MEETING SUMMARY December 6, 2016
Colusa Sustainable Groundwater Management Act (SGMA) – Governance Subcommittee Meeting #4

MEETING RECAP

- The Subcommittee reviewed and commented on the second version of the draft MOU (Appendix A).
- The Subcommittee received a Critical Path document that provides a timeline for developing governance (Appendix B).
- The surface water Districts and attorneys will meet on Friday, December 9, 2016 to review and discuss the draft MOU.
- Agencies are beginning to bring the draft MOU to their Boards for review.
- The Colusa County Private Pumper Advisory Committee (PPAC) will meet in the near future to discuss the draft MOU.
- The group will discuss how it wants to address the West Butte Subbasin, either as part of a county-wide MOU, or as a separate MOU from the Colusa Subbasin.

For more local information visit the Colusa County Water Resources Webpage.
For information on SGMA visit the Department of Water Resources SGMA Webpage.

MEETING SUMMARY

Opening Remarks

Dave Ceppos, Facilitator from the Center for Collaborative Policy (CCP), Sacramento State University, opened the meeting, introduced himself, and welcomed subcommittee and observer introductions. Mr. Ceppos reviewed the agenda and briefly described the Critical Path document that will be discussed later.

Mr. Ceppos asked if there were any Subcommittee member comments. Thad Bettner, Glenn Colusa Irrigation District (GCID) told the group that the surface water Districts and some of their attorneys are meeting on Friday, December 9, to review and discuss the draft MOU document. Mr. Bettner will be taking the document to his Board on Thursday, December 15 and GCID will begin landowner meetings in January, 2017 to disseminate local SGMA planning information to the landowners in their District.

Review Revised Draft Memorandum of Understanding

Mr. Ceppos stated that the current version of the MOU represents the second version of the document after changes made based on Ms. Fahey’s consolidated comments from the discussion at the last GSA Workgroup meeting, and additional comments from Mr. Bettner on behalf of the surface water Districts. Additionally, some clean-up work was completed by CCP. Mr. Ceppos then opened the floor to discussion.

Mr. Bergson, City of Williams, asked for a list of agencies that will be participating as signatories to the MOU. Ms. Fahey named the following agencies that have stated their intent to participate:

1. County of Colusa
2. City of Colusa
3. City of Williams
4. GCID
5. Reclamation District 108
6. Colusa County Water District
7. Princeton Glenn Codora and Provident Irrigation Districts
8. Reclamation District 479
9. Potentially Reclamation District 1004
10. Colusa Drain Mutual Water Company
11. Private Pumper representation

Mr. Ruiz, Maxwell Irrigation District and Westside Water District stated that his two Districts will be participating. Ms. Fahey noted that this is a new addition.

**Question:** Are there any areas that aren’t covered? **Answer:** Just the smaller agencies that are not participating as GSAs. They will be covered by the County or the JPA/GSA.

**Question:** What are the rights of the white areas/private pumpers? **Answer:** Mr. Ceppos explained that, per SGMA, private citizens are automatically assumed to be under the County’s authority. Colusa County developed the Private Pumper Advisory Committee (PPAC) to give the private pumpers a voice in SGMA planning.

**Question:** What if you don’t agree with the PPAC? **Answer:** You are under the County’s authority.

**Question:** So, I can’t be my own GSA? **Answer:** No.

**Question:** Will the County have to vote on this? **Answer:** Supervisor Carter explained that the five Colusa County Groundwater Commissioners will be appointed by the Board of Supervisors. From that group there will be a number, potentially two, Commission members that will serve on behalf of the County on the GSA Board.

There is a private pumper group in Glenn County forming a water district and Mr. Ceppos mentioned that the JPA would leave open the ability for the new district to join at a later date when their district formation is completed. Mr. Williams, Colusa County PPAC member, mentioned that the group of private pumpers in the Arbuckle area are moving forward to form a district and should have an application in by January.

**Question:** Do we have to be a JPA? **Answer:** No, but we need to have a legal agreement.

The Subcommittee resumed review of the MOU:

- **Introduction:**
  There were no comments on the Introduction.

- **Recitals Section:**
  **Comment:** 4th paragraph mentions local groundwater agencies. **Action:** remove “Groundwater.”
  **Comment:** In the same paragraph, is it fair to say that the State is providing financial assistance? **Action:** change “necessary” to “when available.”

**Comment:** Paragraph 10. **Action:** change local public agencies “within” the County to “or” the County.

**Question:** Back to the top of the document, why is the West Butte Subbasin not included? **Answer:** Mr. Ceppos explained that he has had conversations about this with Ms. Fahey. The content in this MOU is not necessarily applicable to the West Butte Subbasin. **Action:** Further discussion on whether it makes sense to have an overarching MOU at the County level, or separate MOUs.

