



BOARD MINUTES
BOARD OF SUPERVISORS, COUNTY OF VENTURA, STATE OF CALIFORNIA

SUPERVISORS STEVE BENNETT, LINDA PARKS,
KELLY LONG, PETER C. FOY AND JOHN C. ZARAGOZA
April 25, 2017 at 11:00 a.m.

Adoption of a Resolution Authorizing and Directing the Execution of a Joint Exercise of Powers Agreement Creating the Fillmore and Piru Basins Groundwater Sustainability Agency. (Public Works Agency)

- (X) All Board members are present.
- (X) The following persons are heard: Jeff Pratt and Tony Morgan.
- (X) The following document is submitted to the Board for consideration:
 - (X) Board Letter
 - (X) JPA
 - (X) Exhibit 1
 - (X) Handout: Letter from United Water Conservation District
 - (X) Comment Letters from Tony Morgan, David Rowlands, and E. Remson
- (X) Upon motion of Supervisor Long, seconded by Supervisor Bennett, and duly carried, the Board hereby approves recommendations and changes Section 1.25 to "Representative" means an employee of The County of Ventura authorized to act on behalf of the Board of Supervisors or an employee of the City of Fillmore authorized to act on behalf of the Fillmore City Council or an employee of United Water Conservation District authorized to act on behalf of the United Water Conservation District Board of Directors.; and Section 6.4.3 to One (1) Member Director appointed by the Board of Directors for the United Water Conservation District. The Member Director will be a member of the United Water Conservation District Board of Directors or a Representative.

I hereby certify that the annexed instrument is a true and correct copy of the document which is on file in this office.

Dated: **MICHAEL POWERS**
Clerk of the Board of Supervisors
County of Ventura, State of California

4/27/17

By: Lou James
Deputy Clerk of the Board

By: Brian Palmer
Chief Deputy Clerk of the Board



RESOLUTION NO. 17-022

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF VENTURA
APPOINTING A SUPERVISOR OR REPRESENTATIVE TO THE BOARD OF DIRECTORS
OF THE FILLMORE AND PIRU BASINS GROUNDWATER SUSTAINABILITY AGENCY**

WHEREAS, the United Water Conservation District, the City of Fillmore, and the County of Ventura ("Member Agencies") intend to enter into a joint exercise of powers agreement ("JPA Agreement") creating the Fillmore and Piru Basins Groundwater Sustainability Agency ("FPBGSA"); and

WHEREAS, the JPA Agreement requires the governing board of each Member Agency to appoint a Director to the FPBGSA Board of Directors ("FPBGSA Board") by resolution;

NOW, THEREFORE, BE IT RESOLVED that the Ventura County Board Supervisors takes the following actions:

1. The Board of Supervisors hereby appoints Kelly Long to the FPBGSA Board.
2. The Board of Supervisors hereby confirms that the Director appointed pursuant to this resolution is authorized to represent the County's interests with respect to all matters that come before the FPBGSA Board.

Upon motion of Supervisor Bennett, seconded by Supervisor, Parks, and duly carried, the Board hereby approves and adopts this resolution on the 18th day of April, 2017



John Gray
Chair, Board of Supervisors
County of Ventura

ATTEST:
Michael Powers,
Clerk of the Board of Supervisors
County of Ventura, State of California.

By: Lou Gaines
Deputy Clerk of the Board

RESOLUTION NO. 17-024

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF VENTURA
AUTHORIZING AND DIRECTING THE EXECUTION OF A JOINT EXERCISE OF POWERS
AGREEMENT CREATING THE FILLMORE AND PIRU BASINS GROUNDWATER
SUSTAINABILITY AGENCY**

WHEREAS, the California Legislature has adopted, and the Governor has signed into law, the Sustainable Groundwater Management Act of 2014 ("SGMA"), which authorizes local agencies to manage groundwater in a sustainable fashion; and

WHEREAS, in order to exercise the authority granted in SGMA, a local agency or combination of local agencies must elect to become a groundwater sustainability agency ("GSA") ; and

WHEREAS, the United Water Conservation District, the City of Fillmore, and the County of Ventura, ("Member Agencies") are all local agencies, as SGMA defines that term; and

