

Colusa Groundwater Authority Board of Directors

P.O. Box 475, Colusa, CA 95932 | www.colusagroundwater.org

MEETING AGENDA

November 25, 2025 | 1:00 p.m.

Colusa Industrial Properties, 100 Sunrise Blvd., Colusa, CA 95932

Alternative meeting location(s):

244 SE Piper Dr, Holt, MO 64048

344 E Laurel St, Willows, CA 95988

Members of the public may attend this meeting in person or through Zoom:

<https://us06web.zoom.us/j/83956519409>

Or One tap mobile:

[+16694449171,,83956519409#](tel:+16694449171,83956519409) or [+12532158782,,83956519409#](tel:+12532158782,83956519409)

Meeting ID: 839 5651 9409

Full Agenda Packet: <https://colusagroundwater.org/agendas-and-meetings-2025/>

** Indicates action item*

1. Call To Order and Determination of Quorum

- a. Roll Call of Directors and Alternates
- b. Introductions of others in attendance

2. Period Of Public Comment

At this time, members of the public may address the CGA Board regarding items that are not on the agenda but are of relevance to the CGA. The Board may not act on items not on the agenda.

3. Consent Calendar

All consent calendar items may be acted upon by a single motion unless otherwise requested by a board member for separate consideration.

- a. *Approval of Minutes from the October 28, 2025 CGA Board Meetings
- b. *Receive and File October Financial Statements
- c. *Review and Consider Approval of November Claims

4. Receive and File Financial Audits – FY 2021-22 and FY 2022-23

- a. *The board will receive and file the FY 2021-22 and 2022-23 financial audits.

5. Request from Westside Water District for Full-time Board Seat

- a. *The board will discuss the request and consider direction to staff.

6. Discussion of Initial Member Contributions and Reimbursement Terms

- a. *The board will review the initial member contribution information and determine if additional action is needed.

7. Report from Ad Hoc Budget Committee on Staffing

- a. *The board will hear a report from the ad hoc committee for development of local staffing.

8. Colusa Subbasin GSP Implementation Update

9. Butte Subbasin Update

10. DWR Staff Update

11. Committee Reports

- a. **Demand Management ad hoc** – Lewis Bair, Kate Dunlap, Jeff Moresco, Frank A. Nobriga, Jim Wallace
- b. **Well Mitigation ad hoc** – Lewis Bair, Janice Bell, Jeremy Cain, Jered Shipley

12. Administrative Update

13. Closed Session

- a. Conference with Legal Counsel (Gov't Code 54956.9) – Existing litigation:
Aqualliance et al. v. Colusa Groundwater Authority, Glenn Groundwater Authority Colusa County Superior Court – Case Number CV24584

Aqualliance et al. v. Biggs-West Gridley Water District, et al.
Butte County Superior Court – Case Number 22CV00348

14. Report out of Closed Session

15. Member Reports and Comments

16. Next Meeting: Special CGA/GGA Joint Meeting – December 19, 2025; Regular Meeting – December 23, 2025

17. Adjourn

The full agenda packet can be found on the CGA website: <https://colusagroundwater.org>. In compliance with the Americans with Disability Act, if you require special accommodation to participate in CGA Board or committee meetings, please contact the Colusa Groundwater Authority Program Manager at 650-587-7300, extension 17, prior to any meeting for accommodations.

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AGENDA ITEM 1: CALL TO ORDER AND DETERMINATION OF A QUORUM

AGENDA ITEM 1a: Roll Call of Officers and Alternates

SIX (6) Members must be present to constitute a quorum.

As of July 1, 2025, and through June 30, 2027, **Maxwell I.D.** sits as the representative for Westside Water District and Maxwell I.D.; and **Princeton-Codora-Glenn Irrigation District** sits as the representative for Princeton-Codora-Glenn I.D. and Provident I.D.

Note: Beginning July 1, 2027, Westside Water District and Provident Irrigation District will represent their respective Memberships on the CGA Board.

4.1 Board of Directors. *The business of the Authority will be conducted by a Board of Directors that is hereby established, and that shall be initially composed of and appointed as follows: One member of the Board of the Maxwell Irrigation District or the Westside Water District, said appointment to alternate every two years beginning with an appointment by the Maxwell Irrigation District of one of its Board members; One member of the Board of the Princeton-Codora-Glenn Irrigation District or the Provident Irrigation District, said appointment to alternate every two years beginning with an appointment by the Princeton-Codora-Glenn Irrigation District of one of its Board members...*

Entity	Name
COUNTY OF COLUSA	
BOARD MEMBER	Janice Bell
ALTERNATE	Jose Corona
CITY OF COLUSA	
BOARD MEMBER	Jeremy Cain
ALTERNATE	Jesse Cain
CITY OF WILLIAMS	
zBOARD MEMBER	Kate Dunlap
ALTERNATE	Alfred Sellers, Jr.
GLENN COLUSA IRRIGATION DISTRICT	
BOARD MEMBER	Kelly Ornbaun
ALTERNATE	Jeff Sutton
COLUSA COUNTY WATER DISTRICT	
BOARD MEMBER	Frank Nobriga, Jr.
ALTERNATE	Halbert Charter
ALTERNATE	Shelly Murphy
PRINCETON-CODORA-GLENN IRRIGATION DISTRICT	
BOARD MEMBER	Jered Shipley
ALTERNATE	Jim Campbell
MAXWELL IRRIGATION DISTRICT	
BOARD MEMBER	Drew Dirks
ALTERNATE	
RECLAMATION DISTRICT 108	
BOARD MEMBER	Hilary Reinhard
ALTERNATE	Lewis Bair
RECLAMATION DISTRICT 479	
BOARD MEMBER	Derrick Strain
ALTERNATE	Alex Struckmeyer
COLUSA DRAIN MUTUAL WATER COMPANY	
BOARD MEMBER	Jim Wallace
ALTERNATE	Lynell Pollock
PRIVATE PUMPER	Deke Dormer
PRIVATE PUMPER	Jeff Moresco
WESTSIDE WATER DISTRICT	
BOARD MEMBER	Zach Dennis
ALTERNATE	Mike Urkov
PROVIDENT IRRIGATION DISTRICT	
BOARD MEMBER	Jered Shipley
ALTERNATE	Jim Campbell

AGENDA ITEM 1b: Introductions of Others in Attendance

AGENDA ITEM 2: PERIOD OF PUBLIC COMMENT

Members of the public may comment on items not on today's agenda that are relevant to the CGA. Public comments are limited to no more than 5 minutes. No action can be taken on items that are not on the agenda.

AGENDA ITEM 3: CONSENT CALENDAR

BACKGROUND:

All Consent Calendar items may be acted upon by a single motion unless otherwise requested by a board member for separate consideration.

ACTION ITEMS:

[AGENDA ITEM 3a. Approval of Minutes from the October 28, 2025 CGA Board Meeting](#)

ATTACHMENTS: Draft minutes from October 28, 2025 CGA board meeting

[AGENDA ITEM 3b. Receive and File October Financial Statements](#)

ATTACHMENTS: Financial statements for period ending October 31, 2025

[AGENDA ITEM 3c. Review and Consider Approval of November Claims](#)

ATTACHMENTS: Report of Claims to be paid for November 2025 and supporting documents for claims totaling \$105,825.89.

Colusa Groundwater Authority Board of Directors

P.O. Box 475, Colusa, CA 95932 | www.colusagroundwater.org

MEETING MINUTES

October 28, 2025

* Indicates action item

1. Call To Order and Determination of Quorum

Chair Wallace called the meeting to order at 1:03 P.M. and led the Board in the Pledge of Allegiance.

a. Roll Call of Directors and Alternates

Present: Janice Bell, Kate Dunlap, Frank Nobriga, Kelly Ornbaun, Hilary Reinhard, Jered Shipley, Jim Wallace.

Absent: Jeremy Cain, Drew Dirks, Deke Dormer, Jeff Moresco, Derick Strain.

b. Introductions of others in attendance

Public members Kellie Burt, Halbert Charter, Mary Fahey, Ryan Fulton, Doug Griffin, Ben King, Vince Laufer, Victor Lopez, Keller McDonald, Sarah Reynolds, Shandon Smith; Board members attending as public members Lewis Bair, Shelly Murphy, Alfred Sellers, Jeff Sutton; Consultants Ryan Aston and Thad Bettner; CGA Counsel Alan Doud; CGA staff Denise Carter, Carol Thomas-Keefer, Harrison Tregenza.

2. Period Of Public Comment

At this time, members of the public may address the CGA Board regarding items that are not on the agenda but are of relevance to the CGA. The Board may not act on items not on the agenda.

Public comment was provided by Ben King, Denise Carter, Halbert Charter, and Doug Griffin.

3. Consent Calendar

All consent calendar items may be acted upon by a single motion unless otherwise requested by a board member for separate consideration.

- a. *Approval of Minutes from the August 26, 2025 and September 12, 2025 CGA Board Meetings
- b. *Receive and File August/September Financial Statements
- c. *Review and Consider Approval of September/October Claims

Director Nobriga asked to pull Items 3a. and 3c. from the Consent Calendar for discussion. Director Nobriga then proposed a small edit to the minutes.

On motion by Director Nobriga, seconded by Director Bell, the Board approved Item 3a. with Director Nobriga's edits.

AYES:	6	Bell, Dunlap, Nobriga, Reinhard, Shipley, Wallace
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NOES:	0	
ABSTAIN:	1	Ornbaun
ABSENT:	5	Cain, Dirks, Dormer, Moresco, Strain

Director Nobriga then commented on Item 3c with regard to SCI Consulting Group’s (SCI) invoice, noting that the invoice did not adequately separate billing between the two fiscal years. Ms. Thomas-Keefer explained that staff had already requested such a breakdown from SCI but the information was not available. Director Nobriga asked that the invoice be pulled while staff seeks the necessary clarification. Chair Wallace asked the Board to approve Item 3c. with the exception of the SCI invoices, which would be reconsidered at a future meeting.

On motion by Director Nobriga, seconded by Director Moresco, the Board approved Item 3c. with the exception of SCI’s invoices.

AYES:	7	Bell, Dunlap, Nobriga, Ornbaun Reinhard, Shipley, Wallace
NOES:	0	
ABSTAIN:	0	
ABSENT:	5	Cain, Dirks, Dormer, Moresco, Strain

Director Nobriga noted that the financial statements were incomplete due to lack of an approved budget, and he asked that the Board table Item 3b. to a future meeting.

4. Presentation of Financial Audits – FY 2021-22 and FY 2022-23
 - a. *The board will hear a review of the FY 2021-22 and FY 2022-23 audits and receive and file the reports.

Director Nobriga provided a verbal report on the item, going over the status of the audits and why they have been delayed. Discussion followed regarding the status of the initial member contributions to CGA start-up and whether or not they should be reflected as loans in the audits. Following additional discussion, the Board requested that this matter be investigated and the receipt of audits be deferred to a future meeting.

5. Approval of Resolution No. 2025-05 Designating Authorized Individuals for Account with Tri-Counties Bank
 - a. *Recommendation to approve Resolution 2025-05 designating authorized individuals to open and manage accounts on behalf of CGA with Tri-Counties Bank

Director Nobriga provided a verbal report on the item, going over the background of the switch and the reasons why the CGA is opening accounts with Tri-Counties Bank. Ms. Thomas-Keefer then noted that the bank requires the adoption of a board resolution to authorize banking as well as individuals authorized to sign on behalf of CGA.

On motion by Director Bell, seconded by Director Shipley, the Board approved Resolution 2025-05, Designating Authorized Individuals for Account with Tri-Counties Bank.

AYES:	7	Bell, Dunlap, Nobriga, Ornbaun, Reinhard, Shipley, Wallace
NOES:	0	
ABSTAIN:	0	
ABSENT:	5	Cain, Dirks, Dormer, Moresco, Strain

6. Discussion of Proposed FY 2025-26 Budget

- a. *Review and consider adoption of ad hoc committee’s proposed FY 2025-26 budget

Chair Wallace reported that the ad hoc committee appointed in September had developed a proposed budget for FY 2025-26 that contain expenses within the adopted operations fee of \$1.00 per acre, or approximately \$400,000. The board then reviewed the budget in detail.

On motion by Director Dunlap and seconded by Director Ornbaun, the Board adopted the ad hoc committee’s proposed FY 2025-26 budget.

AYES:	6	Dunlap, Nobriga, Ornbaun, Reinhard, Shipley, Wallace
NOES:	0	
ABSTAIN:	0	
ABSENT:	6	Bell, Cain, Dirks, Dormer, Moresco, Strain

7. Approval of 50/50 Cost Share of Colusa Subbasin GSP 2027 Periodic Evaluation and Plan Amendment Agreement

- a. *Recommendation to approve 50 percent cost sharing of Agreement with Davids Engineering to prepare Colusa Subbasin 2027 Periodic Evaluation and Plan Amendment at a cost not to exceed \$148,250 (50 percent of total cost) without prior approval

Ms. Thomas-Keefer reported that this item was discussed at the recent joint CGA-GGA board meeting and had been approved by the GGA Board. She also noted that the current proposal had been pared down to minimize costs to prepare the Periodic Evaluation. She also noted that the costs would be divided between two fiscal years, and the amount was included in the approved budget.

On motion by Director Dunlap, seconded by Director Shipley, the Board approved 50 percent cost sharing of Agreement with Davids Engineering to prepare the Colusa Subbasin 2027 Periodic Evaluation and Plan Amendment at a cost not to exceed \$148,250 (50 percent of total cost) without prior approval.

AYES:	6	Dunlap, Nobriga, Ornbaun, Reinhard, Shipley, Wallace
NOES:	0	
ABSTAIN:	0	
ABSENT:	6	Bell, Cain, Dirks, Dormer, Moresco, Strain

(Director Bell left the room for a short time.)

- 8. Support of Transportation Grant Opportunity with GGA/Glenn County for Subsidence Monitoring
 - a. *Consider approval of support letter with GGA for transportation grant to assist with subsidence monitoring

Ms. Thomas-Keefer reviewed the proposed grant opportunity through the Glenn County Transportation Commission to obtain transportation-related subsidence data, and noted that any cost share request would likely not exceed about \$12,000.

On motion by Director Dunlap, seconded by Director Shipley, the Board authorized the Chair to sign a letter of support for the Glenn County application for transportation grant to assist with subsidence monitoring.

AYES:	7	Bell, Dunlap, Nobriga, Ornbaun, Reinhard, Shipley, Wallace
NOES:	0	
ABSTAIN:	0	
ABSENT:	5	Cain, Dirks, Dormer, Moresco, Strain

9. Discussion of Board Meeting Attendance and Notices

Chair Wallace reviewed the item. Following discussion, staff was requested to email calendar invites to board members for all meetings to encourage attendance and to provide as much advance notice as possible. Additionally, counsel was asked to draft a letter to the CGA member agency boards regarding CGA Board meeting attendance.

10. Colusa Subbasin GSP Implementation Update

Ms. Thomas-Keefer provided an update on upcoming special Board meetings.

11. DWR Staff Update

None.

12. Committee Reports

- a. Demand Management ad hoc – Lewis Bair, Kate Dunlap, Jeff Moresco, Frank A. Nobriga, Jim Wallace

It was noted that the committee had received presentations from several vendors, and staff was compiling information from references. Director Bair reported that he would like the upcoming accounting system selection to focus on the potential consultant and not the potential software.

- b. Well Mitigation ad hoc – Lewis Bair, Janice Bell, Jeremy Cain, Jered Shipley

None.

13. Administrative Update

None.

14. Closed Session

- a. Conference with Legal Counsel (Gov’t Code 54956.9) – Existing litigation: Aqualliance et al. v. Colusa Groundwater Authority, Glenn Groundwater Authority Colusa County

Superior Court – Case Number CV24584

Aqualliance et al. v. Biggs-West Gridley Water District, et al.
Butte County Superior Court – Case Number 22CV00348

The Board entered into Closed Session at 4:32 P.M.

15. Report out of Closed Session

The Board returned to Open Session at 4:37 P.M. Attorney Doud stated that no reportable action was taken.

16. Member Reports and Comments

Chair Wallace stated that he will be not able to attend the November 21 special meeting.

Director Nobriga announced that he was stepping down from the CGA Board. Board members thanked Director Nobriga for his service on the Board.

Director Bair reported that he attended a Groundwater Resources Association meeting on interconnected surface waters, and a technical guidance document is available.

17. Next Meeting: Special CGA/GGA Joint Meeting -- November 21, 2025; Regular Meeting – November 25, 2025

18. Adjourn

Chair Wallace adjourned the meeting at 4:42 P.M.

APPROVED BY:

Jim Wallace, Chair

Date

ATTEST:

Carol Thomas-Keefer, Secretary

Date

FY 25-26 BUDGET TO ACTUAL - Thru October

		REVENUE ALLOCATION								
		Adopted FY 24-25 BUDGET	Estimated YEAR-END	(A) FY 25-26 Budget	Restricted Prop. 218 1.00	Glenn County Portion 50%	(B) \$ ACTUAL	(A-B) \$ REMAINING	(B/A) % COMPLETED	
1	REVENUE								1	
2	<i>Prior Year Funds to Balance</i>	249,308	-	-	-	-	-	-	0%	2
3	Proposition 218 Fee Agreements- \$1.00 Per Acre	-	-	388,527	-	-	-	388,527	0%	3
4	Proposition 218 Fee Agreements- \$1.21 Per Acre	472,000	467,007	-	-	-	-	-	0%	4
5	Proposition 218 Landowner Fee - \$1.00 Per Acre	-	-	6,811	-	-	-	6,811	0%	5
6	Proposition 218 Landowner Fee - \$1.21 Per Acre	8,242	8,243	-	-	-	-	-	0%	6
7	Glenn County Groundwater Authority Reimbursement	317,500	246,185	30,000	-	-	-	30,000	0%	7
8	Interest	100	99	20,835	5,541	-	5,541	15,294	27%	8
9										9
10	TOTAL REVENUES	1,047,150	721,534	446,173	5,541	-	5,541	162%	1%	10
11	EXPENSES									11
12	Office Expense									12
13	Bank Fees	500	-	500	-	-	-	500	0%	13
14	JPA Insurance	2,000	1,755	2,000	-	-	-	2,000	0%	14
15	Printing and Copying/Outreach	5,500	-	2,000	-	-	-	2,000	0%	15
16	Website-Current	500	132	150	-	-	-	150	0%	16
17	Website -New	1,000	-	-	-	-	-	-	0%	17
18	Miscellaneous -PO Box/Supplies	500	122	250	575	-	575	(325)	230%	18
19										19
20	Professional Services- Admin									20
21	Auditor	21,500	10,500	21,500	10,500	-	10,500	11,000	49%	21
22	Financial Services Bookkeeping (Crippen/Atlas)	5,000	4,467	5,000	2,061	-	2,061	2,940	41%	22
23	Legal Services (Young & Wooldridge)	55,000	79,018	35,000	34,832	-	34,832	168	100%	23
24	Program Manager/Facilitation Svcs (RGS)	175,000	100,000	100,000	28,661	-	28,661	71,339	29%	24
25	Annual Parcel Update (Provost & Pritchard)	3,500	2,045	-	-	-	-	-	0%	25
26	County Tax Roll Fee Support	5,000	-	5,000	-	-	-	5,000	0%	26
27	County of Butte GSA- Member Contribution	12,500	12,338	12,500	15,669	-	15,669	(3,169)	125%	27
28	<i>Miscellaneous - Contingency 10%</i>	30,250	-	-	-	-	-	-	0%	28

FY 25-26 BUDGET TO ACTUAL - Thru October

		REVENUE ALLOCATION							
		Adopted	Estimated	(A)	Restricted	Glenn	(B)	(A-B)	(B/A)
		FY 24-25 BUDGET	YEAR-END	FY 25-26 Budget	Prop. 218	County	\$	\$	%
					1.00	Portion 50%	ACTUAL	REMAINING	COMPLETED
29	EXPENSES (cont'd)								
30	Professional Services- SGMA COMPLIANCE								
31	Long Term Funding: Update Revenue Requirements	50,000	-	-	-	-	-	-	0%
32	GSP Implementation (David's Engineering)	15,000	62,381	-	43,354	-	43,354	(43,354)	0%
33	Prop 218 - (SCI)	-	66,524	-	-	-	-	-	0%
34	GSP Annual Report (Shared with Glenn County)	70,000	67,582	60,000	-	-	-	60,000	0%
35	GSP Revisions(Water Ecology)	-	38,985	20,000	18,016	-	18,016	1,985	90%
36	GSP Periodic Evaluation and Updates (5 Year Update)	-	-	74,000	-	-	-	74,000	0%
37	Project Initiation: Refined/Develop Projects with GGA	200,000	-	-	-	-	-	-	0%
38	Study Implementation -Refine/Develop Studies	20,000	-	-	-	-	-	-	0%
39	Study Implementation -Implement Studies to Fill Data Gaps	25,000	-	-	-	-	-	-	0%
40	Study Impl. -Subsidence Monitoring Network: Realtime	50,000	-	-	-	-	-	-	0%
41	Public Engagement & Outreach	60,000	-	-	-	-	-	-	0%
42	GSP Implementation Manager	150,000	-	-	-	-	-	-	0%
43	Grant Procurement	60,000	-	-	-	-	-	-	0%
44	Miscellaneous- Contingency (8%)	29,400	-	-	-	-	-	-	0%
45									
46	Project Implementation								
47	Domestic Well Mitigation: Refine Domestic Well Mitig. Program	-	-	25,000	-	-	-	25,000	0%
48	Domestic Well Mitigation: Reserve Fund - Implmt. Dom. Mitig. Program	-	-	50,000	-	-	-	50,000	0%
49	Demand Mgmt. Mitigation: DM/Groundwater Allocation Program	-	-	-	-	-	-	-	0%
50									
51	Professional Services- Projects								
52	GSP-Grant Application (Shared with Glen County)	-	-	-	-	-	-	-	0%
53	GSP Technical Assistance:On-Call Support Svcs (Davids Engineering)	-	-	10,000	-	-	-	10,000	0%
54	GSP Subbasin GSP Revisions (Shared with Glenn County)	-	-	-	-	-	-	-	0%
55									
56	TOTAL EXPENSES	<u>1,047,150</u>	<u>445,849</u>	<u>422,900</u>	<u>153,667</u>	<u>-</u>	<u>153,667</u>	<u>269,233</u>	<u>36%</u>
57									
58	Surplus (Deficit)	<u>-</u>	<u>275,685</u>	<u>23,273</u>	<u>(148,127)</u>	<u>-</u>	<u>(148,127)</u>		

As of October 31

CASH BALANCE**October 2025 Activity**Cash Receipts

Cash Receipts - N/A	\$ -
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Total Cash Receipts	<u>\$ -</u>
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Cash Disbursements

Warrants - N/A	
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Total Cash Disbursements	<u>\$ -</u>
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Cash Balance

Prior Month to Current Month Ending Balance Reconciliation

September Cash Balance By Investment

Umqua Checking	\$ 281,917.78
Umqua Money Market	1,119,189.76
Umqua Savings	<u>33,009.47</u>
Total Cash Balance	<u>\$ 1,434,117.01</u>

October Activity

Cash Receipts	\$ -
Cash Disbursements	-
Interest Earnings Checking	1,806.03
Interest Earnings Savings (Pending Qtly Statement)	
Short Pay to be Adj	<u>-</u>
Total Activity	\$ 1,806.03

Ending Cash Balance	\$ 1,435,923.04
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Less: Outstanding Warrants:

Warrants - April	(9,675.49)
Warrants - July	(28,818.38)
Warrants - August	(98,019.65)
Warrants - September	(46,643.98)
Warrants - October	<u>(105,825.89)</u>

Total Available Cash By Activity	<u>\$ 1,146,939.65</u>
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October Cash Balance by Investment

Umqua Checking	\$ 281,917.78
Umqua Money Market	1,120,995.79
Umqua Savings	<u>33,009.47</u>
Total Balance	\$ 1,435,923.04
Less: Outstanding Warrants	<u>(288,983.39)</u>
Total Available Cash by Investment	<u>\$ 1,146,939.65</u>

Outstanding Warrants are vendor invoices received and not yet paid or in transit.

CLAIMS SUMMARY

FISCAL YEAR	Invoice #	Invoice Date	Vendor	Service Period	Service	Check	ACH	Total
FY 25-26	Various	10/31/2025	Young & Wooldridge	October Services	Legal Services	12,491.78	-	12,491.78
FY 25-26	20368	10/31/2025	RGS	October Services	Administration	10,041.10	-	10,041.10
FY 25-26	1173.05-7125	10/9/2025	Davids Engineering	Sept Services	GSP Implementation	8,657.25	-	8,657.25
FY 25-26	CGA2025.11	11/14/2025	Water Ecology	October Services	GSP Implementation	4,998.00	-	4,998.00
FY 25-26	390-4303	11/4/2025	Atlas CPA's	October Services	Accounting Services	437.00	-	437.00
FY 25-26	SBS12075	9/10/2025	SCI Consulting Group	July - Aug 15 2025	GSP Implementation	23,066.92	-	23,066.92
OCTOBER FY 25-26 TOTAL						\$ 59,692.05	\$ -	\$ 59,692.05
FISCAL YEAR	Invoice #	Invoice Date	Vendor	Service Period	Service	Check	ACH	Total
FY 24-25	SBS12075	9/10/2025	SCI Consulting Group	April -June 2025	GSP Implementation	46,133.84	-	46,133.84
OCTOBER FY 24-25 TOTAL						\$ 46,133.84	\$ -	\$ 46,133.84
TOTAL ALL WARRANTS						<u>\$ 105,825.89</u>	<u>\$ -</u>	<u>\$ 105,825.89</u>

CLAIMS SUMMARY

FISCAL YEAR	Invoice #	Invoice Date	Vendor	Service Period	Service	Check	ACH	Total
FY 25-26	Various	10/31/2025	Young & Wooldridge	October Services	Legal Services	12,491.78	-	12,491.78
FY 25-26	20368	10/31/2025	RGS	October Services	Administration	10,041.10	-	10,041.10
FY 25-26	1173.05-7125	10/9/2025	Davids Engineering	Sept Services	GSP Implementation	8,657.25	-	8,657.25
FY 25-26	CGA2025.11	11/14/2025	Water Ecology	October Services	GSP Implementation	4,998.00	-	4,998.00
FY 25-26	390-4303	11/4/2025	Atlas CPA's	October Services	Accounting Services	437.00	-	437.00
FY 25-26	SBS12075	9/10/2025	SCI Consulting Group	July - Aug 15 2025	GSP Implementation	23,066.92	-	23,066.92
OCTOBER FY 25-26 TOTAL						\$ 59,692.05	\$ -	\$ 59,692.05
FISCAL YEAR	Invoice #	Invoice Date	Vendor	Service Period	Service	Check	ACH	Total
FY 24-25	SBS12075	9/10/2025	SCI Consulting Group	April -June 2025	GSP Implementation	46,133.84	-	46,133.84
OCTOBER FY 24-25 TOTAL						\$ 46,133.84	\$ -	\$ 46,133.84
TOTAL ALL WARRANTS						<u>\$ 105,825.89</u>	<u>\$ -</u>	<u>\$ 105,825.89</u>

INVOICE

Regional Government Services
 PO Box 1350
 Carmel Valley, CA 93924
 AR@rgs.ca.gov
 (650) 587-7300 x2



Colusa Groundwater Authority
 Carroll Thomas-Keefer
 cthomaskeefer@rgs.ca.gov

October 31, 2025
 Invoice No: 20368
Total This Invoice \$10,041.10

Project 04003.C220500000-40 Colusa Groundwater Authority -Professional Employer Services
Professional Services from October 01, 2025 to October 31, 2025

Professional Personnel

	Hours	Rate	Amount	
PES Agency Chief Executive	45.00	165.64	7,453.80	
Strategic Services Consultant	.50	180.93	90.47	
Senior Finance Manager	13.00	154.60	2,009.80	
Admin Advisor	4.20	115.96	487.03	
Totals	62.70		10,041.10	
Total Labor				10,041.10

Billing Limits

	Current	Prior	To-Date	
Total Billings	10,041.10	28,660.97	38,702.07	
Limit			175,000.00	
Remaining			136,297.93	
				Total this Invoice <u>\$10,041.10</u>

Monthly NTE \$15,000.00
 This Month (\$10,041.10)
 Remaining \$4,958.90

Billing Backup

Regional Government Services Authority

Invoice 20368 Dated 10/31/2025

Project 04003.C220500000-40 Colusa Groundwater Authority -Professional Employer Services

Professional Personnel

	Hours	Rate	Amount
PES Agency Chief Executive			
Oct 2	1.00	165.64	165.64
Follow up w/Gina, Jim W re budget questions, financial info, fee limits			
Oct 3	5.00	165.64	828.20
WAS interviews and discussion			
Oct 7	1.50	165.64	248.46
Meet w/LH, TB; various coord and emails			
Oct 9	2.00	165.64	331.28
Coordination mtg w/DE, LH; coordinate spec mtg agenda; task order signature follow up; gen admin			
Oct 10	.50	165.64	82.82
Review WAS comments; various emails			
Oct 13	.50	165.64	82.82
Meeting coordination; general admin			
Oct 14	2.00	165.64	331.28
Coord mtg w/LH, TB; review WAS proposal reference info; follow up on invoices; general admin			
Oct 15	2.00	165.64	331.28
Butte Mgrs mtg			
Oct 16	1.50	165.64	248.46
Finalize, distribute and post special board mtg agenda and packet; work on board materials			
Oct 17	1.50	165.64	248.46
Prepare for and attend special board meeting; begin minutes prep			
Oct 20	.50	165.64	82.82
Review DWR info; review invoice payment status			
Oct 21	1.00	165.64	165.64
Follow up and coordinate audit info; call w/atty; review WAS info			
Oct 22	1.00	165.64	165.64
Call w/chair; respond to inquiries; agenda planning; review and respond to emails/general admin			
Oct 23	3.50	165.64	579.74
Coord mtg w/DE, atty; schedule WAS reference checks; call w/chair; begin board agenda, minutes; follow up w/Gina, treasurer on audits, financials			
Oct 24	4.50	165.64	745.38
Work on agenda; call w/Madera co.; finalize agenda, post and distribute; call w/chair to revise, finish budget and agenda review			
Oct 26	8.00	165.64	1,325.12
Review and complete minutes, finalize budget w/GS; prepare staff reports and board packet			
Oct 27	2.00	165.64	331.28
Complete preparation of items for board packet; compile, post and send notice; coordinate WAS mtg			
Oct 28	4.00	165.64	662.56
Prepare for, attend and follow up for board meeting			
Oct 29	1.00	165.64	165.64
WAS reference check; follow up w/Gina on budget and financials			
Oct 30	1.50	165.64	248.46
Research and provide info to atty and chair re initial member contributions; call w/HT re board mtg follow up			