**Comment:** Vicki Newlin, Butte County, shared the process in Butte County in which they are planning separately in each subbasin.
Mr. Ceppos agreed that this will be an ongoing discussion.

**Question:** Can we include language that other agencies, including mutual water companies can join the JPA at a later date, after formation? **Answer:** It seems like this is already addressed in the document.

**Comment:** Mr. Ruiz stated that this group is driving towards a JPA. He has always wanted something softer like an MOU. Would this MOU document be acceptable to DWR, and then we could develop our plan? **Answer:** If we add language stating there will be no unmanaged areas and no overlaps, this would meet the baseline requirements for June 30, 2017. This would not, in Mr. Ceppos’ professional opinion, get us to a point to start to develop a plan. On July 1 we need to start making decisions as a GSA on studies, RFPs, etc. There is nothing in this document that gives us that structure. There are no decision-making parameters. Compliance and preparation for governing are different.

**Comment:** Regarding the Critical Path timeline that we will review later in the meeting, the timing of JPA development was looking like it wouldn’t work out by June. The MOU is a placeholder while we continue to work together towards forming a JPA so the State Board doesn’t intervene.

Mr. Ceppos explained that there are some basins where an MOU makes sense. These are areas with more of a history of working together on groundwater management and where there is less complexity. The Colusa Subbasin is one of the most complex in the state. It is the 3rd largest subbasin in California and contains one of the largest numbers of GSA-eligible agencies. A JPA gives the group more protections for liabilities.

**Comment:** On page 2, the last “Whereas,” talks about each agency rescinding its GSA status. The off-ramp is mentioned in #5 and #6 under Specific Principles of Understanding. **Action:** Can you reference in this recital that agencies will have the right to leave the JPA and become an independent GSA?

**Comment:** Shouldn’t there be something in here that states that we intend to form a JPA? **Answer:** Action: It’s in there, but we can add it to the Recitals section.

Mr. Ceppos asked the group if we think we need a JPA?

**Comment:** This document (MOU) could define the group, but the Plan could be what has teeth.

**Comment:** An MOU would work if each agency retains its GSA status, but if we all rescind and form a new agency, it should be a JPA.

**Comment:** The whole idea has been to form a new agency. There needs to be accountability. It’s imperative that there will ultimately be a JPA which is what we’ve been saying all along.

**Comment:** I agree, that’s the promise we’ve been given that the JPA would have enough teeth to address the white areas but there needs to be some accountability.

**Comment:** The path from MOU to JPA is the only path we can really take.

Mr. Ceppos said that some of today’s meeting participants weren’t here at meeting #1 where he forecasted that for the foreseeable future everyone was going to be part of the process but at some point in time certain people would be at the table with certain responsibilities. We have been letting all people in the room speak, but at the end of the day, the participating agencies are representatives and decision-makers. These agency representatives will need to sit at the table because of the way the statute is written. Ultimately the County represents the private citizens.
Mr. Ceppos asked Colusa County Supervisor Carter her thoughts on a JPA versus an MOU. Ms. Carter responded that we’ve all been heading towards a JPA. It’s a shared responsibility. The agreement needs to have teeth. An MOU doesn’t have enough teeth to do what we are going to need to do. There could be some very tough decisions.

Mr. Ceppos asked Mr. Ruiz if he is comfortable going the JPA route. He replied that yes, he is comfortable.

**Question:** Addressed to Ms. Newlin, Butte County, is your process the same? **Answer:** Ms. Newlin responded that they are resolving overlap issues now and will develop governance later. The Colusa County process is developing governance at the same time as resolving overlap. Butte County will do a JPA later down the road. They are developing separate governance in each subbasin.

**Question:** Will the PPAC not be a signatory on this MOU? **Answer:** Correct, they will not. As private citizens they can’t be. The County will represent them. **Action:** Schedule a PPAC meeting and put the MOU on the agenda for discussion re: whether they support it or if they would like to see any additions/changes.

**Question:** To the PPAC, have you considered developing your own Principles? **Answer:** We have talked about it but this has happened quickly and we haven’t had a chance to get together. The language in the MOU has changed quite a bit and softened from the original MOU and we are generally okay with it. The MOU should go in front of the PPAC though as part of the process.

- **Page 2, Definitions:**
  **Question:** What is the best fiscal year for the agencies? **Answer:** It doesn’t matter.

- **Page 3, Section 2:**
  **Comment:** **Action:** provide sub-numbering 2.1, 2.2, etc.
  **Comment:** **Action:** #1, include language that we intend to form a JPA.
  **Comment:** #2, What is the TBD? **Answer:** We had talked about whether or not information from the draft Work Plan developed by Davids Engineering would get embedded into the MOU. This was never decided. Would it be beneficial to have some sense of understanding of initial costs in the MOU?

