MEMORANDUM OF UNDERSTANDING FOR IMPLEMENTATION OF THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT IN THE SANTA YNEZ RIVER VALLEY GROUNDWATER BASIN

	THIS	MEMOR	ANDUN	A OF U	INDERST	ANI	DING ('MOU")	s ma	de and	effectiv	e as (f
MAY	23	1	, 2016,	by and	between	the	Parties	executing	g the	MOU	below,	each	a
"Party"	and c	collectively	y the "Pa	rties,"	with refere	ence	to the fo	ollowing f	acts:				

A. In 2014, the State of California enacted the Sustainable Groundwater Management Act (Water Code Sections 10720 et seq.), referred to in this MOU as the "SGMA" or "Act," as subsequently amended, pursuant to which certain agencies may become "Groundwater Sustainability Agencies" and adopt "Groundwater Sustainability Plans" in order to manage and regulate groundwater in underlying groundwater basins. The Act defines "basin" as a basin or sub-basin identified and defined in California Department of Water Resources (DWR) Bulletin 118. Each Party is a local agency located within the Santa Ynez River Valley Groundwater Basin (Bulletin 118, Basin No. 3-15, "Basin") and is qualified to become a Groundwater Sustainability Agency and adopt a Groundwater Sustainability Plan under the Act for all or a portion of the Basin.

- B. Bulletin 118 describes the Basin as being in three portions, that being Eastern, Central and Western. Santa Ynez River Water Conservation District ("Santa Ynez") has historically recognized various "sub-basins" within the Basin for purposes of administering its groundwater charge program and other water management functions, generally the same as Bulletin 118 (except that part of the Lompoc Uplands is designated as Santa Rita Uplands). The respective areas as recognized by Bulletin 118 and Santa Ynez historically are set forth at paragraph 2 below, classified consistent with the portions of the Basin described in Bulletin 118.
- C. The Parties all overlie portions of the Basin as it is currently defined by the DWR and wish to participate in the implementation of the Act within the Basin. As a result, coordination and cooperation between Parties is necessary in order to determine respective roles and the manner in which they will implement the Act.
- D. The Parties wish to provide a framework for cooperative efforts for implementation of the Act in the Basin, to help ensure that the Act is implemented in the Basin through local control and management, and is implemented effectively, efficiently, fairly, and at reasonable cost.

THEREFORE, in consideration of the mutual promises set forth below and to implement the goals described above, the Parties agree as follows:

1. Purpose. The primary purpose of this MOU is to facilitate a cooperative and ongoing

working relationship between the Parties that will allow them to explore, study, evaluate, develop and implement mutually beneficial approaches and strategies for implementing the Act in the Basin.

2. Organization of SGMA Compliance for the Basin/Management Areas. The County of Santa Barbara ("County") overlies the entire Basin and Santa Ynez overlies most of the Basin, the principal exceptions being its boundaries do not include all of Vandenberg AFB and only overlie about one-third of the Santa Ynez Uplands. The Basin, organized by tentative Management Areas consistent with the portions of the Basin recognized in Bulletin 118, and the respective Parties to the MOU within each, are summarized as follows:

a. Eastern-Santa Ynez Uplands

Santa Ynez River Water Conservation District, Improvement District No. 1 ("ID#1")\

City of Solvang ("Solvang")

Santa Ynez

County

b. Central-Buellton Uplands

City of Buellton ("Buellton")

Santa Ynez

County

c. Western--Lompoc Terrace, Lompoc Plain and Lompoc Uplands (including Santa Rita Uplands)

City of Lompoc ("Lompoc")

Vandenberg Village Community Services District ("Vandenberg Village CSD")

Mission Hills Community Services District ("Mission Hills CSD")

Santa Ynez

County

To the extent authorized by the Act, any other local agencies, federal agencies, tribes, and mutual water companies that wish to participate in the SGMA process may participate in the respective Management Area in which they are located upon entering into an agreement or MOU

upon terms and conditions the Parties agree to including, paying their respective share of costs for implementing SGMA.

These three Management Areas cover the entire Basin that is subject to SGMA. The Santa Ynez River Alluvium zone is generally recognized as constituting "under flow" of the Santa Ynez River, and thereby not "groundwater" for purposes of SGMA. This zone is not subject to SGMA but falls under the jurisdiction of the State Water Resources Control Board, to the extent applicable.

These tentative Management Areas (and the Santa Ynez River Alluvium zone), along with the approximate boundaries of each of the Parties (except the County), are shown on the attached map.

- 3. Formation of a Groundwater Sustainability Agency ("GSA"). The Parties contemplate that collectively they will elect to be a GSA and file with DWR for the entire Basin pursuant to Section 10723 of the Act and follow the procedures therein specified, such that the filing with DWR is completed prior to June 30, 2017. Alternatively, separate GSAs may be filed for each of the three Management Areas described in Paragraph 2 above collectively by the respective Parties in each Area. No GSA election shall be filed for the entire Basin or for a Management Area without the respective Parties reviewing the proposed election. Santa Ynez will coordinate efforts for the Parties to meet and agree upon conditions under which they collectively elect to become a GSA for the entire Basin or by Management Area. If a Party withdraws from this MOU as provided at Section 10 below, they reserve the right to elect to be a GSA for the lands within its boundaries.
- 4. <u>Development of Groundwater Sustainability Plans ("GSPs")</u>. The Parties contemplate that separate GSPs will be developed for each of the three Management Areas by the Parties listed for each Management Area in Paragraph 2. As a part of their cooperative efforts under this MOU, the Parties shall discuss and explore the formation of one or more new joint powers authorities ("JPA") or similar arrangements to develop and implement a GSP for each Management Area. In the event multiple GSPs are developed, a coordination agreement as provided for in Section 10727.6 of the Act shall be established among the Management Areas. The Parties will also evaluate the feasibility of submitting an alternative plan for the Basin pursuant to Section 10733.6 of the Act. Santa Ynez will coordinate efforts of the Parties to meet and cooperatively develop GSPs for each Management Area. None of the Parties are obligated to execute such a JPA.
- 5. <u>Costs</u>. Each Party shall bear all costs it incurs with respect to its activities under this MOU. Costs incurred in connection with this MOU for the joint benefit of all Parties shall be borne as determined by subsequent agreement of the Parties.
- 6. <u>Staff.</u> Each Party shall designate a principal contact person and other appropriate staff members and consultants to participate on such Party's behalf in activities undertaken pursuant to this MOU. Santa Ynez shall be responsible for coordinating meetings and other activities under this MOU with the principal contact persons for the other Parties. Meetings shall occur as the principal contacts determine are necessary, as each Party shall make its expertise and resources reasonably available for activities under this MOU.

- 7. Ongoing Cooperation. The Parties acknowledge that activities under this MOU will require the frequent interaction between them in order to pursue opportunities and resolve issues that arise. The Parties shall work cooperatively and in good faith. The goal of the Parties shall be to preserve flexibility with respect to the implementation of the Act.
- 8. Notices. Any formal notice or other formal communication given under the terms of this MOU shall be in writing and shall be given personally, by facsimile, by electronic mail (email), or by certified mail, postage prepaid and return receipt requested. Any notice shall be delivered or addressed to the Parties at the addressees' facsimile numbers or email address set forth below under each signature and at such other address or facsimile numbers as shall be designated by notice in writing in accordance with the terms of this Agreement. The date of receipt of the notice shall be the date of actual personal service, confirmed facsimile transmission, or email, or three days after the postmark on certified mail.
- 9. <u>Entire Agreement/Amendments/Counterparts</u>. This MOU incorporates the entire and exclusive agreement of the Parties with respect to the matters described herein and supersedes all prior negotiations and agreements (written, oral, or otherwise) related thereto. This MOU may be amended (including without limitation to add new Parties) only in a writing executed by all of the Parties. This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 10. <u>Termination/Withdrawal</u>. This MOU shall remain in effect unless terminated by the mutual consent of the Parties. Upon 30 days written notice any of the Parties may withdraw from this MOU, and the MOU shall remain in effect for the remaining Parties. No Party shall be liable to any other if it elects to withdraw from this MOU, except that it shall remain liable for its pro-rata share of any joint benefit costs incurred pursuant to Paragraph 5 that it previously agreed to fund.
- 11. <u>Assignment</u>. No rights or duties of any of the Parties under this MOU may be assigned or delegated without the express prior written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties without such written consent shall be null and void.

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

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