THIRD AMENDMENT
TO
JOINT EXERCISE OF POWERS AGREEMENT

The parties to this Third Amendment to Joint Exercise of Powers Agreement ("Agreement") are CENTRAL WATER DISTRICT, (hereinafter referred to as CENTRAL) and the SOQUEL CREEK WATER DISTRICT, (hereinafter referred to as SOQUEL), City of Santa Cruz (hereinafter referred to as CITY), and the County of Santa Cruz (hereinafter referred to as COUNTY), all of which represent partner agencies (hereinafter referred to as PARTNER AGENCIES) with interests in groundwater management within the area known regionally as the Soquel-Aptos Groundwater Basin, hereby join together for a common and specific purpose.

RECATALS

A. Soquel and Central entered into a Joint Powers Agreement ("JPA") pursuant to Sections 6500 et seq. of the Government Code on March 30, 1995 (first amended on August 18, 2009 and second amended on November 19, 2013) for the purpose of developing and implementing a groundwater management plan under Sections 10750 et seq. of the Water Code (commonly referred to as an "AB 3030 plan") for the Soquel-Aptos Groundwater Basin ("Basin") within Santa Cruz County.

B. Soquel and Central jointly produced and implemented an AB 3030 Plan for the Basin under the JPA (the Soquel-Aptos Groundwater Management Plan) in 1996 and 2007; and have prepared an Annual Review and Report (ARR) each year since 2007.

C. Governor Jerry Brown signed into law the Sustainable Groundwater Management Act ("Act") (codified as Sections 10720 et seq. of the California Water Code) on September 16, 2014.

D. The Act requires that a local agency or combination of local agencies form (or elect to be) a Groundwater Sustainability Agency and to develop a Groundwater Sustainability Plan for all basins ranked as a medium or high priority basin by the Department of Water Resources under the California Statewide Groundwater Elevation Monitoring Program ("CASGEM").

E. The Act requires that the Groundwater Sustainability Plan include elements that are additive to the elements of an AB 3030 Plan, and
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that a Groundwater Sustainability Plan be developed to replace an existing AB 3030 Plan for medium and high priority basins.

F. The Basin's boundaries may be modified consistent with the Act.

G. Subbasins comprising the Basin are ranked as medium and high priority basins under CASGEM, and therefore a Groundwater Sustainability Agency must be formed and a Groundwater Sustainability Plan must be developed for the Basin within the deadlines prescribed in the Act.

H. The JPA as modified pursuant to this Agreement, together with potential future appropriate amendments, is well suited to be, or be part of, the basis for a Groundwater Sustainability Agency for the Basin as required by the Act.

I. For the purpose of serving in the role of the Groundwater Sustainability Agency for the Basin, or as a member thereof, it is appropriate to include other local public agencies that are affected by the future management of the Basin as members of the JPA.

J. The other local public agencies that should be joined as members of the JPA are the County of Santa Cruz and the City of Santa Cruz.

Now, therefore, upon the adoption of resolutions by the Board of Directors of Central Water District, Soquel Creek Water District, the Santa Cruz City Council and the Santa Cruz County Board of Supervisors, it is hereby agreed:

1. The Committee. The Ground Water Management Committee, established under the original JPA is hereby made a permanent committee known as the Soquel Aptos Groundwater Management Committee (SAGMC or Committee). The duties of the SAGMC shall include, but not be limited to:

   a) assure that the goals and objectives identified in the current Groundwater Management Plan are pursued in a reasonable and timely manner;

   b) review data and coordinate groundwater pumping to the extent possible to both meet demand and avoid exacerbating undesirable coastal groundwater conditions;

   c) undertake ongoing and comprehensive efforts to collect, maintain, and share groundwater data with respect to water levels and quality;

   d) undertake cooperative research and resource management initiatives that are regional in scope and disseminate information resulting from these activities;
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e) recommend joint efforts to the respective governing bodies which are of regional benefit, e.g. general seawater intrusion monitoring, recharge within shared portions of the basin, etc.;

f) jointly pursue groundwater management grants or studies, such as planning or project grants available from the State under Proposition 1, and hydrological modeling and studies undertaken by United States Geological Survey;

g) coordinate Urban Water Management Plans and Groundwater Emergency Plans;

h) facilitate discussions regarding formation of a Groundwater Sustainability Agency (or Agencies) required by the Act for development and implementation of the required Groundwater Sustainability Plan for the basin.

The Committee shall be composed of 11 members:

- Two members from each of the Partner Agencies, each of whom shall be appointed by their respective governing body and shall serve at the pleasure of their appointing governing body.
- Three public members who shall each be a person or representative of an entity served by, owning, or managing a non-municipal well. The public Committee members shall be nominated and approved by a majority vote of the Partner Agency Committee members and shall be appointed to serve a two year term.

