



**CITY OF HUGHSON**  
**CITY COUNCIL MEETING**  
CITY HALL COUNCIL CHAMBERS  
7018 Pine Street, Hughson, CA

**AGENDA**  
**MONDAY, NOVEMBER 28, 2016 – 7:00 P.M.**

**CALL TO ORDER:** Mayor Matt Beekman

**ROLL CALL:** Mayor Matt Beekman  
Mayor Pro Tem Jeramy Young  
Councilmember Jill Silva  
Councilmember George Carr  
Councilmember Harold Hill

**FLAG SALUTE:** Mayor Matt Beekman

**INVOCATION:** Hughson Ministerial Association

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**RULES FOR ADDRESSING CITY COUNCIL**

Members of the audience who wish to address the City Council are requested to complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the City Clerk. **Filling out the card is voluntary.**

**1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):**

Members of the audience may address the City Council on any item of interest to the public pertaining to the City and may step to the podium, state their name and city of residence for the record (requirement of name and city of residence is optional) and make their presentation. Please limit presentations to five minutes. Since the City Council cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

**2. PRESENTATIONS: NONE.****3. CONSENT CALENDAR:**

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

- 3.1: Approve the Minutes of the Regular Meeting of November 14, 2016.
- 3.2: Approve the Warrants Register.
- 3.3: Approval of Annual Report of AB1600 Fees for Fiscal Year Ending June 30, 2016.
- 3.4: Consideration to Adopt Resolution No. 2016-37, Approving the Joint Powers Agreement and Participation as a Governing Board Member of the West Turlock Subbasin Groundwater Sustainability Agency.

**4. UNFINISHED BUSINESS: NONE.****5. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.****6. NEW BUSINESS:**

- 6.1: Provide Direction for Filling of Two Hughson Planning Commission Vacancies.

**7. CORRESPONDENCE: NONE.****8. COMMENTS:**

- 8.1: Staff Reports and Comments: (Information Only – No Action)

**City Manager:**

**City Clerk:**

**Community Development Director:**

**Director of Finance:**

**Police Services:**

**City Attorney:**

**8.2:** Council Comments: (Information Only – No Action)

**8.3:** Mayor’s Comments: (Information Only – No Action)

**9. CLOSED SESSION TO DISCUSS THE FOLLOWING:**

**9.1:** “CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant Exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One case.”

**ADJOURNMENT:**

**WAIVER WARNING**

If you challenge a decision/direction of the City Council in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior to, the public hearing(s).

**UPCOMING EVENTS:**

<b>December 3</b>	▪ Hughson Christmas Festival, Downtown Hughson Ave, 5:30 P.M.
<b>December 3, 4, 10, &amp; 11</b>	▪ Operation Santa/Light Up The Town
<b>December 12</b>	▪ City Council Meeting @ City Hall Chambers, 7:00 P.M.
<b>December 13</b>	▪ Parks, Recreation and Entertainment Commission Meeting @ City Hall Chambers, 6:00 P.M.
<b>December 20</b>	▪ Planning Commission Meeting @ City Hall Chambers, 6:00 P.M.
<b>December 24-25</b>	▪ Christmas Holiday – City Hall Closed

**AFFIDAVIT OF POSTING**

**DATE:** November 23, 2016      **TIME:** 5:00 pm  
**NAME:** Susana Diaz      **TITLE:** Deputy City Clerk

**AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT  
 NOTIFICATION FOR THE CITY OF HUGHSON**

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

**Disabled or Special needs Accommodation:** In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk’s office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

**Notice Regarding Non-English Speakers:**

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson City Council shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

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**General Information:** The Hughson City Council meets in the Council Chambers on the second and fourth Mondays of each month at 7:00 p.m., unless otherwise noticed.

**Council Agendas:** The City Council agenda is now available for public review at the City's website at [www.hughson.org](http://www.hughson.org) and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

**Questions:** Contact the City Clerk at (209) 883-4054



## **CITY OF HUGHSON AGENDA ITEM NO. 3.1 SECTION 3: CONSENT CALENDAR**

**Meeting Date:** November 28, 2016  
**Subject:** Approval of the City Council Minutes  
**Presented By:** Susana Diaz, Deputy City Clerk

**Approved By:** \_\_\_\_\_

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### **Staff Recommendation:**

Approve the Minutes of the Regular Meeting of November 14, 2016

### **Background and Overview:**

The draft minutes of the November 14, 2016 meeting are prepared for the Council's review.



**CITY OF HUGHSON  
CITY COUNCIL MEETING  
CITY HALL COUNCIL CHAMBERS  
7018 Pine Street, Hughson, CA**

**MINUTES  
MONDAY, NOVEMBER 14, 2016 – 7:00 P.M.**

**CALL TO ORDER:** Mayor Matt Beekman

**ROLL CALL:**

Present: Mayor Matt Beekman  
Mayor Pro Tem Jeramy Young  
Councilmember Jill Silva

Absent: Councilmember Harold Hill  
Councilmember George Carr

Staff Present: Raul L. Mendez, City Manager  
Susana Diaz, Deputy City Clerk  
Daniel J. Schroeder, City Attorney  
Jaylen French, Community Development Director  
Larry Seymour, Chief of Police Services  
Shannon Esenwein, Finance Director  
Lisa Whiteside, Finance Manager  
Sam Rush, Public Works Superintendent  
Jaime Fountain, City Treasurer

**FLAG SALUTE:** Mayor Matt Beekman

Moment of silence was observed for fallen officer Deputy Dennis R. Wallace.

**INVOCATION:** Hughson Ministerial Association

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**1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):**

Jean Henley thanked the City for addressing the code enforcement issues. She also expressed how proud she is to be a part of the Hughson community because of the unity displayed by the citizens stemming from the tragic loss of Deputy Dennis Wallace.

**2. PRESENTATIONS: NONE.****3. CONSENT CALENDAR:**

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

- 3.1: Approve the Minutes of the Regular Meeting of October 24, 2016.
- 3.2: Approve the Minutes of the Special City Council Meeting November 1, 2016.
- 3.3: Approve the Warrants Register.
- 3.4: Approval of the Treasurer's Report for August 2016.
- 3.5: Approval of the Treasurer's Report: Investment Portfolio Report – August 2016.
- 3.6: Approval of the Treasurer's Reports – September 2016.
- 3.7: Approval of the Treasurer's Report: Investment Portfolio Report – September 2016.
- 3.8: Parks, Recreation and Entertainment Commission Appointments.
- 3.9: Approval to Adopt Resolution No. 2016-36, Authorizing Hinderliter, de Llamas & Associates to Examine Sales, Use and Transaction Tax Records and Authorizing the City Manager to Execute a Contract with Hinderliter, de Llamas & Associates for Sales and Use Tax Services.

**BEEKMAN/YOUNG 3-0 motion passes to approve the Consent Calendar as presented.**

**4. UNFINISHED BUSINESS:**

- 4.1: Update on the Proposed West Turlock Subbasin Groundwater Sustainability Agency Formation Pursuant to the California Sustainable Groundwater Management Act (SGMA).

**Director French provided the update on this item. No action was taken on this item.**

**5. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.**

**6. NEW BUSINESS:**

- 6.1:** Direct Staff to Release a Request for Proposal (RFP) for the Enterprise Resource Planning Software and Implementation.

**Director Esenwein presented the staff report on this item.**

**BEEKMAN/YOUNG 3-0 motion passes to approve the Request for Proposal (RFP) for the Enterprise Resource Planning Software and Implementation.**

- 6.2:** Consideration to Accept the Resignation of Planning Commissioner John Luis and Provide Direction to Staff on Filling the Vacant Planning Commission Position.

**Deputy City Clerk presented the staff report on this item. The appointment to the vacant Planning Commission position will be considered at a future Council meeting pending the advertisement of the vacancy per Government Code 54974.**

**BEEKMAN/SILVA 3-0 motion passes to accept the resignation of Planning Commissioner John Luis.**

**7. CORRESPONDENCE: NONE.****8. COMMENTS:**

- 8.1:** Staff Reports and Comments: (Information Only – No Action)

**City Manager:**

**City Manager Mendez reminded the Council and public of the Hughson Community Thanksgiving Dinner on November 19, 2016 at the Senior Citizen Center. He also provided information regarding the United Samaritans Foundation Legacy of Hope Dinner and Fundraiser to be held on November 15, 2016 in Denair.**

**Community Development Director:**

**Director French updated the Council on the Hatch Road and Santa Fe Avenue signalization project.**

**He also stated that City staff will coordinate with StanCOG staff to implement the City's project list now that Measure L**

(a 1/2 cent transportation sales tax), which will provide revenue for local street and road repairs and maintenance, was approved by voters.

The Fox Road Sidewalk Infill project is out to bid with a closing date of December 1, 2016.

In response to a question by the Mayor regarding the status of the Capital Improvement Program, Director French indicated that staff is currently reviewing an administrative draft version and will seek approval in early-2017.

**Police Services:** Chief Larry Seymour provided the City Council with the latest Crime Statistic Report. He thanked City staff and the community for their support of Deputy Dennis Wallace.

**8.2:** Council Comments: (Information Only – No Action) **NONE.**

**8.3:** Mayor’s Comments: (Information Only – No Action)

Mayor Beekman noted how proud he is of the Hughson community for coming together during the loss of Deputy Dennis Wallace.