**Action:** Insert additional section regarding potential projects and costs.

**Comment:** Neighboring Counties should collaborate and share resources.

**Comment:** When we do have these costs incurred, could it be on a per-acre basis? We have paid for Davids’ work in Colusa and Glenn counties at the same rate as GCID and our agency covers a much smaller footprint.

Mr. Ceppos mentioned that in the Critical Path document, it shows that there will be a section on financing and budget in the JPA. Do you want something in the MOU?

**Action:** It was agreed by the group to include financing and reimbursement language in the MOU.

- **Section 3:** No comments
- **Section 4, Page 3**
  Mr. Ceppos explained he did not want to try to define “balance” without talking to the group.

**Comment:** It is important to define balance. I agree that all districts should be made whole and be reimbursed for studies. Private pumpers are going to have to contribute but cannot be signatory to the MOU. Private Pumpers should be signatory and it should be defined what balanced representation looks like.
Mr. Ceppo mentioned that perhaps, if the group agrees, the PPAC could be signatory to the MOU, but they would not have authority.

**Comment** (PPAC member): We have not defined what the representation will look like.

Supervisor Carter explained that the County is considering one Supervisor on the JPA Board and two private pumpers from the Groundwater Commission to serve on the JPA board. Looking at the acreages of white areas, that’s pretty good representation. If the new Private Pumper district forms in Arbuckle, we may only need one representative from the Groundwater Commission.

**Comment**: The County needs to define “balanced.”

**Comment**: This applies to all beneficial users and the whole group needs to define this.

**Comment: Action: Strike the word “balanced.”**

**Comment**: #12, Regarding natural resources, the words “threats” and “avoided” are too vague.

**Comment**: #12: Can we combine #11 & #12? They are saying the same thing.

**Comment**: #9, #10, #11, #12 can all be consolidated. **Action: Mr. Ceppos and Ms. Fahey will work on this.**

**Comment: Action: #10: Change “small well owners” to “all well owners.”**

**Comment: #17: Action: Change “should” to “is”**

- **Section 5, Page 5**
  **Comment**: The language on #5 is still confusing.

**Comment**: It means that the agencies retain the right to be their own GSA or pull out of the JPA if they change their mind. **Action: Strike everything after first “agency.”**

**Comment: Action: Add a statement that new agencies have the right to join the JPA after it is formed.**

Mr. Ceppos said that at some point in time we need to start talking about how to include mutual water companies. The MOU does not include language for how mutuals are included.

**Question**: How does that work on the JPA? Does the entire JPA board have to agree, or can just the County bring them onto the JPA board? **Answer**: I think it can be either.

**Question**: Wouldn’t the mutuals be treated the same as the private pumpers? **Answer**: No, under statute, mutuals can be invited to be part of a GSA. So, the entire GSA board would have to invite them.

**Comment**: Mutuals are private entities that do not have to abide by the Brown Act. It could be tricky on a JPA that is all public agencies.

- **Page 5, Sustainability Section:**
  **Comment: #3**: We tried to combine language, but the intent of this principle was conjunctive use, not related to recharge attributable to leakage.

**Comment**: We took out #6 to combine with #3. We want the recharge attributable to leakage language in this document. **Action: Strike language in parentheses and add previous #6 back in.**
Comment: Action: Take out first sentence. Strike “should be available” and replace with “conserved.”
New language: “All water users should be encouraged to utilize surface water to its full extent as feasible and groundwater conserved for use during dry periods when surface water is not readily available.”

Comment: #4: Yes, all parties recognize the interconnectedness of groundwater and surface water and the contributions of surface water, but to the degree, we don’t all agree.

Comment: Page 6, #6 & #7: We don’t know this. There are many canals and streams throughout the county. We need a better understanding of the system. Suggest we strike the second paragraph of #7. We need to better understand the groundwater system or we could reword this to state that a model will be developed to determine the recharge.

Comment: #7: Studies are mentioned. In #6, it’s a different type of use than a private pumper. It’s an appropriate type of use to have the water districts managing the groundwater for their landowners. This has been talked about quite a bit.

Comment: #7: Recharge doesn’t just pertain to districts, it pertains to all surface water diverters.

Mr. Ceppos addressed Mr. Bettner, we cannot substantiate recharge until such time that studies are completed. Can we put a statement in here that it’s believed that recharge is happening without at this time making a claim? Mr. Bettner said, yes, we can massage that language.

