SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NORTHERN DMC AB 3030 PLAN ACTIVITY AGREEMENT

This Northern DMC AB 3030 Plan Activity Agreement, made effective as of January 1, 1995, by and among the San Luis & Delta-Mendota Water Authority, a joint powers agency of the State of California, and its members who execute this Agreement.

RE bâtALS

A. The parties to this Agreement, together with certain other local agencies have entered into an amended and restated Joint Exercise of Powers Agreement—San Luis & Delta-Mendota Water Authority dated as of January 1, 1992, by and among the parties indicated therein, for the purpose of exercising the common powers of the members, including those powers described in this Agreement.

B. The parties to this Agreement each are empowered, among other powers, to provide water service to lands within their boundaries; to operate and maintain works and facilities for the development, distribution and use of water for irrigation and for any drainage or reclamation works connected therewith or incidental thereto and/or to operate and maintain works and facilities for the development, distribution and use of water for municipal and industrial use; to contract with the United States, the State and other public agencies and, effective January 1, 1995, with mutual water companies, for such purposes; to control the quality of water
accepted into their respective systems; to implement groundwater management plans; and to adopt rules and regulations necessary to the exercise of such powers.

C. The parties to this agreement and any memoranda of understanding executed pursuant hereto are located within the same or adjoining groundwater basins generally described as the southwestern portion of San Joaquin County bordered by Old River on the North, and the San Joaquin River on the East, and that area on the westside of the San Joaquin Valley within the described boundaries of the City of Tracy, The West Side Irrigation District, Plain View Water District, Banta-Carbona Irrigation District, Patterson Water District, West Stanislaus Irrigation District, and the Del Puerto Water District.

D. The parties to this Agreement and certain other local agencies that provide water service recognize the importance of proceeding with development of coordinated individual, regional or group groundwater management plans to achieve the following objectives: 1) to avoid adverse impacts to the groundwater and surface water supplies within a groundwater basin which could result from use of the groundwater resource by suppliers and users within a groundwater basin without the benefit of a coordinated program for such use; 2) to facilitate protection of groundwater and surface water resources to meet the needs of all users of these resources; 3) to maintain local control over the groundwater resource through its responsible management pursuant to the authorities granted under California law; 4) to meet the obligation
of federal water service contractors with boundaries overlying any portion of a usable groundwater aquifer to begin working with other affected and overlying parties (by January 1, 1995) to develop a groundwater management plan pursuant to California Water Code Section 10750 imposed by current federal guidelines for water conservation established to implement the Central Valley Project Improvement Act [Title XXXIV of the Act of October 30, 1994 (106 Stat. 4706)]; and 5) to meet any other legal obligations relative to the management of groundwater resources.

E. Each of the parties to this Agreement desires to achieve the objectives recited above through the joint exercise of its common powers to study, develop, finance, and implement a coordinated program to 1) assist parties to the Agreement to complete a regional, individual or group groundwater management plan as authorized by Water Code Section 10750 et seq., including but not limited to assistance in the completion of a groundwater study or studies for such purposes, as requested by parties to the agreement or other participating parties; and 2) to enter into agreements to allow the participation in the coordinated program by other local agencies or mutual water companies which are not Members of the San Luis & Delta-Mendota Water Authority but which agree to participate pursuant to the terms of this Agreement and any memoranda of understanding negotiated pursuant hereto.

AGREEMENT

NOW, THEREFORE, in consideration of the facts recited above and of the covenants, terms and conditions set forth herein,
the parties agree as follows:

Section 1. **Definitions:**

1.A. "AB 3030 Plan" or "AB 3030 Plans" shall mean a groundwater management plan or plans adopted pursuant to California Water Code Section 10750 et seq.

1.B. "Activity Agreement Member(s)" shall mean a member or members of the Authority who are signatories to this Agreement.

1.C. "Activity Agreement" or "Agreement" shall mean this Northern DMC AB 3030 Plan Activity Agreement.