**9. CLOSED SESSION TO DISCUSS THE FOLLOWING: NONE.**

**ADJOURNMENT:**

**SILVA/BEEKMAN 3-0 motion passes to adjourn the meeting at 7:28 P.M.**

\_\_\_\_\_  
**MATT BEEKMAN, Mayor**

\_\_\_\_\_  
**SUSANA DIAZ, Deputy City Clerk**



## CITY OF HUGHSON AGENDA ITEM NO. 3.2 SECTION 3: CONSENT CALENDAR

**Meeting Date:** November 28, 2016  
**Subject:** Approval of Warrants Register  
**Enclosure:** Warrants Register  
**Presented By:** Shannon Esenwein, Director of Finance

**Approved By:** \_\_\_\_\_

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### **Staff Recommendation:**

Approve the Warrants Register as presented.

### **Background and Overview:**

The warrants register presented to the City Council is a listing of all expenditures paid from November 9, 2016 through November 23, 2016, 2016.

### **Fiscal Impact:**

There are reductions in various funds for payment of expenses.

REPORT.: Nov 23 16 Wednesday  
 RUN....: Nov 23 16 Time: 12:32  
 Run By.: Lisa Whiteside

City of Hughson  
 Cash Disbursement Detail Report  
 Check Listing for 11-16 Bank Account.: 0100

PAGE: 001  
 ID #: PY-DP  
 CTL.: HUG

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Payment Information Description
48550	11/9/2016	WAR00	WARDEN'S OFFICE	\$ 741.69	1913251	OFFICE SUPPLIES
48551	11/14/2016	COS01	COSTCO WHOLESALE	\$ 512.11	B61116	HP LAPTOP COMPUTER
48552	11/18/2016	EMP01	STATE OF CALIFORNIA	\$ 1,283.64	B61117	PAYROLL TAXES
48553	11/18/2016	HAR02	THE HARTFORD	\$ 408.76	B61117	DEFERRED COMPENSATION
48554	11/18/2016	PER01	P.E.R.S.	\$ 7,311.11	B61117	RETIREMENT
48555	11/18/2016	PRI03	PRICE FORD	\$ 384.08	63793	REPAIR WINDOW CROWN VIC
48556	11/18/2016	STA23	CalPERS SUPPLEMENTAL INCO	\$ 760.00	B61117	DEFERRED COMPENSATION
48557	11/18/2016	UNI07	UNITED WAY OF STANISLAUS	\$ 29.00	B61117	UNITED WAY
48558	11/23/2016	A&A00	A&A PORTABLES, INC	\$ 331.81	1-664299	PORTABLES FOR LEBRIGHT FOOTBALL PROGRAM
48559	11/23/2016	ABS00	ABS PRESORT	\$ 1,055.48	106817	PRINTING OF UTILITY BILLS OCT 2016
48560	11/23/2016	ACO00	ACOSTA AND SONS	\$ 3,375.00	12241	MODIFY FRONT COUNTER-CITY HALL REMODEL
48561	11/23/2016	AFL01	AFLAC	\$ 796.67	79500	AFLAC
48562	11/23/2016	CAB01	CABRAL'S WELDING	\$ 85.00	2755	REPAIR OF BASKETBALL COURT
48563	11/23/2016	CAL08	CALAVERAS MATERIALS, INC.	\$ 218.75	218.75	AC FOR STREET REPAIR OUT OF GAS TAX 2015
48564	11/23/2016	CEN30	CENTRAL CALIFORNIA GENERA	\$ 415.13	1921	ANNUAL SERVICE E HATCH LS AND MATERIALS
				\$ 1,177.53	1922	ANNUAL SERVICE WWTP AND MATERIALS
			Check Total:	\$ 1,592.66		
48565	11/23/2016	CHA01	CHARTER COMMUNICATION	\$ 70.78	B61121	IP ADDRESS PW SHOP
48566	11/23/2016	CLA03	CLARK'S PEST CONTROL	\$ 110.00	19171642	PEST CONTROL
				\$ 65.00	19192148	PEST CONTROL
			Check Total:	\$ 175.00		
48567	11/23/2016	CON14	CONDOR EARTH TECHNOLOGIES	\$ 1,146.00	74267	PROFESSIONAL SERVICES
				\$ 3,496.56	74288	PROFESSIONAL SERVICES
			Check Total:	\$ 4,642.56		
48568	11/23/2016	EXP00	EXPRESS PERSONNEL SERVICE	\$ 1,942.82	179046081	EXTRA HELP
				\$ 1,934.98	180360265	EXTRA HELP
				\$ 1,884.80	180687014	EXTRA HELP
48568	11/23/2016	EXP00	EXPRESS PERSONNEL SERVICE	\$ 1,735.51	180877714	EXTRA HELP
			Check Total:	\$ 7,498.11		
48569	11/23/2016	FRA03	FRANTZ WHOLESALE NURSERY	\$ 118.39	550299	2016 STREET TREE REPLACEMENT PROGRAM
48570	11/23/2016	GIL01	GILTON SOLID WASTE MANAGE	\$ 37,835.92	B61121	OCTOBER 2016 GARBAGE LESS FRANCHISE FEE
48571	11/23/2016	HOM01	THE HOME DEPOT CRC	\$ 355.56	B61121	SUPPLIES FOR PW
48572	11/23/2016	HUG03	HUGHSON CHRONICLE	\$ 83.50	109884	LEGAL 2527

48573	11/23/2016	JON00	JON MICHAEL TERRY	\$	161.44	B61121	HUGHSON CITY COUNCIL PHOTOSHOOT
48574	11/23/2016	LEG01	LEGAL SHIELD	\$	25.90	B61121	LEGAL SVCS
48575	11/23/2016	LUN01	LUNA, SAM	\$	202.04	B61121	SAFETY WORK BOOTS
48576	11/23/2016	MIS01	MISSION UNIFORM SERVICE	\$	742.72	B61121	UNIFORM SERVICE
48577	11/23/2016	MOD01	THE MODESTO BEE	\$	792.75	B61121	MAINTENANCE WORKER I JOB AD
48578	11/23/2016	MOD33	MODESTO REPROGRAPHICS	\$	16.90	31370	FOX RD SIDEWALK
48579	11/23/2016	NSP00	NSP3	\$	15.43	16551	REPAIR PLAY EQUIP AT STARN PARK
48580	11/23/2016	OWE00	OWEN EQUIPMENT	\$	326.50	37370	SUPPLIES FOR SEWER TRUCK
48581	11/23/2016	PAC05	PACIFIC PLAN REVIEW	\$	935.00	ADMIN	CONTRACT SRVCS PLANNING
				\$	1,343.29	H1055-16	2106 7TH ST DWELL/FIRE REBUILD
				\$	4,335.00	INSPECTIO	INSPECTION SERVICES 10/16
			Check Total:	\$	6,613.29		
48582	11/23/2016	PLA04	PLATT, MICHELLE	\$	110.00	B61121	SENIOR CENTER CANCELLATION 12/22/2016
48583	11/23/2016	PRE07	PREFERRED ALLIANCE, INC.	\$	72.24	124399-IN	OFF SITE PARTICIPANTS
48584	11/23/2016	PUR01	PURCHASE POWER	\$	697.89	B61121	POSTAGE REFILL
48585	11/23/2016	RUS01	RUSH, SAM	\$	85.54	B61121	REIMBURSEMENT FOR MEALS FOR INTERVIEW PANEL
48586	11/23/2016	SAF01	SAFETLITE	\$	109.85	330034	STREET SIGN REPLACEMENT
				\$	226.01	330300	PW MATERIALS
				\$	29.24	330346	PW MATERIALS
			Check Total:	\$	365.10		
48587	11/23/2016	SHR02	SHRED-IT USA LLC	\$	142.60	121171309	SHREDDING
48588	11/23/2016	STA12	SWRCB ACCOUNTING OFFICE	\$	4,430.70	LW1007950	YEARLY FEES 7/2015-6/2016
48589	11/23/2016	STE07	STEELEY, JARED WATER & WA	\$	2,620.50	6597	CONSULTING SERVICES FOR Oct-16
48590	11/23/2016	TUR12	TURLOCK, CITY OF	\$	101.80	2017-0009	DIESEL
48591	11/23/2016	UNU01	UNUM LIFE INSURANCE CO.	\$	1,464.22	B61121	LIFE INSURANCE WITHHOLDIN
48592	11/23/2016	WIL05	WILLE ELECTRIC	\$	856.11	S1738799	REPLACEMENT STREET LIGHT
				\$	313.40	S1746285B	REPLACEMENT STREET LIGHT
			Check Total:	\$	1,169.51		
48593	11/23/2016	WIL14	WILLDAN ENGINEERING	\$	2,565.00	322661	ENGINEERING SERVICES
				\$	8,693.01	322767	ENGINEERING SERVICES AND FOX ROAD
				\$	580.00	322768	ENGINEERING SERVICES CIP PROGRAM
				\$	3,930.00	322770	ENGINEERING WHITMORE IMPROVEMENT
			Check Total:	\$	15,768.01		
			Cash Account Total:	\$	105,590.66		
			Total Disbursements:	\$	105,590.66		



## CITY OF HUGHSON AGENDA ITEM NO. 3.3

### SECTION 3: CONSENT CALENDAR

**Meeting Date:** November 28, 2016  
**Subject:** Approval of Annual Report of AB1600 Fees for the Fiscal Year Ending June 30, 2016  
**Presented By:** Shannon Esenwein, Director of Finance  
**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Review and Approve the AB1600 Annual Report for the year ending June 30, 2016.

