

KAWEAH WATER FOUNDATION
MANAGEMENT ZONE PARTICIPATION AGREEMENT

This Agreement is entered into by and between the KAWEAH WATER FOUNDATION ("Foundation"), a California nonprofit public benefit corporation (hereafter "KWF") and VISALIA BIOSOLIDS APPLICATION PROJECT (hereafter "Participant") (referred to individually or collectively as Party or Parties). The effective date of this Agreement is April 27, 2021, 2021.

RECITALS

1. On May 31, 2018, the Central Valley Regional Water Quality Control Board (Central Valley Water Board) adopted Amendments to the Water Quality Control Plans for the Sacramento River and San Joaquin River Basins and the Tulare Lake Basin to Incorporate A Central Valley-Wide Salt and Nitrate Control Program (Basin Plan Amendments). The Basin Plan Amendments were approved by the State Water Resources Control Board (State Water Board) on October 16, 2019, and the Office of Administrative Law on January 15, 2020. Parts of the Basin Plan Amendments became effective upon Office of Administrative Law approval. Other parts will be effective after receiving approval from the United States Environmental Protection Agency.
2. The Basin Plan Amendments include the Program to Control and Permit Nitrate Discharges to Groundwater (Nitrate Control Program). The Nitrate Control Program became effective on or about January 15, 2020.
3. The Nitrate Control Program applies to all discharges of nitrate to groundwater basins that are designated with the municipal and domestic supply (MUN) beneficial use. Application of the Nitrate Control Program to discharges that are subject to Central Valley Water Board authority is being implemented based on priorities set forth in the Basin Plan Amendments.
4. The Nitrate Control Program identifies the following six groundwater basins/sub-basins as Priority 1 basins/sub-basins: Kaweah, Turlock, Chowchilla, Tule, Modesto and Kings. Compliance with the Nitrate Control Program will be triggered by the issuance of a Notice to Comply from the Central Valley Water Board to permittees that discharge nitrate to groundwater in the identified Priority 1 basins. Upon receipt of the Notice to Comply, permittees need to select one of two pathways for complying the Nitrate Control Program.
5. On or about May 30, 2020, the Central Valley Water Board sent Notices to Comply to dischargers and irrigated agricultural lands coalition groups that are within the boundaries of the six identified Priority 1 basins. The Notice to Comply requires dischargers to either meet the new requirements through an individual permitting action or participate in a Management Zone. For those permittees that choose to participate in a Management Zone, a preliminary Management Zone Proposal and Early Action Plan must be submitted to the Central Valley Water Board no later than March 8, 2021.

6. Permittees working together as Management Zone must then develop and submit a Final Management Zone Proposal within 180 days after Central Valley Water Board review of the preliminary proposal. Six months after the Central Valley Water Board's Executive Officer accepts the Final Management Zone Proposal, the permittees working collaboratively in Management Zone must develop and submit a Management Zone Implementation Plan.
7. KWF has been formed to act as a coordinating entity for compliance with the Management Zone pathway for the Kaweah groundwater basin and possibly other basins in the future.

TERMS OF AGREEMENT

1. Participant has either received a Notice to Comply, or has members that have received a Notice to Comply, with the Nitrate Control Program. After reviewing and considering the options available for complying with the Nitrate Control Program, Participant agrees to comply by contributing to and cooperating with KWF.
2. Each Party agrees to work in good faith, along with other Participants, to develop timely deliverables as required by the Nitrate Control Program and to comply with the Nitrate Control Program provisions in the Basin Plan Amendments.
3. Participant agrees that costs of the KWF program will be shared with other participants based on an equitable cost allocation mechanism that is developed by the KWF Board of Directors.
4. KWF agrees that contributions provided by Participant are for the sole purpose of developing proposals, reports and plans to comply with the Management Zone provisions within the Basin Plan, including reasonable administrative costs, consultant costs and other agreed upon costs incurred by KWF in furtherance of developing and implementing Management Zone proposals and plans.
5. KWF and the Participant agree to seek alternative funding sources for development and implementation of all or parts of the Early Action Plan, Preliminary Management Zone Proposal, Final Management Zone Proposal, and Management Zone Implementation Plan, if determined appropriate. However, the Participant understands that the permittee participants in the Management Zone and that are participants to this Agreement are ultimately responsible for the development and implementation of all or parts of the Early Action Plan, Preliminary Management Zone Proposal, Final Management Zone Proposal, and Management Zone Implementation Plan.
6. The Participant understands that compliance with the terms of the Nitrate Control Program is ultimately determined by the Central Valley Water Board and not the KWF or other participants to this Agreement.
7. The Participant is free to withdraw from this Agreement at any time upon giving a minimum of 30 days express written notification to KWF. Any contributions to KWF by a withdrawing

Participant prior to giving notice of withdrawal shall not be reimbursable by KWF to the withdrawing Participant. Participant shall continue to be responsible for its fair share of required contributions during the 30 day notice period unless agreed otherwise by KWF.

8. Participation in a Management Zone, and being a Party to this Agreement, shall not constitute an admission of liability or fault with respect to nitrate contamination in groundwater that may exist within the Management Zone boundaries, or beyond.
9. The Agreement is not intended for the benefit of any person or entity not a Party and shall not be enforceable by any person or entity who is not a Party.
10. The Parties, along with other Participants, agree to work cooperatively to develop and implement all Management Zone related documents and programs and shall not use information obtained through the development and implementation of the Management Zone to materially and legally harm the other Party to this Agreement or other Participants in the KWF.
11. The Agreement shall be interpreted and enforced pursuant to the laws of the State of California. It is agreed that in the event of any litigation arising hereunder, the Parties hereto shall submit to the jurisdiction of any court of competent jurisdiction within the State of California, County of Tulare.
12. If any provision of the Agreement is found invalid or unenforceable, the balance of the Agreement shall remain in full force and effect.
13. The Agreement may be executed in counterparts with the same force and effect as if executed in one complete document by all Parties
14. This Agreement contains the entire agreement between the Parties with respect to the matters set forth in it. Any modifications, revisions, or changes to this Agreement must be made in writing and signed by both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective on the date set forth above.

Date: _____

KAWEAH WATER FOUNDATION

By: _____
Signature of KWF Board Chair

Print name of KWF Board Chair

Date: April 27, 2020

VISALIA BIOSOLIDS APPLICATION PROJECT

By: Leslie B. Caviglia
Signature of Participant entity authorized
representative

Leslie B. Caviglia
Print name of Participant entity authorized
representative