

**JOINT EXERCISE OF POWERS AGREEMENT
CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY**

This Joint Exercise of Powers Agreement (“Agreement”) is made and entered into as of June 6, 2017 (“Effective Date”), by and between the Cuyama Basin Water District (“CBWD”), the Cuyama Community Services District (“CCSD”), the County of Kern (“Kern”), the County of San Luis Obispo (“San Luis Obispo”), the Santa Barbara County Water Agency (“Santa Barbara”), and the County of Ventura (“Ventura”), also each referred to individually as “Member” and collectively as “Members,” for the purposes of forming a joint powers agency to serve as the groundwater sustainability agency for the Cuyama Valley Groundwater Basin. This joint powers agency shall hereinafter be known as the Cuyama Basin Groundwater Sustainability Agency (“CBGSA” or “GSA”).

RECITALS

A. WHEREAS, the Sustainable Groundwater Management Act of 2014 (“SGMA”), Water Code §§ 10720 *et seq.*, requires the formation of groundwater sustainability agencies to manage medium and high priority basins by June 30, 2017, and the adoption of groundwater sustainability plans (“GSP”) by January 31, 2020 for high and medium priority basins that are subject to conditions of critical overdraft; and

B. WHEREAS, the Cuyama Valley Groundwater Basin (also referred to as the “Cuyama Groundwater Basin”), as identified and defined by the California Department of Water Resources (DWR) in Bulletin 118 (as Basin 3-13), has been designated by DWR as a medium priority basin subject to conditions of critical overdraft; and

C. WHEREAS, all Members to this Agreement are local agencies, as defined in SGMA, located within the Cuyama Groundwater Basin and duly organized and existing under the laws of the State of California; and

D. WHEREAS, pursuant to SGMA, specifically Water Code § 10723.6, and the Joint Exercise of Powers Act, Government Code §§ 6500 *et seq.*, the Members are authorized to create a joint powers agency to jointly exercise any power common to the Members together with such powers as are expressly set forth in the Joint Exercise of Powers Act and in SGMA upon successfully becoming a GSA for the Cuyama Groundwater Basin; and

E. WHEREAS, in accordance with Water Code § 10723(b), all members have held a public hearing regarding entering into this Agreement and complied with the noticing provisions in SGMA; and

F. WHEREAS, the Members desire to create a joint powers authority to sustainably manage the Cuyama Groundwater Basin as required by SGMA.

NOW, THEREFORE, in consideration of the terms, conditions, and covenants

contained herein, the Members hereby agree as follows:

ARTICLE 1 INCORPORATION OF RECITALS

1.1 The foregoing recitals are true and correct and are incorporated herein by reference.

ARTICLE 2 DEFINITIONS

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

2.1 "Agreement" means this Joint Exercise of Powers Agreement forming the Cuyama Basin Groundwater Sustainability Agency over the Cuyama Valley Groundwater Basin.

2.2 "Basin" means the Cuyama Valley Groundwater Basin, also referred to as the Cuyama Groundwater Basin, as identified and defined by DWR in Bulletin 118 (as Basin 3-13) as of the Effective Date or as modified pursuant to Water Code Section 10722.2.

2.3 "Bulletin 118" means DWR's report entitled "California Groundwater: Bulletin 118" updated in 2016, and as it may be subsequently updated or revised in accordance with Water Code § 12924.

2.4 "Board of Directors" or "Board" means the governing body of the GSA as established by Article 7 (Board of Directors) of this Agreement.

2.5 "CBGSA" or "GSA" means the Cuyama Basin Groundwater Sustainability Agency formed as a separate entity through this Agreement.

2.6 "Director(s)" and "Alternate Director(s)" means a director or alternate director appointed by a Member pursuant to Articles 7.2 (Appointment of Directors) and 7.3 (Alternate Directors) of this Agreement.

2.7 "DWR" means the California Department of Water Resources.

2.8 "GSP" means a Groundwater Sustainability Plan, as defined by SGMA in Water Code §§ 10727 *et seq.*

2.9 "Joint Exercise of Powers Act" means Government Code §§ 6500, *et seq.*, as may be amended from time to time.

2.10 "Member(s)" means a local agency eligible under SGMA to be a groundwater sustainability agency and included in Article 6.1 (Members) of this Agreement or any local agency that becomes a new member pursuant to Article 6.2 (New Members) of this Agreement.

2.11 "Officer(s)" means the Chair, Vice Chair, Secretary, Auditor or Treasurer of the GSA to be appointed by the Board of Directors pursuant to Article 9.2 (Appointment of Officers) of this Agreement.

2.12 "SGMA" means the Sustainable Groundwater Management Act, Water Code §§ 10720 *et seq.*, as may be amended from time to time.

2.13 "State" means the State of California.

ARTICLE 3 CREATION OF THE GSA

3.1 Creation of a Joint Powers Agency. There is hereby created pursuant to the Joint Exercise of Powers Act, Government Code §§ 6500 *et seq.*, and SGMA, Water Code §§ 17020 *et seq.*, a joint powers agency, which will be a public entity separate from the Members to this Agreement, and shall be known as the Cuyama Basin Groundwater Sustainability Agency ("CBGSA" or "GSA"). The boundaries of the CBGSA shall be coterminous with the boundaries of the Basin as determined by DWR in Bulletin 118 or as modified by DWR pursuant to Water Code Section 10722.2.

3.2 Notices. Within 30 days after the Effective Date of this Agreement, and after any amendment hereto, Santa Barbara, on behalf of the GSA, or the GSA, shall cause a notice of this Agreement or amendment to be prepared and filed with the office of the California Secretary of State containing the information required by Government Code § 6503.5. Within 30 days after the Effective Date of this Agreement, Santa Barbara, on behalf of the GSA, shall cause a statement of the information concerning the GSA, required by Government Code § 53051, to be filed with the office of the California Secretary of State and with the County Clerk for the County of Santa Barbara, and any other County in which the GSA maintains an office, setting forth the facts required to be stated pursuant to Government Code § 53051(a). Within 30 days after the Effective Date of this Agreement, Santa Barbara, on behalf of the GSA, shall inform DWR of each Parties' decision and intent to undertake sustainable groundwater management within the Basin through the GSA in accordance with Water Code § 10723.8.

3.3 Purpose of the CBGSA. The purpose of the CBGSA is to implement and comply with SGMA in the Cuyama Valley Groundwater Basin by serving as the Basin's groundwater sustainability agency, developing, adopting, and implementing a GSP for the Basin, and sustainably managing the Basin pursuant to SGMA.

ARTICLE 4 TERM

4.1 This Agreement shall become effective on the date on which the last Member listed in Article 6.1 (Members) signs this Agreement ("Effective Date"), after which notices shall be filed in accordance with Article 3.2 (Notices). This Agreement shall remain in effect until terminated pursuant to the provisions of Article 17 (Withdrawal of Members) of this Agreement.

ARTICLE 5 POWERS

5.1 The GSA shall possess the power in its own name to exercise any and all common powers of its Members reasonably necessary for the GSA to implement the purposes of SGMA and for no other purpose, together with such other powers as are expressly set forth in the Joint Exercise of Powers Act and in SGMA subject to the limitations set forth therein.

5.2 SGMA expressly reserves certain powers and authorities to and preserves certain powers and authorities of cities and counties, including, without limitation, the issuance of permits for the construction, modification or abandonment of groundwater wells, land use planning and groundwater management pursuant to city and county police powers in a manner that is not in conflict with the GSP. The Directors representing the counties of San Luis Obispo, Kern and Ventura do not have the ability to authorize the GSA to exercise or infringe upon any such reserved powers and authorities, without the GSA first seeking and receiving authorization by formal action of the Boards of Supervisors. Furthermore, this Agreement shall not be interpreted as limiting or ceding any such reserved or preserved powers and authorities. In addition, to the extent that a Member other than a county independently possesses any of the powers or authorities expressly preserved by SGMA, the GSA does not have the ability or authority to exercise or infringe on such preserved powers and/or authorities of such Member without the GSA first seeking and receiving authorization from such Member's governing board, unless specifically enumerated in this Agreement.