Comment: We could make a broader statement that studies will be done to quantify the benefit of all recharge or best management practices to enhance recharge. Wrap this around all water users, not just the districts.

Comment: Recharge is not going to be the same all over the county. It’s all part of conjunctive use. I don’t see it any different than the private pumpers. When the water levels go down, there is a reaction. It’s not necessarily reserving the right. We do that anyway. The areas that are sustainable are being managed. The areas that aren’t are going to have to be managed.

Comment: That’s important to acknowledge. We’re all going to have to cut back in a drought year.

Mr. Ceppos reminded the group that SGMA doesn’t care about the makeup of the GSAs, the voting rights, etc. It cares about sustainability of the entire basin. It doesn’t really matter how votes are apportioned. If one area of the basin is not sustainable, it affects the entire basin.

Comment: Action: #8 & #9, change “Districts” to “Surface Water Diverters.” Take out the second sentence in #7 (“If cutbacks...attributable to recharge.”)

Comment: #8: It’s talking about a shared obligation of all groundwater users. Private pumpers are part of that shared obligation, but they are not part of the decision making process.

Comment: The new Agency is going to make these decisions and you will have a say either through the County or through private pumpers on the board.

Comment: This is the Groundwater Management Act. We are not here to manage surface water, the districts are. This is talking about surface water. The decisions on their boards are going to affect groundwater.

Comment: Surface water districts are fighting hard to maintain surface water supplies which benefits the groundwater system.
Comment: Can we put some language in here that the surface water districts will coordinate with private pumpers and the County?

Comment: #8: I don’t like the language. #10 basically says the same thing. Can we take out #8?
Comment: Action: Yes, take out #8.

Comment: I would like to define what the environmental obligations are.

- Agency Financing and Support
  Mr. Ceppos mentioned that this needs to be refined.

Comment: Shared costs and cost estimates were discussed earlier. Work Plan language will be integrated.

Comment: Can we add Correlative Rights to the “Whereas” section? District landowners have the right to pump groundwater. If we could work that into the MOU it might help answer a lot of these questions. The districts and their landowners still have the right to pump groundwater. That’s written in State law. Sample language could be, “Whereas, California is a Correlative Rights state and we intend to follow established case law that is already on the books.” If we follow Correlative Rights we recognize they have the right to use surface water. **Action: add a statement on Correlative Rights to the Recitals section.**

**Review Draft Groundwater Sustainability Agency Critical Path**

Mr. Ceppos walked through the Critical Path document.

- Dec. 6 is today, and another round of amendments will take place.
- Signatories will be defined.
- The PPAC needs to hold a meeting soon.
- The Dates on the document are the first day of the weeks, they are not exact deadlines.
- By the 2nd week in January the MOU will be ready to go to the various governing boards. We would give it about a month so each board has an opportunity to weigh in. Mr. Ceppos encouraged folks to begin now to share the draft MOU document with their boards.
- During the ratification process, we will start working on JPA development.
- The group will then start getting into discussion about membership and governance, terms, board structure, voting structure.
- In February, we will continue JPA development, and hopefully during this period we will have a ratified MOU.
- At some point we may have to start having meetings every two weeks.
- Everything starts as a preliminary draft, then to draft, then to final. The idea is to start with the things that will take the longest time.
- As the group moves into May, we can continue JPA development, but being conservative it is assumed we would have to turn our attention to GSA noticing. The JPA is put aside during this period, if necessary.
- GSA noticing is pushed to June 30. The 90-day period can start June 30. This is important because noticing can take place up to June 30, rather than April, and the 90-day clock starts on June 30. The first test case to work together is to finalize the MOU and use this time up to June 30 as a test period.
- Mutual rescinding of current GSAs, and new filing as one multi-party GSA.
- September, then final ratification process.
**Question:** At what point can the County work on a Proposition 218 fee assessment process? **Answer:** The JPA will actually do the 218. It doesn’t have to be this way but it hasn’t been discussed.

**Question:** Can the JPA do the 218 and run it through the County tax roll? **Answer:** This is a question that will have to be memorialized in the JPA agreement. It seems reasonable. We can start sending information on how other JPAs are currently forming.