#### **Summary:**

Government Code Section 66006 requires local agencies to submit an annual report detailing the status of development impact fees. The annual report shall be presented to the City Council.

Staff recommends that the City Council review and approve the attached AB1600 Annual Report for the year ended June 30, 2016.

#### **Background:**

In 1978, following the passage of Proposition 13, many cities began charging fees on new development to fund public improvements and services such as streets, park facilities, sewers, water and storm drains. These fees are commonly known as development impact fees. In order to ensure that these fees were spent in a timely manner and on projects for which they were being collected, the State Legislature passed a bill known as AB1600 (Mitigation Fee Act). This bill applies to developer fees which were increased or imposed on or after January 1, 1989. AB1600 enacts Sections 66000-66008 of the Government Code which generally contain four requirements:

1. A local jurisdiction must follow the process set forth in the bill and make certain determinations regarding the purpose and use of the fees, and establish a “nexus” or connection between a development project or class of project and the public improvement.
2. The fee revenue must be segregated from the general fund in order to avoid commingling of public improvement fees and the general fund.

3. If a local jurisdiction has had possession of a developer fee for five or more years and has not committed that money to a project or spent that money, then it must make findings describing the continuing need for that money. In addition, an annual report must be made of fees collected, interest earned, projects on which fees were expended, and any transfers for loans from the fee account. This report is to be reviewed by the local agency assessing the fees.
4. If a local jurisdiction cannot make the findings required under paragraph three (3), the City must refund the fees collected.

**Discussion:**

The City of Hughson development fees covered by AB1600, and documented in the attached report, include the following:

- Storm Drain Fund
- Community Enhancement Fund
- Facility Development Fund
- Public Facility Streets Fund
- Park In Lieu Fund
- Parks Development Fund
- Sewer Capital Improvement Fund
- Water Capital Improvement Fund

City staff examined each of the funds for the impact fees listed above to determine if any development fees remain unexpended five years or more after receipt and are subject to refund. Based on the analysis, no refunds are due. Unexpended fund balances represent fees collected for respective City Council approved projects which will be financed and implemented when financially feasible or practical.

**Staff Recommendation:**

The July 1, 2015 beginning balance for the City of Hughson Development Impact Fees totaled \$2,522,140. The ending balance as of June 30, 2016 totaled \$3,481,955 or an increase of \$959,815.

**City of Hughson**  
**For the Year Ending June 30, 2016**  
**Summary**  
**Report of Sources and Uses of**  
**Development Impact Fees**

Fee Type	Fund #	Beginning Balance 7/1/2015	Liability	Revenues				Equipment/Projects	Transfer Out	Ending Balance 6/30/2016
				ARRA Grant	Fees	Interest	Transfer In			
Storm Drain Fund	10	350,999			53,628	874		114,514		290,987
Community Enhancement Fund	20	94,789			17,492	107		26,474		85,914
Facility Development Fund	41	1,441,383			52,925	4,834		46,115		1,453,027
Public Facility Streets	42	(214,719)			18,060	-		0		(196,659) (1)
Park In Lieu Fund	54	554,098			23,892	1,867		0		579,857
Parks Development Fund	55	417,921			32,004	1,427		0		451,352
Sewer Capital Improvement Fund	62	1,064,957	-		133,027	3,301		114,514		1,086,771
Water Capital Improvement Fund	81	(1,187,288)	872,358		45,636	-		0		(269,294) (2) (3)
<b>Totals</b>		<b>2,522,140</b>		<b>0</b>	<b>376,664</b>	<b>12,410</b>	<b>0</b>	<b>301,617</b>	<b>0</b>	<b>3,481,955</b>

(1) The Public Facilities - Street Development Fund (42) has a negative balance of \$196,659 due to the Euclid Bridge, built back in 2006 and 2007 for more than \$1.3 million. This bridge was built with future developer impact fees. Shortly after, new home building plummeted. As a result of recent home construction impact fees are reducing that deficit.

(2) The Water Developer Impact Fee participated in the Well 8 project, which was partially funded by a Grant. However, not all costs were covered. In addition, there was a payment exceeding \$600,000 for legal settlement - Water Tank. The deficit has been reduced to \$269,294. This year the report shows the payment for the Water Tank Bond obtained in 2005-06. Costs are shared with the Water Fund.

(3) Liability for Fund 81 is Debt Service - Water Tank Project Loan

**City of Hughson**  
**For the Year Ending June 30, 2016**  
**BUDGET PROJECTIONS**  
**Report of Sources and Uses of Impact Fees**

Fee Type	Fund #	Beginning Balance 7/1/2016	Revenues	Expenditures	Projected Ending Balance 6/30/2017
Storm Drain Fund	10	290,987	59,294	0	350,281
Community Enhancement Fund	20	85,915	21,268	110,000	(2,817)
Facility Development Fund	41	1,453,027	66,550	254,000	1,265,577
Public Facility Streets	42	(196,659)	86,121	0	(110,538)
Park In Lieu Fund	54	579,857	42,861	0	622,718
Parks Development Fund	55	451,352	56,807	140,000	368,159
Sewer Capital Improvement Fund	62	1,086,771	234,600	0	1,321,371
Water Capital Improvement Fund	81	(269,294)	79,863	0	(189,431)
<b>Totals</b>		<b>3,481,956</b>	<b>647,364</b>	<b>504,000</b>	<b>3,625,320</b>

Revenue - \$6,550 projected to be Interest, balance is Developer Fees

Expenses - \$504,000 Projects

**PENDING PROJECTS**

<b>Storm Drain Fund</b>	10	Tully Road and Hatch Road Lift Station Upgrade
<b>Community Enhancement Fund</b>	20	Hughson Avenue Sidewalk Improvements and Various Small Projects
<b>Facility Development Fund</b>	41	City Hall and Corporation Yard
<b>Park In Lieu Fund</b>	54	Park Acquisition
<b>Parks Development Fund</b>	55	Starn Park Basketball Court
<b>Sewer Capital Improvement Fund</b>	62	Whitmore Ave and Tully Road Industrial Lift Station Improvements



## CITY COUNCIL AGENDA ITEM NO. 3.4

### SECTION 3: CONSENT CALENDAR

**Meeting Date:** November 28, 2016  
**Subject:** Consideration to Adopt Resolution No. 2016-37,  
Approving the Joint Powers Agreement and Participation  
as a Governing Board Member of the West Turlock  
Subbasin Groundwater Sustainability Agency  
**Enclosures:** Resolution 2016-37  
West Turlock Subbasin Groundwater Sustainability  
Agency Joint Powers Agreement  
**Presented By:** Jaylen French, Community Development Director  
**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Approve Resolution No. 2016-37, authorizing the Hughson City Manager to sign the Joint Powers Agreement to participate in the newly formed West Turlock Subbasin Groundwater Sustainability Agency as a Governing Board member.

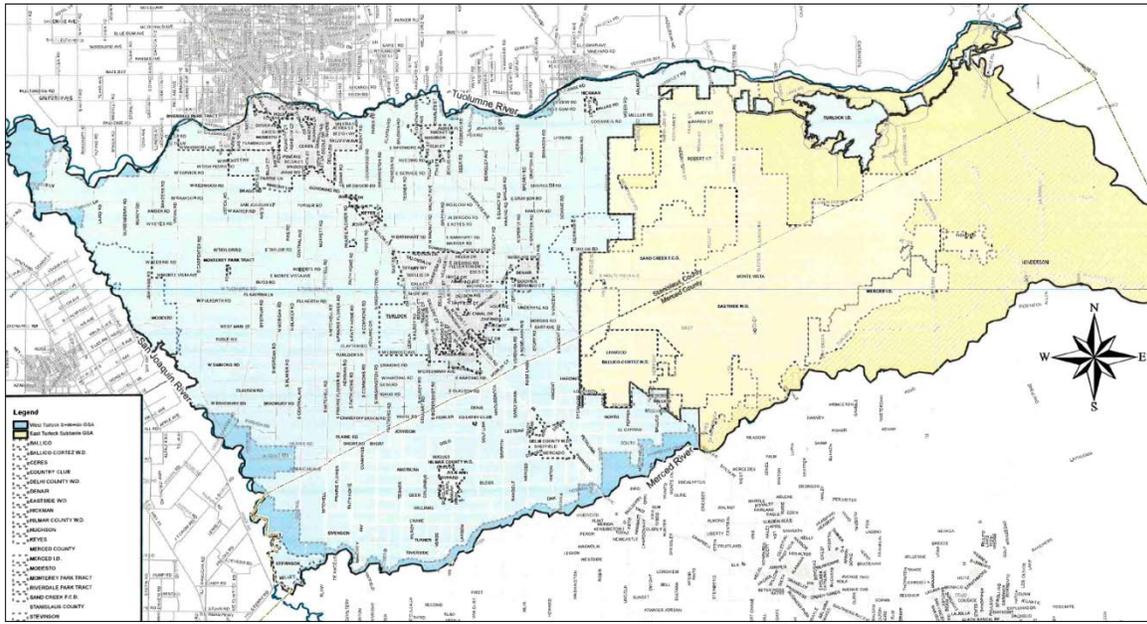
#### **Background and Overview:**

The Turlock Groundwater Basin Association (TGBA), of which the City of Hughson is a member agency, has been working together since the 1990's to coordinate groundwater management activities in the Turlock groundwater basin.