	Oct 31	.50	165.64	82.82
	Finalize and send info on member contributions; follow up w/LH re board actions			
Strategic Services Consultant	Oct 22	.50	180.93	90.47
	Review 2022 and 2023 audit reports. Made edits to 2022. sent to Gina. reviewed emails regarding the audit.			
Senior Finance Manager	Oct 2	.50	154.60	77.30
CGA: Financials WIP	Oct 9	1.00	154.60	154.60
CGA: Financials WIP	Oct 21	2.00	154.60	309.20
CGA: Audit WIP; Financials WIP	Oct 22	2.00	154.60	309.20
CGA: Audit WIP; Financials WIP	Oct 24	1.50	154.60	231.90
CGA: Financials WIP	Oct 25	3.00	154.60	463.80
CGA: Budget WIP	Oct 26	2.00	154.60	309.20
CGA: Budget WIP	Oct 30	1.00	154.60	154.60
CGA: Budget WIP/Audit WIP				
Admin Advisor	Oct 6	.10	115.96	11.59
	Communicating with RGS and CGA staff advisors via email and RingCentral.			
	Oct 15	.20	115.96	23.19
	Communicating with RGS and CGA staff advisors via email and RingCentral, saving files in the VPN.			
	Oct 16	.10	115.96	11.60
	Communicating with RGS and CGA staff advisors via email and RingCentral.			
	Oct 21	.10	115.96	11.60
	Communicating with RGS and CGA staff advisors via email and RingCentral.			
	Oct 27	.10	115.96	11.60
	Communicating with RGS and CGA staff advisors via email and RingCentral.			
	Oct 28	3.20	115.96	371.07
	Clerking CGA Board meeting, preparing for CGA Board meeting.			
	Oct 30	.40	115.96	46.38
	Call w/ General Manager, communicating with RGS and CGA staff advisors via email and RingCentral, updating distribution list.			
	Totals	62.70		10,041.10
	Total Labor			10,041.10
			Total this Project	\$10,041.10
			Total this Report	\$10,041.10

Invoice

DAVIDS ENGINEERING, INC.
 Tax ID#68-0346173
 1772 Picasso Avenue, Suite A
 Davis, CA 95618-0550
 530/757-6107 - phone
 530/757-6118 - fax



November 12, 2025
 Invoice No: 1173.05 - 7204
Total This Invoice \$8,657.25

Carol Thomas-Keefer
 Colusa Groundwater Authority
 P.O. Box 475
 Colusa, CA 95932

Project 1173.05 CGA - Colusa Subbasin GSP Implementation Support
Professional Services from October 01, 2025 to October 31, 2025

Task 01.00 Refine Scope and Cost Estimates for PMAs in Revised GSP
Professional Personnel

	Hours	Rate	Amount	
Senior Project Assistant				
Davids, Kristi	.25	149.00	37.25	
Totals	.25		37.25	
Total Labor				37.25

	Current	Prior	To-Date	
Contract Amount				
Total Billings	37.25	6,030.50	6,067.75	
Contract Amount			30,000.00	
Remaining			23,932.25	
				Total this Task \$37.25

Billings to Date

	Current	Prior	Total
Labor	37.25	6,030.50	6,067.75
Totals	37.25	6,030.50	6,067.75

Task 03.00 2025 Q3/Q4 Support
 Sub-Task 03.01 Provide On-Call GSP Implementation Support

Professional Personnel

	Hours	Rate	Amount	
Assistant Engineer II				
Mortensen, Devin	1.75	145.00	253.75	
Supervising Engineer				
Davids, Jeff	10.00	237.00	2,370.00	
Associate Engineer II				
Klug, Katherine	26.50	207.00	5,485.50	
Associate Project Assistant				
Clark, Cynthia	.75	135.00	101.25	
Staff Project Assistant				
Schroeder, Cathy	3.50	117.00	409.50	
Totals	42.50		8,620.00	
Total Labor				8,620.00

Billing Backup

Wednesday, November 12, 2025

Davids Engineering, Inc. Invoice 7204 Dated 11/12/2025 11:21:43 AM

Project	1173.05	CGA - Colusa Subbasin GSP Implementation Support		
Task	01.00	Refine Scope and Cost Estimates for PMAs in Revised GSP		

Professional Personnel

	Hours	Rate	Amount
Senior Project Assistant			
Davids, Kristi 10/2/2025	.25	149.00	37.25
project support, accounting			
Totals	.25		37.25
Total Labor			37.25

Total this Task \$37.25

Task	03.00	2025 Q3/Q4 Support		
Sub-Task	03.01	Provide On-Call GSP Implementation Support		

Professional Personnel

	Hours	Rate	Amount
Assistant Engineer II			
Mortensen, Devin 10/15/2025	.75	145.00	108.75
Documentation of process for cost sharing analysis for administrative cost for regional domestic well mitigation program			
Mortensen, Devin 10/24/2025	1.00	145.00	145.00
Geospatial analysis of dry domestic well analysis			
Supervising Engineer			
Davids, Jeff 10/6/2025	.50	237.00	118.50
DWM program development and coordination with NVCF and K. Klug.			
Davids, Jeff 10/9/2025	1.50	237.00	355.50
Coordination call with CGA and GGA, refinements to domestic well mitigation program, working with K. Klug.			
Davids, Jeff 10/10/2025	.50	237.00	118.50
Refinements to domestic well mitigation program, working with K. Klug.			
Davids, Jeff 10/13/2025	.50	237.00	118.50
Communications with CGA and GGA regarding legal review of DWM program, working with K. Klug regarding review of draft DWM materials.			
Davids, Jeff 10/15/2025	1.75	237.00	414.75
Working with K. Klug and CGA/GGA teams on DWM program and cost sharing options. Coordination with D. Mortensen.			
Davids, Jeff 10/16/2025	.50	237.00	118.50
Working with K. Klug and CGA/GGA teams on DWM program and cost sharing options. Coordination with D. Mortensen.			
Davids, Jeff 10/17/2025	.50	237.00	118.50
Working with K. Klug and CGA/GGA teams on DWM program and cost sharing options. Coordination with D. Mortensen.			
Davids, Jeff 10/23/2025	2.50	237.00	592.50
Meeting with CGA/GGA legal team and staff and revisions to documentation. Working with K. Klug and CGA/GGA teams on DWM program and cost sharing options. Coordination with D. Mortensen.			

Project	1173.05	CGA - Colusa Subbasin GSP Implementation	Invoice	7204
Davids, Jeff	10/24/2025	.50 237.00	118.50	
Working with K. Klug and CGA/GGA teams on DWM program and cost sharing options. Coordination with D. Mortensen.				
Davids, Jeff	10/27/2025	1.25 237.00	296.25	
Preparation for and participation in NVCF DWM meeting with NVCF representatives and K. Klug.				
Associate Engineer II				
Klug, Katherine	10/8/2025	1.25 207.00	258.75	
DWM program application, well evaluation, and GSA agreement preparation				
Klug, Katherine	10/9/2025	3.00 207.00	621.00	
coordination meeting with GSA staff to discuss DWM program development; DWM program application, well evaluation, and GSA agreement preparation				
Klug, Katherine	10/10/2025	1.00 207.00	207.00	
DWM program application, well evaluation, and GSA agreement preparation				
Klug, Katherine	10/13/2025	4.50 207.00	931.50	
DWM program application, well evaluation, and GSA agreement preparation				
Klug, Katherine	10/14/2025	3.00 207.00	621.00	
DWM program GSA-NVCF agreement preparation				
Klug, Katherine	10/15/2025	2.50 207.00	517.50	
DWM program GSA-NVCF agreement, well owner agreement preparation				
Klug, Katherine	10/16/2025	3.25 207.00	672.75	
DWM program GSA-NVCF agreement, well owner agreement preparation				
Klug, Katherine	10/17/2025	1.00 207.00	207.00	
DWM program well owner agreement preparation; coordinating with legal counsel for agreement review				
Klug, Katherine	10/20/2025	.50 207.00	103.50	
updating and sharing Ad Hoc committee questions for legal counsel input				
Klug, Katherine	10/21/2025	.50 207.00	103.50	
DWM document updates, coordination with legal counsel and DE staff				
Klug, Katherine	10/23/2025	4.00 207.00	828.00	
DWM document updates, coordination with legal counsel and GSA staff				
Klug, Katherine	10/24/2025	.75 207.00	155.25	
DWM document updates (DWM well owner agreement), coordination with legal counsel and GSA staff				
Klug, Katherine	10/27/2025	1.00 207.00	207.00	
Colusa DWM discussion with NVCF staff, follow up with GSA staff				
Klug, Katherine	10/29/2025	.25 207.00	51.75	
DWM document review and coordination with DE staff				
Associate Project Assistant				
Clark, Cynthia	10/1/2025	.25 135.00	33.75	
Project Support, Accounting				
Clark, Cynthia	10/8/2025	.25 135.00	33.75	
Project Support, Accounting				
Clark, Cynthia	10/9/2025	.25 135.00	33.75	
Project Support, Accounting				
Staff Project Assistant				
Schroeder, Cathy	10/9/2025	2.00 117.00	234.00	
prepare a fillable document for Colusa Domestic Well Mitigation Program				
Schroeder, Cathy	10/10/2025	1.50 117.00	175.50	

Project	1173.05	CGA - Colusa Subbasin GSP Implementation	Invoice	7204
		prepare a fillable document for Colusa Domestic Well Mitigation Program		
		Totals	42.50	8,620.00
		Total Labor		8,620.00
			Total this Sub-Task	\$8,620.00
			Total this Task	\$8,620.00
			Total this Project	\$8,657.25
			Total this Report	\$8,657.25



Water Ecology LLC
 4202 Magness Ct
 Chico, CA 95973
 530.588.3450

BILL TO:
 Colusa Groundwater Authority
 PO Box 475
 Colusa, CA 95932

Invoice Date: 11/14/2025
 Invoice No.: CGA2025.11

INVOICE

Monthly Billing Period: October

SUMMARY OF CHARGES

ITEM	DESCRIPTION	TOTAL
1	Professional Services per Agreement Paragraph 8(a)(1).	\$4,998.00
2	Other Expenses	\$0.00
Subtotal =		\$4,998.00
Past Due		
Balance Due on Receipt		\$4,998.00

Signed Thaddeus Bettner
 Thaddeus Bettner, Principal

Mail Checks To:
 Water Ecology LLC
 4202 Magness Ct
 Chico CA 95073

Electronic Payments:
 Water Ecology LLC
 Tri Counties Bank
 Routing #121135045; Account #092138045

Date	Description	Hours	Total	Other Expenses
10/1/2025	Developed interview questions for RFQ and worked with Carol and Lisa on schedule and preparation, Call with Paul Gosselin/DWR and Carol on GSP requirements and scheduling meeting with CGA committee/Board	2.3	\$563.50	
10/2/2025	Developed and circulated RFQ and interview questions to Adhoc committee	1.5	\$367.50	
10/3/2025	participated in CGA/GGA adhoc interviews for groundwater accounting system RFQ process in Willows	8.0	\$1,960.00	
10/7/2025	Call with Carol/Lisa on WAS RFQ interview follow up actions, discussed developing reference questions and schedule for the adhoc GDM schedule	1.3	\$318.50	
10/9/2025	Coordination call with Davids Engineering and Carol/Lisa on DWM activities and Joint board meeting agenda	1.6	\$392.00	
10/13/2025	Reviewed Frank Nobriega RFQ summary and developed RFQ reference questions	1.5	\$367.50	
10/14/2025	Call with Carol/Lisa on WAS RFQ interview follow up actions, discussed plan to make call to references, reviewed questions and discussed joint board meeting discussion	1.2	\$294.00	
10/16/2025	Reviewed NCVF documents from Davids Engineering, finalized reference RFQ questions, coordinated call with Justin Mendes at North Fork Kings GSA	1.5	\$367.50	
10/20/2025	Call with Justin Mendes and Bruce at NCWA on for MLJ reference. Prepared memo.	1.0	\$245.00	
10/23/2025	Biweekly coordination call	0.5	\$122.50	
Totals =		20.4	\$4,998.00	\$0.00



319 6th Street, PO Box 590
 Marysville, CA 95901
 Phone: 530.742.8201
 Fax: 530.741.3509

Colusa Ground Water Authority
 PO Box 475
 Colusa, CA 95932

Date: 11/4/2025
 Invoice Number: 390 -4303
 Client ID: 39000008

<u>Date</u>	<u>Activity</u>	<u>Hours</u>
10/03/2025	Prepare Scanning Documents	0.10
10/08/2025	Prepare pick up mail at post office.	0.20
10/09/2025	Prepare reconcile accounts 4884, 9527, and 7346 for the month of Sept. enter invoices received, and print monthly reports to paper, PDF and Excel.	0.80
10/09/2025	Review review month of Sept, still warrants to do	0.20
10/20/2025	Prepare enter Sept invoices into QB's and on claim summary s/s. print check register of August checks pending. email Aug claim summary, check register, Sept claims and invoices, and Sept reports to client.	0.60

Make checks payable to ATLAS CPAs & Advisors. For your convenience, pay online: www.atlasfirms.com/paymyinvoice
A Convenience fee of 3% will be added to all credit/debit card transactions. This fee does not apply to cash, check or ACH payments. If you wish to remit payment using the form below, please return the payment slip to ATLAS via our secure online portal to ensure the safety of your personal information. Thank you!

----- Cut Here -----

Client ID: 39000008

Invoice Number: 390 -4303

Client Name: Colusa Ground Water Authority

Total Amount Due: \$2,511.38

Amount Enclosed: \$

Card Type (Select one):	Visa	Mastercard	Discover	AmEx	Debit	Other
Cardholder Name (As shown on card):						
Company Name (If for business):						
Card Number:						
CVV (3 digits on back, or 4 digits on front of AmEx):				Expiration Date (MM/YY):		
Billing Address (Street, City, State, Zip):						
Email Address:				Phone Number:		

Invoices are due upon receipt. Balances over 30-days may be subject to a service charge of 1.5% per month. Returned checks / ACH will be assessed a fee.

Client ID: 39000008

Page: 2

10/22/2025 Prepare 0.10
Scanning documents

10/27/2025 Prepare 0.70
enter bills into books per client email. pay bills and print checks. save copy of checks and Aug/Sept claim summary in client file. prepare checks with bills for client pickup. email when ready with check detail report in pdf and excel.

10/29/2025 Review 0.30
review emails and reports

Invoice Total: \$437.00

Thank you for your business. Referrals are appreciated.

SCI Consulting Group

4745 Mangels Blvd.
Fairfield, CA 94534

(707) 430-4300

Invoice

DATE	INVOICE #
9/10/2025	SBS12075

BILL TO
Colusa Groundwater Authority 122 Old Highway 99 Maxwell, CA 95955

PROJECT
Groundwater Consulting
Services Rendered: April 1, 2025 - August 15, 2025

DESCRIPTION	AMOUNT
Review of GSP/Budget/Fee Background	6,104.60
Evaluation of Fee Alternatives	10,810.20
Development of Parcel Database	14,297.60
Development of Fee Report	10,060.60
Community Outreach	8,978.20
Meetings & Implementation Support	11,512.50
Direct Costs - Travel	576.80
Direct Costs - Balloting	6,860.26
<div style="border: 1px solid red; padding: 5px; margin-top: 10px;"> <p>Breakout by Fiscal Year Calculation: April 1- Aug 15 = 4.5 mos $\\$69,200.76 / 4.5 = \\$15,377.95$</p> <p>FY24-25 April - June = 3 mos $\\$15,377.95 \times 3 = \\$46,133.84$</p> <p>FY25-26 July - Aug 15 = 1.5 $\\$15,377.95 \times 1.5 = \\$23,066.92$</p> </div>	
Total	\$69,200.76

Colusa Groundwater Authority Board of Directors Meeting

November 25, 2025 | 1:00 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 4: Receive and File Financial Audits FY 2021-22 and FY 2022-23

BACKGROUND:

In the fall of 2022, Colusa Groundwater Authority contracted with its then-current auditor, Robert W. Johnson Accountancy, to perform its financial audit for the fiscal year ending June 30, 2022. The firm's principal, Robert Johnson, had recently passed away but the remaining staff indicated the firm could still produce the audit.

In mid-2023, the Johnson firm notified CGA staff that it could not complete the audit after all, as it no longer employed qualified staff. CGA subsequently issued a Request for Proposals for a new auditor, including several local firms in the request, but received nearly no response. The RFP period was extended, and CGA ultimately received two proposals. In late 2023, CGA accepted the proposal from the firm of Nigro and Nigro and entered into a multi-year contract for audit services.

The process created by the previous auditor's mid-year contract termination resulted in significant delays in CGA's annual audit production. However, the auditor has been working to bring CGA up to date in its audits, and has now prepared reports for FY 2021-22 and for FY 2022-23. The audit report for FY 2023-24 is in progress, and the report for FY 2024-25 (for the year that just ended June 30, 2025) will follow shortly thereafter to bring CGA's audits completely up to date.

The audit reports for FY 2021-22 and FY 2022-23 indicate clean opinions for both years, with no exceptions.

The CGA board reviewed these audit reports at the regular October 28, 2025, meeting; however, a question was raised with regard to the financial reporting of initial member contributions made for start-up of CGA between 2017 and 2019. Staff has reviewed the provisions of the original Joint Powers Agreement to create the CGA, as well as the two JPA amendments; staff has also consulted with CGA counsel and with the auditor regarding the status of these contributions and whether or not they should have been reported as loans. Counsel and the auditor agree that the current financial reporting is accurate, and that these contributions should not be identified as loans in the audits. The auditor has further indicated that, should CGA determine at any time in the future that the contributions would be repaid, the financial reporting would be reflected in the year in which the action was taken.

RECOMMENDATION:

The CGA Board should receive and file the annual audit of financial statements for FY 2021-22 and for FY 2022-23 as prepared by the audit firm of Nigro and Nigro.

ATTACHMENTS:

- CGA Financial Audits for FY 2021-22 and FY 2022-23

**COLUSA GROUNDWATER AUTHORITY
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended June 30, 2022
(With Comparative Amounts for June 30, 2021)**

NIGRO & NIGRO^{PC}

COLUSA GROUNDWATER AUTHORITY

For the Fiscal Year Ended June 30, 2022

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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Colusa Groundwater Authority
Colusa, California

Opinion

We have audited the accompanying financial statements of the Colusa Groundwater Authority (Authority) which comprise the balance sheet as of June 30, 2022, the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2022 and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

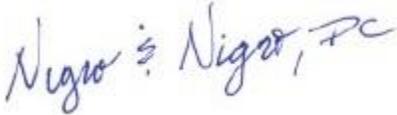
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2021, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated April 4, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Nigro & Nigro, PC". The signature is written in a cursive style.

Walnut Creek, California
April 4, 2025

COLUSA GROUNDWATER AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

Management's Discussion and Analysis (MD&A) offers readers of Colusa Groundwater Authority's financial statements a narrative overview of the Authority's financial activities for the fiscal years ended June 30, 2022. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2022, the Authority's net position increased by 11.67% or \$99,251, compared to the prior year.
- In fiscal year 2022, the Authority's operating revenues decreased 18.45% or \$222,215 from \$1,204,713 in 2021 to \$982,498 in 2022, primarily from decreased grant funding.
- In fiscal year 2022, the Authority's operating expenses decreased by 7.51% or \$71,685 from \$954,996 in 2021 to \$883,311 in 2022, due primarily to a decrease of \$70,238 in general and administrative expenses for the outsourced program manager.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A serves as an introduction to the Authority's financial statements. The Authority's basic financial statements reflect the combined results of the operating and capital programs and include four components: (1) Balance Sheet; (2) Statement of Revenues, Expenses and Changes in Net Position; (3) Statement of Cash Flows; and (4) Notes to the Financial Statements.

The financial statements accompanying this MD&A present the net position and results of operations during the fiscal year ending June 30, 2022. These financial statements have been prepared using the accrual basis of accounting, which is similar to the accounting basis used by for-profit entities. Each financial statement is identified and defined in this section, and analyzed in subsequent sections of this MD&A.

REQUIRED FINANCIAL STATEMENTS

Balance Sheet

The Balance Sheet presents information on the Authority's assets and liabilities the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. However, other factors such as changes in economic conditions, population growth, zoning, and new or changed legislation or regulations also need to be considered when evaluating financial position. Assets exceed liabilities, resulting in a net position of \$949,446 as of June 30, 2022.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year. All of the year's revenues and expenses are accounted for in this statement. This statement measures the results of the Authority's operations for the year and can be used to determine if the Authority has successfully recovered all of its costs through fees and charges. Operating revenues and expenses are related to the Authority's core activities. Non-operating revenues and expenses are not directly related to the core activities of the Authority. For the fiscal year ended June 30, 2022 net position increased by 11.67% or \$99,251.

COLUSA GROUNDWATER AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Balance Sheet

	<u>2022</u>	<u>2021</u>	<u>Change</u>
ASSETS			
Current assets	\$ 1,376,333	\$ 1,227,161	\$ 149,172
Total assets	<u>1,376,333</u>	<u>1,227,161</u>	<u>149,172</u>
LIABILITIES			
Current liabilities	426,887	376,966	49,921
Total liabilities	<u>426,887</u>	<u>376,966</u>	<u>49,921</u>
NET POSITION			
Unrestricted	949,446	850,195	99,251
Total net position	<u>949,446</u>	<u>850,195</u>	<u>99,251</u>
Total liabilities and net position	<u>\$ 1,376,333</u>	<u>\$ 1,227,161</u>	<u>\$ 149,172</u>

The Authority's net position increased by approximately 11.67% or \$99,251, compared to the prior year.

Analysis of Revenues and Expenses

Table A-2: Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Operating Revenues	\$ 982,498	\$ 1,204,713	\$ (222,215)
Operating Expenses	<u>883,311</u>	<u>954,996</u>	<u>(71,685)</u>
Operating income	99,187	249,717	(150,530)
Non-Operating Revenues	<u>64</u>	<u>279</u>	<u>(215)</u>
Change in net position	99,251	249,996	(150,745)
Net Position			
Beginning of year	850,195	600,199	249,996
End of year	<u>\$ 949,446</u>	<u>\$ 850,195</u>	<u>\$ 99,251</u>

In fiscal year 2022, the Authority's operating revenues decreased 18.45% or \$222,215 from \$1,204,713 in 2021 to \$982,498 in 2022, primarily from decreased grant funding.

In fiscal year 2022, the Authority's operating expenses decreased by 7.51% or \$71,685 from \$954,996 in 2021 to \$883,311 in 2022, due primarily to a decrease of \$70,238 in general and administrative expenses for the outsourced program manager.

COLUSA GROUNDWATER AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses (continued)

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses and Changes in Net Position provides answers to the nature and source of these changes. The main factor in the change in net position is due to the following:

FACTORS AFFECTING CURRENT FINANCIAL POSITION

Management is unaware of any item that would affect the Authority's current financial position.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is intended to provide the Board of Directors, creditors, and other interested parties with general overview of the Authority's financial operations and condition at the year ended June 30, 2022, and to demonstrate the Authority's accountability for the funds it receives. If you have any questions about this report or need additional information, you may contact the Authority's Program Manager, at Colusa Groundwater Authority, P.O. Box 475, Colusa, CA 95932 or (650) 587 - 7300 Ext. 17.

COLUSA GROUNDWATER AUTHORITY*Balance Sheets**June 30, 2022 (With Comparative Amounts as of June 30, 2021)*

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents (note 2)	\$ 878,375	\$ 518,069
Accounts receivable	38,966	39,235
Grants receivable	458,992	669,857
Total assets	<u>1,376,333</u>	<u>1,227,161</u>
LIABILITIES		
Accounts payable	237,970	376,966
Unearned revenue	188,917	-
Total liabilities	<u>426,887</u>	<u>376,966</u>
NET POSITION		
Unrestricted	949,446	850,195
Total net position	<u>949,446</u>	<u>850,195</u>
Total liabilities and net position	<u>\$ 1,376,333</u>	<u>\$ 1,227,161</u>

COLUSA GROUNDWATER AUTHORITY*Statements of Revenues Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2022**(With Comparative Amounts for the Fiscal Year Ended June 30, 2021)*

	<u>2022</u>	<u>2021</u>
Operating Revenues		
Assessment fees	\$ 393,193	\$ 395,263
Operating grant	<u>589,305</u>	<u>809,450</u>
Total operating revenues	<u>982,498</u>	<u>1,204,713</u>
Operating Expenses		
Groundwater management	792,985	794,432
General and administrative	<u>90,326</u>	<u>160,564</u>
Total operating expenses	<u>883,311</u>	<u>954,996</u>
Operating income	<u>99,187</u>	<u>249,717</u>
Non-Operating Revenues		
Investment earnings	<u>64</u>	<u>279</u>
Total non-operating revenues	<u>64</u>	<u>279</u>
Change in net position	99,251	249,996
Net Position		
Beginning of year	<u>850,195</u>	<u>600,199</u>
End of year	<u>\$ 949,446</u>	<u>\$ 850,195</u>

COLUSA GROUNDWATER AUTHORITY*Statements of Cash Flows**For the Fiscal Year Ended June 30, 2022**(With Comparative Amounts for the Fiscal Year Ended June 30, 2021)*

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received from assessment fees	\$ 393,462	\$ 365,518
Cash received from grant revenue	800,170	301,628
Cash payments for operating expenses	<u>(833,390)</u>	<u>(779,512)</u>
Net cash provided by (used in) operating activities	<u>360,242</u>	<u>(112,366)</u>
Cash flows from investing activities:		
Investment earnings	<u>64</u>	<u>279</u>
Net cash provided by (used in) investing activities	<u>64</u>	<u>279</u>
Net increase(decrease) in cash and cash equivalents	<u>360,306</u>	<u>(112,087)</u>
Cash and cash equivalents:		
Beginning of year	<u>518,069</u>	<u>630,156</u>
End of year	<u>\$ 878,375</u>	<u>\$ 518,069</u>
	<u>2022</u>	<u>2021</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 99,187	\$ 249,717
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) decrease in assets:		
Accounts receivable	269	(29,745)
Grants receivable	210,865	(507,822)
Increase (decrease) in liabilities:		
Accounts payable	(138,996)	175,484
Unearned revenue	<u>188,917</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ 360,242</u>	<u>\$ (112,366)</u>

COLUSA GROUNDWATER AUTHORITY

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

The Colusa Groundwater Authority (Authority) was formed on June 29, 2017, under a Joint Exercise of Powers Agreement (JPA), pursuant to Sections 6506 and 6507 of the Exercise of Powers Act, codified at California Government Code sections 6500, authorizing public agencies by agreement to exercise jointly any power common to the contracting parties. The Authority was formed by twelve-member agencies and independent pumpers. Each Member is a local Authority, 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; whereby, each member can exercise powers related to groundwater management. The Authority is an independent public Authority separate from the Members. The Authority's board consists of one director each from the Member Agencies, as well as two appointed directors representing private well owners. The Authority's Member Agencies include the following:

<u>Agency</u>
City of Colusa
City of Williams
Colusa County Water District
Colusa Drain Mutual Water Company
County of Colusa
Glenn Colusa Irrigation District
Maxwell Irrigation District
Princeton-Codora-Glenn Irrigation District
Provident Irrigation District
Reclamation District 108
Reclamation District 479
Westside Water District

The purpose of the Authority is to develop a groundwater sustainability plan, implement projects and management activities which achieve sustainability by 2042, and to ensure sustainability for the following thirty years. The Authority is a basin consolidation of portions of the Colusa and West Butte subbasins of the Sacramento Valley Groundwater Basin..

Basis of Accounting and Measurement Focus

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Authority is that the costs of providing services be financed or recovered primarily through user (member) charges, capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Financial Reporting

The Authority's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States Board (GAAP), as applied to enterprise funds, The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Authority's proprietary fund.

COLUSA GROUNDWATER AUTHORITY

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Reporting (continued)

Operating revenues and expenses result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Management administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the Authority categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Authority has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the Authority's own assumptions about the factors market participants would use in pricing an investment and is based on the best information available in the circumstances.

COLUSA GROUNDWATER AUTHORITY

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Unrestricted – This component of net position is the net amount of the assets less liabilities that are not included in the determination of the investment in capital assets component of net position.

Assessment Fees

The Authority's board adopted Resolutions 2020-1 and 2020-2 certifying the results of a successful Proposition 218 majority protest hearing. An assessment fee of \$1.00 per acre was set for fiscal year 2022. The Cities of Colusa and Williams, as well as small water purveyors in the towns of Arbuckle, Grimes, Maxwell, Princeton, and Almond Ranch Estates were not included in the Prop 218 fee and instead are charged a flat rate by the Authority based on acreage.

Grants

Grant revenues are recorded when earned on grants that have been approved and funded by the grantor.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2022, are classified on the balance sheet as follows:

<u>Description</u>	<u>2022</u>
Cash and cash equivalents	\$ 878,375
Total cash and investments	<u>\$ 878,375</u>

Cash and investments at June 30, 2022, consisted of the following:

<u>Description</u>	<u>2022</u>
Demand deposits with financial institutions	\$ 112,659
Deposits in money-market funds	765,716
Total cash and investments	<u>\$ 878,375</u>

COLUSA GROUNDWATER AUTHORITY

Notes to Financial Statements

June 30, 2022

NOTE 2 – CASH AND INVESTMENTS (continued)

Demand Deposits with Financial Institutions

At June 30, 2022, the carrying amount of the Authority's demand deposits was \$112,659, and the financial institution's balance was also \$112,659. As of June 30, 2022, there were no outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the Authority's balance.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

Money-Market Funds

Money-market funds are an investment whose objective is to earn modest investment earnings while maintaining a net asset value (NAV) of \$1 per share (which is the funds main goal – preservation of principal). A money-market fund's portfolio is typically comprised of short-term, or less than one year, securities representing high-quality, liquid debt and monetary instruments with minimal credit risk. Money-market funds are Level 1 investments (with quoted prices in active markets for identical assets) that are Not Rated under the current credit risk ratings format. For financial reporting purposes, the Authority considers money market funds a cash equivalent due to their highly liquid nature and NAV of \$1 per share. As of June 30, 2022, the Authority held \$765,716 in money market funds.

NOTE 3 – ADMINISTRATIVE SERVICES AGREEMENT

The Authority has an agreement with the County of Colusa whereby the County provides the administrative services of the Program Manager. The fee for such services is based on an estimate of the current year's costs and is adjusted to actual at year-end. The total expense for the fiscal year ending June 30, 2022, was \$45,119.

NOTE 4 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority has purchased commercial insurance products to guard against the various risks of loss noted above.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Authority's insurance coverage during the years ending June 30, 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred, and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2022, 2021, and 2020.

COLUSA GROUNDWATER AUTHORITY

Notes to Financial Statements

June 30, 2022

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Grant Awards

Grant funds received by the Authority are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements from the grantor agencies for expenditures disallowed under terms of the grant. Management of the Authority believes that such disallowances, if any, would not be significant.

Litigation

The Authority is involved in routine litigation incidental to its business and may be subject to claims and litigation from outside parties. After consultation with legal counsel, management believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 6 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through April 4, 2025, the date on which the financial statements were available to be issued.

Other Independent Auditors' Reports



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Colusa Groundwater Authority
Colusa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Colusa Groundwater Authority (Authority) which comprise the balance sheet as of June 30, 2022, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Walnut Creek, California
April 4, 2025



**COLUSA GROUNDWATER AUTHORITY
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended June 30, 2023
(With Comparative Amounts for June 30, 2022)**

NIGRO & NIGRO^{PC}

COLUSA GROUNDWATER AUTHORITY

For the Fiscal Year Ended June 30, 2023

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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Colusa Groundwater Authority
Colusa, California

Opinion

We have audited the accompanying financial statements of the Colusa Groundwater Authority (Authority) which comprise the balance sheet as of June 30, 2023, the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2023 and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2022, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated September 19, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Walnut Creek, California
September 19, 2025

COLUSA GROUNDWATER AUTHORITY

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2023

Management's Discussion and Analysis (MD&A) offers readers of Colusa Groundwater Authority's financial statements a narrative overview of the Authority's financial activities for the fiscal years ended June 30, 2023. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2023, the Authority's net position increased by 27.78% or \$263,779, compared to the prior year.
- In fiscal year 2023, the Authority's operating revenue decreased 32.63% or \$320,547 from \$982,498 in 2022 to \$661,951 in 2023, primarily from decreased grant funding.
- In fiscal year 2023, the Authority's operating expenses decreased by 54.91% or \$485,070 from \$883,311 in 2022 to \$398,241 in 2023, due primarily to a decrease of \$697,809 in groundwater management expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A serves as an introduction to the Authority's financial statements. The Authority's basic financial statements reflect the combined results of the operating and capital programs and include four components: (1) Balance Sheet; (2) Statement of Revenues, Expenses and Changes in Net Position; (3) Statement of Cash Flows; and (4) Notes to the Financial Statements.