**Comment:** Until we get our JPA solidified it would be difficult to do a fee assessment.

**Question:** Couldn’t we do a straight-up per acre assessment?

**Question:** Could Districts do their own 218 and the County does their own 218 in the white areas?

**Action:** Agendize this for the next meeting.

**Conclusion/Action Items**

- Ms. Fahey to schedule a PPAC meeting
- Mr. Ceppos to make changes to draft MOU reflecting today’s discussion
- Add financing and reimbursement language to the draft MOU
- Next agenda: Discussion on language for fee assessments
- Future agendas: Discussion re: the West Butte Subbasin

**Participant List**

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denise Carter</td>
<td>Colusa County Supervisor</td>
</tr>
<tr>
<td>Shelly Murphy</td>
<td>Colusa County Water District</td>
</tr>
<tr>
<td>Chuck Bergson</td>
<td>City of Williams</td>
</tr>
<tr>
<td>John Garner</td>
<td>Princeton Codora Glenn and Provident Irrigation Districts</td>
</tr>
<tr>
<td>Thad Bettner</td>
<td>Glenn Colusa Irrigation District</td>
</tr>
<tr>
<td>Darrin Williams</td>
<td>Colusa County Groundwater Commission/PPAC</td>
</tr>
<tr>
<td>Jesse Cain</td>
<td>City of Colusa</td>
</tr>
<tr>
<td>Luke Steidlemeyer</td>
<td>Attorney</td>
</tr>
<tr>
<td>Dan Ruiz</td>
<td>Maxwell Irrigation District, Westside Water District</td>
</tr>
<tr>
<td>Greg Plucker</td>
<td>Colusa County Planning and Building Director</td>
</tr>
<tr>
<td>Ben King</td>
<td>Landowner</td>
</tr>
<tr>
<td>Carol Perkins</td>
<td>Butte Environmental Council</td>
</tr>
<tr>
<td>Sharon Ellis</td>
<td>Landowner</td>
</tr>
<tr>
<td>Brent Vann</td>
<td>Landowner</td>
</tr>
<tr>
<td>George Pendell</td>
<td>Stony Creek</td>
</tr>
<tr>
<td>Vicki Newlin</td>
<td>Butte County</td>
</tr>
</tbody>
</table>

**Staff**

- Mary Fahey            | Colusa County Water Resources Coordinator |
- Dave Ceppos           | Center for Collaborative Policy          |
Appendix A:

DRAFT
Memorandum of Understanding
Defining Colusa Subbasin Groundwater Sustainability Interests
Version 2 – December 2, 2016

This Memorandum of Understanding (MOU) is made and entered into by and among the (names of parties) which are referred to herein individually as a “Party” and collectively as “Parties,” for the purposes of potentially forming a joint powers agency to serve as the Groundwater Sustainability Agency in the Colusa County portion of the Colusa Subbasin in support of Senate Bills 1168, 1319 and 13, and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act (the Act). This MOU shall hereinafter be known as the Colusa County Groundwater Sustainability Agency MOU.

Recitals

WHEREAS, on September 16, 2014 Governor Jerry Brown signed the Act into law; and

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

WHEREAS, the Act was amended on January 1, 2016; and

WHEREAS, the Act seeks to provide sustainable management of groundwater basins, enhance local management of groundwater, establish minimum standards for sustainable groundwater management, and provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater; and

WHEREAS, section 10720.7 of the Act requires all basins designated as high-or-medium priority basins designated in Bulletin 118 be managed under a Groundwater Sustainability Plan or coordinated Groundwater Sustainability Plans pursuant to the Act; and

WHEREAS, the Colusa Subbasin within the Sacramento Valley Basin is a Bulletin 118 designated medium priority basin; and

WHEREAS, a local public agency is defined in Section 10721 of the Act as a having water supply, water management, or land use responsibilities within a groundwater basin; and

WHEREAS any local public agency is an eligible Groundwater Sustainability Agency; and

WHEREAS, each of the Parties to this MOU is a local public agency within or partially within the jurisdictional footprint of the County of Colusa; and

WHEREAS, groundwater extractors in the County portion of the Colusa Subbasin also include private individuals and corporations unaffiliated with local public agencies within the County; and

WHEREAS, groundwater extractors in the County portion of the Colusa Subbasin also include Tribes and other Federal agencies; and
WHEREAS, the parties acting through this MOU intend to maintain an open line of communication and to work cooperatively with local Tribes and other Federal agencies during SGMA planning and implementation: and

WHEREAS, the Parties, acting through this MOU intend to work cooperatively with other Groundwater Sustainability Agencies operating in the Colusa Subbasin to manage the subbasin in a sustainable manner pursuant to the requirements set forth in the Act; and

WHEREAS, any parties that have noticed themselves as independent Groundwater Sustainability Agencies plan to withdraw said notices and will agree to be part of a multi-agency Groundwater Sustainability Agency and eliminate all jurisdictional overlaps by June 30, 2017 (as per section 10723.8(c) of the Act),

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, the Parties hereby agree as follows.