5.3 For purposes of Government Code § 6509, the powers of the GSA shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed on the Cuyama Basin Water District, and in the event of the withdrawal of the Cuyama Basin Water District as a Member under this Agreement, then the manner of exercising the GSA's powers shall be exercised subject to those restrictions imposed on the Cuyama Community Services District.

5.4 As required by Water Code § 10723.2, the GSA shall consider the interests of all beneficial uses and users of groundwater in the Basin, as well as those responsible for implementing the GSP. Additionally, as set forth in Water Code § 10720.5(a), any GSP adopted pursuant to this Agreement shall be consistent with

Section 2 of Article X of the California Constitution. Nothing in this Agreement modifies the rights or priorities to use or store groundwater consistent with Section 2 of Article X of the California Constitution, with the exception that no extraction of groundwater between January 1, 2015 and the date the GSP is adopted may be used as evidence of, or to establish or defend against, any claim of prescription. Likewise, as set forth in Water Code § 10720.5(b), nothing in this Agreement or any GSP adopted pursuant to this Agreement determines or alters surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights.

5.5 The GSA may define within the GSP one or more management areas within the Basin in accordance with 23 CCR § 354.20.

ARTICLE 6 MEMBERSHIP

6.1 Members. The Members of the GSA shall be:

- (a) Cuyama Basin Water District;
- (b) Cuyama Community Services District;
- (c) County of Kern;
- (d) County of San Luis Obispo;
- (e) Santa Barbara County Water Agency; and
- (f) County of Ventura

as long as they have not, pursuant to the provisions hereof, withdrawn from this Agreement.

6.2 New Members. Any local agency, as defined by SGMA, that is not a Member on the Effective Date of this Agreement may become a Member upon all of the following:

- (a) The approval of the Board of Directors as specified in Article 12.3 (Decisions of the Board);
- (b) Amendment of the Agreement in accordance with Article 18.2 (Amendments to Agreement); and
- (c) Payment of a pro rata share of all previously incurred costs that the Board of Directors determines have resulted in benefit to the local agency, and are appropriate for assessment on the local agency.

ARTICLE 7 BOARD OF DIRECTORS

7.1 Formation of the Board of Directors. The GSA shall be governed by a Board of Directors ("Board"). The Board shall consist of eleven (11) Directors consisting of representatives from each of the Members identified in Article 6.1 (Members) as follows:

- (a) Five (5) Directors representing CBWD;
- (b) One (1) Director representing CCSD;
- (c) One (1) Director representing Kern;
- (d) One (1) Director representing San Luis Obispo;
- (e) Two (2) Directors representing Santa Barbara; and
- (f) One (1) Director representing Ventura.

7.2 Appointment of Directors. The Directors shall be appointed by the governing body of the Members as follows:

- (a) The Directors representing CBWD shall be the Directors of CBWD's Board of Directors, provided if the CBWD Board is ever expanded, then CBWD's Board will appoint the five Directors from CBWD's Board representing CBWD by resolution of CBWD's Board.
- (b) The Director representing CCSD shall be appointed by resolution of the CCSD's Board of Directors.
- (c) The Director representing Kern shall be appointed by resolution of Kern's Board of Supervisors.
- (d) The Director representing San Luis Obispo shall be appointed by resolution of San Luis Obispo's Board of Supervisors.
- (e) The Directors representing Santa Barbara shall be appointed by resolution of Santa Barbara's Board of Directors.
- (f) The Director representing Ventura shall be appointed by resolution of Ventura's Board of Supervisors.

Subject to Article 7.2 each Director shall be an elected official or member of management of the Member:

7.3 Alternate Directors. Each Director shall have one Alternate to act as a substitute Director for that Director. All Alternates shall be appointed in the same manner as set forth in Article 7.2 (Appointment of Directors). Alternate Directors shall

not vote or participate in any deliberations of the Board unless appearing as a substitute for a Director due to absence or conflict of interest. If the Director is not present, or if the Director has a conflict of interest which precludes participation by the Director in any decision-making process of the Board, the Alternate Director appointed to act in his/her place shall assume all rights of the Director, and shall have the authority to act in his/her absence, including casting votes on matters before the Board. An Alternate Director shall be an elected official or member of management of the Member.

7.4 Requirements. Each Director and Alternate Director shall be appointed by resolution as noted in Article 7.2 (Appointment of Directors). Directors and Alternate Directors shall serve at the pleasure of the governing body of the Member that appointed him/her. No individual Director may be removed except by the vote of the governing body of the Member that appointed him/her.

7.5 Vacancies. Upon the vacancy of a Director, the Alternate Director shall serve as Director until a new Director is appointed as set forth in Article 7.2 (Appointment of Directors). Members shall submit any changes in Director or Alternate Director positions to the Board or Executive Director by providing a copy of executed resolution.

7.6 Duties of the Board of Directors. The business and affairs of the GSA, and all of its powers, including without limitation all powers set forth in Article 5 (Powers), are reserved to and shall be exercised by and through the Board of Directors, except as may be expressly delegated to the Executive Director or others pursuant to this Agreement, Bylaws, GSP, or by specific action of the Board of Directors.

7.7 Director Compensation. No Director shall be compensated by the GSA for preparation for or attendance at meetings of the Board or meetings of any committee created by the Board. Nothing in this Article is intended to prohibit a Member from compensating its representatives on the Board or on a committee for attending such meetings.

ARTICLE 8 ADVISORY COMMITTEES

8.1 Standing Advisory Committee. A Standing Advisory Committee is hereby established as a group of representatives to advise the GSA, and shall be appointed by the Board.

- (a) Purpose. The Standing Advisory Committee shall advise the Board concerning, where legally appropriate, implementation of SGMA in the Basin and review the GSP before it is approved by the Board.
- (b) Membership. The composition of and appointments to the Standing Advisory Committee shall be determined by the Board.
- (c) Brown Act. All Meetings of the Standing Advisory Committee, including

special meetings, shall be noticed, held, and conducted in accordance with the Ralph M. Brown Act (Government Code §§ 54950 *et seq.*).

- (d) Compensation. No Advisory Committee member shall be compensated by the GSA for preparation for or attendance at meetings of the Board or at any committee created by the Board.

8.2 Additional Advisory Committees. The Board may from time to time appoint one or more additional advisory committees or establish standing or ad hoc committees to assist in carrying out the purposes and objectives of the GSA. The Board shall determine the purpose and need for such committees and the necessary qualifications for individuals appointed to them. No committee member shall be compensated by the GSA for preparation for or attendance at meetings of the Board or at any committee created by the Board.

ARTICLE 9 OFFICERS

9.1 Officers. Officers of the GSA shall be a Chair, Vice Chair, Secretary, Auditor and Treasurer. Additional officers may be appointed by the Board as it deems necessary.

- (a) Chair. The Chair shall preside at all meetings of the Board of Directors.
- (b) Vice Chair. The Vice Chair shall exercise all powers of the Chair in the Chair's absence or inability to act.
- (c) Secretary. The Secretary shall keep minutes of the Board of Director meetings.
- (d) Auditor and Treasurer. The Treasurer and Auditor shall perform such duties and responsibilities specified in Government Code §§ 6505.5 and 6505.6.

9.2 Appointment of Officers. Officers shall be elected annually by, and serve at the pleasure of, the Board of Directors. Officers shall be elected at the first Board meeting, and thereafter at the first Board meeting following January 1st of each year. A Director appointed by Santa Barbara shall be designated as the Chair Pro Tem to preside at the initial meeting of the Board until a Chair is elected by the Board. An Officer may serve for multiple consecutive terms, with no term limit. Any Officer may resign at any time upon written notice to the Board, and may be removed and replaced by the Board. Notwithstanding the foregoing, the Treasurer and Auditor shall be appointed in the manner specified in Government Code §§ 6505.5 and 6505.6. Until such time as the Board determines otherwise, the GSA's Treasurer shall be the Treasurer of Santa Barbara.

9.3 Principal Office. The principal office of the GSA shall be established by the Board of Directors, and may thereafter be changed by the Board.

ARTICLE 10 EXECUTIVE DIRECTOR

10.1 Appointment. The Board may appoint an Executive Director or other designated manager ("Executive Director") of the GSA, who may, but need not be, an officer, employee, or representative of one of the Members.

10.2 Compensation. The Executive Director's compensation shall be determined by the Board.

10.3 Duties. The Executive Director shall serve at the pleasure of the Board and shall be responsible to the Board for the property and efficient administration of the GSA. The Executive Director shall have the powers designated by the Board, or otherwise as set forth in the Bylaws.

10.4 Termination. The Executive Director shall serve until he/she resigns or the Board terminates his/her appointment.

ARTICLE 11 GSA DIRECTOR MEETINGS

11.1 Initial Meeting. The initial meeting of the GSA Board of Directors shall be called by Santa Barbara and held within the boundaries of the Basin, within sixty (60) days of the Effective Date of this Agreement.

11.2 Time and Place. The Board of Directors shall meet at least quarterly, at a date, time and place set by the Board within the Basin, and at such other times as may be determined by the Board. Meetings may be held via teleconferencing to the extent allowed by law and teleconferenced meetings shall be conducted in accordance with the Ralph M. Brown Act (Government Code §§ 54950 *et seq.*).

11.3 Special Meetings. Special meetings of the Board of Directors may be called by the Chair or by a simple majority of Directors, in accordance with the Ralph M. Brown Act (Government Code §§ 54950 *et seq.*).

11.4 Conduct. All meetings of the Board of Directors, including special meetings, shall be noticed, held, and conducted in accordance with the Ralph M. Brown Act (Government Code §§ 54950 *et seq.*).

11.5 Local Conflict of Interest Code. The Board of Directors shall adopt a local conflict of interest code pursuant to the provisions of the Political Reform Act of 1974 (Government Code §§ 81000 *et seq.*).

ARTICLE 12 VOTING

12.1 Quorum. A quorum of any meeting of the Board of Directors shall consist of a majority of the Directors. In the absence of a quorum, any meeting of the Directors may be adjourned by a vote of the simple majority of Directors present, but no other business may be transacted.

12.2 Director Votes. Voting by the Board of Directors shall be made on the basis of one vote for each Director weighted as follows:

- (a) Directors representing CBWD- each Director's vote shall be weighted by 6.7%;
- (b) Director representing CCSD- Director's vote shall be weighted by 11.1%;
- (c) Director representing Kern- Director's vote shall be weighted by 11.1%;
- (d) Director representing San Luis Obispo- Director's vote shall be weighted by 11.1%;
- (e) Directors representing Santa Barbara- each Director's vote shall be weighted by 11.1%; and
- (f) Director representing Ventura- Director's vote shall be weighted by 11.1%.

A Director, or an Alternate Director when acting in the absence of his/her Director, may vote on all matters of GSA business unless disqualified.

12.3 Decisions of the Board.

- (a) Majority Approval. Except as otherwise specified in this Agreement, all decisions of the Board of Directors shall require the affirmative vote of more than 50% of the weighted vote total in accordance with Article 12.2, provided that if a Director is disqualified from voting on a matter before the Board because of a conflict of interest and no Alternate Director is present in the Director's place or if the Alternate Director is also disqualified because of a conflict of interest, that Director shall be excluded from the calculation of the total number of Directors that constitute a majority.
- (b) Supermajority Approval. Notwithstanding the foregoing, a 75% of the weighted vote total in accordance with Article 12.2 shall be

required to approve any of the following: (i) the annual budget; (ii) the GSP for the Basin and any substantive amendment thereto; (iii) any stipulation to resolve litigation; (iv) addition of new Members pursuant to Article 6.2 (New Members); (v) establishment and levying any fee, charge or assessment; (vi) adoption or amendment of Bylaws; or (vii) selection of consultant to prepare the GSP.

ARTICLE 13 BYLAWS

13.1 The Board of Directors may approve and amend, as needed, bylaws for the GSA.

ARTICLE 14 ACCOUNTING PRACTICES

14.1 General. The Board of Directors shall establish and maintain such funds and accounts as may be required by generally accepted public agency accounting practices. The GSA shall maintain strict accountability of all funds and a report of all receipts and disbursements of the GSA. The GSA shall hire an independent auditor to audit its funds and accounts as required by law.

14.2 Fiscal Year. Unless the Board of Directors decides otherwise, the fiscal year for the GSA shall run from July 1st to June 30th.

14.3 Records. The books and records of the GSA shall be open to inspection by the Members.

ARTICLE 15 BUDGET AND EXPENSES

15.1 Budget. The Board of Directors shall adopt an annual budget for the GSA.

15.2 GSA Funding and Contributions.

- (a) For the purpose of funding the expenses and ongoing operations of the GSA, the Board of Directors shall maintain a funding account in connection with the annual budget process.
- (b) The GSA shall pursue and apply for grants and/or loans to fund a portion of the cost of developing and implementing the GSP as the Board shall direct.
- (c) The Board of Directors may fund the GSA and the GSP as provided

in SGMA at Water Code § 10730 *et seq.*, from voluntary Member contributions, and/or from any other means allowable by law.

15.3 Return of Contributions. In accordance with Government Code § 6512.1, repayment or return to the Members of all or any part of any contributions made by Members and any revenues by the GSA may be directed by the Board of Directors at such time and upon such terms as the Board of Directors may decide; provided that (1) any return of contributions shall be made in proportion to the contributions paid by each Member to the GSA, and (2) any capital contribution paid by a Member voluntarily, and without obligation to make such capital contribution pursuant to Article 15.2 (GSA Funding and Contributions), shall be returned to the contributing Member, together with accrued interest at the annual rate published as the yield of the Local Agency Investment Fund administered by the California State Treasurer, before any other return of contributions to the Members is made. The GSA shall hold title to all funds and property acquired by the GSA during the term of this Agreement.

15.4 Issuance of Indebtedness. The GSA may issue bonds, notes or other forms of indebtedness, provided such issuance is approved at a meeting of the Board of Directors by 100% of the weighted vote total in accordance with Article 12.2.

ARTICLE 16 LIABILITIES

16.1 Liability. In accordance with Government Code § 6507, the debts, liabilities and obligations of the GSA shall be the debts, liabilities and obligations of the GSA alone, and not the Members.

16.2 Indemnity. The GSA, and those persons, agencies and instrumentalities used by it to perform the function authorized herein, whether by contract, employment or otherwise shall be exclusively liable for any injuries, costs, claims, liabilities, damages or whatever kind arising from or related to activities of the GSA. The GSA agrees to indemnify, defend and hold harmless each Member, their respective governing boards, officers, officials, representatives, agents and employees from and against any and all claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, damages, judgments, expenses or costs, including but not limited to attorney's fees, and/or liabilities arising out of or attributable to the GSA or this Agreement ("Claims").

Funds of the GSA may be used to defend, indemnify, and hold harmless the GSA, each Member, each Director and Alternate Director, and any officers, officials, agents or employees of the GSA for their actions taken within the course and scope of their duties while acting on behalf of the GSA against any such Claims.

The Members do not intend hereby to be obligated either jointly or severally for the debts, liabilities, obligations or Claims of the GSA, except as may be specifically provided for in Government Code § 895.2. Provided, however, if any Member(s) of the GSA are, under such applicable law, held liable for the acts or omissions of the GSA, such parties shall be entitled to contribution from the other Members so that after said contributions each Member shall bear an equal share of such liability.

16.3 Insurance. The GSA shall procure appropriate policies of insurance providing coverage to the GSA and its Directors, officers and employees for general liability, errors and omissions, property, workers compensation, and any other coverage the Board deems appropriate. Such policies shall name the Members as additional insureds.

ARTICLE 17 WITHDRAWAL OF MEMBERS

17.1 Unilateral Withdrawal. Any Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective upon sixty (60) days written notice to the Executive Director and all other Members.

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

17.3 Effect of Withdrawal or Termination. Upon termination of this Agreement or unilateral withdrawal, a Member shall remain obligated to pay its share of all liabilities and obligations of the GSA required of the Member pursuant to terms of this Agreement, but only to the extent that the liabilities and obligations were incurred or accrued prior to the effective date of such termination or withdrawal and are the individual Member's liabilities and obligations as opposed to the GSA's obligation and liabilities in accordance with Article 16. Any Member who withdraws from the GSA shall have no right to participate in the business and affairs of the GSA or to exercise any rights of a Member under this Agreement or the Joint Exercise of Powers Act, and shall not share in distributions from the GSA. Notwithstanding the foregoing, nothing contained in this Article 17.3 shall be construed as prohibiting a Member that has withdrawn from the GSA to become a separate groundwater sustainability agency within its jurisdiction.

