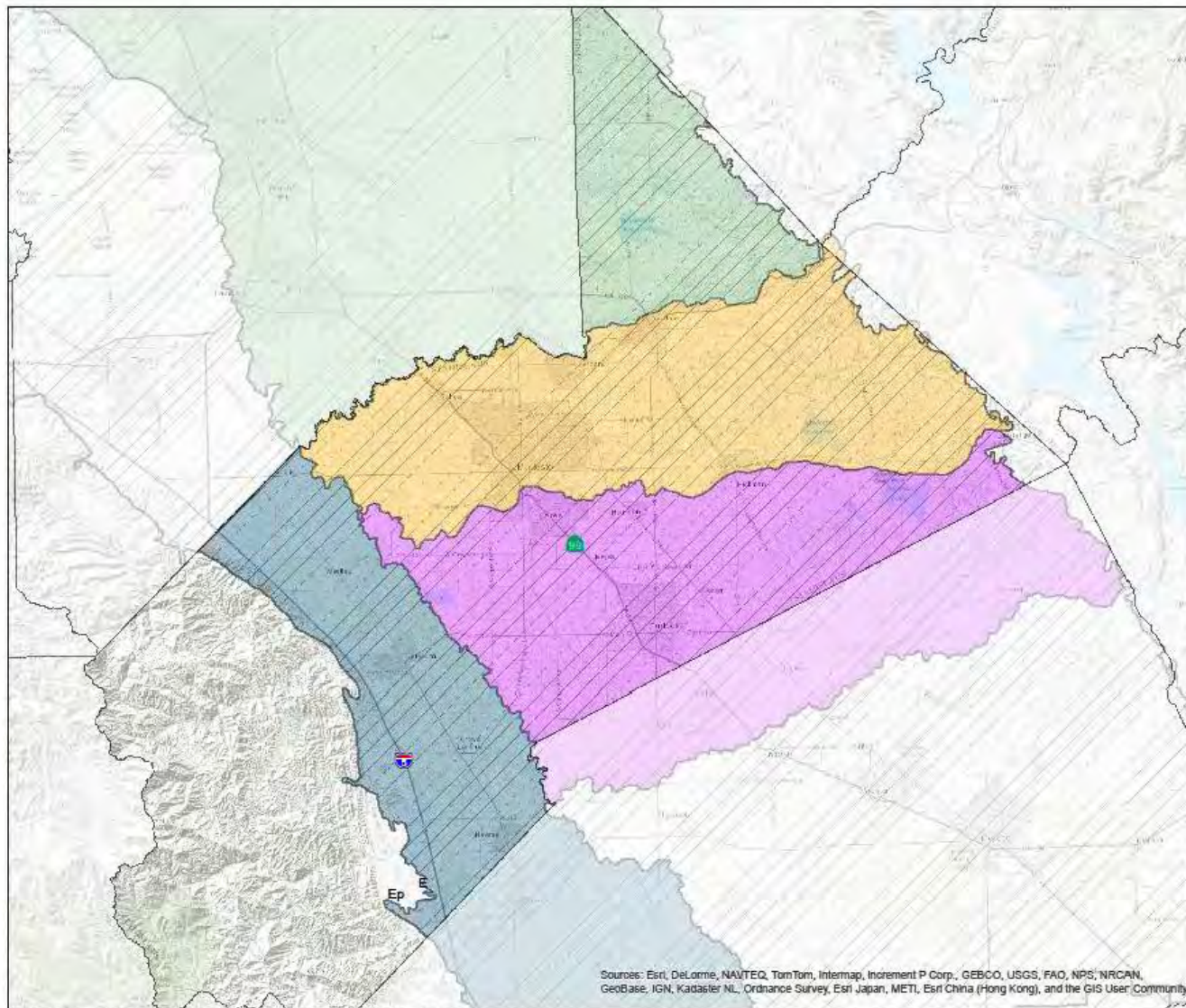
- High & Medium Priority Basins

January 31, 2022

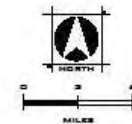
Annual reporting of conditions

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

