NON-DISTRICTED LANDOWNERS COMMITTEE

SUSTAINABLE GROUNDWATER MANAGEMENT ACT MEETING

Agenda

April 12, 2018
1115 Truxtun Ave. 3rd Floor
Conference Room, 8:30 a.m.

1. Status Update of Property Owners Joining Water Districts via “Management Areas.”

2. Process for Implementation of a GSP (DRAFT)

3. Discussion of Legal Structure Options

4. KGA Meeting & Coordination Committee Reports

5. Contributions Reimbursement

6. Other Items

7. Adjourn

Next Meeting: May 10th, 8:30 am
1115 Truxtun Ave., 3rd Floor Conference Rm.
8 March 2018

To: Allen Lyda, Tejon-Castac Water District (TCWD)

Cc: Tito Martinez, White Wolf Groundwater Sustainability Agency (WWGSA)
Angelica Martin, TCWD
Jeevan Muhar, Arvin-Edison Water Storage District (AEWSD)
Steve Collup, AEWSD
Sheridan Nicholas, Wheeler Ridge-Maricopa Water Storage District (WRMWD)
Robert Kunde, WRMWD
Allen Christensen, Kern County

From: Anona Dutton, P.G., C.Hg., EKI Environment & Water, Inc. (EKI)

Subject: **Task Order to Develop a Groundwater Sustainability Plan**
Tejon-Castac Water District
Kern County, CA
(EKI B8-045)

Dear Mr. Lyda,

Tejon-Castac Water District (TCWD, District, or Client) has requested that EKI Environment and Water, Inc. (EKI) provide a scope to develop a Groundwater Sustainability Plan (GSP) for the White Wolf Subbasin (Basin) as part of compliance with the Sustainable Groundwater Management Act (SGMA).

EKI understands that the White Wolf Groundwater Sustainability Agency (GSA) intends to develop a GSP for the Basin by the submission deadline of 31 January 2022\(^1\), and that the GSA intends to accelerate the development of certain portions of the GSP to foster effective communication and collaboration with the adjacent Kern County Subbasin (Kern Basin).

The GSA submitted an application for a Proposition 1 Sustainable Groundwater Planning Grant for the development of a GSP for the Basin. In February 2018 the California Department of Water Resources (DWR) released Draft Funding Recommendations that included a recommendation that the GSA’s application be fully funded; final award announcements are expected in Spring

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\(^1\) The GSP submission deadline is 31 January 2022 for basins designated as high or medium priority and not designated as “critically over-drafted” in Bulletin 118 [CWC §10720.7], and the implementation deadline is 20 years thereafter.

Formerly known as Eler & Kollonowski, Inc.
Prop 1 Application vs. Task Order Terminology

The following Tasks (equivalent to the “Phases” articulated in the Proposition 1 application) summarize the effort required to develop a GSP; additional details are more fully described in the attached Proposition 1 Work Plan.

A detailed schedule and budget that itemize the proposed Tasks and Subtasks (equivalent to the “Tasks” in the Proposition 1 application) are also included herein (Attachments B and C, respectively).

We note that the following tasks can be approved together or in part. Should the GSA recommend approving only a portion of this scope, we recommend approval of Tasks 1, 2, and 5 to initiate GSP development and keep the GSA on schedule for the January 2022 GSP submission deadline.

SCOPE OF WORK

Task 1 – Conduct Foundational GSP Development Efforts

Task 1 consists of preparing the data, information, technical tools, and funding and outreach plans needed to successfully perform subsequent tasks. Efforts under Task 1 align with portions of Articles 3, 4, 5-1, 5-2, and 8 of the GSP Regulations (23-California Code of Regulations [CCR] §352-354.18, §357-357.4). Key work efforts within this task will include development of a functional Data Management System (DMS); assessment of key data gaps for GSP development and suggestions for how to fill them; evaluation of numerical groundwater modeling options; and development of a stakeholder communication and engagement plan that will fulfill the SGMA requirements and is suited to the interested parties in the Basin.

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2 Foundational SGMA compliance efforts completed by EKI to date, which were included in the Proposition 1 application Work Plan, including supporting the White Wolf GSA’s formation, development of a California Statewide Groundwater Elevation Monitoring (CASGEM) monitoring program, and preparation of the GSA’s Proposition 1 application, are not included in this scope, as they were completed pursuit to another task order.
Task 2 – Develop Basin Setting Information

Task 2 focuses on developing a foundational understanding of the Basin to support SGMA compliance and to inform the sustainability planning efforts under Task 3. Efforts under Task 2 align with the Basin Setting and Monitoring Network sections of the GSP Regulations (23-CCR §354.12-18, §354.32-40). Key work efforts within this task will include filling of selected data gaps identified in Task 1; development of a Hydrogeologic Conceptual Model (HCM); definition of groundwater conditions; development of a basin-wide water budget; coordination with the Kern County Subbasin on modeling; and assessment of the existing monitoring network.

Task 3 – Develop Sustainable Management Criteria

Task 3 focuses on planning for the continued sustainable management of the Basin and aligns with portions of the Sustainable Management Criteria, Monitoring Network, and Project and Management Actions sections of the GSP Regulations (23-CCR §354.20-44). Key work efforts within this task will include the development of Sustainable Management Criteria; identification of potential projects and management actions; development of a GSP implementation plan; and finalization of a SGMA-compliant monitoring network and protocols.

Task 4 – Prepare and Submit GSP

Task 4 involves preparation of the GSP for submittal to DWR and aligns with requirements for GSP submission outlined in the GSP Regulations and in the California Water Code (CWC §10727-10728.6). Key work efforts within this task will include the compilation of the complete draft GSP; distribution of the draft GSP to stakeholders and revision based on feedback received; and submission of the final GSP to DWR.

Task 5 – Project Management and Grant Administration

Task 5 includes efforts related to general management of the entire GSP development process (i.e., through the January 2022 submission deadline). These efforts will be carried out concurrently with the execution of Tasks 1 through 4, and includes efforts consistent, where applicable, with the grant administration requirements outlined in the Proposition 1 Proposal Grant Agreement Template and the technical and reporting standards outlined in the GSP Regulations (23-CCR §352-352.6). Key work efforts within this task will include the development of a Quality Assurance/Quality Control (QA/QC) Plan; support of the GSA in submission of required quarterly progress reports and a grant completion report; and project management of the full GSP development effort.

PERSONNEL

EKI’s staff members who will be available to work on this project include Anona Dutton, P.G., C.Hg. (Officer), Christopher Heppner, Ph.D., P.G. (Senior 1), Tori Klug, E.I.T (Grade 4), and Mauricio Osorio-Gonzalez (Grade 5); grades in parentheses are for purposes of billing in accordance with the attached Schedule of Charges (see Attachment D). Other EKI staff members
may be assigned to assist with the performance of the tasks as required to meet project commitments.

SCHEDULE

EKI is prepared to start work on the above Scope of Work immediately upon authorization to proceed. As shown in Attachment B, we anticipate that GSP chapter development will be largely complete by early 2021 which will support GSP submission by 31 January 2022. We will inform the GSA of any issues that arise that may affect the schedule for completion or impact the anticipated level of effort.

TERMS AND CONDITIONS

All work performed by EKI under this Task Order is anticipated to be performed pursuant to the Terms and Conditions of our existing Agreement with Tejon-Castac Water District.

COMPENSATION

Inasmuch as the exact level of effort required to complete the above Scope of Work cannot be known precisely, EKI proposes to perform the work on a time and materials expense reimbursement basis in accordance with our current Schedule of Charges. A breakdown of the estimated budget is provided in Table 1 below, and a detailed budget estimate is included as Attachment C.

Table 1. Total Estimated Budget\(^3\)

<table>
<thead>
<tr>
<th>Task</th>
<th>Estimated Budget</th>
<th>Grant Reimbursable Amount(^4)</th>
<th>White Wolf GSA Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 – Conduct Foundational GSP</td>
<td>$133,300</td>
<td>$77,100</td>
<td>$57,100</td>
</tr>
<tr>
<td>Development Efforts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 2 – Develop Basin Setting Information</td>
<td>$292,600</td>
<td>$120,000</td>
<td>$172,700</td>
</tr>
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<td>Task 3 – Develop Sustainable Management Criteria</td>
<td>$254,500</td>
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<td>$128,000</td>
</tr>
<tr>
<td>Task 5 – Prepare and Submit GSP</td>
<td>$102,200</td>
<td>$58,400</td>
<td>$43,800</td>
</tr>
<tr>
<td>Task 6 – Project Management and Grant Administration</td>
<td>$85,700</td>
<td>$48,900</td>
<td>$38,900</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>$869,300</td>
<td>$430,900</td>
<td>$438,500</td>
</tr>
</tbody>
</table>

\(^3\) Budget numbers are rounded to the nearest hundred; precise numbers by task and subtask can be found in Table 2.

\(^4\) Grant reimbursable amount assumes full funding of the White Wolf GSA’s Proposition 1 grant as recommended by DWR on 6 February 2018.
We are happy to discuss the proposed approach and anticipated level of effort for each task in more detail with you and look forward to working with you on this important project. If this Task Order meets with your approval, please sign where noted below. Please return a fully executed copy to our office to confirm your authorization to proceed.

We are pleased to have the opportunity to work with you on this very important project. Please call if you have any questions or wish to discuss this proposal in greater detail.

Very truly yours,

EKI Environment & Water, Inc.

[Signature]

Anona L. Dutton, P.G., C.Hg.
Vice President / Principal-In-Charge

AUTHORIZATION

TEJON-CASTAC WATER DISTRICT
(CLIENT)

By____________________

Title____________________

Date____________________

Attachments
Attachment A White Wolf GSA Proposition 1 Work Plan
Attachment B Project Schedule
Attachment C Cost Estimate to Develop a Groundwater Sustainability Plan Chapter
Attachment D 2018 Schedule of Charges
Non-Districted Areas
GSP Development Schedule

2017
Dec | Mar | Jun | Sep | Dec | Mar | Jun | Sep | Dec

2018

2019
Today

2020

Contract with GSP Consultant
Jun 15

Legally Organize Non-Districted Property Owners
Nov 1

GSP Administrative Draft
Apr 1

GSP Board Adoption
Sep 15

GSP Final Draft
Sep 1

SGMA Mandated GSP Deadline
Jan 31

Stakeholder Engagement and Strategy Development

Develop Basin Setting Information, Data Collection, Plan Review

Finalize Plan Area, Describe Groundwater Conditions

Basin Model and Water Budget (KGA)

Establish Basin Sustainability Criteria (KGA)

Decide Organizational Structure, Appoint Board Members & Committees

Sustainability Goals, Policies and Actions

Develop GSP Implementation Plan

Adopt Non-Districted Administrative Policies

GSP Certified by DWR

GSP Document Development

Outreach, Education and Communication
GROUNDWATER NON-PROFIT CORPORATION
Bylaws

ARTICLE I.

ORGANIZATION

Section 1.00 Name:
The name of this California non-profit corporation shall be: Butte-Sutter Basin Area Groundwater Users Corporation (hereinafter referred to as the “Butte-Sutter Basin Company” or the “Company”)

Section 1.10 Authorization:
The minimum franchise tax of $800.00 is paid pursuant to Sections 23153 and 23221 of the Revenue and Taxation Code. Application for exemption filed pursuant to Revenue and Taxation Code Sections 23701, et. seq., shall be transmitted to the California Franchise Tax Board upon completion.

Section 1.20 Principal Office:
The principal office for the transaction of business of the Butte-Sutter Basin Company is located at 3108 Burdick Road, Chico, California 95928; provided, however, that the board of Directors may change the location of the principal office without amendment of these Bylaws.

Section 1.30 Butte-Sutter Groundwater Basin:
For the purpose of membership in the Butte-Sutter Basin Company, the land overlying the groundwater basin shall be defined as that area of the State of California bounded on the west by the Sacramento River; on the north by the Butte-Tehama County line; on the south by an imaginary line running due east and west through the Sutter Buttes, six miles south of and parallel to the Butte-Sutter County line. This area includes portions of Butte, Glenn, Colusa and Sutter Counties.

ARTICLE II.

PURPOSE

Section 2.00 Purpose:
The purposes of the Butte-Sutter Basin Company shall be to engage in any lawful act or activity for which a corporation may be organized under the Non-profit Mutual Benefit Corporation Law and to work together with its members and others for the best interest of its landowners and water users who use, need and depend upon groundwater.
Section 2.01 Promote Local Control:
To participate with others in the promotion of local control of the Butte-Sutter Basin Area groundwater resources by encouraging coordinated actions by public and private water agencies and the various water users within the Basin area and to develop a Basin wide water plan, or seek legislative action, to manage groundwater extractions, distribution, allocation or exportation.

Section 2.02 Develop Hydrologic Model:
To participate with others in determining the Butte-Sutter Basin Area’s existing available groundwater supplies by means of a hydrologic model which will define in detail the water resources of the many sub-basins making up the Butte Sutter Basin Area.

Section 2.03 Orderly Development:
To participate with others in determining the Basin Area’s need for additional or improved water extraction, storage, groundwater recharge, delivery and conservation facilities; and to encourage the orderly development and use of the water resources of the Basin.

Section 2.04 Protect from Overdraft:
To participate with others in the preservation and protection from overdraft of the vital groundwater resources of the Basin and to do all other things which will be for the best interests of the Butte-Sutter Basin Company.

ARTICLE III.

MEMBERSHIP, UNITS OF PARTICIPATION AND DUES

Section 3.00 Membership Qualifications:
Qualifications for membership in this Company are established below or as may be determined by a majority vote of the Board of Directors from time to time.

Section 3.01 General, Category I - Agriculture Groundwater Users:
- Any individual or entity owning or controlling, through a lease of five (5) years or greater term, cropland suitable for production of tree crops, vine crops, irrigated field crops or irrigated pasture and overlying the Butte-Sutter groundwater basin, but not included within any public water district or governmental agency created for the purpose of controlling, treating, developing, acquiring, using or supplying water for agricultural purposes, shall be eligible for general membership. Such individual or entity shall be eligible for one (1) Unit of Participation for its membership and one (1) additional Units of Participation for each twenty (20) acres, or major fraction thereof, of eligible cropland which is or will be irrigated by groundwater, or by a combination of groundwater and riparian or adjudicated water. Eligible cropland with no wells which is irrigated solely by riparian or adjudicated water shall be eligible for one (1) Unit of Participation for each one hundred (100) acres or major fraction thereof.
Any individual or entity owning or controlling, through a lease of five (5) years or greater term, grazing land with or without stock water wells, overlying the Butte-Sutter Groundwater Basin, but which grazing land is not included within any special water district or governmental agency created for the purpose of controlling, treating, developing, acquiring, using or supplying water for agricultural purposes, shall be eligible for general membership. Such individual or entity shall be eligible for one (1) Unit of Participation for its membership and one (1) additional Unit of Participation for each two hundred (200) acres or major fraction thereof of eligible grazing land.

In the event that an individual or entity has both eligible crop land and eligible grazing land, it shall be eligible for only one (1) Unit of Participation for membership and additional Units of Participation for cropland and grazing land as set forth in Sections 3.01 (a) and 3.01 (b).

Section 3.02 General, Category II: Domestic, Commercial and Industrial Groundwater Users:

Any homeowner, commercial or industrial individual or entity located on land overlying the Butte-Sutter Groundwater Basin and dependent on groundwater wells for water supplies and not presently served by an existing special water district or governmental agency, shall be eligible for general membership. Such individual or entity shall be eligible for one (1) Unit of Participation for membership plus additional United of Participation based on the following schedule:

- Private water suppliers to mobile home parks: One (1) Unit of Participation for each twenty (20) connections;
- Private water suppliers to individual domestic residence: One (1) Unit of Participation for each ten (10) connections;
- Commercial and industrial water users: One (1) Unit of Participation for each ten (10) horsepower of pump extracting groundwater; and
- Other unclassified: to be determined by the Board of Directors on a case-by-case basis.

Section 3.03 Membership - Applications, Acceptance:

Any individual or entity meeting general membership qualifications may become a member of the Company upon written application, approval of the Membership Committee and payment of the required dues. Acceptance to general membership shall entitle member to full participation in Company activities.

Section 3.04 Associate Member:

Any individual or entity not a member of any special water district, governmental agency or public organization created and operated for the purpose of controlling, treating, developing, acquiring, using or supply water for any purpose for inhabitants or lands within Butte-Sutter Groundwater Basin may become an associate member of the Company upon written application, approval by the Membership Committee of the Board of Directors and payment of the required dues. Acceptance to membership as an associate member shall authorize participation in Company activities with being entitled to vote. Any individual or entity, such as a landowner, where his/her lessee holds general membership, or a lessee, where his/her landowner holds general membership, and therefore not eligible for general membership status under qualifications set forth in 3.01 or 3.02 of this Article, may apply for associate membership.

Section 3.05 Representative Membership:
A general member other than a natural person (an entity) may be represented by such natural person as hereinafter set forth as a duly designated agent for such member under such written authorization as may be prescribed by the Company. Any such person, while so acting in such representative capacity of a general member shall be entitled to have and to exercise all rights, privileges and authority in the Company including the right to hold office as a Director.

Section 3.06 Joint Owners:
Whenever agriculture lands are the basis for membership and/or Participation Units for members and there are joint owners or multiple qualified tenants, whether as co-tenants, joint tenants, partnership, trust, or unincorporated association, they may be admitted to membership collectively and shall be deemed to be a single member and possess and enjoy the rights of one (1) member. Such membership may be represented and the right of voting and assenting exercised by those of such persons collectively admitted to membership duly authorized to do so in a writing as may be prescribed by and first filed with the Company. In the absence of such written authorization so filed, the right to voting may be exercised by no more than one (1) of such persons.

Section 3.10 Termination of Members or Associate Members:
Membership shall cease upon the failure of any general member or associate member to pay the dues provided for in Section 3.30, 3.31 or 3.32 of this Article. The membership of any general member or associate member may be terminated at any time by such members sending written notification to the Company’s principal office of its intention to withdraw. The Board of Directors may terminate the membership of any general member or associate member upon thirty (30) days written notice by first-class mail when it is determined at any regular Board Meeting or at any Special Board Meeting called for that purpose that continuance of such membership would not be in the best interests of the Company. Withdrawal or termination of membership ends any participation in Company activities and shall terminate a member’s interest in the Company’s assets.

Section 3.20 Liability of Members:
No general member or associate member shall be liable for any obligation incurred by the Company or any subsidiary or agent thereof, except for the following items: (1) the payment of the annual dues while it shall remain a member; (2) the initial membership assessment; and (3) the payment of assessments approved by the members and levied by the Board of Directors in any calendar year. In addition, all rights of a member in the Company’s assets shall cease on the termination of such member’s membership. Terminations shall not relieve the member for any obligation for charges incurred, services or benefits actually rendered, dues, fees or charges levied, arising from contract or otherwise, before the date of termination. The Company shall retain the right to enforce any such obligation or obtain damages for its breach.

Section 3.30. Dues:
The dues for each calendar year shall be established by the Board of Directors and based upon budget projections of anticipated Company expenses and work to be funded during the ensuing year. The budget and work project will be prepared and presented to the Board of Directors at the last regular meeting of the year. When adopted by majority vote of the Board, notices of dues for the coming year will be sent to the members. These dues will be due by January 15th of the following year.

Section 3.31 Initial Dues of General Members:
The initial general member dues for 1992 are established at Ten Dollars ($10.00) for each Unit of Participation held by a general member and shall be due within fifteen (15) days of notification of membership committee approval of the membership application.

Section 3.32 Initial Dues of Associate Members:
The initial dues of an Associate Member is are established at Ten Dollars ($10.00) per year and subsequent dues shall be set yearly by the Board of Directors when dues for general members are established.

Section 3.33 Dues – Inequity Appeal:
Any general member or associate member may apply to the Board of Directors for a change in its dues because of conditions which that differentiate such applicant from other members.

ARTICLE IV.

MEMBER MEETINGS AND VOTING

Section 4.01. Annual Meeting:
The annual meeting of the members of the Company shall be held on the third Wednesday in January of each year or within fifteen (15) days prior thereto or fifteen (15) days thereafter at such time and place as may be fixed by the board of Directors.

Section 4.02. Regular Meetings:
A regular mid-year meeting of the members of the Company shall be held at such location and time as may be determined by the Board of Directors.

Section 4.03. Special Meetings:
Special meetings of the members may be called by the Board of Directors, the President or by five percent (5%) or more of the members. A request for a special meeting made by membership must be in writing and be delivered in person or mailed by first-class mail addressed to the President, Vice-President or Secretary of the Board at the principal office of the Company. The request must state the general nature of the business proposed to be discussed or transacted at the meeting.

A special meeting which has been called by the written request of the members shall be set by the Board of Directors or officer receiving the request on a date which is not less than ten (10) nor more than thirty (30) days after receipt of the request. The officer who receives the request or the person or persons who made the request shall cause notice to be given to all members; which notice shall state the place, date and time of meeting and the general nature of the business to be transacted at the meeting. No business except that specified in the request and notice may be transacted at such special meeting.

Section 4.10. Notice of Meeting:
Written notice of all meetings of the members, whether annual, regular or special, shall specify the place, date and hour of the meeting and the nature of the business to be transacted at the meeting. Such notice shall be mailed by the Secretary to all members at least ten (10) days prior to the meeting, addressed to each member at the address of each such member appearing on the membership records of the Secretary.

Section 4.20. Quorum:
The presence in person of one-fourth (1/4) or more of the members of the Company at any meeting of the members shall constitute a quorum for the transaction of all business at such meeting, unless otherwise required by law. The requirement for quorum is for one-forth (1/4) of the total number of memberships regardless of the number of Units of Participation which the members may represent.

Section 4.30. Voting Power Routine Business:
In conducting the routine business of the meeting, the voting power of each member, or the members’ duly authorized representative present, shall be equal and each member or representative shall be entitled to exercise one (1) vote. All questions, except amendments to these bylaws, shall be determined by a majority vote of those members or representatives present and voting. A roll call may be requested by any member.

Section 4.40 Amendment of Bylaws at Meeting of Members:
Before any amendment to these Bylaws may be considered at any meeting of the members it shall be submitted to the Board of Directors or President at least thirty (30) days prior to the first day of the meeting, unless the proposed Bylaw amendment originates within the Board of Directors. Copies of the amendment shall be included with the meeting notice mailed by the Secretary as specified in

Section 4.10. These Bylaws may be amended by affirmative vote of seventy-five percent (75%) of the members or representatives present and voting (each being entitled to exercise one (1) vote. A roll call may be requested by any member.

Section 4.50 Conduct of Meeting:
All meetings of the members shall be conducted in accordance with the latest edition of Robert’s Rules of Order, newly revised.

Section 4.60 Voting Power Weighted Voting by Mail Ballot:
The following questions and resolutions shall require voting by mail ballot and shall have the same effect as if taken at a meeting duly called and convened:
- Resolution to amend the Articles of Incorporation.
- Resolution to sign a “Participation Agreement” in a basin water plan.
- Resolution to merge with another organization.
- Resolution to approve a special assessment above annual budget.
• Such other questions or propositions as may from time to time be deemed appropriate by the Board of Director or by a majority vote of the members present in a regular or special meeting of the members of the Company.

Any questions to be submitted to the members for weighted voting by mail ballot shall be reduced to concise written form by the Secretary and mailed to each member otherwise in accordance with the provisions in these Bylaws related to giving notice of meetings to members. Such questions shall be in ballot form to enable the member to express such member’s vote or votes if representing more than one (1) Unit of Participation. Each ballot will show the member’s number of Units of Participation and its notice fixing the date of last postmark for returned ballots to be eligible to be counted, which date shall be not less than fifteen (15) days from mailing of ballots to members. Only those ballots postmarked on or before the date so specified shall be counted. The Secretary with the assistance of the Election Committee shall thereafter open, count and record the votes and announce the results to all members by a general mailing or other appropriate means.

Unless otherwise required by law or these Bylaws, a simple affirmative majority of the total weighted votes cast by written ballot shall be require for passage or adoption of the proposition, resolution or Bylaw.

ARTICLE V.

BOARD OF DIRECTORS

Section 5.00 Number, Eligibility and Category:

The corporate powers, business affairs and assets of the Company shall be exercised, conducted and controlled by the Board of Directors consisting of seven (7) Directors. Five (5) Directors shall be Category I members and shall be elected by Category I members, and two (2) Directors shall be Category II members and shall be elected by Category II members. A Director shall be a member or a duly designated representative of a member other than a natural person (an entity) as provided in these Bylaws. A person serving as a Director or Manager of an existing special water district or governmental agency within the Butte-Sutter Groundwater Basin Area shall not serve as Director of this Company.

Section 5.01 Category, Eligibility and Nomination:

a) Any member, or the duly designated representative of a member other than a natural person (an entity) as provided in these Bylaws, shall be eligible for election as Director to represent member’s Category.

• Nominations. Nominations of Directors shall be by petition signed by at least three (3) members included in the member’s Category and filed, together with the nominees written acceptance thereof, with the Secretary of the Company on or before November 1 of the year in which the election is to be held.

Section 5.02 Election:

On or before November 15 of the year in which the election is to be held, the Secretary of the Company shall prepare separate mail ballots for each Category of Director to be elected containing the names of the nominees, the number of vacancies to be filled and the number of votes available to be cast by the member to whom the ballot is sent, based on Units of Participation held by the
member, and shall mail a ballot to each member included in each Category in which a vacancy exists. There shall be included with each ballot, transmittal envelopes to ensure a secret ballot. Also included shall be a notice fixing last postmark date on returned envelope to Secretary for ballot to be eligible to be counted. Each member shall be entitled to vote for as many nominees in his/her Category as there are vacancies to be filled. Only those ballots received in envelopes postmarked on or before the date so specified shall be counted. The Secretary, with the assistance of the Election Committee, shall thereafter open the ballots and count and record the votes cast for each candidate, multiplying each candidate’s vote by the number of votes shown to be cast by each individual ballot. The candidates in each Category receiving the highest number of votes shall be elected to fill the vacancies to be filled and the Secretary shall announce the results of the election at the annual meeting of the members in January.

Section 5.03 Rules for Conduct of Election and Member Voting:
The Board of Directors shall prescribe appropriate rules and regulations not inconsistent with these Bylaws for conduct of the elections of Director and the submission of any matters to the members for weighted voting by mail ballot.

Section 5.04 Vacancies:
Should a vacancy occur in the office of any Director before expiration of his/her term, it shall be filled by appointment of a person from the Category in which the vacancy exists who is eligible to be a Director as provided in these Bylaws. The appointment shall be made by a majority vote of the remaining Directors and the person so appointed shall fulfill the unexpired term of such Director’s predecessor.

A vacancy shall be deemed to exist when a Director (a) resigned his/her office; (b) is no longer eligible for membership in his/her category as set forth in Article II, Section 3.01 and Section 3.02; or (c) is deceased or is otherwise removed from the Board.

Section 5.05 Term of Office:
The term of office of each newly elected Director shall be three (3) years beginning at the organization meeting of the Board following the annual meeting of members in January except for the initial Board of Directors where two (2) terms of one (1) year, two (2) terms of two (2) years and three (3) terms of three (3) years shall be determined by lot at the organization meeting of the Board of Directors. Each Director shall hold office thereafter until his/her successor is elected and seated at the organization meeting of the Board of Directors following the annual meeting of members or until he/she resigns, becomes disqualified to serve or is removed from office.

ARTICLE VI.

BOARD OF DIRECTORS MEETINGS

Section 6.00 Organization Meeting:
Immediately following the annual meeting of members in January of each year the Board of Directors shall hold a regular meeting (to be known as the “organization meeting”), for the purpose of seating
new members, the election of officers of the Company, and the transaction of any other business. Such organization meeting may be held without notice.

Section 6.01 Other Regular Meetings:

Other regular meetings of the Board of Directors for any purpose or purposes shall be held quarterly, without call, at such time and place as shall be fixed from time to time by the Board of Directors. Such regular meeting may be held without notice.

Section 6.02 Special Meetings:

Special meetings of the Board of Directors for any purpose or purposes may be held from time to time upon call of the President, or if he be absent or be unable or refuse to act, by the Vice-President or by three (3) members of the Board of Directors.

Section 6.10 Notice of Meetings:

The Board of Directors may dispense with any and all notices or regular meetings thereof; otherwise, the same notice of meetings shall be given as required of special meetings. Notice of the time and place of special meetings shall be delivered personally or by telephone or fax to each Director or be sent by first-class mail addressed to each Director at that Director's address as it is shown on the Company records. If the notice is by mail, it shall be deposited in the United States mail at least seven (7) days before the time of holding of the meeting. If the notice is delivered personally or by telephone or fax, it shall be delivered not less than seventy-two (72) hours before time of holding of the meeting. The notice shall specify the business to be transacted at the meeting. No business except that mentioned in the notice shall be transacted at any special meeting except by consent of three-fourths (3/4) of the Directors present and constituting a quorum.

Section 6.20 Quorums:

At any meeting of the Board of Directors, five (5) Directors, of which at least one (1) must be a Category II Director, shall constitute a quorum for the transaction of any business, except to adjourn as otherwise provided in these Bylaws. Except as otherwise provided by law, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as an act of the Board of Directors.

Section 6.30 Adjournment:

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Notice of the adjourned meeting need not be given unless the meeting is adjourned for more than twenty-four (24) hours; in which case notice of the time and place shall be given before the adjourned meeting in the manner specified for special meetings to the Directors who were not present at the time of adjournment.

Section 6.40 Conduct of Meetings:

All meetings of the Board of Directors shall be conducted in accordance with the latest edition of Robert's Rules of Order, newly revised.
ARTICLE VII.

DIRECTORS: POWERS, DUTIES, COMPENSATION

Section 7.10 Powers:
The Board of Directors, subject to any restriction of law, the Articles of Incorporation, and these Bylaws shall exercise all the powers of the Company. Without limitation of these general powers, the Board of Directors shall have the power and authority to do the following:

- To call special meetings of the members whenever the Board of Directors deem is necessary;
- To prescribe and pass on the requirements and qualifications for membership;
- To conduct, manage and control all business and affairs of the Company and in that connection to take such action and to incur such expenses as the Board of Directors, in its discretion, determines will best accomplish the corporate purposes of the Company; and
- To adopt, amend and repeal from time to time and enforce all rules and regulations not inconsistent with law, the Articles of Incorporation, or these Bylaws, which the Board deems necessary for the conduct of business and affairs of the Company.

Section 7.20 Duties:
It shall be the duty of the Board of Directors in addition to all other duties imposed by law or these Bylaws:

- To cause the preparation of the annual report and financial statements of the Company
- To present a report of the condition and affairs of the Company at the annual meeting of the members.
- To cause to be maintained a complete record of all acts and proceedings of meetings of the Board of Directors and all proceedings of meetings of the members.

Section 7.30 Compensation:
There shall be no compensation paid to any Director for his/her activities on behalf of the Company or attendance at meetings of the Board of Directors or meetings of members.

ARTICLE VIII.

OFFICERS

Section 8.00 Officers:
The officers of this Company shall be the President, Vice-President, Secretary and Treasurer. The officers of the Secretary and Treasurer may be combined. The officer shall be duly elected members of the Board of Directors and shall be nominated and elected by secret ballot by the Board of Directors at the regular organization meeting of the Board in January of each year after seating of
new members for that year. They shall take office at the conclusion of that meeting and hold office until such time as their successors are elected or appointed.

Section 8.01 President Duties:
The President shall also serve as Chair of the Board of Directors and preside as such at all meetings of the Board and the general membership; shall appoint all committees, including the chair thereof, and shall perform all other duties necessary to carry out the function of the office. The President shall be a member of all committees but without vote.

Section 8.02 Secretary Duties:
The Secretary shall maintain complete minutes of proceedings at both Board and general member meetings. He/She shall cause mail ballots to be prepared for member voting on proposals, Bylaws, et cetera, and mail ballots for the election of Directors. He/She shall keep records of membership, categories of members and Units of Participation and all other records as required of a non-profit mutual benefit corporation.

Section 8.03 Treasurer Duties:
The Treasurer shall maintain the funds of the Company keeping accurate records of all funds entrusted to his/her care and render a report thereof to the Board of Directors at the regular quarterly meetings and at such other times as may be required. At the close of each calendar year the Treasurer shall prepare and render financial reports as required of a non-profit mutual benefit corporation including, but not limited to, the receipts and expenditures during the year and a résumé of the work accomplished.

Section 8.10 Bonds:
The board of Directors may require fidelity bonds to be furnished for all officers and/or employees handling the finances of the Company in such amounts as it shall deem desirable or necessary. Said bond or bonds to be approved by the Board of Directors and premiums therefore to be paid by the Company.

**ARTICLE IX.**

**COMMITTEES**

Section 9.00 Standing Committees of the Board:
The President shall appoint a Membership Committee of three (3) Directors to solicit membership, accept membership applications, approve applications for accuracy and appropriate category and refer such applications to the Secretary.

The President shall point an Election Committee of three (3) Directors to assist the Secretary in ballot preparation for the election of Directors or other mail ballots and to count the ballots, to certify and report the election results to the Board of Directors and general membership.
Section 9.01 Special Committees:

Special Committees of the Company may be appointed by the President at the direction of the Board of Directors from time to time as need therefore shall direct. Example of committees which may assist the Board in selecting courses of action and positions to be taken by the Company in opposition to or in support of legislation which may affect the members of the Company may include, but are not limited to, a) Federal Water Legislative Committee; b) California Water Legislative Committee; and c) Butte-Sutter Groundwater Basin Legislative Affairs Committee.

ARTICLE X.

AMENDMENT OF BYLAWS

Section 10.00 Amendment at Members Meeting:

These Bylaws may be amended at a meeting of the members as specified in ARTICLE IV., Section 4.40.

Section 10.10 Amendment by Board of Directors:

These Bylaws may be amended by the board of Directors at any regular or special meeting. For an amendment to be considered at a regular or special meeting of the Board, copies of the proposed amendment must be included with a notice to all board members at least fifteen (15) days prior to such meeting. An affirmative vote of at least six (6) Directors present and voting for the amendment shall be required for adoption of the proposed amendment.

Section 10.20 Amendment by Mail Ballot Weighted Voting:

These Bylaws may be amended by presentation to membership for vote by mail ballots specified in ARTICLE IV., Section 4.60. A simple affirmative majority of the total weighted votes cast shall be required for adoption of the amendment.

ARTICLE XI.

FUNDS

Section 11.00 Funds:

The funds of the Company shall be used to further the aims and purposes of the Company and its members. They shall be kept by the Treasurer and paid out by check signed by him/her or any other person authorized by resolution of the Board of Directors. Two (2) signatures shall be required for any check exceeding Five Hundred Dollars ($500.00) and the Board of directors shall designate those authorized to sign checks and shall establish and implement procedures to ensure necessary internal control over the receipt and expenditure of all funds. The Board of Directors shall arrange for an external audit if required by law or deemed necessary.

Section 11.10 Participation in M.O.U.--Assessment:
Any proposal to participate with others through a Memorandum of Understanding obligating the Company through its members to provide funds for water plan work or related activities, shall be submitted to the members for vote by written ballot. Assessment of members to contribute to funding of the Company’s share of water plan work or related activities, if not included in the annual budget, shall be made as required in the amount approved in the ballot proposal. Such assessments shall be due and payable within forty-five (45) days of written notification of membership and shall be deemed delinquent at the expiration of seventy-five (75) days.

Section 11.20 Dissolution of Company:

In the event of dissolution of the Company there remains any residue of assets after payment if full of all debts, obligations and liabilities of the Company, such residue shall be distributed to the then existing members entities thereto in amounts as nearly proportionate as possible to those members contributions thereto.