17.4 Return of Contribution. Upon termination of this Agreement, where there will be a successor public entity which will carry on the functions of the GSA and assume its assets, the assets of the GSA shall be transferred to the successor public entity. If there is no successor public entity which will carry on the functions of the GSA, then any surplus money on-hand shall be returned to the Members in proportion to their contributions made. The Board of Directors shall first offer any property, works, rights and interests of the GSA for sale to the Members on terms and conditions determined by the Board of Directors. If no such sale to Members is consummated, the Board of

Directors shall offer the property, works, rights, and interest of the GSA for sale to any non-member for good and adequate consideration. The net proceeds from any sale shall be distributed among the Members in proportion to their contributions made.

ARTICLE 18 MISCELLANEOUS PROVISIONS

18.1 Notices. Notices to a Member shall be sufficient if delivered to the clerk or secretary of the respective Member's governing board and addressed to the Member at the address noted on the signature page or at such other address or to such other person that the Member may designate in accordance with this Article. Delivery may be accomplished by personal delivery or with postage prepaid by first class mail, registered or certified mail or express courier.

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

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

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

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

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

18.7 Binding on Successors. This Agreement shall inure to the benefit of, and be binding upon, the successors of the Members.

18.8 Dispute Resolution. In the event that any dispute arises among the Members relating to this Agreement, the Members shall attempt in good faith to resolve the controversy through informal means. If the Members cannot agree upon a resolution of the controversy, the dispute may be submitted to mediation prior to commencement

of any legal action, if agreed to by all Members. The mediation shall be no more than a full day (unless agreed otherwise among the Members) and the cost of mediation shall be paid in equal proportion among the Members.

18.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and together shall constitute one and the same instrument.

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

18.11 Member Authorization. The governing bodies of the Members have each authorized execution of this Agreement and all signatories to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities stated herein and on behalf of the Members.

18.12 No Third Party Beneficiary. Except as expressly set forth herein, this Agreement is not intended to benefit any person or entity not a party hereto.

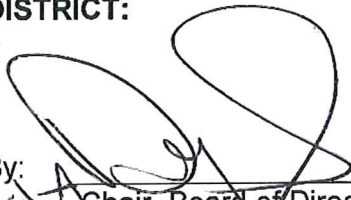
IN WITNESS WHEREOF, the Members have executed this Agreement to be effective on the date executed by the last Member as noted on Page 1.

ATTEST:
Clerk of the District

By: 
~~Deputy Clerk~~ Secretary

Address:

CUYAMA BASIN WATER DISTRICT:

By: 
President, Board of Directors
Date: 5/22/10

ATTEST:
Clerk of the Board

By: _____

CUYAMA COMMUNITY SERVICE DISTRICT:

By: _____

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ATTEST:
Clerk of the District

**CUYAMA BASIN WATER
DISTRICT:**

By: _____
Deputy Clerk

By: _____
Chair, Board of Directors

Address:

Date: _____

ATTEST:
Clerk of the Board

**CUYAMA COMMUNITY SERVICE
DISTRICT:**

By:  _____

By:  _____

Deputy Clerk

Chair, Board of Directors

Date: May 23, 2017

Address:
4853 Primero Street
PO Box 368
New Cuyama, CA 93254

ATTEST:
Clerk of the Board

COUNTY OF KERN:

By: _____
Secretary

By: _____
Chair, Board of Supervisors

Date: _____

Address:

ATTEST:
Clerk of the Board

COUNTY OF SAN LUIS OBISPO:

By: _____
Deputy Clerk

By: _____
Chair, Board of Supervisors

Date: _____

Address:

**APPROVED AS TO LEGAL FORM
AND EFFECT**
Rita L. Neal
County Counsel

By: _____
Deputy County Counsel

APPROVED AS TO FORM

Office of County Counsel

COUNTY OF KERN:

Kern County

By: *[Signature]*

ATTEST:

Clerk of the Board

By:

[Signature]
Deputy Clerk

Address:

By:

[Signature]
Chair, Board of Supervisors

Date:

MAY 09 2017

ATTEST:

Clerk of the Board

COUNTY OF SAN LUIS OBISPO:

By:

Deputy Clerk

Address:

By:

Chair, Board of Supervisors

Date:

APPROVED AS TO LEGAL FORM
AND EFFECT


Rita L. Neal
County Counsel

By:

Deputy County Counsel

ATTEST:

Mona Miyasato
County Executive Officer
Clerk of the Board, Ex Officio Clerk of
the Santa Barbara County Water Agency

By: 
Deputy Clerk

Address:


**SANTA BARBARA COUNTY
WATER AGENCY:**

By: 
Joan Hartmann, Chair
Board of Directors

Date: 5/9/17

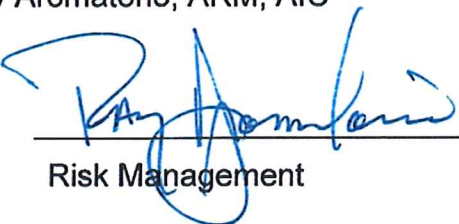
RECOMMENDED FOR APPROVAL:

Santa Barbara County Water Agency

By: 
Scott D. McGolpin
Public Works Director

APPROVED AS TO FORM:

Risk Management
Ray Aromatorio, ARM, AIC

By: 
Risk Management

APPROVED AS TO FORM:

Michael C. Ghizzoni
County Counsel

By: 
Deputy County Counsel

**APPROVED AS TO ACCOUNTING
FORM:**

Theodore A. Fallati, CPA
Auditor-Controller

By: 
Deputy

ATTEST:
Clerk of the Board

COUNTY OF KERN:

By: _____
Secretary

By: _____
Chair, Board of Supervisors

Date: _____

Address:

ATTEST: TOMMY GONG
Clerk of the Board

COUNTY OF SAN LUIS OBISPO:

By: Sandy Curran
Deputy Clerk

By: [Signature]
Chair, Board of Supervisors

Date: May 23, 2017

Address:

**APPROVED AS TO LEGAL FORM
AND EFFECT**
Rita L. Neal
County Counsel

By: [Signature] 5-2-2017
Deputy County Counsel



NOTICE OF EXEMPTION

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING
976 OSOS STREET • ROOM 200 • SAN LUIS OBISPO • CALIFORNIA 93408 • (805)781-5600

Project Title and No.: Formation of the Cuyama Basin Groundwater Sustainability Agency, ED16-287

Project Location (Specific address [use APN or description when no situs available]): Cuyama Valley Groundwater Basin, as defined by DWR Bulletin 118 boundary

Project Applicant/Phone No./Email:
San Luis Obispo County Public Works Department
(805) 781-5252 /

Applicant Address (Street, City, State, Zip):
County Government Center, Room 206
San Luis Obispo, CA 93408

Description of Nature, Purpose and Beneficiaries of Project

The Sustainable Groundwater Management Act (California Water Code Section 10720 et seq.), requires the formation of new groundwater sustainability agencies (GSAs), and development and implementation of groundwater sustainability plans (GSPs) over all high and medium priority basins, as designated by the State. The County of San Luis Obispo, the County of Ventura, the County of Kern, the Santa Barbara County Water Agency, the Cuyama Basin Water District, and Cuyama Community Services District propose to collectively become the GSA over the basin.

Name of Public Agency Approving Project: County of San Luis Obispo

Exempt Status: (Check One)

- Ministerial {Sec. 21080(b)(1); 15268}
- Declared Emergency {Sec. 21080(b)(3); 15269(a)}
- Emergency Project {Sec. 21080(b)(4); 15269(b)(c)}
- Categorical Exemption. {Sec. ____; Class: ____ }
- Statutory Exemption {Sec. ____}
- General Rule Exemption. {Sec. 15061(b)(3)}
- Not a Project _____

Reasons why project is exempt: The action to become the GSA is exempt from CEQA under the "general rule" that CEQA only applies to projects with the potential for significant effects on the environment. The only foreseeable impact of the action is that the GSA may prepare and adopt a GSP. Pursuant to Water Code Section 10728.6, preparation and adoption of a GSP is exempt from CEQA. Should the GSA prepare and adopt a GSP, any projects identified therein (it is uncertain what, if any, projects will be identified) and undertaken pursuant thereto would require project-specific analysis under CEQA.