1.D. "Activity Agreement Expenses" shall mean Authority operating costs allocable to members of this Activity Agreement and any MOU's executed in conjunction with this Activity Agreement.

1.E. "Administration Agreement(s)" shall mean those certain agreements between the Authority and Activity Agreement Members for the undertaking of activities and sharing of costs and benefits pursuant to Sections 22 and 23 of the JPA.

1.F. "Authority" shall mean the San Luis & Delta-Mendota Water Authority.

1.G. "Authority Operating Costs" shall mean the Authority rent and other occupancy charges, acquisition cost of office furniture and equipment, including telephone, teletype, photocopy, cost of cars and other vehicles, insurance premiums, salaries and wages of employees including payments in connection with retirement programs and other benefit programs, fees of
creditors, lawyers, engineers and other consultants, travel, telephone, telecopy and photocopy expenses and any other general administrative expenses.

1.H. "JPA" or "JPA Agreement" shall mean that certain Amended and Restated Joint Exercise of Powers Agreement effective January 1, 1992, establishing the Authority.

1.I. "Memorandum of Understanding" or "MOU" and their plural forms shall mean those certain agreements in the form attached hereto as Exhibit "c" between the Authority and local agencies or mutual water companies who are not Authority members.

1.J. "Participating Agency" or "Participating Agencies" shall mean a local water agency or agencies or a mutual water company or companies which are not members of the Authority but which have agreed to participate in this Agreement by execution of a MOU.

Section 2. Purpose:

The purpose of this Agreement is to achieve the objectives stated in the Recitals above through the joint exercise of some or all of the common powers of the Activity Agreement Members described in the Recitals above, as appropriate, to 1) study, plan for, develop, finance, and implement a program to assist Activity Agreement members to develop coordinated regional, individual or group groundwater management plans, including but not limited to assistance in the obtaining of a groundwater study or studies for such purposes, upon the request of Activity Agreement Members and/or Participating Agencies, and 2) enter into memoranda
of understanding with other public agencies to allow such agencies to participate in the activities and to share the costs of preparing and implementing AB 3030 Plans pursuant to the terms of this Activity Agreement.

The activities authorized to carry out the purposes of this Agreement shall specifically include, but shall not be limited to, the following:

2.A. Upon the request of Activity Agreement Members and/or Participating Agencies, soliciting proposals from one or more consultants, accepting a proposal or proposals from such consultant(s), funding and implementing any groundwater studies necessary for the implementation of an AB 3030 Plan or Plans on a regional, individual or group basis pursuant to California law and the terms of this Agreement.

2.B. Assisting with the development and implementation of AB 3030 Plans for groundwater management pursuant to Water Code Section 10750 et seq., either regionally or within the boundaries of individual Activity Agreement Members or Participating Agencies, or within the boundaries of groups of Activity Agreement Members and/or Participating Agencies.

2.C. Developing guidelines, rules or regulations required to implement the programs and purposes contemplated by this Activity Agreement.

2.D. Funding Authority obligations carried out in furtherance of the purposes of this Activity Agreement.
Section 3. Organization:

3.A. Governing Body. The business of the Activity Agreement shall be conducted by a Steering Committee consisting of 1 member appointed by each Activity Agreement Member and each Participating Agency member. Members of the Steering Committee shall be appointed by action of the governing body of the Activity Agreement Members or Participating Agency, and shall be effective upon the appointment date as communicated in writing to the Authority. Each member shall serve on the Steering Committee from the date of appointment by the governing body of the Activity Agreement Member or Participating Agency he/she represents at the pleasure of such governing body. In addition, the Executive Director and the O&M Manager of the Authority shall serve as ex-officio members of the Steering Committee.

3.B. Meetings. The Executive Director of the Authority or, acting on his behalf, the O&M Manager of the Authority, is authorized to call meetings of the Steering Committee as necessary and appropriate to conduct the business of the Activity Agreement. All such meetings shall be open to the public and subject to notice and location requirements as set forth in the Ralph M. Brown Act (Government Code Sections 54950 et seq.).

3.C. Quorum and Voting. A majority of the then-appointed representatives shall constitute a quorum of the Steering Committee. Each Steering Committee member shall have one (1) vote. All actions of the Steering Committee must be taken by unanimous vote of a quorum of members. The Executive Director and O&M
Manager of the Authority shall not be entitled to vote.

3.D. **Officers.** The Executive Director of the Authority shall serve as Chairman of the Steering Committee, and shall act as presiding officer. The O&M Manager of the Authority shall serve as Vice Chairman, to serve in the absence of the Chairman. There also shall be selected a Secretary, who may, but need not be, a member of the Steering Committee. All elected officers shall remain in office at the pleasure of a majority vote of the Steering Committee.

3.E. **Powers and Limitations Thereon.** Subject to the direction of the governing bodies of the Activity Agreement Members and of the Authority, the Steering Committee shall undertake all actions necessary for carrying out the Activity Agreement, including but not limited to setting policy for the Activity Agreement; making budget recommendations in conjunction with the Executive Director and/or the O & M Manager of the Authority; determining the basis for calculation of the participation percentages for each fiscal year, and the timing required for payments of obligations hereunder; employing consultants and otherwise authorizing expenditure of Activity Agreement funds within the parameters of the budget approved by the Authority; developing and implementing guidelines, rules or regulations; and such other actions as shall be reasonably necessary or convenient to the purposes of the Activity Agreement.

Section 4. **Budgetary Responsibilities:**

The Activity Agreement Members shall have the authority
and the obligation in cooperation with the Executive Director and/or the O&M Manager of the Authority and the Steering Committee, to provide and approve a budget for the activities authorized by this Agreement, annually or more frequently as needed, for presentation to the Board of Directors of the Authority in accordance with Section 22 of the JPA Agreement. All budgets and amendments thereof which result in a budget increase shall be subject to the approval of the Authority Board of Directors. To initially fund the budget for this Agreement, the Activity Agreement Members, together with all Participating Agencies, shall contribute their pro-rata share of a total of $26,000.00, in accordance with Section 6 hereof.

Section 5. **Authorization to Allocate Operating Costs:**

Each Member of the Authority has entered into an Administration Agreement which authorizes an agreement by and among the Authority and any of its Members or other entities (including associate members) to provide for undertaking and sharing costs and benefits of any authorized activity of the Authority. The Authority and the Activity Agreement Members agree that all Activity Agreement Expenses incurred by the Authority under this Agreement are the costs of the Activity Agreement Members, and not of the Authority, and shall be paid by the Activity Agreement Members; provided, however, that this Section shall not preclude the Activity Agreement Members from accepting voluntary contributions from other members of the Authority or other interested parties, and applying such contributions to the purposes
hereof. The Activity Agreement Members further agree to pay that share of Authority Operating Costs allocated by the Board of Directors of the Authority to cover the cost to the Authority of administering this Activity Agreement. Each Participating Agency shall agree to pay its allocated share of Activity Agreement Expenses and Authority Operating Costs assigned to this Agreement pursuant to the MOU signed by such Participating Agency.

Section 6. **Participation Percentages:**

The initial participation percentages of the Activity Agreement Members are set forth in Exhibit "A." These initial participation percentages are fixed for purposes of establishing responsibilities for start-up costs only, and the ultimate participation percentages of each Activity Agreement Member will be fixed by the Steering Committee from time to time, and Exhibit "A" shall be amended to reflect all such changes. The parties acknowledge and agree that such initial participating percentages amount to 87.5% of the total Activity Agreement Operating Costs for start-up purposes, and the balance of 12.5% of such costs shall be assigned to other agencies participating through memoranda of understanding between the Authority and such agencies in accordance with Exhibit "B" setting forth the participation percentages of all agencies participating through memoranda of understanding. Exhibit "B" may also be amended by the Steering Committee from time to time.

Section 7. **Source of Payments:**

Each Activity Agreement Member agrees that it will fix
rates, charges or assessments in connection with its water deliveries and/or use of its facilities for water deliveries so that it will at all times have sufficient money to meet its obligations hereunder and under the JPA Agreement. Each Activity Agreement Member hereby confirms that the Authority and other Activity Agreement Members are third party beneficiaries of such Activity Agreement Member's obligations under this Agreement and may take such actions in law or in equity as may be desirable to enforce payments hereunder.

Section 8. **Term:**

This Agreement shall take effect on the date it is executed by the Authority and be retroactive to January 1, 1995. This Agreement shall remain in full force and effect until this Agreement is amended, rescinded or terminated by the Authority and the Activity Agreement Members.

Section 9. **Withdrawal From Further Participation:**

To withdraw, an Activity Agreement Member shall give the Authority written notice of such withdrawal not less than 30 days prior to the withdrawal date. As of the withdrawal date, all rights of participation in this Agreement shall cease for the withdrawing member, and withdrawing member shall within 30 days, pay all such Activity Agreements Member's financial obligations incurred prior to such withdrawal date pursuant to the terms of this Agreement.

Section 10. **Admission of New Members:**

Additional members and associate members of the Authority
may become members of this Activity Agreement, and the Authority may execute MOU's with additional Participating Agencies upon a majority vote of all the current Activity Agreement Members and Participating Agencies, and upon such conditions as are fixed by such existing Activity Agreement Members and Participating Agencies. Upon admission of a new member or execution of a new MOU the participation percentages shall be automatically recalculated to distribute such participation percentages among all Activity Agreement Members and Participating Agencies on a prorated basis.

Section 11. Form of Memoranda of Understanding: The parties hereby agree that the Authority may enter into memoranda of understanding with agencies which are not members of the Authority for purposes of allowing their participation in this Activity Agreement. The form of memoranda of understanding to be utilized for each such participating agency is set out in Exhibit "C" and by this reference incorporated herein.

Section 12. Amendments:

This Agreement may be amended in writing by the parties hereto.

Section 13. Assignment; Binding on Successors:

Except as otherwise provided in this Agreement, the rights and duties of the Activity Agreement Member may not be assigned or delegated without the written consent of the Authority. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void. 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 Authority and the Activity Agreement Members.

Section 14. Counterparts:

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

Section 15. Choice of Law:

This Agreement shall be governed by the laws of the State of California.

Section 16. Severability:

If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Activity Agreement Members and the Authority that the remainder of the Agreement shall not be affected thereby.

Section 17. Headings:

The titles of sections of this Agreement are for convenience only and no presumption or implication of the intent of the parties as to the construction of this Agreement shall be drawn therefrom.
SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

By: Daniel G. Nelson
    Executive Director

By: __________________________

DATE: August 9, 1995

ACTIVITY AGREEMENT MEMBERS

SANITA - GIADONA HILLS, 1901

By: __________________________

By: __________________________

By: Virginia Hudson
EXHIBIT A

NORTHERN DMC AB3030 ACTIVITY AGREEMENT
PARTICIPATION PERCENTAGES

<table>
<thead>
<tr>
<th>Entity</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>City of Tracy</td>
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<tr>
<td>Plainview W.D.</td>
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<tr>
<td>Del Puerto W.D.</td>
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<tr>
<td>Banta Carbona Irrigation Dist.</td>
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<tr>
<td>West Stanislaus Irrigation Dist.</td>
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EXHIBIT B

NORTHERN DMC AB 3030 PLAN ACTIVITY AGREEMENT
PARTICIPATION PERCENTAGES UNDER MOU'S

San Joaquin County 12.5%