

MEETING SUMMARY December 16, 2016

Colusa Sustainable Groundwater Management Act (SGMA) – Governance Workgroup Meeting #10

MEETING RECAP

- This meeting was convened with a new structure because the group has reached the point where it is necessary to differentiate the discussions between the eligible GSAs and potential signatories, and all other beneficial users.
- The Workgroup reviewed and discussed version #3 of a draft MOU.
- The Workgroup agreed to convene a Legal Review Subcommittee.
- Mr. Ceppos will draw up a Rules of Engagement document to bring greater structure to the group.

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, welcomed meeting participants to the tenth Colusa GSA Workgroup meeting, and gave a brief review of today's agenda.

Mr. Ceppos explained that today and going forward there will be a new seating arrangement and structure for the GSA Workgroup meetings. It has been discussed at previous meetings that the time would come when the meeting structure would need to change to focus on participating GSA-eligible agencies. Several agencies have recently asked for this and the time has come. Under this new structure, participating GSA-eligible agency representatives will be seated at the table and other meeting attendees will be seated in the audience. Agenda topics will first be addressed by the agency representatives at the table, followed by any public comment. The agency representatives will then have a chance for further comment and/or discussion with members of the public. This will in no way impede the ability of the public to provide input at the Workgroup meetings.

Colusa County Supervisor Denise Carter thanked everyone for coming. She spoke to the County's vision for governance which includes a multi-party JPA with a seat for one supervisor and two private pumper representatives. The two private pumper seats would be held by two members of the County Groundwater Commission.

SGMA Process Updates

Mr. Ceppos reported that the Glenn County Governance group met last week and had a robust discussion on the draft MOU. They had many suggested changes, some differing from Colusa County's. The changes that Colusa County made were very helpful to the Glenn County discussion. They continue working on an approach for their MOU. They would also like to be moving towards a JPA that potentially covers the county footprint.

Glenn County had the first meeting of their PPAC last week. There were no details provided.

Last week, staff from Glenn, Colusa and Butte Counties met to begin discussions about the West Butte Subbasin. Ms. Fahey reported that the group discussed the different agencies in the subbasin and how the meetings have been going in each county. Ms. Fahey mentioned the potential of bringing at least the Colusa County portion of the West Butte Subbasin into the Colusa Subbasin when we can do a basin

boundary adjustment in 2018. This group hasn't talked about this yet. Terry Bressler, RD 1004, stated that this may be a waste of time. They do not want to be mired by other areas of the Colusa Subbasin. This will be a topic for continued discussion.

Discussion – Draft Memorandum of Understanding

Mr. Ceppos mentioned that there was a meeting of the surface water districts last Friday. There was some advocacy at that meeting for the surface water districts to retain their GSA notices, but still sign on to the MOU. This group has been working towards a multi-party MOU in which all agencies rescind their current GSA status and the signatories to the MOU refile as a single, multi-party GSA. Several agencies took these two approaches to their Boards last week for feedback and Mr. Ceppos asked each agency for a report.

Thad Bettner, Glenn Colusa Irrigation District (GCID) gave some background on the process that led to the current draft MOU in Colusa County. We have a direction and a schedule now, and it was time to bring the draft multi-party MOU concept that this group has been developing to GCID's Board. The surface water district managers met last Friday to make sure that they were all on the same page. At that meeting, another option was brought forward by one of the agencies. This proposed new option is that the County rescinds its overlap and each of the agencies retains their GSA status. The MOU would reflect a multi-agency GSA that would go forward to form a JPA. The difference is that we have been planning for a multi-party MOU where each agency rescinds their GSA status completely and forms a new GSA, and the new proposal is for a multi-agency MOU wherein each agency retains its GSA status.

GCID's Board met yesterday and walked through the two different options. The Board had about an hour long discussion and ultimately agreed to stay on the current path with the multi-party MOU. The MOU needs a lot of ongoing work and they want to make sure the concerns of the districts are addressed. It is also important that there is a proper off-ramp in the MOU. The GCID Board would like to have feedback from the County Board of Supervisors in both Colusa and Glenn Counties to be sure that the County is on the same page. Since GCID spans portions of Colusa and Glenn Counties, there needs to be the same process in both Counties in order for them to sign on to both MOUs.