Katie Drexhage, kdrexhage@co.slo.ca.us

(805)781-5252

Lead Agency Contact Person

Telephone

If filed by applicant:

1. Attach certified document of exemption finding
2. Has a notice of exemption been filed by the public agency approving the project? Yes No

Signature: Ellen Carroll Date: 5.2.17

Name: Ellen Carroll, elcarroll@co.slo.ca.us Title: Environmental Coordinator

On _____ the project was Approved by:

- Board of Supervisors
- Subdivision Review Board
- Other exempt _____
- Planning Commission
- Planning Dept Hearing Officer

IN THE BOARD OF SUPERVISORS

County of San Luis Obispo, State of California

Tuesday, May 23, 2017

PRESENT: Supervisors Bruce S. Gibson, Adam Hill, Lynn Compton, Debbie Arnold, and
Chairperson John Peschong

ABSENT: None

RESOLUTION NO. 2017-145

**RESOLUTION APPROVING THE JOINT EXERCISE OF POWERS AGREEMENT CRI
AGENCY (JPA) TO SERVE AS THE CUYAMA BASIN GROUNDWATER SUSTA
APPOINTING THE DIRECTOR AND ALTERNATE DIRECTOR REPR
THE COUNTY OF SAN LUIS OBISPO TO THE JPA BOARD OF DIRECTORS,
AND FINDING THAT THE PROJECT IS EXEMPT FROM SECTION 21000 ET SEQ.
OF THE CALIFORNIA PUBLIC RESOURCES CODE (CEQA)**

only 5 of
23 were
in the
document

The following Resolution is hereby offered and read:

WHEREAS, in 2014, the California Legislature adopted, and the Governor signed into law, three bills (SB 1168, AB 1739, and SB 1319) collectively referred to as the Sustainable Groundwater Management Act (SGMA) (Water Code §§ 10720 *et seq.*), that became effective on January 1, 2015, and that have been subsequently amended; and

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

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

WHEREAS, SGMA requires that a local agency or a collection of agencies through a joint powers agreement or memorandum of agreement decide to become a single GSA or that multiple local agencies decide to each become a GSA for all medium and high priority basins on or before June 30, 2017 and that the GSA or GSAs for basins DWR has designated as "subject to critical conditions of overdraft" develop a GSP or coordinated GSPs on or before January 31, 2020; and

WHEREAS, the Cuyama Valley Groundwater Basin (Basin) has been designated by DWR as a medium priority basin subject to critical conditions of overdraft; and

WHEREAS, the County of San Luis Obispo, the Santa Barbara County Water Agency, the County of Ventura, the County of Kern, the Cuyama Basin Water District, and the Cuyama Community Services District are each a "local agency" within the Basin as defined in Water Code Section 10721(n), and thus are eligible to collectively form a GSA for the Basin through a joint powers agreement under the authority of Water Code Section 10723.6(a) (collectively, Local Agencies or Members); and

WHEREAS, the Local Agencies have determined that management of the Basin will best be achieved through the creation of a joint powers agency (JPA) to serve as the GSA for the Basin pursuant to the terms and conditions set forth in the Joint Exercise of Powers Agreement attached hereto as Exhibit A and incorporated herein (Joint Powers Agreement); and

WHEREAS, Article 3.1 of the Joint Powers Agreement provides that the JPA is a public entity separate from the Members and shall be known as the Cuyama Basin Groundwater Sustainability Agency; and

WHEREAS, Article 7.1 of the Joint Powers Agreement provides that the JPA shall be governed by a board of eleven (11) directors (JPA Board) comprised of representatives from each of the six (6) Members; and

WHEREAS, Article 7.2 of the Joint Powers Agreement provides that the directors and alternate directors representing each Member shall be appointed by the governing body of the Member with the exception that all five (5) Cuyama Basin Water District Board members shall serve as directors on the JPA Board; and

WHEREAS, the Members are committed to the sustainable management of groundwater within the Basin and intend to consider the interests of all beneficial users and uses of groundwater within the Basin through establishment of an advisory committee as more specifically set forth in Article 8 of the Joint Powers Agreement; and

WHEREAS, Article 5.2 of the Joint Powers Agreement acknowledges that SGMA expressly reserves certain powers and authorities to and preserves certain powers and authorities of cities and counties, including, without limitation, the issuance of permits for the construction, modification or abandonment of groundwater wells, land use planning and groundwater management pursuant to city and county police powers in a manner that is not in conflict with the GSP; and

WHEREAS, the County of San Luis Obispo published a notice of public hearing consistent with the requirements contained within Water Code Section 10723(b); and

WHEREAS, the Board of Supervisors conducted such a public hearing on May 23, 2017.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California, that:

- Section 1: The foregoing recitals are true and correct and are incorporated herein by reference.
- Section 2: The County of San Luis Obispo hereby decides to participate in and jointly form the JPA known as the Cuyama Basin Groundwater Sustainability Agency, the boundaries of which are depicted in Exhibit B attached hereto and incorporated herein, to serve as the GSA for the Basin by approving and authorizing the Chairperson of the Board of Supervisors to execute the Joint Powers Agreement.
- Section 3: The Director of Public Works of the County of San Luis Obispo, or designee, is hereby authorized and directed to submit notice of adoption of this Resolution in addition to all other information required by SGMA, including but not limited to, all information required by Water Code Section 10723.8, to the Santa Barbara County Water Agency in accordance with Article 3.2 of the Joint Powers Agreement and/or to DWR, and to support the JPA's development and maintenance of an interested persons list as described in Water Code Section 10723.4 and a list of interested parties as described in Water Code Section 10723.8(a)(4).
- Section 4: The Director of Public Works of the County of San Luis Obispo, or designee, is hereby authorized to take such other and further actions as may be necessary to administer the County of San Luis Obispo's participation in the Joint Powers Agreement as set forth therein.
- Section 5: The Board of Supervisors finds that the adoption of this Resolution is exempt from the requirements of the California Environmental Quality Act (Public Resources Code §§ 21000 et seq.) (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines.
- Section 6: The Environmental Coordinator of the County of San Luis Obispo is hereby directed to file a Notice of Exemption in accordance with the provisions of CEQA.
- Section 7: The Board of Supervisors hereby appoints the District 4 Supervisor, Lynn Compton, as the director and the District 5 Supervisor, Debbie Arnold, as the alternate director to represent the County on the JPA Board.

Upon motion of Supervisor Compton, seconded by Supervisor Arnold, and on the following roll call vote, to wit:

AYES: Supervisor Compton, Arnold, Gibson, Hill and Chairperson Peschong
NOES: None
ABSENT: None
ABSTAINING: None

the foregoing Resolution is hereby adopted on the 23rd day of May, 2017.