In September 2014, Governor Brown signed the Sustainable Groundwater Management Act (SGMA), which went into effect January 1, 2015. SGMA has a number of tasks and deadlines associated with it, including the creation of a Groundwater Sustainability Agency (GSA) by June 30, 2017 and the adoption of a Groundwater Sustainable Plan (GSP) by December 31, 2020.

In 2015, the TGBA decided to create a Post-SGMA Memorandum of Understanding (MOU) to set forth an approach to address SGMA compliance, including: Turlock Subbasin's governance structure (single or multiple GSAs), preferred planning method of a GSP, as well as tools, resources, education, and outreach methods that need to be developed to inform stakeholders. The Hughson City Council approved the Post-SGMA MOU and authorized the City Manager to sign in September 2015.

Ultimately, the agencies within the TGBA, which spans parts of Stanislaus and Merced counties, agreed to create two (2) separate GSAs through the formation of Joint Powers Agency (JPA), with the intent to prepare/adopt one (1) GSP. The agencies within the West Turlock Subbasin—those generally located within Turlock Irrigation District’s boundaries—would make up one (1) GSA. Please see map below.



SGMA established a new structure for managing California’s groundwater resources at a local level by local agencies or groups of agencies (GSAs). A GSA is responsible for developing and implementing a GSP to meet the sustainability goal of the basin to ensure that it is operated within its sustainable yield, without causing undesirable results in terms of groundwater overdraft, land subsidence and water quality degradation.

West Turlock Sub-basin Groundwater Sustainability Agency (WTSB GSA)

The WTSB GSA group has finalized the terms of the Joint Powers Agreement. The GSA has the authority to: enact/adopt rules and regulations, purchase land, retain staff, enforce rules and regulations, limit groundwater extractions, limit well construction, approve groundwater transfers within GSA area, and impose various fees and other powers and responsibilities provided to governmental agencies.

The formation committee for the WTSB GSA currently consists of the following local agencies: Turlock Irrigation District, City of Turlock, City of Ceres, City of Waterford, City of Hughson, City of Modesto, Stanislaus County, Merced County, Delhi Community Water District, Hilmar Community Water District, Stevinson Water District, Denair Community Services District, Keyes Community Services District, Ballico-Cortez Water District, Monterey Park Community Services District, East Stanislaus Resource Conservation District, and Sand Creek Flood Control District.

In early-2016, the WTSB GSA members began drafting, reviewing, and discussing language for the eventual JPA. The WTSB GSA has since held frequent meetings to discuss all issues associated with this matter.

Per the schedule developed by the group, all JPA members shall approve the JPA by December 15, 2016 so that the first meeting of the GSA can be held in January 2017 in order to accomplish the procedural efforts required to be undertaken prior to the June 30, 2017 deadline.

**Discussion:**

The purpose of the Joint Powers Agreement is to create the West Turlock Subbasin GSA to enable that agency to elect to be a GSA and manage groundwater for the western portion of the Turlock Groundwater Subbasin. Staff has been working with the potential members of the West Turlock Subbasin GSA to form the joint powers agency and Counsel reviewed the Joint Powers Agreement.

Upon JPA formation, a budget will be prepared and adopted at one of the first agency meetings. The primary GSA effort and large cost item will be the preparation of a Groundwater Sustainability Plan (GSP). It is estimated that this plan could cost between \$1,000,000 and \$2,000,000. This effort will need to be funded by the members of the JPA.

In regards to membership, the WTSB GSA formation group has created two tiers of members—Board members and Associate members. Each type of member has certain privileges and obligations. Board members have the ability to vote, but must fund all operating and project budget items. Additionally, Board members must contribute \$10,000 per year for five (5) years—the timeframe in which the GSP must be completed—to help initiate funds for this and any other efforts required. As City staff understands, the \$10,000 is not additional monies required for the privilege to vote on items; in essence, it is seed money, which will be used to help fund any effort deemed necessary by the GSA—primarily the GSP.

**AGENCY WEIGHTING METHODOLOGY**

Proportional Funding of General Operating Budget

Agency	Membership Status	Acreage (Acres)	Acreage Percentage	Production (AF)	Production Percentage	Average Percentage	Percentage with Multiplier for Urban 25%	Funding Percentage
Turlock Irrigation District	Member	164,627	79.30%	126,565	67.45%	73.37%	69.39%	40.15%
City of Turlock	Member	11,014	5.31%	22,804	12.15%	8.73%	10.91%	40.15%
Stanislaus County	Member	8,393	4.04%	13,091	6.98%	5.51%	5.21%	5.21%
City of Ceres	Member	5,925	2.85%	9,612	5.12%	3.99%	4.98%	4.98%
City of Modesto	Member	8,528	4.11%	1,788	0.95%	2.53%	3.16%	3.16%
Merced County	Member	4,936	2.38%	7,805	4.16%	3.27%	3.09%	3.09%
Delhi CWD	Member	1,582	0.76%	1,725	0.92%	0.84%	1.05%	1.05%
City of Hughson	Member	1,134	0.55%	1,479	0.79%	0.67%	0.83%	0.83%
Denair CSD	Member	669	0.32%	1,507	0.80%	0.56%	0.70%	0.70%
Hilmar CWD	Member	791	0.38%	1,280	0.68%	0.53%	0.66%	0.66%
TOTAL:		207,598	100.00%	187,655	100.00%	100.00%	100.00%	100.00%

While each voting member will have one equal vote for each action by the Board, the City of Turlock and the Turlock Irrigation District each have the ability to vacate an approval by the Board. In order to vacate the approval of an item passed pursuant, the Member shall notify the Board that it is vacating the approval after such approval has been made, but prior to adjournment of the meeting in which the approval took place. The effect of such notice shall nullify the Board action and approval. When an approval is vacated, the Members agree to further discuss the matter and work toward resolution of any outstanding difference of opinion.

This was intended to provide a level of security for the agency(ies) which fund a large portion of the GSA budget but which do not control the votes to match.

**Fiscal Impact:**

Over time there will be significant expenses associated with preparing a Groundwater Sustainability Plan (GSP). This is an unfunded State mandate, which will likely be paid from the City of Hughson Water Enterprise Fund (80). Given that this fund can run in a negative position throughout the year, City staff, in its zero based budgeting approach, will ensure this effort is funded prior to discretionary expenditures.

**CITY COUNCIL**  
**CITY OF HUGHSON**  
**RESOLUTION NO. 2016-37**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON APPROVING  
THE JOINT POWERS AGREEMENT AND PARTICIPATION AS A GOVERNING  
BOARD MEMBER OF THE WEST TURLOCK SUBBASIN GROUNDWATER  
SUSTAINABILITY AGENCY**

**WHEREAS**, the Sustainable Groundwater Management Act (SGMA) was signed into law on September 16, 2014 and adopted as California Water Code, section 10720, et. seq.; and

**WHEREAS**, the purpose of SGMA is to provide sustainable management of groundwater basins and enhance local management of groundwater through empowering local management agencies with authority, technical, and financial assistance necessary to sustainably manage groundwater; and

**WHEREAS**, SGMA requires high and medium priority basins to be managed by one or more groundwater sustainability agencies and such agency/agencies must be formed by June 30, 2017; and

**WHEREAS**, Water Code section 10723(a) authorizes any local agency with water or land management authority overlying a basin to elect to be the groundwater sustainability agency for that basin; and

**WHEREAS**, the City of Hughson is located in the Turlock Subbasin as defined in the California Department of Water Resources Bulletin 118; and

**WHEREAS**, the City of Hughson is a local agency that is eligible to elect to become a Groundwater Sustainability Agency pursuant to SGMA; and

**WHEREAS**, the [AGENCY] is committed to working with regional partners to sustainably manage the groundwater resources; and

**WHEREAS**, retaining local jurisdiction and control over groundwater management is beneficial to the health, safety, and water supply reliability of the City of Hughson and its customers and constituents; and

**WHEREAS**, adoption of this Resolution does not constitute a project under the California Environmental Quality Act because it does not result in any direct or indirect physical change in the environment.

**NOW, THEREFORE, BE IT RESOLVED** that:

1. The Hughson City Council does hereby authorize the City Manager to sign the Joint Powers Agreement forming the West Turlock Subbasin Groundwater Sustainability Agency; and
2. The Hughson City Council authorizes its members and/or staff to participate in the West Turlock Groundwater Sustainability Agency for the purposes of sustainability managing groundwater resources.

**PASSED AND ADOPTED** by the City Council of the City of Hughson at its regularly scheduled meeting on this 28<sup>th</sup> day of November 2016 by the following roll call vote:

**AYES:**

**NOES:**

**ABSTENTIONS:**

**ABSENT:**

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**MATT BEEKMAN, Mayor**

**ATTEST:**

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**SUSANA DIAZ, Deputy City Clerk**

## **Joint Powers Agreement Forming the West Turlock Subbasin Groundwater Sustainability Agency**

This joint powers agreement (“Agreement”) is made and entered into by and among the agencies that have executed this Agreement, as identified in Exhibit A, which are referred to herein individually as a “Party” and collectively as “Parties.”