WHEREAS, the Member Agencies each exercise jurisdiction upon lands overlying the Fillmore Basin and Piru Basins (designated basin numbers 4-4.05, and 4-4.06 respectively in the California Department of Water Resources' CASGEM groundwater basin system) ("Basins") and are all committed to the sustainable management of the Basin's groundwater resources; and

WHEREAS, the Member Agencies have determined that the sustainable management of the Basins pursuant to SGMA may best be achieved through the cooperation of the Member Agencies operating through a joint powers authority; and

WHEREAS, the County of Ventura is a County duly organized and validly existing under the Constitution and laws of the State of California; and

WHEREAS, the County, upon authorization of the Ventura County Board of Supervisors, may pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code ("JPA Act"), enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them or conferred on them by the JPA Act; and

WHEREAS, all of the Member Agencies are public agencies as defined in the JPA Act; and

WHEREAS, the Member Agencies intend to enter into a joint exercise of powers agreement pursuant to the JPA Act ("JPA Agreement") pursuant to which the Fillmore and Piru Basins Groundwater Sustainability Agency ("FPBGSA") will be created to, among other things, take all actions deemed necessary by the FPBGSA to ensure sustainable management of the Basins as required by SGMA; and

WHEREAS, under California law and the JPA Agreement, the FPBGSA will be a public entity separate and apart from the parties to the JPA Agreement and the debts, liabilities, and obligations of the FPBGSA will not be the debts, liabilities, or obligations of the County or of the other Member Agencies, or of any representatives of either the County or the other Member Agencies serving on the governing body of the FPBGSA ("FPBGSA Board"); and

WHEREAS, the Board of Supervisors has determined it to be in the County's best interest and in the public interest to execute the JPA Agreement attached to this Resolution as Exhibit 1 ; and

WHEREAS, adoption of this resolution does not constitute a "project" under the California Environmental Quality Act (CEQA) because it involves organizational or administrative activities that will not result in direct or indirect physical changes in the environment (CEQA Guidelines Section 15378(b)(5)).

NOW, THEREFORE, BE IT RESOLVED that the Ventura County Board Supervisors takes the following actions:

1. The JPA Agreement attached hereto as Exhibit 1 is hereby approved.
2. The Chair of the Board of Supervisors is hereby authorized to sign the JPA Agreement on behalf of the County of Ventura.
3. The Clerk of the Board of Supervisors is hereby authorized and directed to attest the signature of the authorized signatory, and to affix and attest the seal of the County of Ventura as may be required or appropriate in connection with the execution and delivery of the JPA Agreement.

Upon motion of Supervisor Long, seconded by Supervisor Bennett, and duly carried, the Board hereby approves and adopts this resolution on the 25th day of April, 2017.


Chair, Board of Supervisors County of Ventura

ATTEST:
Michael Powers,
Clerk of the Board of Supervisors
County of Ventura, State of
California.

By Lou Jamis
Deputy Clerk of the Board



RESOLUTION 17-3594

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FILLMORE
APPOINTING A COUNCIL MEMBER OR REPRESENTATIVE TO THE BOARD
OF DIRECTORS OF THE FILLMORE AND PIRU BASINS GROUNDWATER
SUSTAINABILITY AGENCY**

WHEREAS, the United Water Conservation District, the City of Fillmore, and the County of Ventura ("Member Agencies") intend to enter into a joint exercise of powers agreement ("JPA Agreement") creating the Fillmore and Piru Basins Groundwater Sustainability Agency ("FPBGSA"); and

WHEREAS, the JPA Agreement requires the governing board of each Member Agency to appoint a Director to the FPBGSA Board of Directors ("FPBGSA Board") by resolution; and

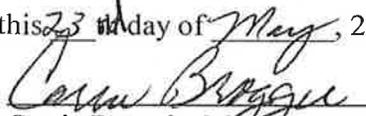
WHEREAS, the City Council of the City of Fillmore desire to appoint a Councilmember or representative to the FPBGSA Board.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FILLMORE, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

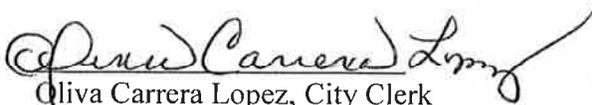
Section 1. That Carrie Broggie hereby appointed to the FPBGSA Board.

Section 2. That the City Council hereby confirms that the person appointed pursuant to this Resolution is authorized to represent the City's interests with respect to all matters that come before the FPBGSA Board.