Section 1. Definitions
As used in this MOU, unless context requires otherwise, the meanings of the terms set forth below shall be as follows:

2. “Agency” means the Colusa County Groundwater Sustainability Agency.
3. “Beneficial Use and Users” is defined in Section 10723.2 of the Act as holders of overlying groundwater rights, including: Agricultural users, Domestic well owners, Municipal well operators, Public water systems, Local land use planning agencies, Environmental users of groundwater, Surface water users, if there is a hydrologic connection between surface and groundwater bodies, the federal government, including, but not limited to, the military and managers of federal lands, California Native American tribes, Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems, Entities listed in Section 10927 of the Act that are monitoring and reporting groundwater elevations in all or a part of a groundwater basin managed by the groundwater sustainability agency.
4. “Committee” shall mean any committee established pursuant to this MOU
5. “County” shall mean the County of Colusa in its role as a local public agency (as defined in the Act) and as a governing jurisdiction.
6. “Effective Date” means the date on which the last Party executes this MOU.
7. “Fiscal Year” means July 1 through June 30.
8. “Governing Board” means the governing body of the Agency.
9. “Member’s Governing Body” means the Board of Directors or other voting body that controls the individual local public agencies that are signatory to this MOU.
10. “Party” and “Parties” shall mean all organizations, individual and collective that are signatories to this MOU.
11. “Plan” refers to one or more Groundwater Sustainability Plans
12. “State” means the State of California
Section 2. Purpose
1. The purpose of this MOU is to define general and specific principles that reflect mutual understanding by the Parties about commitments and requirements associated with implementing the Act and creating a multi-party Agency.

2. This MOU also defines mutually understood tasks and associated potential costs of tasks that may be necessary as the Parties implement the Act through a multi-party Agency. (TBD)

Section 3. Term
1. This MOU shall become effective upon execution by each of the Parties and shall continue in full force and effect until terminated pursuant to the provisions of a subsequent joint powers agreement (JPA) (as per California Government Code Section 6500).

Section 4. General Principles of Understanding
1. A partnered approach should be fostered for groundwater management that: supports the Act; achieves sustainable conditions in the Subbasin; reflects mutual respect for each Party’s discretion, governmental authority, expertise, knowledge of groundwater conditions, demands and concerns; and ensures a balanced (to be determined) representation of beneficial users.

2. Local control of groundwater must be ensured, locally controlled compliance with the Act must be ensured, and State intervention to implement the Act must be avoided.

3. Implementation of the Act may be expensive and all beneficial users will need to contribute to implementation. Failure to implement the Act locally would result in State intervention and even more excessive costs and regulation.

4. A partnered approach to groundwater management and implementation of the Act is in the best interest of beneficial users within the Agency boundaries because it will maximize efficiencies, keep costs at a minimum and capitalize on skills and strengths of various partners provided such partnership also creates and maintains collegial relationships and flexible implementation of the Act.

5. As allowed for in Section 10723.6 (5) of the Act, the Parties support formation of, and participation in, one (1), multi-agency GSA covering the portions of the Subbasin that lies within the County.

6. All beneficial users of groundwater will be required to cooperate with the Agency and abide by the guidelines put forth in the Plan(s) for the County and the Subbasin.

7. Being a Party to this MOU is not a condition to participate in Plan development. All beneficial users have an equal opportunity to participate in Plan development.

8. No Party’s land use or other authority is limited by this MOU.
9. Sustainable groundwater conditions must support, preserve, and enhance the economic viability and social well-being of all beneficial uses and users.

10. Increased extractions threaten the groundwater resources of well owners with smaller, shallow wells and such impacts must be avoided and/or mitigated.

12. Aquifers within the basin can be threatened by unsustainable management of groundwater resources.

11. The economic and cultural future of agriculture in the County can be threatened by the lack of available groundwater and surface water resources.

12. Threats to the natural resources of the County resulting from impacts to groundwater resources must be avoided.

13. All beneficial users must have an open, transparent, timely opportunity to be engaged with the Agency and provide their input on Plan development and implementation of the Act. Extensive outreach shall be a priority of all Agency Parties to inform and update all beneficial users about SGMA implementation and potential impacts, and to ensure beneficial users are involved in the SGMA process where applicable.

14. Implementation and enforcement of the Plan should take place at the most local level possible and should allow each Party to approve its Plan chapter or section, and to preserve the Party’s respective authority to manage the water resources available to their constituents or customers as long as said conditions are consistent with sustainability requirements of the Act and Plan.

15. All overlying landowners in the Colusa Subbasin have a right to share the Subbasin’s natural recharge for beneficial use on their overlying land.

16. Act implementation is new for all County beneficial users and there are many unknowns. Willingness by all participants to adapt and adjust during Agency formation and Plan development and implementation is crucial to success.

17. Achieving and maintaining groundwater sustainability for the good of all groundwater users in the County should be the Agency’s first priority and main focus, especially in the early stages of Act implementation while all beneficial users work together and strive to alleviate any existing fear and distrust.