### **Recitals**

**WHEREAS**, the Parties desire to enter into this Agreement for the purposes of forming a joint powers agency to serve as a groundwater sustainability agency within the Turlock Subbasin, DWR Basin No. 5-022 (“Turlock Subbasin”); and

**WHEREAS**, each of the Parties to this Agreement is a public agency with either water supply, water management, or land use responsibilities within the Turlock Subbasin; and

**WHEREAS**, pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code), two or more public agencies may by agreement jointly exercise any power held in common by agencies entering into such an agreement; and

**WHEREAS**, on September 16, 2014 Governor Jerry Brown signed into law Senate Bills 1168 and 1319 and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act (“the Act”); and

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

**WHEREAS**, the Act (i) requires sustainable management of certain groundwater basins, (ii) enhances local management of groundwater, (iii) requires local agencies to establish minimum standards for sustainable groundwater management, and (iv) provides local groundwater agencies with the authority, and the technical and financial assistance necessary to sustainably manage groundwater; and

**WHEREAS**, the Parties intend for the joint powers agency formed pursuant to this Agreement to become a groundwater sustainability agency prior to July 1, 2017 within the boundaries provided in Exhibit B within the Turlock Subbasin as defined in Article 2, section 2.2; and

**WHEREAS**, following a public hearing held at its first joint powers agency meeting, this joint powers agency shall consider a resolution to elect to become a groundwater sustainability agency pursuant to California Water Code section 10723(b); and

**WHEREAS**, California Water Code section 10720.7 requires all basins designated as high- or medium-priority basins by California Statewide Groundwater Elevation Monitoring program (“CASGEM”) to be managed under groundwater sustainability plans or coordinated groundwater sustainability plans pursuant to the Act; and

**WHEREAS**, this joint powers agency’s service area overlies portions of the Turlock Subbasin, a CASGEM-designated high-priority basin; and

**WHEREAS**, the Parties, acting through and by this Agreement intend to work cooperatively with other groundwater sustainability agencies operating in the Turlock Subbasin to manage the Subbasin in a sustainable fashion pursuant to the requirements set forth in the Act; and

**WHEREAS**, the Parties agree and endeavor to develop a groundwater sustainability plan that is as equitable as possible to all Members, provided the respective Members' impact on groundwater sustainability. Further, all Members agree to work collaboratively to develop a Groundwater Sustainability Plan that is focused on allowing all Members to operate and continue providing service while achieving sustainability, to the extent feasible.

**NOW, THEREFORE**, in consideration of the promises, terms, conditions, and covenants contained herein, the Parties hereby incorporate the recitals listed above into this Agreement and agree as follows.

**Article 1. Definitions**

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

- 1.1. "Act" refers to the Sustainable Groundwater Management Act.
- 1.2. "Agency" means the West Turlock Subbasin Groundwater Sustainability Agency, which is the agency formed by this agreement.
- 1.3. "Agreement" means this joint powers agreement, which creates the West Turlock Subbasin Groundwater Sustainability Agency.
- 1.4. "Associate Member" means a Party that satisfies the requirements of Article fourteen (14) (Membership) of this Agreement, but cannot otherwise vote or appoint a Member to the Governing Board.
- 1.5. "CASGEM" is the California Statewide Groundwater Elevation Monitoring program administered by the Department of Water Resources.
- 1.6. "Committee" shall mean any committee established pursuant to Article thirteen (13) of this Agreement.
- 1.7. "Effective Date" means the date on which the last Party executes this Agreement.
- 1.8. "Fiscal Year" means July 1 through June 30.
- 1.9. "Governing Board" means the governing body of the Agency.
- 1.10. "Board Member" or "Board Members" mean members of the Agency's Governing Board.
- 1.11. "Member's Governing Body" means the Board of Directors or other voting body that controls the individual public agencies that are members of the Agency.

- 1.12. “Member” means a Party that satisfies the requirements of Article fourteen (14) (Membership) of this Agreement and is not an Associate Member.
- 1.13. “Special Project” means a project undertaken by some, but not all Members of the Agency.
- 1.14. “State” means the State of California.

## **Article 2. Creation of a Separate Entity**

2.1. Agency Separate from Members. Upon the effective date of this Agreement, the West Turlock Subbasin Groundwater Sustainability Agency is hereby created. Pursuant to the provisions of Article I, Chapter 5, Division 7 of Title 1 of the California Government Code, commencing with Section 6500, the Agency shall be a public agency separate from its members. The principle offices shall be located within the boundaries set forth in Exhibit B as defined in Article 2, Section 2.2 or at such other place as the Governing Board shall determine.

2.2. Boundaries. The boundaries of the Agency shall generally be as follows: on the north, the boundary shall be the Tuolumne River; bounded on the south by the Merced River; on the west by the San Joaquin River; and on the east by the eastern jurisdictional boundary of Turlock Irrigation District’s Irrigation Service Area. Attached hereto and incorporated herein is Exhibit B, a map showing the boundaries of the Agency.

## **Article 3. Term**

3.1. Effective Dates. This Agreement shall become effective upon execution by all of the Parties and shall continue in full force and effect until terminated pursuant to the provisions of Article 18 (Withdrawal and Termination).

3.2. Amendment. The Members intend to revisit the provisions and terms of this Agreement after the Agency submits a groundwater sustainability plan to the Department of Water Resources. This provision shall not limit or otherwise constrain the authority of the Members to amend this Agreement by mutual agreement of the Members prior to the submission of the groundwater sustainability plan.

## **Article 4. Purpose of the Agency**

4.1. Agreement Purpose. The purpose of this Agreement is to create a joint powers agency separate from its Members that will elect to become a groundwater sustainability agency prior to July 1, 2017 for a portion of the Turlock Subbasin as defined in Article 2, section 2.2.

4.2. Collaboration. The Agency will collaborate with other groundwater sustainability agencies within the Turlock Subbasin to develop, adopt and implement a single groundwater sustainability plan or coordinated groundwater sustainability plans for the Turlock Subbasin in order to satisfy the Act’s requirements.

4.3. Outreach. The Agency will involve the public and area stakeholders through outreach and engagement in developing, implementing, monitoring and administering a single groundwater sustainability plan or coordinated groundwater sustainability plans for the Turlock Subbasin.

4.4. Coordination. The Agency will strive to achieve intra-basin coordination and cooperate with other groundwater sustainability agencies operating in the Turlock Subbasin in order to satisfy the requirements of the Act, in addition to striving to achieve inter-basin coordination with the neighboring Delta-Mendota, Modesto and Merced Subbasins.

#### **Article 5. Powers of the Agency**

5.1. Restrictions on Exercise of Powers. In accordance with California Government Code section 6509, the following powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to Turlock Irrigation District.

5.2. Powers. Subject to the limitations addressed herein, the Agency shall have the power, in the name of the Agency, to exercise the common powers of the Members, including but not limited to, the following:

5.2.1. Employ agents, consultants, advisors, independent contractors, and employees.

5.2.2. Make and enter into contracts with public or private entities, including the State of California and the United States, and one another.

5.2.3. Acquire, hold, and convey real and personal property.

5.2.4. Incur debts, obligations, and liabilities.

5.2.5. Borrow money.

5.2.6. Accept contributions, grants, or loans from any public or private agency or individual in the United States or any department, instrumentality, or agency thereof for the purpose of financing its activities.

5.2.7. Invest money that is not needed for immediate necessities, as the Governing Board determines advisable, in the same manner and upon the same conditions as other local entities in accordance with section 53601 of the California Government Code.

5.2.8. Sue and be sued; provided that a Member may determine not to participate in the affirmative litigation.

5.2.9. Undertake all other acts reasonable and necessary to carry out the purpose of this Agreement.

5.2.10. Employ or retain full-time or part-time supporting staff.

5.2.11. Exercise and/or delegate all additional powers granted to groundwater sustainability agencies by the Act upon successful election to be a groundwater sustainability agency within the Turlock Subbasin.

5.2.12. Exercise and/or delegate all additional powers granted to groundwater sustainability agencies by the Act upon submittal to the Department of Water Resources of a single groundwater sustainability plan or coordinated groundwater sustainability plans to manage the entire Turlock Subbasin.

5.3. Monetary Obligations. Except as otherwise provided in this agreement, the Agency shall not have the power to bind any Member to any monetary obligation by this Agreement other than through approval pursuant to sections 11.2, 11.3, 11.6 and 18.3.

5.4. Water Rights. The Agency and all of its Members confirm that nothing contained herein shall grant the Agency any power to alter any water right, contract right, or any similar right held by its Members, or amend any Member's water delivery practice, course of dealing, or conduct without the express consent of the holder thereof.

## **Article 6. Agency Governing Board**

6.1. Membership of Governing Board. The Agency shall be governed by a Governing Board consisting of one (1) Board Member representing each Member, except for Associate Members, which have no seat on the Governing Board.

6.2. Requirements. Each Board Member must be appointed by one of the Members. Each Board Member shall certify to the Secretary in writing that he or she has been appointed to be a Board Member by the appointing Member.

6.3. Alternate Board Members. Each Member shall appoint one Alternate Board Member. The Alternate Board Member must meet the requirements set forth in section 6.2. Alternate Board Members have no vote at Governing Board meetings if the Board Member is present. If the Board Member is not present, the Alternate Board Member shall be entitled to participate in all respects as a regular Board Member.

6.4. Removal of Board Members. Board Members and Alternate Board Members shall serve at the pleasure of their appointing Member's Governing Board and may be removed or replaced at any time. A Board Member that no longer meets the qualifications set forth in section 6.2 is automatically removed from the Agency Governing Board. Upon removal of a Board Member, the Alternate Board Member shall serve as a Board Member until a new Board Member is appointed by the Member. Members must submit any changes in Board Member or Alternate Board Member positions to the Secretary in writing and signed by the Member.