John Peschong
Chairperson of the Board of Supervisors

ATTEST:

TOMMY GONG
Clerk of the Board of Supervisors

By: Annette Ramirez
Deputy Clerk

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: /s/ Erica Stuckey
Deputy County Counsel

Dated: May 10, 2017

L:\Water Resources\2017\May\BOS\Cuyama Basin GSA Formation\Cuyama GSA rsl per eas.docxCB.mj

STATE OF CALIFORNIA,)
) ss.
COUNTY OF SAN LUIS OBISPO)

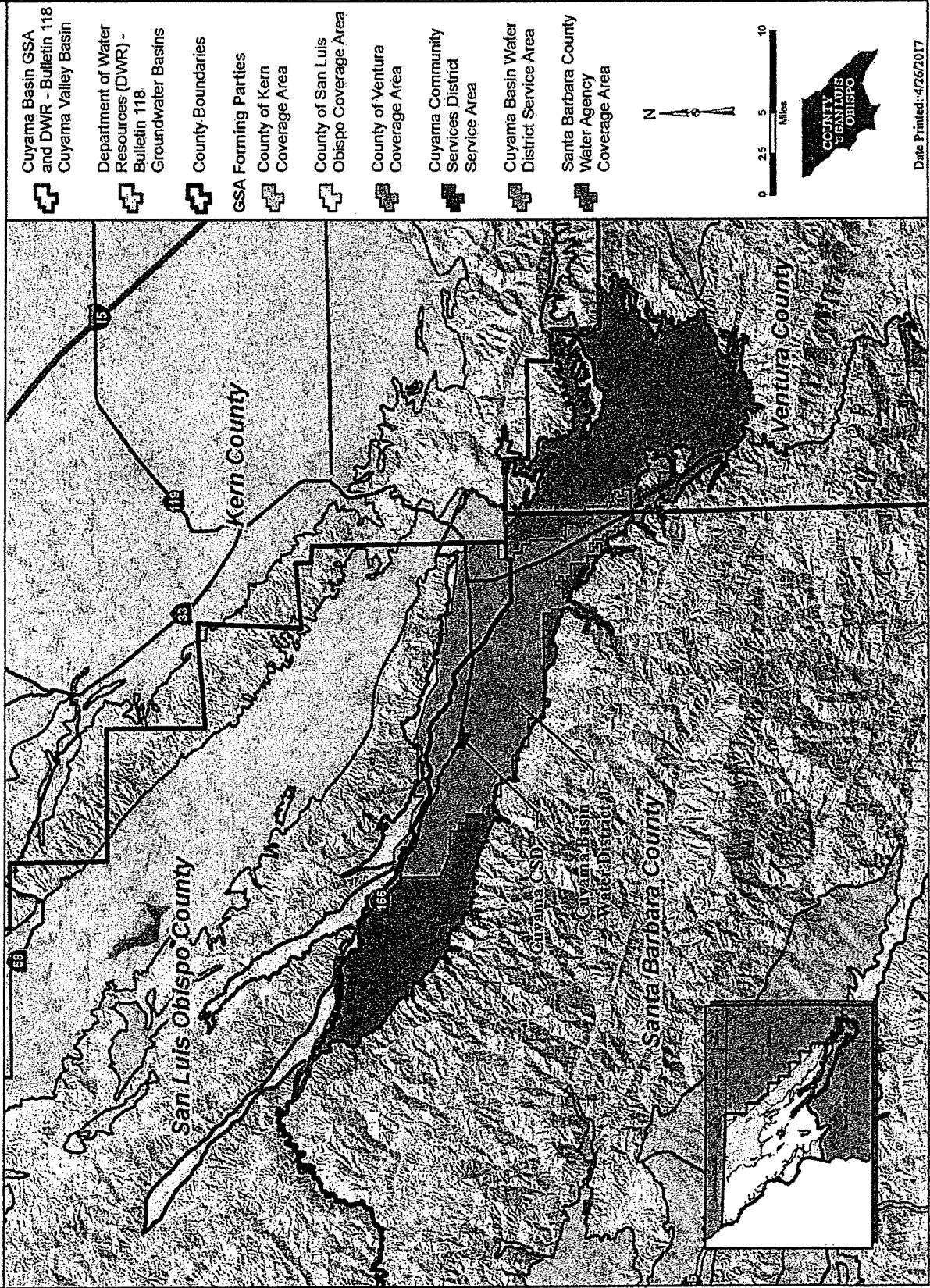
I, Tommy Gong, County Clerk and ex-officio Clerk of the Board of Supervisors, in and for the County of San Luis Obispo, State of California, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this 23rd day of May, 2017.

(SEAL)
By: Tommy Gong
County Clerk and Ex-Officio Clerk
of the Board of Supervisors
Annette Ramirez
Deputy Clerk

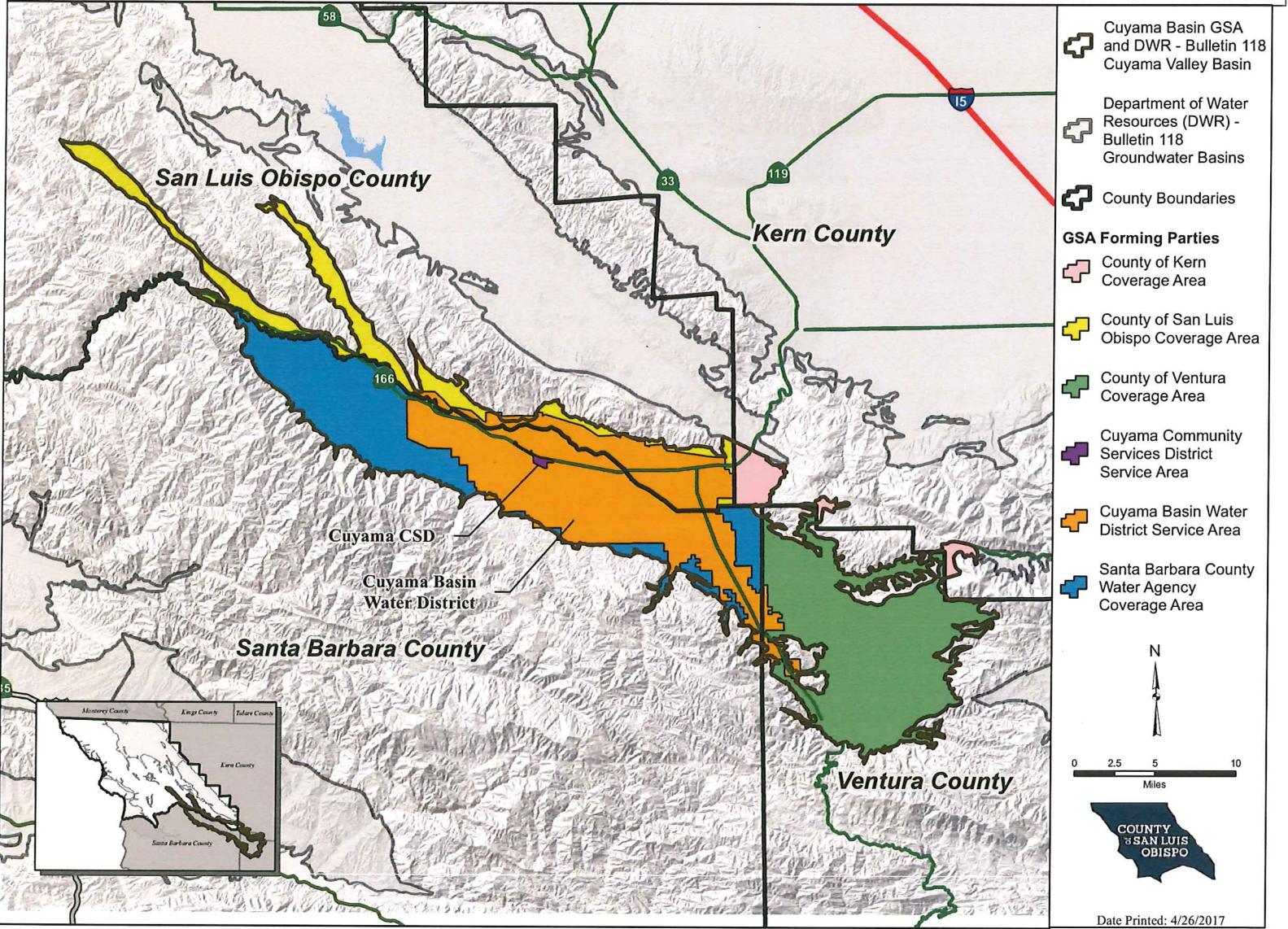
EXHIBIT B

Cuyama Basin Groundwater Sustainability Agency Boundary

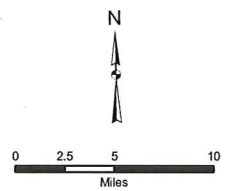


Vicinity Map

Cuyama Basin Groundwater Stainability Agency Boundary



- Cuyama Basin GSA and DWR - Bulletin 118 Cuyama Valley Basin
- Department of Water Resources (DWR) - Bulletin 118 Groundwater Basins
- County Boundaries
- GSA Forming Parties**
- County of Kern Coverage Area
- County of San Luis Obispo Coverage Area
- County of Ventura Coverage Area
- Cuyama Community Services District Service Area
- Cuyama Basin Water District Service Area
- Santa Barbara County Water Agency Coverage Area



