

**JOINT EXERCISE OF POWERS AGREEMENT**

establishing the

**SALINAS VALLEY BASIN GROUNDWATER**

**SUSTAINABILITY AGENCY**

appointment to the Permanent Board set forth in Section 6.5, below. If such nominations are not received by the time specified, the Appointing Authority may make appointments to the Initial Board as it determines in its sole discretion.

The Initial Board shall serve only until September 30, 2017, at which time a Permanent Board shall be appointed as described below.

### **Section 6.3 – Permanent Board.**

Subject to the Appointment and Nominating procedures set forth in Section 6.5, below, beginning on October 1, 2017, a Permanent Board shall be established consisting of the Director Positions with the qualifications and Appointing Authority as described in Exhibit B. With the exception of the CPUC Regulated Water Company Director Position, each Permanent Director Position shall have a term consisting of three (3) years and shall hold office until their successor is appointed by their Appointing Authority and the Agency has been notified of the succession. The terms of Permanent Director Positions shall be staggered, with Director Positions identified in rows (a), (c), (f), (h) and (j) of exhibit C serving three (3) year terms from initial appointment, and those identified in rows (b), (d), (g), (i), and (k) serving two (2) year terms from initial appointment, and thereafter serving three (3) year terms. The CPUC Regulated Water Company Director Position shall serve a term of two (2) years, and a Director shall hold office until their successor is appointed and the Agency has been notified of the succession. Notwithstanding the actual date of their initial appointment, for purposes of establishing the terms of Permanent Directors such initial appointment shall be deemed to have commenced on the July 1 preceding such initial appointment, and the terms of Directors shall thereafter commence on July 1 of the respective appointing year. Each Director Position shall require an affirmative appointment by the Appointing Authority for every term.

### **Section 6.4 – General Qualifications.**

- a) Each Director, whether on the Initial Board or Permanent Board, must have the following general qualifications:
  - i. General education and/or knowledge, interest in and experience relating to the control, storage, and beneficial use of groundwater.
  - ii. General understanding and knowledge of the Basin and all its beneficial users.
  - iii. Working knowledge and understanding of how to develop strategic plans, policies, programs, and financing/funding mechanisms.
  - iv. Genuine commitment to collaboratively work together to (i) achieve groundwater sustainability through the adoption and implementation of a GSP for the Basin, and all its beneficial uses; and (ii) provide for the ongoing sustainable management of the Basin.
  - v. General knowledge and understanding of one or more of the different facets

(administration, financial, legal, organizational, personnel, etc.) needed for a successful and productive organization.

- vi. Ability to commit the time necessary, estimated at a minimum 15-20 hours per month, to responsibly fulfill their commitment to the organization. This includes, but is not limited to: (i) Board meetings, (ii) Board training, (iii) analyzing financial statements and technical reports, (iv) reviewing Board documents before Board meetings, (v) attending Board meetings, and (vi) serving on committees to which they are assigned.
- vii. A permanent resident within the Basin, or a representative of an agency with jurisdiction, or a business or organization with a presence, within the Basin.

b) Nominating groups and Appointing Authorities, as described in Section 6.5, should endeavor to avoid nominating or appointing a person to a Director Position that, because of his or her employment or other financial interest, is likely to be disqualified from a substantial number of decisions to be made by the Board on the basis of conflict-of-interest requirements.

**Section 6.5 – Appointments and Nominations for Director Positions on the Permanent Board.**

The appointment and nominating process for each Primary and Alternate Director Positions on the Permanent Board shall be as follows:

- a) City of Salinas Director Position.

The City of Salinas shall appoint the Director Position listed in Row (a) of Exhibit B, the specific qualifications of such Director Position to be at the discretion of the City of Salinas.

- b) South County Cities Director Position.

The Director Position listed in Row (b) of Exhibit B shall be filled by a representative from one of the four cities listed therein. The City Selection sub-Committee shall determine which city shall be the Appointing Authority for each term of the Director Position. The specific qualifications of such Director Position shall be at the discretion of that city designated the Appointing Authority. If the City Selection sub-Committee cannot reach agreement on a city to be the Appointing Authority for this Director Position, the County Board of Supervisors shall decide which city shall be the Appointing Authority.