## **Article 7. Associate Members**

7.1. Associate Member. The Board may allow certain Members to participate in the Agency as Associate Members. Associate Members shall be entitled to participate in the meetings and discussions of the Governing Board but Associate Members shall not have the power to vote on any action to be taken by the Agency or to become an officer of the Agency. Any Member that is not able or chooses not to fund its proportional share of the budget shall be eligible to become an Associate Member.

7.2. Bound by Agency Decisions. Associate Members, regardless of the lack of voting authority, shall be bound by the decisions and actions of the Governing Board on behalf of the Agency.

7.3 Addition of Associate Members. The Governing Board may appoint any local agency, as defined in California Water Code section 10721(n), as an Associate Member upon an affirmative vote pursuant to section 11.3.

**Article 8. Officers**

8.1. Officers. The Governing Board shall select a Chair, Vice Chair, Secretary, and any other officers as determined necessary by the Governing Board. The Secretary of the Board is not required to be a member of the Governing Board, but instead, can be a member of the staff of one of the Members.

8.1.1. The Chair shall preside at all Governing Board Meetings.

8.1.2. The Vice Chair shall act in place of the Chair at meetings should the Chair be absent.

8.1.3. The Secretary shall keep minutes of all meetings of the Governing Board and shall, as soon as possible after each meeting, forward a copy of the minutes to each member and alternate of the Governing Board.

8.1.4. All Officers shall be chosen at the first Governing Board meeting and serve a term of two (2) years. An Officer may serve for multiple consecutive terms. Any Officer may resign at any time upon written notice to the Governing Board. Upon vacancy of an Officer position, the Governing Board shall appoint a replacement Officer who shall complete the vacant Officer position's term.

**Article 9. Treasurer, Controller, and Legal Counsel**

9.1. Treasurer and Controller. The Turlock Irrigation District shall act as treasurer and controller for the Agency, until such time as the Agency appoints an independent treasurer and controller. The controller of the Agency shall cause an independent audit of the Agency's finances to be made by a certified public accountant in compliance with California Government Code section 6505. The treasurer of the Agency shall be the depositor and shall have custody of all Agency funds from whatever source. The controller of the Agency shall draw warrants and pay demands against the Agency when the demands have been approved by the Agency or any authorized representative. The treasurer and controller shall comply strictly with the provisions of statutes relating to their duties found in Chapter 5 (commencing with section 6500) of Division 7 of Title 1 of the California Government Code and those duties and provisions adopted by the Agency.

9.2. Legal Counsel. The Governing Board shall appoint legal counsel as it deems appropriate.

**Article 10. Executive Director**

10.1. Appointment. The Governing Board may appoint an Executive Director at the time and with the specific compensation for his or her services, as determined by the Governing Board. Prior to such appointment, the Board may establish a committee, pursuant to section 13.1 of this Agreement, which will generally perform duties similar to those described in section 10.2 of this agreement.

10.2. Duties. The Executive Director shall be the chief administration officer of the Agency, shall serve at the pleasure of the Governing Board, and shall be responsible to the Governing Board for the proper and efficient administration of the Agency. The Executive Director shall have the powers designated in the Agency Bylaws.

10.3. Staff. The Executive Director shall employ additional full-time and/or part-time employees, assistants, and independent contractors that may be necessary to accomplish the purposes of the Agency,

subject to the approval of the Governing Board for any contract in excess of a specified dollar amount as determined by the Governing Board.

### **Article 11. Governing Board Voting**

11.1. Quorum. A majority of Board Members shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of the Board may be adjourned by a majority present, but no other business may be transacted.

11.2. Approval Requirements. Except as provided in sections 11.3 and 11.4 below, action of the Board shall require the affirmative vote of a majority of Board Members voting.

11.3 Approval of High Threshold Matters. Action of the Board on high threshold matters, which include the annual budget, approval of any bond or debt instrument, approval of a contract exceeding \$100,000, approval of Membership, approval of a groundwater sustainability plan, involuntary termination, Exhibit D, and approval of extraction limitation for any Member or category of membership shall require the affirmative vote of at least two-thirds of the voting Members.

11.4 Authority to Vacate Approval. Members identified in Exhibit C have the authority to vacate the approval of any item approved pursuant to sections 11.2 or 11.3, except approvals pursuant to section 18.2, which there is no authority to vacate. In order to vacate the approval of an item passed pursuant to section 11.2 or 11.3, the Member shall notify the Board that it is vacating the approval after such approval has been made, but prior to adjournment of the meeting in which the approval took place. The effect of such notice shall nullify the Board action and approval. When an approval is vacated pursuant to this section, the Members agree to further discuss the matter and work toward resolution of any outstanding difference of opinion.

### **Article 12. Agency Meetings**

12.1. Initial Meeting. The initial meeting of the Agency's Governing Board shall be called by Turlock Irrigation District and held within the Agency's boundary within 30 days of the effective date of this Agreement. A public hearing, pursuant to California Water Code section 10723(b), will be held at this meeting. A draft resolution electing to be the West Turlock Subbasin Groundwater Sustainability Agency will be presented as an action item at this meeting.

12.2. Time and Place. The Governing Board shall meet at least quarterly at a time and place set by the Governing Board, and at such other times as determined by the Governing Board and listed in the Agency's bylaws.

12.3. Conduct. All meetings of the Governing Board shall be noticed, held, and conducted in accordance with the Ralph M. Brown Act. Board Members and Alternate Board Members may use teleconferencing in connection with any meeting in conformance with and to the extent authorized.

### **Article 13. Committee Formation**

13.1. Internal Committee Formation. The Governing Board shall establish internal committees from time to time. Each internal committee shall be comprised of representatives of the Members, Associate Members, or a combination of both, shall exist for the term specified in the action establishing the committee,

shall meet as directed by the Governing Board, and shall make recommendations to the Governing Board on the various activities of the Agency. The Governing Board may delegate authority to the internal committee to administer or implement Agency activities.

13.2. External Advisory Committee Formation. The Governing Board may establish one or more advisory committees comprised of diverse social, cultural, and economic elements of the population and area stakeholders within the Agency's boundary. The Governing Board shall encourage the active involvement of the advisory committee(s) prior to and during the development and implementation of the Turlock Subbasin groundwater sustainability plan or coordinated Turlock Subbasin groundwater sustainability plans. The Governing Board will ensure that at least one (1) member from the Governing Board or Agency employee attends and participates in each advisory committee meeting.

#### **Article 14. Membership**

14.1. Initial Members. The initial Members of the Agency shall be identified in Exhibit A as long as they have not, pursuant to the provisions thereof, withdrawn from this Agreement in accordance with the terms thereof.

14.2. New Members. Additional Parties may join this Agreement and become a Member provided that the prospective new member, (a) is eligible to join a groundwater sustainability agency as provided by the Act, (b) possesses powers common to all other Members, (c) receives an affirmative vote as defined in Article 11, (d) pays all previously incurred costs that the Governing Board determines to have benefited their agency, (e) pays all applicable fees and charges, and (f) agrees in writing to the terms and conditions of this Agreement.

14.3. Associate Member Conversion to Full Membership. Associate Members may become full voting Members of the Agency upon (a) affirmative vote as defined in Article 11.3, (b) payment of all previously incurred costs that the Governing Board determines have benefited the Associate Member and have not yet been paid, and (c) agreement in writing to the terms of Governing Board members in this Agreement.

#### **Article 15. Specific Projects**

15.1. Projects. The Agency intends to carry out activities in furtherance of its purposes and consistent with the powers established by the Agreement with the participation of all Members.

15.2. Member Specific Projects. In addition to the general activities undertaken by all Members of the Agency, the Agency may initiate specific projects or litigation that involves less than all Members. No Member shall be required to be involved in a Project that involves less than all the Members.

15.3. Project Agreement. Prior to undertaking any project or litigation that does not involve all Member Agencies, and subject to potential Board disapproval pursuant to section 15.4, the Members electing to participate in the Project shall enter into a Project Agreement. A Member may elect not to participate in a specific project or litigation matter by providing notice to the Governing Board and not entering into the Project Agreement specific to the matter in which the Member has elected not to participate. Each Project Agreement shall provide the terms and conditions by which the Members that enter into the Project Agreement will participate in the Project. All assets, rights, benefits, and obligations attributable to the Project

shall be allocated to those Members that have entered into the Project Agreement. Any debts, liabilities, obligations, or indebtedness incurred by the Agency in regard to a particular Project shall be paid by those Members who have executed the Project Agreement in accordance with the terms thereof and those Members who have not executed the Project Agreement shall not be responsible for the payment of those debts, liabilities, and obligations. Further, to the extent the Project is litigation, the Members who chose not to enter into the Project Agreement shall not be named or otherwise listed in the pleadings or appear on litigation materials.

15.4. Governing Board Approval. The Governing Board shall have the authority to disapprove any Project Agreement upon a determination that the Project Agreement has specific, substantial adverse impacts upon Members that have not executed the Project Agreement.

## **Article 16. Budget and Expenses**

16.1. General Operating Budget. The Governing Board shall approve an initial budget at its first meeting and an annual budget before the beginning of each fiscal year thereafter. The general operating budget shall be funded by the Parties in the proportion designated in Exhibit D. Whenever the proportion of funding changes, the allocation shall take effect the fiscal quarter after the revision to Exhibit D is finalized.

