



REPORT TO CITY COUNCIL

Groundwater Sustainability Agency

Approved by:

Keith Helmuth, Department Director

Arnaldo Rodriguez, City Manager

Council Meeting of: December 18, 2019

Agenda Number: C-1

SUBJECT:

Public Hearing and Consideration of a Resolution Adopting the Madera Subbasin Groundwater Sustainability Plan (GSP) and Updates to Other On-going Items Associated with the GSP that Includes Cost Sharing and Coordination Agreements Among Groundwater Sustainability Agencies (GSAs)

RECOMMENDATION:

Staff recommends that the City Council (Council), acting as the GSA:

1. Conduct a public hearing
2. Take the action of adopting a resolution, approving the adoption of the GSP
3. Consider an update regarding the cost sharing and coordination agreements among the agencies

SUMMARY:

The City of Madera (City) is one of seven agencies that have established a GSA within the boundaries of Madera Groundwater Subbasin pursuant to the 2014 Sustainable Groundwater Management Act (SGMA). Four of those GSAs, including the City, County of Madera (County), Madera Irrigation District (MID), and Madera Water District (MWD), prepared one joint GSP. Physical copies of the GSP and comments received can be reviewed at the City of Madera City Clerk's office at 205 W. Fourth Street or on-line at <https://www.maderacountywater.com/madera-subbasin/>

The GSP has been prepared in compliance with the SGMA, which requires GSAs to achieve groundwater sustainability in a subbasin by 2040. Combined, the GSP GSAs are responsible for approximately 95 percent of the Madera subbasin. Preparation of the GSP was funded primarily through a State grant, complimented by staff and resources from each GSA.

The remaining three GSAs, Gravelly Ford Water District GSA, Root Creek Water District GSA and New Stone Water District GSA, have each prepared individual GSPs, which, when combined with the joint GSP, collectively cover the entire Madera Subbasin as required by SGMA.

DISCUSSION:

The SGMA offered local entities a chance to develop and implement plans to address their prevalent groundwater overdraft conditions. SGMA required the formation of GSAs, often tied to already-established governing boundaries such as the City's or a local irrigation district. The GSAs are required to prepare, adopt and begin implementing the GSP by January 31, 2020.

The purpose of the Joint GSP is to characterize groundwater conditions in the Madera Subbasin, evaluate and report on conditions of overdraft, establish sustainability goals, and to describe programs and management actions the GSAs will implement to achieve sustainable groundwater management by 2040.

The four GSAs will adopt or amend the GSP after public hearings held following the close of the public review comment period which ended on November 11, 2019. Once adopted by all GSAs and approved by the California Department of Water Resources (DWR), the GSP will govern sustainable groundwater management actions within each GSA's jurisdictional boundaries located in the Madera Subbasin. The four GSAs will jointly submit the adopted GSP prior to the regulatory deadline of January 31, 2020 to the DWR for review and approval.

Adoption of the GSP

A fundamental responsibility of each GSA under SGMA is to adopt the GSP relevant to their service area. As the GSP has been jointly prepared by four GSAs, each GSA's governing body must separately adopt the GSP, with adoption required by all four GSAs prior to submittal to the DWR. Submittal to DWR must occur prior to January 31, 2020.

Relevant sections of the California Water Code (CWC) and the California Code of Regulations (CCR), Title 23, Chapter 1.5, Subchapter 2 related to the adoption of a GSP include:

CWC §10725.4(a) A groundwater sustainability agency may conduct an investigation for the purposes of this part, including, but not limited to, investigations for the following:

(2) To prepare and adopt a groundwater sustainability plan and implementing rules and regulations.

CWC §10733.4(a) Upon adoption of a groundwater sustainability plan, a groundwater sustainability agency shall submit the groundwater sustainability plan to the department

for review pursuant to this chapter.

CCR §350.4(e) An Agency shall have the responsibility for adopting a Plan that defines the basin setting and establishes criteria that will maintain or achieve sustainable groundwater management, and the Department shall have the ongoing responsibility to evaluate the adequacy of that Plan and the success of its implementation.

CCR §351(y) "Plan implementation" refers to an Agency's exercise of the powers and authorities described in the Act, which commences after an Agency adopts and submits a Plan or Alternative to the Department and begins exercising such powers and authorities.

CCR §352.2 Each Plan shall include monitoring protocols adopted by the Agency for data collection and management, as follows:

As represented in the above citations, the Madera Subbasin GSP, including several actionable items including reporting and monitoring detailed in the GSP, must be adopted by all four GSAs prior to submittal. The GSP cannot be submitted without formal adoption.

Coordination Agreement

Because all seven GSAs did not choose to participate in preparing a Joint GSP, SGMA requires that a GSP Coordination Agreement be prepared. Under SGMA, the purpose of a coordination agreement is to ensure the GSPs within the Madera Subbasin are developed and implemented utilizing the same methodologies or foundational data and to ensure the GSPs affecting a subbasin are appropriately coordinated to achieve sustainable management of the basin and consistent interpretations of the basin setting. The methodologies or foundational data included within individual GSPs include but are not necessarily limited to groundwater elevation data, groundwater extraction data, surface water supply, total water use, changes in groundwater storage, subbasin water budgets, and subbasin sustainable yield.

The agreement, as drafted, does not seek to add any provisions that are not specifically already included within SGMA.

At the time this staff report was completed, the language within the Coordination Agreement had not been fully approved by all seven GSAs. It is hoped that an agreement can be executed prior to January 31, 2019 as SGMA requires all GSAs within a subbasin have such an agreement or risk being out of compliance and subject to possible unwanted measures being placed on the Madera Subbasin that can include adjudication of the basin. If the State were to take such actions, it is possible that the ability to make decisions regarding groundwater would be taken from local authorities and placed in the hands of staff with the State.

The most recent draft of this agreement is included as Attachment 2.

Staff has participated in the preparation of this agreement. It is fully anticipated that staff will recommend approval of the agreement when it is brought to Council at an upcoming meeting.

Cost Sharing Agreement

The Cost Sharing Agreement has been prepared with the intent to allocate costs related to the preparation of annual reports, Data Management System (DMS) and other activities to the four GSAs that jointly prepared the GSP.

As currently drafted, the agreement assumes an equal split in costs. At this time, it is unclear as to what the value of these costs will be as many of them are only now becoming clear. At present, various cost components include:

- Annual Report – \$22,000 (Current estimate for GSP is \$84,000 to be divided four ways),
- DMS - \$9,500 setup/\$900 annual maintenance (Initial estimated cost of setup \$132,000 with an estimated annual maintenance cost of \$12,400. Costs will be split between the Madera and Chowchilla subbasins and then divided to the seven GSAs within the Madera subbasin. Negotiations are forthcoming with DMS consultant with cost varying based on the features ultimately selected.
- Point of Contact – The seven GSAs through various representatives to each GSA have agreed that a single point of contact should exist between the State and GSAs. An as yet determined cost will be associated with this consultant.

Because a reasonable argument can be made that the bulk of the cost for the first year, maybe two, can be attributed to pulling together the various components that each GSA would be required to do individually if they had not chosen to participate in this GSP process, but such assumptions cannot be assured in future years, staff is proposing additional language be included. The language would indicate that the City GSA agrees to the current equal distribution of costs but request the agreement contain a provision that allows for review of costs after two years for the purposes of confirming that costs going forward are being assessed based on an understanding of where the costs are being accrued.

In addition to shared costs, the City will also accrue additional internal City only costs solely generated by staff or consultants in their efforts to provide data necessary for inclusion into the Annual report or DMS. It is currently believed that much, but not all, of that data is already generated by the City which may indicate minimal internal City costs.

Assuming the estimates seen above remain substantially similar to what has been presented herein, staff would recommend use of Water Utility Fund, 2020380 under the Capital Improvement Program Project W-STDY-1. W-STDY-1 (Water Feasibility & New Water Supply) is considered appropriate for funding this as the GSP is directly related to ensuring future water supplies, not just for the City but the entire Madera Subbasin. It also represents a reasonable funding source in the sense that the costs will be assigned to beneficial users based on the amount of water being used on a volumetric basis as determined by water meters associated

with each user.

Like the Coordination Agreement, at the time this staff report was completed the language within the Cost Sharing Agreement had not been approved by all four GSAs that are a party to it.

FINANCIAL IMPACT:

There is no fiscal impact to the City's General Fund related to adoption of the GSP. Costs associated with the GSP annual reports, Data Management System (DMS) and other activities will be presented later as part of the Cost Sharing Agreement at a minimum. The Coordination agreement may also contain provisions associated with sharing of costs for the Point of Contact.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

The recommended action supports the Well-Planned Community Vision Statement. "Sound planning helps Madera celebrate its past, balance its present with available resources and infrastructure and anticipate its future with coordinated planning and interagency cooperation guided by a shared vision." Where Strategy 434 is directly related: "Ensure continued water supplies to meet the demands of all Madeirans through innovative reclamation, conservation and education on water-use."