PASSED, APPROVED AND ADOPTED this 23rd day of May, 2017.


Carrie Broggie, Mayor

ATTEST:


Oliva Carrera Lopez, City Clerk

APPROVED AS TO FORM:


Tiffany J. Ischel, City Attorney

CITY OF FILLMORE)

COUNTY OF VENTURA)§

STATE OF CALIFORNIA)

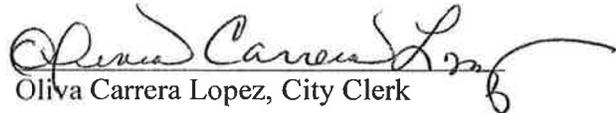
I, Oliva Carrera Lopez, City Clerk of the City of Fillmore, California, do hereby certify that the foregoing Resolution No. 17-3594 was duly passed and adopted by the City Council of the City of Fillmore at the regular meeting thereof, held on the 23rd day of May, 2017, and was signed by the Mayor of the said City, and that the same was passed and adopted by the following vote:

AYES: Broggie, McCall, Minjares, Austin, Holmgren

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE


Oliva Carrera Lopez, City Clerk

JOINT EXERCISE OF POWERS AGREEMENT

by and among

**THE CITY OF FILLMORE,
THE COUNTY OF VENTURA**

and

UNITED WATER CONSERVATION DISTRICT

creating

**THE FILLMORE AND PIRU BASINS GROUNDWATER
SUSTAINABILITY AGENCY**

April 2017

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**JOINT EXERCISE OF POWERS AGREEMENT
THE FILLMORE AND PIRU BASINS 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 City of Fillmore, the County of Ventura, and United Water Conservation District, sometimes referred to herein individually as a “**Member**” and collectively as the “**Members**” for purposes of forming the Piru Fillmore Groundwater Sustainability Agency (“**Agency**”) and setting forth the terms pursuant to which the Agency shall operate. Capitalized defined 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 Department of Water Resources (“**DWR**”) as medium- and high-priority but that have not been designated by DWR as subject to critical conditions of overdraft, SGMA requires establishment of a groundwater sustainability agency (“**GSA**”) by June 30, 2017, and adoption of a groundwater sustainability plan (“**GSP**”) by January 31, 2022.

C. The Piru Basin (designated basin number 4-4.06 in the DWR’s Bulletin No. 118) is designated as a high priority sub-basin of the Santa Clara River Valley Basin. The Fillmore Basin (designated basin number 4-4.05 in the DWR’s Bulletin No. 118) is designated as a medium-priority sub-basin of the Santa Clara River Valley Basin.

D. Under SGMA and pursuant to Government Code Section 6500, *et seq.*, 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 Basins pursuant to SGMA may best be achieved through the cooperation of the Members operating through a joint powers agreement.

F. The Joint Exercise of Powers Act of 2000 (“**Act**”) 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 sections 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 Basins 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, sections 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 "Basins" means the Fillmore Basin and Piru Basin, collectively.
- 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" shall mean a Member Director or Stakeholder Director appointed 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 "Farm Bureau" means the Farm Bureau of Ventura County

- 1.13 “FBPA” means the Fillmore Basin Pumpers Association, Inc.
- 1.14 “Fillmore Basin” means the Fillmore Groundwater Basin as designated in DWR’s Bulletin 118 as basin number 4-4.05.
- 1.15 “GSA” has the meaning assigned thereto in Recital B.
- 1.16 “GSP” has the meaning assigned thereto in Recital B.
- 1.17 “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 approved by the parties, pursuant to Section 17.3 of this Agreement.
- 1.18 “Member Director” means a Director appointed pursuant to Article 6 of this Agreement that represents a Member.
- 1.19 “Officer(s)” means the Chair and Vice Chair/Secretary to be appointed by the Board of Directors pursuant to Section 7.1 of this Agreement.
- 1.20 “PBPA” means the Piru Basin Pumpers Association, Inc.
- 1.21 “Piru Basin” means the Piru Groundwater Basin as designated in DWR’s Bulletin 118 as basin number 4-4.06.
- 1.22 “SGMA” has the meaning assigned thereto in Recital A.
- 1.23 “Stakeholder Director” means a Director appointed pursuant to Article 6 that represents stakeholder interests.
- 1.24 “State” means the State of California.
- 1.25 “Representative” means an employee of The County of Ventura authorized to act on behalf of the Board of Supervisors, or an employee of the City of Fillmore authorized to act on behalf of the Fillmore City Council, or an employee of United Water Conservation District authorized to act on behalf of the United Water Conservation District Board of Directors.
- 1.26 “Nature Conservancy” means The Nature Conservancy