The financial statements accompanying this MD&A present the net position and results of operations during the fiscal year ending June 30, 2023. These financial statements have been prepared using the accrual basis of accounting, which is similar to the accounting basis used by for-profit entities. Each financial statement is identified and defined in this section, and analyzed in subsequent sections of this MD&A.

REQUIRED FINANCIAL STATEMENTS

Balance Sheet

The Balance Sheet presents information on the Authority's assets and liabilities the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. However, other factors such as changes in economic conditions, population growth, zoning, and new or changed legislation or regulations also need to be considered when evaluating financial position. Assets exceed liabilities, resulting in a net position of \$1,213,225 as of June 30, 2023.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year. All of the year's revenues and expenses are accounted for in this statement. This statement measures the results of the Authority's operations for the year and can be used to determine if the Authority has successfully recovered all of its costs through fees and charges. Operating revenues and expenses are related to the Authority's core activities. Non-operating revenues and expenses are not directly related to the core activities of the Authority. For the fiscal year ended June 30, 2023 net position increased by 27.78% or \$263,779.

COLUSA GROUNDWATER AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Balance Sheet

	<u>2023</u>	<u>2022</u>	<u>Change</u>
ASSETS			
Current assets	\$ 1,300,717	\$ 1,376,333	\$ (75,616)
Total assets	<u>1,300,717</u>	<u>1,376,333</u>	<u>(75,616)</u>
LIABILITIES			
Current liabilities	87,492	426,887	(339,395)
Total liabilities	<u>87,492</u>	<u>426,887</u>	<u>(339,395)</u>
NET POSITION			
Unrestricted	1,213,225	949,446	263,779
Total net position	<u>1,213,225</u>	<u>949,446</u>	<u>263,779</u>
Total liabilities and net position	<u>\$ 1,300,717</u>	<u>\$ 1,376,333</u>	<u>\$ (75,616)</u>

The Authority's net position increased by 27.78% or \$263,779, compared to the prior year.

Analysis of Revenues and Expenses

Table A-2: Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Operating Revenues	\$ 661,951	\$ 982,498	\$ (320,547)
Operating Expenses	<u>398,241</u>	<u>883,311</u>	<u>(485,070)</u>
Operating income	263,710	99,187	164,523
Non-Operating Revenues	<u>69</u>	<u>64</u>	<u>5</u>
Change in net position	263,779	99,251	164,528
Net Position			
Beginning of year	949,446	850,195	99,251
End of year	<u>\$ 1,213,225</u>	<u>\$ 949,446</u>	<u>\$ 263,779</u>

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses and Changes in Net Position provides answers to the nature and source of these changes. The main factor in the change in net position is due to the following:

In fiscal year 2023, the Authority's operating revenue decreased 32.63% or \$320,547 from \$982,498 in 2022 to \$661,951 in 2023, primarily from decreased grant funding.

In fiscal year 2023, the Authority's operating expenses decreased by 54.91% or \$485,070 from \$883,311 in 2022 to \$398,241 in 2023, due primarily to a decrease of \$697,809 in groundwater management expenses.

COLUSA GROUNDWATER AUTHORITY
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

FACTORS AFFECTING CURRENT FINANCIAL POSITION

Management is unaware of any item that would affect the Authority's current financial position.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is intended to provide the Board of Directors, creditors, and other interested parties with general overview of the Authority's financial operations and condition at the year ended June 30, 2023, and to demonstrate the Authority's accountability for the funds it receives. If you have any questions about this report or need additional information, you may contact the Authority's Program Manager, at Colusa Groundwater Authority, P.O. Box 475, Colusa, CA 95932 or (650) 587 – 7300 ext. 17.

COLUSA GROUNDWATER AUTHORITY*Balance Sheets**June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents (note 2)	\$ 1,010,954	\$ 878,375
Accounts receivable	92,690	38,966
Grants receivable	<u>197,073</u>	<u>458,992</u>
Total assets	<u>1,300,717</u>	<u>1,376,333</u>
LIABILITIES		
Accounts payable	40,574	237,970
Unearned revenue	<u>46,918</u>	<u>188,917</u>
Total liabilities	<u>87,492</u>	<u>426,887</u>
NET POSITION		
Unrestricted	<u>1,213,225</u>	<u>949,446</u>
Total net position	<u>1,213,225</u>	<u>949,446</u>
Total liabilities and net position	<u>\$ 1,300,717</u>	<u>\$ 1,376,333</u>

COLUSA GROUNDWATER AUTHORITY*Statements of Revenues Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2023**(With Comparative Amounts for the Fiscal Year Ended June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Assessment fees	\$ 391,468	\$ 393,193
Operating grant	<u>270,483</u>	<u>589,305</u>
Total operating revenues	<u>661,951</u>	<u>982,498</u>
Operating Expenses		
Groundwater management	95,176	792,985
General and administrative	<u>303,065</u>	<u>90,326</u>
Total operating expenses	<u>398,241</u>	<u>883,311</u>
Operating income	<u>263,710</u>	<u>99,187</u>
Non-Operating Revenues		
Investment earnings	<u>69</u>	<u>64</u>
Total non-operating revenues	<u>69</u>	<u>64</u>
Change in net position	263,779	99,251
Net Position		
Beginning of year	<u>949,446</u>	<u>850,195</u>
End of year	<u>\$ 1,213,225</u>	<u>\$ 949,446</u>

COLUSA GROUNDWATER AUTHORITY*Statements of Cash Flows**For the Fiscal Year Ended June 30, 2023**(With Comparative Amounts for the Fiscal Year Ended June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from assessment fees	\$ 337,744	\$ 393,462
Cash received from grant revenue	532,402	800,170
Cash payments for operating expenses	<u>(737,636)</u>	<u>(833,390)</u>
Net cash provided by (used in) operating activities	<u>132,510</u>	<u>360,242</u>
Cash flows from investing activities:		
Investment earnings	<u>69</u>	<u>64</u>
Net cash provided by (used in) investing activities	<u>69</u>	<u>64</u>
Net increase(decrease) in cash and cash equivalents	<u>132,579</u>	<u>360,306</u>
Cash and cash equivalents:		
Beginning of year	<u>878,375</u>	<u>518,069</u>
End of year	<u>\$ 1,010,954</u>	<u>\$ 878,375</u>
	<u>2023</u>	<u>2022</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 263,710	\$ 99,187
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) decrease in assets:		
Accounts receivable	(53,724)	269
Grants receivable	261,919	210,865
Increase (decrease) in liabilities:		
Accounts payable	(197,396)	(138,996)
Unearned revenue	<u>(141,999)</u>	<u>188,917</u>
Net cash provided by operating activities	<u>\$ 132,510</u>	<u>\$ 360,242</u>

COLUSA GROUNDWATER AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

The Colusa Groundwater Authority (Authority) was formed on June 29, 2017, under a Joint Exercise of Powers Agreement (JPA), pursuant to Sections 6506 and 6507 of the Exercise of Powers Act, codified at California Government Code sections 6500, authorizing public agencies by agreement to exercise jointly any power common to the contracting parties. The Authority was formed by twelve-member agencies and independent pumpers. Each Member is a local Authority, 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; whereby, each member can exercise powers related to groundwater management. The Authority is an independent public Authority separate from the Members. The Authority's board consists of one director each from the Member Agencies, as well as two appointed directors representing private well owners. The Authority's Member Agencies include the following:

Agency

City of Colusa
City of Williams
Colusa County Water District
Colusa Drain Mutual Water Company
County of Colusa
Glenn Colusa Irrigation District
Maxwell Irrigation District
Princeton-Codora-Glenn Irrigation District
Provident Irrigation District
Reclamation District 108
Reclamation District 479
Westside Water District

The purpose of the Authority is to develop a groundwater sustainability plan, implement projects and management activities which achieve sustainability by 2042, and to ensure sustainability for the following thirty years. The Authority is a basin consolidation of portions of the Colusa and West Butte subbasins of the Sacramento Valley Groundwater Basin.

Basis of Accounting and Measurement Focus

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Authority is that the costs of providing services be financed or recovered primarily through user (member) charges, capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Financial Reporting

The Authority's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States Board (GAAP), as applied to enterprise funds, The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Authority's proprietary fund.

COLUSA GROUNDWATER AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Reporting (continued)

Operating revenues and expenses result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Management administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the Authority categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Authority has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the Authority's own assumptions about the factors market participants would use in pricing an investment and is based on the best information available in the circumstances.

COLUSA GROUNDWATER AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Unrestricted – This component of net position is the net amount of the assets less liabilities that are not included in the determination of the investment in capital assets component of net position.

Assessment Fees

The Authority's board adopted Resolutions 2020-1 and 2020-2 certifying the results of a successful Proposition 218 majority protest hearing. An assessment fee of \$1.00 per acre was set for fiscal year 2023. The Cities of Colusa and Williams, as well as small water purveyors in the towns of Arbuckle, Grimes, Maxwell, Princeton, and Almond Ranch Estates were not included in the Prop 218 fee and instead are charged a flat rate by the Authority based on acreage.

Grants

Grant revenues are recorded when earned on grants that have been approved and funded by the grantor.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2023, are classified on the balance sheet as follows:

<u>Description</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,010,954
Total cash and investments	<u>\$ 1,010,954</u>

Cash and investments at June 30, 2023, consisted of the following:

<u>Description</u>	<u>2023</u>
Demand deposits with financial institutions	\$ 138,678
Deposits in money-market funds	872,276
Total cash and investments	<u>\$ 1,010,954</u>

COLUSA GROUNDWATER AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (continued)

Demand Deposits with Financial Institutions

At June 30, 2023, the carrying amount of the Authority's demand deposits was \$138,678, and the financial institution's balance was also \$112,659. As of June 30, 2023, the net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the Authority's balance.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

Money-Market Funds

Money-market funds are an investment whose objective is to earn modest investment earnings while maintaining a net asset value (NAV) of \$1 per share (which is the funds main goal – preservation of principal). A money-market fund's portfolio is typically comprised of short-term, or less than one year, securities representing high-quality, liquid debt and monetary instruments with minimal credit risk. Money-market funds are Level 1 investments (with quoted prices in active markets for identical assets) that are Not Rated under the current credit risk ratings format. For financial reporting purposes, the Authority considers money market funds a cash equivalent due to their highly liquid nature and NAV of \$1 per share. As of June 30, 2023, the Authority held \$872,276 in money market funds.

NOTE 3 – ADMINISTRATIVE SERVICES AGREEMENT

Effective May of 2022, the Authority contracts with Regional Government Services Authority for administrative and program management services. The total expense for the fiscal year ending June 30, 2023, was \$147,743.

NOTE 4 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority has purchased commercial insurance products to guard against the various risks of loss noted above.

COLUSA GROUNDWATER AUTHORITY

Notes to Financial Statements

June 30, 2023

NOTE 4 – RISK MANAGEMENT (continued)

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Authority's insurance coverage during the years ending June 30, 2023, 2022, and 2021. Liabilities are recorded when it is probable that a loss has been incurred, and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2023, 2022, and 2021.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Grant Awards

Grant funds received by the Authority are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements from the grantor agencies for expenditures disallowed under terms of the grant. Management of the Authority believes that such disallowances, if any, would not be significant.

Litigation

The Authority is involved in routine litigation incidental to its business and may be subject to claims and litigation from outside parties. After consultation with legal counsel, management believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 6 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through September 19, 2025, the date on which the financial statements were available to be issued.

Other Independent Auditors' Reports



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Colusa Groundwater Authority
Colusa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Colusa Groundwater Authority (Authority) which comprise the balance sheet as of June 30, 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Walnut Creek, California
September 19, 2025

Colusa Groundwater Authority Board of Directors Meeting

November 25, 2025 | 1:00 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 5: Request from Westside Water District for Full-time Board Seat

BACKGROUND:

By letter dated November 6, 2025, Westside Water District (WWD) has requested full member status on the CGA Board of Directors. Currently, WWD shares a seat with Maxwell Irrigation District (MID), and the two districts alternate their representative every two years, from July 1 through June 30 of odd-numbered years. The same arrangement applies to Princeton-Codora-Glenn Irrigation District and Provident Irrigation District, although those two districts generally share the same representatives to the CGA Board.

The letter requests that an amendment be made to the Joint Powers Agreement changing the board composition in **Article 4, Governance, Section 4.1 Board of Directors**, from the existing language:

- *“One member of the Board of the Maxwell Irrigation District or the Westside Water District, said appointment to alternate every two years beginning with an appointment”*

to the following language:

- *“One member of the Board of the Maxwell Irrigation District, appointed by the Maxwell Irrigation District;*
- *One member of the Board of the Westside Water District, appointed by the Westside Water District;”*

The effect of the change is to increase the number of CGA directors from 12 to 13. Pursuant to Section 4.5 of the JPA, a quorum to conduct business would also increase from 6 to 7 directors.

DISCUSSION:

Section 8.1 of the JPA permits certain changes to the Agreement, as follows:

*“8.1 **Amendments.** This Agreement may be amended from time to time by a two-thirds (2/3) vote of the Members; except that a unanimous vote of the Members shall be required for amendments to provisions of this Agreement regarding withdrawal of Members, including but not limited to withdrawals pursuant to Article 6.3. Except as otherwise provided herein, the Authority may not amend the terms of this Agreement.”*

To effect a permitted amendment to the JPA, an affirmative vote of at least two-thirds of the **members** is required (except with regard to withdrawal of members). Consequently, at least eight of the governing boards of the existing members would need to approve the amendment. Additionally, Section 8.1 indicates that the terms of the JPA may not be amended unless otherwise provided within the agreement. Section **4.1 a. Modifications to the Board** refers only to modifications resulting from withdrawal or termination of members or addition of new members and notes that such modifications do not constitute an amendment to the Agreement. There is no reference or provision in the Agreement for a change in the existing board composition that does not relate to a change in membership. In its letter, WWD acknowledges that it is an existing member and not subject to the verification procedures required for new members.

At a minimum, the requested change would require an amendment to be approved by at least eight member agencies of CGA. Furthermore, CGA counsel should review and opine on whether or not the JPA permits such a change.

Finally, CGA members should consider the process and negotiations that occurred during CGA's formation and what factors determined the agreed-upon board composition – and whether any circumstances have changed to merit a change in agency representation and board composition.

RECOMMENDATION:

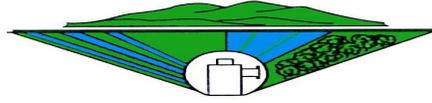
The CGA Board should review the request from WWD, hear advice of legal counsel, and provide direction to staff as appropriate.

ATTACHMENTS:

- Letter dated November 6, 2025 from Westside Water District requesting full CGA member status

WESTSIDE WATER DISTRICT

A PUBLIC ENTITY
5005 STATE HIGHWAY 20
WILLIAMS, CA 95987



November 6, 2025

Colusa Groundwater Authority Board of Directors
c/o Carol Thomas-Keefer, Program Manager
100 W California
Ridgecrest, CA 93555

Re: Request for full CGA Member Agency Status

Dear CGA Board of Directors:

The Westside Water District requests full member agency status in the Colusa Groundwater Authority, pursuant to the procedures outlined in the Joint Exercise of Powers Agreement. We believe that the most expeditious and efficient method for implementing this request would be through a simple amendment to the terms of the agreement via a two-thirds vote of the Members as described in Article 8 (under 8.1 Amendments). The proposed amendment would apply to Article 4 (under 4.1 Board of Directors). A suggested amendment follows.

Existing language:

- One member of the Board of the Maxwell Irrigation District or the Westside Water District, said appointment to alternate every two years beginning with an appointment by the Maxwell Irrigation District of one of its Board Members;

Proposed language:

- One member of the Board of the Maxwell Irrigation District, appointed by the Maxwell Irrigation District;
- One member of the Board of the Westside Water District, appointed by the Westside Water District;

We believe that the language under Article 6 (under 6.1 Addition to Membership) does not apply because Westside Water District is currently a Member Agency, and therefore meets the verification requirements listed therein. Westside Water District would consider alternate approaches that may be appropriate to accomplishing this change.

November 6, 2025

Letter to CGA

Page 2

Please let me know if you have any questions about this request, or would like to discuss in advance of the next CGA Board Meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Urkov", with a long horizontal flourish extending to the right.

Mike Urkov
General Manager
Westside Water District

Colusa Groundwater Authority Board of Directors Meeting

November 25, 2025 | 1:00 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 6: Discussion of Initial Member Contributions and Reimbursement Terms

BACKGROUND:

At the October 28 CGA board meeting, members of the Colusa County Water District board of directors provided public comment relating to reimbursement of the member contributions provided to CGA for initial operating funds prior to the implementation of its parcel charge (long-term funding solution). There was also discussion as to whether those member contributions were subject to reimbursement.

When originally formed, the CGA was funded by member contributions between 2017 and 2019 with the understanding that CGA would develop and implement a long-term funding solution for its ongoing revenue. These contributions were memorialized in the Joint Powers Agreement that created CGA in **Article 5. Financial Provisions**. Section 5.1 of the JPA states, in part:

*“5.1 **Funding; Initial Contributions and Expenses.** Upon execution of this Agreement, and for a period not to exceed the earlier of (a) two years or (b) adoption of an alternative funding plan approved by the Board, the Members agree to share the operating and administrative costs of operating the Authority in accordance with the percentages set forth in the Initial Funding and Administrative Services Agreement attached as **Exhibit E** hereto, including **Exhibit F** and **Exhibit G**, which are hereby incorporated into this Agreement...”*

While the total amount of all member contributions is unclear without researching past financial data, Exhibit F of the JPA Agreement contains a schedule of actual and projected contributions totaling almost \$774,000 between FY 2016-17 and FY 2018-19.

JPA Section 5.2 references the long-term funding plan to be developed and implemented to supersede and replace the member contributions as CGA’s funding source. It also notes that the long-term funding MAY (but did not) include a provision for reimbursement of member contributions. When the JPA was amended for the second time in 2021, it amended Section 5.2 a. to acknowledge that no provision was made for member contribution reimbursement in the operating fee that was initiated in 2019, but the board could revisit the matter five years after fee implementation (presumably to coincide with the development of a new fee):

“5.2.a. The long-term funding plan may include a provision for reimbursement or offset of the Members’ initial funding contributions pursuant to section 5.1 above, as authorized by law. The Board will revisit Member Agency reimbursement in five years after implementation of the Operations Fee which was adopted on June 5, 2019.”

DISCUSSION:

The CGA JPA Agreement clearly defines the obligation of members to contribute toward CGA’s operating costs for a defined period until a long-term funding source could be implemented. The contributions were required of and agreed upon by members with no promise of reimbursement. While the JPA Agreement and its amendments permit CGA to incorporate reimbursement of its initial member contributions into its long-term funding plan, no such arrangement was contemplated in the operating budget for CGA’s 2019 parcel charge. The 2021 amendment provides that the board could revisit the potential for the inclusion of reimbursement terms in 2024 or when a new fee schedule was to be adopted, but such reimbursement was likewise not included in the operating budget planned to support the proposed new fee structure in 2025.

CGA does not yet have a new fee structure, but it also must consider how to fund implementation of a variety of GSP activities along with agency administration and SGMA compliance costs. Nevertheless, the CGA board has the option to revisit the reimbursement of initial member contributions through inclusion in a new fee.

RECOMMENDATION:

The CGA Board should acknowledge the provisions of the Joint Powers Agreement with regard to initial member contributions; it should further determine whether any action should be taken to consider reimbursement of any or all of those contributions in a future operating fee.

ATTACHMENTS:

- Joint Exercise of Powers Agreement Establishing the Colusa Groundwater Authority and amendments 1 and 2 thereto

JOINT EXERCISE OF POWERS AGREEMENT

ESTABLISHING THE COLUSA GROUNDWATER AUTHORITY

THIS AGREEMENT is entered into and effective this 29th day of June, 2017 (“**Effective Date**”), pursuant to the Joint Exercise of Powers Act, Cal. Government Code §§ 6500 *et seq.* (“**JPA Act**”) by and among the entities listed in **Exhibit A** attached hereto and incorporated herein (collectively “**Members**”).

RECITALS

- A. On August 29, 2014, the California Legislature passed comprehensive groundwater legislation contained in SB 1168, SB 1319 and AB 1739. Collectively, those bills, as subsequently amended, enacted the “Sustainable Groundwater Management Act,” or “SGMA.” Governor Brown signed the legislation on September 16, 2014, and it became effective on January 1, 2015.
- B. Each of the Members overlies the Colusa and Yolo County portions of the Colusa Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-021.52, or the Colusa County portion of the West Butte Subbasin of the Sacramento Valley Groundwater Basin, Department of Water Resources Basin No. 5-021.58, as such subbasin boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2 (“Basin”).
- C. Each of the Members is authorized to become, or participate in, a Groundwater Sustainability Agency (“GSA”) under SGMA.
- D. The Members desire, through this Agreement, to form the Colusa Groundwater Authority (“Authority”), a separate legal entity, for the purpose of acting as the GSA for the Basin.
- E. The mission of the Authority is to provide a dynamic, cost-effective, flexible and collegial organization to ensure compliance with SGMA within the Basin.
- F. The Authority will serve a coordinating, administrative and implementing role in order to provide for sustainable groundwater management of the Basin. Each of the Members (or groups of Members) will have responsibilities to carry out the Groundwater Sustainability Plan and to coordinate with the Authority to implement SGMA within the Members’ jurisdictional areas.
- G. This Agreement shall form the Authority, which shall be the GSA for purposes of carrying out SGMA in the Basin.

THEREFORE, in consideration of the mutual promises, covenants and conditions herein set forth, the Members agree as follows:

ARTICLE 1: DEFINITIONS

1.1 **Definitions.** As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereinafter set forth shall be as follows:

- a. **“Agreement”** shall mean this Joint Exercise of Powers Agreement Establishing the Colusa Groundwater Authority.
- b. **“Authority”** shall mean the Colusa Groundwater Authority established by this Agreement.
- c. **“Basin”** shall mean, for purpose of this Agreement, the Colusa and Yolo County areas of the Colusa Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-021.52, and the Colusa County area of the West Butte Subbasin of the Sacramento Valley Groundwater Basin (excluding the area within the boundaries of Reclamation District No. 1004), California Department of Water Resources Basin No. 5-021.58, as such subbasin boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2. The Basin is depicted in **Exhibit B**.
- d. **“Board of Directors”** or **“Board”** shall mean the governing body formed to implement this Agreement as established herein, and **“Director”** or **“Directors”** shall mean the individual member or members of the Board appointed pursuant to Section 4.1.
- e. **“DWR”** shall mean the California Department of Water Resources.
- f. **“Effective Date”** shall be as set forth in the Preamble of this Agreement.
- g. **“Groundwater Sustainability Agency”** or **“GSA”** shall mean an agency enabled by SGMA to regulate defined portions of the Basin cooperatively with all other Groundwater Sustainability Agencies in the Basin, in compliance with the terms and provisions of SGMA.
- h. **“Groundwater Sustainability Plan”** or **“GSP”** shall have the definition set forth in SGMA.
- i. **“GSA Boundary”** shall mean those lands located within the Basin as depicted in **Exhibit B**.
- j. **“JPA Act”** shall mean the Joint Exercise of Powers Act, Cal. Government Code §§ 6500 *et seq.*
- k. **“Member”** shall mean any of the signatories to this Agreement, and **“Members”** shall mean all of the signatories to this Agreement, collectively. Each of the Members shall be authorized to become, or participate in, a Groundwater Sustainability Agency under SGMA.

1. “SGMA” shall mean the Sustainable Groundwater Management Act of 2014 and all regulations adopted under the legislation (SB 1168, SB 1319 and AB 1739) that collectively comprise the Act, as that legislation and those regulations may be amended from time to time.

ARTICLE 2: ORGANIZING PRINCIPLES

2.1 The Members intend to work together in mutual cooperation to develop and implement a GSP for the Basin in compliance with SGMA, consistent with the general principles set forth in that certain unexecuted Memorandum of Agreement among the Members and other stakeholders, attached hereto as **Exhibit C**.

2.2 Prior to June 30, 2017, any Member that has previously notified DWR of its intent to be a GSA in the Basin shall formally notify DWR of its withdrawal or rescission of such notification to allow the Authority to become the GSA for the Basin

2.3 The Members intend through this Agreement to take advantage of economies of scale to obtain the most cost-effective consulting, technical and professional services for the development and implementation of a GSP. As appropriate, the Authority shall cooperate with neighboring groundwater basins and neighboring GSAs to efficiently implement SGMA in the Basin.

2.4 The Members intend through this Agreement to form the Authority, elect for the Authority to serve as the GSA for the Basin, and authorize the Authority to make any and all necessary filings with DWR for the Authority to become the GSA for the Basin prior to June 30, 2017.

2.5 To the extent any Member determines in the future to become a GSA separate and apart from the Authority, such Member will coordinate with the Authority to take all actions necessary to allow such Member to become a separate GSA and to ensure that the Authority may otherwise continue consistent with the requirements of SGMA. The Authority will work cooperatively with such Member to coordinate implementation of SGMA within the Basin.

2.6 After the Effective Date of this Agreement, if it is determined that this Agreement is defective as a result of Colusa Drain Mutual Water Company’s participation as a Member of the Authority, the Colusa Drain Mutual Water Company will be deemed to withdraw from this joint exercise of powers agreement and this Agreement will serve as an agreement between the Colusa Drain Mutual Water Company and the other Members of the Authority. Notwithstanding the preceding sentence, this Agreement shall establish Colusa Drain Mutual Water Company’s rights and obligations in the Authority without further action by Colusa Drain Mutual Water Company or the other Members. In the event of a determination described in this Article 2.6, this Agreement shall remain in full force and effect and shall not otherwise change the rights and obligations of the other Members or the Colusa Drain Mutual Water Company.

ARTICLE 3: FORMATION, PURPOSE AND POWERS

3.1 **Recitals:** The foregoing recitals are incorporated by reference.

3.2 **Certification.** Each Member certifies and declares that it is a legal entity that is authorized to be a party to a joint exercise of powers agreement and to contract with each other for the joint exercise of any common power under Article 1, Chapter 5, Division 7, Title 1 of the Government Code, commencing with section 6500 or other applicable law including but not limited to Cal. Water Code § 10720.3(c).

3.3 **Creation of the Authority.** Pursuant to the JPA Act, the Members hereby form and establish a public entity to be known as the “Colusa Groundwater Authority,” a public entity separate and apart from its Members.

3.4 **Election for Authority to Serve as GSA.** Upon its formation pursuant to this Agreement, the Authority shall serve as the GSA for the Basin and shall make any and all necessary filings with regulatory agencies to become and serve as the GSA for the Basin prior to June 30, 2017. In approving this Agreement and electing for the Authority to serve as the GSA for the Basin, Members shall comply with Water Code section 10723(b), including any public notice and hearing requirements.

3.5 **Purposes of the Authority.** The purposes of the Authority are to:

- a. Provide for the joint exercise of powers of the Members and powers granted pursuant to SGMA (subject to the restrictions contained in this Agreement);
- b. Cooperatively carry out the purposes of SGMA, including the engagement of stakeholders and members of the public as required by Water Code sections 10723.2, 10723.4, and 10727.8;
- c. Become and serve as the GSA for purposes of management of the Basin in accordance with SGMA; and
- d. Develop, adopt and implement a legally sufficient GSP for the Basin, subject to the limitations set forth in this Agreement.

3.6 **Powers of the Authority.** To the extent authorized by the Members through the Board of Directors, and subject to the limitations set forth in this Agreement, the Authority shall have and may exercise any and all powers commonly held by the Members and any and all additional powers granted by SGMA, as set forth in Water Code Part 2.74, Chapter 5, section 10725, *et seq.* The powers of the Authority shall be coextensive with the authorities granted by SGMA, as it may be amended from time to time. Amendments to SGMA by the California Legislature, and the resulting modification powers of the Authority, shall not constitute an amendment of this Agreement. SGMA authorities, as they exist on the effective date of this Agreement, are attached hereto as **Exhibit D**.

3.7 **Designation.** Pursuant to Government Code section 6509, the Members hereby designate the County of Colusa for purposes of determining restrictions upon the manner of exercising the power of the Authority.

3.8 **Powers Reserved to Members.** Each of the Members reserves the right, in its sole and absolute discretion, to:

- a. Maximize input to the Plan chapter or section of the GSP adopted by the Authority as applicable within the Member's boundaries;
- b. Subject to applicable limitations in this Agreement, implement GSP actions adopted by the Authority within the Member's boundaries;
- c. Withdraw from this Agreement and become its own GSA, to the extent authorized by SGMA, and to thereafter exercise the powers conferred to a GSA, within the Member's boundaries;
- d. Nothing set forth in this Agreement is intended to impede or abrogate the powers of any Member, including but not limited to the Member's police power and land use authority;
- e. Each Member shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. No Member shall be under the control of or shall be deemed to control any other Member. No Member shall be precluded from independently pursuing any of the activities contemplated in this Agreement. No Member shall be the agent or have the right or power to bind any other Member without such Member's express written consent, except as expressly provided in this Agreement.

3.9 **Term.** This Agreement shall be effective as of the Effective Date and shall remain in effect until terminated in accordance with Article 6.4 of this Agreement.

3.10 **Boundaries of the Authority.** The geographic boundaries of the Authority and that portion of the Basin that will be managed by the Authority pursuant to SGMA are depicted in **Exhibit B**.

3.11 **Role of Members.** Each Member agrees to undertake such additional proceedings or actions as may be necessary in order to carry out the terms and intent of this Agreement, including actions specifically required by this Agreement. The support of each Member is important to the success of the Authority.

3.12 **Other Officers and Employees.** The Members do not anticipate that the Authority will have any employees. However, the Authority may:

- a. Provide that any employee of a Member, and subject to a written agreement between that Member and the Authority, may be in the nature of an independent contractor of the Authority, and shall perform, unless

otherwise provided by the Board, the same various duties for the Authority as for his or her employer in order to carry out this Agreement;

- b. Engage one or more Members or third parties to manage any or all of the business of the Authority on terms and conditions acceptable to the Board of Directors as specified in a separate written contract. To the extent that a manager is appointed, and consistent with Article 3.12.a., the manager shall at all times maintain exclusive control over any employees of or contractors to the manager assigned to perform services under the manager's contract with the Authority, including, but not limited to, matters related to hiring, probationary periods, disciplinary action, termination, benefits, performance evaluations, salary determinations, promotions and demotions, and leave accruals;
- c. Employ or contract for competent registered civil engineers and other consultants to investigate and to carefully devise a plan or plans to carry out and fulfill the objects and purposes of SGMA, and complete a GSP.