16.2. Membership Annual Fees. Both Members and Associate Members shall pay annual membership fees as set forth in Exhibit E at the beginning of the Agency's fiscal year.

16.3. Reserve Funds. Membership annual fees from Members and Associate Members shall be deposited in the Agency's general operating fund. This fund shall have a reserve maximum that is established as part of the annual budget process. If the maximum reserve is met, the Agency shall not continue to collect annual fees in excess of the reserve, but will proportionally credit the funding agencies and waive collection of membership annual fees, or a portion thereof, in order to not exceed the reserve.

16.4. Special Project Funding. For projects in which not all Members participate or that are not otherwise funded by the general operating budget, the Members participating in the project shall agree to allocate funding prior to beginning the project.

16.5. Agency Contributions. Each of the Parties may, but are not required to, contribute additional money, office space, furnishings, equipment, supplies, or services as their respective Governing Boards may deem appropriate.

16.6. Grants and Other Funding Funds may be derived through State and Federal grants, or other available sources. The Agency may also apply for available State and Federal funds and shall make new and additional applications from time to time as appropriate. The Agency may also establish and collect fees, leases, or rents as may be authorized by law under the common powers of all the Parties.

16.7. Public and Private Donations. The Agency may accept and expend funds from public or private sources subject to the legal restrictions which are set forth in the common powers of the Parties for the purpose of carrying out its powers, duties, responsibilities, and obligations specified in this Agreement.

16.8. Budget Consistency. The Agency shall be limited to the making of expenditures or incurring of liabilities in the amount of the appropriations allowed by the budget as adopted and revised by the Agency.

16.9. Scope of Budget and Expenses. The General Operating Budget of the Agency will be limited to covering costs of operating the Agency pursuant to this Agreement. However, as will be more fully developed and set forth in the groundwater sustainability plan, the Agency does not anticipate the General Operating Budget as funded by weighted voting shares will be required or responsible for funding specific sustainability implementation projects or programs that will be implemented in geographic regions specific to individual Members. Rather, this Agreement anticipates that implementation of sustainability programs will be funded by the specific Member(s) that are responsible for implementing such actions in their respective local service area or geographic region. After the development of the groundwater sustainability plan, the General Operating Budget will only be responsible for funding general Agency operation; it will not fund the implementation of the groundwater sustainability plan.

#### **Article 17. Liability and Indemnification**

17.1. Liability. In accordance with California Government Code Section 6508.1, the debts, liabilities, and obligations of the Agency shall be the debts, liabilities, and obligations of the Agency alone, and not the Members.

17.2. Indemnification. The members of the Governing Board, officers, and employees of the Agency shall use ordinary care and reasonable diligence in the exercise of their powers, and in the performance of their duties pursuant to this Agreement. They shall not be liable to the Parties to this agreement for any mistake of judgment or any other action made, taken, or omitted by any agent, employee, or independent contractor selected with reasonable care, nor for loss incurred through the investment of the Agency's funds, or failure to invest the same.

17.3. No Responsibility for Others. To the extent authorized under California law, no Board Member, officer, or employee of the Agency shall be responsible for any action made, taken, or omitted, by any other Board Member, officer or employee.

17.4. Defense and Insurance. The funds of the Agency shall be used to defend, indemnify, and hold harmless the Agency and any Board Member, officer, or employee of the Agency for actions taken in good faith and within the scope of his or her authority. The Agency shall further hold harmless and indemnify the Members, including their officers and employees, from any claim or liability arising from acts or omissions of the Agency within the scope of this Agreement. Nothing herein shall limit the right of the Agency to purchase insurance or to create a self-insurance mechanism to provide coverage for the foregoing indemnity.

#### **Article 18. Withdrawal and Termination**

18.1. Withdrawal. A Member or Associate Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective after the Member has obtained alternative coverage under the Sustainable Groundwater Management Act through another groundwater sustainability agency, and upon sixty (60) days written notice to the Governing Board.

18.2. Involuntary Termination. Upon a determination by the Governing Board that the actions of a Member (i) fail to comply with the terms of this Agreement, or (ii) conflict with or undermine the functioning of the Agency or the preparation and implementation of the GSP, the Governing Board may in its discretion terminate that Member's membership in the Agency, provided that prior to any vote to remove a Member

involuntarily all of the Members shall meet and confer regarding all matters related to the proposed removal. Such an action shall require an affirmative vote pursuant to section 11.3.

18.3. Effect of Withdrawal or Involuntary Termination. To the extent a Member withdraws or is involuntarily terminated from this Agreement and that withdrawal results in a violation of the Act, the remaining Members invoke section 10735.2(e) of the Water Code to ensure any probationary status that results from the withdrawal is limited to the area that is no longer covered by this Agreement. Pursuant to Water Code section 19735.2(e), the remaining Members and the geographic areas managed by these Members will be excluded from any such resulting probationary status.

18.4. Rights of Member to Become GSA in Event of Withdrawal or Termination. Upon withdrawal or involuntary termination of a Member, or termination of this Agreement pursuant to Article 18.66, whether occurring before or after June 30, 2017, the withdrawing or terminated 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 Agency and its remaining Members (i) shall not object to or interfere with the lands in the withdrawing or terminated Member's boundaries being in a GSA, as designated by the withdrawing or terminated Member or otherwise, (ii) shall facilitate such transition to the extent reasonably necessary, and (iii) shall withdraw from managing that portion of the Subbasin within the boundaries of the withdrawing or terminating Member and shall so notify the California Department of Water Resources.

18.5. Obligations Upon Withdrawal. Any Member who withdraws shall remain obligated to pay its share of all debts, liabilities, and obligations of the Agency incurred or accrued prior to the effective date of such withdrawal, other than debts, liabilities, and obligations incurred pursuant to any Project Agreement to which the withdrawing Member is not a participant. Any payment that has been made by a withdrawing Member and is not obligated toward a debt or liability will be refunded to the Member upon withdrawal.

18.6. Termination of Agency. This Agreement may be rescinded and the Agency terminated by unanimous written consent of all Members, except during the outstanding term of any Agency indebtedness. Nothing in this Agreement shall prevent the Members from entering into other joint exercise of power agreements.

18.7. Disposition of Agency Assets upon Termination.

18.7.1. Surplus Funds. Upon termination of this Agreement, any reserves or surplus money on-hand shall be returned to the Members in the same proportion said Members have funded such reserves or surplus, in accordance with California Government Code section 6512.

18.7.2. Agency Property. The Agency shall first offer any assets of the Agency for sale to the Members on terms and conditions determined by the Governing Board. If no such sale to Members is consummated, the Board shall offer the assets of the Agency for sale to any non-member for good and adequate consideration on terms and conditions determined by the Governing Board.

## **Article 19. Miscellaneous**

19.1. Notices. Notices hereunder shall be sufficient if delivered via electronic mail, First-Class mail or facsimile transmission to the addresses following the Party signature blocks hereafter.

19.2. Bylaws. At, or as soon as practicable after the first Governing Board meeting the Governing Board shall draft and approve Bylaws of the Agency to govern day-to-day operations of the Agency.

19.3. Amendment. This Agreement may be amended at any time, by mutual agreement of the Members, provided that before any amendments shall be operative or valid, it shall be reduced to writing and signed by all Members hereto.

19.4. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions will remain in force and unaffected to the fullest extent permitted by law and regulation.

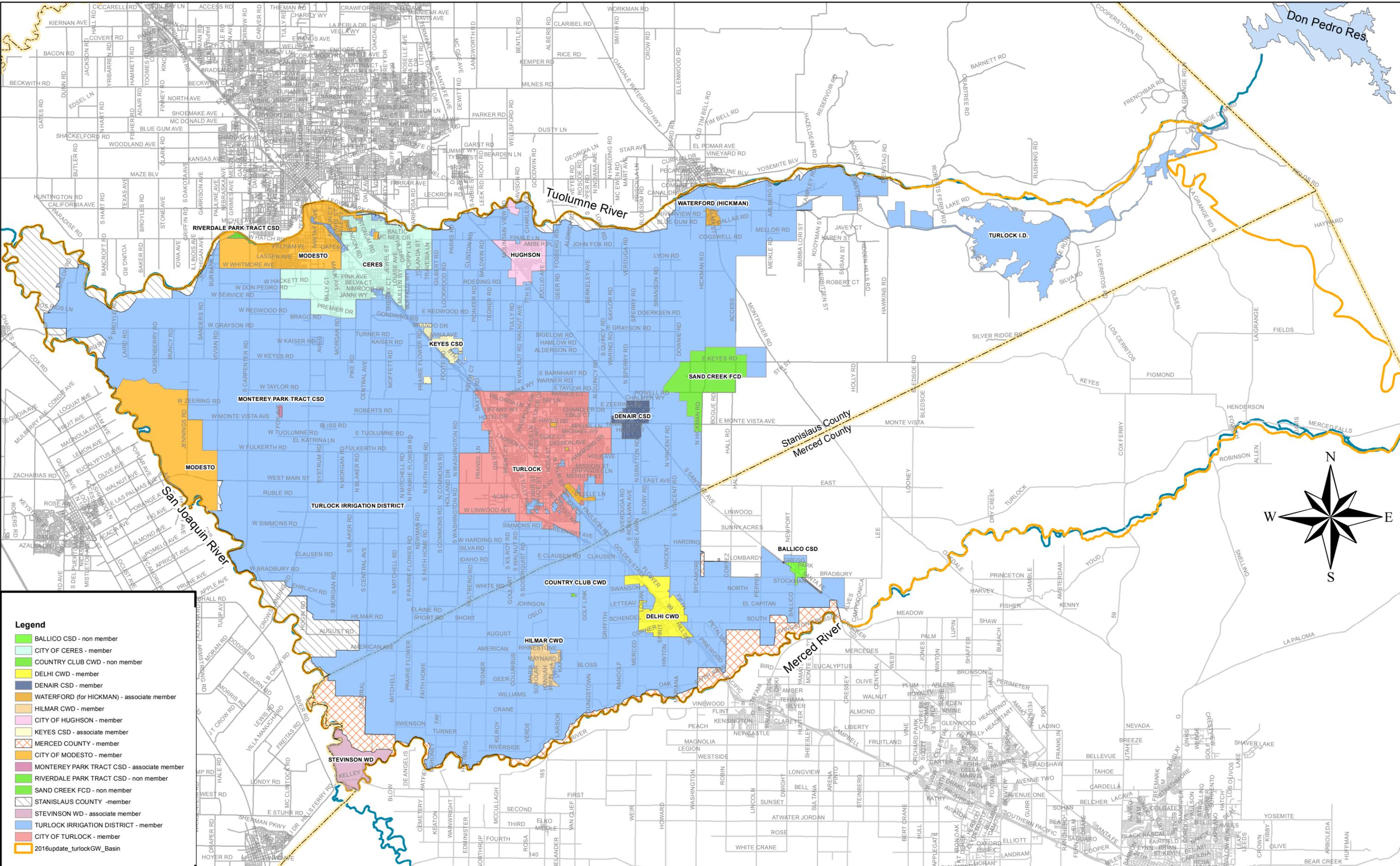
19.5. Execution in Counterparts. The Parties intend to execute this Agreement in counterparts. It is the intent of the Parties to hold one (1) counterpart with single original signatures to evidence the Agreement. After the Agreement is executed, each Party shall be delivered an originally executed counterpart with all Party signatures.