Mr. Ceppos clarified the two different approaches that Mr. Bettner described:

#1, Multi-party GSA: Each currently noticed GSA rescinds its GSA status and the signatories to the MOU refile as a single, multi-party GSA. This is the path this group has been pursuing from the beginning.

#2, Multi-agency GSA: Each currently noticed GSA retains its GSA status. The County refiles to eliminate the overlaps and the County GSA covers the white areas. Each individual GSA signs the MOU but retains its GSA status. This was a new proposal from one of the districts at the surface water district meeting last Friday.

Lance Boyd, Princeton Glenn Codora Water Agency and Provident Irrigation District, reported that his Districts' Boards feel they could go either way. The general feeling is that as long as they have assurances, they could go with option #1, the multi-party MOU. They would like clarification from the Supervisors in both counties that the Counties are on board. They would also like assurance that there is an acceptable off-ramp process. It is also important to these agencies that the groundwater pumpers within their district boundaries will be protected.

Lewis Bair, Reclamation District 108, reported that he had invited Board members from Colusa County Water District (CCWD) and Dunnigan Water District to the RD 108 Board meeting. His Board feels it will be more efficient and less costly to maintain the current path of a multi-party MOU. They feel very confident that they could be a GSA on their own, but as long as there is an acceptable off-ramp in the MOU, they are supportive of the MOU process. The concern they heard from CCWD is that once we get the MOU signed and the JPA formed, things could change at the State level later and there may not be a way to go back and become an independent GSA. A positive for CCWD was the greater potential of a multi-party GSA to receive State funding. The RD 108 Board is supportive of the current multi-party MOU path.

Supervisor Carter reported that it has always been the intent of the County to strive to have one County-wide, multi-party GSA. It will be more efficient and cost effective. It also will give us a better chance to receive State funding. Mary Randall, DWR, agreed that we would be better off as a single, united agency.

Charles Marsh, Reclamation District 479, stated that they have not convened a Board meeting but he has had conversations with Board members. Everyone agrees that SGMA will be costly and complicated and if we can pull together as one group it will be most efficient. Funding is a key concern.

Terry Bressler, Reclamation District 1004 reported that they are going to wait to see what happens.

Chuck Bergson, City of Williams, reported that he brought the MOU to the City Council. They are all in agreement about the single multi-party MOU. Their concern is with costs.

Mr. Ceppos mentioned that CCWD was not able to attend today. Lewis Bair reported that their Board member, Halbert Charter, attended his Board meeting and said that either option would work for CCWD. Their biggest concern is that the MOU language is strong enough so that at a later date they could be a GSA on their own if necessary. They really want to work together, and they don't want to separate from the group. Ms. Fahey stated that at CCWD's Board meeting which she attended, the Board members didn't talk much, but their attorney was really pushing for them to retain their GSA status. At that meeting, Board member Charter expressed that maybe they just need to take a leap of faith and go with the multi-party MOU.

Mr. Ceppos opened the table to comments. Again, there was clarification between the two options, a multi-party JPA vs. a multi-agency JPA. With the multi-party JPA where each agency gives up their individual GSA status, it's harder to get out, which will encourage agencies to work harder to succeed as a group, which could be a good thing.

Question: In the beginning we talked about the State preferring fewer GSAs. If there are multiple GSAs in the JPA, wouldn't there be more reporting requirements. **Answer:** Mr. Ceppos has been told by representatives at DWR that they would prefer less GSAs. Also, areas that have shown intent to carry the spirit of SGMA and work together probably will score better for grant funding.

Question: What would be the best way to proceed in getting the attorneys involved? **Answer:** Ms. Fahey has sent the current version of the MOU to the County's outside counsel, Rob Donlan, for review. Mr. Ceppos mentioned that there are still some additions to be included in the MOU. The intent is that this MOU is going to be the basis for this group noticing as a GSA. We need to fill in the names of the agencies and start including signature blocks. There also needs to be something about the geographical

footprints of the agencies and white areas. Discussions need to happen between the PPAC and the County. The attorneys need to understand that we are looking for tightening of language, but not major change to content. We don't want to be set back by the attorneys not understanding the process we have gone through to develop the content.