ARTICLE 4: GOVERNANCE

4.1 **Board of Directors.** The business of the Authority will be conducted by a Board of Directors that is hereby established, and that shall be initially composed of and appointed as follows:

- One member of the County Board of Supervisors, appointed by the County Board of Supervisors;
- One member of the Colusa City Council, appointed by the City of Colusa City Council;
- One member of the Williams City Council, appointed by the City of Williams City Council;
- One member of the Board of the Glenn Colusa Irrigation District, appointed by the Glenn Colusa Irrigation District;
- One member of the Board of the Maxwell Irrigation District or the Westside Water District, said appointment to alternate every two years beginning with an appointment by the Maxwell Irrigation District of one of its Board members;
- One member of the Board of the Princeton-Codora-Glenn Irrigation District or the Provident Irrigation District, said appointment to alternate every two years beginning with an appointment by the Princeton-Codora-Glenn Irrigation District of one of its Board members;
- One member of the Board of the Colusa County Water District, appointed by the Colusa County Water District;
- One member of the Board of Reclamation District 108, appointed by Reclamation District 108;

- One member of the Board of Reclamation District 479, appointed by Reclamation District 479;
- One member of the Board of the Colusa Drain Mutual Water Company, proposed by the Colusa Drain Mutual Water Company, which will be appointed by the Authority;
- Two representatives of private groundwater pumpers, recommended by the Colusa County Groundwater Commission and appointed by the County Board of Supervisors, who are members of the Colusa County Groundwater Commission.

- a. **Modifications to Board.** The composition of the Board of Directors may be modified from time to time to reflect the withdrawal or termination of any Member or the admission of any new Member to the Authority, subject to the procedures provided herein. Admission and withdrawal of new Members, and modifications to the Board of Directors to reflect such changes, shall not constitute an amendment of this Agreement.
- b. **Alternates to Board members.** The appointing authority of each Member, as set forth above, may appoint an alternate or alternates to the Board. Alternates shall be identified to the Board at the same time as Board appointments, and any modifications to a Member's alternate or alternates as soon as practicable after such modification has been made. Alternates may vote on all matters before the Authority in the absence of the appointed Board member or representative. Each alternate shall be informed of the business of the Authority and the actions to be taken when acting on behalf of a Board member. The Board may in the future adopt additional procedures for the qualification and appointment of alternate Board members, and for the voting rights of such alternates.
- c. All members of the Board of Directors and all alternates will be required to file a Statement of Economic Interests (FPPC Form 700).

4.2 **Term of Directors.** Each member of the Board of Directors, and alternates to the Board member, will serve at the pleasure of its appointing authority, which shall have the authority to appoint and remove its appointees in its sole and absolute discretion. Each appointing authority shall notify the Authority in writing of its designated Board members and alternate Board members.

4.3 **Officers.** The Board of Directors shall elect a chairperson, a vice chairperson, and a secretary, and shall appoint a Treasurer as provided in Article 5.7. The chairperson and vice-chairperson shall be Directors of the Board and the secretary may, but need not, be a Director of the Board. The chairperson shall preside at all meetings of the Board and the vice-chairperson shall act as the chairperson in the absence of the chairperson elected by the Board.

4.4 **Powers and Limitations.** All the powers and authority of the Authority shall be exercised by the Board, subject, however, to the rights reserved by the Members as set forth in this Agreement.

4.5 **Quorum.** A majority of the Board of Directors will constitute a quorum for the purpose of conducting business, unless there is an even number of Directors on the Board of Directors, in which case a quorum may be established with half the Board members.

4.6 **Voting.** Except as to actions identified in Section 4.7, the Board of Directors will conduct all business by vote of a majority of the Directors present, if a quorum shall be established, and each Director shall have one (1) vote. Prior to voting, Board members shall endeavor in good faith to reach consensus on the matters to be determined such that any subsequent vote shall be to confirm the consensus of the Board. If any Board member or Member strongly objects to a consensus-based decision prior to a vote being cast, the Board shall work in good faith to reasonably resolve such strong objection, and, if the same is not resolved collaboratively, then the matter will proceed to a vote for final resolution under this Article 4.6 or Article 4.7 below, as applicable.

a. At the first Board meeting following the two-year anniversary of the Effective Date of this Agreement, the Board of Directors shall consider whether to recommend that the voting structure described in this Article 4.6 be modified in any respect. If the Board of Directors recommends such modification, the governing body of each Member shall consider the recommended modification(s) and shall report back to the Board of Directors regarding the Member's position thereon.

4.7 **Supermajority Vote Requirement for Certain Actions.** The following actions will require a two-thirds (2/3) vote of the Directors present:

- a. Approval of the Authority's annual budget and amendments to the annual budget, consistent with Article 5 and **Exhibit E**;
- b. Decisions related to the levying of taxes, assessments, regulatory fees, or other fees and charges, and any amendments thereto;
- c. Decisions concerning property acquisition and ownership;
- d. Decisions related to the expenditure or reimbursement of funds by the Authority beyond expenditures approved in the Authority's annual budget, and concerning contracts exceeding monetary thresholds determined by the Board;
- e. Issuance of bonds or other indebtedness;
- f. Adoption of rules, regulations, policies, ordinances, bylaws and procedures, and any amendments thereto;
- g. Decisions related to the establishment of the Members' funding obligations for payment of the Authority's operating and administrative costs as provided in Article 5.1 and **Exhibit E**, or any amendments or modifications of Members' funding obligations;
- h. Adoption of a GSP and any amendments or modifications of a GSP;

- i. Decisions related to Basin boundary adjustments;
- j. Adoption of procedures for the appointment of Officers and alternate Board members, and for the voting rights of such alternates; and
- k. Involuntary removal of any Member pursuant to Article 6.2.

4.8 **Meetings.** The Board shall provide for regular and special meetings in accordance with Chapter 9, Division 2, Title 5 of the Government Code of the State of California (the “Ralph M. Brown Act” commencing at section 54950), and any subsequent amendments of those provisions.

4.9 **Rules, Regulations, By-Laws and Ordinances.** The Board may adopt rules, regulations, by-laws and ordinances to supplement this Agreement and to provide for the effective and efficient administration of the Authority. In the event of conflict between this Agreement and any rule, regulation, by-law, or ordinance, the provisions of this Agreement shall govern.

4.10 **Administrator.** The Members hereby designate Colusa County to serve as administrator of, and keeper of records for, the Authority.

ARTICLE 5: FINANCIAL PROVISIONS

5.1 **Funding; Initial Contributions and Expenses.** Upon execution of this Agreement, and for a period not to exceed the earlier of (a) two years or (b) adoption of an alternative funding plan approved by the Board, the Members agree to share the operating and administrative costs of operating the Authority in accordance with the percentages set forth in the Initial Funding and Administrative Services Agreement attached as **Exhibit E** hereto, including **Exhibit F** and **Exhibit G**, which are hereby incorporated into this Agreement. Each Member will make quarterly payments of its share of the operating and administrative costs. Members shall make payments as required in the Funding Agreement within thirty (30) days of the payment accrual dates in the Funding Agreement. Each Member will be solely responsible for identifying and allocating funds for payment of the Member’s share of operating and administrative costs. The obligation of each Member to make payments under the terms and provision of this Agreement is an individual and separate obligation of the Member and not a joint obligation with those of the other Members.

5.2 **Funding Plan; Long-Term Funding.** Upon the formation of the Authority, the Board of Directors shall work diligently on the development, adoption and implementation of a long-term funding plan to cover the operating and administrative costs of the Authority. The long-term funding plan shall supersede and replace the initial funding plan described in section 5.1 above, at the earliest possible date.

- a. The long-term funding plan may include provision for reimbursement or offset of the Members’ initial funding contributions pursuant to section 5.1 above, as authorized by law.

- b. If a long-term funding plan is unlikely to be adopted and implemented within two years of this Agreement, the Board shall meet and confer with the Members to determine how to fund the activities of the Authority beyond the initial two years, or to take other appropriate action including but not limited to, termination of the Authority.
- c. To the extent that the County is engaged to provide long-term services to the Authority pursuant to Article 5.2, the Authority will be charged for services provided consistent with the County's Indirect Cost Allocation Plan. Because charges may be approved by the State up to two years after they are incurred, individual members may be responsible for expenses up to two years after the Authority is dissolved.

5.3 **Indemnification.** Members, Directors, officers, agents and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers, and in the performance of their duties pursuant to this Agreement. To the fullest extent permitted by law, the Authority shall hold harmless, defend and indemnify the Members and their officers, employees and agents, and members of the Board, from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property arising out of the activities of the Authority or its Board, officers, employees or agents under this Agreement. These indemnification obligations shall continue beyond the Term of this Agreement as to any acts or omissions occurring before or under this Agreement or any extension of this Agreement.

- a. The Authority shall be required to obtain insurance, or join a self-insurance program in which one or more of the Members participate, appropriate for its operations. Any and all insurance coverages provided by the Authority, and/or any self-insurance programs joined by the Authority, shall name each and every Member as an additional insured for all liability arising out of or in connection with the operations by or on behalf of the named insured in the performance of this Agreement. Minimum levels of the insurance or self-insurance program shall be set by the Authority in its ordinary course of business. The Authority shall also require all of its contractors and subcontractors to have insurance appropriate for their operations.

5.4 **Repayment of Funds.** Unless the Board determines otherwise, no refund or repayment of the initial commitment of funds specified in Article 5.1 will be made to a Member ceasing to be a Member of this Agreement whether pursuant to removal by the Board of Directors or pursuant to a voluntary withdrawal. The refund or repayment of any other contribution shall be made in accordance with the terms and conditions upon which the contribution was made, the terms and conditions of this Agreement or other agreement of the Authority and withdrawing Member.

5.5 **Budget.** The Authority's fiscal year shall run from July 1 through June 30. Each fiscal year, the Board shall adopt a budget for the Authority for the ensuing fiscal year. Within ninety (90) days of the effective date of this Agreement, the Board shall adopt a budget.

Thereafter, a budget shall be adopted no later than March 1 of the preceding fiscal year. A copy of the adopted budget shall be submitted to the County Auditor-Controller for inclusion in the financial system.

5.6 **Alternate Funding Sources.** The Board may obtain State of California or federal grants.

5.7 **Depositary, Treasurer, Auditor and Controller.** The Treasurer of the Authority shall be the County Treasurer, who shall be the depositary and have custody of all money of the Authority, from whatever source, subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent. All funds of the Authority shall be held in a separate County Trust Fund within the County Treasury in the name of the Authority and not commingled with any other County Fund, funds of any Member, or any other person or entity. In accordance with California Government Code sections 6505 and 6505.5, the County Auditor-Controller shall perform the functions of the Auditor or Controller for the Authority and shall draw warrants to pay demands against the Authority when the demands have been approved by any person authorized to so approve under this Agreement, provided sufficient funds are available. The County Auditor-Controller must be provided in writing the names of authorized individuals and signature samples. Subject to the voting requirements in Article 4.7, the Board may elect to appoint a different Treasurer or person to serve as Auditor and Controller, provided such appointment is subject to the requirements of Government Code sections 6505 and 6505.5.

5.8 **Accounting.** Full books and accounts shall be maintained for the Authority in accordance with practices established by the County Auditor-Controller, in compliance with Accounting Standards and Procedures for Counties and Governmental Accounting Standards Board (GASB). The books and records of the Authority shall be open to inspection by the Members at all reasonable times, and by bondholders and lenders as and to the extent provided by resolution or indenture.

5.9 **Audit.** A qualified firm, serving in the capacity of auditor, shall audit the records and the accounts of the Authority annually in accordance with the provisions of Government Code section 6505. Copies of such audit reports shall be filed with the State Controller and each Member within six months of the end of the Fiscal Year under examination.

5.10 **Expenditures.** All expenditures within the designations and limitations of the applicable approved budget shall be made upon the approval of any officer so authorized by the Board. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the approval and written order of the Board. The Board shall requisition the payment of funds only upon approval of claims or disbursements and requisition for payment in accordance with policies and procedures adopted by the Board. All approved and requisitioned payments must be consistent with the County audit and claims process, and are subject to Authority cash balances.

5.11 **No Member Liability.** As provided by Government Code Section 6508.1, the debts, liabilities, and obligations of the Authority shall be the debts, liabilities, and obligations of the Authority only, and not of the constituent Members of the Authority.

ARTICLE 6: CHANGES TO MEMBERSHIP, WITHDRAWAL AND TERMINATION

6.1 **Addition to Membership.** Any local agency within the Basin that is qualified to be a GSA pursuant to Water Code section 10723, and which was not a Member of the Authority at the time of its effective date, is eligible to become a Member of the Authority subject to the requirements in this Article 6.1. Such local agency must notify the Authority in writing of its intent to become a Member, and the Authority shall confirm the local agency's membership in writing within sixty (60) days, provided the local agency's notice of intent includes all of the following verifications:

- a. The local agency is qualified to be a GSA under the applicable requirements of Water Code section 10723;
- b. The local agency agrees to become a Member of and signatory to this Agreement, and subject to all requirements, rights and obligations of this Agreement;
- c. The local agency agrees to contribute a proportionate share of the costs of the Authority, as reasonably determined by the Board of the Authority. Such costs may include, at the discretion of the Board, reasonable reimbursement for costs incurred in the formation and early implementation of the Authority pursuant to Article 5.1 and the Funding Agreement.

The Board's written confirmation of the new membership will serve as an addendum to this Agreement, and to **Exhibit A**, and shall ratify the admission of the new Member to the Authority. Such addendum does not constitute an Amendment of this Agreement, nor does it require separate approval of this Agreement by the Members. Upon written confirmation by the Board of the new membership, such new Member may appoint a Board member and alternates as provided in Article 4.1, and shall be entitled to participate in the Authority as provided herein.

6.2 **Noncompliance; Involuntary Removal.** In the event any Member (1) fails to comply with the terms of this Agreement, or (2) undertakes actions that conflict with or undermine the functioning of the Authority or the preparation or implementation of the GSP, such Member shall be subject to the provisions for involuntary removal of a Member set forth in this Article 6.2. Such actions may include, for example and without limitation, failure to pay its agreed upon contributions when due; refusal to participate in GSA activities or to provide required monitoring of sustainability indicators; refusal to implement measures as may be required of the Member by the GSP, or which the Member has authority to impose on landowners and pumpers within the Member's jurisdiction. Involuntary removal may only be exercised by the Board after participating in a meet and confer process regarding the proposed involuntary removal and otherwise pursuing other reasonable efforts to resolve the Member's non-compliance, including third party neutral dispute resolution processes if appropriate as provided in Article 8.6. In the event of the involuntary removal of a Member the removed Member shall remain fully responsible for its proportionate share of all liabilities incurred by the Authority prior to the effective date of the removal.

6.3 Withdrawal of Members. A Member may, in its sole discretion, unilaterally withdraw from the Authority, effective ninety (90) days after receipt of written notice to the Authority, provided that the withdrawing Member will remain responsible for its proportionate share of any obligation or liability duly incurred by the Authority up until the effective date of the Member's withdrawal; except that, a withdrawing Member will not be responsible for any obligation or liability that the Member has voted against or has voiced its disapproval on at a Board meeting, provided the Member provides written notice of its withdrawal from the Authority within three days of the Board action. In the event the withdrawing Member has any rights in any property or has incurred obligations to the Authority, the Member may not sell, lease or transfer such rights or be relieved of its obligations, except in accordance with a written agreement executed by it and the Authority. The Authority may not sell, lease, transfer or use any rights of a Member who has withdrawn without first obtaining the written consent of the withdrawing Member.

6.4 Termination. This Agreement may be terminated and the Authority dissolved by a unanimous vote of the Board. However, in the event of termination each of the Members will remain responsible for its proportionate share of any obligation or liability duly incurred by the Authority, in accordance with Article 5. Nothing in this Article will prevent a Member from withdrawing from this Agreement and the Authority as provided for in this Agreement, or from entering into other joint exercise of power agreements.

6.5 Disposition of Property Upon Termination. Upon termination of this Agreement, the assets of the Authority shall be transferred to the Authority's successor, provided that a public entity will succeed the Authority, or in the event that there is no successor public entity, to the Members in proportion to the contributions made by each Member. If the successor public entity will not assume all of the Authority's assets, the Board shall distribute the Authority's assets between the successor entity and the Members in proportion to any obligation required by Articles 5.

6.6 Rights of Member to Become GSA in Event of Withdrawal or Removal. Upon withdrawal or involuntary removal of a Member, or termination of this Agreement pursuant to Article 6.4, whether occurring before or after June 30, 2017, the withdrawing or removed Member will retain all rights and powers to become or otherwise participate in a GSA for the lands within its boundaries. In such event the Authority and its remaining Members (i) shall not object to or interfere with the lands in the withdrawing or removed Member's boundaries being in a GSA, as designated by the withdrawing or removed Member or otherwise, (ii) shall facilitate such transition to the extent reasonably necessary, and (iii) shall withdraw from managing that portion of the Basin within the boundaries of the withdrawing or removing Member and so notify the California Department of Water Resources.

6.7 Use of Data. Upon withdrawal, any Member shall be entitled to use any data or other information developed by the Authority during its time as a Member. Further, should a Member withdraw from the Authority after adoption of the GSP by the Authority, it shall be entitled to utilize the GSP for implementation of SGMA within its boundaries.

ARTICLE 7: PROJECTS AND MANAGEMENT ACTIONS

7.1 **Special Project Agreements.** Members may enter into special project agreements amongst themselves and with the Authority to achieve any of the purposes or activities authorized by this Agreement, and to share in the expenses and costs of such special project, for example, to share in funding infrastructure improvements within the boundaries of particular Members. Special project agreements must be in writing and documentation must be provided to each of the Members to this Agreement. No special project agreement undertaken pursuant to this Section 7.1 shall conflict with the terms of this Agreement or the GSP.

7.2 **Special Project Expenses.** Members that enter into special project agreements agree that any special project expenses incurred for each such special project are the costs of the special project participants, respectively, and not of the Authority or any other Members to this Agreement not participating in the special project. Special project expenses shall be paid by the parties to the respective special project agreements.

7.3 **Indemnification of Other Members; Special Projects.** Members participating in special project agreements, if the Authority is a party to such agreement, shall hold each of the other Members who are not parties to the special project agreement free and harmless from and indemnify each of them against any and all costs, losses, damages, claims and liabilities arising from the special project agreement. The indemnification obligation of Members participating in special project agreements shall be the same as specified in Article 5.3 for Members in general, except that they shall be limited to liabilities incurred for the special project.

7.4 **Identified Management Actions.** In the development of this Agreement certain Members have identified particular activities and strategies that should be considered by the Authority as it develops the GSP. Without predetermining how these activities and strategies will be considered and implemented, the Members hereby direct the Authority to consider the following in the development of the GSP, without limitation:

- a. Formation of management areas or other tools to address unique or particular circumstances in the Basin;
- b. Development of water budgets and other accounting practices to facilitate sustainable groundwater management;
- c. Utilization of groundwater banking concepts to maximize the use of the Basin for the benefit of the Members and residents in the Basin, consistent with SGMA's goals and objectives.

ARTICLE 8: MISCELLANEOUS PROVISIONS

8.1 **Amendments.** This Agreement may be amended from time to time by a two-thirds (2/3) vote of the Members; except that a unanimous vote of the Members shall be required for amendments to provisions of this Agreement regarding withdrawal of Members, including but not limited to withdrawals pursuant to Article 6.3. Except as otherwise provided herein, the Authority may not amend the terms of this Agreement.

8.2 **Binding on Successors.** Except as otherwise provided in this Agreement, the rights and duties of the Members may not be assigned or delegated without a unanimous vote by the Members. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Authority then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members hereto.

8.3 **Notice.** Any notice or instrument required to be given or delivered under this Agreement may be made by: (a) depositing the same in any United States Post Office, postage prepaid, and shall be deemed to have been received at the expiration of 72 hours after its deposit in the United States Post Office; (b) transmission by facsimile copy to the addressee; (c) transmission by electronic mail; or (d) personal delivery, delivered to the address or facsimile numbers of the Members listed in **Exhibit A**.

8.4 **Counterparts.** This Agreement may be executed by the Members in separate counterparts, each of which when so executed and delivered shall be an original. All such counterparts shall together constitute but one and the same instrument.

8.5 **Choice of Law.** This Agreement shall be governed by the laws of the State of California.

8.6 **Dispute Resolution.** The Board of the Authority shall develop rules and policies for third party neutral dispute resolution to resolve disputes that may arise under this Agreement.

8.7 **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement are held to be unlawful, invalid or unenforceable, it is hereby agreed by the Members that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

8.8 **Headings.** The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Members to this Agreement.

8.9 **Construction and Interpretation.** This Agreement has been arrived at through negotiation, and each Member has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Member shall not apply in the construction or interpretation of this Agreement.

8.10 **Entire Agreement.** This Agreement constitutes the entire agreement among the Members and supersedes all prior agreements and understandings, written or oral.

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By 
City of Colusa

By _____
County of Colusa

By _____
Colusa County Water District

By _____
Colusa Drain Mutual Water Company

By _____
Glenn Colusa Irrigation District

By _____
Maxwell Irrigation District

By _____
Princeton-Codora-Glenn Irrigation
District

By _____
Provident Irrigation District

By _____
Reclamation District 108

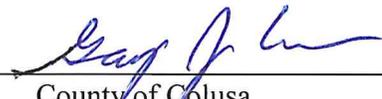
By _____
Reclamation District 479

By _____
Westside Water District

By _____
City of Williams

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By _____
City of Colusa

By  _____
County of Colusa

By _____
Colusa County Water District

By _____
Colusa Drain Mutual Water Company

By _____
Glenn Colusa Irrigation District

By _____
Maxwell Irrigation District

By _____
Princeton-Codora-Glenn Irrigation
District

By _____
Provident Irrigation District

By _____
Reclamation District 108

By _____
Reclamation District 479

By _____
Westside Water District

By _____
City of Williams

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By _____
City of Colusa

By _____
County of Colusa

By  _____
Colusa County Water District

By _____
Colusa Drain Mutual Water Company

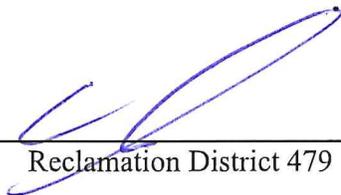
By _____
Glenn Colusa Irrigation District

By _____
Maxwell Irrigation District

By _____
Princeton-Codora-Glenn Irrigation
District

By _____
Provident Irrigation District

By _____
Reclamation District 108

By  _____
Reclamation District 479

By _____
Westside Water District

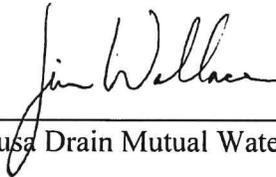
By _____
City of Williams

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By _____
City of Colusa

By _____
County of Colusa

By _____
Colusa County Water District

By  _____
Colusa Drain Mutual Water Company

By _____
Glenn Colusa Irrigation District

By _____
Maxwell Irrigation District

By _____
Princeton-Codora-Glenn Irrigation
District

By _____
Provident Irrigation District

By _____
Reclamation District 108

By _____
Reclamation District 479

By _____
Westside Water District

By _____
City of Williams

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By _____
City of Colusa

By _____
County of Colusa

By _____
Colusa County Water District

By *Brewer Reading*
Colusa Drain Mutual Water Company

By _____
Glenn Colusa Irrigation District

By _____
Maxwell Irrigation District

By _____
Princeton-Codora-Glenn Irrigation
District

By _____
Provident Irrigation District

By _____
Reclamation District 108

By _____
Reclamation District 479

By _____
Westside Water District

By _____
City of Williams

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By _____
City of Colusa

By _____
County of Colusa

By _____
Colusa County Water District

By _____
Colusa Drain Mutual Water Company

By Donald A Bramford
Glenn Colusa Irrigation District

By _____
Maxwell Irrigation District

By _____
Princeton-Codora-Glenn Irrigation
District

By _____
Provident Irrigation District

By _____
Reclamation District 108

By _____
Reclamation District 479

By _____
Westside Water District

By _____
City of Williams

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By _____
City of Colusa

By _____
County of Colusa

By _____
Colusa County Water District

By _____
Colusa Drain Mutual Water Company

By _____
Glenn Colusa Irrigation District

By *Mary C. Soles*
Maxwell Irrigation District

By _____
Princeton-Codora-Glenn Irrigation
District

By _____
Provident Irrigation District

By _____
Reclamation District 108

By _____
Reclamation District 479

By _____
Westside Water District

By _____
City of Williams

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By _____
City of Colusa

By _____
County of Colusa

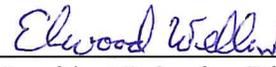
By _____
Colusa County Water District

By _____
Colusa Drain Mutual Water Company

By _____
Glenn Colusa Irrigation District

By _____
Maxwell Irrigation District

By  _____
Princeton-Codora-Glenn Irrigation
District

By  _____
Provident Irrigation District

By _____
Reclamation District 108

By _____
Reclamation District 479

By _____
Westside Water District

By _____
City of Williams

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By _____
City of Colusa

By _____
County of Colusa

By _____
Colusa County Water District

By _____
Colusa Drain Mutual Water Company

By _____
Glenn Colusa Irrigation District

By _____
Maxwell Irrigation District

By _____
Princeton-Codora-Glenn Irrigation
District

By _____
Provident Irrigation District

By *Lewis Bain*
Reclamation District 108

By _____
Reclamation District 479

By _____
Westside Water District

By _____
City of Williams

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By _____
City of Colusa

By _____
County of Colusa

By _____
Colusa County Water District

By _____
Colusa Drain Mutual Water Company

By _____
Glenn Colusa Irrigation District

By _____
Maxwell Irrigation District

By _____
Princeton-Codora-Glenn Irrigation
District

By _____
Provident Irrigation District

By _____
Reclamation District 108

By _____
Reclamation District 479

By Camie Trayham
Westside Water District

By _____
City of Williams

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By _____
City of Colusa

By _____
County of Colusa

By _____
Colusa County Water District

By _____
Colusa Drain Mutual Water Company

By _____
Glenn Colusa Irrigation District

By _____
Maxwell Irrigation District

By _____
Princeton-Codora-Glenn Irrigation
District

By _____
Provident Irrigation District

By _____
Reclamation District 108

By _____
Reclamation District 479

By _____
Westside Water District

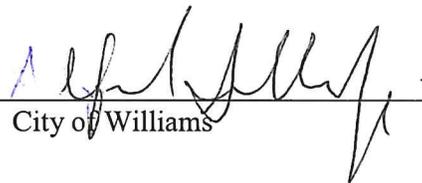
By  _____
City of Williams

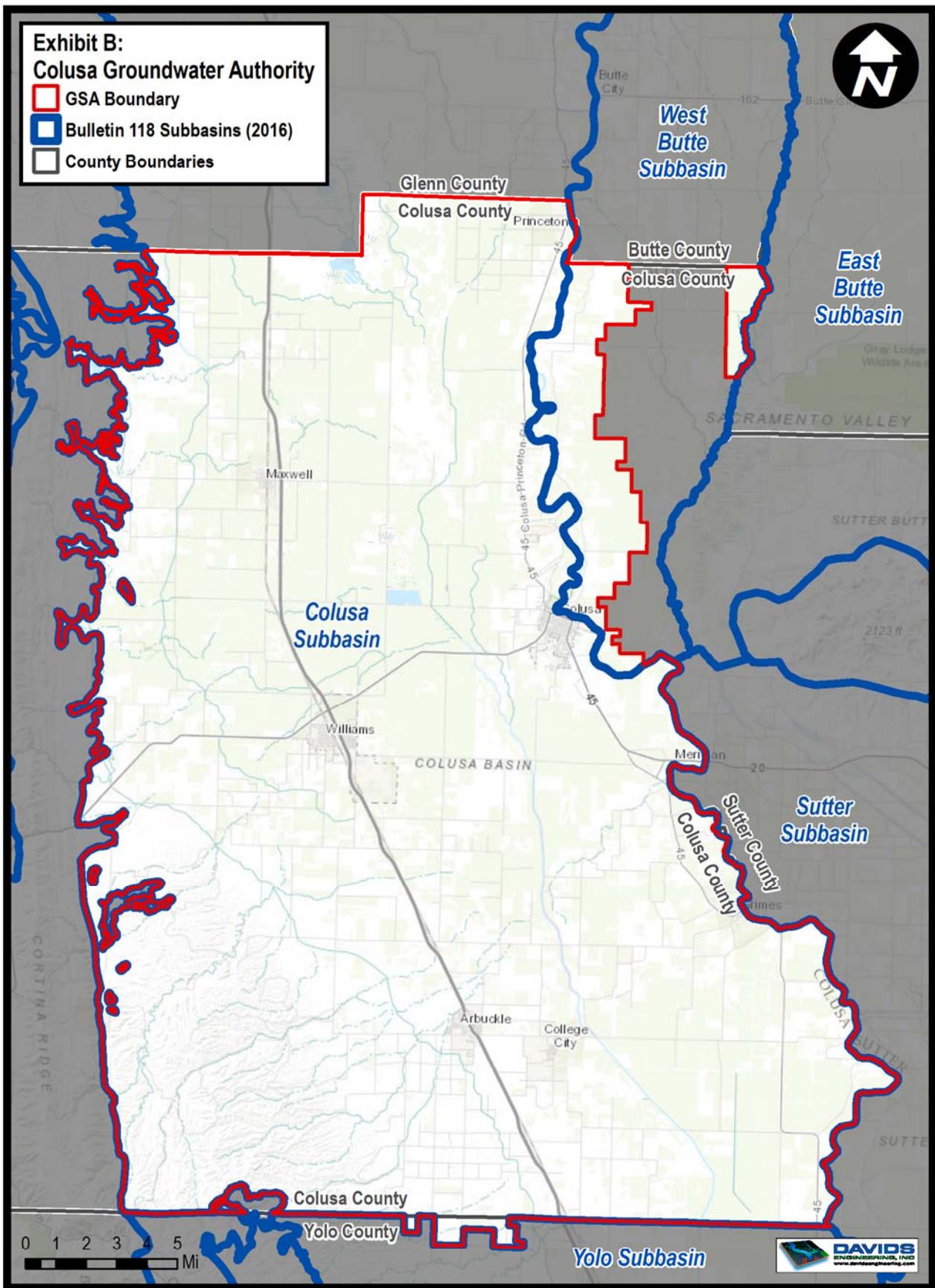
EXHIBIT A

EXHIBIT A

MEMBER ENTITIES ESTABLISHING THE COLUSA GROUNDWATER AUTHORITY

- Colusa County Board of Supervisors
- Colusa City Council
- Williams City Council
- Glenn Colusa Irrigation District
- Maxwell Irrigation District
- Westside Water District
- Princeton-Codora-Glenn Irrigation District
- Provident Irrigation District
- Colusa County Water District
- Reclamation District 108
- Reclamation District 479
- Colusa Drain Mutual Water Company

EXHIBIT B



Map edited: 5/8/2017

EXHIBIT C

Memorandum of Agreement
Defining Colusa Subbasin Groundwater Sustainability Interests

This Memorandum of Agreement (MOA) is made and entered into by and among the County of Colusa, the City of Colusa, the City of Williams, Glenn Colusa Irrigation District, Princeton-Codora-Glenn Irrigation District, Provident Irrigation District, Colusa County Water District, Maxwell Irrigation District, Westside Water District, Reclamation District 108, Reclamation District 479 (*Structure to be determined: Reclamation District 1004, Colusa Drain Mutual Water Company, Colusa County Private Pumps*) which are referred to herein individually as a “Party” and collectively as “Parties,” for the purposes of developing a joint exercise of powers agreement and joint powers agency to serve as the Groundwater Sustainability Agency in the Colusa County portion of the Colusa Subbasin in support of Senate Bills 1168, 1319 and 13, and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act (the Act). This MOA shall hereinafter be known as the Colusa County Groundwater Sustainability Agency MOA.