**IN WITNESS WHEREOF**, the Parties hereto execute this Agreement on the last date written beside each Party representative's signature.

## Exhibit A

### Members and Associate Members

Agency Name	Membership Status
City of Ceres	Member
City of Hughson	Member
City of Modesto	Member
City of Turlock	Member
Delhi County Water District	Member
Denair Community Services District	Member
Hilmar County Water District	Member
Merced County	Member
Stanislaus County	Member
Turlock Irrigation District	Member
City of Waterford (for Hickman)	Associate Member
Monterey Park Tract Community Services District	Associate Member
Stevinson Water District	Associate Member
Keyes Community Services District	Associate Member



- Legend**
- BALLICO CSD - non member
  - CITY OF CERES - member
  - COUNTRY CLUB CWD - non member
  - DELHI CWD - member
  - DENAIR CSD - member
  - WATERFORD (for HICKMAN) - associate member
  - HILMAR CWD - member
  - CITY OF HUGHSON - member
  - KEYES CSD - associate member
  - MERCED COUNTY - member
  - CITY OF MODESTO - member
  - MONTEREY PARK TRACT CSD - associate member
  - RIVERDALE PARK TRACT CSD - non member
  - SAND CREEK FCD - non member
  - STANISLAUS COUNTY - member
  - STEVINSON WD - associate member
  - TURLOCK IRRIGATION DISTRICT - member
  - CITY OF TURLOCK - member
  - 2016update\_turlockGW\_Basin

# Exhibit C

## Agencies with Authority to Vacate Approval

Agency Name	Membership Status
City of Turlock	Member
Turlock Irrigation District	Member

# Exhibit D

## Proportional Funding of General Operating Budget

Agency	Membership Status	Acreage (Acres)	Acreage Percentage	Production (AF)	Production Percentage	Average Percentage	Percentage with Multiplier for Urban 25%	Funding Percentage
Turlock Irrigation District	Member	164,627	79.30%	126,565	67.45%	73.37%	69.39%	40.15%
City of Turlock	Member	11,014	5.31%	22,804	12.15%	8.73%	10.91%	40.15%
Stanislaus County	Member	8,393	4.04%	13,091	6.98%	5.51%	5.21%	5.21%
City of Ceres	Member	5,925	2.85%	9,612	5.12%	3.99%	4.98%	4.98%
City of Modesto	Member	8,528	4.11%	1,788	0.95%	2.53%	3.16%	3.16%
Merced County	Member	4,936	2.38%	7,805	4.16%	3.27%	3.09%	3.09%
Delhi CWD	Member	1,582	0.76%	1,725	0.92%	0.84%	1.05%	1.05%
City of Hughson	Member	1,134	0.55%	1,479	0.79%	0.67%	0.83%	0.83%
Denair CSD	Member	669	0.32%	1,507	0.80%	0.56%	0.70%	0.70%
Hilmar CWD	Member	791	0.38%	1,280	0.68%	0.53%	0.66%	0.66%
TOTAL:		207,598	100.00%	187,655	100.00%	100.00%	100.00%	100.00%

**Notes:**

- 1) Members have the obligation to fund their proportional share of the general operating budget per the "Funding Percentage"
- 2) Turlock Irrigation District and the City of Turlock have an equal proportional share of the general operating budget per the "Funding Percentage"

City of Waterford for Hickman	Associate	148	0.07%	190	0.10%	0.09%
Keyes CSD	Associate	483	0.23%	1,040	0.55%	0.39%
Stevinson WD	Associate	1,101	0.53%	0		
Monterey Park Tract CSD	Associate	31	0.015%	0		

**Note:**

- 1) Associate Members have no obligation to fund their proportional share of the general operating budget

## Exhibit E

### Annual Membership Fees

Agency Name	Membership Status	Annual Fees
City of Ceres	Member	\$10,000
City of Hughson	Member	\$10,000
City of Modesto	Member	\$10,000
City of Turlock	Member	\$10,000
Delhi County Water District	Member	\$10,000
Denair Community Services District	Member	\$10,000
Hilmar County Water District	Member	\$10,000
Merced County	Member	\$10,000
Stanislaus County	Member	\$10,000
Turlock Irrigation District	Member	\$10,000
City of Waterford for Hickman	Associate Member	\$2,000
Monterey Park Tract Community Services District	Associate Member	\$2,000
Stevinson Water District	Associate Member	\$2,000
Keyes Community Services District	Associate Member	\$2,000



## **CITY OF HUGHSON AGENDA ITEM NO. 6.1**

### **SECTION 6: NEW BUSINESS**

**Meeting Date:** November 28, 2016  
**Subject:** Provide Direction for Filling of Two Hughson Planning Commission Vacancies  
**Presented By:** Susana Diaz, Management Analyst/Deputy City Clerk  
**Enclosures:** Mark Fontana Letter of Resignation

**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Consider appointing and filling two vacant Planning Commission positions at the regular City Council Meeting of December 12, 2016.

#### **Background and Overview:**

At the November 14, 2016 regular meeting, the City Council accepted the resignation of former Planning Commissioner John Luis. Upon approval, City staff posted the vacancy per Government Code Section 54974, and advertised the Planning Commission position for the required period of ten (10) working days. On November 23, 2016, staff received a letter of resignation from Planning Commissioner Mark Fontana effective immediately, due to his appointment to the City Council effective December 12, 2016. Due to Mr. Fontana's resignation effective November 23, 2016, staff must post the second vacancy to the Planning Commission for the minimum of (10) working days before Council can appoint and fill the vacancy.

In September, City staff received Planning Commission applications from Mr. Brian G. Evans, and Ms. Michael Ann Mitchell, for any vacancies that may arise from the Planning Commission. On September 12, 2016, Mr. Evans and Ms. Mitchell underwent the City Council interview process; however Council appointed Mr. Luis to the then vacant seat. Mr. Evans and Ms. Mitchell have expressed continued interest in serving on the Hughson Planning Commission.

Procedurally, the Mayor may make the appointment(s) subject to the approval of the City Council. Depending on the number of interested applicants, City staff will tentatively schedule Council interviews for the meeting of December 12, 2016. The

Planning Commission positions will remain vacant until Council conducts their appointments, as identified in Section 2.12.050 of the Hughson Municipal Code.

**Fiscal Impact:**

Per the Hughson Municipal Code, Hughson Planning Commissioners are compensated \$50 per meeting attended and reimbursement of necessary travel and other expenses incurred by the performance of their official duties. The City's annual budget includes funding for this commitment.

**From:** [Fontana, Mark](#)  
**To:** [Susana Diaz](#)  
**Cc:** [Jaylen French](#); [Raul Mendez](#)  
**Subject:** Planning Commission Letter of Resignation  
**Date:** Wednesday, November 23, 2016 9:17:36 AM  
**Attachments:** [image001.png](#)

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ATTN: Susan Diaz, City of Hughson

11-23-2016

This letter is to inform the City of Hughson that as of today I am resigning from my position as Planning Commissioner. Due to accepting an appointment to the City Council on Dec 12, 2016 I will be unable to continue my duties on the Planning Commission.

Sincerely,  
Mark Fontana

A handwritten signature in black ink that reads "Mark Fontana". The signature is written in a cursive style with a long horizontal stroke at the end.

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Total Control Panel

[Login](#)

To: [sdiaz@hughson.org](mailto:sdiaz@hughson.org) [Remove](#) this sender from my allow list  
From: [mdfe@pge.com](mailto:mdfe@pge.com)

*You received this message because the sender is on your allow list.*