ARTICLE 2 CREATION OF THE AGENCY

2.1 Creation of 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 Fillmore and Piru Basins Groundwater Sustainability Agency (“**Agency**”). Within thirty (30) days after the Effective Date of this Agreement and after any amendment, 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 ten (10) 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 County Clerk for the County of Ventura, setting forth the facts required to be stated pursuant to Government Code section 53051(a).

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 exercise groundwater management authority within either or both of the Basins 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, 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 this Agency is to serve as the GSA for the Basins and to develop, adopt, and implement the GSPs for the Basins 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 (Withdrawal of Members) 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 related to the purposes of the Agency, including but not limited to the following powers, together with such other powers as are expressly set forth in SGMA and as it may be amended in the future. 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 County of Ventura, and in the event of the withdrawal of the County of Ventura as a Member under this Agreement, then the manner of exercising the Agency's powers shall be those restrictions imposed on the City of Fillmore.

4.1 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 Basins, 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 Basins.

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 Basins consistent with the requirements of SGMA.

4.1.7 To exchange and distribute water.

4.1.8 To regulate groundwater extractions as permitted by SGMA.

4.1.9 To spread, sink and inject water into the basin to recharge the groundwater Basins.

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

4.1.11 To develop and facilitate market-based solutions for the use, sale, or lease, and management of water rights.

4.1.12 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.

4.1.13 To exercise the common powers of its Members to develop, collect, provide, and disseminate information that furthers the purposes of the Agency, including but not limited to the operation of the Agency and adoption and implementation of a GSP for the Basins to the Members' legislative, administrative, and judicial bodies, as well as the public generally.

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

4.2 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.

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

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

4.5 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.

4.6 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.

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

4.8 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.

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

4.10 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.

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

4.12 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 City of Fillmore, the County of Ventura, and United Water Conservation District, as long as they have not, pursuant to the provisions hereof, withdrawn from this Agreement.

ARTICLE 6 BOARD OF DIRECTORS

6.1 Formation of the Board of Directors. The Agency shall be governed by a Board of Directors ("**Board of Directors**" or "**Board**"). The Board shall consist of six (6) Directors comprised of representatives who shall be appointed in the manner set forth in Section 6.4 as follows:

6.1.1 Three (3) Member Directors, with one Member director appointed by the governing board of each Member;

6.1.2 A Piru Basin Pumper Stakeholder Director to represent basin pumpers interests within the Piru Basin;

6.1.3 A Fillmore Basin Pumper Stakeholder Director to represent basin pumpers interests within the Fillmore Basin.

6.1.4 An Environmental Stakeholder Director to represent the interests of environmental organizations engaged in the enhancement or protection of the environment overlying the Fillmore Basin or Piru Basin, or both.

6.2 Stakeholder Director Qualifications. For each of the respective Piru and Fillmore Pumper Stakeholder Directors, the Stakeholder Director shall be an individual, or a duly authorized representative of an entity or individual, that either: (i) owns land from which groundwater was produced from the Fillmore or Piru Basin, respectively, for beneficial uses within the year preceding the Stakeholder Director's appointment to the Board; (ii) is a party to an unexpired contract entitling the individual or entity to produce groundwater from land overlying the Fillmore or Piru Basins, respectively, that is owned by another party to the contract and groundwater has been produced pursuant to such contract within the year preceding the Stakeholder Director's appointment to the Board; or (iii) is a mutual water company that produces and serves groundwater from the Fillmore or Piru Basin, respectively, to its shareholders. For the Environmental Stakeholder Director, the Stakeholder Director shall be an active member of a nonprofit, 501(c)(3) organization which has an adopted budget and, at the sole discretion of the Member Directors, meets the following requirements: (i) is currently active within lands overlying the Fillmore Basin or Piru Basin, or both; and (ii) has a mission that advances, or is furthered by, groundwater sustainability.

6.3 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 (Powers), 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.

