

9/2023 DRAFT  
**JOINT EXERCISE OF POWERS AGREEMENT  
SANTA YNEZ RIVER VALLEY BASIN EASTERN MANAGEMENT AREA  
GROUNDWATER SUSTAINABILITY AGENCY**

This Joint Exercise of Powers Agreement (“Agreement”) is made and entered into by and between the City of Solvang (“Solvang”); the Santa Barbara County Water Agency (“Santa Barbara”); the Santa Ynez River Water Conservation District (“SYRWCD”); and the Santa Ynez River Water Conservation District, Improvement District No.1 (“ID No.1”), 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 Eastern Management Area of the Santa Ynez River Valley Groundwater Basin. This joint powers agency shall hereinafter be known as the Santa Ynez River Valley Groundwater Basin Eastern Management Area Groundwater Sustainability Agency (“EMA GSA” or “GSA”).

**RECITALS**

A. WHEREAS, the Sustainable Groundwater Management Act of 2014 (“SGMA”), including but not limited to Water Code section 10720 et seq., requires the formation of groundwater sustainability agencies by June 30, 2017 to manage medium and high priority groundwater basins throughout the state through the adoption and implementation of groundwater sustainability plans (“GSPs”), where GSPs for high and medium priority basins that are not subject to conditions of critical overdraft must be adopted by January 31, 2022; and

B. WHEREAS, the Santa Ynez River Valley Groundwater Basin (also referred to as the “Santa Ynez Groundwater Basin” or “Basin”), as identified and defined by the California Department of Water Resources (“DWR”) in Bulletin 118 (as Basin 3-15), has been designated by DWR as a medium priority basin; and

C. WHEREAS, Bulletin 118 describes the Basin as being in three portions, that being the eastern, central, and western. The western portion consists of the Lompoc Plain, Lompoc Terrace, and Lompoc Uplands; the central portion consists of the Buellton Uplands, and the eastern portion consists of the Santa Ynez Uplands. For the purpose of implementing SGMA, each portion of the Basin as described by DWR has been designated as a separate “Management Area” as authorized by SGMA, where the three Management Areas cover the entire Basin defined by Bulletin 118; and

D. WHEREAS, the map attached hereto as Exhibit A depicts the boundaries of the three Management Areas of the Basin; and

E. WHEREAS, in 2016, local public agencies eligible to form a GSA or GSAs in the Basin determined that a separate GSA would be formed for each Management Area of the Basin (see Memorandum of Understanding for Implementation of the Sustainable Groundwater Management Act in the Santa Ynez River Valley Groundwater

Basin, dated May 23, 2016); and

F. WHEREAS, effective April 27, 2017 the Members entered into a “Memorandum of Agreement for Formation of a Groundwater Sustainability Agency for the Eastern Management Area in the Santa Ynez Valley Groundwater Basin under the Sustainable Groundwater Management Act” (“2017 MOA”), which established the Members as the participating agencies of the EMA GSA created by the 2017 MOA; and

G. WHEREAS, pursuant to separate Memoranda of Understanding, the local public agencies in the Western Management Area (“WMA”) and the Central Management Area (“CMA”) of the Basin, respectively, formed a WMA GSA and a CMA GSA in the Basin; and

H. WHEREAS, effective February 26, 2020, the local public agencies participating in the EMA GSA, the WMA GSA, and the CMA GSA entered into the Intra-Basin Administrative Agreement for Implementation of the Sustainable Groundwater Management Act in the Santa Ynez River Valley Groundwater Basin; and

I. WHEREAS, in accordance with Water Code section 10727.6 and California Code of Regulations, title 23, section 357.4, the EMA GSA, the WMA GSA, and the CMA GSA entered into the Santa Ynez River Valley Groundwater Basin Coordination Agreement, effective January 1, 2022; and

J. WHEREAS, the EMA GSA formed under the 2017 MOA has already developed, adopted, and submitted a Groundwater Sustainability Plan (“GSP”) for the EMA to DWR as required by SGMA; and

K. WHEREAS, each of the Members is duly organized and existing under the laws of the State of California and is a local agency qualified to become or form a GSA under SGMA for the Eastern Management Area of the Basin; and