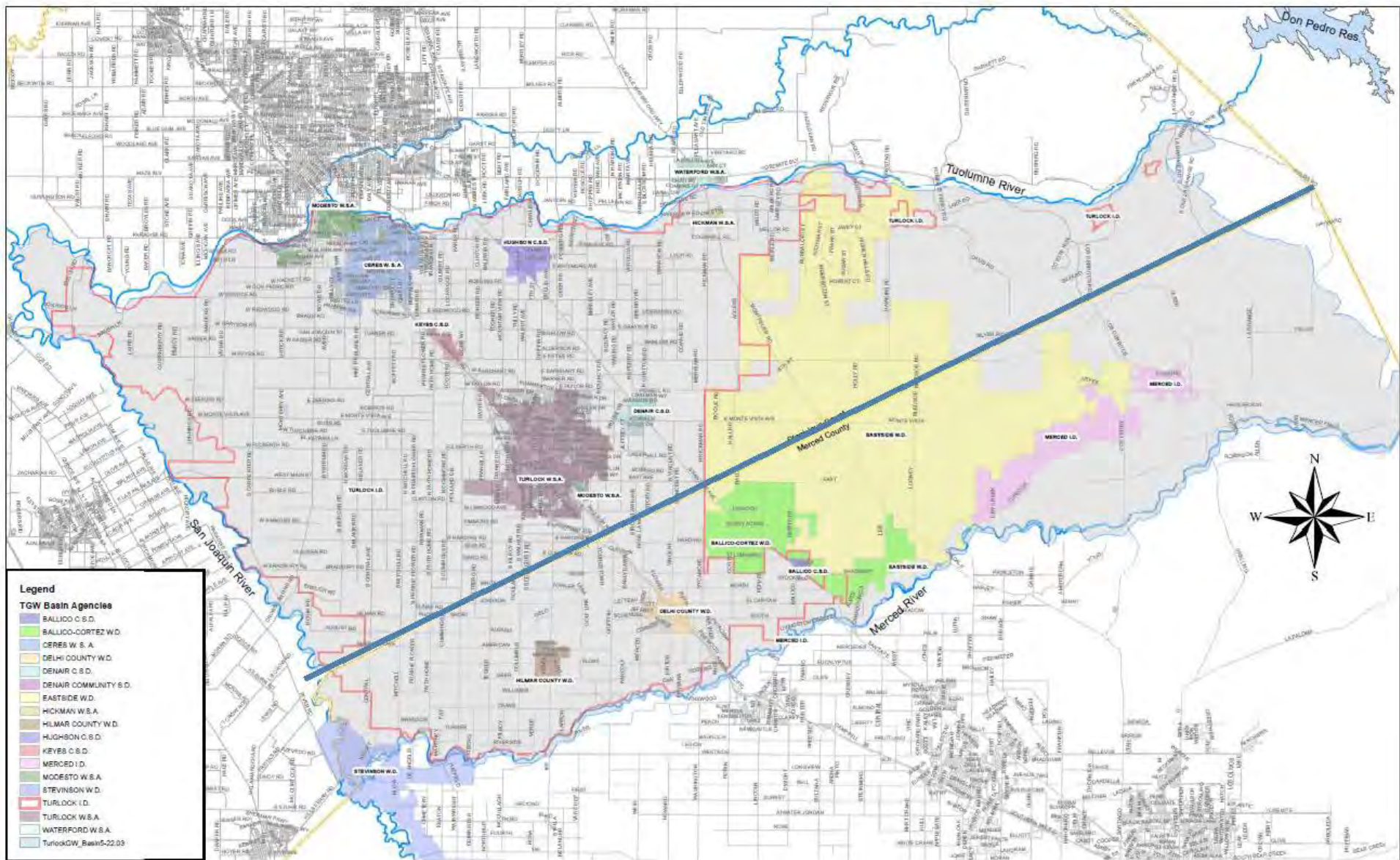
County

 Stanislaus County

Sources: California Department of Water Resources

Sources: Esri, DeLorme, NAVTEQ, TomTom, Intermap, Incent 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