Recitals

WHEREAS, on September 16, 2014 Governor Jerry Brown signed the Act into law; and

WHEREAS, the Act went into effect on January 1, 2015; and

WHEREAS, the Act was amended on January 1, 2016; and

WHEREAS, the Act requires, among other things, sustainable management of groundwater basins, local management of groundwater, minimum standards for sustainable groundwater management, and provides local agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater; and

WHEREAS, section 10720.7 of the Act requires that all basins designated as high-or-medium priority basins designated in Department of Water Resources Bulletin 118 be managed under a Groundwater Sustainability Plan, or coordinated Groundwater Sustainability Plans, pursuant to the Act; and

WHEREAS, the Colusa Subbasin is located within the Sacramento Valley Basin and is designated as a medium priority basin; and

WHEREAS any local public agency is eligible to become a Groundwater Sustainability Agency (GSA); and

WHEREAS, a local public agency is defined in Section 10721 of the Act as an agency having water supply, water management, or land use responsibilities within a groundwater basin; and

WHEREAS, each of the Parties to this MOA is a local public agency within or partially within the County of Colusa and the Colusa Subbasin; and

WHEREAS several of the Parties have filed notices that they will act as a GSA for some portion of the subbasin within Colusa County.

Exhibit C

WHEREAS, there are groundwater extractors in the Colusa Subbasin, including private individuals and corporations, which are outside of the boundaries of public agencies signatory to this MOA, other than the County (“Unaffiliated Extractors”); and

WHEREAS, Unaffiliated Extractors in the Colusa Subbasin include Native American Tribes and federal agencies; and

WHEREAS, the water laws of the State of California recognize the priority of overlying groundwater rights relative to appropriative groundwater rights, and further recognize the correlative nature of overlying groundwater rights (that is, properties overlying a groundwater basin share an equal right and priority to the reasonable and beneficial use of the sustainable yield of the groundwater basin); and

WHEREAS, the Parties acting through this MOA intend to maintain an open line of communication and to work cooperatively with local Native American Tribes and federal agencies during SGMA planning and implementation; and

WHEREAS, the Parties, acting through this MOA intend to work cooperatively with other local agencies and Unaffiliated Extractors in the Colusa Subbasin to manage the Subbasin in a sustainable manner pursuant to the requirements set forth in the Act; and

WHEREAS, the Parties intend to execute a Joint Exercise of Powers Agreement pursuant to the Joint Exercise of Powers Act, Government Code Section 6500, et seq., for the purpose of forming a single GSA to manage the Colusa Subbasin consistent with the Act and pursuant to the principles in this MOA; and

WHEREAS upon future request and notification, the Parties will add other local public agencies as signatories to the intended joint powers agreement and members of the GSA;

NOW, THEREFORE, the Parties hereby agree as follows.

Section 1. Definitions

As used in this MOA, unless context requires otherwise, the meanings of the terms set forth below shall be as follows:

1. “Act” refers to the Sustainable Groundwater Management Act.
2. “Agency” means the Colusa County Groundwater Sustainability Agency, formed pursuant to the Agreement.
3. “Agreement” means the Joint Exercise of Powers Agreement, as authorized by Government Code section 6500, et seq., contemplated in this MOA, which will establish the Agency for purposes of developing and implementing the Plan contemplated herein.
4. “Beneficial Uses and Users” include, without limitation, all current and future potential beneficial uses and users of groundwater in the Colusa Subbasin, as well as other parties responsible for implementing and carrying out the Plan.
5. “Committee” shall mean any committee established pursuant to this MOA.
6. “County” shall mean the County of Colusa in its role as a local public agency (as defined in the Act) and as a governing jurisdiction.
7. “Department” means the California Department of Water Resources.
8. “Effective Date” means the date on which the last Party executes this MOA.
9. “Fiscal Year” means July 1 through June 30.
10. “Governing Board” means the governing body of the Agency.

Exhibit C

11. "Member's Governing Body" means the respective Board of Directors or other voting body that controls each individual local public agency that is signatory to this MOA.
12. "Party" and "Parties" shall mean all organizations, individuals and collectives that are signatories to this MOA.
13. "Plan" refers to the Groundwater Sustainability Plan adopted by the Agency in coordination with the [Stakeholders/Beneficial Interests] pursuant to the Agreement.
14. "State" means the State of California.
15. "Subbasin" or "Colusa Subbasin" means the Colusa Subbasin as defined in State of California Bulletin 118.

Section 2. Purpose

- 2.1 The purpose of this MOA is to describe general and specific principles that reflect mutual understanding of the Parties concerning commitments and obligations associated with implementing the Act in the Colusa Subbasin to lead to the creation of a multi-party joint powers agency that will serve as the Agency.
- 2.2 This MOA also describes the Parties' understanding of the Agency's initial tasks and associated potential costs to implement the Act (as described in Section 6).
- 2.3 A potential purpose for this MOA is to serve as the legal agreement by which the Parties operate as a Groundwater Sustainability Agency during the time that the Parties are creating a multi-party joint powers agency that will serve as the Agency.

Section 3. Term

- 3.1 This MOA shall become effective upon execution by each of the Parties and shall continue in full force and effect until the earliest of the following events occurs:
- 3.1.1. Execution of the Agreement, or
 - 3.1.2. Twelve months from the date of execution of this MOA.

Section 4. General Principles of Understanding

This Section 4 reflects the mutual general goals, objectives and understandings of the Parties to this MOA with respect to development of the Agreement.

- 4.1 A partnered approach should be fostered for sustainable groundwater management in the Colusa Subbasin that, among other things, supports the Act; achieves sustainable conditions in the Subbasin; reflects mutual respect for each Party's discretion, governmental authority, expertise, knowledge of groundwater conditions, rights, needs and concerns; and ensures appropriate representation of all Beneficial Uses and Users.
- 4.2 Local control of groundwater and compliance with the Act should be preserved to the maximum extent practicable, and State intervention to implement the Act should be avoided to the extent possible.

Exhibit C

4.3 Implementation of the Act may be expensive and all Beneficial Uses and Users will need to contribute to implementation. Failure to implement the Act locally could result in State intervention and even greater costs and regulation.

4.4 A partnered approach to groundwater management and implementation of the Act is in the best interest of Beneficial Use and Users within the Agency boundaries because it will maximize efficiencies, keep costs at a minimum and capitalize on skills and strengths of various partners provided that such proposed partnership also creates and maintains collegial relationships and flexible implementation of the Act.

4.5 As authorized by Section 10723.6 (a) of the Water Code, the Parties intend to form and participate in a single multi-agency GSA covering the portions of the Subbasin that lie within the County. To this end, the Parties intend to execute an Agreement and form the Agency not later than June 30, 2017, and the Agreement will include procedures for other local agencies within the Colusa Subbasin to be added to the Agreement and the Agency at a later date.

4.6 Local agencies within the Colusa Subbasin that are Parties to this MOA, and which have previously filed with the Department notices to become GSA's for their respective service areas, will concurrently with one another, and upon execution of the Agreement formally withdraw said notices, not later than June 30, 2017, and will comply with and carry out the Act through the Agency in cooperation with Beneficial Uses and Users. If the Agreement is not executed and the Agency is not formed by June 30, 2017, the local agencies will comply with and carry out the Act in cooperation with Beneficial Uses and Users through this MOA until one of the events in Section 3.1 occurs.

4.7 Pursuant to the Act, all Beneficial Uses and Users of groundwater will be subject to the Agreement and Plan, and the Parties intend that all Beneficial Uses and Users will cooperate with the Agency and abide by the guidelines put forth in the Agency's Plan for the Subbasin.

4.8 Being a Party to this MOA is not a condition to participate in Plan development. All Beneficial Uses and Users have an equal opportunity, either directly or through appropriate representation on the governing board of the Agency, to participate in Plan development.

4.9 No Party's land or property use, or any other authority, is limited by this MOA.

4.10 Sustainable groundwater conditions in the Colusa Subbasin are critical to support, preserve, and enhance the economic viability, social well-being and culture of all Beneficial Uses and Users, including tribal, domestic, municipal, agricultural, and industrial users.

4.11 Unsustainable groundwater practices threaten the groundwater resources of all groundwater users in the Colusa Subbasin.

4.12 Aquifers within the basin can be threatened by unsustainable management of groundwater resources.

4.13 Economic prosperity and healthy natural resources in the County can be threatened by the lack of available groundwater and surface water resources, and such threats should be avoided to the maximum extent practical.

Exhibit C

4.14 All Beneficial Uses and Users should have an open, transparent and timely opportunity to engage with the Agency and to provide input on Plan development and implementation of the Act. Extensive outreach is a priority of all Parties to this MOA, to inform Beneficial Uses and Users about implementation and potential effects of the Act, and to ensure Beneficial Uses and Users are involved in the process where practical.

4.15 Implementation and enforcement of the Plan should take place at the most local level possible and should allow each Party maximum input to any Plan chapter or section applicable to the Party and the Beneficial Uses and Users that exist or will exist in a Party's service area or jurisdiction, and should reflect the Party's authority and desire to manage the water resources available to its constituents or customers, provided such management is consistent with sustainability requirements of the Act and Plan.

4.16 Overlying landowners in the Colusa Subbasin have a right to share in the sustainable yield of the Subbasin for reasonable and beneficial use on overlying land.

4.17 Act implementation is new for all County Beneficial Uses and Users, and there are many unknowns. Willingness by Parties and Beneficial Users to adapt and adjust during Agency formation and Plan development and implementation is crucial to success.

4.18 Achieving and maintaining groundwater sustainability for the good of all groundwater beneficial users in the County is the Agency's first priority and main focus, especially in the early stages of Act implementation while all Beneficial Uses and Users work together to alleviate any existing fear and distrust.

4.19 The Parties understand and agree that this MOA and a Party's execution of the Agreement and participation in the Agency are subject to multi-party agreements being executed in other portions of the Colusa Subbasin outside of Colusa County for purposes of compliance with the Act. If similar multi-party agreements are not executed in other portions of the Colusa Subbasin outside of Colusa County, than a Party whose jurisdiction extends to portions of the Colusa Subbasin outside of Colusa County may withdraw from this MOA or the Agreement, and proceed independently under the Act.

Section 5. Specific Principles of Understanding

This Paragraph 5 reflects the Parties' mutual specific goals, objectives and understanding concerning development of the Agreement and the Agency, and future implementation of the Act.

5.1 Governance and Implementation of the Act

5.1.1 Pursuant to Water Code section 10724, and for purposes of making appointments to the governing board of the Agency, the County will represent the common and unique interests of groundwater extractors located in the areas of the Subbasin that are not within the jurisdictional boundary of local agencies that are a Party to the Agreement, other than the County.

5.1.2 The Agency will implement the Act in a manner that optimizes the Act's goals to achieve sustainable groundwater conditions which support the vital agricultural economy in the County, other industry, and domestic and public water uses.

Exhibit C

5.1.3 The governing board of the Agency will, consistent with state law regarding joint powers authorities, reflect diverse representation of Beneficial Uses and Users within the Colusa Subbasin and will include representatives of Parties to the Agreement. Mutual water companies and other private pumpers may be represented on the governing board as County appointees.

5.1.4 The Agency will pursue financial and infrastructure solutions and beneficial partnerships with Parties and other entities to provide sustainable water supplies within the Colusa Subbasin.

5.1.5 Local agencies that are signatories to the Agreement will reserve the right to withdraw from the Agreement and Agency if the local agency determines it is no longer in the Party's best interests to remain in the Agency. Any local agency that is formed after the date of the Agreement will have the right to become a Party to the Agreement and participate in the governance of the Agency.

5.1.6 Governance and implementation under the Agreement will be designed to avoid duplicative or conflicting governmental authorities to the maximum extent possible. Each Party will have maximum input regarding provisions of the Plan affecting groundwater within its own boundaries. Each Party retains and preserves powers and authority to regulate groundwater use within its boundaries so long as its actions are consistent with achieving sustainability consistent with the Groundwater Sustainability Plan (GSP).

5.1.7 As parties implement the Act within their respective boundaries, they will coordinate efforts with any adjacent areas within and outside of the Subbasin.

5.1.8 **Among other functions,** the Agency will work with local agencies and other Beneficial Uses and Users to coordinate and facilitate intra-basin water transfers as appropriate and to avoid one or more of the six undesirable results defined by the Act:

1. Chronic lowering of groundwater levels
2. A reduction in groundwater storage
3. Degradation in water quality
4. Land subsidence
5. Surface water depletion
6. Impacts on groundwater dependent ecosystems

5.2 Sustainability

5.2.3 Data collection and groundwater studies are essential to increase knowledge and to support groundwater management decisions. Funding and implementing such studies is a priority and a shared responsibility among all Agency Parties and other Beneficial Uses and Users. The specifics of such sharing will be an element of the Agreement.

5.2.2 Groundwater conditions throughout the County and Subbasin are not uniform. Conditions vary by location, surface water conditions, precipitation and water year type. While all Beneficial Uses and Users will share the obligation to achieve sustainability, solutions will need to reflect these geographic and hydrogeographic differences.

Exhibit C

5.2.3 The Parties agree that the Plan encourages utilization of surface water to its full extent as available and feasible, and groundwater is conserved for use during dry periods when surface water is not readily available or affordable.

5.2.4 The Parties agree that the Plan should recognize the interconnectedness of groundwater and surface water resources, and contributions to the system from surface water use, distribution, and applications.

5.2.5 The Agency recognizes that groundwater recharge occurs through many different means. Applied surface water, precipitation, porous supply and drain ditches, and Best Management Practices utilized by beneficial users contribute to the basins recharge. Studies will quantify the availability of such recharge and provisions will be included in the GSP to ensure that future groundwater extractions are consistent with quantified recharge and the sustainable yield of the Colusa Sub-Basin.

5.2.6 The Parties agree that the Plan should encourage all Beneficial Uses and Users, whether using surface water or groundwater in the basin, to maximize the beneficial use water consistent with their respective rights, and provide for mitigation of impacts on waterways, creeks, streams and rivers.

5.2.7 The Parties agree that the Plan should encourage board members to act on behalf of and represent all landowners within their service areas to ensure collective compliance with the Act.

5.2.8 The Parties agree that the Plan should encourage surface water users to use surface water and groundwater for in-basin transfers to meet local demands. Following transfers will also occur both in and outside of the Subbasin, with transfer quantities based on avoided consumptive use.

5.2.9 The Parties agree that the Plan should encourage surface water transfers to potentially serve as a tool to settle disputes over environmental obligations such as dedication of surface water to environmental requirements in reservoirs, rivers, or the Bay-Delta or to mitigate impacts during drought periods which will include increased reliance on groundwater by surface water users. The Parties agree that the Plan should encourage Agency members to agree to coordinate and partner on actions that attempt to balance environmental solutions with groundwater sustainability.

5.3 Agency Financing and Support

5.3.1 The Parties agree that the Agreement and Plan should include provisions for Party contributions of capital and operating funds, personnel, services, equipment or property to cover the Agency and Plan development.

5.3.2 The Parties agree that the Agreement and Plan should encourage and recognize that there will be costs for the development, implementation and administration of the Plan, the Parties must agree on governance that maximizes the potential for State funding, and to allocate the local share of these costs by one or more mutually agreeable and equitable formulas (to be determined)

Exhibit C

5.4 Flexibility of the Agency

5.4.1 The Parties agree that the Agreement and Plan should encourage maximum flexibility to adapt to changes in Agency membership, funding, planning oversight, et cetera, as the Parties build their relationships and mutual trust.

EXHIBIT D

Water Code - WAT

DIVISION 6. CONSERVATION, DEVELOPMENT, AND UTILIZATION OF STATE WATER RESOURCES [10000 - 12999]

(Heading of Division 6 amended by Stats. 1957, Ch. 1932.)

PART 2.74. Sustainable Groundwater Management [10720 - 10737.8]

(Part 2.74 added by Stats. 2014, Ch. 346, Sec. 3.)

CHAPTER 5. Powers and Authorities [10725 - 10726.9]

(Chapter 5 added by Stats. 2014, Ch. 346, Sec. 3.)

10725.

(a) A groundwater sustainability agency may exercise any of the powers described in this chapter in implementing this part, in addition to, and not as a limitation on, any existing authority, if the groundwater sustainability agency adopts and submits to the department a groundwater sustainability plan or prescribed alternative documentation in accordance with Section 10733.6.

(b) A groundwater sustainability agency has and may use the powers in this chapter to provide the maximum degree of local control and flexibility consistent with the sustainability goals of this part.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10725.2.

(a) A groundwater sustainability agency may perform any act necessary or proper to carry out the purposes of this part.

(b) A groundwater sustainability agency may adopt rules, regulations, ordinances, and resolutions for the purpose of this part, in compliance with any procedural requirements applicable to the adoption of a rule, regulation, ordinance, or resolution by the groundwater sustainability agency.

(c) In addition to any other applicable procedural requirements, the groundwater sustainability agency shall provide notice of the proposed adoption of the groundwater sustainability plan on its Internet Web site and provide for electronic notice to any person who requests electronic notification.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10725.4.

(a) A groundwater sustainability agency may conduct an investigation for the purposes of this part, including, but not limited to, investigations for the following:

(1) To determine the need for groundwater management.

(2) To prepare and adopt a groundwater sustainability plan and implementing rules and regulations.

(3) To propose and update fees.

(4) To monitor compliance and enforcement.

(b) An investigation may include surface waters and surface water rights as well as groundwater and groundwater rights.

(c) In connection with an investigation, a groundwater sustainability agency may inspect the property or facilities of a person or entity to ascertain whether the purposes of this part are being met and compliance with this part. The local agency may conduct an inspection pursuant to this section upon obtaining any necessary consent or obtaining an inspection warrant pursuant to the procedure set forth in Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10725.6.

A groundwater sustainability agency may require registration of a groundwater extraction facility within the management area of the groundwater sustainability agency.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10725.8.

(a) A groundwater sustainability agency may require through its groundwater sustainability plan that the use of every groundwater extraction facility within the management area of the groundwater sustainability agency be measured by a water-measuring device satisfactory to the groundwater sustainability agency.

(b) All costs associated with the purchase and installation of the water-measuring device shall be borne by the owner or operator of each groundwater extraction facility. The water-measuring devices shall be installed by the groundwater sustainability agency or, at the groundwater sustainability agency's option, by the owner or operator of the groundwater extraction facility. Water-measuring devices shall be calibrated on a reasonable schedule as may be determined by the groundwater sustainability agency.

Exhibit D

(c) A groundwater sustainability agency may require, through its groundwater sustainability plan, that the owner or operator of a groundwater extraction facility within the groundwater sustainability agency file an annual statement with the groundwater sustainability agency setting forth the total extraction in acre-feet of groundwater from the facility during the previous water year.

(d) In addition to the measurement of groundwater extractions pursuant to subdivision (a), a groundwater sustainability agency may use any other reasonable method to determine groundwater extraction.

(e) This section does not apply to de minimis extractors.

(Amended by Stats. 2015, Ch. 303, Sec. 551. Effective January 1, 2016.)

10726.

An entity within the area of a groundwater sustainability plan shall report the diversion of surface water to underground storage to the groundwater sustainability agency for the relevant portion of the basin.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10726.2.

A groundwater sustainability agency may do the following:

(a) Acquire by grant, purchase, lease, gift, devise, contract, construction, or otherwise, and hold, use, enjoy, sell, let, and dispose of, real and personal property of every kind, including lands, water rights, structures, buildings, rights-of-way, easements, and privileges, and construct, maintain, alter, and operate any and all works or improvements, within or outside the agency, necessary or proper to carry out any of the purposes of this part.

(b) Appropriate and acquire surface water or groundwater and surface water or groundwater rights, import surface water or groundwater into the agency, and conserve and store within or outside the agency that water for any purpose necessary or proper to carry out the provisions of this part, including, but not limited to, the spreading, storing, retaining, or percolating into the soil of the waters for subsequent use or in a manner consistent with the provisions of Section 10727.2. As part of this authority, the agency shall not alter another person's or agency's existing groundwater conjunctive use or storage program except upon a finding that the conjunctive use or storage program interferes with implementation of the agency's groundwater sustainability plan.

(c) Provide for a program of voluntary fallowing of agricultural lands or validate an existing program.

Exhibit D

(d) Perform any acts necessary or proper to enable the agency to purchase, transfer, deliver, or exchange water or water rights of any type with any person that may be necessary or proper to carry out any of the purposes of this part, including, but not limited to, providing surface water in exchange for a groundwater extractor's agreement to reduce or cease groundwater extractions. The agency shall not deliver retail water supplies within the service area of a public water system without either the consent of that system or authority under the agency's existing authorities.

(e) Transport, reclaim, purify, desalinate, treat, or otherwise manage and control polluted water, wastewater, or other waters for subsequent use in a manner that is necessary or proper to carry out the purposes of this part.

(f) Commence, maintain, intervene in, defend, compromise, and assume the cost and expenses of any and all actions and proceedings.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10726.4.

(a) A groundwater sustainability agency shall have the following additional authority and may regulate groundwater extraction using that authority:

(1) To impose spacing requirements on new groundwater well construction to minimize well interference and impose reasonable operating regulations on existing groundwater wells to minimize well interference, including requiring extractors to operate on a rotation basis.

(2) To control groundwater extractions by regulating, limiting, or suspending extractions from individual groundwater wells or extractions from groundwater wells in the aggregate, construction of new groundwater wells, enlargement of existing groundwater wells, or reactivation of abandoned groundwater wells, or otherwise establishing groundwater extraction allocations. Those actions shall be consistent with the applicable elements of the city or county general plan, unless there is insufficient sustainable yield in the basin to serve a land use designated in the city or county general plan. A limitation on extractions by a groundwater sustainability agency shall not be construed to be a final determination of rights to extract groundwater from the basin or any portion of the basin.

(3) To authorize temporary and permanent transfers of groundwater extraction allocations within the agency's boundaries, if the total quantity of groundwater extracted in any water year is consistent with the provisions of the groundwater sustainability plan. The transfer is subject to applicable city and county ordinances.

(4) To establish accounting rules to allow unused groundwater extraction allocations issued by the agency to be carried over from one year to another and voluntarily transferred, if the total quantity of groundwater extracted in any five-year period is consistent with the provisions of the groundwater sustainability plan.

Exhibit D

(b) This section does not authorize a groundwater sustainability agency to issue permits for the construction, modification, or abandonment of groundwater wells, except as authorized by a county with authority to issue those permits. A groundwater sustainability agency may request of the county, and the county shall consider, that the county forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the groundwater sustainability agency before permit approval.

(Amended (as added by Stats. 2014, Ch. 346) by Stats. 2014, Ch. 347, Sec. 12. Effective January 1, 2015.)

10726.5.

In addition to any other authority granted to a groundwater sustainability agency by this part or other law, a groundwater sustainability agency may enter into written agreements and funding with a private party to assist in, or facilitate the implementation of, a groundwater sustainability plan or any elements of the plan.

(Added by Stats. 2015, Ch. 666, Sec. 3. Effective January 1, 2016.)

10726.6.

(a) A groundwater sustainability agency that adopts a groundwater sustainability plan may file an action to determine the validity of the plan pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure no sooner than 180 days following the adoption of the plan.

(b) Subject to Sections 394 and 397 of the Code of Civil Procedure, the venue for an action pursuant to this section shall be the county in which the principal office of the groundwater management agency is located.

(c) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance or resolution imposing a new, or increasing an existing, fee imposed pursuant to Section 10730, 10730.2, or 10730.4 shall be commenced within 180 days following the adoption of the ordinance or resolution.

(d) Any person may pay a fee imposed pursuant to Section 10730, 10730.2, or 10730.4 under protest and bring an action against the governing body in the superior court to recover any money that the governing body refuses to refund. Payments made and actions brought under this section shall be made and brought in the manner provided for the payment of taxes under protest and actions for refund of that payment in Article 2 (commencing with Section 5140) of Chapter 5 of Part 9 of Division 1 of the Revenue and Taxation Code, as applicable.

Exhibit D

(e) Except as otherwise provided in this section, actions by a groundwater sustainability agency are subject to judicial review pursuant to Section 1085 of the Code of Civil Procedure.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10726.8.

(a) This part is in addition to, and not a limitation on, the authority granted to a local agency under any other law. The local agency may use the local agency's authority under any other law to apply and enforce any requirements of this part, including, but not limited to, the collection of fees.

(b) Nothing in this part shall be construed as authorizing a local agency to make a binding determination of the water rights of any person or entity, or to impose fees or regulatory requirements on activities outside the boundaries of the local agency.

(c) Nothing in this part is a limitation on the authority of the board, the department, or the State Department of Public Health.

(d) Notwithstanding Section 6103 of the Government Code, a state or local agency that extracts groundwater shall be subject to a fee imposed under this part to the same extent as any nongovernmental entity.

(e) Except as provided in subdivision (d), this part does not authorize a local agency to impose any requirement on the state or any agency, department, or officer of the state. State agencies and departments shall work cooperatively with a local agency on a voluntary basis.

(f) Nothing in this chapter or a groundwater sustainability plan shall be interpreted as superseding the land use authority of cities and counties, including the city or county general plan, within the overlying basin.

(Amended by Stats. 2015, Ch. 255, Sec. 10. Effective January 1, 2016.)

10726.9.

A groundwater sustainability plan shall take into account the most recent planning assumptions stated in local general plans of jurisdictions overlying the basin.

(Added by Stats. 2014, Ch. 347, Sec. 14. Effective January 1, 2015.)

EXHIBIT E

INITIAL FUNDING AND ADMINISTRATIVE SERVICES AGREEMENT RECITALS

- A. This Initial Funding and Administrative Services Agreement (“AGREEMENT”) is incorporated as **Exhibit E** into the JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING THE COLUSA GROUNDWATER AUTHORITY (“JPA”), as if fully set forth therein.
- B. The Members share the common goal of cost effective, sustainable groundwater management within the Basin.
- C. This AGREEMENT is authorized pursuant to Government Code section 6500, *et seq.*, and defines the Members’ respective initial financial contributions and cost-share responsibilities for operational and administrative costs of operating the Authority, and for contracting and engaging for administrative and professional services, in furtherance of the JPA.

THEREFORE, in consideration of the mutual promises, covenants, and conditions herein set forth, the Members agree as follows:

ARTICLE 1: DEFINITIONS

- 1.1 **Definitions.** As used in this Agreement, unless the context requires otherwise, the meaning of the terms herein shall be the same as in the JPA.

ARTICLE 2: FUNDING AGREEMENT

2.1 **Budgets and Member Contributions.**

2.1.1 **Fiscal Year.** The Fiscal Year of the Authority shall be July 1 – June 30.

2.1.2 **Initial Budgets.** Budgets developed by the Members for Fiscal Years 2017-2018 and 2018-2019 are set forth in **Exhibit F** to the JPA, which is attached and hereby incorporated into this AGREEMENT. Budgets are based on estimates of acreages and populations of the individual Members, as depicted in the jurisdictional map attached hereto and incorporated as **Exhibit G**. Budgets may be adjusted by approval of the Board of Directors, subject to the procedures provided in the JPA and Article 2.1.3 of this AGREEMENT.

2.1.3 **Funding Obligation Initial Budgets.** Each Member shall be responsible for funding a portion of said budget in accordance with the schedule set forth in **Exhibit F** (“Funding Obligation”). Members’ Funding Obligation shall be paid in four equal installments, which shall accrue on July 1st, October 1st, February 1st, April 1st during the term of this AGREEMENT. Such installment payments shall be made within thirty (30) days of each accrual date. The Authority may pursue interest and penalties for delinquent payments made more than thirty (30) days after each accrual date. If an installment payment is more than sixty (60) days delinquent from an accrual date, such delinquent Members’ Board representative shall not be entitled to vote on matters before the Authority pursuant to Article 4 of the JPA, and such Board member shall not be counted as present for purposes of the supermajority voting requirements in

Art. 4.7 of the JPA. The obligation of each Member to make payments under the terms and provisions of this AGREEMENT is an individual and separate obligation of the Member and not a joint obligation with those of the other Members.

2.1.4 In-Kind Services. This AGREEMENT does not contemplate in-kind services, but the Board of Directors may consider adopting policies for in-kind services in lieu of a Member or Members Funding Obligation, or as an off-set to such Funding Obligation. Any policy for in-kind services in lieu of, or an off-set to, Funding Obligations shall require a written agreement between the Board and the Member providing in-kind services, and such agreement shall include detailed provisions for tracking in-kind costs, rates, reimbursements and in-kind offsets.

2.1.5 Verification of Authority. Each Member hereby verifies and confirms that it has authority to enter into this Funding Agreement, and that it understands and hereby acknowledges its Funding Obligation as set forth in this Article 2.

ARTICLE 3: SERVICES AGREEMENT AND ENGAGEMENT OF CONSULTANTS

3.1 Agreement with County for Administrative Services.

3.1.1 Services Agreement between County and Authority. The Members contemplate that the County of Colusa will provide administrative and related services for the Authority during the term of this AGREEMENT. Upon formation of the Authority, the County and Authority may negotiate a new administrative services agreement to augment or supersede this AGREEMENT.

3.1.2 Scope of County Services and Recoverable costs. For the term of this AGREEMENT, the County shall provide administrative and financial services to the Authority. Such services may include, without limitation, project management related to the administrative services for the Authority, including the development and implementation of a Groundwater Sustainability Plan pursuant to SGMA, and financial, bookkeeping, invoicing and contracting services. A more detailed scope of services shall be stated in the services agreement between the County and Authority, as provided in Article 3.1.1 hereof.

3.1.3 Invoicing and Payment and Reimbursement of County Services. The County shall invoice the Authority monthly for all costs and expenses incurred in carrying out the services required under this AGREEMENT, and as required under a future funding agreement. Said invoices shall include the reasonable cost to the County for providing the staff and human resources time required to carry out the administrative services under this AGREEMENT, as well as other costs and expenses incurred on the Authority's behalf, including but not limited to rents, overhead, materials, insurance, benefits, taxes and the like. Invoicing shall be monthly, and invoices shall include a statement of the County's services and the costs and expenses incurred performing such services during the prior month. The Authority shall pay all invoices within thirty (30) days of receipt.

3.1.4 **Direction of the Board of Directors.** The services provided in this AGREEMENT shall be at the direction of the Board of the Authority, although the County is and shall remain the employer of any staff providing services hereunder. The County shall be deemed an independent contractor to the Authority, and the Authority shall have no authority to terminate, suspend, reprimand or otherwise discipline any County employee providing services hereunder, but shall direct all employment issues and complaints to the County which shall have absolute discretion to act.

3.2 **Engagement of Consultants.**

3.2.1 **Engagement of Consultants.** It is anticipated that the Authority may need to retain the services of one or more consultants in furtherance of the purposes of the Authority, and the Members hereby authorize the Authority to engage appropriate consulting services as necessary and consistent with this AGREEMENT.

3.2.3 **Board Approval.** The Board of Directors shall approve engagement of any consultants retained on behalf of the Authority. The Board of Directors shall review and approve all requests for proposals prior to their release and shall participate in the various stages of the selection process, including but not limited to, review of proposals and participation on interview panels. The Board of Directors shall issue all notices to proceed approve all consultant and related contracts.

ARTICLE 4: WITHDRAWAL AND TERMINATION

4.1 **Withdrawal.** A Member may, in its sole discretion, unilaterally withdraw from the AGREEMENT, without causing or requiring termination of the AGREEMENT. Withdrawal shall become effective upon ninety (90) days after receipt of written notice to the Authority and the remaining Members listed in **Exhibit A**. A Member that has withdrawn from this AGREEMENT shall remain obligated to pay its percentage cost share of expenses and obligations as outlined in the current budget and **Exhibit F** incurred, accrued, or encumbered up to the date the Member provided notice of withdrawal, including, but not limited to, its cost share obligation under any existing consultant contract. If a Member withdraws, the Board of Directors shall reassess the contributions of each remaining Member to fund the current budget and determine if the Board of Directors needs to request the contribution of additional funding from each Member.