ALTERNATIVES:

Not adopt the GSP – To do so may result in the inability to submit the GSP by January 31, 2019 and possible determination by the State that the Madera Subbasin is subject to measure that might include adjudication of the subbasin.

ATTACHMENTS:

1. Resolution
 Exhibit A – Groundwater Sustainability Plan (Incorporated as reference.)
2. Draft Coordination Agreement
 Exhibit A - List of GSA Representatives
 Exhibit B - Individual Water Budgets
3. Cost Sharing Agreement (Memorandum of Understanding with Respect to the Cost Sharing in the Implementation of the Madera Subbasin Groundwater Sustainability Plan)

Attachment 1
Resolution

RESOLUTION NO. 19-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,
CALIFORNIA, ADOPTING THE MADERA SUBBASIN GROUNDWATER
SUSTAINABILITY PLAN**

WHEREAS, the Sustainable Groundwater Management Act of 2014, Water Code sections 10720-10737.8 (“SGMA”) was signed into law on September 16, 2014; and

WHEREAS, SGMA requires that each groundwater basin be managed by a Groundwater Sustainability Agency (“GSA”), or multiple GSAs, and that such management be pursuant to an approved Groundwater Sustainability Plan (“GSP”), or multiple GSPs; and

WHEREAS, on August 17, 2016, the City Council (Council) elected to form a GSA under SGMA making it one of seven GSAs within the Madera Subbasin; and

WHEREAS, pursuant to Water Code section 10727, SGMA requires that a Groundwater Sustainability Plan (“GSP”), or multiple GSPs, be developed and implemented by January 31, 2020 for each high-priority basin; and,

WHEREAS, the City of Madera GSA, the Madera County GSA, the Madera Irrigation District GSA, and Madera Water District GSA have collaboratively prepared a joint GSP for the Madera Subbasin in accordance with Water Code section 10727.2 to include all the components required by SGMA; and

WHEREAS, the Madera County GSA, on behalf of City of Madera, Madera Irrigation District and Madera Water District, gave notice on August 20, 2019, pursuant to Water Code section 10728.4, to affected cities and counties regarding the intent of the GSAs to each adopt the GSP; and

WHEREAS, the City of Madera GSA published a notice on December 7, 2019 in the Madera Tribune, a newspaper of general circulation in the City of Madera and the Madera Subbasin, giving notice that a public hearing (Hearing) would be held on December 18, 2019 for the purpose of considering adoption of a GSP for its portion of the Madera Groundwater Subbasin; and,

WHEREAS, upon adoption of a GSP, Water Code section 10733.4 requires that the GSP be submitted to DWR for review.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA hereby resolves, finds, determines and orders as follows:

1. The above recitals are true and correct.
2. The City Council of the City of Madera approves the Madera Subbasin Groundwater

Sustainability Plan (“GSP”), a copy of which is attached hereto as Exhibit A and incorporated as reference.

3. The City Engineer is hereby authorized and directed to timely provide notification of this approval and adoption to DWR, including a copy of this Resolution, the approved GSP, and any additional information required by law.
4. This resolution is effective immediately upon adoption.

* * * * *

Attachment 2

Draft Madera Subbasin Coordination Agreement

MADERA SUBBASIN COORDINATION AGREEMENT

THIS MADERA SUBBASIN COORDINATION AGREEMENT (“Agreement”) is entered into the ___ day of December 2019 (the “Effective Date”), by and between the Groundwater Sustainability Agencies of the COUNTY OF MADERA (“COUNTY”), the CITY OF MADERA (“CITY”), the MADERA IRRIGATION DISTRICT (“MID”), the ROOT CREEK WATER DISTRICT (“RCWD”), the MADERA WATER DISTRICT (“MWD”), the GRAVELLY FORD WATER DISTRICT (“GFWD”), and the NEW STONE WATER DISTRICT (“NSWD”), collectively hereinafter referred to as the “Parties,” or individually as a “Party.”

RECITALS

A. WHEREAS, on September 16, 2014, the Governor of the State of California signed the Sustainable Groundwater Management Act (“SGMA”) into law, consisting of Senate Bills 1168 and 1319, and Assembly Bill 1739 collectively, codified at Water Code sections 10720, *et seq.*; and

B. WHEREAS, each Party overlies the Madera Groundwater Subbasin (“Madera Subbasin”), which is defined by the California Department of Water Resources (“DWR”) in Bulletin 118 as Basin Number 5-22.06, and may be modified from time to time in accordance with Water Code section 10722.2; and

C. WHEREAS, the Madera Subbasin has been designated by DWR as a high-priority basin in a state of “critical overdraft”; and

D. WHEREAS, SGMA requires that California groundwater basins and subbasins be managed by a Groundwater Sustainability Agency (“GSA”) or multiple GSAs, and that such management be implemented pursuant to an approved Groundwater Sustainability Plan (“GSP”), or multiple coordinated GSPs; and

E. WHEREAS, County, City, MID and MWD have developed one GSP; RCWD has developed one GSP; GFWD has developed one GSP; and NSWD has developed one GSP, such that the Madera Subbasin is governed by four separate GSPs; and

F. WHEREAS, the Madera Subbasin has no adjudicated areas or areas covered by an Alternative to a GSP as described in Water Code Section 10733.6; and

G. WHEREAS, SGMA requires GSAs in all subbasins that are managed by more than one GSP to enter into a coordination agreement to coordinate the multiple GSPs to sustainably manage the subbasin; and

H. WHEREAS, Title 23 of the Code of California Regulations outlines the requirements for this Agreement and requires the Parties to include a copy of this signed Agreement as part of their GSP; and

I. WHEREAS, the Parties developed and are utilizing the same foundational Madera Subbasin data and analysis methodologies as the basis for each GSP to assure the GSPs are developed, and will be implemented, using the same data and methods.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein and these Recitals, which are hereby incorporated herein by this reference, it is agreed by and among the Parties as follows:

SECTION 1 - PURPOSE

1.1 Compliance with SGMA

The purpose of this Agreement is to comply with SGMA’s GSP coordination agreement requirement. Under SGMA, the purpose of a coordination agreement is to ensure the GSPs within the Madera Subbasin are developed and implemented utilizing the same methodologies and foundational data and to ensure the GSPs affecting a basin are appropriately coordinated to achieve sustainable management of the basin and consistent interpretations of the basin setting. Such methodologies and/or foundational data includes, without limitation, groundwater elevation data, groundwater extraction data, surface water supply, total water use, changes in groundwater storage, subbasin water budgets, and subbasin sustainable yield as required by SGMA and associated regulations.

To support SGMA’s GSP coordination requirement, this Agreement describes the responsibilities of each Party for meeting the terms of this Agreement, the procedures for the exchange of information between the Parties and the procedures for resolving conflicts between the Parties.

The Parties also desire to set forth the information necessary to show how the implementation of the four GSPs in the Madera Subbasin will satisfy the requirements of SGMA and are in substantial compliance with the regulations adopted thereunder.

This Agreement shall remain in effect until December 31, 2024 unless terminated earlier by the Parties as provided herein.

SECTION 2 – DEFINITIONS

2.1 “Agreement” shall mean this Madera Subbasin Coordination Agreement, which is entered into pursuant to and intended to be consistent with Water Code section 10727.6 and 23 CCR Section 357.4.

2.2 “Coordinated Plan Expenses” shall mean any expenses incurred by the Point of Contact for purposes of its duties under this Agreement.

2.3 “Coordination Workgroup” shall mean the workgroup of GSA Representatives established pursuant to this Agreement.

2.4 “GSA” shall mean a Groundwater Sustainability Agency established in accordance with SGMA and “GSAs” shall mean more than one such Groundwater Sustainability Agency.

2.5 “GSA Representative” and its plural forms as appropriate shall mean a member of the Coordination Workgroup selected by a GSA to represent such GSA in accordance with Section 5.1.2 – 5.1.4 of this Agreement. The names of each initial GSA Representative appointed by each GSA (the “GSA Representative List”) is set forth on Exhibit A to this Agreement.

2.6 “GSA Alternate Representative” and its plural forms shall mean an alternate member of the Coordination Workgroup selected by a GSA to represent such GSA in accordance with Section 5.1.2-5.1.4 of this Agreement. A GSA Alternate Representative shall serve in the absence of the respective GSA Representative and shall be entitled to cast the vote for the GSA only in the absence of that GSA’s GSA Representative. A list of the names of each GSA Alternate Representative appointed by each GSA is set forth on the GSA Representative List.