Date Printed: 4/26/2017



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works		(2) MEETING DATE 5/23/2017		(3) CONTACT/PHONE Carolyn K. Berg, Senior Water Resources Engineer (805) 781-5536	
(4) SUBJECT Hearing to consider adoption of a resolution approving the Joint Exercise of Powers Agreement creating a Joint Powers Agency (JPA) to serve as the groundwater sustainability agency for the Cuyama Basin, appointing District 4 Supervisor, Lynn Compton, as the director and District 5 Supervisor, Debbie Arnold, as the alternate director to represent the County of San Luis Obispo on the JPA Board of Directors, and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA); and provide staff direction regarding related technical and coordination agreement efforts. Districts 4 and 5.					
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Adopt the resolution approving the Joint Exercise of Powers Agreement creating a Joint Powers Agency (JPA) to serve as the groundwater sustainability agency for the Cuyama Basin, appointing District 4 Supervisor, Lynn Compton, as the director and District 5 Supervisor, Debbie Arnold, as the alternate director to represent the County of San Luis Obispo on the JPA Board of Directors, and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA); and 2. Provide direction to staff regarding related technical and coordination agreement efforts. 					
(6) FUNDING SOURCE(S) Flood Control District and County General Fund		(7) CURRENT YEAR FINANCIAL IMPACT N/A		(8) ANNUAL FINANCIAL IMPACT \$1.3M to \$2.6M per year for SGMA efforts in all 6 basins	
(9) BUDGETED? No					
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. 30 min) <input type="checkbox"/> Board Business (Time Est._____)					
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 4/4/17, #28	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim					
(18) SUPERVISOR DISTRICT(S) District 4, District 5					

Reference: 17MAY23-H-1



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Public Works
Carolyn K. Berg, Senior Water Resources Engineer
Courtney Howard, Water Resources Division Manager

VIA: Mark Hutchinson, Deputy Director of Public Works
Wade Horton, Director of Public Works

DATE: 5/23/2017

SUBJECT: Hearing to consider adoption of a resolution approving the Joint Exercise of Powers Agreement creating a Joint Powers Agency (JPA) to serve as the groundwater sustainability agency for the Cuyama Basin, appointing District 4 Supervisor, Lynn Compton, as the director and District 5 Supervisor, Debbie Arnold, as the alternate director to represent the County of San Luis Obispo on the JPA Board of Directors, and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA); and provide staff direction regarding related technical and coordination agreement efforts. Districts 4 and 5.

RECOMMENDATION

It is recommended that the Board:

1. Adopt the resolution approving the Joint Exercise of Powers Agreement creating a Joint Powers Agency (JPA) to serve as the groundwater sustainability agency for the Cuyama Basin, appointing District 4 Supervisor, Lynn Compton, as the director and District 5 Supervisor, Debbie Arnold, as the alternate director to represent the County of San Luis Obispo on the JPA Board of Directors, and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA); and
2. Provide direction to staff regarding related technical and coordination agreement efforts.

DISCUSSION

The Sustainable Groundwater Management Act (SGMA) took effect on January 1, 2015 and substantially changed California groundwater management. SGMA includes new financial and enforcement tools to carry out effective local sustainable groundwater management through formation of Groundwater Sustainability Agencies (GSAs), and development and implementation of Groundwater Sustainability Plans (GSPs), in high and medium priority basins. The first critical deadline associated with SGMA is to establish GSAs no later than June 30, 2017, otherwise any uncovered areas will be subject to State intervention.

GSA Formation in the Cuyama Basin

The California Department of Water Resources (DWR) has identified six high and medium priority basins within the County, including the Cuyama Valley Groundwater Basin (referred to as Cuyama Basin).

SGMA authorizes any local agency¹ or combination of local agencies (e.g. counties, cities, certain special districts), through a joint powers agreement or memorandum of agreement, overlying a groundwater basin to decide to become a GSA for that basin after holding a properly noticed public hearing(s) (Water Code 10723(b)). In addition, SGMA further provides that counties will be presumed to be the GSA in areas that are otherwise unmanaged (but not requiring counties to assume such a role). The Board's adopted SGMA strategy provides that the County of San Luis Obispo intends to participate on a GSA to cover areas subject to SGMA that are otherwise unrepresented by another entity eligible to form a GSA.

The Santa Barbara County Water Agency, the County of Kern, the County of Ventura, the Cuyama Community Services District and the Cuyama Basin Water District are qualifying local agencies under SGMA and desire to form a single GSA over the entire Cuyama Basin through the creation of a JPA. The Cuyama Basin Water District service area does not cover all of the areas of the Basin within the County of San Luis Obispo; therefore, staff recommends that the County be a party to the Joint Powers Agreement (Agreement) creating the JPA with the Santa Barbara County Water Agency, the County of Kern, the County of Ventura, the Cuyama Basin Water District and the Cuyama Community Services District.

Terms of the Joint Exercise of Powers Agreement

The Agreement creates the Cuyama Basin Groundwater Sustainability Agency as a JPA, which is a public entity that is legally separate from the parties to the Agreement (commonly referred to as the members of the JPA)². The stated purpose of the JPA is to implement and comply with SGMA in the Cuyama Basin by serving as the GSA, developing, adopting and implementing a GSP for the Basin, and sustainably managing the Basin.

The Agreement provides that the JPA shall be governed by a Board of Directors (JPA Board) comprised of representatives from each of the six members. More specifically, the JPA Board shall consist of eleven (11) Directors with the following weighted voting rights.

Member	Voting Weight per Member	Number of Directors	Voting Weight per Director
Cuyama Basin Water District	33.335%	5	6.667%
Cuyama CSD	11.111%	1	11.111%
Santa Barbara Co. Water Agency	22.222%	2	11.111%
County of San Luis Obispo	11.111%	1	11.111%
County of Kern	11.111%	1	11.111%
County of Ventura	11.111%	1	11.111%
TOTAL	100%	11	100.001%

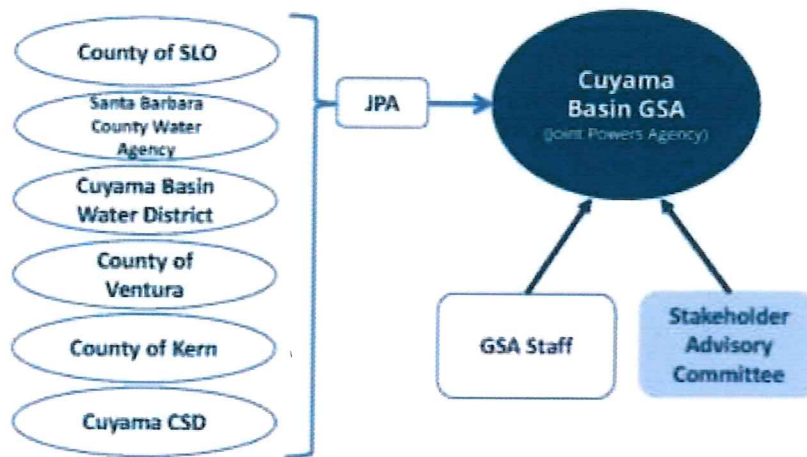
¹ Pursuant to Water Code 10721(n), SGMA defines "local agency" as a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin.

² Pursuant to Article 16.1 of the Agreement and in accordance with Government Code Section 6507, the debts, liabilities and obligations of the JPA shall be the debts, liabilities, and obligations of the JPA alone, and not the members. Pursuant to Article 16.2 of the Agreement, the JPA must indemnify, defend and hold harmless each of the members their respective governing boards, officers, officials, representatives, agents and employees from and against any and all claims, suits, etc. attributable to or arising out of the JPA or the Agreement.

Directors and alternate directors are to be appointed by their respective agency decision making bodies. The JPA provides that the director and alternate director representing the County of San Luis Obispo shall be an elected official or member of management of the County; therefore, staff recommends that the County appoint the District 4 Supervisor, Lynn Compton, as the director representing the County and the District 5 Supervisor, Debbie Arnold, as the alternate director representing the County.