4.2 **Termination and Term.**

4.2.1 This AGREEMENT may be terminated upon unanimous written consent of all current Members.

4.2.2 The Funding Agreement provided for in Article 2 shall terminate by its own terms the earlier of (a) two years from the effective date of this agreement or (b) adoption of an alternative funding plan approved by the Board of Directors. The Members may vote to extend this AGREEMENT or a replacement agreement by unanimous vote.

ARTICLE 5: INDEMNIFICATION

5.1 No Member, nor any officer or employee of a Member, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by another Member under or in connection with this AGREEMENT. The Members further agree, pursuant to California Government Code section 895.4, that each member shall fully indemnify and hold harmless each other Member and its agents, officers, employees, and contractors from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any work delegated to or action taken or omitted to be taken by such Member under this AGREEMENT.

ARTICLE 6: MISCELLANEOUS

6.1 **Amendment.** This AGREEMENT may be amended only by unanimous written consent of all current signatories.

6.2 **Binding on Successors.** Except as otherwise provided in this AGREEMENT, the rights and duties of the Members may not be assigned or delegated without a unanimous vote by the Members. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities, and other obligations then in effect under the terms of this AGREEMENT. This AGREEMENT shall be binding upon, and shall inure to the benefit of, the successors and assigns of the Members hereto.

6.3 **Notice.** Any notice or instrument required to be given or delivered under this AGREEMENT may be made by: (a) depositing the same in any United States Post Office, postage prepaid, and shall be deemed to have been received at the expiration of seventy-two (72) hours after its deposit in the United States Post Office; (b) transmission by facsimile copy to the addressee; (c) transmission by electronic mail; or (d) personal delivery to the Members identified in **Exhibit A**.

6.4 **Choice of Law.** This AGREEMENT is made in the State of California, under the Constitution and laws of said State and is to be so construed.

6.5 **Dispute Resolution.** Any dispute under this AGREEMENT shall be resolved pursuant to the dispute resolution procedures provided for in the JPA.

6.6 **Severability.** If one or more clauses, sentences, paragraphs or provisions of this AGREEMENT is held to be unlawful, invalid, or unenforceable, it is hereby agreed by the Members that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs, or provisions shall be deemed enforced so as to be lawful, valid, and enforced to the maximum extent possible.

6.7 **Construction and Interpretation.** This AGREEMENT has been arrived at through negotiation and each Member has had a full and fair opportunity to revise the terms of this AGREEMENT. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Member shall not apply in the construction or interpretation of this AGREEMENT.

Exhibit E

6.8 **Entire Agreement.** This AGREEMENT constitutes the entire agreement among the Members and supersedes all prior agreements and understandings, written or oral. This AGREEMENT may only be amended by written instrument executed by all Members.

EXHIBIT F

Exhibit F

Balance Sheet (Projected) Final Draft 5/5/2017

Colusa County GSA/JPA

	Actuals FY 2016/17	Projected FY 2017/18	Actual FY 2018/19	Projected FY 2019/20	Actual FY 2020/21	Projected FY 2021/22	Actual FY 2022/23	Actual
Assets								
Balance (Carryover)	-	-	26,127	(24,879)	(396,879)	(853,879)	(1,335,879)	
Grants								
Prop 1 Grant Funding, Counties	\$ 100,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Prop 1 Grant Funding, GSP			\$ 240,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 340,000
Facilitation Services, DWR	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other	-	-	-	-	-	-	-	
Total Grants	\$ 120,000	\$ 150,000	\$ 240,000	\$ 100,000	\$ -	\$ -	\$ -	
Agency Contributions								
County								
Program Manager (County - FY-2016)	129,000							
Program Administrative Support (County)								
County Work Plan Funding	1,715							
Legal Services (County)	20,000							
Agency Contributions, Fixed Fee (Start-up Fees)								
GCID	\$ 1,715	\$ 9,000	\$ 9,000					
Colusa County Water District	\$ 1,715	\$ 9,000	\$ 9,000					
Princeton/Provident	\$ 1,715	\$ 9,000	\$ 9,000					
Maxwell/Westside		\$ 9,000	\$ 9,000					
RD 108	\$ 1,715	\$ 9,000	\$ 9,000					
RD 479		\$ 9,000	\$ 9,000					
City of Williams		\$ 9,000	\$ 9,000					
City of Colusa		\$ 9,000	\$ 9,000					
Colusa Drain Mutual Water Company		\$ 9,000	\$ 9,000					
Groundwater Commission Seat #1		\$ 9,000	\$ 9,000					
Groundwater Commission Seat #2		\$ 9,000	\$ 9,000					
County Commissioner Seat		\$ 9,000	\$ 9,000					
Agency Contributions 70 cents per acre 2017 then 30 cents per acre 2018 (acres)								
GCID (103,006)	103,006	\$ 72,104	\$ 30,902					
Colusa County Water District (44,188)	44,188	\$ 30,932	\$ 13,256					
Princeton/Provident (5,606)	5,606	\$ 3,924	\$ 1,682					
Maxwell/Westside (22,189)	22,189	\$ 15,532	\$ 6,657					
RD 108 (34,337)	34,337	\$ 24,036	\$ 10,301					
RD 479 (6,133)	6,133	\$ 4,293	\$ 1,840					
City of Williams (acreage offset = population)	5,192	\$ 3,634	\$ 1,558					
City of Colusa (acreage offset = population)	5,946	\$ 4,162	\$ 1,784					
Colusa Drain Mutual Water Company (35,727)	35,727	\$ 25,009	\$ 10,718					
Groundwater Commission Seat #1 (54,238)	54,238	\$ 37,967	\$ 16,271					
Groundwater Commission Seat #2 (21,558)	21,558	\$ 15,091	\$ 6,467					
County Commissioner Seat (62,061)	62,061	\$ 43,443	\$ 18,618					
Other	-	-	-	-	-	-	-	
Total Agency Contributions	\$ 157,575	\$ 388,127	\$ 228,054	\$ -	\$ -	\$ -	\$ -	
Assessments								
Per Acre Land Assessment (.15/ac)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Well Head Fee	-	-	-	-	-	-	-	
Extraction Fee	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Total Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL Assets	\$ 277,575	\$ 538,127	\$ 468,054	\$ 100,000	\$ -	\$ -	\$ -	
Liabilities								
Program Manager	\$ (129,000)	\$ (150,000)	\$(150,000)	\$(150,000)	\$(150,000)	\$(150,000)	\$(150,000)	
Program Administration Support	-	-	-	(33,000)	(33,000)	(33,000)	(33,000)	
Legal Services	(20,000)	(60,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	
Facilitation Services	(20,000)	(20,000)	(20,000)	-	-	-	-	
Certified Public Accountant (Yearly Audits)		(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	
JPA Insurance		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	
County (or other) keeper of funds/Bookkeeper		(10,000)	(10,000)	(12,000)	(12,000)	(12,000)	(12,000)	
Consultant Prop 1 Grant Counties (#1,#2,#3)	(100,000)	(150,000)	-	-	-	-	-	
Consultant Prop 1 Grant GSP	-	-	-	-	-	-	-	
Work Plan/GSP Projects								
Work Plan	(8,573)	-	-	-	-	-	-	
Water Balance (#5)		(50,000)						
Hydrogeologic Conceptual Model (#4)			(75,000)					
GW Storage study & Sustainable Yield (#6)			(50,000)					
GW Model Evaluation (#7)			(15,000)					
GW Model Refinements (#8)				(100,000)				
ID Beneficial Uses and Users (#9)		(30,000)						
ID Management Areas (#10)		(20,000)						
Sustainable Management Criteria (#11 - zero cost)		-	-	-	-	-	-	
ID/Implement Monitoring Improvements (#12)				(75,000)	(150,000)	(150,000)		
Plans/Projects to increase recharge or reduce pumping (#13)						(50,000)	(50,000)	
Assemble/Analyze Data to evaluate effects of GW pumping (#14)				(25,000)	(25,000)			
Assemble/Analyze Data in areas with declining gw levels (#15)					(20,000)	(20,000)		
Prop 218								
Prop 218 Engineering Study (estimate 33 cents per acre to conduct)	-	-	(132,060)	-	-	-	-	
Prop 218 Election	-	-	-	(10,000)	-	-	-	
Other	-	-	-	-	-	-	-	
Contingency	-	-	-	-	-	-	-	
Total Current Liabilities	\$ (277,573)	\$ (512,000)	\$(519,060)	\$(472,000)	\$(457,000)	\$ (482,000)	\$ (312,000)	
Balance	\$ 2	\$ 26,127	\$ (24,879)	\$(396,879)	\$(853,879)	\$ (1,335,879)	\$(1,647,879)	

EXHIBIT G

**FIRST AMENDMENT OF THE
JOINT EXERCISE OF POWERS AGREEMENT
ESTABLISHING THE COLUSA GROUNDWATER
AUTHORITY, DATED JUNE 27, 2017**

This First Amendment of the June 27, 2017 “Joint Exercise of Powers Agreement Establishing the Colusa Groundwater Authority” (“**JPA**”), having been approved by at least two-thirds (2/3) of the Members as provided by Article 8.1 of the JPA, shall amend the JPA as follows:

A. The following Articles of the JPA are amended:

- 5.7. Depository, Treasurer, Auditor and Controller.** The Treasurer of the Authority shall initially be the County Treasurer, who shall be the depository and have custody of all money of the Authority, from whatever source, subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent. All funds of the Authority shall be held in separate accounts in the name of the Authority, as designated by the Board, and not commingled with any other County Fund, funds of any Member, or any other person or entity. The Board may elect to appoint a different Treasurer and Auditor, provided such appointment is subject to the requirements of Government Code sections 6505 and 6505.5, or may appoint one of its officers or employees to serve either or both positions, as further provided by Government Code section 6505.6.
- 5.8. Accounting.** Full books and accounts shall be maintained for the Authority in accordance with practices consistent with those utilized for similar public agencies. The books and records of the Authority shall be open to inspection by the Members at all reasonable times, and by bondholders and lenders as and to the extent provided by resolution or indenture.
- 5.9. Audit.** A qualified firm, serving in the capacity of auditor, shall audit the records and the accounts of the Authority annually or bi-annually in accordance with the provisions of Government Code section 6505. Copies of such audit reports shall be filed with the State Controller and each Member within six months of the end of the Fiscal Year under examination. Copies of the Fiscal Year 2017/2018 audit report shall be filed with the State Controller and each Member by March 31, 2019.
- 5.10. Expenditures.** All expenditures within the designations and limitations of the applicable approved budget shall be made upon the approval of any officer so authorized by the Board. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget

only upon the approval and written order of the Board. The Board shall requisition the payment of funds only upon approval of claims or disbursements and requisition for payment in accordance with policies and procedures adopted by the Board,, and are subject to Authority cash balances.

B. The JPA is not otherwise amended or modified.

I, Mary Fahey, Secretary of the Colusa Groundwater Authority, hereby certify that I have received written confirmation from the governing bodies of at least two-thirds (2/3) of the Members of said Authority that they have approve the foregoing amendments of the JPA, effective **April 17, 2019**.



Mary Fahey, Secretary of the Colusa Groundwater Authority.

**JOINT EXERCISE OF POWERS AGREEMENT
ESTABLISHING THE COLUSA GROUNDWATER AUTHORITY**

THIS AGREEMENT is entered into and effective this 29th day of June, 2017 (“**Effective Date**”), and updated this 9th day of 2021, pursuant to the Joint Exercise of Powers Act, Cal. Government Code §§ 6500 *et seq.* (“**JPA Act**”) by and among the entities listed in **Exhibit A** attached hereto and incorporated herein (collectively “**Members**”).

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RECITALS

- A. On August 29, 2014, the California Legislature passed comprehensive groundwater legislation contained in SB 1168, SB 1319 and AB 1739. Collectively, those bills, as subsequently amended, enacted the “Sustainable Groundwater Management Act,” or “SGMA.” Governor Brown signed the legislation on September 16, 2014, and it became effective on January 1, 2015.
- B. Each of the Members overlies the Colusa and Yolo County portions of the Colusa Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-021.52, and/or the Colusa County portion of the Butte Subbasin of the Sacramento Valley Groundwater Basin, Department of Water Resources Basin No. 5-021.70, as such subbasin boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2 (“Basin”).
- C. Each of the Members is authorized to become, or participate in, a Groundwater Sustainability Agency (“GSA”) under SGMA.
- D. The Members desire, through this Agreement, to form the Colusa Groundwater Authority (“Authority”), a separate legal entity, for the purpose of acting as the GSA for the Basin.
- E. The mission of the Authority is to provide a dynamic, cost-effective, flexible and collegial organization to ensure SGMA compliance within the Basin.
- F. The Authority will serve a coordinating, administrative and implementing role in order to provide for sustainable groundwater management of the Basin. Each of the Members (or groups of Members) will have responsibilities to carry out the Groundwater Sustainability Plan and to coordinate with the Authority to implement SGMA within the Members’ jurisdictional areas.
- G. This Agreement shall form the Authority, which shall be the GSA for purposes of carrying out SGMA in the Basin.

THEREFORE, in consideration of the mutual promises, covenants and conditions herein set forth, the Members agree as follows:

ARTICLE 1: DEFINITIONS

1.1 **Definitions.** As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereinafter set forth shall be as follows:

- a. **“Agreement”** shall mean this Joint Exercise of Powers Agreement Establishing the Colusa Groundwater Authority.
- b. **“Authority”** shall mean the Colusa Groundwater Authority established by this Agreement.
- c. **“Basin”** shall mean, for purpose of this Agreement, the Colusa and Yolo County areas of the Colusa Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-021.52, and the Colusa County area of the Butte Subbasin of the Sacramento Valley Groundwater Basin (excluding the area within the boundaries of Reclamation District No. 1004), California Department of Water Resources Basin No. 5-021.70, as such subbasin boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2. The Basin is depicted in **Exhibit B**.
- d. **“Board of Directors”** or **“Board”** shall mean the governing body formed to implement this Agreement as established herein, and **“Director”** or **“Directors”** shall mean the individual member or members of the Board appointed pursuant to Section 4.1.
- e. **“DWR”** shall mean the California Department of Water Resources.
- f. **“Effective Date”** shall be as set forth in the Preamble of this Agreement.
- g. **“Groundwater Sustainability Agency”** or **“GSA”** shall mean an agency enabled by SGMA to regulate defined portions of the Basin cooperatively with all other Groundwater Sustainability Agencies in the Basin, in compliance with the terms and provisions of SGMA.
- h. **“Groundwater Sustainability Plan”** or **“GSP”** shall have the definition set forth in SGMA.
- i. **“GSA Boundary”** shall mean those lands located within the Basin as depicted in **Exhibit B**.
- j. **“JPA Act”** shall mean the Joint Exercise of Powers Act, Cal. Government Code §§ 6500 *et seq.*
- k. **“Member”** shall mean any of the signatories to this Agreement, and **“Members”** shall mean all of the signatories to this Agreement, collectively. Each of the Members shall be authorized to become, or participate in, a Groundwater Sustainability Agency under SGMA.

1. “SGMA” shall mean the Sustainable Groundwater Management Act of 2014 and all regulations adopted under the legislation (SB 1168, SB 1319 and AB 1739) that collectively comprise the Act, as that legislation and those regulations may be amended from time to time.

ARTICLE 2: ORGANIZING PRINCIPLES

2.1 The Members intend to work together in mutual cooperation to develop and implement a GSP for the Basin in compliance with SGMA, consistent with the general principles set forth in that certain unexecuted Memorandum of Agreement among the Members and other stakeholders, attached hereto as **Exhibit C**.

2.2 Prior to June 30, 2017, any Member that has previously notified DWR of its intent to be a GSA in the Basin shall formally notify DWR of its withdrawal or rescission of such notification to allow the Authority to become the GSA for the Basin.

2.3 The Members intend through this Agreement to take advantage of economies of scale to obtain the most cost-effective consulting, technical and professional services for the development and implementation of a GSP. As appropriate, the Authority shall cooperate with neighboring groundwater basins and neighboring GSAs to efficiently implement SGMA in the Basin.

2.4 The Members intend through this Agreement to form the Authority, elect for the Authority to serve as the GSA for the Basin, and authorize the Authority to make any and all necessary filings with DWR for the Authority to become the GSA for the Basin prior to June 30, 2017.

2.5 To the extent any Member determines in the future to become a GSA separate and apart from the Authority, such Member will coordinate with the Authority to take all actions necessary to allow such Member to become a separate GSA and to ensure that the Authority may otherwise continue consistent with the requirements of SGMA. The Authority will work cooperatively with such Member to coordinate implementation of SGMA within the Basin.

2.6 After the Effective Date of this Agreement, if it is determined that this Agreement is defective as a result of Colusa Drain Mutual Water Company’s participation as a Member of the Authority, the Colusa Drain Mutual Water Company will be deemed to withdraw from this joint exercise of powers agreement and this Agreement will serve as an agreement between the Colusa Drain Mutual Water Company and the other Members of the Authority. Notwithstanding the preceding sentence, this Agreement shall establish Colusa Drain Mutual Water Company’s rights and obligations in the Authority without further action by Colusa Drain Mutual Water Company or the other Members. In the event of a determination described in this Article 2.6, this Agreement shall remain in full force and effect and shall not otherwise change the rights and obligations of the other Members or the Colusa Drain Mutual Water Company.

ARTICLE 3: FORMATION, PURPOSE AND POWERS

3.1 **Recitals:** The foregoing recitals are incorporated by reference.

3.2 **Certification.** Each Member certifies and declares that it is a legal entity that is authorized to be a party to a joint exercise of powers agreement and to contract with each other for the joint exercise of any common power under Article 1, Chapter 5, Division 7, Title 1 of the Government Code, commencing with section 6500 or other applicable law including but not limited to Cal. Water Code § 10720.3(c).

3.3 **Creation of the Authority.** Pursuant to the JPA Act, the Members hereby form and establish a public entity to be known as the “Colusa Groundwater Authority,” a public entity separate and apart from its Members.

3.4 **Election for Authority to Serve as GSA.** Upon its formation pursuant to this Agreement, the Authority shall serve as the GSA for the Basin and shall make any and all necessary filings with regulatory agencies to become and serve as the GSA for the Basin prior to June 30, 2017. In approving this Agreement and electing for the Authority to serve as the GSA for the Basin, Members shall comply with Water Code section 10723(b), including any public notice and hearing requirements.

3.5 **Purposes of the Authority.** The purposes of the Authority are to:

- a. Provide for the joint exercise of powers of the Members and powers granted pursuant to SGMA (subject to the restrictions contained in this Agreement);
- b. Cooperatively carry out the purposes of SGMA, including the engagement of stakeholders and members of the public as required by Water Code sections 10723.2, 10723.4, and 10727.8;
- c. Become and serve as the GSA for purposes of management of the Basin within Colusa County in accordance with SGMA; and
- d. Develop, adopt and implement a legally sufficient GSP(s) for the Basin, subject to the limitations set forth in this Agreement, and in cooperation and coordination with neighboring GSAs.

3.6 **Powers of the Authority.** To the extent authorized by the Members through the Board of Directors, and subject to the limitations set forth in this Agreement, the Authority shall have and may exercise any and all powers commonly held by the Members and any and all additional powers granted by SGMA, as set forth in Water Code Part 2.74, Chapter 5, section 10725, *et seq.* The powers of the Authority shall be coextensive with the authorities granted by SGMA, as it may be amended from time to time. Amendments to SGMA by the California Legislature, and the resulting modification of powers of the Authority, shall not constitute an amendment of this Agreement. SGMA authorities, as they exist on the effective date of this Agreement, are attached hereto as **Exhibit D**.

3.7 **Designation.** Pursuant to Government Code section 6509, the Members hereby designate the County of Colusa for purposes of determining restrictions upon the manner of exercising the power of the Authority.

3.8 **Powers Reserved to Members.** Each of the Members reserves the right, in its sole and absolute discretion, to:

- a. Maximize input to the Plan chapter or section of the GSP adopted by the Authority as applicable within the Member's boundaries;
- b. Subject to applicable limitations in this Agreement, implement GSP actions adopted by the Authority within the Member's boundaries;
- c. Withdraw from this Agreement and become its own GSA, to the extent authorized by SGMA, and to thereafter exercise the powers conferred to a GSA, within the Member's boundaries;
- d. Nothing set forth in this Agreement is intended to impede or abrogate the powers of any Member, including but not limited to the Member's police power and land use authority;
- e. Each Member shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. No Member shall be under the control of or shall be deemed to control any other Member. No Member shall be precluded from independently pursuing any of the activities contemplated in this Agreement. No Member shall be the agent or have the right or power to bind any other Member without such Member's express written consent, except as expressly provided in this Agreement.

3.9 **Term.** This Agreement shall be effective as of the Effective Date and shall remain in effect until terminated in accordance with Article 6.4 of this Agreement.

3.10 **Boundaries of the Authority.** The geographic boundaries of the Authority and that portion of the Basin that will be managed by the Authority pursuant to SGMA are depicted in **Exhibit B**.

3.11 **Role of Members.** Each Member agrees to undertake such additional proceedings or actions as may be necessary in order to carry out the terms and intent of this Agreement, including actions specifically required by this Agreement. The support and participation of each Member is important to the success of the Authority.

3.12 **Other Officers and Employees.** The Authority may:

- a. Provide that any employee of a Member, and subject to a written agreement between that Member and the Authority, may be in the nature of an independent contractor of the Authority, and shall perform, unless

otherwise provided by the Board, the same various duties for the Authority as for his or her employer in order to carry out this Agreement;

- b. Engage one or more Members or third parties to manage any or all of the business of the Authority on terms and conditions acceptable to the Board of Directors as specified in a separate written contract. To the extent that a manager is appointed, and consistent with Article 3.12.a., the manager shall at all times maintain exclusive control over any employees of or contractors to the manager assigned to perform services under the manager's contract with the Authority, including, but not limited to, matters related to hiring, probationary periods, disciplinary action, termination, benefits, performance evaluations, salary determinations, promotions and demotions, and leave accruals;
- c. Employ or contract for competent registered civil engineers and other consultants to investigate and to carefully devise a plan or plans to carry out and fulfill the objectives and purposes of SGMA, and complete a GSP.

3.13 **Engagement of Consultants.**

- a. **Engagement of Consultants.** It is anticipated that the Authority may need to retain the services of one or more consultants in furtherance of the purposes of the Authority, and the Members hereby authorize the Authority to engage appropriate consulting services as necessary and consistent with this AGREEMENT.
- b. **Board Approval.** The Board of Directors shall approve engagement of any consultants retained on behalf of the Authority. The Board of Directors shall review and approve all requests for proposals prior to their release and shall participate in the various stages of the selection process, including but not limited to, review of proposals and participation on interview panels. The Board of Directors shall issue all notices to proceed and approve all consultant and related contracts. The Board of Directors may direct a subcommittee of the Board to develop and approve requests for proposals prior to their release, review proposals and act as interview panel, and ultimately bring a recommendation for consultant selection to the Board.

ARTICLE 4: GOVERNANCE

4.1 **Board of Directors.** The business of the Authority will be conducted by a Board of Directors that is hereby established, and that shall be initially composed of and appointed as follows:

- One member of the Colusa County Board of Supervisors, appointed by the County Board of Supervisors;

- One member of the Colusa City Council, appointed by the City of Colusa City Council;
- One member of the Williams City Council, appointed by the City of Williams City Council;
- One member of the Board of the Glenn-Colusa Irrigation District, appointed by the Glenn-Colusa Irrigation District Board;
- One member of the Board of the Maxwell Irrigation District or the Westside Water District, said appointment to alternate every two years beginning with an appointment by the Maxwell Irrigation District of one of its Board members;
- One member of the Board of the Princeton-Codora-Glenn Irrigation District or the Provident Irrigation District, said appointment to alternate every two years beginning with an appointment by the Princeton-Codora-Glenn Irrigation District of one of its Board members;
- One member of the Board of the Colusa County Water District, appointed by the Colusa County Water District Board;
- One member of the Board of Reclamation District 108, appointed by the Reclamation District 108 Board;
- One member of the Board of Reclamation District 479, appointed by the Reclamation District 479 Board;
- One member of the Board of the Colusa Drain Mutual Water Company, proposed by the Colusa Drain Mutual Water Company, which will be appointed by the Authority;
- Two representatives of private groundwater pumpers, recommended by the Colusa County Groundwater Commission and appointed by the Colusa County Board of Supervisors, who are members of the Colusa County Groundwater Commission.

- a. **Modifications to Board.** The composition of the Board of Directors may be modified from time to time to reflect the withdrawal or termination of any Member or the admission of any new Member to the Authority, subject to the procedures provided herein. Admission and withdrawal of new Members, and modifications to the Board of Directors to reflect such changes, shall not constitute an amendment of this Agreement.
- b. **Alternates to Board members.** The appointing authority of each Member, as set forth above, shall appoint an alternate or alternates to the Board. Alternates shall be identified to the Board at the same time as Board appointments, and any modifications to a Member's alternate or alternates as soon as practicable after such modification has been made. Alternates may vote on all matters before the Authority in the absence of the appointed Board member or representative. Each alternate shall be informed of the business of the Authority and the actions to be taken when acting on behalf of a Board member. The Board may in the future adopt additional procedures for the qualification and appointment of alternate Board members, and for the voting rights of such alternates.

- c. All members of the Board of Directors and all alternates will be required to file a Statement of Economic Interests (FPPC Form 700).

4.2 **Term of Directors.** Each member of the Board of Directors, and alternates to the Board member, will serve at the pleasure of its appointing authority, which shall have the authority to appoint and remove its appointees in its sole and absolute discretion. Each appointing authority shall notify the Authority in writing of its designated Board members and alternate Board members.

4.3 **Officers.** The Board of Directors shall elect a chairperson, a vice chairperson, and a secretary, and shall appoint a Treasurer as provided in Article 5.7. The chairperson and vice-chairperson shall be Directors of the Board and the secretary may, but need not, be a Director of the Board. The chairperson shall preside at all meetings of the Board and the vice-chairperson shall act as the chairperson in the absence of the chairperson elected by the Board.

4.4 **Powers and Limitations.** All the powers and authority of the Authority shall be exercised by the Board, subject, however, to the rights reserved by the Members as set forth in this Agreement.

4.5 **Quorum.** A majority of the Board of Directors will constitute a quorum for the purpose of conducting business, unless there is an even number of Directors on the Board of Directors, in which case a quorum may be established with half the Board members.

4.6 **Voting.** Except as to actions identified in Section 4.7, the Board of Directors will conduct all business by vote of a majority of the Directors present, if a quorum shall be established, and each Director shall have one (1) vote. Prior to voting, Board members shall endeavor in good faith to reach consensus on the matters to be determined such that any subsequent vote shall be to confirm the consensus of the Board. If any Board member or Member strongly objects to a consensus-based decision prior to a vote being cast, the Board shall work in good faith to reasonably resolve such strong objection, and, if the same is not resolved collaboratively, then the matter will proceed to a vote for final resolution under this Article 4.6 or Article 4.7 below, as applicable.

4.7 **Supermajority Vote Requirement for Certain Actions.** The following actions will require a two-thirds (2/3) vote of the Directors present:

- a. Approval of the Authority's annual budget and amendments to the annual budget, consistent with Article 5 and **Exhibit E**;
- b. Decisions related to the levying of taxes, assessments, regulatory fees, or other fees and charges, and any amendments thereto;
- c. Decisions concerning property acquisition and ownership;
- d. Decisions related to the expenditure or reimbursement of funds by the Authority beyond expenditures approved in the Authority's annual budget, and concerning contracts exceeding monetary thresholds determined by the Board;

- e. Issuance of bonds or other indebtedness;
- f. Adoption of rules, regulations, policies, ordinances, bylaws and procedures, and any amendments thereto;
- g. Decisions related to the establishment of the Members' funding obligations for payment of the Authority's operating and administrative costs as provided in Article 5.1 and **Exhibit E**, or any amendments or modifications of Members' funding obligations;
- h. Adoption of a GSP and any amendments or modifications of a GSP;
- i. Decisions related to Basin boundary adjustments;
- j. Adoption of procedures for the appointment of Officers and alternate Board members, and for the voting rights of such alternates; and
- k. Involuntary removal of any Member pursuant to Article 6.2.

4.8 **Meetings.** The Board shall provide for regular and special meetings in accordance with Chapter 9, Division 2, Title 5 of the Government Code of the State of California (the "Ralph M. Brown Act" commencing at section 54950), and any subsequent amendments of those provisions.

4.9 **Rules, Regulations, By-Laws and Ordinances.** The Board may adopt rules, regulations, by-laws and ordinances to supplement this Agreement and to provide for the effective and efficient administration of the Authority. In the event of conflict between this Agreement and any rule, regulation, by-law, or ordinance, the provisions of this Agreement shall govern.

4.10 **Administrator.** The Administrator of the Authority shall be responsible for carrying out all administrative duties necessary for the day to day functioning of the Authority. The Members have designated a staff member of Colusa County as Administrator and will reimburse the County for Staff's services, as provided in the Administrator Staff Services Agreement between the Authority and the County of Colusa.

ARTICLE 5: FINANCIAL PROVISIONS

5.1 **Funding; Initial Contributions and Expenses.** The Members agreed to share the initial operating and administrative costs of operating the Authority in accordance with the percentages set forth in the Initial Funding and Administrative Services Agreement attached as **Exhibit E** hereto, including **Exhibit F** and **Exhibit G**, which are hereby incorporated into this Agreement. The Members hereby acknowledge that each Member's obligations set forth in the Initial Funding and Administrative Services Agreement has been fully satisfied.

5.2 **Funding Plan; Long-Term Funding.** Upon the formation of the Authority, the Board of Directors shall work diligently on the development, adoption and implementation of a long-term funding plan to cover the operating and administrative costs of the Authority. The long-

term funding plan shall supersede and replace the initial funding plan described in section 5.1 above, at the earliest possible date.

- a. The long-term funding plan may include a provision for reimbursement or offset of the Members' initial funding contributions pursuant to section 5.1 above, as authorized by law. The Board will revisit Member Agency reimbursement in five years after implementation of the Operations Fee which was adopted on June 5, 2019.
- b. If a time comes when a long-term funding plan is unlikely to be adopted and implemented, the Board shall meet and confer with the Members to determine how to fund the activities of the Authority, or to take other appropriate action including but not limited to, termination of the Authority.

53 Indemnification. Members, Directors, officers, agents and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers, and in the performance of their duties pursuant to this Agreement. To the fullest extent permitted by law, the Authority shall hold harmless, defend and indemnify the Members and their officers, employees and agents, and members of the Board, from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property arising out of the activities of the Authority or its Board, officers, employees or agents under this Agreement. These indemnification obligations shall continue beyond the Term of this Agreement as to any acts or omissions occurring before or under this Agreement or any extension of this Agreement.

- a. The Authority shall be required to obtain insurance, or join a self- insurance program in which one or more of the Members participate, appropriate for its operations. Any and all insurance coverages provided by the Authority, and/or any self-insurance programs joined by the Authority, shall name each and every Member as an additional insured for all liability arising out of or in connection with the operations by or on behalf of the named insured in the performance of this Agreement. Minimum levels of the insurance or self-insurance program shall be set by the Authority in its ordinary course of business. The Authority shall also require all of its contractors and subcontractors to have insurance appropriate for their operations.

54 Repayment of Funds. Unless the Board determines otherwise, no refund or repayment of the initial commitment of funds specified in Article 5.1 will be made to a Member ceasing to be a Member of this Agreement whether pursuant to removal by the Board of Directors or pursuant to a voluntary withdrawal. The refund or repayment of any other contribution shall be made in accordance with the terms and conditions upon which the contribution was made, the terms and conditions of this Agreement or other agreement of the Authority and withdrawing Member.