L. WHEREAS, pursuant to SGMA, specifically Water Code section 10723.6, and the Joint Exercise of Powers Act, Government Code section 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 Eastern Management Area of the Santa Ynez River Valley Groundwater Basin; and

M. WHEREAS, the Members are interested in reforming the existing EMA GSA established under the 2017 MOU as a separate entity under the Joint Exercise of Powers Act in order to implement the EMA GSP under SGMA; and

N. WHEREAS, in accordance with Water Code section 10723(b), the Members have held a joint or individual public hearing(s) regarding entering into this Agreement; and

O. WHEREAS, pursuant to this Agreement the Members desire to create a joint powers authority to sustainably manage the Eastern Management Area of the Santa

Ynez River Valley 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 Santa Ynez River Valley Groundwater Basin Eastern Management Area Groundwater Sustainability Agency.

2.2 “Basin” means the Santa Ynez River Valley Groundwater Basin, as identified and defined by DWR in Bulletin 118 (as Basin 3-15) as of the Effective Date of this Agreement 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 2020, and as it may be subsequently updated or revised in accordance with Water Code section 12924.

2.4 “Board of Directors” or “Board” means the governing body of the EMA GSA as established by Article 7 of this Agreement.

2.5 “EMA” means the Eastern Management Area of the Basin, as defined and depicted in the GSP for the EMA, as may be amended from time to time pursuant to SGMA.

2.6 “EMA GSA” or “GSA” means the Santa Ynez River Valley Groundwater Basin Eastern Management Area Groundwater Sustainability Agency, formed as a separate joint powers authority through this Agreement.

2.7 “Director(s)” and “Alternate Director(s)” means a Director or Alternate Director appointed by a Member or appointed by the Directors representing the Members

pursuant to Articles 7.2 and 7.3 of this Agreement.

2.8 “DWR” means the California Department of Water Resources.

2.9 “GSP” means a Groundwater Sustainability Plan, as defined by SGMA in Water Code section 10727 et seq.

2.10 “Joint Exercise of Powers Act” means Government Code section 6500 et seq., as may be amended from time to time.

2.11 “Member” or “Members” means an entity or the entities authorized by SGMA and other applicable law to participate in the EMA GSA as formed by this Agreement and included in Article 6.1 of this Agreement, or any entity that becomes a new Member of the EMA GSA pursuant to Article 6.2 of this Agreement.

2.12 “Officer(s)” means the Chair, Vice Chair, Secretary, or Treasurer of the EMA GSA to be appointed by the Board of Directors pursuant to Article 8.2 of this Agreement.

2.13 “SGMA” means the Sustainable Groundwater Management Act, including but not limited to Water Code section 10720 et seq., as SGMA may be amended from time to time.

2.14 “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 and SGMA a joint powers agency, which will be a public entity separate from the Members to this Agreement, and shall be known as the Santa Ynez River Valley Groundwater Basin Eastern Management Area Groundwater Sustainability Agency (“EMA GSA” or “GSA”). The boundaries of the EMA GSA shall be coterminous with the boundaries of the EMA portion of the Basin as established by the EMA GSP and depicted in Exhibit A, which may be amended from time to time pursuant to SGMA.

3.2 Notices. Within 30 days after the Effective Date of this Agreement, and after any amendment hereto, Santa Barbara, on behalf of the EMA 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 section 6503.5. Within 30 days after the Effective Date of this Agreement, Santa Barbara, on behalf of the EMA GSA, shall cause a statement of the information concerning the GSA, required by Government Code section 53051, to be filed with the office of the California Secretary of State and with the County Clerk for the County of Santa Barbara, setting forth the facts required to be stated pursuant to Government Code section 53051(a). Within 30 days after the Effective Date of this Agreement, Santa

Barbara, on behalf of the EMA GSA, shall inform DWR of the Members' decision and intent to undertake sustainable groundwater management within the EMA in accordance with Water Code section 10723.8.

3.3 Purpose of the GSA. The purpose of the EMA GSA is to implement and comply with SGMA in the EMA portion of the Santa Ynez River Valley Groundwater Basin by serving as the EMA's groundwater sustainability agency, implementing the GSP for the EMA, and coordinating with the WMA GSA and CMA GSA in sustainably managing the Basin pursuant to SGMA.

