

**JOINT EXERCISE OF POWERS AGREEMENT**

**by and among**

**THE CARPINTERIA VALLEY WATER DISTRICT**

**THE CITY OF CARPINTERIA**

**THE SANTA BARBARA COUNTY WATER AGENCY**

**and**

**THE COUNTY OF VENTURA**

**creating**

**CARPINTERIA GROUNDWATER SUSTAINABILITY  
AGENCY**

**January 2020**

**JOINT EXERCISE OF POWERS AGREEMENT  
THE CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY**

This **Joint Exercise of Powers Agreement (“Agreement”)** is made and effective on the last date executed (**“Effective Date”**), by and among the Carpinteria Valley Water District, the City of Carpinteria, the Santa Barbara County Water Agency and the County of Ventura, sometimes referred to herein individually as a **“Member”** and collectively as the **“Members,”** for purposes of forming the Carpinteria Groundwater Sustainability Agency (**“Agency”**) and setting forth the terms pursuant to which the Agency shall operate. Capitalized terms used herein shall have the meanings given to them in Article 1 of this Agreement.

**RECITALS**

A. Each of the Members is a local agency, as defined by the Sustainable Groundwater Management Act of 2014 (**“SGMA”**), duly organized and existing under and by virtue of the laws of the State of California, and each Member can exercise powers related to groundwater management.

B. For groundwater basins designated by the California Department of Water Resources (**“DWR”**) as medium- and high-priority, SGMA requires establishment of a groundwater sustainability agency (**“GSA”**) within 2 years from the date in which the basin was designated medium or high priority, and adoption of a groundwater sustainability plan (**“GSP”**) within 5 years of the date of said designation.

C. The Carpinteria Groundwater Basin (designated basin number 3-18 in the DWR’s Bulletin No. 118) (**“Basin”**) has been designated as a high-priority basin by DWR.

D. Under SGMA, a combination of local agencies may form a GSA through a joint exercise of powers agreement.

E. The Members have determined that the sustainable management of the Carpinteria Groundwater Basin pursuant to SGMA may best be achieved through the cooperation of the Members operating through a joint powers authority. In accordance with Water Code section 10723, subdivision (b), all Members have held a public hearing regarding entering into this Agreement and complied with the noticing provisions in SGMA.

F. The Joint Exercise of Powers Act (**“Act”**) codified in Government Code section 6500, et seq., authorizes the Members to create a joint powers authority, and to jointly exercise any power common to the Members and to exercise additional powers granted under the Act.

G. The Act, including the Marks-Roos Local Bond Pooling Act of 1985 (Government Code section 6584, et seq.), authorizes an entity created pursuant to the Act to issue bonds, and under certain circumstances, to purchase bonds issued by, or to make loans to, the Members for financing public capital improvements, working capital, liability and other insurance needs or projects whenever doing so would result in significant public benefits, as determined by the Members. The Act further authorizes and empowers a joint powers authority to sell bonds so

issued or purchased to public or private purchasers at public or negotiated sales.

H. Based on the foregoing legal authority, the Members desire to create a joint powers authority for the purpose of taking all actions deemed necessary by the joint powers authority to ensure sustainable management of the Basin as required by SGMA.

I. The governing board of each Member has determined it to be in the Member's best interest and in the public interest that this Agreement be executed.

## **TERMS OF AGREEMENT**

In consideration of the mutual promises and covenants herein contained, the Members agree as follows:

### **ARTICLE 1 DEFINITIONS**

The following terms have the following meanings for purposes of this Agreement:

1.1 "Act" means the Joint Exercise of Powers Act, set forth in Chapter 5 of Division 7 of Title 1 of the Government Code section 6500, et seq., including all laws supplemental thereto.

1.2 "Agreement" has the meaning assigned thereto in the Preamble.

1.3 "Auditor" means the auditor of the financial affairs of the Agency appointed by the Board of Directors pursuant to Section 13.3 of this Agreement.

1.4 "Agency" has the meaning assigned thereto in the Preamble.

1.5 "Basin" has the meaning assigned thereto in Recital C and shall be further defined as consistent with the most current definition of Carpinteria Groundwater Basin in DWR Bulletin 118.

1.6 "Board of Directors" or "Board" means the governing body of the Agency as established by Article 6 of this Agreement.

1.7 "Bylaws" means the bylaws adopted by the Board of Directors pursuant to Article 11 of this Agreement to govern the day-to-day operations of the Agency.

1.8 "Director" and "Alternate Director" shall mean a director or alternate director appointed to the Board of Directors for the Agency by a Member pursuant to Article 6 of this Agreement.

1.9 "DWR" has the meaning assigned thereto in Recital B.

1.10 "Effective Date" has the meaning assigned thereto in the Preamble.

1.11 "Executive Director" means the chief administrative officer of the Agency to be appointed by the Board of Directors pursuant to Article 10 of this Agreement.

1.12 "GSA" has the meaning assigned thereto in Recital B.

1.13 "GSP" has the meaning assigned thereto in Recital B.

1.14 "Member" has the meaning assigned thereto in the Preamble and further means each party to this Agreement that satisfies the requirements of Section 5.1 of this Agreement, including any new members as may be authorized by the Board, pursuant to Section 5.2 of this Agreement.