55 Budget. The Authority's fiscal year shall run from July 1 through June 30. Each fiscal year, the Board shall adopt a budget for the Authority for the ensuing fiscal year. Within ninety (90) days of the effective date of this Agreement, the Board shall adopt a budget.

Thereafter, a budget shall be adopted no later than May 1 of the preceding fiscal year. A copy of the adopted budget shall be submitted to the Authority's designated bookkeeping service for inclusion in the financial system.

56 **Alternate Funding Sources.** The Board may obtain State of California or federal grants, Foundation grants, or other available funding to help the Authority carry out its work.

57 **Depositary, Treasurer, Auditor and Controller.** The Treasurer of the Authority shall initially be the County Treasurer, who shall be the depositary and have custody of all money of the Authority, from whatever source, subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent. All funds of the Authority shall be held in separate accounts in the name of the Authority, as designated by the Board, and not commingled with any other Fund, including funds of any Member, or any other person or entity. The Board may elect to appoint a different Treasurer and Auditor, provided such appointment is subject to the requirements of Government Code sections 6505 and 6505.5, or may appoint one of its officers or employees to serve either or both positions, as further provided by Government Code section 6505.6.

58 **Accounting.** Full books and accounts shall be maintained for the Authority in accordance with practices consistent with, those utilized for similar public agencies. The books and records of the Authority shall be open to inspection by the Members at all reasonable times, and by bondholders and lenders as and to the extent provided by resolution or indenture.

59 **Audit.** A qualified firm, serving in the capacity of auditor, shall audit the records and the accounts of the Authority annually or bi-annually in accordance with the provisions of Government Code section 6505. Copies of such audit reports shall be filed with the State Controller and each Member within six months of the end of the Fiscal Year under examination. Copies of the Fiscal Year 2017/2018 audit report shall be filed with the State controller and each member by March 31, 2019.

5.10 **Expenditures.** All expenditures within the designations and limitations of the applicable approved budget shall be made upon the approval of any officer so authorized by the Board. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the approval of the Board. The Board shall requisition the payment of funds only upon approval of claims or disbursements and requisition for payment in accordance with policies and procedures adopted by the Board, and are subject to Authority cash balances.

5.11 **No Member Liability.** As provided by Government Code Section 6508.1, the debts, liabilities, and obligations of the Authority shall be the debts, liabilities, and obligations of the Authority only, and not of the constituent Members of the Authority.

ARTICLE 6: CHANGES TO MEMBERSHIP, WITHDRAWAL AND TERMINATION

61 **Addition to Membership.** Any local agency within the Basin that is qualified to be a GSA pursuant to Water Code section 10723, and which was not a Member of the Authority at the time of its effective date, is eligible to become a Member of the Authority subject to the requirements in this Article 6.1. Such local agency must notify the Authority in writing of its intent

to become a Member, and the Authority shall confirm the local agency's membership in writing within sixty (60) days, provided the local agency's notice of intent includes all of the following verifications:

- a. The local agency is qualified to be a GSA under the applicable requirements of Water Code section 10723;
- b. The local agency agrees to become a Member of and signatory to this Agreement, and subject to all requirements, rights and obligations of this Agreement;
- c. The local agency agrees to contribute a proportionate share of the costs of the Authority, as reasonably determined by the Board of the Authority. Such costs may include, at the discretion of the Board, reasonable reimbursement for costs incurred in the formation and early implementation of the Authority pursuant to Article 5.1 and the Funding Agreement.

The Board's written confirmation of the new membership will serve as an addendum to this Agreement, and to **Exhibit A**, and shall ratify the admission of the new Member to the Authority. Such addendum does not constitute an Amendment of this Agreement, nor does it require separate approval of this Agreement by the Members. Upon written confirmation by the Board of the new membership, such new Member may appoint a Board member and alternates as provided in Article 4.1, and shall be entitled to participate in the Authority as provided herein.

62 Noncompliance; Involuntary Removal. In the event any Member (1) fails to comply with the terms of this Agreement, or (2) undertakes actions that conflict with or undermine the functioning of the Authority or the preparation or implementation of the GSP, such Member shall be subject to the provisions for involuntary removal of a Member set forth in this Article 6.2. Such actions may include, for example and without limitation, failure to pay its agreed upon contributions when due; refusal to participate in GSA activities or to provide required monitoring of sustainability indicators; refusal to implement measures as may be required of the Member by the GSP, or which the Member has authority to impose on landowners and pumpers within the Member's jurisdiction. Involuntary removal may only be exercised by the Board after participating in a meet and confer process regarding the proposed involuntary removal and otherwise pursuing other reasonable efforts to resolve the Member's non-compliance, including third party neutral dispute resolution processes if appropriate as provided in Article 8.6. In the event of the involuntary removal of a Member the removed Member shall remain fully responsible for its proportionate share of all liabilities incurred by the Authority prior to the effective date of the removal.

63 Withdrawal of Members. A Member may, in its sole discretion, unilaterally withdraw from the Authority, effective ninety (90) days after receipt of written notice to the Authority, provided that the withdrawing Member will remain responsible for its proportionate share of any obligation or liability duly incurred by the Authority up until the effective date of the Member's withdrawal; except that, a withdrawing Member will not be responsible for any obligation or liability that the Member has voted against or has voiced its disapproval on at a Board meeting, provided the Member provides written notice of its withdrawal from the Authority within three days of the Board action. In the event the withdrawing Member has any rights in any property

or has incurred obligations to the Authority, the Member may not sell, lease or transfer such rights or be relieved of its obligations, except in accordance with a written agreement executed by it and the Authority. The Authority may not sell, lease, transfer or use any rights of a Member who has withdrawn without first obtaining the written consent of the withdrawing Member.

64 **Termination.** This Agreement may be terminated and the Authority dissolved by a unanimous vote of the Board. However, in the event of termination each of the Members will remain responsible for its proportionate share of any obligation or liability duly incurred by the Authority, in accordance with Article 5. Nothing in this Article will prevent a Member from withdrawing from this Agreement and the Authority as provided for in this Agreement, or from entering into other joint exercise of power agreements.

65 **Disposition of Property Upon Termination.** Upon termination of this Agreement, the assets of the Authority shall be transferred to the Authority's successor, provided that a public entity will succeed the Authority, or in the event that there is no successor public entity, to the Members in proportion to the contributions made by each Member. If the successor public entity will not assume all of the Authority's assets, the Board shall distribute the Authority's assets between the successor entity and the Members in proportion to any obligation required by Articles 5.

66 **Rights of Member to Become GSA in Event of Withdrawal or Removal.** Upon withdrawal or involuntary removal of a Member, or termination of this Agreement pursuant to Article 6.4, whether occurring before or after June 30, 2017, the withdrawing or removed Member will retain all rights and powers to become or otherwise participate in a GSA for the lands within its boundaries. In such event the Authority and its remaining Members (i) shall not object to or interfere with the lands in the withdrawing or removed Member's boundaries being in a GSA, as designated by the withdrawing or removed Member or otherwise, (ii) shall facilitate such transition to the extent reasonably necessary, and (iii) shall withdraw from managing that portion of the Basin within the boundaries of the withdrawing or removing Member and so notify the California Department of Water Resources.

67 **Use of Data.** Upon withdrawal, any Member shall be entitled to use any data or other information developed by the Authority during its time as a Member. Further, should a Member withdraw from the Authority after adoption of the GSP by the Authority, it shall be entitled to utilize the GSP for implementation of SGMA within its boundaries.

ARTICLE 7: PROJECTS AND MANAGEMENT ACTIONS

7.1 **Special Project Agreements.** Members may enter into special project agreements amongst themselves and with the Authority to achieve any of the purposes or activities authorized by this Agreement, and to share in the expenses and costs of such special project, for example, to share in funding infrastructure improvements within the boundaries of particular Members. Special project agreements must be in writing and documentation must be provided to each of the Members to this Agreement. No special project agreement undertaken pursuant to this Section 7.1 shall conflict with the terms of this Agreement or the GSP.

7.2 **Special Project Expenses.** Members that enter into special project agreements agree that any special project expenses incurred for each such special project are the costs of the

special project participants, respectively, and not of the Authority or any other Members to this Agreement not participating in the special project. Special project expenses shall be paid by the parties to the respective special project agreements.

7.3 **Indemnification of Other Members; Special Projects.** Members participating in special project agreements, if the Authority is a party to such agreement, shall hold each of the other Members who are not parties to the special project agreement free and harmless from and indemnify each of them against any and all costs, losses, damages, claims and liabilities arising from the special project agreement. The indemnification obligation of Members participating in special project agreements shall be the same as specified in Article 5.3 for Members in general, except that they shall be limited to liabilities incurred for the special project.

7.4 **Identified Management Actions.** In the development of this Agreement certain Members have identified particular activities and strategies that should be considered by the Authority as it develops the GSP. Without predetermining how these activities and strategies will be considered and implemented, the Members hereby direct the Authority to consider the following in the development of the GSP, without limitation:

- a. Formation of management areas or other tools to address unique or particular circumstances in the Basin;
- b. Development of water budgets and other accounting practices to facilitate sustainable groundwater management;
- c. Utilization of groundwater banking concepts to maximize the use of the Basin for the benefit of the Members and residents in the Basin, consistent with SGMA's goals and objectives.

ARTICLE 8: MISCELLANEOUS PROVISIONS

8.1 **Amendments.** This Agreement may be amended from time to time by a two-thirds (2/3) vote of the Members; except that a unanimous vote of the Members shall be required for amendments to provisions of this Agreement regarding withdrawal of Members, including but not limited to withdrawals pursuant to Article 6.3. Except as otherwise provided herein, the Authority may not amend the terms of this Agreement.

8.2 **Binding on Successors.** Except as otherwise provided in this Agreement, the rights and duties of the Members may not be assigned or delegated without a unanimous vote by the Members. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Authority then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members hereto.

8.3 **Notice.** Any notice or instrument required to be given or delivered under this Agreement may be made by: (a) depositing the same in any United States Post Office, postage prepaid, and shall be deemed to have been received at the expiration of 72 hours after its deposit in the United States Post Office; (b) transmission by facsimile copy to the addressee; (c) transmission by electronic mail; or (d) personal delivery, delivered to the address or facsimile

numbers of the Members listed in **Exhibit A**.

84 **Counterparts.** This Agreement may be executed by the Members in separate counterparts, each of which when so executed and delivered shall be an original. All such counterparts shall together constitute but one and the same instrument.

85 **Choice of Law.** This Agreement shall be governed by the laws of the State of California.

86 **Dispute Resolution.** The Board of the Authority shall develop rules and policies for third party neutral dispute resolution to resolve disputes that may arise under this Agreement.

87 **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement are held to be unlawful, invalid or unenforceable, it is hereby agreed by the Members that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

88 **Headings.** The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Members to this Agreement.

89 **Construction and Interpretation.** This Agreement has been arrived at through negotiation, and each Member has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Member shall not apply in the construction or interpretation of this Agreement.

8.10 **Entire Agreement.** This Agreement constitutes the entire agreement among the Members and supersedes all prior agreements and understandings, written or oral.

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

By _____
City of Colusa

By _____
County of Colusa

By _____
Colusa County Water District

By _____
Colusa Drain Mutual Water Company

By _____
Glenn Colusa Irrigation District

By _____
Maxwell Irrigation District

By _____
Princeton-Codora-Glenn Irrigation
District

By _____
Provident Irrigation District

By _____
Reclamation District 108

By _____
Reclamation District 479

By _____
Westside Water District

By _____
City of Williams

EXHIBIT A

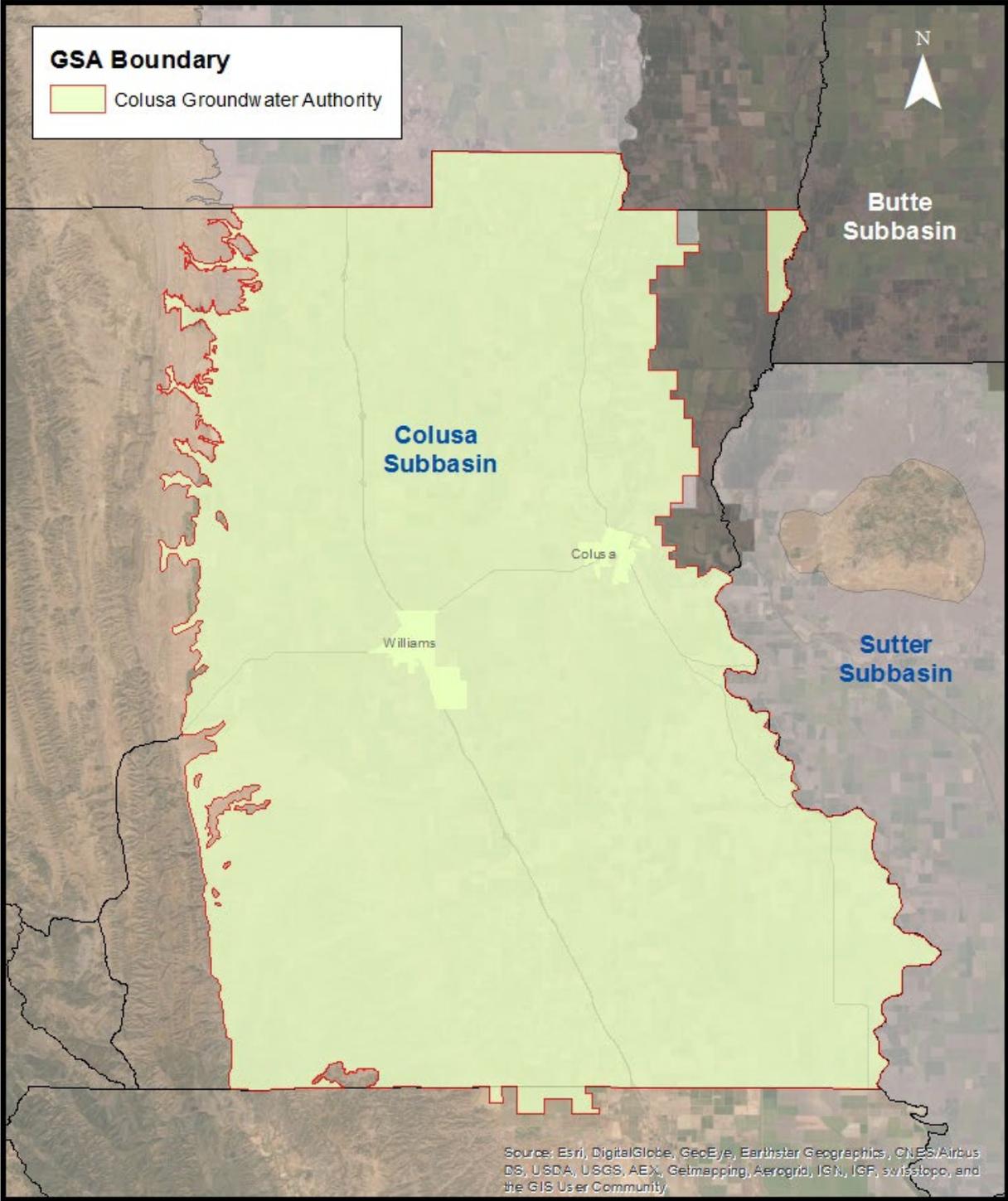
EXHIBIT A

MEMBER ENTITIES ESTABLISHING THE COLUSA GROUNDWATER AUTHORITY

- Colusa County Board of Supervisors
- Colusa City Council
- Williams City Council
- Glenn Colusa Irrigation District
- Maxwell Irrigation District
- Westside Water District
- Princeton-Codora-Glenn Irrigation District
- Provident Irrigation District
- Colusa County Water District
- Reclamation District 108
- Reclamation District 479
- Colusa Drain Mutual Water Company

EXHIBIT B

EXHIBIT B: COLUSA GROUNDWATER AUTHORITY (CGA)



Last Update: 9/3/2020

EXHIBIT C

Memorandum of Agreement
Defining Colusa Subbasin Groundwater Sustainability Interests

This Memorandum of Agreement (MOA) is made and entered into by and among the County of Colusa, the City of Colusa, the City of Williams, Glenn Colusa Irrigation District, Princeton-Codora-Glenn Irrigation District, Provident Irrigation District, Colusa County Water District, Maxwell Irrigation District, Westside Water District, Reclamation District 108, Reclamation District 479 (*Structure to be determined: Reclamation District 1004, Colusa Drain Mutual Water Company, Colusa County Private Pumps*) which are referred to herein individually as a "Party" and collectively as "Parties," for the purposes of developing a joint exercise of powers agreement and joint powers agency to serve as the Groundwater Sustainability Agency in the Colusa County portion of the Colusa Subbasin in support of Senate Bills 1168, 1319 and 13, and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act (the Act). This MOA shall hereinafter be known as the Colusa County Groundwater Sustainability Agency MOA.

Recitals

WHEREAS, on September 16, 2014 Governor Jerry Brown signed the Act into law; and

WHEREAS, the Act went into effect on January 1, 2015; and

WHEREAS, the Act was amended on January 1, 2016; and

WHEREAS, the Act requires, among other things, sustainable management of groundwater basins, local management of groundwater, minimum standards for sustainable groundwater management, and provides local agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater; and

WHEREAS, section 10720.7 of the Act requires that all basins designated as high-or-medium priority basins designated in Department of Water Resources Bulletin 118 be managed under a Groundwater Sustainability Plan, or coordinated Groundwater Sustainability Plans, pursuant to the Act; and

WHEREAS, the Colusa Subbasin is located within the Sacramento Valley Basin and is designated as a medium priority basin; and

WHEREAS any local public agency is eligible to become a Groundwater Sustainability Agency (GSA); and

WHEREAS, a local public agency is defined in Section 10721 of the Act as an agency having water supply, water management, or land use responsibilities within a groundwater basin; and

WHEREAS, each of the Parties to this MOA is a local public agency within or partially within the County of Colusa and the Colusa Subbasin; and

WHEREAS several of the Parties have filed notices that they will act as a GSA for some portion of the subbasin within Colusa County.

Exhibit C

WHEREAS, there are groundwater extractors in the Colusa Subbasin, including private individuals and corporations, which are outside of the boundaries of public agencies signatory to this MOA, other than the County (“Unaffiliated Extractors”); and

WHEREAS, Unaffiliated Extractors in the Colusa Subbasin include Native American Tribes and federal agencies; and

WHEREAS, the water laws of the State of California recognize the priority of overlying groundwater rights relative to appropriative groundwater rights, and further recognize the correlative nature of overlying groundwater rights (that is, properties overlying a groundwater basin share an equal right and priority to the reasonable and beneficial use of the sustainable yield of the groundwater basin); and

WHEREAS, the Parties acting through this MOA intend to maintain an open line of communication and to work cooperatively with local Native American Tribes and federal agencies during SGMA planning and implementation; and

WHEREAS, the Parties, acting through this MOA intend to work cooperatively with other local agencies and Unaffiliated Extractors in the Colusa Subbasin to manage the Subbasin in a sustainable manner pursuant to the requirements set forth in the Act; and

WHEREAS, the Parties intend to execute a Joint Exercise of Powers Agreement pursuant to the Joint Exercise of Powers Act, Government Code Section 6500, et seq., for the purpose of forming a single GSA to manage the Colusa Subbasin consistent with the Act and pursuant to the principles in this MOA; and

WHEREAS upon future request and notification, the Parties will add other local public agencies as signatories to the intended joint powers agreement and members of the GSA;

NOW, THEREFORE, the Parties hereby agree as follows.

Section 1. Definitions

As used in this MOA, unless context requires otherwise, the meanings of the terms set forth below shall be as follows:

1. “Act” refers to the Sustainable Groundwater Management Act.
2. “Agency” means the Colusa County Groundwater Sustainability Agency, formed pursuant to the Agreement.
3. “Agreement” means the Joint Exercise of Powers Agreement, as authorized by Government Code section 6500, et seq., contemplated in this MOA, which will establish the Agency for purposes of developing and implementing the Plan contemplated herein.
4. “Beneficial Uses and Users” include, without limitation, all current and future potential beneficial uses and users of groundwater in the Colusa Subbasin, as well as other parties responsible for implementing and carrying out the Plan.
5. “Committee” shall mean any committee established pursuant to this MOA.
6. “County” shall mean the County of Colusa in its role as a local public agency (as defined in the Act) and as a governing jurisdiction.
7. “Department” means the California Department of Water Resources.
8. “Effective Date” means the date on which the last Party executes this MOA.
9. “Fiscal Year” means July 1 through June 30.
10. “Governing Board” means the governing body of the Agency.

Exhibit C

11. "Member's Governing Body" means the respective Board of Directors or other voting body that controls each individual local public agency that is signatory to this MOA.
12. "Party" and "Parties" shall mean all organizations, individuals and collectives that are signatories to this MOA.
13. "Plan" refers to the Groundwater Sustainability Plan adopted by the Agency in coordination with the [Stakeholders/Beneficial Interests] pursuant to the Agreement.
14. "State" means the State of California.
15. "Subbasin" or "Colusa Subbasin" means the Colusa Subbasin as defined in State of California Bulletin 118.

Section 2. Purpose

2.1 The purpose of this MOA is to describe general and specific principles that reflect mutual understanding of the Parties concerning commitments and obligations associated with implementing the Act in the Colusa Subbasin to lead to the creation of a multi-party joint powers agency that will serve as the Agency.

2.2 This MOA also describes the Parties' understanding of the Agency's initial tasks and associated potential costs to implement the Act (as described in Section 6).

2.3 A potential purpose for this MOA is to serve as the legal agreement by which the Parties operate as a Groundwater Sustainability Agency during the time that the Parties are creating a multi-party joint powers agency that will serve as the Agency.

Section 3. Term

3.1 This MOA shall become effective upon execution by each of the Parties and shall continue in full force and effect until the earliest of the following events occurs:

- 3.1.1. Execution of the Agreement, or
- 3.1.2. Twelve months from the date of execution of this MOA.

Section 4. General Principles of Understanding

This Section 4 reflects the mutual general goals, objectives and understandings of the Parties to this MOA with respect to development of the Agreement.

4.1 A partnered approach should be fostered for sustainable groundwater management in the Colusa Subbasin that, among other things, supports the Act; achieves sustainable conditions in the Subbasin; reflects mutual respect for each Party's discretion, governmental authority, expertise, knowledge of groundwater conditions, rights, needs and concerns; and ensures appropriate representation of all Beneficial Uses and Users.

4.2 Local control of groundwater and compliance with the Act should be preserved to the maximum extent practicable, and State intervention to implement the Act should be avoided to the extent possible.

Exhibit C

4.3 Implementation of the Act may be expensive and all Beneficial Uses and Users will need to contribute to implementation. Failure to implement the Act locally could result in State intervention and even greater costs and regulation.

4.4 A partnered approach to groundwater management and implementation of the Act is in the best interest of Beneficial Use and Users within the Agency boundaries because it will maximize efficiencies, keep costs at a minimum and capitalize on skills and strengths of various partners provided that such proposed partnership also creates and maintains collegial relationships and flexible implementation of the Act.

4.5 As authorized by Section 10723.6 (a) of the Water Code, the Parties intend to form and participate in a single multi-agency GSA covering the portions of the Subbasin that lie within the County. To this end, the Parties intend to execute an Agreement and form the Agency not later than June 30, 2017, and the Agreement will include procedures for other local agencies within the Colusa Subbasin to be added to the Agreement and the Agency at a later date.

4.6 Local agencies within the Colusa Subbasin that are Parties to this MOA, and which have previously filed with the Department notices to become GSA's for their respective service areas, will concurrently with one another, and upon execution of the Agreement formally withdraw said notices, not later than June 30, 2017, and will comply with and carry out the Act through the Agency in cooperation with Beneficial Uses and Users. If the Agreement is not executed and the Agency is not formed by June 30, 2017, the local agencies will comply with and carry out the Act in cooperation with Beneficial Uses and Users through this MOA until one of the events in Section 3.1 occurs.

4.7 Pursuant to the Act, all Beneficial Uses and Users of groundwater will be subject to the Agreement and Plan, and the Parties intend that all Beneficial Uses and Users will cooperate with the Agency and abide by the guidelines put forth in the Agency's Plan for the Subbasin.

4.8 Being a Party to this MOA is not a condition to participate in Plan development. All Beneficial Uses and Users have an equal opportunity, either directly or through appropriate representation on the governing board of the Agency, to participate in Plan development.

4.9 No Party's land or property use, or any other authority, is limited by this MOA.

4.10 Sustainable groundwater conditions in the Colusa Subbasin are critical to support, preserve, and enhance the economic viability, social well-being and culture of all Beneficial Uses and Users, including tribal, domestic, municipal, agricultural, and industrial users.

4.11 Unsustainable groundwater practices threaten the groundwater resources of all groundwater users in the Colusa Subbasin.

4.12 Aquifers within the basin can be threatened by unsustainable management of groundwater resources.

4.13 Economic prosperity and healthy natural resources in the County can be threatened by the lack of available groundwater and surface water resources, and such threats should be avoided to the maximum extent practical.

Exhibit C

4.14 All Beneficial Uses and Users should have an open, transparent and timely opportunity to engage with the Agency and to provide input on Plan development and implementation of the Act. Extensive outreach is a priority of all Parties to this MOA, to inform Beneficial Uses and Users about implementation and potential effects of the Act, and to ensure Beneficial Uses and Users are involved in the process where practical.

4.15 Implementation and enforcement of the Plan should take place at the most local level possible and should allow each Party maximum input to any Plan chapter or section applicable to the Party and the Beneficial Uses and Users that exist or will exist in a Party's service area or jurisdiction, and should reflect the Party's authority and desire to manage the water resources available to its constituents or customers, provided such management is consistent with sustainability requirements of the Act and Plan.

4.16 Overlying landowners in the Colusa Subbasin have a right to share in the sustainable yield of the Subbasin for reasonable and beneficial use on overlying land.

4.17 Act implementation is new for all County Beneficial Uses and Users, and there are many unknowns. Willingness by Parties and Beneficial Users to adapt and adjust during Agency formation and Plan development and implementation is crucial to success.

4.18 Achieving and maintaining groundwater sustainability for the good of all groundwater beneficial users in the County is the Agency's first priority and main focus, especially in the early stages of Act implementation while all Beneficial Uses and Users work together to alleviate any existing fear and distrust.

4.19 The Parties understand and agree that this MOA and a Party's execution of the Agreement and participation in the Agency are subject to multi-party agreements being executed in other portions of the Colusa Subbasin outside of Colusa County for purposes of compliance with the Act. If similar multi-party agreements are not executed in other portions of the Colusa Subbasin outside of Colusa County, than a Party whose jurisdiction extends to portions of the Colusa Subbasin outside of Colusa County may withdraw from this MOA or the Agreement, and proceed independently under the Act.

Section 5. Specific Principles of Understanding

This Paragraph 5 reflects the Parties' mutual specific goals, objectives and understanding concerning development of the Agreement and the Agency, and future implementation of the Act.

5.1 Governance and Implementation of the Act

5.1.1 Pursuant to Water Code section 10724, and for purposes of making appointments to the governing board of the Agency, the County will represent the common and unique interests of groundwater extractors located in the areas of the Subbasin that are not within the jurisdictional boundary of local agencies that are a Party to the Agreement, other than the County.

5.1.2 The Agency will implement the Act in a manner that optimizes the Act's goals to achieve sustainable groundwater conditions which support the vital agricultural economy in the County, other industry, and domestic and public water uses.

Exhibit C

5.1.3 The governing board of the Agency will, consistent with state law regarding joint powers authorities, reflect diverse representation of Beneficial Uses and Users within the Colusa Subbasin and will include representatives of Parties to the Agreement. Mutual water companies and other private pumpers may be represented on the governing board as County appointees.

5.1.4 The Agency will pursue financial and infrastructure solutions and beneficial partnerships with Parties and other entities to provide sustainable water supplies within the Colusa Subbasin.

5.1.5 Local agencies that are signatories to the Agreement will reserve the right to withdraw from the Agreement and Agency if the local agency determines it is no longer in the Party's best interests to remain in the Agency. Any local agency that is formed after the date of the Agreement will have the right to become a Party to the Agreement and participate in the governance of the Agency.

5.1.6 Governance and implementation under the Agreement will be designed to avoid duplicative or conflicting governmental authorities to the maximum extent possible. Each Party will have maximum input regarding provisions of the Plan affecting groundwater within its own boundaries. Each Party retains and preserves powers and authority to regulate groundwater use within its boundaries so long as its actions are consistent with achieving sustainability consistent with the Groundwater Sustainability Plan (GSP).

5.1.7 As parties implement the Act within their respective boundaries, they will coordinate efforts with any adjacent areas within and outside of the Subbasin.

5.1.8 Among other functions, the Agency will work with local agencies and other Beneficial Uses and Users to coordinate and facilitate intra-basin water transfers as appropriate and to avoid one or more of the six undesirable results defined by the Act:

1. Chronic lowering of groundwater levels
2. A reduction in groundwater storage
3. Degradation in water quality
4. Land subsidence
5. Surface water depletion
6. Impacts on groundwater dependent ecosystems

5.2 Sustainability

5.2.3 Data collection and groundwater studies are essential to increase knowledge and to support groundwater management decisions. Funding and implementing such studies is a priority and a shared responsibility among all Agency Parties and other Beneficial Uses and Users. The specifics of such sharing will be an element of the Agreement.

5.2.2 Groundwater conditions throughout the County and Subbasin are not uniform. Conditions vary by location, surface water conditions, precipitation and water year type. While all Beneficial Uses and Users will share the obligation to achieve sustainability, solutions will need to reflect these geographic and hydrogeographic differences.

Exhibit C

5.2.3 The Parties agree that the Plan encourages utilization of surface water to its full extent as available and feasible, and groundwater is conserved for use during dry periods when surface water is not readily available or affordable.

5.2.4 The Parties agree that the Plan should recognize the interconnectedness of groundwater and surface water resources, and contributions to the system from surface water use, distribution, and applications.

5.2.5 The Agency recognizes that groundwater recharge occurs through many different means. Applied surface water, precipitation, porous supply and drain ditches, and Best Management Practices utilized by beneficial users contribute to the basins recharge. Studies will quantify the availability of such recharge and provisions will be included in the GSP to ensure that future groundwater extractions are consistent with quantified recharge and the sustainable yield of the Colusa Sub-Basin.

5.2.6 The Parties agree that the Plan should encourage all Beneficial Uses and Users, whether using surface water or groundwater in the basin, to maximize the beneficial use water consistent with their respective rights, and provide for mitigation of impacts on waterways, creeks, streams and rivers.

5.2.7 The Parties agree that the Plan should encourage board members to act on behalf of and represent all landowners within their service areas to ensure collective compliance with the Act.

5.2.8 The Parties agree that the Plan should encourage surface water users to use surface water and groundwater for in-basin transfers to meet local demands. Following transfers will also occur both in and outside of the Subbasin, with transfer quantities based on avoided consumptive use.

5.2.9 The Parties agree that the Plan should encourage surface water transfers to potentially serve as a tool to settle disputes over environmental obligations such as dedication of surface water to environmental requirements in reservoirs, rivers, or the Bay-Delta or to mitigate impacts during drought periods which will include increased reliance on groundwater by surface water users. The Parties agree that the Plan should encourage Agency members to agree to coordinate and partner on actions that attempt to balance environmental solutions with groundwater sustainability.

5.3 Agency Financing and Support

5.3.1 The Parties agree that the Agreement and Plan should include provisions for Party contributions of capital and operating funds, personnel, services, equipment or property to cover the Agency and Plan development.