2.7 “GSP” shall mean a Groundwater Sustainability Plan adopted by one or more GSAs for the Madera Subbasin and “GSPs” shall mean more than one such Groundwater Sustainability Plan.

2.8 “Point of Contact” shall mean an entity or individual, appointed at the pleasure of the Coordination Workgroup to serve as the Madera Subbasin’s point of contact with the Department of Water Resources pursuant to 23 CCR 357.4(b)(1). The initial Point of Contact shall be Davids Engineering.

2.9 “SGMA” shall mean the Sustainable Groundwater Management Act, as amended from time to time, commencing at Water Code section 10720, together with its implementing regulations, set forth at Title 23, California Code of Regulations, Division 2, Chapter 1.5, Subchapter 2.

2.10 “Withdrawal” means withdrawal by a Party from this Agreement.

SECTION 3 – GENERAL GUIDELINES

3.1 Responsibilities of the Parties

3.1.1 Obligation to Coordinate

The Parties to this Agreement agree to work collaboratively to coordinate the GSPs as provided in this Agreement and to meet the objectives of SGMA for the Madera Subbasin. Each Party to this Agreement is a GSA and acknowledges that (i) it is bound by the terms of this Agreement, and (ii) that it intends to implement the projects and demand management actions within its jurisdictional area in accordance with the GSP governing such GSA, as may be amended from time to time, or as needed to meet the requirements of SGMA.

3.1.2 Submissions to Point of Contact

(a) Each Party shall provide its GSP to the Point of Contact no later than three business days before it is due to DWR and authorizes the Point of Contact to submit such GSP to DWR.

(b) After adoption of the GSPs, each Party shall provide its Annual Report as required by 23 CCR Section 356.2 in writing to the Point of Contact on or before March 20 for each year beginning March 20, 2020, through the expiration of this Agreement.

(c) The Annual Report shall include the information required by 23 CCR Section 356.2 and any other information required by DWR by regulation.

(d) If, based on the Annual Reports, the Point of Contact believes a cumulative negative balance exists between the completed projects and the planned projects for any GSA(s), within 10 business days the Point of Contact shall submit the issue to the Coordination Workgroup for review. If the Coordination Workgroup or any Party believes the cumulative negative balance conflicts with one or more GSPs or triggers the Minimum Thresholds in one or more of the GSPs, the Parties shall follow the Procedures for Resolving Conflicts described in Section 15 of this Agreement.

3.1.3 Obligations Outside of Agreement

(a) Representation on Coordination Workgroup. Each Party understands its participation, as more fully set forth in Section 5 of this Agreement, is based on representation through and by a single GSA Representative and a single GSA Alternate Representative for each Party. It is the responsibility and obligation of each Party under this Agreement to develop its own arrangements for how its respective GSA Representative and Alternate Representative are selected.

(b) Representatives. The Coordination Workgroup and its members shall have no requirement to recognize a decision or representation from any Party to this Agreement other than through such GSA's designated GSA Representative(s). For purposes of this Agreement, it is assumed the GSA Representatives have been duly authorized by the Parties to participate as described herein.

(c) GSA Designation of Representative and Alternate Representative. By signing this Agreement, each Party commits to provide written documentation to the Point of Contact and the other members of the Coordination Workgroup of the authorization of its GSA Representative(s). However, the Point of Contact shall not be obligated to evaluate or provide an opinion on the legal sufficiency of the documentation. Upon receipt of such documentation from a GSA showing a change in the GSA Representative or the GSA Alternate Representative, in accordance with Section 5.1.2 below, the Point of Contact shall update Exhibit A to reflect the then-current list of GSA Representatives or GSA Alternate Representatives and provide a copy of such updated Exhibit A to each GSA that is a Party to this Agreement.

3.1.4 Implementation of Individual GSPs

Nothing in this Agreement shall be interpreted to give any GSA the right or obligation to implement a GSP adopted by another GSA for the basin. The sole purpose of this Agreement is to provide for the coordination of the GSPs for the Madera Subbasin pursuant to 13 CCR Section 357.4, which requires a coordination agreement that meets the requirements of such Section 357.4.

SECTION 4 – FINANCIAL MATTERS

4.1 Coordination Expenses

Except as expressly set forth in this Agreement, each Party shall bear its own costs associated with activities performed under this Agreement. No Party shall incur debts, liabilities, or obligations on behalf of any other Party.

4.2 Contracting for Services

Each of the Parties shall contract with the Point of Contact in their respective capacities as individual GSAs. Nothing in this Agreement shall be construed as to create a fiscal agent relationship between the Parties, or between the Parties and the Point of Contact, or any other individuals or entities.

4.3 Point of Contact Coordinated Plan Expenses

The Parties agree that all fees or costs for the Point of Contact's services for Coordinated Plan Expenses shall be allocated by the Point of Contact among the Parties based on the following guidelines:

4.3.1 Questions to/from DWR and the Point of Contact regarding a specific GSP shall be allocated to the Parties who adopted such GSP. By way of example only, if there is a question from DWR regarding the content of GFWD's GSP, then all fees or expenses associated with such question/answer shall be the sole responsibility of GFWD. Similarly, if there is a question from DWR regarding the content of the GSP adopted by County, City, MID and MWD, all fees or expenses associated with such question/answer shall be the responsibility of those four Parties to be allocated by such four Parties as determined by such Parties

4.3.2 General Questions regarding the Madera Subbasin to/from (i) DWR and the Point of Contact or (ii) the Point of Contact and the Parties shall be shared evenly among the Parties, i.e., each Party shall pay one-seventh of such expense.

4.3.3 Questions to/from DWR and the Point of Contact regarding the coordination of the GSPs shall be allocated four ways with the Party(ies) adopting the GSPs each paying one-fourth of such expense (recognizing that County, City, MID and MWD will share the one-fourth associated with their joint GSP).

4.3.4 With respect to the Data Management System ("DMS") required by SGMA, each Party agrees to pay one-seventh of the cost of the data management system for the

Madera Subbasin. For purposes of clarification only, the Parties acknowledge the expenses associated with the DMS may be shared equally with the Chowchilla Subbasin and that, in such situation, each Party to this Agreement shall pay one-seventh of the one-half share associated with the Madera Subbasin.

4.4 Other Cost-Sharing Arrangements. If the Parties agree to perform activities that involve a financial obligation other than as set forth above, the Parties shall agree to a written cost-sharing arrangement (“Cost Sharing Agreement”) as a part of approving and undertaking such activity. Unless a Party has agreed to be bound by a Cost Sharing Agreement, such Party shall have no obligation for the financial obligations described in such Cost Sharing Agreement.

SECTION 5 – RESPONSIBILITIES FOR KEY FUNCTIONS

5.1 Coordination Workgroup

5.1.1 The Parties agree to establish a Coordination Workgroup to provide a forum for the Parties to coordinate the GSPs for the basin and satisfy the coordination obligation of SGMA. The Coordination Workgroup will replace the Coordination Workgroup created under that certain Madera Subbasin Coordination Committee Charter dated March 22, 2019 (the “Charter”) originally entered in by each of the Parties except NSW and recognizing GFWD and RCWD subsequently withdrew therefrom. The Charter shall be terminated by a separate agreement entered into by the parties to such Agreement upon execution of this Agreement by all of the Parties. Further, the Parties acknowledge that certain Memorandum of Understanding With Respect to the Preparation of a Groundwater Sustainability Plan Within the Madera Subbasin dated November 1, 2017 will expire on its own terms when the GSPs are adopted by the respective Parties.

5.1.2 The Coordination Workgroup will consist of the GSA Representatives identified on Exhibit A, attached hereto and incorporated herein by reference, and as may be modified from time to time pursuant to Section 13 of this Agreement. Pursuant to Section 3.1.2 above, each GSA shall be entitled to one GSA Representative and one Alternate GSA Representative. A GSA Alternate Representative shall only be authorized to act in the absence of the GSA Representative for such Party.

5.1.3 Individuals serving as GSA Representatives and Alternate Representatives shall be selected by each respective GSA in the sole discretion of such GSA. Such appointments shall be effective upon the GSA providing written notice to the Point of Contact of such appointment.

5.1.4 The Coordination Workgroup will recognize each GSA Representative and GSA Alternate Representative until such time as a GSA provides written notice of removal and replacement to the Point of Contact. Each GSA shall promptly fill any vacancy created by the removal of such Representative or Alternate Representative so that each GSA shall have a validly designated Representative and Alternate Representative during the entire term of this Agreement.

5.1.5. Meeting notes of the Coordination Workgroup will be prepared and maintained by the Point of Contact as set forth in Section 5.5.5.