1.15 "Officer(s)" means the chair, vice chair, secretary, or treasurer of the Agency to be appointed by the Board of Directors pursuant to Section 7.1 of this Agreement.

1.16 "Principal Office" means the physical location at which Agency and GSA business is conducted, GSA staff is officed, official Agency and GSA documents will be stored, and GSA equipment will be stored. The Principal Office may be co-located at a member agency office, but Agency property and documents must be segregated into its own space.

1.17 "Quorum" shall have the meaning assigned to it in Section 9.1 of this Agreement.

1.18 "SGMA" has the meaning assigned thereto in Recital A.

1.19 "Special Projects" shall mean a project undertaken pursuant to Article 17 of this Agreement.

1.20 "State" means the State of California.

1.21 "Supermajority" shall mean the following:

1.21.1 If five (5) Directors are eligible to vote, a supermajority shall mean three (3) affirmative votes.

1.21.2 If six (6) Directors are eligible to vote, a supermajority vote shall mean four (4) affirmative votes.

1.21.3 If seven (7) Directors are eligible to vote, a supermajority vote shall mean five (5) affirmative votes.

1.21.4 If eight (8) Directors are eligible to vote, a supermajority vote shall mean six (6) affirmative votes.

1.22 A "unanimous" vote by the Board of Directors shall mean all Directors in attendance and eligible to vote.

## **ARTICLE 2 CREATION OF THE AGENCY**

2.1 Creation of the Agency. There is hereby created pursuant to the Act, a joint powers authority, which will be a public entity separate from the Members to this Agreement and shall be known as the Carpinteria Groundwater Sustainability Agency (“**Agency**”). Within thirty (30) days after the Effective Date of this Agreement and after any amendment to this Agreement, the Agency shall cause a notice of this Agreement or amendment to be prepared and filed with the office of the California Secretary of State containing the information required by Government Code section 6503.5. Within seventy (70) days after the Effective Date of this Agreement, the Agency shall cause a statement of the information concerning the Agency, required by Government Code section 53051, to be filed with the office of the California Secretary of State and with the Clerks for the County of Santa Barbara and for the County of Ventura, setting forth the facts required to be stated pursuant to Government Code section 53051, subdivision (a). The jurisdictional boundary of Agency shall be coterminous with the boundaries of the Basin.

2.2 Purpose of the Agency. Each Member to this Agreement has in common the power to study, plan, develop, finance, acquire, construct, maintain, repair, manage, operate, control, and govern water supply projects and/or exercise groundwater management authority within the Basin either alone or in cooperation with other public or private non-member entities, and each is a local agency eligible to serve as the GSA in the Basin, either alone or jointly through a joint powers agreement as provided for by SGMA. This Agreement is being entered into in order to jointly exercise some or all of the foregoing common powers, as appropriate, and for the exercise of such additional powers as may be authorized by law in the manner herein set forth, in order to effectuate the purposes of this Agreement. The purpose of the Agency is to form a GSA to manage groundwater in the Basin and to develop, adopt, and implement the GSP for the Basin pursuant to SGMA and other applicable provisions of law.

## **ARTICLE 3 TERM**

This Agreement shall become effective upon its execution by each of the Members and shall remain in effect until terminated pursuant to the provisions of Article 16 of this Agreement.

## **ARTICLE 4 POWERS**

The Agency shall possess the power in its own name to exercise any and all common powers of its Members reasonably necessary for the Agency to implement the purposes of SGMA and for no other purpose, together with such other powers as are expressly set forth in the Joint Exercise of Powers Act and in SGMA subject to the limitations set forth therein.

SGMA expressly reserves certain powers and authorities to and preserves certain powers and authorities of cities and counties, including, without limitation, the issuance of permits for the construction, modification or abandonment of groundwater wells, land use planning and groundwater management pursuant to city and county police powers in a manner that is not in conflict with the GSP. Directors representing a county or city of the Agency do not have the ability

to authorize the Agency to exercise or infringe upon any such reserved powers and authorities, without the Agency first seeking and receiving authorization by formal action respectively from the Board of Supervisors or City Council. Furthermore, this agreement shall not be interpreted as limiting or ceding any such reserved or preserved powers and authorities. In addition, to the extent that a Member, other than a county or city, independently possesses any of the powers or authorities expressly preserved by SGMA, the Agency does not have the ability or authority to exercise or infringe on such preserved powers and/or authorities of such Member without the Agency first seeking and receiving authorization from such Member's governing board, unless specifically enumerated in this Agreement.

For purposes of Government Code section 6509, the powers of the Agency shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed on the Carpinteria Valley Water District, and in the event of the withdrawal of the Carpinteria Valley Water District as a Member under this Agreement, then the manner of exercising; the Agency's powers shall be exercised subject to those restrictions imposed on the Santa Barbara County Water Agency.