Consideration of Beneficial Uses/Users Interests

SGMA requires that GSAs consider the interests of all beneficial uses and users of groundwater, including, but not limited to, holders of overlying groundwater rights (agricultural users and domestic well owners). Article 8 of the Agreement establishes an advisory committee whose members will be appointed by, and that will advise, the JPA Board. The figure below shows the recommended governance structure and process for consideration of beneficial uses and users of groundwater.



Protection of County Powers

Article 5 of the Agreement reiterates that SGMA expressly reserves certain powers and authorities to and preserves certain powers and authorities of counties, including, without limitation, the issuance of permits for the construction, modification or abandonment of groundwater wells, land use planning and groundwater management pursuant to county police powers in a manner that is not in conflict with the GSP. The directors representing the counties of San Luis Obispo, Kern and Ventura do not have the ability to authorize the JPA to exercise or infringe upon any such reserved powers and authorities, without the JPA first seeking and receiving authorization by formal action of each County’s Board of Supervisors.

Environmental Review

Forming a GSA pursuant to SGMA is exempt from CEQA under the “general rule” that CEQA only applies to projects with the potential for significant effects on the environment. The only foreseeable impact of formation of the JPA is that the JPA may prepare and adopt a GSP. Pursuant to Water Code Section 10728.6, preparation and adoption of a GSP is exempt from CEQA. Should the JPA prepare and adopt a GSP, any projects identified therein and undertaken pursuant thereto would require project-specific analysis under CEQA.

OTHER AGENCY INVOLVEMENT/IMPACT

The County Clerk-Recorder noticed the vacancies in compliance with the Maddy Act.

Implementation of SGMA involves landowners and stakeholders concerned with the management of groundwater in basins subject to SGMA, including the Cuyama Basin. Efforts related to the formation of this GSA and future development and implementation of a Groundwater Sustainability Plan will be conducted by the JPA, involving representation of the County of San Luis Obispo, the Santa Barbara County Water Agency, the County of Kern, the County of Ventura, the Cuyama Basin Water District and the Cuyama Community Services District. Stakeholder Advisory Committee outreach requirements, coordination requirements, and the practical realities of preparing a GSP, require the involvement of the entire community.

In addition to local efforts, DWR acts as the agency in charge of developing regulations, reviewing GSAs and GSPs, and providing technical assistance to local agencies. The State Water Resources Control Board acts as the agency in charge of enforcement, in situations of non-compliance specified in SGMA.

FINANCIAL CONSIDERATIONS

Article 15 of the JPA requires that the JPA Board adopt an annual budget, and allows the JPA Board to fund the GSA and GSP as provided in SGMA, through voluntary member contributions, and/or any other means allowable by law. At this time, member agencies have not been asked to fund the JPA Board's efforts.

The support costs associated with GSA formation efforts in the high and medium priority basins are included in the San Luis Obispo County Flood Control and Water Conservation District's Flood Control General fiscal year FY 2016-17 budget. Preliminary costs associated with GSA administration and technical studies in areas of basins that are represented by the County for the purposes of SGMA compliance, including the Cuyama Basin, will be included in the proposed FY 2017-18 budgets to be considered by the Board during budget hearings in June 2017. Preliminary cost estimates for those efforts (in all 6 basins) range from \$1.3M to \$2.6M per year.

RESULTS

Approval of the recommended action will ensure basin areas represented by the County in the Cuyama Basin will remain in compliance under SGMA and thereby contributes to a well-governed community.

ATTACHMENTS

1. Vicinity Map
2. Resolution Approving the Joint Exercise of Powers Agreement Creating a Joint Powers Agency (JPA) to Serve as the Cuyama Basin Groundwater Sustainability Agency, Appointing the Director and Alternate to the JPA Board of Directors, and Finding that the Project is Exempt from Section 21000 et seq. of the California Public Resources Code (CEQA)
3. Notice of Exemption
4. PowerPoint Presentation

File: CF 340.300.01 SGMA

Reference: 17MAY23-H-1

L:\Water Resources\2017\May\BOS\Cuyama Basin GSA Formation\Cuyama Basin bdltr.docxCB:sm

Cuyama Basin GSA Information

The California Department of Water Resources (DWR) has identified six high and medium and priority basins within the County, including the Cuyama Valley Groundwater Basin.

SGMA authorizes any local agency¹ or combination of local agencies (e.g. counties, cities, certain special districts), through a joint powers agreement or memorandum of agreement, overlying a groundwater basin to decide to become a GSA for that basin after holding a properly noticed public hearing(s) (Water Code 10723(b)).

1. Description of your local agency's water supply, water management, or land use responsibilities within the groundwater basin you intend to manage.

The Cuyama Basin Groundwater Sustainability Agency is a joint powers agency comprised of six local agencies that collectively include water supply, water management, and land use responsibilities across the entire groundwater basin:

- A. Cuyama Basin Water District,
- B. Cuyama Community Services District,
- C. Santa Barbara County Water Agency,
- D. San Luis Obispo County,
- E. Ventura County and
- F. Kern County.

All of the public agencies that manage groundwater within the basin are parties to this JPA.

1a: **Service:** Water

GSA Name: Cuyama Basin Groundwater Sustainability Agency (CBGSA)

2. Date your local agency, or agencies decided to become or form a GSA.

June 6, 2017 – The effective Date of the Joint Exercise of Powers Agreement (JPA)

- A. Santa Barbara County Water Agency – May 9, 2017
- B. Cuyama Basin Water District– May 22, 2017
- C. San Luis Obispo County – May 23, 2017
- D. Kern County– May 23, 2017
- E. Cuyama Community Services District- May 23, 2017
- F. Ventura County – June 6, 2017

3. Point of Contact for San Luis Obispo section of the GSA:

Cathy Martin

County of San Luis Obispo

cmmartin@co.slo.ca.us

and

Carolyn Berg

County of San Luis Obispo

cberg@co.slo.ca.us

4. A list of interested parties and an explanation of how their interests will be considered in the development and operation of the GSA and governing board.

¹ Pursuant to Water Code 10721(n), SGMA defines "local agency" as a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin.

A list of interested parties was developed including local community residents, businesses, large- and small-scale agriculture, academic institutions, relevant state and local agencies, nonprofit organizations, and community, social justice, and environmental justice organizations. This list of over 100 stakeholders was used throughout 14-month long GSA formation process for notification of public meetings, notifications related to discussions on the formation of an advisory committee, and notifications related to general SGMA information and updates.

The composition of the GSA Board was designed to provide representation of all of the beneficial users in the Basin. Representatives from each of the local agencies eligible under SGMA participated in several public meetings, in discussions related to the formation of a standing advisory committee and at the regular and frequent GSA formation meetings throughout the formation process.

The CBGSA JPA agreement has an eleven (11) member Board of Directors. On May 23, 2017, the County of San Luis Obispo Board of Supervisors appointed the District 4 Supervisor, Lynn Compton, as the director representing the County and the District 5 Supervisor, Debbie Arnold, as the alternate director representing the County.

Member	Voting Weight per Member	Number of Directors	Voting Weight per Director
Cuyama Basin Water District	33.335%	5	6.667%
Cuyama CSD	11.111%	1	11.111%
Santa Barbara Co. Water Agency	22.222%	2	11.111%
County of San Luis Obispo	11.111%	1	11.111%
County of Kern	11.111%	1	11.111%
County of Ventura	11.111%	1	11.111%
TOTAL	100%	11	100.001%

The GSA Board of Directors will appoint a Standing Advisory Committee and additional Advisory Committees as needed and as described in Article 8 of the Joint Exercise of Powers Agreement (JPA).

5. California Environmental Quality Act (CEQA) – Notice of Exemption

CEQA is document in the Cuyama Basin within SLO County County Board of Supervisors Staff Report and Resolution.

6. Cuyama Basin within SLO County (approximate acres and parcels)

Total acres of the Cuyama Basin within SLO County	49,069 acres
• Federal (79 parcels)	13,874 acres
• State (32 parcels)	7,566 acres
• Non- Government parcels (147 parcels)	29,272 acres

Note: The recently form Cuyama Basin Water District has 19,797 acres in the San Luis Obispo Section of the water district. This acreage is included in the non-governmental parcel total of 29,272 acres.