FIGURE

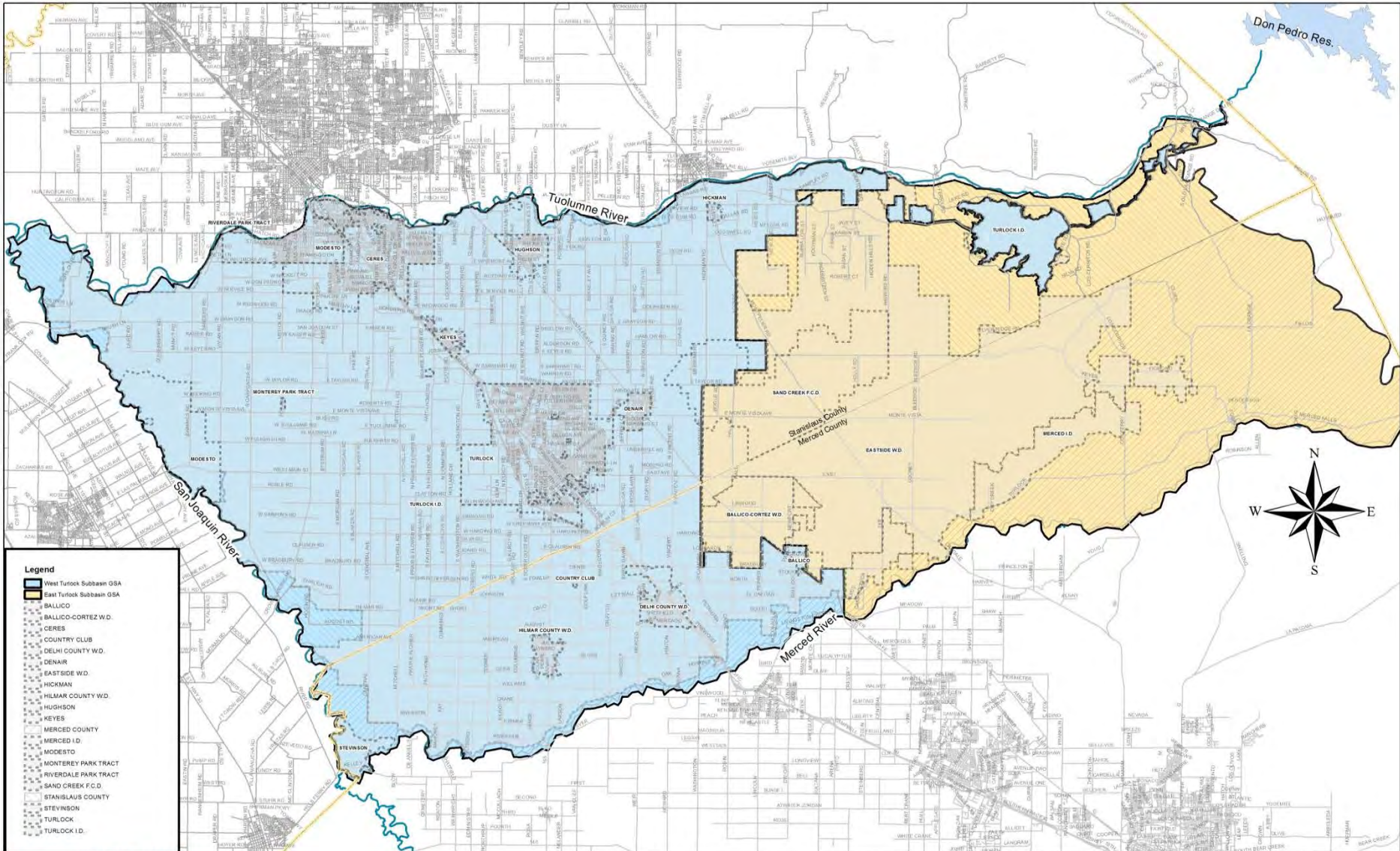


- Legend**
- BALLICO C.S.D.
 - BALLICO-CORTEZ W.D.
 - CERES W.S.A.
 - DELHI COUNTY W.D.
 - DENAIR C.S.D.
 - DENAIR COMMUNITY S.D.
 - EASTSIDE W.D.
 - HICKMAN W.S.A.
 - HILMAR COUNTY W.D.
 - HUGHSON C.S.D.
 - KEYES C.S.D.
 - MERCED I.D.
 - MOESTO W.S.A.
 - STEVINSON W.D.
 - TURLOCK I.D.
 - TURLOCK W.S.A.
 - 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