#### **ARTICLE 4 TERM**

4.1 This Agreement shall become effective on the last date on which all of the Members listed in Article 6.1 sign this Agreement ("Effective Date"), after which notices shall be filed in accordance with Article 3.2. This Agreement shall remain in effect until terminated pursuant to the provisions of Article 16 of this Agreement.

#### **ARTICLE 5 POWERS**

5.1 **The** EMA 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 **For** purposes of Government Code section 6509 and Water Code section 10730.6(d), the powers of the EMA GSA shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed on Santa Barbara, and in the event of the withdrawal of Santa Barbara as a Member under this Agreement, then the manner of exercising the GSA's powers shall be exercised subject to those restrictions imposed on Solvang.

## **ARTICLE 6 MEMBERSHIP**

6.1 Members. The Members of the EMA GSA, as long as they have not withdrawn from this Agreement pursuant to Article 16, shall be:

- (a) City of Solvang;
- (b) Santa Barbara County Water Agency;
- (c) Santa Ynez River Water Conservation District; and
- (d) Santa Ynez River Water Conservation District, Improvement District No.1.

6.2 New Members. Any entity authorized by SGMA and other applicable law to participate in the EMA GSA, 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;
- (b) Amendment of the Agreement in accordance with Article 18.2; and
- (c) Payment by the new Member of a pro rata share of all previously incurred costs that the Board of Directors determines have resulted in benefit to the new Member, and are appropriate for assessment on the new Member.

## **ARTICLE 7 BOARD OF DIRECTORS**

7.1 Formation of the Board of Directors. The EMA GSA shall be governed by a Board of Directors ("Board"). Directors of the Board shall consist of one representative from each of the Members identified in Article 6.1, and one representative appointed by the Directors representing the Members, as follows:

- (a) One Director representing Solvang;
- (b) One Director representing Santa Barbara;
- (c) One Director representing SYRWCD;
- (d) One Director representing ID No.1; and
- (e) One Director, appointed in accordance with Article 7.2 by the Directors listed in (a)-(d) above, representing the agricultural interests of the Members.

7.2 Appointment of Directors. Directors of the Board shall be appointed as follows:

- (a) The Director representing Solvang shall be appointed by resolution of Solvang's City Council.
- (b) The Director representing Santa Barbara shall be appointed by resolution of Santa Barbara's Board of Directors.
- (c) The Director representing SYRWCD shall be appointed by resolution of SYRWCD's Board of Directors.
- (d) The Director representing ID No.1 shall be appointed by resolution of ID No.1's Board of Trustees.
- (e) The **Dir**ector listed in Article 7.1(e) shall be appointed by resolution of the EMA GSA, where the recruitment process and appointment decision for said Director shall be undertaken solely through direction and action by the Directors representing the Members as listed in Article 7.1(a)-(d). Said appointment decision shall be subject to the voting requirements of Article 11.3(b).

**OR** ALTERNATIVE MECHANISM FOR APPOINTING THE AGRICULTURAL REPRESENTATIVE.

Each Director representing a Member shall be an elected official of the appointing 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. 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 a Director is not present, or if a 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 roles of the Director, and shall have the authority to act on behalf of the absent Director, including **but** not limited to participating in open session and closed session deliberations and casting votes on matters before the Board. An Alternate Director representing a Member shall be an elected official or member of management of the appointing Member.

7.4 Requirements. Each Director and Alternate Director shall be appointed by resolution as set forth in Article 7.2. Directors and Alternate Directors representing a Member shall serve at the pleasure of the governing body of the appointing Member. No individual Director or Alternate representing a Member may be removed except by the vote of the governing body of the Member that appointed him/her. The term of a non-Member Director or non-Member Alternate appointed in accordance with Article 7.2(e) shall be \_\_\_\_ (\_\_) year(s), and such Director or Alternate may serve any number of consecutive terms upon re-appointment in accordance with Article 7.2(e); provided,

however, that any non-Member Director or non-Member Alternate may be removed from his/her position at any time prior to the expiration of his/her then-current annual term based on a decision by the Directors representing the Members, where said removal decision shall be subject to the voting requirements of Article 11.3(b).

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. Upon the vacancy of an Alternate, a new Alternate shall be appointed as set forth in Articles 7.2 and 7.3. A Member shall submit any changes in its Director or Alternate Director positions to the Board by providing a copy of its executed resolution.