Mr. Bettner said that the attorneys in his agency trust Rob Donlan. He suggested developing a working group to work with the attorneys and Mr. Donlan. A subcommittee was formed to work with the attorneys: Ms. Fahey, Mr. Bettner, Mr. Williams, Mr. Bergson. **Action: Ms. Fahey will coordinate with Rob Donlan and agency attorneys and set a meeting for early January.**

Mr. Ceppos moved the discussion to the Critical Path timeline. He mentioned that this schedule was his best guess.

- December 13, finalize members. This has been completed.
- Submit to governing bodies for review. **Action: Add attorneys to these items.**
- Early January we will convene the first Legal Review Workgroup and update this draft MOU. It should then go back to all of the attorneys.
- Agency Boards should be continually kept up to date on the process and MOU updates.
- Later February, each Board will ratify the MOU.
- The green section on the Critical Path contains elements of a Joint Powers Agreement. All of these go from preliminary draft to draft to final.
- The red section on the Critical Path begins May 1. This is where we start to set aside some of the JPA work and turn our attention to GSA noticing. This leaves two months. We may not need that much time.

Mr. Ceppos mentioned that he has spoken with Mark Nordberg (DWR) and Eric Eckdahl (SWRCB) to confirm that an MOU is sufficient to form a GSA and both agency representatives who will be the reviewers said that this document is completely sufficient.

Mr. Bair stated that his attorney and CCWD's attorney had talked about creating a JPA now instead of developing the MOU and then the JPA documents. We need to be clear with the attorneys that we are either doing the MOU or we are shooting for a JPA. This needs to be made clear and we should ensure that the attorneys, especially CCWD's attorney, are comfortable with this.

Question: Who is going to create the JPA preliminary draft? **Answer:** The Attorneys working on the legal review subcommittee could work on that. They probably have examples from other JPA Agreements.

Question: It's going to be difficult to get a commitment to the MOU if we don't have a Board structure and voting structure.

Comment: The only way to do that is to have robust language that we all retain the right to become an independent GSA.

Mr. Ceppos opened the floor to public comment:

Question: If the surface water districts want the right to become an independent GSA at a later date, would that change the MOU? **Answer:** There would be language in the JPA. Both agencies would have to go back to DWR and refile. There will be conditions in the Joint Powers Agreement that must be met for an agency to get out of it.

Mr. Ruiz, Maxwell Irrigation District and Westside Water District, arrived. Mr. Ceppos asked him if he has discussed the two MOU structures (multi-party and multi-agency) with his Board. Mr. Ruiz stated that he has spoken to both of his Boards. They are both supportive of the multi-party approach that we have been pursuing.

Mr. Bair mentioned that we should follow up with Shelly Murphy and Halbert Charter at CCWD. Mr. Ceppos said that he will follow up with Shelly.

Ms. Fahey presented the proposed meeting schedule through March (**Appendix A**), and explained that she scheduled two meetings per month and we need to schedule one more in late January.

The group turned its attention to the draft MOU (**Appendix B**).

Question: Are the entities mentioned in 4.9 the same as 4.10? **Answer:** Yes.

Question: Regarding 5.2.4, how is this recharge going to be measured? **Answer:** There is another item that mentions studies.

Comment: It seems to me that 5.2.4 is the same as 5.2.8. 5.2.8 includes language about studies. We could remove 5.2.4.

Question: Regarding 5.2.8, is this about banked groundwater? **Answer:** We don't know what that is, which is why we added the language about studies.

Question: Are we deleting 5.2.4? **Answer:** Yes.

Comment: I'm okay with that, but let's leave it in as a strike-out but talk to the attorneys to see if they can come up with some better language. **Action: Work with Attorneys on 5.2.4.**

Comment: Regarding language in 4.10, suggest "Unsustainable groundwater practices" instead of "Increased extractions."

Comment: In Glenn County they suggested removing the word avoided. This could accidentally inhibit certain practices. **Comment:** strike entire last section. **Action: Change 4.10 to: Unsustainable groundwater practices threaten the groundwater resources of all well owners.**

Comment: Action: 5.1.7, scratch "white" and leave as "adjacent areas."

Comment: I have a proposed new paragraph. "The agency will work with all member agencies and cooperating landowners to coordinate and facilitate intra basin surface water transfers to areas within the county experiencing one or more of the six sustainability indicators."

Question: Are you talking about adjacent landowners transferring? **Answer:** In the past this has been a hot topic, landowners wanting to transfer water from one district to another. We haven't talked about this at all. There should be a general discussion and maybe a consensus that there should be transfers between common landowners to troubled areas.

Comment: Some people might not be in favor of that because if you're moving that water it could affect the area of the source of water.

Comment: In our district, individual landowners are not allowed to transfer water.

Comment: As a water right holder, as a district, I can't say that a landowner has the right to move the water. **Reply:** I know what you're saying, it would have to be a program.

Comment: As an example, I am a landowner in a district and I have rice ground and I also have trees on the west side. We are in a drought and I really don't want to plant rice. I would rather use the water on my almond trees. I want to work with other landowners and put together a block of water that can be moved to the west side. This has been very difficult in the past. It doesn't make sense to me that a landowner should have to plant a crop that he doesn't want to grow and be forced to pump groundwater in another area that is experiencing sustainability issues.

Comment: I think you can prioritize transfers in one basin but I don't think you can say if you own land in another district you have a right to move water. The fear is that a corporation comes in and buys up a lot of land in a water rich district and plants large acreages of trees on the west side and moves all of that water.

Comment: This is a general concept. We can let the attorneys look at this. We do have a Principle in the MOU, 5.2.10, that may cover this.

Comment: We can transfer from district to district, but single landowners cannot transfer. It could become very difficult to administer.

Action: Add this language and work with the group and attorneys to refine.

Mr. Ceppos proposed that with the new meeting structure and the current work to be done, he will develop rules of engagement, or a charter, for this group of people sitting at the table. As the process goes on, now that we are getting more structure, we need to know who sits at the table. Will there be alternate members? How will they be informed so they are up to speed for meetings? It is time to start putting some structure into this to keep things moving forward.

Action Items:

- Ms. Fahey to make suggested changes to draft MOU document and send to Mr. Ceppos.
- Mr. Ceppos to work on Rules of Engagement.
- Ms. Fahey to coordinate with Rob Donlan, Mr. Bettner, Mr. Williams, Mr. Bergson and the participating Agency attorneys to set up a Legal Review Subcommittee meeting in early January to review and discuss the draft MOU document.

Participant List

➤ Lance Boyd	Princeton Codora Glenn and Provident Irrigation Districts
➤ Chuck Bergson	City of Williams
➤ Darrin Williams	Colusa County Groundwater Commission/ Private Pumper Advisory Commission (PPAC)
➤ Denise Carter	Colusa County Supervisor
➤ Mike Mitchell	City of Williams
➤ Terry Bressler	Reclamation District 1004
➤ Charles Marsh	Reclamation District 479
➤ Lewis Bair	Reclamation District 108
➤ Jim Wallace	Colusa Drain Mutual Water Company
➤ Thad Bettner	Glenn Colusa Irrigation District
➤ Dan Ruiz	Maxwell Irrigation District and Westside Water District
➤ Lorraine Marsh	Colusa County Groundwater Commission/PPAC
➤ Luke Steidlmeyer	Attorney
➤ Mary Randall	Department of Water Resources
➤ Sharon Ellis	Glenn County
➤ George Pendell	Stony Creek
➤ Christy Scofield	Landowner
➤ Greg Plucker	Colusa County Planning and Building
➤ Kim Gallagher	Landowner/PPAC
➤ Hilary Reinhard	Landowner
➤ Rod Bradford	Landowner
➤ Vicki Newlin	Butte County

Staff

- Dave Ceppos Center For Collaborative Policy, Sacramento State University
- Mary Fahey Colusa County Water Resources Coordinator

Appendix A: Meeting Schedule through March, 2017 (subject to change)

- Thursday, January 12, 2017 1:00 PM – 4:00 PM
- Late January meeting to be scheduled
- Thursday, February 9, 2017 9:00 AM – 12:00 PM
- Thursday, February 23, 2017 9:00 AM – 12:00 PM
- Thursday, March 9, 2017 1:00 PM – 4:00 PM
- Thursday, March 23, 2017 9:00 AM – 12:00 PM

WORKING DRAFT

Memorandum of Understanding Defining Colusa Subbasin Groundwater Sustainability Interests Version 3 – December 7, 2016

This Memorandum of Understanding (MOU) is made and entered into by and among the (names of parties to be updated week of 12/13/16) 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 agencies with the authority and the technical and available 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 or the County; and

WHEREAS, groundwater extractors in the County portion of the Colusa Subbasin also include Tribes and other Federal agencies; and

WHEREAS, The State of California is a Correlative Rights State, (any property over a groundwater basin has an equal right to the water in the basin based on their current and beneficial need for water) 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),

WHEREAS pursuant to mutual execution of this MOU, the Parties intend to prepare a Joint Powers Agreement and create a Joint Powers Authority to serve as the multi-agency Groundwater Sustainability Agency for the County portion of the Colusa Subbasin;

WHEREAS upon future request and notification, the Parties will add other local public agencies as signatories to the intended joint powers agreement and members of the Groundwater Sustainability Agency;

NOW, THEREFORE, 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:

1. "Act" refers to the Sustainable Groundwater Management Act.
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
13. "Subbasin" means the Colusa Subbasin as defined in State of California Bulletin 118.

Section 2. Purpose

2.1 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 Joint Powers Authority that will serve as the Agency.

2.2 This MOU also defines mutually understood tasks and associated potential costs of tasks that may be necessary as the Parties implement the Act through an multi-party Agency (as described in Section 6).

Section 3. Term

3.1 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 (as per California Government Code Section 6500).

Section 4. General Principles of Understanding

4.1 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 representation of beneficial users.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

- 4.7 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.
- 4.8 No Party's land use or other authority is limited by this MOU.
- 4.9 Sustainable groundwater conditions must support, preserve, and enhance the economic viability, social well-being and culture of all beneficial uses and users including Tribal, domestic, municipal, agricultural, and industrial users.
- 4.10 Increased extractions threaten the groundwater resources of all well owners and such impacts must be avoided and/or mitigated.
- 4.11 Aquifers within the basin can be threatened by unsustainable management of groundwater resources.
- 4.12 Economic prosperity and healthy natural resources in the County can be threatened by the lack of available groundwater and surface water resources and said threats must be avoided.
- 4.13 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 is 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.
- 4.14 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.
- 4.15 All overlying landowners in the Colusa Subbasin have a right to share the Subbasin's natural recharge for beneficial use on their overlying land.
- 4.16 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.
- 4.17 Achieving and maintaining groundwater sustainability for the good of all groundwater beneficial users in the County is 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

5.1 Governance and Implementation of the Act

5.1.1 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

5.1.2 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.

5.1.3 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.

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

5.1.5 Local public agencies retain discretion to determine whether to be an individual Agency, and reserve the right to withdraw from the Joint Powers Authority if the Authority is failing to meet the requirements of sustainability defined in the Plan or as determined by the Department of Water Resources or the State Water Resources Control Board. Newly formed agencies will also have the right to join the Joint Powers Authority at a time after the initial formation of the Agency.

5.1.6 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.

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

5.2 Sustainability

5.2.1 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.

5.2.2 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.

5.2.3 All water users should be encouraged to utilize surface water to its full extent as available and feasible and groundwater should be conserved for use during dry periods when surface water is not readily available or affordable.

5.2.4 Surface water users will have access to use the recharge attributable to leakage of surface water from canals and distribution and drainage systems, and the deep percolation of applied surface water for crop irrigation.

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

5.2.6 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.

5.2.7 The Parties act on behalf of and represent all landowners within their service areas to ensure collective compliance with the Act.

5.2.8 Surface water recharges groundwater through leakage from canals and distribution and drainage systems and deep percolation of applied crop water. When reductions of surface water supplies occur, surface water users may access water attributable to such recharge. Studies will quantify the availability of such recharge, and provisions will be in place through the Plan (such as targeted monitoring and mitigation programs) to ensure that future groundwater extractions are consistent with quantified recharge and the sustainable yield of the Subbasin .

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

5.2.10 Surface water transfers will potentially serve as a tool to settle disputes over environmental obligations such as dedication of surface water to environmental requirements in reservoirs, rivers, or the Bay-Delta or to mitigate impacts during drought periods which will include increased reliance on groundwater by surface water users. Agency members agree to coordinate and partner on actions that attempt to balance environmental solutions with groundwater sustainability.

5.3 Agency Financing and Support

5.3.1 Provisions are included for Party contributions of capital and operating funds, personnel, services, equipment or property to convening the Agency and Plan development.

5.3.2 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)

5.4 Future Modifications to this Memorandum

5.4.1 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.

Section 6. Potential Projects and Costs

To be added week of 12/13/16 as per work between the County and Facilitation Consultant