

## STAFF MEMORANDUM

TO: EMA GSA Committee Members  
FROM: Member Agency Staffs  
DATE: May 23, 2024  
RE: Agenda Item 8; Status of EMA Draft Joint Powers Agency Agreement

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In 2017, the City of Solvang (“City”), the Santa Ynez River Water Conservation District-Improvement District No.1 (“ID No.1”), the Santa Ynez River Water Conservation District (“SYRWCD”) and the Santa Barbara County Water Agency (“County Water Agency”) formed the Eastern Management Area Groundwater Sustainability Agency (“EMA GSA”) under a Memorandum of Agreement (“MOA”) to comply with the Sustainable Groundwater Management Act (“SGMA”).

For approximately two years, the EMA GSA members have been meeting to negotiate a Joint Powers Authority (“JPA”) Agreement to replace the existing MOA structure. The newly formed JPA will serve as the EMA GSA to implement the Groundwater Sustainability Plan (“GSP”) for the EMA and carry out all applicable requirements and authorities of SGMA in the EMA. Through extensive and collaborative efforts, the parties have finalized a Draft JPA Agreement. Without limitation, the core features of the Agreement are as follows:

### **Signatory Parties**

Public agency members will be the signatory parties to the JPA Agreement. Those parties include the City, ID No.1, SYRWCD, and the County Water Agency.

### **Board of Directors and New Agricultural Director**

The Board of Directors of the JPA will include five (5) Directors. Each public agency member will appoint one of its elected officials as a Director. Additionally, an Agricultural Director will be appointed by the Directors from the public agency members. Inclusion of an Agricultural Director on the JPA Board is intended to ensure that agricultural stakeholders are directly involved in all facets of the decision-making process regarding SGMA implementation in the EMA.

Appointment of the Agricultural Director requires a unanimous vote of the four Directors from the public agencies. To qualify for the Agricultural Director position, candidates must be a resident and registered voter within the boundaries of the EMA; be an owner or representative of an owner of real property within the EMA engaging in Commercial Agriculture; and cannot be engaged in pending litigation against the EMA GSA, as specified.

The Santa Ynez Water Group, a local agricultural non-profit organization representing a substantial portion of the irrigated agricultural lands in the EMA, would conduct an open public application, vetting, and nomination process involving, among other steps, coordination with other agricultural groups, newspaper publication, and open public meeting discussion and deliberation.

As mentioned, any nominee put forward by the Santa Ynez Water Group would require unanimous approval by the four member agency Directors. Importantly, the Agricultural Director shall be subject to the same conflict of interest laws, Brown Act requirements, and other ethics standards that apply to the public agency member Directors.

**Voting Structure**

The JPA Agreement provides an equal voting structure where each Director casts one vote. Major decisions of the JPA Board, such as GSA budget adoption, GSP updates, imposition of pumping charges or fees, and adoption of ordinances and bylaws, will require a “supermajority” vote of 4/5 of the JPA Directors. Other decisions not subject to the supermajority requirement will be based on a simple majority vote of 3/5 of the Directors.

**Initial Cost Contributions**

The JPA Agreement includes a mechanism for the public agency members to provide financial contributions to the EMA GSA to help fund various staffing, administration, SGMA implementation, and other start-up costs of the GSA. The JPA Agreement provides that the GSA is required to reimburse such financial contributions back to the public agency members within a specified time period, which may be extended by the contributing members.

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The Draft JPA Agreement as described herein is included as Attachment A. The JPA Agreement would become effective only after the governing body of each public agency member approves and executes the Agreement.

# **ATTACHMENT A**

May 20, 2024 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

**WORKING DRAFT May 20, 2024**

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 Agreement, 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 DWR approved the EMA GSP in January 2024; 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, consistent with Paragraph 4 of the 2017 MOA, the Members are interested in reforming the existing EMA GSA established under the 2017 MOA 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.

P. WHEREAS, each of the signatories to this Agreement is a public agency operating independently of the joint powers authority formed by this Agreement and, notwithstanding its approval of this Agreement, each signatory reserves and does not waive any rights regarding the scope and extent of its individual authorities and powers under its enabling act or other applicable law.