The Committee shall select a chair from among its Partner Agency members with the chair rotating every two years among Partner Agencies. All votes of the Committee shall be decided by a majority vote of the Committee except for fiscal decisions (those decisions that involve the incurring of debt or expenditure of funds) which shall be decided only by the members of the Committee who are elected representatives of Central, Soquel, the City and the County. Those fiscal decisions shall also be decided by a majority vote of those persons eligible to vote on those matters and by the entities involved in the projects. All votes with a fiscal impact on a Partner Agency, including the annual budget and the proportional allocation of costs, shall also be subject to the approval of the governing body of each involved Partner Agency.

2. Staff. The water agency managers of Partner Agencies shall serve as staff to the Committee with clerical duties provided by Soquel.

3. Compensation. Each Partner Agency board member attending meetings of the Committee may be compensated by his or her respective Partner Agency as each Partner Agency governing body so decides. No compensation shall be paid by
the Committee. The staff shall be paid by their respective employing entities as they so determine.

4. Funding. The Committee is authorized to hire consultants to assist in the management and implementation of goals of the SAGMC. The costs of work done under this Agreement and other management and implementation expenses agreed upon by the SAGMC shall be shared on a proportional basis of the total annual groundwater use as measured by each Partner Agency for the preceding water year. Based on use for 2013, the percentage cost to each Partner Agency for fiscal year 2015-16 would be as follows:

- Soquel Creek Water District 70%
- Central Water District 10%
- City of Santa Cruz 10%
- Santa Cruz County 10%

The cost allocation for each year shall be determined as a part of the Committee budget for the upcoming fiscal year. In the event that additional members are added to the Committee, all of the members shall agree on a new cost sharing formula to fund the costs of the SAGMC.

5. Approval of Final Budget. Notwithstanding any other provision of this Agreement, the unanimous approval of the Partner Agencies, acting by and through their respective governing bodies, shall be required to approve and adopt the annual budget for the upcoming fiscal year.

6. Limitation on Imposition of Taxes or Assessments. The SAGMC shall have no power to impose taxes or assessments within any Partner Agency’s jurisdiction unless the Partner Agency’s legislative body first passes a resolution consenting to the tax or assessment, except that County consent will not be required for taxes or assessments that are limited to areas within the jurisdiction of another Partner Agency.

7. Limitation on Issuance of Debt. The SAGMC shall have no power to issue debt unless the governing body of each Partner Agency first passes a resolution consenting to the issuance of the debt.

8. Withdrawal. Any party may withdraw as a participant in the SAGMC, with the understanding that the remaining party or parties may continue to fund and implement the GMP for the benefit of the groundwater basin. Notice of withdrawal shall be by a resolution of the respective governing body and provide thirty (30) day written notice of intent to withdraw. Any funds due or obligations to pay incurred as of the date of withdrawal shall be due and payable irrespective of the withdrawal.
9. Additional Members. On the approval of the governing bodies of all Partner Agency members to this Agreement, and that of any subsequent party added to this Agreement, additional parties may be added to this Committee.

10. Additional Goals. An additional goal of the Committee shall be to identify and develop groundwater projects which are mutually beneficial to all members.

11. Functions of the Committee. In addition to the functions previously described in this Agreement, Partner Agency members shall have the ability to recommend policies and programs which will enhance the basin to their respective governing bodies. The Committee shall meet at least once quarterly, or more as needed, and minutes of their meetings shall be maintained and furnished to the governing bodies of the Partner Agencies.

12. Subcommittees. The Committee may establish such advisory committees as it deems appropriate to advise Committee activities.

13. Non-Restrictive of Independent Activities. This Agreement does not preclude any Partner Agency from pursuing programs and projects related to groundwater management either independently or in cooperation with other agencies that may or may not be a party to the Soquel-Aptos Area Groundwater Management Joint Powers Agreement.

14. Severability. Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, or provisions shall not be affected thereby.

15. Amendment. This Agreement may be amended by resolution of the governing bodies of all members of the SAGMC.

Dated: 8/20 2015

CENTRAL WATER DISTRICT

Authorized Officer

SOQUEL CREEK WATER DISTRICT

Authorized Officer

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Dated: ____________ 2015

Authorized Officer

SANTA CRUZ COUNTY

Dated: __8/11__ 2015

Authorized Officer

Approved as to form:

County Counsel

CITY OF SANTA CRUZ

Dated: __8/21__ 2015

Authorized Officer

Approved as to form:

City Counsel