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

6.4.1 One (1) Member Director appointed by the City Council for the City of Fillmore, which Member Director shall be a member of the City Council for the City of Fillmore or a representative.

6.4.2 One (1) Member Director appointed by the County of Ventura Board of Supervisors. Member Director will be a Supervisor or representative. Strong consideration should be given to appoint the Supervisor representing a district that overlies the Basins at least in part.

6.4.3 One (1) Member Director from appointed by the Board of Directors for the United Water Conservation District. The Member Director will be a member of the United Water Conservation District Board of Directors or a Representative.

6.4.4 The Three (3) Stakeholder Directors shall be appointed as follows:

a) Piru Basin Pumper Stakeholder Director. The Member Directors shall consider, and if acceptable, approve (by a simple majority vote) the Piru Pumper Stakeholder Director, which will be nominated by the PBPA, or the Farm Bureau of Ventura County if, and only if the PBPA is unwilling or unable to nominate a potential Piru Basin Pumper Stakeholder Director. If the Member Directors do not accept a potential Piru Basin Pumper Stakeholder Director nominated by the PBPA or the Farm Bureau of Ventura County, as applicable, the Member Directors shall request additional nomination(s), as necessary. The PBPA, or the Farm Bureau of Ventura County, shall submit its nominees to the Member Directors pursuant to a process specified in the Bylaws, unless directed otherwise by Member Directors. The Member Directors shall consider the nominees at a regular meeting and at that meeting shall approve and appoint the Piru Basin Pumper Stakeholder Director.

b) Fillmore Basin Pumper Stakeholder Director. The Member Directors shall consider, and if acceptable, approve (by a simple majority vote) the Fillmore Basin Pumper Stakeholder Director, which will be nominated by the FBPA, or the Farm Bureau of Ventura County if, and only if the FBPA is unwilling or unable to nominate a potential Fillmore Basin Pumper Stakeholder Director. If the Member Directors do not accept a potential Fillmore Basin Pumper Stakeholder Director nominated by the FBPA or the Farm Bureau of Ventura County, as applicable, the Member Directors shall request additional nomination(s), as necessary. The FBPA, or the Farm Bureau of Ventura County, shall submit its nominees to the Member Directors pursuant to a process specified in the Bylaws, unless directed otherwise by Member Directors. The Member Directors shall consider the nominees at a regular meeting and at that meeting shall approve and appoint the Fillmore Basin Pumper Stakeholder Director.

c) Environmental Stakeholder Director. The Member Directors shall consider, and if acceptable, approve (by a simple majority vote) the Environmental Stakeholder Director, which will be a nominee nominated by the following environmental organizations collectively:

1. Friends of the Santa Clara River
2. California Trout
3. National Audubon Society
4. Sierra Club
5. Santa Clara River Watershed Conservancy
6. Los Padres Forest Watch
7. Central Coast Alliance United for a Sustainable Economy
8. The Nature Conservancy
9. Wishtoyo Foundation
10. Keep Sespe Wild
11. Surfrider Foundation
12. CFROG (Citizens for Responsible Oil & Gas)

or, The Nature Conservancy if, and only if the aforementioned list of organizations is unwilling or unable to nominate a potential Environmental Stakeholder Director. If the Member Directors do not accept a potential Environmental Stakeholder Director nominated by aforementioned list of organizations or The Nature Conservancy, as applicable, the Member Directors shall request an additional nomination, as necessary. The aforementioned list of organizations, shall submit its nominee to the Member Directors pursuant to a process specified in the Bylaws, unless directed otherwise by Member Directors. The Member Directors shall consider the nominees at a regular meeting and at that meeting shall approve and appoint the Environmental Stakeholder Director.

6.5 Director Terms and Removal. Each Director shall be appointed by resolution of that Member's governing body to serve for a term of two years. To stagger the terms of the Directors, the initial terms of the Directors from the City of Fillmore, United Water Conservation District, and Piru Basin Pumpers Association shall be three years. Subsequent terms for those Directors will be two years. A Member's 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 and shall cease to be a Director when no longer a member of their governing agency's governing board. No individual Director may be removed in any other manner, including by the affirmative vote of the other Directors.