As required by Water Code section 10723.2, the Agency shall consider the interests of all beneficial uses and users of groundwater in the Basin, as well as those responsible for implementing the GSP. Additionally, as set forth in Water Code section 10720.5, subdivision (a), any GSP adopted pursuant to this Agreement shall be consistent with Section 2 of Article X of the California Constitution. Nothing in this Agreement modifies the rights or priorities to use or store groundwater consistent with Section 2 of Article X of the California Constitution, with the exception that no extraction of groundwater between January 1, 2015 and the date of adoption of the GSP may be used as evidence of or to establish or defend against a claim for prescription. Likewise, as set forth in Water Code section 10720.5, subdivision (b), nothing in this agreement or any GSP adopted pursuant to this agreement determines or alters surface water rights or groundwater rights under common law or any provision of law that determines or grants water rights.

4.1 GSA Formation. Pursuant to Section 2.2 of this Agreement the Agency will serve as the GSA for the purposes of sustainably managing groundwater in the Basin under SGMA. After GSA formation, the Agency will have the authority to exercise all powers afforded to the Agency under SGMA, including without limitation:

4.1.1 To adopt rules, regulations, policies, bylaws and procedures governing the operation of the Agency.

4.1.2 To develop, adopt and implement a GSP for the Basin, and to exercise jointly the common powers of the Members in doing so.

4.1.3 To obtain rights, permits and other authorizations for, or pertaining to, implementation of a GSP for the Basin.

4.1.4 To collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the Basin.

4.1.5 To acquire property and other assets by grant, lease, purchase, bequest, devise, gift, or eminent domain, and to hold, enjoy, lease or sell, or otherwise dispose of, property, including real property, water rights, and personal property, necessary for the full exercise of the Agency's powers.

4.1.6 To establish and administer a conjunctive use program for the purposes of maintaining sustainable yields in the Basin consistent with the requirements of SGMA.

4.1.7 To regulate groundwater extractions as permitted by SGMA.

4.1.8 To spread, sink and inject water into the Basin.

4.1.9 To store, transport, recapture, recycle, purify, treat or otherwise manage and control water for beneficial use.

4.1.10 To develop and facilitate market-based solutions between Basin stakeholders for the use and management of water rights.

4.1.11 To impose assessments, groundwater extraction fees or other charges, and to undertake other means of financing the Agency as authorized by Chapter 8 of SGMA, commencing at section 10730 of the Water Code.

4.1.12 To perform other ancillary tasks relating to the operation of the Agency pursuant to SGMA, including without limitation, environmental review, engineering, and design.

4.1.13 To apply for, accept and receive licenses, permits, water rights, approvals, agreements, grants, loans, contributions, donations or other aid from any agency of the United States, the State of California or other public agencies or private persons or entities necessary for the Agency's purposes.

4.1.14 To develop, collect, provide, and disseminate information that furthers the purposes of the Agency.

4.1.15 To make and enter contracts necessary to the full exercise of the Agency's power.

4.1.16 To employ, designate, or otherwise contract for the services of, agents, officers, employees, attorneys, engineers, planners, financial consultants, technical specialists, advisors, and independent contractors.

4.1.17 To incur debts, liabilities or obligations, to issue bonds, notes, certificates of participation, guarantees, equipment leases, reimbursement obligations and other indebtedness, as authorized by the Act.

4.1.18 To cooperate, act in conjunction and contract with the United States, the State of California, or any agency thereof, counties, municipalities, public and private corporations of any kind (including without limitation, investor-owned utilities), and individuals, or any of them, for any and all purposes necessary or convenient for the full exercise of the powers of the Agency.

4.1.19 To sue and be sued in the Agency's own name.

4.1.20 To provide for the prosecution of, defense of, or other participation in, actions or proceedings at law or in public hearings in which the Members, pursuant to this Agreement, have an interest and employ counsel and other expert assistance for these purposes.

4.1.21 To accumulate operating and reserve funds for the purposes herein stated.

4.1.22 To invest money that is not required for the immediate necessities of the Agency, as the Agency determines is advisable, in the same manner and upon the same conditions as Members, pursuant to Government Code section 53601, as that section now exists or may hereafter be amended.

4.1.23 To undertake any investigations, studies, and matters of general administration.

4.1.24 To undertake Special Projects, as set forth in Article 17.

4.1.25 To perform all other acts necessary or proper to carry out fully the purposes of this Agreement.

## **ARTICLE 5 MEMBERSHIP**

5.1 Members. The Members of the Agency shall be the Carpinteria Valley Water District, the City of Carpinteria, Santa Barbara County Water Agency and the County of Ventura as long as they have not, pursuant to the provisions hereof, withdrawn from this Agreement.

5.2 New Members. It is recognized that a public agency that is not a Member on the Effective Date of this Agreement may wish to participate in the Agency. Non-member eligible public agencies may become members of the Agency upon such terms and conditions as established by the Board of Directors and upon the unanimous consent of the existing Members, evidenced by the execution of a written amendment to this Agreement signed by all of the Members, including the non-member eligible public agency. The addition of new Members shall not affect any rights of existing Members without the consent of all affected Members.

## **ARTICLE 6 BOARD OF DIRECTORS AND OFFICERS**

6.1 Formation of the Board of Directors. The Agency shall be governed by a Board of Directors (“**Board of Directors**” or “**Board**”) consisting of representatives appointed in the manner set forth in Section 6.3 of this Agreement. The Board shall be composed of five (5) “**Regular Directors**” and up to three (3) “**Optional Directors**” as follows:

6.1.1 Five (5) Regular Directors shall be appointed to the Board within 30 days of the Effective Date of the Agreement in the manner set forth in Section 6.3.1 below.



6.1.2 Three (3) Optional Directors may be appointed after the first publicly held meeting of the Agency up to the time of adoption of the GSP by the Board in the manner set forth in Sections 6.3.2 through 6.3.4 below. After the GSP has been adopted by the Board, if a Member has not appointed an Optional Director to the Board, and the seat has not been filled pursuant to Section 6.3.5 below, a Member may elect to appoint its Optional Director but subject to the Board of Directors' approval.

6.2 Duties of the Board of Directors. The business and affairs of the Agency, and all of the powers of the Agency, including without limitation all powers set forth in Article 4, are reserved to and shall be exercised by and through the Board of Directors, except as may be expressly delegated to the Executive Director or others pursuant to this Agreement, Bylaws, or by specific action of the Board of Directors.

6.3 Appointment of Directors. The Directors shall be appointed as follows:

6.3.1 Five (5) Regular Directors from the Carpinteria Valley Water District shall be appointed to the Board of Directors by resolution of the Carpinteria Valley Water District board of directors.

6.3.2 One (1) Optional Director from the City of Carpinteria may be appointed by resolution of the City of Carpinteria City Council pursuant to Section 6.1.2 above.

6.3.3 One (1) Optional Director from the Santa Barbara County Water Agency may be appointed by resolution of the Santa Barbara County Water Agency board of directors pursuant to Section 6.1.2 above.

6.3.4 One (1) Optional Director from the County of Ventura may be appointed by resolution of the Ventura County Board of Supervisors pursuant to Section 6.1.2 above.

6.3.5 If the Members named in Sections 6.3.2, 6.3.3, or 6.3.4 fail to exercise the option to appoint an Optional Director up to the adoption of the GSP by the Board, or if a Member provides written notice to the Board Chair and to all other Members named in Sections 6.3.2, 6.3.3, or 6.3.4 that it declines to exercise its option to appoint an Optional Director, any other Member named in these Sections may choose to exercise the option to name another Optional Director from their respective agency within thirty (30) days after adoption of the GSP by the Board. The option under this Section may be exercised by providing the GSA Board Chair with written notice of the Member's election to name another Optional Director. If more than one eligible Member exercises the option under this section, the Member who first provided written notice to the GSA Board Chair will be the Member authorized to exercise the appointment option. This option shall be limited to allow the Members named in Sections 6.3.2, 6.3.3 and 6.3.4 to appoint a maximum of two Optional Directors.

6.4 Alternate Directors. Each Member may appoint one Alternate Director to act in the place of a Director in case of absence or inability to act. Alternate Directors shall be appointed in the same manner as set forth in Section 6.3. Unless appearing as a substitute for a Director due to absence or conflict of interest, Alternate Directors shall have no vote, and shall not participate in

any discussions or deliberations of the Board. If the Director is not present, or if the Director has a conflict of interest which precludes participation by the Director in any decision-making process of the Board, the Alternate Director appointed to act in his/her place shall assume all rights of the Director, and shall have the authority to act in his/her absence, including casting votes on matters before the Board. Each Alternate Director shall be appointed prior to the meeting of the Board in which the Alternate Director is participating Board deliberations. Alternate Directors are encouraged to attend Board meetings and stay informed on current issues before the Board.

#### 6.5 Term, Reappointment, and Removal.

6.5.1 Directors and Alternate Directors shall serve for terms of four (4) years. A Director or Alternate Director may be removed during his or her term or reappointed for multiple terms at the pleasure of the Member that appointed him or her.

6.5.2 A Director shall be a member of the appointing agency's legislative body and shall cease to be a Member Director or Alternate Director when no longer a member of the appointing agency's legislative body.

6.5.3 An Alternate Director shall be a member of the appointing agency's legislative body or in a senior management staff position and shall cease to be an Alternate Director when no longer a member of the appointing agency's staff or legislative body.

6.6 Vacancies. A vacancy on the Board of Directors shall occur when a Director resigns or reaches the end of that Director's term, as set forth in Section 6.5. A vacancy shall also occur when a Director is removed by his or her appointing Member. Upon the vacancy of a Director, the Alternate Director shall serve as Director until a new Director is appointed as set forth in Section 6.3 unless the Alternate Director is already serving as an Alternate Director in the event of a prior vacancy, in which case, the seat shall remain vacant until a replacement Director is appointed as set forth in Section 6.3. Members shall submit any changes in Director or Alternate Director positions to the Executive Director by written notice signed by an authorized representative of the Member's agency. The written notice shall include a resolution of the governing board of the Member directing such change in the Director or Alternative Director position.