**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 “Executive Director” means an individual or entity hired by the EMA GSA as an employee or by contract, who under the title of Executive Director, General Manager, Manager, Administrator, or similar designation carries out discretionary functions and duties for, on behalf of, and/or subject to the direction of the EMA GSA Board of Directors, which functions and duties are managerial in nature, including but not limited to day-to-day executive, operational, and administrative activities of the GSA.

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

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

2.12 “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.

2.13 “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.

2.14 “Santa Ynez Water Group” means the non-profit mutual benefit corporation currently registered with the State of California.

2.15 “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.

2.16 “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 powers as are expressly set forth in this Agreement, 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.

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## **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 11.3;
- (b) Amendment of the Agreement in accordance with Article 17.2; 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 of the GSA pursuant to Article 6, and one representative

appointed by the Member Directors, initially 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 Member Directors listed in (a)-(d) above, specifically representing the agricultural interests of the EMA (the “Agricultural Director”).

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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 Director of any new Member of the EMA GSA pursuant to Article 6.2 shall be appointed by resolution of the governing body of the new Member.
- (f) The Agricultural Director and their alternate listed in Article 7.1(e) shall be appointed as follows:
  - (1) Upon request of the Board, the Santa Ynez Water Group, working in conjunction with other agricultural associations or entities having members or doing business within the GSA's boundaries, specifically including but not limited to the Santa Barbara County Farm Bureau, shall solicit applications for the Agricultural Director position through an open public process where such solicitation shall be publicly noticed in a newspaper of general circulation within the EMA and announced at no less than one public meeting of the EMA GSA. The Santa Ynez Water Group shall review all received applications and submit (i.e., nominate) one or more Qualified Nominees for the Agricultural Director position to the Board, where a discussion of the review and nomination process must be provided by the nominating entity as part of an open public meeting of the EMA GSA.
    - (a) A "Qualified Nominee" need not be a member of the Santa Ynez Water Group, or any other agricultural association or entity having members or doing business within the GSA's boundaries, but shall satisfy the following qualifications:
      - (i) Be an owner or representative of an owner of property located within the boundaries of the GSA and involved in Commercial Agriculture which produces at least 2 acre-feet per year of groundwater (as defined by SGMA and

the EMA GSP) from within the boundaries of the GSA to support Commercial Agriculture on said property;

- For purposes of these criteria, “Commercial Agriculture” means a commercial or family farming enterprise whose business is to cultivate the land for growing plants, vines, or other crops for consumption, fiber, biofuel, or raw materials, or the breeding, feeding, or raising of animals, livestock, or poultry for human consumption or other products, all resulting in the marketing and commercial sale of such products. The GSA may require submittal of documentation satisfactory to the GSA, including but not limited to applicable IRS forms, certifying that the property is used for Commercial Agriculture.

- (ii) Be a resident and registered voter within the boundaries of the GSA; and
- (iii) The Agricultural Director, or the owner he/she represents, may not be a party to any pending litigation against the GSA, other than as a party to a groundwater rights adjudication affecting the EMA.
- (iv) Amendments to these criteria may be adopted through resolution by a unanimous vote of the Member Directors.

(2) After the Santa Ynez Water Group has submitted one or more Qualified Nominees for the Agricultural Director position, the Member Directors will consider said Qualified Nominees for appointment to the Board. Notwithstanding Article 11.3 of this Agreement, said appointment decision shall require a unanimous vote of all the Member Directors (or Alternates as applicable) during a publicly noticed meeting of the EMA GSA where the Directors from each of the Members (or Alternates as applicable) are present and each casts a vote. In the absence of a unanimous vote of approval and appointment by the Member Directors, the Member Directors may request the Santa Ynez Water Group to submit alternative Qualified Nominees in accordance with the process set forth above.