6.6 Vacancies. A vacancy on the Board of Directors shall occur when a Director resigns, is removed, or at the end of the Director's term as set forth in Section 6.5. For Member Directors, a vacancy shall also occur when he or she is removed by his or her appointing Member. Upon the vacancy of a Director, the seat shall remain vacant until a replacement Director is appointed as set forth in Section 6.4. Members shall submit any changes in Director positions to the Executive Director by written notice signed by an authorized representative of the Member. The written notice shall include a resolution of the governing board of the Member directing such change in the Director position.

ARTICLE 7 OFFICERS

7.1 Officers. Officers of the Agency shall be a chair and vice chair/secretary. A treasurer shall be appointed consistent with the provisions of Section 13.3. The vice chair/secretary 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 annually by, and serve at the pleasure of, the Board of Directors. Officers shall be elected at the first Board meeting, and thereafter at the first Board meeting following January 1st of each year. An Officer may serve for multiple consecutive terms, with no term limit. Any Officer may resign at any time upon written notice to the Board, and may be removed and replaced by a simple majority vote of the full Board.

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 simple majority vote of the full Board. The principal office of the Agency shall be located within the jurisdictional boundaries of one or more of the Members.

ARTICLE 8 DIRECTOR MEETINGS

8.1 Initial Meeting. The initial meeting of the Board of Directors shall be held in the County of Ventura, California within sixty (60) 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 in accordance with the Ralph M. Brown Act (Government Code section 54950 *et seq.*).

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 sections 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 sections 81000, *et seq.*) at the first meeting following the appointment of the three Stakeholder Directors.

ARTICLE 9 VOTING

9.1 Quorum. A quorum of any meeting of the Board of Directors prior to the approval of the Stakeholder Directors shall consist of two (2) of the Member Directors. Upon approval of the Stakeholder Directors by the Board of Directors, a quorum of any meeting of the Board of Directors shall consist of a majority of the Directors. In the absence of a quorum, any meeting of the Directors may be adjourned by a vote of a simple majority of Directors present, but no other business may be transacted. For purposes of this Article, a Director shall be deemed present if the Director appears at the meeting in person or participates telephonically or by other electronic means, provided the telephone or electronic appearance is consistent with the requirements of the Ralph M. Brown Act.

9.2 Director Votes. Voting by the Board of Directors shall be made on the basis of one vote for each Director, provided however that if the matter to be voted on exclusively concerns one of the Basins and not the other, the pumper Stakeholder Director representing pumper interests in the unaffected Basin may participate in Board discussions of the matter but shall not vote on the matter. Examples of matters that exclusively concern one of the Basins and not the other include, without limitation, a water budget for one Basin, identification of undesirable results in one Basin, groundwater extraction fees applicable to one Basin,

groundwater extraction allocations in one Basin, retention of consultants to study or advise the Board concerning an issue in one Basin, and adoption of a GSP for one Basin. For matters that concern both Basins, both of the pumper Stakeholder Directors may vote on the matter.

9.3 Affirmative Decisions of the Board of Directors. Except as otherwise specified in this Agreement, all decisions of the Board of Directors shall require the affirmative vote of at least four (4) Directors unless either: (i) one or more Directors is absent or conflicted from voting on the matter; or (ii) one of the pumper Stakeholder Directors is prohibited from voting pursuant to Section 9.2, in which case a decision of the Board of Directors shall require the affirmative vote of at least three (3) Directors.

ARTICLE 10 EXECUTIVE DIRECTOR AND STAFF

10.1 Appointment. The Board of Directors may 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 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 standing or ad hoc 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 concurrent with the calendar year.

13.3 Appointment of Treasurer and Auditor; Duties. The treasurer and Auditor shall be appointed 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 section 6505.1 of the Act. The treasurer of one of the Members shall be the treasurer of the Agency, to be the depository and have custody of all money of the Agency from whatever source, provided that the Board of Directors may at any time select another treasurer. The Auditor shall be of the same public agency as treasurer, and shall draw all warrants to pay demands against the Agency approved by the Board.

ARTICLE 14 BUDGET AND EXPENSES

14.1 Budget. Within ninety (90) 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 assessment(s) of contributions of 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.

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 as provided in Chapter 8 of SGMA, commencing with section 10730 of the Water Code. As authorized by Government Code Section 6504, the Members may make initial contributions,

payments and advances for operating the Agency, all of which shall be repaid to the Members pursuant to, and with accrued interest, as set forth in Section 14.3 herein. The Members agree that the Agency, and not the Members, have the sole responsibility to develop and implement a funding program to fiscally and fully implement the Agency's SGMA compliance efforts and ongoing operations.