6.7 Conflicts of Interest. No Director shall be allowed to participate in any matter before the Board in which he or she has a conflict of interest. A Director is also deemed to have a conflict of interest and disqualified from participating in related matters before the Board if that Director (i) is personally, or (ii) was appointed by a Member that is, named as an adverse party in any litigation in which the Agency is a party. In such an event, the Director shall be deemed disqualified in all matters related to the issue being litigated, shall not be eligible to receive confidential information relating to the litigation from the Agency or its legal counsel, and shall not be eligible to attend any closed session where the litigation is discussed. In the event a Director deemed to have conflict of interest refuses to withdraw from matters related to the conflict, the other Directors shall jointly seek a court order preventing the conflicted Director from participating in those related matters.

## ARTICLE 7 OFFICERS

7.1 Officers. The officers of the Agency shall be a chair and vice chair, selected from among the Directors. The Agency shall also appoint a treasurer/auditor consistent with the provisions of Section 13.3. In the absence of the chair the vice chair, or in the vice chair's absence, the next senior Director, shall exercise all powers of the chair in the chair's absence or inability to act.

7.2 Appointment of Officers. Officers shall be elected by, and serve at the pleasure of, the Board of Directors, in accordance with the Bylaws.

7.3 Principal Office. The Principal Office of the Agency shall be established by the Board of Directors and may thereafter be changed by a vote of the Board.

## ARTICLE 8 DIRECTOR MEETINGS

8.1 Initial Meeting. The initial meeting of the Board of Directors shall be held in Carpinteria, California, within thirty (30) days of the Effective Date of this Agreement.

8.2 Time and Place. The Board of Directors shall meet at least quarterly, at a date, time and place set by the Board, within the jurisdictional boundaries of one or more of the Members, and at such times as may be determined by the Board.

8.3 Special Meetings. Special meetings of the Board of Directors may be called by the Chair or by a vote of the Directors in accordance with the provisions of Government Code section 54956.

8.4 Conduct. All meetings of the Board of Directors, including special meetings, shall be noticed, held, and conducted in accordance with the Ralph M. Brown Act (Government Code, § 54950, et seq.). The Board may use teleconferencing in connection with any meeting in conformance with and to the extent authorized by applicable law.

8.5 Local Conflict of Interest Code. The Board of Directors shall adopt a local conflict of interest code pursuant to the provisions of the Political Reform Act of 1974 (Government Code, § 81000, et seq.) within six (6) months of the first meeting of the Board of Directors of the Agency.

## ARTICLE 9 MEMBER VOTING

9.1 Quorum. A quorum of any meeting of the Board of Directors shall consist of a majority of the total number of Directors plus one Director ("**Quorum**"). In the absence of a Quorum, a meeting of the Directors may be adjourned for lack of a Quorum. If there is not a Quorum at a meeting of the Directors, no business may be transacted at the meeting. For purposes of this Article, a Director shall be deemed present if the Director appears at the meeting in person

or participates telephonically, provided the telephone appearance is consistent with the requirements of the Ralph M. Brown Act (Government Code, § 54950, et seq.).

9.2 Director Votes. Voting by the Board of Directors shall be made on the basis of one vote for each Director. A Director, or an Alternate Director when acting in the absence of his or her Director, may vote on all matters of Agency business unless disqualified because of a conflict of interest pursuant to California law or the local conflict of interest code adopted by the Board of Directors.

9.3 Affirmative Decisions of the Board of Directors. The structure of voting and the determination of affirmative decisions of the Board of Directors, as set forth herein, are designed to encourage and facilitate consensus, pursuant to the following procedure:

9.3.1 First Hearing. A matter may be approved on the first hearing of the matter pursuant to a unanimous vote of all Directors.

9.3.2 Second Hearing. If unanimity is not obtained on the first hearing of a matter, the Board shall continue a final vote on the matter for a second hearing. The second hearing shall occur at the next regular meeting of the Board, unless the Board votes to continue the second hearing of the matter to another regular or special meeting of the Board.

(a) Matters Requiring Supermajority Vote on Second Hearing. Decisions concerning the following matters shall require a supermajority vote in order to pass on the Second Hearing: (i) any capital expenditure of \$250,000 or more; (ii) the Agency's annual budget and amendments thereto; (iii) adoption or amendment of the GSP for the Basin; (iv) adoption of groundwater extraction fees; (v) the Agency's adoption of any taxes, fees, or assessments that are subject to Proposition 26 or 218; (vi) any stipulation to resolve litigation concerning groundwater rights within, or groundwater management for, the Basin. A supermajority vote shall be calculated pursuant to Section 1.21.

(b) Simple Majority Vote for All Other Matters on Second Hearing. Unless otherwise specified in this Agreement, for all matters not specified in Section 9.3.2(a), an affirmative decision of the Board on the second hearing shall require a simple majority of all Directors present at the meeting and eligible to vote on the matter.

## **ARTICLE 10 EXECUTIVE DIRECTOR AND STAFF**

10.1 Appointment. The Board of Directors shall appoint an Executive Director, who may be, though need not be, an officer, employee, or representative of one of the Members. The Executive Director's compensation, if any, shall be determined by the Board of Directors.

10.2 Duties. If appointed, the Executive Director shall be the chief administrative officer of the Agency, shall serve at the pleasure of the Board of Directors, and shall be responsible to the Board for the proper and efficient administration of the Agency. The Executive Director shall have the powers designated by the Board, or otherwise as set forth in the Bylaws.