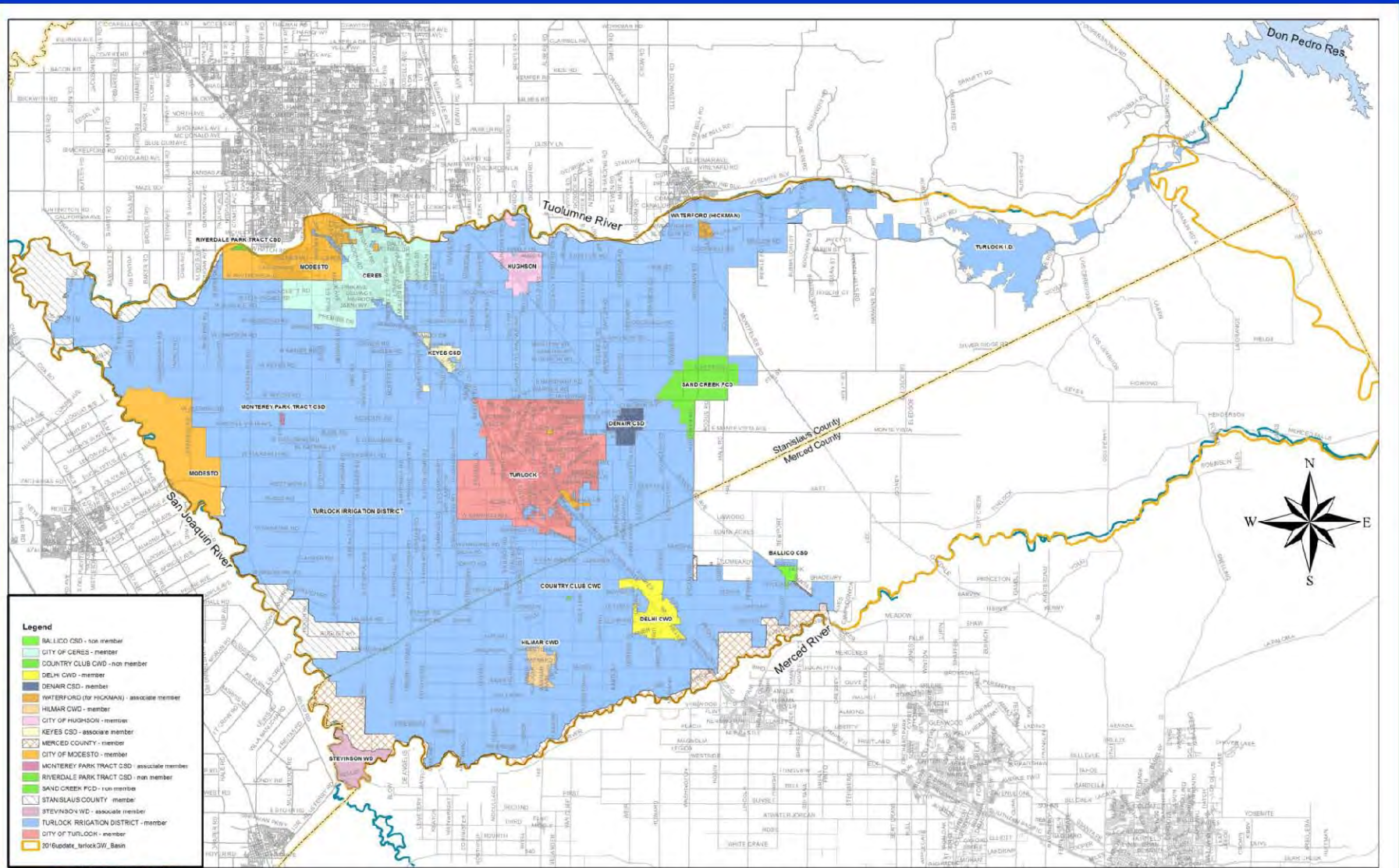


- Legend**
- West Turlock Subbasin GSA
 - East Turlock Subbasin GSA
 - BALLICO
 - BALLICO-CORTEZ W.D.
 - CERES
 - COUNTRY CLUB
 - DELM COUNTY W.D.
 - DENAIR
 - EASTSIDE W.D.
 - HICKMAN
 - HILMAR COUNTY W.D.
 - HUGHSON
 - KEYES
 - MERCED COUNTY
 - MERCED I.D.
 - MODESTO
 - MONTEREY PARK TRACT
 - RIVERDALE 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 MOCASTO - 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**