Section 5. Specific Principles of Understanding

Governance and Implementation of the Act

1. The Agency will represent the common and unique interests of groundwater beneficial users located in the unmanaged areas of the County’s portion of the Subbasin as per Section 10724 of the Act.

2. The Agency will implement the Act in a manner that optimizes the Act’s beneficial opportunities to achieve sustainable groundwater conditions to support our vital agricultural economy, other industry, and domestic and public water uses.
3. The Agency Board will reflect diverse representation of beneficial users and will include all local public agencies willing to serve, mutual water companies as invited by the conveners of the Agency, and private groundwater pumpers that are unaffiliated with any other organization and as appointed by the County.

4. The Agency will pursue financial and infrastructure solutions and beneficial partnerships with other Parties to provide sustainable water supplies for all constituents.

5. Local public agencies retain discretion to determine whether to be an individual Agency, join in an Agency created by another party that to this MOU, or where a separate JPA is created, to have the JPA serve as the Agency for the local agency’s area (and, if desired, to include the member on the JPA’s governing board).

6. Governance and implementation must avoid duplicative or conflicting governmental authorities. Each Party will have the right to approve the provisions of the Plan governing Act implementation within its own boundaries and to implement the Act within its boundaries. Subject to those limitations, each Party retains and preserves any police powers or other authority it has to regulate groundwater use within its boundaries so long as its actions are achieving sustainability consistent with the GSP.

7. As parties implement the Act within their respective boundaries, they will coordinate efforts with any adjacent white areas.

**Sustainability**

1. Data collection and groundwater studies are essential to increase knowledge and to support groundwater management decisions. Funding and implementing such studies is a priority and a shared responsibility among all Agency Parties and Subbasin beneficial users.

2. Groundwater impacts throughout the County and Subbasin are not equal. Conditions will vary by location and water year type. While all beneficial users will share the burden to achieve sustainability, solutions will need to reflect these differences.

3. Surface water supplies should be used conjunctively with groundwater. All water users should be encouraged to utilize surface water to its full extent as feasible and groundwater (attributable to leakage of surface water from canals and distribution and drainage systems, and the deep percolation of applied surface water for crop irrigation) should be available for use during dry periods when surface water is not readily available.

4. All Parties recognize the interconnectedness of groundwater and surface water resources, and contributions to the system from surface water applications.

5. All beneficial users, whether using surface water or groundwater in the basin, have an obligation to use water consistent with their respective rights, which may include an obligation to mitigate impacts on waterways, creeks, streams and rivers.
6. Districts act on behalf of and represent all landowners within their service area to ensure collective compliance with the Act. Districts will coordinate with their landowners on the use of the natural recharge of the Subbasin, while respecting groundwater law.

7. Districts recharge the groundwater basin with surface water through leakage from canals and distribution and drainage systems and deep percolation of applied crop water. If cutbacks to surface water supplies occur to the extent that Districts must supplement their supplies with groundwater, Districts reserve the right to manage and use water attributable to such recharge. Studies will quantify availability of such recharge, and provisions will be in place, such as targeted monitoring and mitigation programs.

8. Districts anticipate that groundwater use within their boundaries may be necessary to offset dedication of surface water to environmental requirements in reservoirs, rivers, or the Bay-Delta, which is a shared obligation of all groundwater users.

9. Districts use surface water and groundwater for in-basin transfers to meet local demands. Fallowing transfers will also occur both in and outside of the groundwater subbasin, with transfer quantities based on avoided consumptive use.

10. Surface water transfers will potentially serve as a tool to settle disputes over environmental obligations or to mitigate impacts during drought periods. Districts and Agency members agree to coordinate and partner on actions that attempt to balance environmental solutions with groundwater sustainability.

Agency Financing and Support
1. Provisions are included for Party contributions of capital and operating funds, personnel, services, equipment or property to convening the Agency and Plan development (To be further defined regarding near term studies and actions (e.g. water balance).)

2. Recognizing that there will be costs for the development, implementation and administration of the Plan, the Parties must agree on governance that maximizes the potential for State funding, and to allocate the local share of these costs by one or more mutually agreeable and equitable formulas (to be determined)

Future Modifications to this Memorandum
1. Maximum flexibility will be provided to adapt to changes in Agency membership, funding, planning oversight, et cetera, as the parties build their relationships and mutual trust.
### Appendix B

**D R A F T**

**Version 1**

**Colusa Subbasin Groundwater Sustainability Agency Critical Path**

Key:

<table>
<thead>
<tr>
<th>Memorandum of Understanding (MOU) Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Powers Agreement (JPA) Steps</td>
</tr>
<tr>
<td>Groundwater Sustainability Agency (GSA) Notice Steps</td>
</tr>
</tbody>
</table>

Note: All dates assume the first day of a week in that month. This does not presume each date is the actual date that an action will occur.