10.3 Term and Termination. The Executive Director shall serve until he/she resigns, or the Board of Directors terminates his/her appointment.

10.4 Staff and Services. The Executive Director may employ such additional full-time and/or part-time employees, assistants and independent contractors who may be necessary from time to time to accomplish the purposes of the Agency, subject to the approval of the Board of Directors. The Agency may contract with a Member or other public agency or private entity for various services, including without limitation, those related to the Agency's finances, purchasing, risk management, information technology and human resources. A written agreement shall be entered between the Agency and the Member or other public agency or private entity contracting to provide such service, and that agreement shall specify the terms on which such services shall be provided, including without limitation, the compensation, if any, that shall be made for the provision of such services.

## **ARTICLE 11 BYLAWS**

The Board of Directors shall cause to be drafted, approve, and amend Bylaws of the Agency to govern the day-to-day operations of the Agency. The Bylaws shall be adopted at or before the first anniversary of the Board's first meeting.

## **ARTICLE 12 ADVISORY COMMITTEES**

The Board of Directors may from time to time appoint one or more advisory committees or establish standing or ad hoc committees to assist in carrying out the purposes and objectives of the Agency. The Board shall determine the purpose and need for such committees and the necessary qualifications for individuals appointed to them. Each committee shall include a Director as the chair thereof. Other members of each committee may be composed of those individuals approved by the Board of Directors for participation on the committee. However, no committee or participant on such committee shall have any authority to act on behalf of the Agency.

## **ARTICLE 13 ACCOUNTING PRACTICES**

13.1 General. The Board of Directors shall establish and maintain such funds and accounts as may be required by generally accepted public agency accounting practices. The Agency shall maintain strict accountability of all funds and report all receipts and disbursements of the Agency.

13.2 Fiscal Year. Unless the Board of Directors decides otherwise, the fiscal year for the Agency shall run from July 1 to June 30.

13.3 Appointment of Treasurer and Auditor; Duties. The treasurer and Auditor shall be appointed and/or retained in the manner, and shall perform such duties and responsibilities, specified in sections 6505, 6505.5 and 6505.6 of the Act. The treasurer shall be bonded in accordance with the provisions of Government Code section 6505.1. Until such appointment of

treasurer/Auditor, the duties of the office shall be carried out by the treasurer/auditor of the Carpinteria Valley Water District.

13.4 Records. The books and records of the Agency shall be open to inspection by the Members at reasonable times upon reasonable notice, provided, however, that nothing in this Agreement shall be interpreted as requiring the Agency to disclose confidential materials, or materials privileged from disclosure, under California law. Nothing in this Agreement shall be interpreted as negating an exemption from, or prohibition of, disclosure in the Public Records Act (Government Code, § 6250, et seq.).

## **ARTICLE 14 BUDGET AND EXPENSES**

14.1 Budget. Within one hundred and twenty (120) days after the first meeting of the Board of Directors, and thereafter prior to the commencement of each fiscal year, the Board shall adopt a budget for the Agency for the ensuing fiscal year. In the event that a budget is not so approved, the prior year's budget shall be deemed approved for the ensuing fiscal year, and any groundwater extraction fee or contributions by Members, or both, approved by the Board during the prior fiscal year shall again be assessed in the same amount and terms for the ensuing fiscal year until amended.

14.2 Agency Funding and Contributions. For the purpose of funding the expenses and ongoing operations of the Agency, the Board of Directors shall maintain a funding account in connection with the annual budget process. The Board of Directors may fund the Agency and the GSP for the Basin as provided in Chapter 8 of SGMA (commencing with section 10730 of the Water Code), and through voluntary contributions from Members, with the intent that the Agency will reimburse each Member at a later date.

14.3 Return of Contributions. The Agency may reimburse Members for all or any part of any contributions made by Members, and any revenues by the Agency may be distributed by the Board of Directors at such time and upon such terms as the Board of Directors may decide; provided that (i) any distributions shall be made in proportion to the contributions paid by each Member to the Agency, and (ii) any capital contribution paid by a Member voluntarily, and without obligation to make such capital contribution pursuant to Section 14.2 above, shall be returned to the contributing Member, together with accrued interest at the annual rate published as the yield of the Local Agency Investment Fund administered by the California State Treasurer, before any other return of contributions to the Members is made. The Agency shall hold title to all funds and property acquired by the Agency during the term of this Agreement.

14.4 Issuance of Indebtedness. The Agency may issue bonds, notes or other forms of indebtedness, as permitted under Section 4.6 of this Agreement, provided such issuance is approved by a unanimous vote of the Directors.

14.5 Revenue. The Agency may assess fees or taxes from Basin users in order to fund its groundwater management activities. Revenues generated from Basin users may be subject to Proposition 26 or 218. Assessment of fees requires a Supermajority Vote of the Board pursuant to Section 9.3.2(a) of this Agreement.

## **ARTICLE 15 LIABILITIES**

15.1 Liability. In accordance with Government Code section 6507, the debt, liabilities and obligations of the Agency shall be the debts, liabilities and obligations of the Agency alone, and not the individual Members.