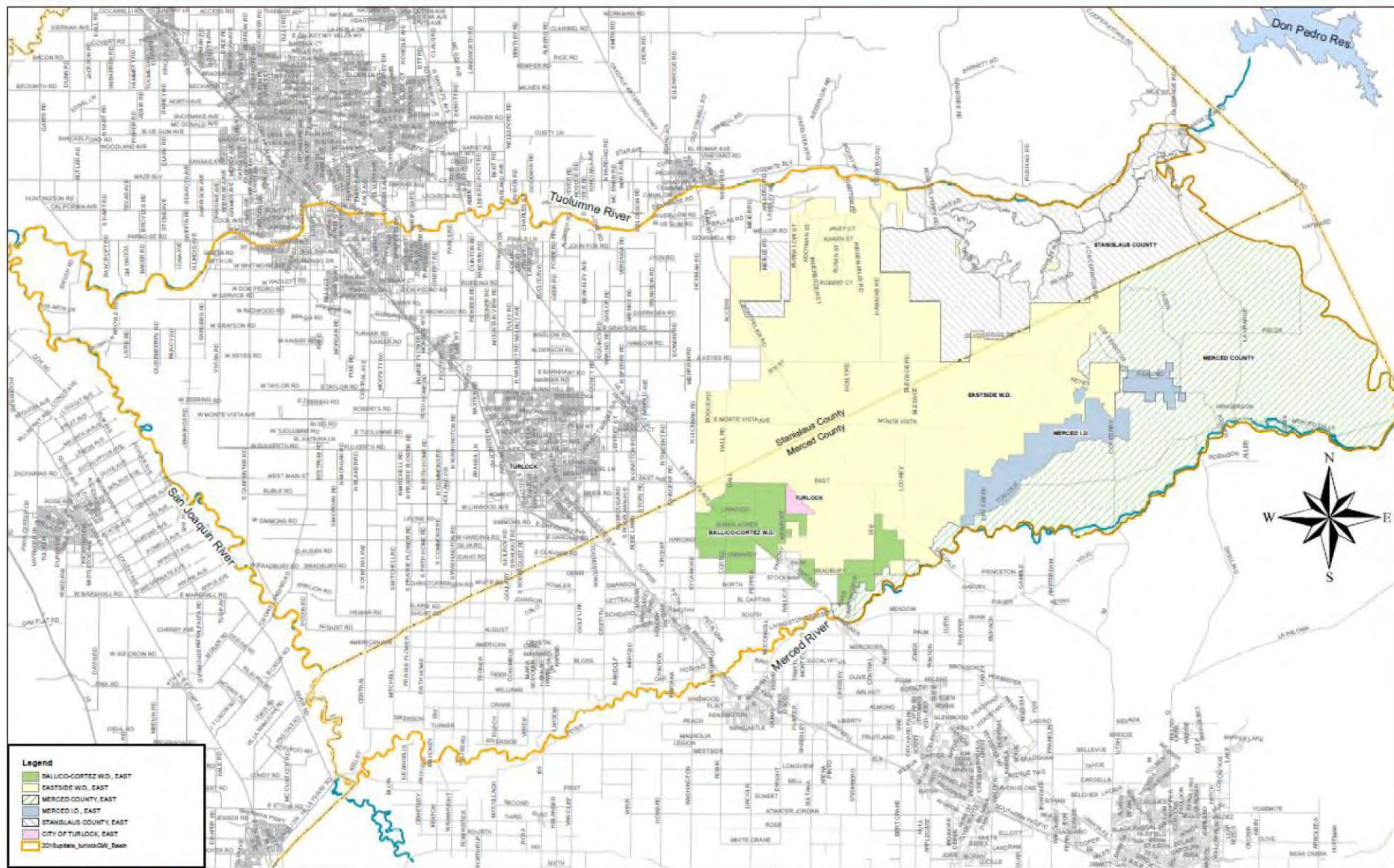
Stanislaus County Board of Supervisors Meeting

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 Agencies

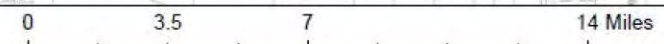


Exhibit C

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**