7.6 Duties of the Board of Directors. The business and affairs of the EMA GSA, and all of its powers, including without limitation all powers set forth in Article 5, 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 other(s) pursuant to this Agreement, Bylaws of the GSA, the EMA GSP, or by specific action of the Board of Directors.

7.7 Director and Alternate Compensation. No Director or Alternate shall be compensated by the EMA GSA in connection with any meetings or other activities undertaken as a representative of the GSA. Nothing in this Article is intended to prohibit a Member from compensating its Director or Alternate for compensable activities undertaken as a Director or Alternate of the GSA Board.

## **ARTICLE 8 OFFICERS**

8.1 Officers. Officers of the EMA GSA shall be a Chair, Vice Chair, Secretary, 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 and shall be a member of the Board.
- (b) Vice Chair. The Vice Chair shall exercise all powers of the Chair in the Chair's absence or inability to act, and shall be a member of the Board.
- (c) Secretary. The Secretary shall keep minutes of meetings of the Board of Directors and shall perform other duties and responsibilities as properly delegated by the Board. The Secretary may, but need not, be a member of the Board.
- (d) Treasurer. The Treasurer shall perform such duties and responsibilities specified in Government Code sections 6505.5 and 6505.6. The Treasurer may, but need not, be a member of the Board.

8.2 Appointment of Officers. Officers shall be appointed annually by, and serve at the pleasure of, the Board of Directors. Officers shall be appointed by resolution of the Board at the first Board meeting, and thereafter at the first Board meeting following



January 1st of each year. The Director from \_\_\_\_\_ shall be designated as the Chair pro tem to preside at the first meeting of the Board until a Chair is appointed by resolution of 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 a decision of the Board in accordance with Article 11.3(a). Notwithstanding the foregoing, the Treasurer shall be appointed in the manner specified in Government Code sections 6505.5 and 6505.6.

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

## **ARTICLE 9 EXECUTIVE DIRECTOR & STAFF**

9.1 Hiring. The Board may hire an Executive Director of the EMA GSA, as well as any other needed staff, consultant(s), and legal counsel, who may be hired as an employee of the GSA or by contract with the GSA. The Executive Director and Legal Counsel shall not be an officer, employee, or representative of any of the Members or Directors.

9.2 Compensation. The Executive Director, staff, consultants, and legal counsel's compensation shall be determined by the Board.

9.3 Duties. The Executive Director, staff, consultant and legal counsel shall serve at the pleasure of the Board. The Executive Director 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, and otherwise as set forth in the GSA Bylaws.

10.4 Termination. The Executive Director shall serve until his/her resignation or until the Board terminates the Executive Director's employment or contract.

## **ARTICLE 10 GSA DIRECTOR MEETINGS**

10.1 Initial Meeting. The initial meeting of the EMA GSA Board of Directors shall be called by the Chair pro tem and held within the boundaries of the EMA, within sixty (60) days of the Effective Date of this Agreement.

10.2 Time and Place. The Board of Directors shall meet at least quarterly, at a date, time, and place set by the Board, and at such other dates, times, and places as may be determined by the Board.

10.3 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 section 54950 et seq.).

10.4 Conduct. All meetings of the Board of Directors, including special meetings, and any meetings involving teleconferencing to the extent allowed by law, shall be noticed, held, and conducted in accordance with the Ralph M. Brown Act (Government Code section 54950 et seq.).

10.5 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 section 81000 et seq.).

## ARTICLE 11 VOTING

11.1 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.

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

- (a) The Director representing Solvang shall have \_\_\_ vote(s);
- (b) The Director representing Santa Barbara shall have \_\_\_ vote(s);
- (c) The Director representing SYRWCD shall have \_\_\_ vote(s);
- (d) The Director representing ID No.1 shall have \_\_\_ vote(s);
- (e) The non-Member Director appointed in accordance with Article 7.2 shall have \_\_\_ vote(s);
- (f) The Director of any new Member added to the EMA GSA in accordance with Article 6.2 shall have \_\_\_ vote(s).