5.1.6. The Coordination Workgroup is not a legal entity with the power to sue or be sued, to enter into contracts, or to enjoy the benefits or accept the obligations of a legal entity.

5.2. Designation of Point of Contact

The Parties agree Davids Engineering shall be the Point of Contact with the Department of Water Resources for the Madera Subbasin, as well as each of the GSPs and Parties for purposes of their respective GSPs. In the event of the removal of or resignation by the Point of Contact, the Parties shall appoint a new Point of Contact.

(a) The Point of Contact shall have no authority to manage each individual GSP for the Madera Subbasin. Instead, the Point of Contact shall be responsible for submitting the GSPs for the Madera Subbasin after they have been uploaded by the GSAs, submitting this Agreement, submitting the Annual Reports required under SGMA and communicating with DWR with respect to the GSPs.

(b) The Point of Contact shall manage and maintain an “Interested Parties” list for the Madera Subbasin.

(c) The Point of Contact shall request meetings of the Coordination Workgroup on an as needed basis and shall attend the Annual Meeting of the Coordination Workgroup as defined below, to meet and discuss the status of the respective GSPs or to respond to any questions or concerns expressed by DWR to the Point of Contact.

(d) The Parties agree to provide the Point of Contact with copies of its respective GSP and any subsequent amendments within 10 business days after the adoption of any amendment to a GSP, supporting information for any GSP, Annual Reports, and monitoring data. Notwithstanding the foregoing, in no event shall such GSP, Annual Report or other information be provided to the Point of Contact any later than three days prior to the deadline for such amendment, supporting information, or Annual Report.

(e) The Point of Contact has no authority to represent the Coordination Workgroup with respect to any matter not designated by this Agreement without specific authority from the Parties. The Point of Contact shall disclose all substantive communications s/he transmits and receives in his/her capacity as Point of Contact for the Madera Subbasin, whether such communication is from the State Water Resources Control Board, the Department of Water Resources or another person or agency, to each member of the Coordination Workgroup, whether such communication is by email, facsimile or any other communication method in a timely manner. If the Point of Contact receives any substantive or material questions regarding the Madera Subbasin from a third party, whether such party is a natural person, State public agency or local public

agency, the Point of Contact shall not provide a response unless and until the Point of Contact has consulted with the Coordination Workgroup.

(f) If there is a lack of consensus on an issue amongst the GSAs in the Madera Subbasin with respect to a question or inquiry from DWR, the Point of Contact shall convey the positions of each GSA within the basin to DWR, regardless of the Point of Contact's agreement on the positions and policies of any GSA.

5.3 Coordination Workgroup Authorized Actions and Limitations

5.3.1 Authorized Actions

The Coordination Workgroup is authorized to meet and discuss the following enumerated items:

(a) The Coordination Workgroup shall review those matters brought to the attention of the Coordination Workgroup by the Point of Contact or another GSA with respect to the Madera Subbasin. If inconsistencies are identified in the representation of the Madera Subbasin foundational data among the GSPs, the Coordination Workgroup shall meet and discuss the identified inconsistencies, and provide a recommendation to the Parties for resolution of the inconsistencies after attempting to obtain unanimous consent pursuant to Section 5.6.3 of this Agreement.

(b) Once the GSPs for the Madera Subbasin have been submitted to and approved by DWR, the Coordination Workgroup shall review and update the subbasin foundational data as needed, review the Annual Report and five-year assessment of the GSPs and recommend any needed revisions to this Agreement. The Coordination Workgroup may also provide review and assistance with coordinated projects and programs if requested by the affected GSAs.

(c) Each Member of the Coordination Workgroup shall review and recommend approval to their respective GSAs of any work plans recommended by the Coordination Workgroup and review and recommend approval to their respective GSAs any annual estimates of Coordinated Plan Expenses presented by the Point of Contact and any updates to such estimates; provided, that such estimates or updates with supporting documentation shall be circulated to all Parties for comment at least 30 days in advance of the meeting at which the Coordination Workgroup will review the annual estimate.

(d) The Coordination Workgroup shall take action to appropriately direct the Point of Contact in the performance of his/her duties under SGMA.

(e) The Coordination Workgroup may recommend one or more projects or management actions to be considered for the basin, but no GSA shall be obligated to implement such action.

(f) The Coordination Workgroup may discuss and recommend approval to their respective GSAs to change the designated Point of Contact to another person or entity.

5.3.2 Limitations

When the terms of this Agreement or applicable law require the approval of a Party, that approval shall be required to be in writing as provided in Section 6.1 of this Agreement.

5.4 Sub-workgroups

The Coordination Workgroup may appoint sub-workgroups, such as a technical ad-hoc workgroup (“Technical Ad-Hoc Workgroup”), or otherwise respond to or direct the Point of Contact. Such sub-workgroups may include qualified individuals possessing the knowledge and expertise to advance the goal of coordinating the GSPs for the Madera Subbasin, whether or not such individuals are GSA Representatives or Alternate Representatives. Tasks assigned to sub-workgroups or staff made available by one or more Parties may include making recommendations to the Parties concerning developing technical data, supporting information, and/or recommendations on various matters.

5.5 Coordination Workgroup Meetings

5.5.1 Timing

Any two GSA Representatives, or the Point of Contact, may call meetings of the Coordination Workgroup as needed to carry out the activities described in this Agreement. There shall be at least one meeting of the Coordination Workgroup per year and, unless the Parties agree otherwise, such meeting (the “Annual Meeting”) shall be at 10 a.m. on the second Thursday in February commencing in February 2020.

5.5.2 Agenda

No later than 20 days before the Annual Meeting, each Party shall submit to the Point of Contact those topics a Party wishes to discuss with the Coordination Workgroup at the Annual Meeting. The Point of Contact shall then prepare and distribute the Agenda to the GSA Representatives and Alternative Representatives at least 10 days before the Annual Meeting.

5.5.2 Quorum

A majority of the GSA Representatives listed on Exhibit A shall constitute a quorum of the Coordination Workgroup for the Annual Meeting; provided, that at least one GSA Representative from every GSA must be present at a meeting for any Coordination Workgroup vote on a matter described in section 5.3.1 to take place. The GSA Alternate Representative(s) of each GSA shall be counted towards a quorum and as the representative(s) in the absence of the GSA Representative for which the GSA Alternate has been appointed. If less than a quorum is present, GSA Representatives and Alternate Representatives present may, by majority vote, elect (i) to hear reports and discuss items

on the agenda before the Coordination Committee, but no action may be taken, or (ii) reschedule the meeting.

5.5.4 Open Attendance

Members of the public, stakeholders, and representatives of the Parties who are not appointed as GSA Representatives may attend all meetings of the Coordination Workgroup, and shall be provided with an opportunity to comment on matters on the meeting agenda. The Point of Contact should provide notice of all Coordination Workgroup meetings to the Interested Parties List for the Madera Subbasin.

5.5.5 Meeting Notes

All notes for meetings and telephone calls between the Point of Contact and DWR shall be taken and maintained by the Point of Contact and, once such notes are approved by the Point of Contact, shall be made available by the Point of Contact to the members of the Coordination Workgroup. All minutes for meetings of the Coordination Workgroup shall be maintained by the Point of Contact and, after they have been approved by those members of the Coordination Workgroup who attended the meeting, provided to each Party.

5.6 Voting by Coordination Workgroup

5.6.1. In the event a vote of the Coordination Workgroup is necessary, each GSA Representative shall be entitled to one vote for the Coordination Workgroup. It shall be up to each Party to determine how the vote of its GSA Representative (or, if applicable, GSA Alternate Representative) will be cast.

5.7 Rules of Order

Unless otherwise provided for in this Agreement, meetings of the Coordination Workgroup shall be conducted by Rosenberg's Rules of Order.

SECTION 6 – APPROVAL BY INDIVIDUAL PARTIES

6.1 Written Approvals

Where the law or this Agreement require separate written approval by each of the Parties, such approval shall be evidenced in writing by providing a copy of the resolution, motion, or minutes of their respective GSA Boards of Directors to the Point of Contact. The Point of Contact shall notify the Coordination Workgroup and the affected GSA of any missing approvals.

SECTION 7 – EXCHANGE OF DATA AND INFORMATION

7.1 Exchange of Information

The Parties acknowledge and recognize the Parties will need to exchange information amongst and between the Parties in order to coordinate the GSPs and sustainably manage the Madera Subbasin.

7.2 Procedure for Exchange of Information

7.2.1 The Parties shall exchange public and non-privileged information through collaboration and/or informal requests made at the Coordination Workgroup level. However, to the extent it is necessary to make a written request for information to another Party, such written request shall be made to the applicable GSA Representative. Requests may be communicated in writing and transmitted in person, by mail, facsimile machine, or other electronic means to the appropriate GSA Representative. The GSA Representative shall respond in a reasonably timely manner.