- c) Other GSA Eligible Entity Director Position.

- i. Representative of the entities listed on Exhibit C shall be eligible to participate in the nominating process for the Other GSA Eligible Entity Director Position listed in Row (c) of Exhibit B.

- ii. The representatives collectively by agreement among themselves shall make nominations to the Appointing Authority for the persons to fill both the Primary and Alternate Director Positions when the term of such position are expiring or are vacant.
  - iii. The representatives shall nominate one or more persons to fill both the Primary and Alternate Director Positions. If more than one person is nominated the representatives shall indicate the preferred nominee.
  - iv. The Appointing Authority shall appoint the nominee (if only one) or appoint from among the nominees; the Appointing Authority may reject a nominee only for Cause. If the representatives cannot or do not forward any nominations the Appointing Authority shall make the appointment based upon its own determination.
  - v. The representatives may also advise the Appointing Authority regarding the removal of their nominee from the Director Positions for Cause. If the Appointing Authority determines that Cause exists such Director shall be removed and a new Director appointed to fill out the remaining term of the removed Director. The representatives may also request that their nominee in the Director Position be removed for any reason or no reason. If such request is made the Appointing Authority shall remove the Director and a new Director appointed to fill out the remaining term of the removed Director.
  - vi. From time-to-time entities may ask to be removed from Exhibit C. If such request is made the Appointing Authority shall notify the other Members and the Board, and Exhibit C shall be modified accordingly.
  - vii. From time-to-time other entities may request to be included on Exhibit C. The then-existing representatives shall inform the Appointing Authority if such requests are acceptable. If accepted by the representatives the Appointing Authority shall notify the other Members and the Board, and Exhibit C shall be modified accordingly.
- d) Disadvantaged Community, or Public Water System Systems, including Mutual Water Companies serving residential customers, Director Position.
- i. Representative of the entities listed on Exhibit D shall be eligible to participate in the nominating process for the Disadvantaged Community, or Public Water System Systems, including Mutual Water Companies serving residential customers, Director Position listed in Row (d) of Exhibit B.
  - ii. The representatives by agreement among themselves shall collectively make nominations to the Appointing Authority for the persons to fill both the Primary and Alternate Director Positions when the term of such positions are expiring or are vacant.

**EXHIBIT B**

**BOARD OF DIRECTORS**

	<u>Director</u>	<u>Representing</u>	<u>Specific Qualifications</u>	<u>Appointing Authority</u>
a)	City of Salinas.	City of Salinas.	To be determined by the Appointing Authority.	Salinas City Council.
b)	South County Cities.	Cities of Gonzales, Soledad, Greenfield, and King City.	To be determined by the Appointing Authority.	Appropriate City Council as recommended by the City Selection sub-Committee.
c)	Other GSA Eligible Entity.	GSA Eligible Entities but not including the cities of Salinas, Gonzales, Soledad, Greenfield or King City.	Must be a representative of a GSA Eligible Entity but not including the cities of Salinas, Gonzales, Soledad, Greenfield or King City.	Monterey County Board of Supervisors.
d)	Disadvantaged Community, or Public Water System, including Mutual Water Companies serving residential customers.	Unincorporated Disadvantaged Communities, or Public Water Systems, including Mutual Water Companies serving residential customers only.	Must be a resident of a Disadvantaged Community in the unincorporated area, or a representative Public Water System, including Mutual Water Companies serving residential customers only.	Castroville Community Services District.
e)	CPUC Regulated Water Company.	CPUC Regulated Water Companies in the Basin.	Must be a representative of a CPUC Regulated Water	Salinas City Council.

EXHIBIT C

OTHER GSA ELIGIBLE ENTITY DIRECTOR POSITION NOMINATING GROUP

COUNTY OF MONTEREY

WATER RESOURCES AGENCY OF MONTEREY COUNTY

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY