

**MEMORANDUM OF AGREEMENT
FOR FORMATION OF A GROUNDWATER SUSTAINABILITY AGENCY FOR THE
EASTERN MANAGEMENT AREA
IN THE SANTA YNEZ RIVER VALLEY GROUNDWATER BASIN UNDER THE
SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

THIS MEMORANDUM OF AGREEMENT (“MOA”) is made and effective as of {INSERT DATE}, by and between the Parties executing the MOA below, each a “Party” and collectively the “Parties,” with reference to the following facts:

A. In 2014, the State of California enacted the Sustainable Groundwater Management Act (Water Code Sections 10720 et seq.), referred to in this MOA as the “SGMA” or “Act,” as subsequently amended, pursuant to which certain public agencies may become “Groundwater Sustainability Agencies” (GSA) and adopt “Groundwater Sustainability Plans” (GSP) 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 public agency located within the Santa Ynez River Valley Groundwater Basin (Bulletin 118, Basin No. 3-15, “Basin”) and is qualified to become a GSA and adopt a GSP 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. The western portion consists of the Lompoc Plain, Lompoc Terrace and Lompoc Uplands; the central portion is the Buellton Uplands and the eastern portion is the Santa Ynez Uplands. For purposes of administrating its groundwater usage program and other water management functions, the Santa Ynez River Water Conservation District (“SYRWCD”) also generally recognizes these hydrogeologic units. For the purpose of implementing SGMA, each portion of the Basin as described by DWR and recognized by the SYRWCD, is designated as a corresponding groundwater “Management Area” as defined by the Act.

C. The Parties are the agencies qualified to be a GSA under the Act for the Eastern (Santa Ynez Uplands) Management Area (EMA) of the Basin. The map attached hereto as Exhibit A designates the boundaries of the three Management Areas of the Basin.

D. A separate GSA for each Management Area is the most efficient approach to implement SGMA in the Basin. The three GSAs will be managed by an Intra-Basin Coordination Agreement, with the SYRWCD as the point of contact with DWR, pursuant to §10727.6 of the Act and California Code of Regulations, Title 23, §357.4. On May 23, 2016, the Parties, along with the other agencies qualified to be a GSA within the Basin, entered into a memorandum of understanding for implementing SGMA which recognized the three Management Areas corresponding to DWR’s three portions of the Basin and outlined the process for formation of GSAs and development of GSPs for the Basin. These three Management Areas cover the entire Basin that is subject to SGMA. Attached as Exhibit B is a chart of the anticipated organization of the three GSAs.

E. The SYRWCD covers approximately 35 percent of the land area in the Eastern Management Area (EMA), including the City of Solvang, the communities of Santa Ynez, Los Olivos, and Ballard, many ranchettes (parcels are 5-20 acres in size) and larger agricultural parcels. These communities are provided water by the City of Solvang, the Santa Ynez River

Water Conservation District- Improvement District Number 1 (or “ID No. 1”), mutual water companies and private wells. Estimates of pumping within the SYRWCD in the EMA vary widely over time and are attributed to in-fill development within the built-up areas and changes in agricultural practice. In general, areas of the Santa Ynez Uplands within the SYRWCD have produced 4,000 to 5,500 AF/year of water.

F. The Santa Barbara County Water Agency (County Water Agency) covers the remaining 65 percent of the EMA land area, including ranchettes and agricultural lands where water is provided by mutual water companies and private wells. Areas outside of the jurisdiction of a local public agency are called “Un-Managed Areas” and are under the jurisdiction of the County Water Agency. Estimates of pumping outside of the SYRWCD in the so called “Un-Managed Area” range from 10,000-12,000 AF/year of water, but may be higher.

G. Lake Cachuma (U.S. Bureau of Reclamation), small portions of Los Padres National Forest (U.S. Forest Service) and the Santa Ynez Band of Chumash Indians Reservation lie within the EMA. As Federal entities and Federally-Recognized Indian Tribe, these organizations are exempt from SGMA.

H. The SYRWCD, ID No. 1, the City of Solvang and the County Water Agency represent all the agencies (as defined by the Act) that are eligible to form a GSA in the EMA. The formation of the EMA GSA is supported by the following:

- The SYRWCD was formed in 1939 to protect the water rights and supplies of those within its borders, which in part encompasses the Santa Ynez Uplands;
- In 1949, the SYRWCD acquired 10.31% of the entitlement to the yield of the Cachuma project, principally to serve in its portion of the Santa Ynez Uplands. ID No. 1 was formed in 1959 for this purpose, to store and distribute such water, and subsequently assumed the rights and responsibilities associated with the entitlement;
- ID No. 1 later acquired SWRCB-issued licenses for three alluvial water-well fields downstream of the Cachuma Reservoir in the Santa Ynez River. ID No. 1 also produces water from the Santa Ynez Uplands and contracts for State Water Project (SWP) water, all in part to supplement the water supplies in the southwest corner of the Santa Ynez Uplands;
- Since 1979, the SYRWCD has registered wells, monitored groundwater production and tracked dewatered storage within its portions of the Santa Ynez Uplands;
- The City of Solvang diverts water from the Santa Ynez River and produces water from the Santa Ynez Uplands to serve in its portion of the Santa Ynez Uplands. Additionally, the City receives SWP water through an agreement with ID No. 1, most of which is used to augment the City water supply in the Uplands;
- The SYRWCD, ID No. 1 and the City of Solvang have collaboratively monitored and managed groundwater within the SYRWCD’s portion of the EMA for many decades at significant expense to the respective entities. Approximately 40 percent of the groundwater pumped in the EMA is produced within the boundaries of the SYRWCD;
- The County Water Agency has collected groundwater level information and periodically produced County-wide reports describing the status of the County’s groundwater resources, including the Santa Ynez Uplands. The County Water Agency’s portion of the

EMA has not been studied or managed to the same degree as the areas within the SYRWCD in the EMA. Approximately 60 percent of the groundwater pumped in the EMA is produced within the County Water Agency's portion of the Uplands;

I. The Parties wish to provide a framework to form a GSA and to implement SGMA in the EMA, such that the implementation is through local control and management and is implemented effectively, efficiently, fairly and at a 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. Formation of the EMA GSA. The purpose of this MOA is to form a GSA for the EMA prior to June 30, 2017, and 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 development of a GSP for the EMA. By execution of this MOA, the Parties collectively determine and elect to be the GSA for the Eastern Management Area of the Basin. It is presumed the EMA GSA will be the sole GSA for this portion of the Basin.

2. Development of the GSP. A separate GSP will be developed for each of the three Management Areas. An Intra-Basin Coordination Agreement will be incorporated into each GSP, as provided for in Section §10727.6 of the Act. The SYRWCD will coordinate the efforts of the Parties and be the point of contact with DWR, as defined by the Act, to meet and cooperatively develop the GSP for the EMA. In developing the GSP the GSA shall consider all beneficial uses and users of groundwater in the EMA, including the interests listed in Section §10723.2 of the Act.

3. GSA Committee. There is hereby established a GSA Committee for the EMA which shall be subject to the following:

- a. Committee Membership. The GSA Committee will be comprised of one representative and an alternate from each Party. A quorum to hold a meeting shall be a simple majority of Parties (3 of the 4 Parties to this Agreement).
- b. Voting will be weighted. The County Water Agency will have five votes, SYRWCD will have three votes, ID No. 1 will have two votes and the City of Solvang will have one vote in the EMA GSA Committee.
- c. The GSA Committee may adopt resolutions, bylaws and policies to provide further details for conducting its affairs consistent with this MOA and applicable law. Meetings of the GSA Committee shall be called, noticed and conducted subject to the provisions of the Ralph M. Brown Act (Govt. Code sections 54950 et seq.).
- d. All proposed actions or resolutions must be passed by a simple majority of the voting membership. Actions or resolutions to enter into a comprehensive MOA or Joint Powers Agency agreement ("JPA") and adopt or to approve the GSP must pass by a 70 percent vote (at least 8 votes needed) with the concurrence of each Party's governing body.

- e. The terms of this MOA including, but not limited to, composition, voting procedures, and powers of the GSA Committee, and whether the GSA Committee shall be replaced by a comprehensive MOA or JPA to implement the GSP, shall be negotiated, reviewed and reaffirmed or modified by the Parties no later than adoption of a GSP or January 31, 2021, whichever occurs first, as part of the process to adopt a GSP, which is due no later than January 31, 2022.

4. Powers of GSA. The GSA Committee shall develop the GSP and the Parties to this Agreement shall have all the powers that a GSA is authorized to exercise and to implement the GSP within the Party's respective boundaries, all consistent with the Act and DWR's regulations, including establishing budgets and imposing fees to fund GSA and GSP activities. The GSA Committee shall proceed in a timely fashion to develop a comprehensive MOA or JPA and GSP for the EMA, and consider the interests of all beneficial uses and users of groundwater within the EMA as prescribed by Section 10723.2 of the Act.

5. EMA GSP Hydrogeologic Study. The County Water Agency intends to fund and conduct a hydrogeologic study ("Study") to be used for the GSP in the EMA. The Study shall be conducted with a scope of work and on a schedule to comply with SGMA regulations with regard to GSPs and shall be coordinated with the GSPs developed in the Central and Western Management Areas of the Santa Ynez River Valley Groundwater Basin. As the Coordinating Agency, SYRWCD will consult with the County Water Agency and provide input on the selection of the consultant, and the scope and conduct of the Study.

6. Costs. All Parties shall bear the costs incurred with respect to activities under this MOA to participate on the GSA Committee and its proceedings and related matters. Specifically, each Party shall pay the costs for its staff to attend GSA Committee meetings and participate in GSA activities. The County Water Agency intends to fund the GSP hydrogeologic study as described in Section 5 above. Other costs associated with the development and implementation of the GSP shall be shared as agreed to by all of the Parties. All Parties may consider levying a charge pursuant to the Act; including, but not limited to, § 10726.8(b). There are several vehicles to capture costs for implementing the SGMA pursuant to §10730 et seq. of the Act.

7. Staff. Each Party shall designate a principal contact person, if other than the designated GSA Committee member, and other appropriate staff members and consultants to participate on such Party's behalf in activities undertaken pursuant to this MOA. The SYRWCD shall be responsible for meetings and other activities under this MOA with the GSA Committee and principal contact persons for the other Parties, and shall be the point of contact with DWR. Informal staff meetings may occur as needed.

8. Ongoing Cooperation. The Parties acknowledge that activities under this MOA 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 and consistency with the other GSAs in the Basin, including development of a comprehensive MOA or JPA, the Study, a GSP and an Intra-Basin Coordination Agreement, which will be negotiated.

9. Notices. Any formal notice or other formal communication given under the terms of this MOA 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 mailing addresses, facsimile numbers or email addresses set forth below under each signature and at such other address, facsimile number or email address as shall be designated by notice in writing in accordance with the terms of this MOA. 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.

10. Entire Agreement/Amendments/Counterparts. This MOA 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 MOA may be amended only in writing, as executed by all the Parties. This MOA 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.

11. Termination/Withdrawal. This MOA shall remain in effect unless terminated by the unanimous consent of the voting Parties, which consent will not be unreasonably withheld. Upon 60 days written notice, any of the Parties may withdraw from this MOA provided that the withdrawal shall be in accordance with the requirements of the Act. Upon withdrawal of a Party, this MOA shall remain in effect for the remaining Parties. Nothing herein shall be construed as prohibiting a Party that has withdrawn from this GSA to become a separate groundwater sustainability agency within its jurisdiction, provided the withdrawing Party coordinates with the other Parties pursuant to the Act. A withdrawing Party shall be liable for expenses incurred through the effective date of the withdrawal and for its share of any contractual obligations incurred by the EMA GSA while the withdrawing voting Party was a party to this Agreement.

12. Assignment. No rights or duties of any of the Parties under this MOA may be assigned or delegated without the express prior written consent of all the other Parties, and any attempt to assign or delegate such rights or duties without such written consent shall be null and void.

13. Indemnification. The Parties shall each defend, indemnify and hold harmless the other Parties, and their respective directors/supervisors, officers, employees and agents, from any claims or liabilities for the indemnifying Party's acts or omissions, or that of its directors/supervisors, officers, employees and agents, arising from or related to carrying out this MOA. Any claims or liabilities by a third Party arising from or related to the Parties collective action in carrying out and/or implementing this MOA shall be defended by each Party.

14. Insurance. Each Party shall maintain its own insurance coverage, through commercial insurance, self-insurance or a combination thereof, against any claim, expense, cost, damage, or liability arising out of the performance of its responsibilities pursuant to this MOA.

15. Access to Information. The Parties shall have access to, and the right to use any and all information, data, summaries, charts, and other materials developed during and pursuant to this MOA and shall protect the confidentiality of such information as provided in this MOA and to the extent authorized by law. In furtherance thereof, the Parties will develop a confidentiality agreement to address sharing of confidential information, particularly existing confidential

information that the Parties may possess that would be assist with preparation of the GSP. In the event any outside Party seeks disclosure of information developed pursuant to this MOA, the Parties shall cooperate and mutually comply with the Public Records Act.

16. Amendment. This MOA may be amended, from time to time, with the written consent of all Parties.

17. Authority. The individuals executing this MOA represent and warrant that they have the authority to enter into this MOA and to perform all acts required by this MOA, and that the consent, approval or execution of or by any third party is not required to legally bind either Party to the terms and conditions of this MOA.

18. Incorporation of Recitals. The recitals set forth above are hereby incorporated into this MOA.

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

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT – IMPROVEMENT DISTRICT NO. 1

By: _____

Address: _____

Email _____

Facsimile _____

CITY OF SOLVANG

By: _____

Address: _____

Email _____

Facsimile _____

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

By: _____

Address: _____

Email _____

Facsimile _____

SANTA BARBARA COUNTY WATER AGENCY

By: _____ (Signatures below)

Address: _____

Email: _____

Facsimile: _____

ATTEST:

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

By: _____
Deputy Clerk


SANTA BARBARA COUNTY WATER AGENCY:

By: _____
Chair, Board of Directors

Date:

RECOMMENDED FOR APPROVAL:

Santa Barbara County Water Agency

By:  _____
Department Head

APPROVED AS TO FORM:

Risk Management

By:  _____
Risk Management


APPROVED AS TO FORM:

Michael C. Ghizzoni
County Counsel

By:  _____
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:

Theodore A. Fallati, CPA
Auditor-Controller

By:  _____
Deputy