15.2 Indemnity. Funds of the Agency may be used to defend, indemnify, and hold harmless the Agency, each Member, each Director, and any officers, agents and employees of the Agency for their actions taken within the course and scope of their duties while acting on behalf of the Agency. To the fullest extent permitted by law, the Agency agrees to save, indemnify, defend and hold harmless each Member from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are in any way attributable in whole or in part to: (i) this Agreement; (ii) the acts or omissions of the Agency or its employees, officers or agents; or (iii) the negligent acts or omissions (not including gross negligence or wrongful conduct) of the employees, officers or agents of any Member arising out of or attributable to the Agency or this Agreement.

15.3 Hazardous Materials. The Agency shall not handle, receive, use, or dispose of hazardous materials unless first amending this Agreement to provide indemnification by the Agency of all of Members in relation to the Agency's handling, receipt, use or disposal of hazardous materials.

15.4 Liability Insurance. The Board of Directors shall obtain, and maintain in effect, appropriate liability insurance to cover the activities of the Agency's Directors and staff in the ordinary course of their duties.

15.5 Privileges and Immunities. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers compensation, and other benefits which apply to the activity of officers, agents, or employees of any of the Members when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement. None of the officers, agents, or employees appointed by the Board of Directors shall be deemed, by reason of their employment by the Board of Directors, to be employed by any of the Members or, by reason of their employment by the Board of Directors to be subject to any of the requirements of such Members.

## **ARTICLE 16 WITHDRAWAL OF MEMBERS**

16.1 Unilateral Withdrawal. Subject to the Dispute Resolution provisions set forth in Section 18.9 of this Agreement, a Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective upon sixty (60) days written notice to the Executive Director and all Members.

16.2 Rescission or Termination of Agency. This Agreement may be rescinded and the Agency terminated by unanimous written consent of all Members, except during the outstanding term of any Agency indebtedness.

16.3 Effect of Withdrawal or Termination. Upon termination of this Agreement or unilateral withdrawal, a Member shall remain obligated to pay its share of all debts, liabilities and obligations of the Agency required of the Member pursuant to the terms of this Agreement which were incurred or accrued prior to the date of such termination or withdrawal, including, without limitation, those debts, liabilities and obligations pursuant to Sections 4.6 and 14.4 of this Agreement. Any Member that withdraws from the Agency shall have no right to participate in the business and affairs of the Agency or to exercise any rights of a Member under this Agreement or the Act, but shall continue to share in distributions from the Agency on the same basis as if such Member had not withdrawn, provided that a Member that has withdrawn from the Agency shall not receive distributions in excess of the contributions made to the Agency while a Member. The right to share in distributions granted under this Section shall be in lieu of any right the withdrawn Member may have to receive a distribution or payment of the fair value of the Member's interest in the Agency.

16.4 Return of Contribution. Upon termination of this Agreement, any surplus money on-hand shall be returned to the Members in proportion to their contributions made. The Board of Directors shall first offer any property, works, rights and interests of the Agency for sale to the Members on terms and conditions determined by the Board of Directors. If no such sale to Members is consummated, the Board of Directors shall offer the property, works, rights, and interest of the Agency for sale to any non-member for good and adequate consideration. The net proceeds from any sale shall be distributed among the Members in proportion to their contributions made.

## **ARTICLE 17 SPECIAL PROJECTS**

17.1 Special Projects. In addition to the general activities undertaken by all Members of the Agency, the Agency may initiate Special Projects that involve fewer than all Members. No Member shall be required to be involved in a Special Project that involves fewer than all Members.

17.2 Special Project Agreement. With the unanimous approval of Directors, Members may undertake Special Projects in the name of the Agency. Prior to undertaking a Special Project, the Members electing to participate in the Special Project shall enter into an activity agreement. Such activity agreement shall provide that: (i) no Special Project undertaken pursuant to such agreement shall conflict with the terms of this Agreement; and (ii) the Members to the activity agreement shall indemnify, defend and hold the Agency, and the Agency's other Members, harmless from and against any liabilities, costs or expenses of any kind resulting from the Special Project described in the activity agreement. All assets, rights, benefits, debts, liabilities and obligations attributable to a Special Project shall be assets, rights, benefits, debts, liabilities and obligations solely of the Members that have entered into the activity agreement for that Special Project, in accordance with the terms of the activity agreement, and shall not be the assets, rights, benefits, debts, liabilities and obligations of those Members that have not executed the activity



agreement. Members not electing to participate in the Special Project shall have no rights, benefits, debts, liabilities or obligations attributable to such Special Project.

## **ARTICLE 18 MISCELLANEOUS PROVISIONS**

18.1 No Predetermination or Irretrievable Commitment of Resources. Nothing in this Agreement shall constitute a determination by the Agency or any of its Members that any action shall be undertaken or that any unconditional or irretrievable commitment of resources shall be made, until such time as the required compliance with all local, state, or federal laws, including without limitation the California Environmental Quality Act (Public Resources Code, § 21000, et seq.), National Environmental Policy Act (42 U.S.C. § 4321, et seq.), or permit requirements, as applicable, has been completed.