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

### 11.3 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 percent of the vote total in accordance with Article 11.2, 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 minimum 75 percent vote total in accordance with Article 11.2 shall be required to approve any of the following: (i) the annual budget; (ii) any substantive amendment to the EMA GSP ; (iii) any decision to resolve litigation; (iv) addition of new Members pursuant to Article 6.2; (v) establishment and levying of any fee, charge, or assessment; (vi) adoption or amendment of the GSA Bylaws; (vii) selection of any

consultant to conduct work for the EMA GSA; or (viii) appointment of a non-Member Director or non-Member Alternate in accordance with Article 7.2, or removal of a non-Member Director or non-Member Alternate in accordance with Article 7.4, where only Directors representing Members are authorized to cast a vote for said appointment or removal decisions.

## **ARTICLE 12 BYLAWS**

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

## **ARTICLE 13 ACCOUNTING PRACTICES**

13.1 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 EMA 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.

13.2 Fiscal Year. Unless the Board of Directors decides otherwise, the fiscal year for the EMA GSA shall run from July 1<sup>st</sup> to June 30<sup>th</sup>.

## **ARTICLE 14 BUDGET AND EXPENSES**

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

14.2 GSA Funding and Contributions.

- (a) For the purpose of funding the expenses and ongoing operations of the EMA GSA, the Board of Directors shall maintain a funding account in connection with the annual budget process.
- (b) The EMA GSA may endeavor to pursue and apply for grants and/or loans to fund a portion of the cost of implementing the EMA GSP as the Board may direct.
- (c) The Board of Directors may undertake activities to fund the EMA GSA and implement the EMA GSP as provided in SGMA; may accept voluntary contributions from Members or other persons or entities that

are not subject to reimbursement by the GSA; may accept voluntary contributions from Members or other persons or entities that are to be reimbursed by the GSA; and/or may pursue funding through any other means allowable by law, including but not limited to fees and/or charges.

14.3 Return of Contributions. In accordance with Government Code section 6512.1, repayment or return to the Members of all or any part of any contributions made by Members 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 repayment or 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, and which contribution is subject to reimbursement by the GSA, 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 Members or other persons or entities is made by the GSA. The GSA shall hold title to all funds and property acquired by the GSA during the term of this Agreement.

14.4 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 supermajority vote in accordance with Article 11.2.

## **ARTICLE 15 LIABILITIES**

15.1 Liability. In accordance with Government Code section 6507 and 6508.1, the debts, liabilities, and obligations of the EMA GSA shall be the debts, liabilities, and obligations of the GSA alone, and not of any of the Members individually or jointly, except as otherwise specified by law.

15.2 Indemnity. The EMA GSA, and those persons, agencies, consultants, entities, and instrumentalities used by it to perform the functions authorized by this Agreement, SGMA, and other applicable law, whether by contract, employment, or otherwise shall be exclusively liable for any and all injuries, costs, expenses, claims, suits, actions, proceedings, losses, liabilities, damages, judgments, or other obligations of whatever kind arising from or related to activities of the GSA. The GSA agrees to indemnify, defend, and hold harmless each Member, each non-Member Director and Alternate, and 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, liabilities, damages, judgments, expenses, costs, including but not limited to attorney's fees, consultant' fees, and expert fees, and/or other obligations of whatever kind arising from

or related or attributable to the GSA or this Agreement (“Claims”).

In addition to the foregoing, funds of the EMA 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 any Claims or any other debts, liabilities, or obligations of the GSA, **except** as may be specifically provided for in Government Code section 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.

15.3 Insurance. The EMA GSA **shall**/may procure appropriate policies of insurance providing coverage to the GSA and its Directors, Alternate Directors, officers, officials, agents, and employees for general liability, errors and omissions, property, workers compensation, and any other coverage the Board deems appropriate. Such policies shall, to the extent practicable, name the Members as additional insureds.

## **ARTICLE 16 WITHDRAWAL OF MEMBERS**

16.1 Unilateral Withdrawal. Any Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, **effective** upon thirty (30) days written notice to the Board of Directors and all other Members.

16.2 Termination of Agreement and GSA. This Agreement and the EMA GSA established under this Agreement may be terminated by unanimous written consent of all Members, except during the outstanding term of any EMA GSA indebtedness.

16.3 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 EMA 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 Member’s written notice of withdrawal, and only to the extent that the liabilities and obligations are the individual Member’s liabilities and obligations as opposed to the liabilities and obligation of the GSA in accordance with Article 15. After providing notice of withdraw in accordance with Article 16.1, a withdrawing Member shall have no right to participate in the business and affairs of the GSA, except through public participation. Provided, however, that nothing contained in this Article 16.3 shall be construed as affecting a withdrawing Member’s right to reimbursement or return of capital from the GSA in accordance with Article 14 or any agreement between the GSA and the withdrawing Member. Provided further, that notwithstanding the foregoing, nothing contained in this Article 16.3 shall be construed as prohibiting a Member that has withdrawn from the GSA

to become a separate groundwater sustainability agency within its jurisdiction in accordance with SGMA. Nothing in this section shall be construed as obligating the EMA GSA to consent to formation or designation of another GSA for any portion of the Basin.

16.4 Return of Contribution. Upon termination of this Agreement, and to the extent a successor public entity is established which will carry on the functions of the EMA 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, subject to the requirements of Article 14, any surplus capital on-hand shall be returned to the Members in proportion to their contributions made and 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 any property, works, rights, and interests of the GSA remain after first being offered for sale to the Members, the Board of Directors shall then offer the property, works, rights, and interests of the GSA for sale to any non-Member for good and adequate consideration. Subject to the requirements of Article 14, the net proceeds from any such sales shall be distributed among the Members in proportion to their contributions made.

## **ARTICLE 17 MISCELLANEOUS PROVISIONS**

17.1 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.

17.2 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.

17.3 Agreement Complete. This Agreement constitutes the full and complete agreement of the Members with respect to the matters set forth by this Agreement. This Agreement supersedes all prior agreements and understandings, whether in writing or oral, related to the subject matter of this Agreement. In regards to the April 27, 2017 "Memorandum of Agreement for Formation of a Groundwater Sustainability Agency for the Eastern Management Area in the Santa Ynez Valley Groundwater Basin under the Sustainable Groundwater Management Act" ("2017 MOA"), as soon as DWR accepts this Agreement and the EMA GSA formed hereunder as the governing GSA for the Eastern Management Area of the Basin, then this Agreement will supersede the 2017 MOA in its entirety and this Agreement and the EMA GSA formed hereunder will assume all activities as the governing GSA for the Eastern Management Area of the Basin, except as otherwise provided in Article 16.3.

17.4 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.

17.5 Withdrawal by Operation of Law. Should the participation of any Member to this Agreement be decided by a court of competent jurisdiction to be illegal or in excess of that Member's authority or in conflict with any law, resulting in the withdrawal of such Member from this Agreement, the validity of this Agreement as to the remaining Members shall not be affected thereby.

17.6 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.

17.7 Binding on Successors. Subject to Article 17.6, this Agreement shall inure to the benefit of, and be binding upon, the successor of any Member.

17.8 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.

17.9 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.

17.10 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.

17.11 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 respective 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 set forth in Article 4.1.

**ATTEST:**  
Clerk of the City

By: \_\_\_\_\_  
Deputy Clerk

Address:

**CITY OF SOLVANG:**

By: \_\_\_\_\_  
Mayor, City Council

Date: \_\_\_\_\_

**ATTEST:**  
Clerk of the Board

By: \_\_\_\_\_  
Deputy Clerk

Address:

**Santa Ynez River Water  
Conservation District:**

By: \_\_\_\_\_  
Chair, Board of Directors

Date: \_\_\_\_\_

**ATTEST:**  
Clerk of the Board

**Santa Ynez River Water  
Conservation District,  
Improvement District No.1:**

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
President, Board of Trustees

Date: \_\_\_\_\_

Address:

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

**SANTA BARBARA COUNTY  
WATER AGENCY:**

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Chair, Board of Directors

Date: \_\_\_\_\_

Address:

**RECOMMENDED FOR APPROVAL:**  
Santa Barbara County Water Agency

**APPROVED AS TO FORM:**  
Risk Management

By: \_\_\_\_\_  
Department Head

By: \_\_\_\_\_  
Risk Management

**APPROVED AS TO FORM:**

Rachel Van Mullem  
County Counsel

**APPROVED AS TO ACCOUNTING  
FORM:**

Betsy Schafer  
Auditor-Controller

By: \_\_\_\_\_  
Deputy County Counsel

By: \_\_\_\_\_  
Deputy

DRAFT