

MEMORANDUM OF UNDERSTANDING
REGARDING GOVERNANCE OF THE INDIO SUB-BASIN
UNDER THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT

This memorandum of understanding (MOU) is entered into among the City of Coachella, a municipal corporation acting through, and on behalf of, the Coachella Water Authority (CWA), the Coachella Valley Water District (CVWD), the Desert Water Agency (DWA), and the City of Indio, a municipal corporation acting through, and on behalf of, the Indio Water Authority (IWA) for the purpose of developing a common understanding among the Partners regarding the governance structures applicable to implementation of the Sustainable Groundwater Management Act (Water Code, Part 2.74, Section 10720 et seq.) (SGMA) in the Indio Sub-Basin of the Coachella Valley Groundwater Basin. The Partners to this MOU shall be collectively referred to herein as “Partners” and individually as “Partner”.

WHEREAS, SGMA requires all groundwater basins designated as high or medium priority to be managed under a groundwater sustainability plan (GSP), under coordinated GSP’s, or under an approved “alternative”;

WHEREAS, the California Department of Water Resources (DWR) has designated the Coachella Valley Groundwater Basin, Indio Sub-Basin (Bulletin 118, No. 7-21.01) (“Indio Sub-Basin” or the “Sub-Basin”) as a medium priority basin; and,

WHEREAS, the service area of each of the Partners overlies over a portion of the Indio-Sub-Basin;

WHEREAS, SGMA provides that “any local agency or combination of local agencies overlying a groundwater basin may elect to be a groundwater sustainability agency [GSA] for that basin” and that GSA’s are to be formed no later than June 30, 2017;

WHEREAS, under SGMA, DWA has been deemed the exclusive local agency with the power to implement SGMA within DWA’s statutory boundaries, unless DWA elects to “opt out of being the exclusive groundwater management agency within its statutory boundaries” (Water Code, § 10723(c)(2));

WHEREAS, each of the Partners plans to become a separate GSA or groundwater management agency for portions of the Indio Sub-Basin: and

WHEREAS the Partners desire to reach a common understanding with respect to the future SGMA governance structure of the Indio Sub-Basin to maximize coordination and minimize potential areas of disagreement.

NOW, THEREFORE, it is mutually understood and agreed as follows:

SECTION 1:

AUTHORITY OF THE PARTNERS

- 1.1 Coachella Water Authority is a joint powers authority formed as a component of the City of Coachella and the Housing Authority of the City of Coachella and has statutory authority over water supply.
- 1.2 Coachella Valley Water District is a public agency of the State of California organized and operating under the County Water District Law, California Water Code section 30000, et seq, and the Coachella Valley Water District Merger Law, Water Code section 33100, et seq. Coachella Valley Water District has groundwater management powers under its enabling legislation and other applicable law.
- 1.3 Desert Water Agency is an independent special district created by a special act of the State Legislature contained in chapter 100 of the appendix of the California Water Code. Desert Water Agency is empowered to replenish local groundwater supplies and collect assessments necessary to support a groundwater replenishment program as provided for in the Desert Water Agency Law, and has statutory authority over water supply.
- 1.4 Indio Water Authority is a joint powers authority formed as a component of the City of Indio and Housing Authority of the City of Indio and has statutory authority over water supply.

SECTION 2:

PURPOSES AND GOALS OF THIS MOU

- 2.1. This MOU is to memorialize the intent of the Partners to coordinate and cooperate regarding implementation of SGMA within their respective jurisdictions to ensure that the sustainability goals of SGMA are met within the Indio Sub-Basin. This MOU is intended to encourage cooperation and coordination regarding management of the Indio Sub-Basin, and to improve and maintain overall communication between the Partners involved. It is anticipated that coordination and information sharing among the Partners will assist in achieving their respective missions to the overall well-being of the Sub-Basin.
2. 2 Each Partner shall have the sole and exclusive right to determine whether, and if so when, it will elect to be a GSA or, in the case of DWA, the exclusive local agency with powers to implement SGMA for the portion of the Indio Sub-Basin underlying its statutory boundaries.
2. 3 Subject to SGMA and any other applicable laws, the Partners agree that if a Partner elects not to become a GSA for the portion of the Sub-Basin underlying its service area by June 30, 2017, the other Partners will not object should such Partner later seek to become a GSA on or after July 1, 2017.

2. 4 The Partners agree to coordinate to ensure, to the greatest extent feasible, that there are no overlapping boundaries among the recognized GSA's governing the Sub-Basin. The Partners further agree to cooperate regarding any contemplated Sub-Basin boundary modification requests that may be pursued that affect their respective GSA boundaries or groundwater management service areas.
2. 5 Should any Partner withdraw or cease being a GSA, the other Partners shall have the first opportunity to become the GSA for the abandoned area of the Sub-Basin before such area would potentially fall under the groundwater management jurisdiction of the County of Riverside, the State of California, or other entity pursuant to SGMA; provided that the service area of the abandoned area is within the service area of the Partner seeking to become the new GSA for the abandoned area.
2. 6 Nothing in this MOU is intended to affect the statutory powers granted under SGMA or any other law to any of the Partners, or to a GSA or local agency duly formed by any Partner. Nothing in this MOU shall affect any existing authorities or powers of the Partners existing under each Partner's enabling legislation or otherwise.
2. 7 Each Partner shall be responsible for the adoption and enforcement of any ordinances, bylaws or other legally enforceable action taken by any GSA it forms or local agency with authority to implement SGMA. None of the actions or decisions of one Partner shall be attributable to the other Partners.
2. 8 The Partners acknowledge and agree that a pre-existing, approved water management plan or plans (WMP) has been prepared and adopted that covers the Indio Sub-Basin. The Partners acknowledge and agree that CVWD individually or with Partners has the right to submit the WMP(s) as a potential "alternative" to a GSP for the portion of the Sub-Basin within their respective GSA boundaries or local agency boundaries. (See Water Code, section 10733.6.) The Partners agree to support, and not object, to the submission of the currently approved WMP(s) as an alternative to a GSP. Should modifications or amendments to the WMP(s) become necessary to meet the alternative compliance procedures outlined in SGMA or for other reasons, the Partners agree to the following:
 - 2.8.1 MWH America's Inc. (MWH), the consultant who completed the pre-existing, approved water management plan is the most qualified consultant to complete an alternative GSP.
 - 2.8.2 MWH has provided a scope of work, fees that have been agreed to by the Partners.
 - 2.8.3 CVWD shall retain MWH to prepare an alternative Plan for an amount not to exceed \$112,723, without prior authorization.
 - 2.8.4 CVWD shall invoice each Partner for reimbursement of one-fourth (1/4) of the cost of GSP alternative Preparation which is an amount equal to \$28,180.75.

- 2.8.5 The Partners agree to coordinate their implementation of SGMA in the Sub-Basin whether or not DWR approves the alternative, in whole or in part.
- 2.8.6 The Partners acknowledge that by virtue of commitments and intentions stated within this MOU, the need to share additional costs shall be addressed in future amendments to this MOU.
- 2.9 Unless otherwise agreed to by the Partners in the future, each Partner shall absorb its own costs related to implementation of this MOU.
- 2.10 By signing this MOU each of the Partners commits to sharing the responsibility and the resources necessary to comply with SGMA in the Sub-Basin under the statutory, regulatory and other applicable timelines, including but not limited to attending scheduled meetings, providing comments and other deliverables on time, and otherwise fully participating in the process.
- 2.11 The Partners acknowledge that SGMA may require the Partners to enter into future agreements, including a coordination agreement, to fully implement SGMA in the Indio Sub-Basin.

SECTION 3:

JOINT PLANNING FOR SGMA IMPLEMENTATION

- 3.1 It is the intent of the Partners that they coordinate and collaborate to address the common issues identified in this MOU. The Partners may develop and implement governance objectives, projects and programs under SGMA individually or jointly, or enter into additional agreements in furthering those goals.
- 3.2 It is the intent of the Partners to meet on at least a quarterly basis in order to carry out the purposes and goals of this MOU. The frequency and location of meetings are subject to the discretion of the Partners and may be changed whenever appropriate.


SECTION 4:

GENERAL PROVISIONS GOVERNING MOU

- 4.1 Term: The term of this MOU shall be from the date the second Partner signs this MOU ("Effective Date"). This MOU shall be effective as to any Partners that execute it, whether or not all named Partners execute it.
- 4.2 Termination. Any Partner may terminate its participation in this MOU upon thirty (30) days prior written notice to the other Partners for any reason or no reason. Any Partner terminating or otherwise ceasing its participation in this MOU shall be responsible for its share of the costs, as set forth herein, which are incurred on or before the effective date of said termination.

- 4.3 Construction of Terms: This MOU is for the sole benefit of the Partners and shall not be construed as granting rights to any person other than the Partners or imposing obligations on a Partner to any person other than another Partner.
- 4.4 Good Faith: Each Partner shall use its best efforts and work wholeheartedly and in good faith for the expeditious completion of the objectives of this MOU and the satisfactory performance of its terms.
- 4.5 Rights of the Partners and Constituencies: This MOU does not contemplate the Partners taking any action that would adversely affect the rights of any Partners, or adversely affect the customers or constituencies of any Partners.
- 4.6 Partner Discretion. Participation in this MOU shall not restrict any Partner's authority and discretion to continue its own planning and undertake its own efforts to secure SGMA, Proposition 1 or other funding from any other source.
- 4.7 Necessary Actions. Each Partner agrees to execute and deliver additional documents and instruments and to take any additional actions as may be required to carry out the purposes of this MOU.
- 4.8 Third Party Beneficiaries. This MOU shall not create any right or interest in any non-Partner or in any member of the public as a third-party beneficiary.
- 4.9 Counterparts. This MOU may be executed in one or more counterparts, each of which shall be deemed to be an original

IN WITNESS WHEREOF, the Partners have executed this MOU as of the day and year indicated on the first page of this MOU.



 Jim Barrett
 Coachella Valley Water District

 David Garcia
 Coachella Water Authority

 Mark Krause
 Desert Water Agency

 Brian Macy
 Indio Water Authority

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