14.3 Return of Contributions. In accordance with Government Code section 6512.1, repayment or return to the Members of all or any part of any contributions made by Members and any revenues by the Agency may be directed by the Board of Directors at such time and upon such terms as the Board of Directors may decide; provided that (1) any distributions shall be made in proportion to the contributions paid by each Member to the Agency, and (2) any capital contribution paid by a Member voluntarily, and without obligation to make such capital contribution pursuant to Section 14.2, 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 4.5, provided such issuance be approved at a meeting of the Board.

ARTICLE 15 LIABILITIES

15.1 Liability. In accordance with Government Code section 6507, and as authorized by Government Code Section 6508.1, the debt, liabilities and obligations of the Agency shall be the debts, liabilities and obligations of the Agency alone, and not the Members.

15.2 Indemnity. To the fullest extent permitted by law, 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 acts or omissions of the Agency or its employees, officers or agents or negligent acts or omissions (not including gross negligence or wrongful conduct) of the employees, officers or agents of any Member, while acting within the course and scope of a Member relationship with the Agency. In addition, to the fullest extent permitted by law, the Agency shall indemnify, defend and hold harmless, each Member from any liabilities incurred as a result of handling, receipt, use, or disposal of hazardous materials, hazardous substances, and hazardous wastes how so ever defined under Federal, State, or local laws, ordinances, or regulations.

15.3 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.

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.

ARTICLE 16 WITHDRAWAL OF MEMBERS

16.1 Unilateral Withdrawal. Subject to the Dispute Resolution provisions set forth in Section 17.9, a Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective upon one hundred eighty (180) days written notice to the Executive Director.

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 terms of this Agreement, and that were incurred or accrued prior to the effective date of such termination or withdrawal, including, without limitation, those debts, liabilities and obligations pursuant to Sections 4.11 and 14.4. Any Member who 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 16.3 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. To the extent permitted by law, 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 MISCELLANEOUS PROVISIONS

17.1 No Predetermination or Irretrievable Commitment of Resources. Nothing herein 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, National Environmental Policy Act, or permit requirements, as applicable, has been completed.

17.2 Notices. Notices to a Director or Member hereunder shall be sufficient if delivered to the Board Clerk, City 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.

17.3 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.

17.4 Agreement Complete. The foregoing 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.

17.5 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.

17.6 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.

17.7 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.

17.8 Binding on Successors. This Agreement shall inure to the benefit of, and be binding upon, the successors, and assigns of the Members, whose assignments have complied with Section 17.7 herein.

17.9 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, or the management of, either of the Basins, 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 thirty (30) 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 thirty (30) 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, if the parties cannot agree upon a mediator, 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. The Agency shall also participate in mediation upon request by a Stakeholder Director concerning a dispute alleged by the Stakeholder Director concerning the management of either of the Basins or rights to extract groundwater from either of the Basins, with the terms of such mediation to be conducted in the same manner provided for in this Section 17.9 for disputes between or among Members.

17.10 Counterparts. This Agreement may be executed in counterparts. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other Members to this Agreement is in the physical possession of the Member seeking enforcement thereof.

17.11 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.

17.12 Member Authorization. The governing bodies of the Members have each authorized execution of this Agreement, as evidenced by the respective 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.

[Signatures on Following Page]

CITY OF FILLMORE

DATED: 6-1-2017

APPROVED AS TO FORM:

By: *Carmel Boggs*
Title: *Mayor, Fillmore*

By: *Jeffrey Israel*
Title: *City Attorney*

COUNTY OF VENTURA

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

UNITED WATER CONSERVATION DISTRICT

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

CITY OF FILLMORE

DATED: _____

APPROVED AS TO FORM:

By: _____

By: _____

Title: _____

Title: _____

COUNTY OF VENTURA

DATED: 5/22/17

APPROVED AS TO FORM:

By: [Signature]

By: [Signature]

Title: Director - PWA

Title: Assistant County Counsel

UNITED WATER CONSERVATION DISTRICT

DATED: May 5, 2017

APPROVED AS TO FORM:

By: [Signature]

By: [Signature]

Title: President

Title: District Legal Counsel