<table>
<thead>
<tr>
<th>Date</th>
<th>Action Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 December 2016</td>
<td>Prepare Draft Final MOU GSA</td>
</tr>
<tr>
<td>13 December 2016</td>
<td>Finalize target list of signatory parties of MOU and submit MOU to governing bodies for review</td>
</tr>
<tr>
<td>9 January 2017</td>
<td>Review and reconcile final MOU comments and submit MOU to governing bodies for ratification</td>
</tr>
</tbody>
</table>
| 9 January 2017   | Begin work on preliminary draft JPA  
|                   | • Review Preliminary Outline of JPA Articles  
|                   | • Begin Membership and Governance Discussion. To include but not limited to:  
|                   | o Membership and Appointments  
|                   | o Member terms, additions and withdrawals  
|                   | o Board structure  
|                   | o Voting Structure |
| 20 February 2017 | Complete ratification process for Colusa GSA MOU                                   |
| 20 February 2017 | Continue JPA development  
|                   | • Adopt ratified MOU as Draft Recitals and Principles Articles of JPA  
|                   | • Preliminary Draft Membership and Governance Articles  
|                   | • Preliminary Draft Budget and Funding Article |
| 20 March 2017    | Continue JPA development  
|                   | • Draft Membership and Governance Articles  
|                   | • Draft Budget and Funding Article  
|                   | • Begin Special Projects Article Discussion  
|                   | • Begin Liabilities Article Discussion |
| 17 April 2017    | Continue JPA development  
|                   | • Draft Final Membership and Governance Articles  
|                   | • Draft Final Budget and Funding Article  
|                   | • Preliminary Draft Special Projects Article  
|                   | • Preliminary Draft Liabilities Article  
|                   | • Begin Miscellaneous Provisions Discussion  
<p>|                   | • Begin Formation, Purpose and Powers Discussion |
| 1 May 2017       | Review preliminary draft multi-agency GSA notice                                    |
| 15 May 2017      | Review draft multi-agency GSA notice and submit to governing bodies for review     |
| 29 May 2017      | Review draft final multi-agency GSA notice, reconcile issues and submit to          |</p>
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 June 2017</td>
<td>Finalize multi-agency GSA notice</td>
</tr>
<tr>
<td>30 June 2017</td>
<td>Previously noticed GSAs rescind their notices to the State</td>
</tr>
<tr>
<td>30 June 2017</td>
<td>Submit final multi-agency GSA notice to State. Begin 90-day review period.</td>
</tr>
<tr>
<td>10 July 2017</td>
<td>Continue JPA development</td>
</tr>
<tr>
<td></td>
<td>- Final Membership and Governance Articles</td>
</tr>
<tr>
<td></td>
<td>- Final Budget and Funding Article</td>
</tr>
<tr>
<td></td>
<td>- Draft Special Projects Article</td>
</tr>
<tr>
<td></td>
<td>- Draft Liabilities Article</td>
</tr>
<tr>
<td></td>
<td>- Preliminary Draft Miscellaneous Provisions Discussion</td>
</tr>
<tr>
<td></td>
<td>- Preliminary Draft Formation ,Purpose and Powers Discussion</td>
</tr>
<tr>
<td>7 August 2017</td>
<td>Continue JPA development</td>
</tr>
<tr>
<td></td>
<td>- Final Special Projects Article</td>
</tr>
<tr>
<td></td>
<td>- Final Liabilities Article</td>
</tr>
<tr>
<td></td>
<td>- Draft Miscellaneous Provisions Discussion</td>
</tr>
<tr>
<td></td>
<td>- Draft Formation ,Purpose and Powers Discussion</td>
</tr>
<tr>
<td>4 September 2017</td>
<td>Continue JPA development</td>
</tr>
<tr>
<td></td>
<td>- Draft Miscellaneous Provisions Discussion</td>
</tr>
<tr>
<td></td>
<td>- Draft Formation ,Purpose and Powers Discussion</td>
</tr>
<tr>
<td></td>
<td>- Other items</td>
</tr>
<tr>
<td>2 October 2017</td>
<td>Complete GSA 90-day Notice Review</td>
</tr>
<tr>
<td>2 October 2017</td>
<td>Finalize All JPA Articles and submit to governing bodies for review</td>
</tr>
<tr>
<td>6 November 2017</td>
<td>Ratify JPA and conduct initial meeting of GSA</td>
</tr>
</tbody>
</table>