7.2.2 Nothing in this Agreement shall be construed to prohibit any Party from voluntarily exchanging information with any other Party by any other mechanism separate from the Coordination Workgroup.

7.2.3 The Parties agree each GSA shall provide the foundational data required to develop the Subbasin-wide coordinated water budget, but any personal information included in a report or record pursuant to this Section 7 has the same protection from disclosure as is provided for information concerning utility customers of local agencies pursuant to Section 6254.16 of the Government Code.

7.2.4 To the extent a Party receives a court order, subpoena, or the California Public Records Act which is applicable to such Party and the information sought from such Party was provided by another Party, the responding Party shall notify each other Party in writing of its proposed release of information in its possession in order to provide the other Parties with the opportunity to seek a court order preventing such release of information in responding to a request made pursuant to that Act for release of information exchanged from another Party, prior to responding to any such request for records.

SECTION 8 – METHODOLOGIES AND ASSUMPTIONS

8.1 SGMA Coordination Requirements

Pursuant to SGMA, a purpose of a coordination agreement is to ensure the individual GSPs for a basin or Subbasin utilize the same foundational data or methodologies for gathering information and developing the methods used to determine: 1) groundwater elevation in wells; 2) groundwater extraction data; 3) surface water supply; 4) total water use; 5) changes in groundwater storage; 6) subbasin water budgets; and 7) subbasin sustainable yield.

8.2 Coordination During GSP Development

During development of the GSPs, the Parties agreed to use agreed-upon methodologies or foundational data to develop assumptions about 1) groundwater elevation; 2) groundwater extraction data; 3) surface water supply; 4) total water use; 5) changes in groundwater storage; 6)

subbasin water budgets; and 7) subbasin sustainable yield. This development has been facilitated through a prior coordination workgroup and, after execution of this Agreement, will be facilitated through the Coordination Workgroup, the Technical Ad-Hoc Workgroup (if any), or a different workgroup of the technical staff provided by all of the Parties.

The “Data Collection and Analysis” used by each of the GSPs is summarized in a report by Davids Engineering Inc. and Luhdorff & Scalmanini dated July 2017. The method identified within that report is the method used within the Madera Subbasin for the determinations listed in Section 8.1. The “Draft Preliminary Basin Boundary Water Budget,” developed by Davids Engineering Inc. and Luhdorff & Scalmanini dated February 2018 proposed the draft Madera Subbasin water budget. The “Data Collection and Analysis” and the “Draft Preliminary Basin Boundary Water Budget” are referred to collectively as the “GSP Foundational Data Documents.”

Each of the Parties executing this Agreement represents and warrants to each of the other Parties that the GSP Foundational Data Documents were used and applied to that GSP adopted by such Party.¹ Each GSA’s water budget information is described more particularly on Exhibit B to this Agreement (the “Individual Water Budgets”).

If the Coordination Workgroup unanimously agrees the GSP Foundational Data Documents should be revised or supplemented and adopts new Foundational Data Documents, each GSA will revise their applicable GSP to adopt such new Foundational Data Documents.

8.3 Technical Memoranda Required

The foundational data and methodologies for assumptions described in Water Code Section 10727.6 and 23 CCR Section 357.4, to prepare coordinated plans have been set forth in the GSP Foundational Data Documents, and have been further vetted and discussed by the Parties for use in each GSP.

SECTION 9 – MONITORING NETWORK

9.1 Development of Monitoring Network

In accordance with SGMA, each of the GSPs adopted for the Madera Subbasin includes a description of a monitoring network for that GSP. The purpose of each monitoring network shall be to facilitate the collection of data in order to further characterize groundwater and related surface water conditions in the Madera Subbasin and evaluate changing conditions that occur from implementation of the individual GSPs. Each GSP also describes the monitoring network’s objectives for that portion of the Madera Subbasin monitored pursuant to a GSP, including an explanation of network development and implementation to monitor groundwater and related surface conditions, and the interconnection of surface water and groundwater.

¹ The Parties recognize there are certain non-significant variances in the calculations of the impact of various sources of recharge and intend to develop further data or information through the DMS to further narrow such variances. Such additional data will help to refine, prove or disprove models and/or presumptions included in the respective GSPs.

9.2 Provision of Data

Each GSA shall provide the Coordination Workgroup copies of all relevant data and information for their respective representative monitoring sites established in accordance with 23 CCR Section 354.36, as amended from time to time, including but not limited to: (1) surface water deliveries, (2) groundwater production, and (3) land uses.

SECTION 10 – COORDINATED WATER BUDGET

10.1 Preparation

In accordance with SGMA, the Parties agreed upon a single coordinated Madera Subbasin-wide water budget for the Madera Subbasin for use in the respective GSP in which each of the Parties hereto are participating. The Madera Subbasin-wide water budget includes providing an estimate of the total annual volume of groundwater and surface water entering and leaving the Madera Subbasin, including historical, current and projected water budget conditions, and the change in the volume of water stored and the sustainable yield of the entire Madera Subbasin.

The water budget for each of the Parties is described in the Individual Water Budgets. Each Party understand these estimates were completed using best available science and data. Where data gaps exist, the Parties intend to conduct the work necessary to substantiate or improve the estimations and assumptions developed for determining the Individual Water Budgets. Each of the Parties agrees that nothing in this Agreement or in any GSP adopted by a Party determines or alters surface water rights or groundwater rights under common law or any provision of law that determine or grants surface water rights.

10.2 Best Available Information and Science

During the term of this Agreement and to the extent feasible, the Parties will consider the best available information and best available science to further quantify the subbasin-wide water budget for the Madera Subbasin in order to provide an understanding of historical and projected hydrology, water demand, water supply, land use, population, climate change, sea level rise, groundwater and surface water interaction, and subsurface groundwater flow.

SECTION 11 – COORDINATED DATA MANAGEMENT SYSTEM

11.1 Coordinated Data Management System

The Parties will develop and maintain a coordinated data management system that is capable of storing and reporting information from each GSP's monitoring network system relevant to the reporting requirements and/or implementation of the GSPs and monitoring network of the Madera Subbasin.

11.2 Separate Data Management Systems

The Parties acknowledge each GSP provides for a separate data management system. Each separate data management system developed for each GSP will store information related to

implementation of each individual GSP, monitoring network data and monitoring sites requirements, and GSP-specific water budget data requirements. Each data management system will be capable of reporting all pertinent information to the Coordination Workgroup. After providing the Coordination Workgroup with data from the individual GSPs, the Coordination Workgroup will ensure the data is stored and managed in a coordinated manner throughout the Madera Subbasin as provided in Section 11.1 above and reported to DWR annually as required.

The Coordination Workgroup shall work together to obtain the services of a consultant for the design, development and implementation of data management system (“DMS”) for entering, storing and maintaining data related to the implementation of the GSP. The DMS provides the capability to handle the diverse datasets that will need maintenance such as time-series data, GIS data (vector and raster datasets), and other files such as images and text files. The DMS shall interact with other applications including for ongoing analyses, serving data for public information, or output of data in formats compatible for submittal to DWR.

SECTION 12 – ADOPTION AND USE OF THE COORDINATION AGREEMENT

12.1 Coordination of GSPs

Each Party is responsible to ensure that its own GSP complies with the statutory requirements of SGMA including, but not limited to, the filing deadline. The Parties to this Agreement intend that their individual GSPs be coordinated together in order to satisfy the requirements of SGMA and to be in substantial compliance with Title 13 of the California Code of Regulations. It is the intent of the Parties that the collective GSPs satisfy the requirements of Sections 10727.2 and 10727.4 of the Water Code by providing, among other things, a description of the physical setting and characteristics of the aquifer systems within the Madera Subbasin, the measurable objectives for each such GSP, interim milestones, and monitoring protocols that together provide a detailed description of how the Madera Subbasin as a whole will be sustainably managed.

12.2 GSP and Coordination Agreement Submission

The Parties agree to submit their respective GSPs to DWR through the Point of Contact in accordance with all applicable requirements. To this end, the Parties agree to act in good faith in avoiding undue delay in the GSP approval and GSP submission process.

SECTION 13 – MODIFICATION AND TERMINATION

13.1 Modification or Amendment of Exhibit A

The Parties agree the Point of Contact shall have the unilateral right to update the GSA Representative List on Exhibit A for all Parties to this Agreement upon receipt of any changes in the Representative List pursuant to Section 5.1.4 above. Upon such modification, the updated Exhibit A shall be a replacement to the previous version of such Exhibit A and shall become a part of this Agreement without further action or amendment of this Agreement by the Parties being required. The Point of Contact shall also circulate a copy of the updated Exhibit A to all GSA Representatives and GSA Alternate Representatives.

13.2 Amendment for Compliance with Law

Should any provision of this Agreement be determined not to be in compliance with the legal requirements of coordination agreements under circumstances where amendment of the Agreement to include a provision addressing the legal requirement will cure the non-compliance, each of the Parties agree to cooperate in promptly preparing and obtaining the approval of such amendment.

13.3 Modification or Amendment of Coordination Agreement

Except as provided in Sections 13.1, the Parties hereby agree that this Agreement may be supplemented, amended, or modified only by a writing signed by all Parties.

SECTION 14 – WITHDRAWAL

14.1 Jeopardy of Intervention

The Parties recognize SGMA requires an intra-basin coordination agreement if multiple GSAs within a subbasin submit multiple GSPs to DWR for review and approval pursuant to Water Code section 10727(b)(3). Thus, the Parties recognize that the withdrawal of any Party from this Agreement, whether before or after the Madera Subbasin GSPs are submitted to DWR, places the Madera Subbasin in jeopardy of being subject to intervention by the State Water Resources Control Board (“SWRCB”), including being designated on probationary status, and being subject to an interim plan promulgated by the SWRCB.

14.2 No Termination of Agreement

Should a Party decide to unilaterally withdraw from this Agreement, such withdrawal shall only be effective upon 30 days written notice to the Point of Contact and all other Parties, and such withdrawal will not cause a termination of this Agreement as to the remaining Parties.

14.2.1 Upon receipt of written notice of withdrawal from this Agreement by a Party, the Point of Contact shall immediately cease acting as the Point of Contact for the Withdrawing Party and shall have no further authority to incur any new expenses on behalf of the Withdrawing Party. The Withdrawing Party shall have no obligation for expenses incurred by the Point of Contact after such withdrawal.

14.2.2 The Withdrawing Party shall remain obligated to pay its share of any expenses included in a Cost Sharing Agreement unless otherwise provided in such Cost Sharing Agreement.

14.2.3 Upon withdrawal, the Withdrawing Party acknowledges it has a continuing obligation to comply with SGMA and any coordination guidelines or regulations issued by DWR. This obligation shall survive the withdrawal from this Agreement and is for the express benefit of the remaining Parties.

14.3 Remedies

Subject to the requirements of Section 15 below, nothing in Section 14 shall be construed as a limitation on the right of a Party to seek legal remedies against a Withdrawing Party.

SECTION 15 – PROCEDURES FOR RESOLVING CONFLICTS

15.1 Procedures for Resolving Conflicts

If any dispute arises among the Parties relating to this Agreement or the rights and obligations arising from this Agreement, the aggrieved Party or Parties shall provide written notice to the Coordination Workgroup of the dispute. Within 10 days after such written notice, the Point of Contact shall call a meeting of the Coordination Workgroup. The Coordination Workgroup shall attempt in good faith to resolve the dispute through informal means for a period of 30 days. If the Parties, through the Coordination Workgroup, cannot agree upon a resolution of the dispute within 30 days from the date of the first meeting of the Coordination Workgroup on the issue in dispute, the Parties may elect to submit the dispute to voluntary mediation prior to commencement of any legal action. If each of the Parties to the mediation agree to a mediation, the cost of mediation shall be paid in equal proportion among the Parties to the dispute. Upon completion of mediation, if any, and if the controversy has not been resolved, any Party may exercise any and all rights to bring a legal action relating to the dispute.

15.2 Litigation

In the event a dispute or claim is not resolved by a mutually agreeable settlement through negotiation or mediation, the aggrieved Party may file suit in the Madera County Superior Court, pursuant to Section 17.2 of this Agreement.

SECTION 16 - NOTICES

All notices required or permitted by this Agreement shall be in writing, and may be delivered in person (by hand or by courier) or may be sent by regular, certified, or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by electronic transmission (email) and shall be deemed sufficiently given if served in a manner specified in this Section 16. The addresses and addressees noted below are that Party's designated address and addressee for delivery or mailing of notices.

To COUNTY: County of Madera
Stephanie Anagnoson
200 W. 4th Street, 4th Floor
Madera, CA 93637

To CITY: City of Madera
Keith Helmuth
205 West 4th Street
Madera, CA 93637

To MID: Madera Irrigation District
Tommy Greci, Manager
12152 Road 28 1/4

Madera, CA 93637

To NSWD: New Stone Water District
Roger Skinner
9500 South DeWolf Avenue
Selma, CA 93662

To RCWD: Root Creek Water District
Julia Berry, General Manager
P.O. Box 27950
Fresno, CA 93729

To MWD: Madera Water District
John Gies, Manager
16943 Road 26, Suite 103
Madera, CA 93638

To GFWD: Gravelly Ford Water District
Don Roberts, General Manager
18811 Road 27
Madera, CA 93638

Any Party may, by written notice to each of the other Parties, specify a different address for notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, three days after the postmark date. If sent by regular mail, the notice shall be deemed given 48 hours after it is addressed as required in this section and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given 24 hours after delivery to the Postal Service or overnight courier. Notices transmitted by facsimile transmission or similar means (including email) shall be deemed delivered upon telephone or similar confirmation of delivery (confirmation report from fax machine is sufficient), provided a copy is also delivered via personal delivery or mail. If notice is received after 4:00 p.m. or on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

SECTION 17 – GENERAL PROVISIONS

17.1 Authority of Signers

The individuals executing this Agreement represent and warrant they have the authority to execute this Agreement and to legally bind the Party for whom they are signing to the terms and conditions of this Agreement.

17.2 Governing Law/Venue

The validity and interpretation of this Agreement will be governed by the laws of the State of California without giving effect to the principles of conflict of laws, with venue for all purposes to be proper only in the County of Madera, State of California.

17.3 Severability

If any term, provision, covenant, or condition of this Agreement is determined to be unenforceable by a court of competent jurisdiction, it is the Parties' intent that the remaining provisions of this Agreement will remain in full force and effect and will not be affected, impaired, or invalidated by such a determination.

17.4 Counterparts

This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which will constitute one and the same agreement.

17.5 Construction and Interpretation

This Agreement has been arrived at through negotiation and each of the Parties has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Parties shall not apply in the construction or interpretation of this Agreement.

17.6 Headings

The subject headings of the sections of this Agreement are included for purposes of convenience, and shall not affect the interpretation of any of the provisions herein.

17.7 Entire Agreement

This Agreement constitutes the entire agreement among the Parties with respect to the matters addressed in this Agreement, and supersedes all prior agreements and understandings, written or oral.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

COUNTY OF MADERA

MADERA IRRIGATION DISTRICT

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

CITY OF MADERA

MADERA WATER DISTRICT

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

GRAVELLY FORD WATER DISTRICT

ROOT CREEK WATER DISTRICT

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

NEW STONE WATER DISTRICT

By: _____

Name: _____

Title: _____

00640090.DOCX

EXHIBIT A

“List of GSA Representatives”

<u>GSA</u>	<u>GSA Representatives</u>	<u>GSA Alternate Representatives</u>
County of Madera	_____	_____
City of Madera	_____	_____
Root Creek Water District	_____	_____
Gravelly Ford Water District	_____	_____
Madera Water District	_____	_____
New Stone Water District	_____	_____

EXHIBIT B

Individual Water Budgets²

County of Madera GSA Water Budget

Annual inflows, outflows, and change in surface water system (SWS) storage during the historical water budget period (1989-2014) are summarized for the County of Madera GSA in Table B.1. Decreases in SWS storage are inflows to the SWS budget and shown as positive values, while increases in SWS storage are outflows from the SWS budget and shown as negative values. Other inflows are shown as positive values, while other outflows are shown as negative values. Additional information regarding development of the County of Madera GSA water budget is provided in the Madera Subbasin Joint GSP Appendix 2.F.b.

Table B.1. County of Madera GSA Surface Water System Historical Water Budget, 1989-2014 (Acre-Feet).

Flow Path Direction	Flow Path	Average Annual Volume, 1989-2014 (AF/yr) ¹
Inflow	Boundary Surface Inflows	308,230
	Groundwater Extraction	225,770
	Precipitation	152,710
	Change in SWS Storage	530
Outflow	Evapotranspiration	-277,150
	Evaporation	-1,990
	<i>Evaporation (Other GSAs)²</i>	-3,430
	Infil. of Precipitation	-40,140
	Infil. of Surface Water	-13,940
	<i>Infil. of Surface Water (Other GSAs)²</i>	-18,860
	Infil. of Applied Water	-56,270
	Boundary Surface Outflows	-275,460
Boundary Flow	Boundary Infil. of Surface Water from San Joaquin River ³	-37,720

¹ Values are rounded to the nearest 10 acre-feet. Total inflows may not equal total outflows due to rounding.

² Where most rivers and streams enter and leave the Madera Subbasin, they also enter and leave the County of Madera GSA. Because the County of Madera GSA includes several noncontiguous areas, the rivers and streams also pass through other GSAs before exiting the subbasin, thus the difference between the boundary surface water inflows and outflows from the County of Madera GSA includes evaporation and seepage from the river and stream segments in other GSAs. To balance the total boundary surface inflows and outflows from the subbasin and the County of Madera GSA, the County of Madera GSA water budget included

² The Parties recognize there are certain non-significant variances in the calculations of the impact of various sources of recharge and intend to develop further data or information through the DMS to further narrow such variances. Such additional data will help to refine, prove or disprove models and/or presumptions included in the respective GSPs.

estimates of evaporation and infiltration of surface water from the segments of the rivers and streams that are physically located in other GSAs. The estimate of Infil. of Surface Water (Other GSAs) is not included in the calculation of net recharge from the SWS for the County of Madera GSA, but is included in the calculations of net recharge from the SWS for those GSAs where the lengths are physically located.

³ The San Joaquin River flows along the subbasin boundary and was therefore not explicitly included in the surface water system water budget inflows and outflows. However, boundary infiltration of surface water (seepage) from the San Joaquin River (one-half of the total estimated seepage) was included in the groundwater system water budget and calculation of net recharge from the SWS for the subbasin and for GSAs adjacent to the river. This boundary flow is not included directly in the GSA surface water system water budget inflows, but is included in the GSA groundwater system water budget inflows.

City of Madera GSA Water Budget

Annual inflows, outflows, and change in SWS storage during the historical water budget period (1989-2014) are summarized for the City of Madera GSA in Table B.2. Decreases in SWS storage are inflows to the SWS budget and shown as positive values, while increases in SWS storage are outflows from the SWS budget and shown as negative values. Other inflows are shown as positive values, while other outflows are shown as negative value. Additional information regarding development of the City of Madera GSA water budget is provided in the Madera Subbasin Joint GSP Appendix 2.F.a.

Table B.2. City of Madera GSA Surface Water System Historical Water Budget, 1989-2014 (Acre-Feet).

Flow Path Direction	Flow Path	Average Annual Volume, 1989-2014 (AF/yr) ¹
Inflow	Boundary Surface Inflows	41,350
	Groundwater Extraction	10,750
	Precipitation	8,680
	Change in SWS Storage	10
Outflow	Evapotranspiration	-13,440
	Evaporation	-370
	Infil. of Precipitation	-2,550
	Infil. of Surface Water	-2,100
	Infil. of Applied Water	-2,920
	Boundary Surface Outflows	-39,410

¹ Values are rounded to the nearest 10 acre-feet. Total inflows may not equal total outflows due to rounding.

Madera Irrigation District GSA Water Budget

Annual inflows, outflows, and change in SWS storage during the historical water budget period (1989-2014) are summarized for Madera Irrigation District GSA in Table B.3. Decreases in SWS storage are inflows to the SWS budget and shown as positive values, while increases in SWS storage are outflows from the SWS budget and shown as negative values. Other inflows are shown as positive values, while other outflows are shown as negative value. Additional information regarding development of the Madera Irrigation District GSA water budget is provided in the Madera Subbasin Joint GSP Appendix 2.F.c.

Table B.3. Madera Irrigation District GSA Surface Water System Historical Water Budget, 1989-2014 (Acre-Feet).

Flow Path Direction	Flow Path	Average Annual Volume, 1989-2014 (AF/yr) ¹
Inflow	Boundary Surface Inflows	215,490
	Groundwater Extraction	176,560
	Precipitation	113,070
	Change in SWS Storage	190
Outflow	Evapotranspiration	-290,210
	Evaporation	-3,870
	Infil. of Precipitation	-32,800
	Infil. of Surface Water	-60,630
	Infil. of Applied Water	-65,060
	Boundary Surface Outflows	-52,730
Boundary Flow	Boundary Infil. of Surface Water from San Joaquin River ²	-20,280

¹ Values are rounded to the nearest 10 acre-feet. Total inflows may not equal total outflows due to rounding.

² The San Joaquin River flows along the subbasin boundary and was therefore not explicitly included in the surface water system water budget inflows and outflows. However, boundary infiltration of surface water (seepage) from the San Joaquin River (one-half of the total estimated seepage) was included in the groundwater system water budget and calculation of net recharge from the SWS for the subbasin and for GSAs adjacent to the river. This boundary flow is not included directly in the GSA surface water system water budget inflows, but is included in the GSA groundwater system water budget inflows.

Root Creek Water District GSA Water Budget

Annual inflows, outflows, and change in SWS storage during the historical water budget period (1989-2014) are summarized for Root Creek Water District GSA in Table B.4. Decreases in SWS storage are inflows to the SWS budget and shown as positive values, while increases in SWS storage are outflows from the SWS budget and shown as negative values. Other inflows are shown as positive values, while other outflows are shown as negative value. Additional information regarding development of the Root Creek Water District GSA water budget is provided in the Madera Subbasin Joint GSP Appendix 2.F.g.

Table B.4. Root Creek Water District GSA Surface Water System Historical Water Budget, 1989-2014 (Acre-Feet).

Flow Path Direction	Flow Path	Average Annual Volume, 1989-2014 (AF/yr) ¹
Inflow	Boundary Surface Inflows	1,890
	Groundwater Extraction	22,440
	Precipitation	8,170
	Change in SWS Storage	20
Outflow	Evapotranspiration	-25,670
	Evaporation	-10
	Infil. of Precipitation	-2,000
	Infil. of Surface Water	-280
	Infil. of Applied Water	-4,580
	Boundary Surface Outflows	0
Boundary Flow	Boundary Infil. of Surface Water from San Joaquin River ²	-1,960

¹ Values are rounded to the nearest 10 acre-feet. Total inflows may not equal total outflows due to rounding.

² The San Joaquin River flows along the subbasin boundary and was therefore not explicitly included in the surface water system water budget inflows and outflows. However, boundary infiltration of surface water (seepage) from the San Joaquin River (one-half of the total estimated seepage) was included in the groundwater system water budget and calculation of net recharge from the SWS for the subbasin and for GSAs adjacent to the river. This boundary flow is not included directly in the GSA surface water system water budget inflows, but is included in the GSA groundwater system water budget inflows.

Gravelly Ford Water District GSA Water Budget

Annual inflows, outflows, and change in SWS storage during the historical water budget period (1989-2014) are summarized for Gravelly Ford Water District GSA in Table B.5. Decreases in SWS storage are inflows to the SWS budget and shown as positive values, while increases in SWS storage are outflows from the SWS budget and shown as negative values. Other inflows are shown as positive values, while other outflows are shown as negative value. Additional information regarding development of the Gravelly Ford Water District GSA water budget is provided in the Madera Subbasin Joint GSP Appendix 2.F.e.

Table B.5. Gravelly Ford Water District GSA Surface Water System Historical Water Budget, 1989-2014 (Acre-Feet).

Flow Path Direction	Flow Path	Average Annual Volume, 1989-2014 (AF/yr) ¹
Inflow	Boundary Surface Inflows	16,070
	Groundwater Extraction	15,750
	Precipitation	7,200
	Change in SWS Storage	10
Outflow	Evapotranspiration	-19,550
	Evaporation	-180
	Infil. of Precipitation	-2,690
	Infil. of Surface Water	-6,180
	Infil. of Applied Water	-6,360
	Boundary Surface Outflows	-4,060

¹ Values are rounded to the nearest 10 acre-feet. Total inflows may not equal total outflows due to rounding.

Madera Water District GSA Water Budget

Annual inflows, outflows, and change in SWS storage during the historical water budget period (1989-2014) are summarized for Madera Water District GSA in Table B.6. Decreases in SWS storage are inflows to the SWS budget and shown as positive values, while increases in SWS storage are outflows from the SWS budget and shown as negative values. Other inflows are shown as positive values, while other outflows are shown as negative value. Additional information regarding development of the Madera Water District GSA water budget is provided in the Madera Subbasin Joint GSP Appendix 2.F.d.

Table B.6. Madera Water District GSA Surface Water System Historical Water Budget, 1989-2014 (Acre-Feet).

Flow Path Direction	Flow Path	Average Annual Volume, 1989-2014 (AF/yr) ¹
Inflow	Boundary Surface Inflows	4,210
	Groundwater Extraction	7,450
	Precipitation	3,220
	Change in SWS Storage	30
Outflow	Evapotranspiration	-10,680
	Evaporation	-20
	Infil. of Precipitation	-880
	Infil. of Surface Water	-360
	Infil. of Applied Water	-1,130
	Boundary Surface Outflows	-1,830

¹ Values are rounded to the nearest 10 acre-feet. Total inflows may not equal total outflows due to rounding.

New Stone Water District GSA Water Budget

Annual inflows, outflows, and change in SWS storage during the historical water budget period (1989-2014) are summarized for New Stone Water District GSA in Table B.7. Decreases in SWS storage are inflows to the SWS budget and shown as positive values, while increases in SWS storage are outflows from the SWS budget and shown as negative values. Other inflows are shown as positive values, while other outflows are shown as negative value. Additional information regarding development of the New Stone Water District GSA water budget is provided in the Madera Subbasin Joint GSP Appendix 2.F.f.

Table B.7. New Stone Water District GSA Surface Water System Historical Water Budget, 1989-2014 (Acre-Feet).

Flow Path Direction	Flow Path	Average Annual Volume, 1989-2014 (AF/yr) ¹
Inflow	Boundary Surface Inflows	186,430
	Groundwater Extraction	11,310
	Precipitation	3,590
	Change in SWS Storage	0
Outflow	Evapotranspiration	-10,310
	Evaporation	-90
	Infil. of Precipitation	-1,200
	Infil. of Surface Water	-1,740
	Infil. of Applied Water	-3,250
	Boundary Surface Outflows	-184,740

¹ Values are rounded to the nearest 10 acre-feet. Total inflows may not equal total outflows due to rounding.

Attachment 3

Cost Sharing Agreement

(Memorandum of Understanding with Respect to the Cost Sharing in the Implementation of the Madera Subbasin Groundwater Sustainability Plan)

**MEMORANDUM OF UNDERSTANDING
WITH RESPECT TO THE COST SHARING IN THE IMPLEMENTATION OF THE
MADERA SUBBASIN JOINT GROUNDWATER SUSTAINABILITY PLAN**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is entered into the ___ day of _____, 2019 (the “Effective Date”), by and among the CITY OF MADERA (“City”), the COUNTY OF MADERA (“County”), MADERA IRRIGATION DISTRICT (“MID”), and MADERA WATER DISTRICT (“MWD”) collectively hereinafter referred to as the “Parties.”

RECITALS

A. WHEREAS, on September 16, 2014, the Governor of the State of California signed SGMA into law, consisting of Senate Bills 1168 and 1319, and Assembly Bill 1739 collectively, codified at Water Code Sections 10720 *et seq.*; and

B. WHEREAS, SGMA requires that California groundwater basins and subbasins be managed by a Groundwater Sustainability Agency (“GSA”) or multiple GSAs, and that such management be implemented pursuant to an approved Groundwater Sustainability Plan (“GSP”) or multiple coordinated GSPs; and

C. WHEREAS, each Party overlies the Madera Groundwater Subbasin (“Madera Subbasin”), as its boundaries are recognized by California’s Department of Water Resources (“DWR”), and may be modified from time to time in accordance with Water Code section 10722.2; and,

D. WHEREAS, each Party is a GSA,; and,

E. WHEREAS, the Parties have jointly prepared the Madera Subbasin Joint GSP; and

F. WHEREAS, the Parties desire, through this MOU, to allocate the costs related to preparation of the Annual Reports and other activities as may be deemed necessary by all Parties to this agreement for implementation of the Madera Subbasin Joint GSP, as required under Water Code section 10728; and

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein and these Recitals, which are hereby incorporated herein by this reference, it is agreed by and among the Parties as follows:

1. **Objectives.** The objectives of the Parties in entering into this MOU are as follows:

(a) The Parties intend to work together in mutual cooperation to jointly coordinate and cooperate in the implementation of the Madera Subbasin Joint GSP in

compliance with SGMA, for the sustainable management of groundwater for the Madera Subbasin for which there may be, at times, costs associated that can be shared by all Parties.

(b) The Parties intend that nothing in this MOU will serve to limit, or otherwise interfere with a respective Party's rights and authorities over its own internal matters as recognized by SGMA, including, but not limited to, a Party's rights and powers as a GSA, its surface water supplies, groundwater supplies, facilities, operations, water management, water supply matters, or anything else limiting a Party's police powers under any other authority.

(c) The Parties intend through this MOU to share the cost of preparation of Annual Reports and other activities as may be deemed necessary by all Parties to this agreement for implementation of the Madera Subbasin Joint GSP.

(d) Each Party recognizes that nothing in this MOU confers authorities or powers to any Party that the Party does not otherwise already hold.

2. **Cost Sharing.** With respect to the sharing of costs, the Parties to this MOU agree as follows:

(a) Costs shall be allocated equally, meaning divided into four equal portions.

(b) The Parties shall pay any invoice associated with this MOU within thirty (30) days of the date of the invoice.

3. **Term.** This MOU shall be effective as of the Effective Date, and shall remain in effect until terminated by all of the Parties.

4. **Withdrawal.** A Party may, in its sole discretion, withdraw from this MOU upon 90 days written notice to the other Parties, provided that the withdrawing Party will remain responsible for its proportionate share of any obligation or liability duly incurred under this MOU, and previously approved by the withdrawing Party.

5. **Notices.** All notices required or permitted by this MOU shall be in writing, and may be delivered in person (by hand or by courier) or may be sent by regular, certified, or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by electronic transmission (email) and shall be deemed sufficiently given if served in a manner specified in this Section 5. The addresses and addressees noted below are that Party's designated address and addressee for delivery or mailing of notices.

To City of Madera:

City of Madera
205 W. Fourth Street
Madera, CA 93637
559-661-5400

To County of Madera:

County of Madera
Department of Water and Natural Resources

200 W. Fourth Street
Madera, CA 93637
559-675-7703

To Madera Irrigation District: Madera Irrigation District
12152 Rd 28 ¼
Madera, CA 93637
559-673-3514

To Madera Water District: Madera Water District
16943 Rd 26, Suite 103
Madera, CA 93637
559-674-4944

Any Party may, by written notice to the other, specify a different address for notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, three (3) days after the postmark date. If sent by regular mail, the notice shall be deemed given forty-eight (48) hours after it is addressed as required in this section and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given twenty-four (24) hours after delivery to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means (including email) shall be deemed delivered upon telephone or similar confirmation of delivery (confirmation report from fax machine is sufficient), provided a copy is also delivered via personal delivery or mail. If notice is received after 4:00 p.m. or on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

6. **Compliance with Laws.** In any action taken pursuant to this MOU, the Parties shall comply with all applicable statutes, laws, and regulations, specifically including, but not limited to, SGMA and its implementing regulations, as they now exist or as they may be amended or promulgated from time to time.

To the extent that this MOU conflicts with or does not accurately reflect any applicable statutes, laws, or regulations now existing or as amended or promulgated from time to time, the laws, statutes, and regulations shall govern. To the extent that any applicable statutes, laws, or regulations are amended or newly promulgated in such a manner that causes this MOU to conflict with, or no longer accurately reflect, such statutes, laws, or regulations, this MOU shall be modified, in writing, by all Parties, in order to comport with the newly amended or promulgated statutes, laws, or regulations.

7. **Entire Agreement.** This MOU and items incorporated herein contain all of the agreements of the Parties with respect to the matters contained herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

8. **Amendments.** No provisions of this MOU may be amended or modified in any manner whatsoever except by an agreement in writing duly authorized by the governing bodies of all Parties.

9. **Assignment.** The rights and obligations of the Parties under this MOU may not be assigned or delegated.

10. **Binding Effect.** This MOU shall apply to and bind successors, assignees, contractors, subcontractors, transferees, agents, employees, and representatives of the respective Parties hereto.

11. **Governing Law.** This MOU and all documents provided for herein and the rights and obligations of the Parties hereto shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of California (without giving effect to any choice of law principles).

12. **Waiver.** The failure of any Party to insist on strict compliance with any provision of this MOU shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by any Party of either performance or payment shall not be considered to be a waiver of any preceding breach of the MOU by any other Party.

13. **Severability.** If any term or provision of this MOU is, to any extent, held invalid or unenforceable, the remainder of this MOU shall not be affected.

14. **Headings.** The subject headings of the sections of this MOU are included for purposes of convenience only and shall not affect the construction or interpretation of any of the provisions herein.

15. **Counterparts.** This MOU may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year first above written.

City of Madera

County of Madera

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Madera Irrigation District

By: _____

Name: _____

Title: _____

Madera Water District

By: _____

Name: _____

Title: _____

J:\wdocs\01246\040\AGT\00698628.DOCX