- (3) The Agricultural Director shall be appointed for a term of two years but may be reappointed for multiple terms so long as that Agricultural Director is nominated by the Santa Ynez Water Group in accordance with the processes and requirements set forth above and unanimously approved and appointed by the Member Directors.
- (4) If the Santa Ynez Water Group is unwilling or unable to select and submit one or more Qualified Nominees for the Agricultural Director position to the Board pursuant to the process set forth herein, the Board may request another agricultural association or entity having members or doing business within the GSA's boundaries to perform such process.

(g) 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 staff of the appointing Member.

7.4 Requirements. Each Member Director and Alternate Member Director shall be appointed by resolution as set forth in Article 7.2. Member Directors and Alternate Member Directors 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 above shall be two (2) year(s), and such Director or Alternate may serve any number of consecutive terms upon re-appointment in accordance with Article 7.2 above; 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 term based on a decision by the Member Directors, where notwithstanding Article 11.3 of this Agreement said removal decision shall be subject to the unanimous voting requirements of Article 7.2(f)(2) above.

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 above. 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, or Member Directors where specifically set forth in this Agreement, except as may be expressly delegated to the Executive Director or other(s) pursuant to this Agreement, Bylaws of the GSA, 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. 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, AND MEMBER AGENCY ACTIVITIES**

9.1 Hiring. The GSA may hire an Executive Director, as well as any other needed staff, consultant(s), and legal counsel, who may be hired as an individual or entity, and who may be hired as employee of the GSA or by contract with the GSA. The Board may also contract with a Member of the GSA to undertake an activity on behalf of the GSA.

- a) Any decision by the GSA to hire an Executive Director, staff, consultant(s), or legal counsel by contract, where such individual or entity is not also the Executive Director, staff, consultant, or legal counsel of a Member or entity that a Director represents, shall be subject to the supermajority voting requirements of Article 11.3(b). Notwithstanding those requirements, if there is no Agricultural Director seated at the time of the vote of the JPA board, at least three votes shall be required to approve a contract for such services with a term not to exceed one year.
- b) Notwithstanding Article 11.3, any decision by the GSA to hire an Executive Director, staff, or legal counsel as an employee of the GSA, where such individual or entity is not also the Executive Director, staff, or legal counsel of a Member or entity that a Director represents, shall require a unanimous vote of all Directors.
- c) Notwithstanding Article 11.3, any decision by the GSA to hire an Executive Director, staff, or legal counsel, whether by contract or as an employee of the GSA, where such individual or entity is also the Executive Director, staff or legal counsel of a Member or entity that a Director represents, shall require a unanimous vote of all Directors.
- d) Notwithstanding Article 11.3, any decision by the GSA to contract with a Member to undertake any activity on behalf of the GSA, regardless of the nature of said activity and regardless of whether such activity involves payment to the Member, shall require a unanimous vote of all Directors, where the Director representing the Member proposed to undertake an activity on behalf of the GSA shall not be entitled to cast a vote.

9.2 Compensation. Compensation for the Executive Director, staff, consultants, legal counsel, or a Member agency undertaking an activity on behalf of the GSA shall be determined by the Board.

9.3 Duties. Any individual, entity, or agency hired by the GSA 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.

9.4 Termination. Any individual, entity, or agency hired by the GSA shall serve until his/her/its resignation or until the Board terminates the employment or contract.

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## **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 one (1) vote;
- (b) The Director representing Santa Barbara shall have one (1) vote;
- (c) The Director representing SYRWCD shall have one (1) vote;
- (d) The Director representing ID No.1 shall have one (1) vote;
- (e) The non-Member Director appointed in accordance with Article 7.2 shall have one (1) vote;

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 not less than three (3) Directors.
- (b) Supermajority Approval. Notwithstanding the foregoing, a supermajority vote requiring at least four (4) out of five (5) votes (regardless of the number of Directors present or the number of Directors appointed) in accordance with Article 11.2 shall be required to approve any of the following:
  - the initial budget and any subsequent annual budget;
  - any new GSP or any update or amendment to the EMA GSP;
  - any proposed modification or alteration of the EMA boundaries or boundaries of the EMA GSA;
  - the initiation, settlement, or other resolution of any litigation,

legal proceeding, or claim that involves the EMA GSA;