5.3.2 The Parties agree that the Agreement and Plan should encourage and recognize that there will be costs for the development, implementation and administration of the Plan, the Parties must agree on governance that maximizes the potential for State funding, and to allocate the local share of these costs by one or more mutually agreeable and equitable formulas (to be determined)

Exhibit C

5.4 Flexibility of the Agency

5.4.1 The Parties agree that the Agreement and Plan should encourage maximum flexibility to adapt to changes in Agency membership, funding, planning oversight, et cetera, as the Parties build their relationships and mutual trust.

EXHIBIT D

Water Code - WAT

DIVISION 6. CONSERVATION, DEVELOPMENT, AND UTILIZATION OF STATE WATER RESOURCES [10000 - 12999]

(Heading of Division 6 amended by Stats. 1957, Ch. 1932.)

PART 2.74. Sustainable Groundwater Management [10720 - 10737.8]

(Part 2.74 added by Stats. 2014, Ch. 346, Sec. 3.)

CHAPTER 5. Powers and Authorities [10725 - 10726.9]

(Chapter 5 added by Stats. 2014, Ch. 346, Sec. 3.)

10725.

(a) A groundwater sustainability agency may exercise any of the powers described in this chapter in implementing this part, in addition to, and not as a limitation on, any existing authority, if the groundwater sustainability agency adopts and submits to the department a groundwater sustainability plan or prescribed alternative documentation in accordance with Section 10733.6.

(b) A groundwater sustainability agency has and may use the powers in this chapter to provide the maximum degree of local control and flexibility consistent with the sustainability goals of this part.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10725.2.

(a) A groundwater sustainability agency may perform any act necessary or proper to carry out the purposes of this part.

(b) A groundwater sustainability agency may adopt rules, regulations, ordinances, and resolutions for the purpose of this part, in compliance with any procedural requirements applicable to the adoption of a rule, regulation, ordinance, or resolution by the groundwater sustainability agency.

(c) In addition to any other applicable procedural requirements, the groundwater sustainability agency shall provide notice of the proposed adoption of the groundwater sustainability plan on its Internet Web site and provide for electronic notice to any person who requests electronic notification.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10725.4.

(a) A groundwater sustainability agency may conduct an investigation for the purposes of this part, including, but not limited to, investigations for the following:

(1) To determine the need for groundwater management.

(2) To prepare and adopt a groundwater sustainability plan and implementing rules and regulations.

(3) To propose and update fees.

(4) To monitor compliance and enforcement.

(b) An investigation may include surface waters and surface water rights as well as groundwater and groundwater rights.

(c) In connection with an investigation, a groundwater sustainability agency may inspect the property or facilities of a person or entity to ascertain whether the purposes of this part are being met and compliance with this part. The local agency may conduct an inspection pursuant to this section upon obtaining any necessary consent or obtaining an inspection warrant pursuant to the procedure set forth in Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10725.6.

A groundwater sustainability agency may require registration of a groundwater extraction facility within the management area of the groundwater sustainability agency.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10725.8.

(a) A groundwater sustainability agency may require through its groundwater sustainability plan that the use of every groundwater extraction facility within the management area of the groundwater sustainability agency be measured by a water-measuring device satisfactory to the groundwater sustainability agency.

(b) All costs associated with the purchase and installation of the water-measuring device shall be borne by the owner or operator of each groundwater extraction facility. The water-measuring devices shall be installed by the groundwater sustainability agency or, at the groundwater sustainability agency's option, by the owner or operator of the groundwater extraction facility. Water-measuring devices shall be calibrated on a reasonable schedule as may be determined by the groundwater sustainability agency.

Exhibit D

(c) A groundwater sustainability agency may require, through its groundwater sustainability plan, that the owner or operator of a groundwater extraction facility within the groundwater sustainability agency file an annual statement with the groundwater sustainability agency setting forth the total extraction in acre-feet of groundwater from the facility during the previous water year.

(d) In addition to the measurement of groundwater extractions pursuant to subdivision (a), a groundwater sustainability agency may use any other reasonable method to determine groundwater extraction.

(e) This section does not apply to de minimis extractors.

(Amended by Stats. 2015, Ch. 303, Sec. 551. Effective January 1, 2016.)

10726.

An entity within the area of a groundwater sustainability plan shall report the diversion of surface water to underground storage to the groundwater sustainability agency for the relevant portion of the basin.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10726.2.

A groundwater sustainability agency may do the following:

(a) Acquire by grant, purchase, lease, gift, devise, contract, construction, or otherwise, and hold, use, enjoy, sell, let, and dispose of, real and personal property of every kind, including lands, water rights, structures, buildings, rights-of-way, easements, and privileges, and construct, maintain, alter, and operate any and all works or improvements, within or outside the agency, necessary or proper to carry out any of the purposes of this part.

(b) Appropriate and acquire surface water or groundwater and surface water or groundwater rights, import surface water or groundwater into the agency, and conserve and store within or outside the agency that water for any purpose necessary or proper to carry out the provisions of this part, including, but not limited to, the spreading, storing, retaining, or percolating into the soil of the waters for subsequent use or in a manner consistent with the provisions of Section 10727.2. As part of this authority, the agency shall not alter another person's or agency's existing groundwater conjunctive use or storage program except upon a finding that the conjunctive use or storage program interferes with implementation of the agency's groundwater sustainability plan.

(c) Provide for a program of voluntary fallowing of agricultural lands or validate an existing program.

Exhibit D

(d) Perform any acts necessary or proper to enable the agency to purchase, transfer, deliver, or exchange water or water rights of any type with any person that may be necessary or proper to carry out any of the purposes of this part, including, but not limited to, providing surface water in exchange for a groundwater extractor's agreement to reduce or cease groundwater extractions. The agency shall not deliver retail water supplies within the service area of a public water system without either the consent of that system or authority under the agency's existing authorities.

(e) Transport, reclaim, purify, desalinate, treat, or otherwise manage and control polluted water, wastewater, or other waters for subsequent use in a manner that is necessary or proper to carry out the purposes of this part.

(f) Commence, maintain, intervene in, defend, compromise, and assume the cost and expenses of any and all actions and proceedings.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10726.4.

(a) A groundwater sustainability agency shall have the following additional authority and may regulate groundwater extraction using that authority:

(1) To impose spacing requirements on new groundwater well construction to minimize well interference and impose reasonable operating regulations on existing groundwater wells to minimize well interference, including requiring extractors to operate on a rotation basis.

(2) To control groundwater extractions by regulating, limiting, or suspending extractions from individual groundwater wells or extractions from groundwater wells in the aggregate, construction of new groundwater wells, enlargement of existing groundwater wells, or reactivation of abandoned groundwater wells, or otherwise establishing groundwater extraction allocations. Those actions shall be consistent with the applicable elements of the city or county general plan, unless there is insufficient sustainable yield in the basin to serve a land use designated in the city or county general plan. A limitation on extractions by a groundwater sustainability agency shall not be construed to be a final determination of rights to extract groundwater from the basin or any portion of the basin.

(3) To authorize temporary and permanent transfers of groundwater extraction allocations within the agency's boundaries, if the total quantity of groundwater extracted in any water year is consistent with the provisions of the groundwater sustainability plan. The transfer is subject to applicable city and county ordinances.

(4) To establish accounting rules to allow unused groundwater extraction allocations issued by the agency to be carried over from one year to another and voluntarily transferred, if the total quantity of groundwater extracted in any five-year period is consistent with the provisions of the groundwater sustainability plan.

Exhibit D

(b) This section does not authorize a groundwater sustainability agency to issue permits for the construction, modification, or abandonment of groundwater wells, except as authorized by a county with authority to issue those permits. A groundwater sustainability agency may request of the county, and the county shall consider, that the county forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the groundwater sustainability agency before permit approval.

(Amended (as added by Stats. 2014, Ch. 346) by Stats. 2014, Ch. 347, Sec. 12. Effective January 1, 2015.)

10726.5.

In addition to any other authority granted to a groundwater sustainability agency by this part or other law, a groundwater sustainability agency may enter into written agreements and funding with a private party to assist in, or facilitate the implementation of, a groundwater sustainability plan or any elements of the plan.

(Added by Stats. 2015, Ch. 666, Sec. 3. Effective January 1, 2016.)

10726.6.

(a) A groundwater sustainability agency that adopts a groundwater sustainability plan may file an action to determine the validity of the plan pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure no sooner than 180 days following the adoption of the plan.

(b) Subject to Sections 394 and 397 of the Code of Civil Procedure, the venue for an action pursuant to this section shall be the county in which the principal office of the groundwater management agency is located.

(c) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance or resolution imposing a new, or increasing an existing, fee imposed pursuant to Section 10730, 10730.2, or 10730.4 shall be commenced within 180 days following the adoption of the ordinance or resolution.

(d) Any person may pay a fee imposed pursuant to Section 10730, 10730.2, or 10730.4 under protest and bring an action against the governing body in the superior court to recover any money that the governing body refuses to refund. Payments made and actions brought under this section shall be made and brought in the manner provided for the payment of taxes under protest and actions for refund of that payment in Article 2 (commencing with Section 5140) of Chapter 5 of Part 9 of Division 1 of the Revenue and Taxation Code, as applicable.

Exhibit D

(e) Except as otherwise provided in this section, actions by a groundwater sustainability agency are subject to judicial review pursuant to Section 1085 of the Code of Civil Procedure.

(Added by Stats. 2014, Ch. 346, Sec. 3. Effective January 1, 2015.)

10726.8.

(a) This part is in addition to, and not a limitation on, the authority granted to a local agency under any other law. The local agency may use the local agency's authority under any other law to apply and enforce any requirements of this part, including, but not limited to, the collection of fees.

(b) Nothing in this part shall be construed as authorizing a local agency to make a binding determination of the water rights of any person or entity, or to impose fees or regulatory requirements on activities outside the boundaries of the local agency.

(c) Nothing in this part is a limitation on the authority of the board, the department, or the State Department of Public Health.

(d) Notwithstanding Section 6103 of the Government Code, a state or local agency that extracts groundwater shall be subject to a fee imposed under this part to the same extent as any nongovernmental entity.

(e) Except as provided in subdivision (d), this part does not authorize a local agency to impose any requirement on the state or any agency, department, or officer of the state. State agencies and departments shall work cooperatively with a local agency on a voluntary basis.

(f) Nothing in this chapter or a groundwater sustainability plan shall be interpreted as superseding the land use authority of cities and counties, including the city or county general plan, within the overlying basin.

(Amended by Stats. 2015, Ch. 255, Sec. 10. Effective January 1, 2016.)

10726.9.

A groundwater sustainability plan shall take into account the most recent planning assumptions stated in local general plans of jurisdictions overlying the basin.

(Added by Stats. 2014, Ch. 347, Sec. 14. Effective January 1, 2015.)

EXHIBIT E

INITIAL FUNDING AND ADMINISTRATIVE SERVICES AGREEMENT RECITALS

- A. This Initial Funding and Administrative Services Agreement (“AGREEMENT”) is incorporated as **Exhibit E** into the JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING THE COLUSA GROUNDWATER AUTHORITY (“JPA”), as if fully set forth therein. To the extent any terms or conditions of this **Exhibit E** conflict with the JPA, the terms and conditions of the JPA shall prevail.
- B. The Members share the common goal of cost effective, sustainable groundwater management within the Basin.
- C. This AGREEMENT is authorized pursuant to Government Code section 6500, *et seq.*, and defines the Members’ respective initial financial contributions and cost-share responsibilities for operational and administrative costs of operating the Authority, and for contracting and engaging for administrative and professional services, in furtherance of the JPA.

THEREFORE, in consideration of the mutual promises, covenants, and conditions herein set forth, the Members agree as follows:

ARTICLE 1: DEFINITIONS

1.1 **Definitions.** As used in this Agreement, unless the context requires otherwise, the meaning of the terms herein shall be the same as in the JPA.

ARTICLE 2: FUNDING

2.1 **Budgets and Member Contributions.**

2.1.1 **Fiscal Year.** The Fiscal Year of the Authority shall be July 1 – June 30.

2.1.2 **Initial Budgets.** Budgets developed by the Members for Fiscal Years 2017-2018 and 2018-2019 are set forth in **Exhibit E** to the JPA, which is attached and hereby incorporated into this AGREEMENT. Budgets are based on estimates of acreages and populations of the individual Members, as depicted in the jurisdictional map attached hereto and incorporated as **Exhibit G**.

2.1.3 **Funding Obligation Initial Budgets.** Each Member shall be responsible for funding a portion of said budget in accordance with the schedule set forth in **Exhibit F** (“Funding Obligation”). Members’ Funding Obligation shall be paid in four equal installments, which shall accrue on July 1st, October 1st, February 1st, April 1st of Fiscal Years 2017/18 and 2018/19. Such installment payments shall be made within thirty (30) days of each accrual date. The Authority may pursue interest and penalties for delinquent payments made more than thirty (30) days after each accrual date. If an installment payment is more than sixty (60) days delinquent from an accrual date, such delinquent Members’ Board representative shall not be entitled to vote on matters before the Authority pursuant to

Exhibit E

Article 4 of the JPA, and such Board member shall not be counted as present for purposes of the supermajority voting requirements in Art. 4.7 of the JPA. The obligation of each Member to make payments under the terms and provisions of this AGREEMENT is an individual and separate obligation of the Member and not a joint obligation with those of the other Members.

2.1.4 **In-Kind Services.** This AGREEMENT does not contemplate in-kind services, but the Board of Directors may consider adopting policies for in-kind services in lieu of a Member or Members Funding Obligation, or as an off-set to such Funding Obligation. Any policy for in-kind services in lieu of, or an off-set to, Funding Obligations shall require a written agreement between the Board and the Member providing in-kind services, and such agreement shall include detailed provisions for tracking in-kind costs, rates, reimbursements and in-kind offsets.

2.1.5 **Verification of Authority.** Each Member hereby verifies and confirms that it has authority to enter into this Funding Agreement, and that it understands and hereby acknowledges its Funding Obligation as set forth in this Article 2.

ARTICLE 3: SERVICES AGREEMENT AND ENGAGEMENT OF CONSULTANTS

3.1 **Agreement with County for Administrative Services.** The Members have designated a staff member of Colusa County as Administrator and will reimburse the County for Staff's services, as provided in the Administrator Staff Services Agreement between the Authority and the County of Colusa.

ARTICLE 4: WITHDRAWAL AND TERMINATION

4.1 **Withdrawal.** A Member may, in its sole discretion, unilaterally withdraw from the AGREEMENT, without causing or requiring termination of the AGREEMENT. Withdrawal shall become effective upon ninety (90) days after receipt of written notice to the Authority and the remaining Members listed in **Exhibit A**. A Member that has withdrawn from this AGREEMENT shall remain obligated to pay its percentage cost share of expenses and obligations as outlined in the current budget and **Exhibit F** incurred, accrued, or encumbered up to the date the Member provided notice of withdrawal, including, but not limited to, its cost share obligation under any existing consultant contract. If a Member withdraws, the Board of Directors shall reassess the contributions of each remaining Member to fund the current budget and determine if the Board of Directors needs to request the contribution of additional funding from each Member.

4.2 Termination and Term.

4.2.1 This AGREEMENT may be terminated upon unanimous written consent of all current Members.

4.2.2 The Funding provisions of Article 2 shall terminate by the earlier of (a) two years from the effective date of this agreement or (b) adoption of an alternative funding plan approved by the Board of Directors. The Members may vote to extend the Funding

Exhibit E
provisions of this AGREEMENT or adopt replacement Funding provisions by unanimous
vote.

EXHIBIT F

Exhibit F

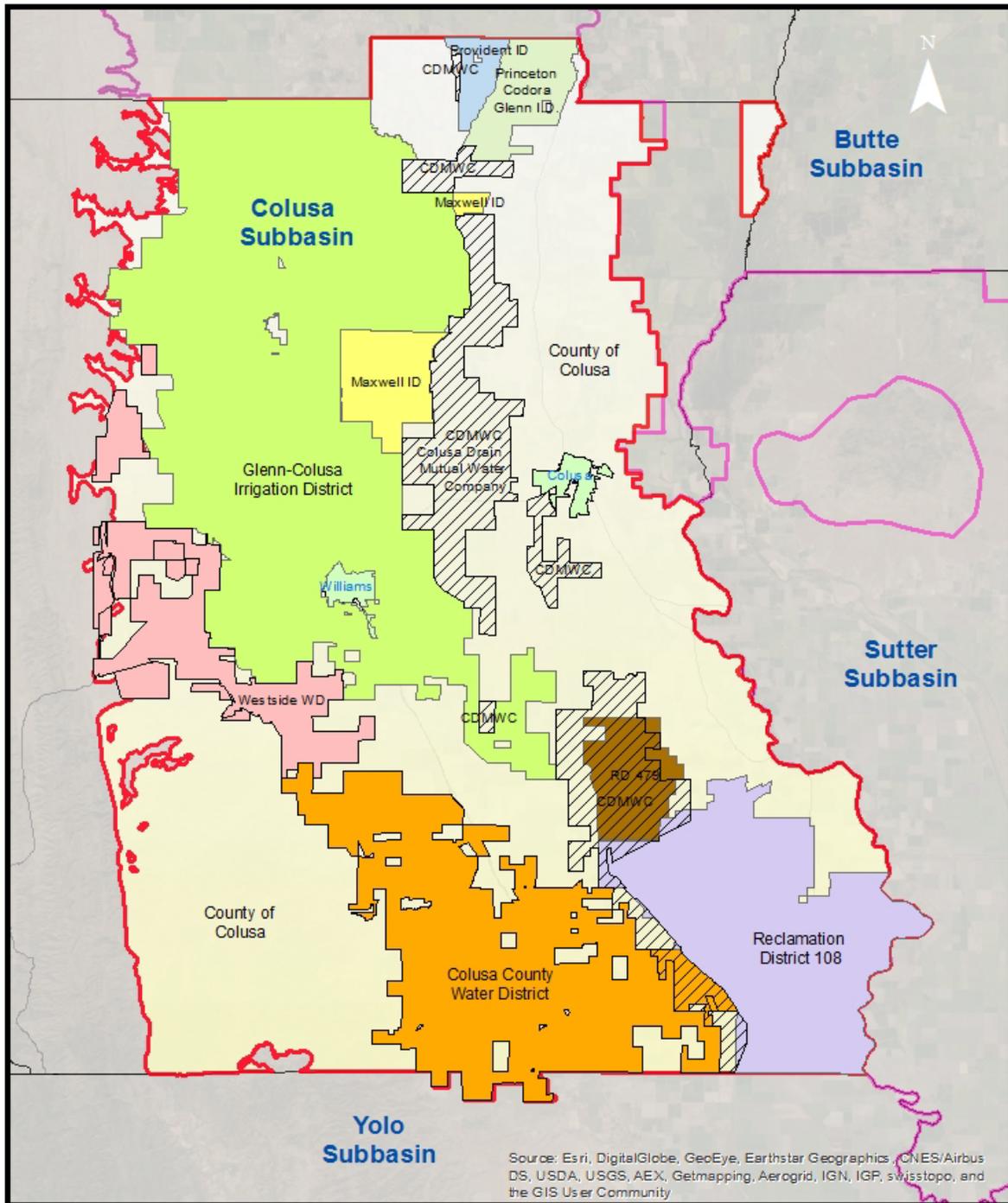
Balance Sheet (Projected) Final Draft 5/5/2017

Colusa County GSA/JPA

	Actuals FY 2016/17	Projected FY 2017/18	Actual FY 2018/19	Projected FY 2019/20	Actual FY 2020/21	Projected FY 2021/22	Actual FY 2022/23	Actual
Assets								
Balance (Carryover)	-	-	26,127	(24,879)	(396,879)	(853,879)	(1,335,879)	
Grants								
Prop 1 Grant Funding, Counties	\$ 100,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Prop 1 Grant Funding, GSP			\$ 240,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 340,000
Facilitation Services, DWR	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other	-	-	-	-	-	-	-	
Total Grants	\$ 120,000	\$ 150,000	\$ 240,000	\$ 100,000	\$ -	\$ -	\$ -	
Agency Contributions								
County								
Program Manager (County - FY-2016)	129,000							
Program Administrative Support (County)								
County Work Plan Funding	1,715							
Legal Services (County)	20,000							
Agency Contributions, Fixed Fee (Start-up Fees)								
GCID	\$ 1,715	\$ 9,000	\$ 9,000					
Colusa County Water District	\$ 1,715	\$ 9,000	\$ 9,000					
Princeton/Provident	\$ 1,715	\$ 9,000	\$ 9,000					
Maxwell/Westside		\$ 9,000	\$ 9,000					
RD 108	\$ 1,715	\$ 9,000	\$ 9,000					
RD 479		\$ 9,000	\$ 9,000					
City of Williams		\$ 9,000	\$ 9,000					
City of Colusa		\$ 9,000	\$ 9,000					
Colusa Drain Mutual Water Company		\$ 9,000	\$ 9,000					
Groundwater Commission Seat #1		\$ 9,000	\$ 9,000					
Groundwater Commission Seat #2		\$ 9,000	\$ 9,000					
County Commissioner Seat		\$ 9,000	\$ 9,000					
Agency Contributions 70 cents per acre 2017 then 30 cents per acre 2018 (acres)								
GCID (103,006)	103,006	\$ 72,104	\$ 30,902					
Colusa County Water District (44,188)	44,188	\$ 30,932	\$ 13,256					
Princeton/Provident (5,606)	5,606	\$ 3,924	\$ 1,682					
Maxwell/Westside (22,189)	22,189	\$ 15,532	\$ 6,657					
RD 108 (34,337)	34,337	\$ 24,036	\$ 10,301					
RD 479 (6,133)	6,133	\$ 4,293	\$ 1,840					
City of Williams (acreage offset = population)	5,192	\$ 3,634	\$ 1,558					
City of Colusa (acreage offset = population)	5,946	\$ 4,162	\$ 1,784					
Colusa Drain Mutual Water Company (35,727)	35,727	\$ 25,009	\$ 10,718					
Groundwater Commission Seat #1 (54,238)	54,238	\$ 37,967	\$ 16,271					
Groundwater Commission Seat #2 (21,558)	21,558	\$ 15,091	\$ 6,467					
County Commissioner Seat (62,061)	62,061	\$ 43,443	\$ 18,618					
Other	-	-	-	-	-	-	-	
Total Agency Contributions	\$ 157,575	\$ 388,127	\$ 228,054	\$ -	\$ -	\$ -	\$ -	
Assessments								
Per Acre Land Assessment (.15/ac)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Well Head Fee	-	-	-	-	-	-	-	
Extraction Fee	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Total Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL Assets	\$ 277,575	\$ 538,127	\$ 468,054	\$ 100,000	\$ -	\$ -	\$ -	
Liabilities								
Program Manager	\$ (129,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	
Program Administration Support	-	-	-	(33,000)	(33,000)	(33,000)	(33,000)	
Legal Services	(20,000)	(60,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	
Facilitation Services	(20,000)	(20,000)	(20,000)	-	-	-	-	
Certified Public Accountant (Yearly Audits)		(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	
JPA Insurance		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	
County (or other) keeper of funds/Bookkeeper		(10,000)	(10,000)	(12,000)	(12,000)	(12,000)	(12,000)	
Consultant Prop 1 Grant Counties (#1,#2,#3)	(100,000)	(150,000)	-	-	-	-	-	
Consultant Prop 1 Grant GSP	-	-	-	-	-	-	-	
Work Plan/GSP Projects								
Work Plan	(8,573)	-	-	-	-	-	-	
Water Balance (#5)		(50,000)						
Hydrogeologic Conceptual Model (#4)			(75,000)					
GW Storage study & Sustainable Yield (#6)			(50,000)					
GW Model Evaluation (#7)			(15,000)					
GW Model Refinements (#8)				(100,000)				
ID Beneficial Uses and Users (#9)		(30,000)						
ID Management Areas (#10)		(20,000)						
Sustainable Management Criteria (#11 - zero cost)	-	-	-	-	-	-	-	
ID/Implement Monitoring Improvements (#12)				(75,000)	(150,000)	(150,000)		
Plans/Projects to increase recharge or reduce pumping (#13)						(50,000)	(50,000)	
Assemble/Analyze Data to evaluate effects of GW pumping (#14)				(25,000)	(25,000)			
Assemble/Analyze Data in areas with declining gw levels (#15)					(20,000)	(20,000)		
Prop 218								
Prop 218 Engineering Study (estimate 33 cents per acre to conduct)	-	-	(132,060)	-	-	-	-	
Prop 218 Election	-	-	-	(10,000)	-	-	-	
Other	-	-	-	-	-	-	-	
Contingency	-	-	-	-	-	-	-	
Total Current Liabilities	\$ (277,573)	\$ (512,000)	\$ (519,060)	\$ (472,000)	\$ (457,000)	\$ (482,000)	\$ (312,000)	
Balance	\$ 2	\$ 26,127	\$ (24,879)	\$ (396,879)	\$ (853,879)	\$ (1,335,879)	\$ (1,647,879)	

EXHIBIT G

EXHIBIT G: COLUSA GROUNDWATER AUTHORITY (CGA) GSA MEMBER AGENCIES' AREAS



Last Update: 9/3/2020

Colusa Groundwater Authority Board of Directors Meeting

November 25, 2025 | 1:00 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 7: Report from ad hoc Budget Committee on Staffing

BACKGROUND:

With the adoption of the reduced budget for FY 2025-26 at the October 28 CGA board meeting, the ad hoc committee was directed to continue to develop an alternative for maintaining a staff with a local presence.

The ad hoc committee has continued to meet and to research alternatives for employers, office locations and other staffing matters; it is also preparing a draft job description for the Program Manager along with a plan for recruitment.

The ad hoc committee will provide an update to the CGA board on its progress; it may also provide an overview of a draft job description or other staffing considerations for review and discussion.

RECOMMENDATION:

The CGA board should review the ad hoc committee report and authorize the committee to move forward as appropriate on local staffing options.

Colusa Groundwater Authority Board of Directors Meeting

November 25, 2025 | 1:00 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 8: Colusa Subbasin GSP Implementation Update

GSP Implementation Activities Update

In April 2024, the Glenn Groundwater Authority (GGA) and Colusa Groundwater Authority (CGA) submitted a Revised Colusa Subbasin Groundwater Sustainability Plan (GSP) to address deficiencies identified by the Department of Water Resources. The Revised GSP includes commitments for CGA and GGA to develop and implement a Well Mitigation Program and a Demand Management Program for the Colusa Subbasin. These commitments are described in the GSP and in agreements between the GGA and CGA that are included as attachments to the GSP.

CGA and GGA are working to develop the details and components of these programs through ad hoc committees that meet jointly. Additionally, the two GSAs have been conducting a series of joint board meetings to hear recommendations of the ad hoc committees and provide policy direction on continued program implementation.

The CGA and GGA Boards met jointly on Friday, November 21, to receive updates on the development of the domestic well mitigation program and consider an agreement between the CGA, GGA and the Corning Subbasin GSA to establish a pilot domestic well mitigation program. The joint boards also heard comments from staff and the ad hoc Demand Management Committee regarding water accounting system reviews, and the boards approved the recommendation to select Davids Engineering to negotiate a contract and scope of work to select and develop a water accounting system. A

A final joint board meeting for this year is scheduled for:

- December 19, 2025 from 1:00 PM to 4:00 PM

The Domestic Well Mitigation Program must be adopted and in place by January 2026, in accordance with the revised and approved GSP, so the proposed joint board meetings are intended to assist the GSAs in having the necessary program structure in place by that time. Staff intends to have additional DWM program documents and agreements prepared for consideration in December, with the intent of initiating the program as of January 1.

Colusa Groundwater Authority Board of Directors Meeting

November 25, 2025 | 1:00 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 9: Butte Subbasin Update

Butte Subbasin Cooperative GSAs

The Colusa Groundwater Authority has responsibility for the portion of the Butte Subbasin that falls within Colusa County. CGA is also a member of the Butte Subbasin Cooperative GSAs, eleven agencies who collectively and collaboratively implement the requirements of SGMA for the Butte Subbasin. CGA staff participates in the Butte Subbasin managers meetings, and a CGA board member sits on the Butte Advisory Board. Additionally, CGA is participating in inter-basin coordination groups related to water quality in the Sutter Buttes area and to Sacramento River corridor coordination. Following are highlights of recent activities:

- The Butte GSA managers meet regularly and are working with Montgomery and Associates on preparation of the Periodic Evaluation of the Butte Subbasin GSP.
- A Sutter Buttes Water Quality Working Group was created and held its first meeting on November 4. Representatives from the Groundwater Sustainability Agencies (GSAs) of the Butte, Colusa, Sutter, and North and South Yuba Subbasins met virtually to discuss water quality concerns in the Sutter Buttes area, particularly regarding naturally occurring salinity and arsenic, and to determine whether these concerns warranted mutually beneficial interbasin coordination activities.
- Representatives from the Groundwater Sustainability Agencies (GSAs) in the North Sacramento River Corridor (NSRC) held their second coordination meeting in Willows, CA to advance regional interbasin coordination efforts under the Sustainable Groundwater Management Act (SGMA). The meeting focused on reviewing and refining a preliminary draft Interbasin Coordination (IBC) Work Plan, discussing technical coordination efforts for interconnected surface water management, and reviewing public outreach materials and upcoming activities.

Colusa Groundwater Authority Board of Directors Meeting

November 25, 2025 | 1:00 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 10: DWR Staff Update

Brandon Davison or other DWR staff may provide an update on DWR activities.

AGENDA ITEM 11: Committee Reports

11a. Demand Management ad hoc Committee – Lewis Bair, Kate Dunlap, Jeff Moresco, Frank A. Nobriga, Jim Wallace

The CGA/GGA joint ad hoc committees have reviewed qualifications from prospective consultants and accounting system vendors, conducted interviews and researched references. The joint committee provided a recommendation to the joint GSA boards at the November 21 special meeting.

11b. Well Mitigation ad hoc Committee – Lewis Bair, Janice Bell, Jeremy Cain, Jered Shipley

The joint ad hoc committees are continuing to review program materials and procedure recommendations from staff. Legal counsel is also providing input on program development as well as on forms and applications. An agreement between the CGA, GGA and Corning Subbasin GSA to establish a pilot domestic well mitigation program was brought to the joint boards on November 21.

AGENDA ITEM 12: Administrative Update

The Program Manager may provide updates on pending administrative or managerial matters.

Colusa Groundwater Authority Board of Directors Meeting

November 25, 2025 | 1:00 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 13: CLOSED SESSION

Closed Session:

- a. Conference with Legal Counsel (Gov't Code 54956.9) – existing litigation
Aqualliance et al. v. Colusa Groundwater Authority, Glenn Groundwater Authority
Colusa County Superior Court – Case Number CV24584

Aqualliance et al. v. Biggs-West Gridley Water District, et al.
Butte County Superior Court – Case Number 22CV00348

AGENDA ITEM 14: Report Out of Closed Session

The Attorney will provide a report on any reportable action taken in Closed Session.

Colusa Groundwater Authority Board of Directors Meeting

November 25, 2025 | 1:00 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 15: Member Reports and Comments

INFORMATION ONLY

CGA Board Members and Alternates are encouraged to share information that may be relevant to the CGA. No action will be taken on any of these items.

AGENDA ITEM 16: Next Meeting

A special joint meeting with the GGA Board of Directors is tentatively scheduled for Friday, December 19, 2025, at 1:00 p.m.

The next regular meeting of the CGA Board of Directors is scheduled for Tuesday, December 23, 2025, at 1:00 p.m.

AGENDA ITEM 17: Adjourn