18.2 Notices. Notices to a Director or Member hereunder shall be sufficient if delivered to the City Clerk, Board Clerk, or Board Secretary of the respective Director or Member and addressed to the Director or Member. Delivery may be accomplished by U.S. Postal Service, private mail service or electronic mail.

18.3 Amendments to Agreement. This Agreement may be amended or modified at any time only by subsequent written agreement approved and executed by all of the Members.

18.4 Agreement Complete. This Agreement constitutes the full and complete agreement of the Members. This Agreement supersedes all prior agreements and understandings, whether in writing or oral, related to the subject matter of this Agreement that are not set forth in writing herein.

18.5 Severability. Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any applicable federal law or any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, or provisions of this Agreement shall not be affected thereby, provided however, that if the remaining parts, terms, or provisions do not comply with the Act, this Agreement shall terminate.

18.6 Withdrawal by Operation of Law. Should the participation of any Member to this Agreement be decided by the courts to be illegal or in excess of that Member's authority or in conflict with any law, the validity of this Agreement as to the remaining Members shall not be affected thereby.

18.7 Assignment. The rights and duties of the Members may not be assigned or delegated without the written consent of all other Members. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void.

18.8 Binding on Successors. This Agreement shall inure to the benefit of, and be binding upon, the successors or assigns of the Members.

18.9 Dispute Resolution. In the event that any dispute arises among the Members

relating to (i) this Agreement, (ii) the rights and obligations arising from this Agreement, (iii) a Member proposing to withdraw from membership in the Agency, or (iv) a Member proposing to initiate litigation in relation to legal rights to groundwater within the Basin or the management of the Basin, the aggrieved Member or Members proposing to withdraw from membership shall provide written notice to the other Members of the controversy or proposal to withdraw from membership. Within forty-five (45) days after such written notice, the Members shall attempt in good faith to resolve the controversy through informal means. If the Members cannot agree upon a resolution of the controversy within forty-five (45) days from the providing of written notice specified above, the dispute shall be submitted to mediation prior to commencement of any legal action or prior to withdrawal of a Member proposing to withdraw from membership. The mediation shall be no less than a full day (unless agreed otherwise among the Members) and the cost of mediation shall be paid in equal proportion among the Members. The mediator shall be either voluntarily agreed to or appointed by the Superior Court upon a suit and motion for appointment of a neutral mediator. Upon completion of mediation, if the controversy has not been resolved, any Member may exercise all rights to bring a legal action relating to the controversy or withdraw from membership as otherwise authorized pursuant to this Agreement.

18.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

18.11 Singular Includes Plural. Whenever used in this Agreement, the singular form of any term includes the plural form and the plural form includes the singular form.

18.12 No Third-Party Rights. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under, or by reason of, this Agreement on any person other than the Members and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligations or liability of any third person to any Member, nor shall any provision give any third person any right of subrogation or action over or against any Member.

18.13 Member Authorization. The legislative bodies of the Members have each authorized execution of this Agreement, as evidenced by the signatures below.

**IN WITNESS WHEREOF**, the Members hereto have executed this Agreement by authorized officials thereof on the dates indicated below, which Agreement may be executed in counterparts.

**CARPINTERIA VALLEY WATER DISTRICT**

APPROVED AND ACCEPTED BY THE BOARD OF DIRECTORS:

By: \_\_\_\_\_ DATE \_\_\_\_\_  
MATHREW ROBERTS  
PRESIDENT, BOARD OF DIRECTORS

ATTEST:

\_\_\_\_\_  
URSULA SANTANA, BOARD CLERK

DATE \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_ DATE \_\_\_\_\_  
J. ROGER MYERS, GENERAL COUNSEL

**CITY OF CARPINTERIA**

\_\_\_\_\_  
Mayor, City of Carpinteria

ATTEST:

\_\_\_\_\_  
City Clerk, City of Carpinteria

APPROVED AS TO FORM:

\_\_\_\_\_  
Valerie Kincaid  
O' Laughlin and Paris, acting as  
City Attorney of the City of Carpinteria

COUNTY OF VENTURA

APPROVED AND ACCEPTED BY THE BOARD OF SUPERVISORS:

By: \_\_\_\_\_  
STEVE BENNET  
CHAIR, BOARD OF SUPERVISORS

ATTEST:

\_\_\_\_\_  
BOARD CLERK

APPROVED AS TO FORM:

By: \_\_\_\_\_  
COUNTY COUNSEL

SANTA BARBARA COUNTY WATER AGENCY

ATTEST:  
MONA MIYASATO,  
COUNTY EXECUTIVE OFFICER  
Ex Officio Clerk of the Board Directors  
of the Santa Barbara County Water Agency

SANTA BARBARA COUNTY WATER AGENCY


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

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

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

APPROVED AS TO FORM:  
RAY AROMATORIO, ARM, AIC  
RISK MANAGER

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

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

RECOMMENDED FOR APPROVAL:  
SCOTT D. MCGOLPIN  
PUBLIC WORKS DIRECTOR

By:  \_\_\_\_\_  
Deputy Public Works Director