- the initiation or settlement of any enforcement proceeding by the EMA GSA;
- adoption of any restriction, curtailment, allocation, or other limitation on groundwater production;
- addition of a new Member pursuant to Article 6.2;
- establishment of any fee, charge, assessment, or tax, or any amendments or modifications thereto;
- adoption or amendment of EMA GSA bylaws, rules, regulations, policies, or procedures;
- adoption or amendment of EMA GSA ordinances;
- issuance of bonds or other indebtedness by the EMA GSA;
- expenditure of funds beyond expenses approved in an annual budget of the EMA GSA;
- selection of a consultant to conduct work for or on behalf of the EMA GSA, subject to the specific requirements of Article 9 above;
- appointment, employment, hiring by contract, or dismissal of the EMA GSA Executive Director, treasurer, staff, or legal counsel, subject to the specific requirements of Article 9 above;
- for any value exceeding that established by resolution, contract, or the bylaws of the Board of Directors, any acquisition or divestment by grant, purchase, lease, license, permit, gift, devise, contract, or otherwise of the right to hold, use, enjoy, sell, let, encumber, or dispose of real and/or personal property, including but not limited to lands, water rights, structures, infrastructure, buildings, rights-of-way, easements, and other improvements, within or outside the EMA GSA, necessary or proper to carry out the purposes of the EMA GSA;
- allocation of funding received by or on behalf of the EMA GSA from grants, loans, or other funding sources; and
- actions to apply for, accept, or receive grants, loans, gifts,

contributions, donations, or other aid from any agency of the United States, agency of the State of California, or public or private party, for or on behalf of the EMA GSA.

## **ARTICLE 12 BYLAWS**

12.1 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 apply for grants and/or loans to fund a portion of the cost of implementing SGMA and the EMA GSP as the Board may direct.
- (c) The Board of Directors may undertake activities to fund the EMA GSA and implement SGMA and the EMA GSP; 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 subject to reimbursement by the GSA; and/or may pursue funding

through any other means allowable by law, including but not limited to fees and/or charges.

- (d) Within 30 days of receipt of an invoice from the GSA, each Member shall contribute \$ \_\_\_\_\_, which shall be reimbursed by the EMA GSA no later than December 2026 unless such date is extended by written agreement of the contributing Members. Other financial contributions may be made by the Members under the provisions of the November 15, 2023 Interim Cost Share Agreement for the EMA (“Interim Cost Share Agreement”) while it is in effect and as the Interim Cost Share Agreement may be amended from time to time. Each Member hereby acknowledges and agrees that it is lawful for the Members to contribute these funds.
- (e) The GSA will apply funds available in the funding account to EMA GSA expenses approved by the Board in accordance with this Agreement in the following order (to the extent such funds may by law be used to pay each expense):
  - (i) Voluntary contributions not subject to reimbursement by the GSA;
  - (ii) Grant funds;
  - (iii) Revenue generated from fees/charges;
  - (iv) Bond proceeds from any bonds issued pursuant to this Agreement;
  - (v) Voluntary contributions subject to reimbursement by the GSA;
  - (vi) Direct payments from Members made pursuant to Article 14.2(d).

14.3 Return of Contributions. In accordance with the Joint Exercise of Powers Act, repayment or return to the Members of all or any part of any contributions made by Members shall be directed by the Board of Directors at such time and upon such terms required by this Agreement and the Interim Cost Share Agreement; 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) all contribution amounts made by the Members under this Agreement and the Interim Cost Share Agreement shall be returned to the contributing Member, together with accrued interest after December 2026 at the annual rate published as the yield of the Local Agency Investment Fund administered by the California State Treasurer (provided that any contributing Member may elect to waive interest or extend the date upon which interest accrues), before any other return of contributions to other persons or entities is made by the GSA. The GSA shall hold title to all funds and property acquired by the GSA until such title is released by the GSA.

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 applicable law.

15.3 Insurance. The EMA GSA shall 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. 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 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.

17.9 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.

17.10 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