INTERIM REPLACEMENT WATER SETTLEMENT AGREEMENT

This Interim Replacement Water Settlement Agreement (the "Agreement"), effective March 29, 2017 (the "Effective Date"), is between the Chief Deputy Director of the California State Water Resources Control Board, acting as lead prosecutor with the support of the State Water Resources Control Board's Office of Enforcement (the "State Board Prosecutors") and the Executive Officer for the Central Coast Regional Water Quality Control Board (the "Central Coast Executive Officer") (collectively, the "Water Boards Team"), on the one hand, and the Salinas Basin Agriculture Stewardship Group, LLC, a Delaware limited liability company (the "SBASG"), on the other, each of which is sometimes referred to in this Agreement as a "Party" or, collectively, as the "Parties," based on the terms, conditions, and recitals below.

RECITALS

A. The State Board Prosecutors and Central Coast Water Board staff have alleged that some drinking water sources in the Salinas Valley Groundwater Basin (the "Basin") contain nitrate levels that exceed applicable state and federal maximum contaminant levels ("MCL") for drinking water, and that these nitrate levels are due, in part, to the application of fertilizers containing nitrogen for the growing of private and commercial conventional and organic fruit and vegetable products (the "Nitrate Contamination Claims"). SBASG avers that nitrate levels in excess of the MCL are also due to a variety of other causes, including, but not limited to, (i) fertilizers used for lawns and parks, (ii) nitrates generated by septic systems, and (iii) nitrates that occur naturally in the soil.

B. Recognizing the public health importance of clean drinking water, SBASG was formed to, among other things, proactively evaluate the scope of, and temporarily finance the provision of interim replacement water to certain drinking water systems and to individual wells that are or may be impacted with nitrate levels above the MCL, and to explore longer-term alternatives and financing for more lasting solutions.

C. The purposes of the Agreement are for SBASG to provide interim replacement water in exchange for the Water Boards Team temporarily forbearing certain types of enforcement as described herein, and for the Parties to work cooperatively towards the development and implementation of a funding mechanism and solutions for the provision of long term replacement water.

D. SBASG and its members deny any responsibility or liability for the Nitrate Contamination Claims, but, nonetheless, have been afforded the opportunity by the Water Boards Team to provide replacement drinking water to certain systems and to individual wells impacted by nitrate levels above the MCL, on the terms and conditions provided below. This Agreement thus represents the interim settlement of the Water Boards Team's claims against certain agricultural owners and operators in the Basin, liability for which SBASG and its members expressly dispute and deny.

In consideration of the covenants contained in this Agreement, and for other further good and valuable consideration, including, but not limited to, the terms herein and the avoidance of

further costs, inconvenience, and uncertainties related to the Nitrate Contamination Claims, the Parties agree as follows:

AGREEMENT

1.0 Term

1.1 The term of this Agreement shall commence on March 29, 2017, and end on March 28, 2018 (the "Term"), unless terminated on an earlier date, or mutually extended by the Parties, according to the terms of this Agreement.

1.2 This Agreement shall terminate before the end of the Term upon (i) mutual, written agreement of the Parties to terminate the Agreement, (ii) SBASG's provision of two-months' advance written notice of its intent to terminate the Agreement, or (iii) adoption or implementation of a legislative, regulatory, policy-based, or similar form of funding source approved by the Parties that is designed, in whole or in part, to fund the provision of replacement water to nitrate-impacted drinking water sources in the Basin and/or to reimburse SBASG for its monetary expenditures made in advance of a long term funding solution (the "Mutually-Approved Funding Solution"), which approval shall not be unreasonably withheld. The Parties contemplate and intend the scope of potential funding sources referenced in subsection (iii) of this Section 1.2 to be as broad as possible and to include, but not be limited to, a fertilizer, nitrate or parcel-based tax, a regulatory fee or permitting program, a self-imposed assessment by agricultural owners and/or operators, and/or other similar funding mechanisms.

1.3 Conditioned upon SBASG satisfying the terms of Sections 2.3 and 2.5, thirty days or before the expiration of the Agreement, SBASG may, at its option, extend the term of this Agreement for an additional year (the "Option Period"). The remaining terms shall remain the same as provided in this Agreement. Any additional extensions of the Term of this Agreement shall be effectuated only by mutual agreement of the Parties, reflected in a signed, written amendment to this Agreement.

2.0 Scope

2.1 During the Term of this Agreement, SBASG and/or its agents or independent contractors will undertake a two-step water replacement process for drinking water systems and individual wells identified in **Exhibit A**, List of Systems, which is incorporated by reference (the "Systems"), that meet the following criteria (collectively, the "Replacement Water Criteria"):

(a) The System is located within, or in shallow groundwater above, one or more of the following four groundwater subbasins of the Basin: (i) the 180/400 Foot Aquifer, (ii) the East Side Aquifer, (iii) the Forebay Aquifer, or (iv) the Upper Valley Aquifer, as described in Bulletin 118;

(b) The nitrate level in the System's drinking water exceeds the MCL;

(c) Except as provided in Section 3.0 of this Agreement (which addresses SBASG properties), the System is not physically located on property subject to regulation under the Irrigated Lands Regulatory Program (the "Irrigated Lands Program") and/or the Central Coast Regional Water Quality Control Board's Conditional

Waiver of Waste Discharge Requirements (Agricultural Order R3-2012-0011), as upheld by the State Water Resources Control Board with modifications in Order WQ 2013-0101, and as may be amended, superseded, and/or replaced from time to time (the "Conditional Waiver");

(d) The System's users are not already receiving replacement drinking water at no cost to the users; and,

(e) The System is being used to provide drinking water.

Without exception, the Parties agree that SBASG shall provide replacement water on the terms and conditions set forth herein to any and all domestic well owners and/or users who request it in writing, meet the above Replacement Water Criteria, have been refused replacement water by the well owner at no cost to the user and the person or persons making the request are defined by either the State of California or Monterey County as financially disadvantaged whether or not identified in Exhibit A ("Opt-In Systems").

2.2 Within two weeks from the execution date of this Agreement, and as the first step of the water replacement process, SBASG, whether individually and/or through its agents or independent contractors, will begin to determine whether each System meets the Replacement Water Criteria. SBASG will track the results of its verification process of each System against the Replacement Water Criteria, including whether each System is found to be receiving replacement water already at no cost to the user. The Water Boards Team may review and verify the results of SBASG's verification process. The Water Boards Team acknowledges and agrees that, during the Term of this Agreement, SBASG and/or its agent or independent contractor will need to, among other things, (i) contact system and/or well owners, operators, and/or users, whether by phone, written communications, on-site visits, or otherwise; and (ii) access and/or obtain potentially-confidential and/or sensitive well information, water testing data or samples, and similar information and documents.

2.3 For the second step of the replacement water process, SBASG and/or its agents or independent contractors will provide and fund bottled water deliveries to Systems that have been determined by SBASG to meet the Replacement Water Criteria, subject to the Water Boards Team's review and verification. This may include appropriate special delivery provisions for aged and disabled persons. SBASG may determine to provide alternate forms of replacement water, or funding for replacement water, to the Systems if financially and logistically feasible. SBASG intends to begin providing replacement water within thirty to sixty days after the Agreement is executed. SBASG is obligated to use all commercially reasonable steps to provide replacement water to a minimum of thirty-five (35) systems identified in Exhibit A or made a part of Exhibit A pursuant to the Opt-In Systems provision in Section 2.1 within twelve (12) months from the Effective Date of this Agreement. If this Agreement includes a second year pursuant to Section 1.3, SBASG is obligated to use all commercially reasonable steps to provide replacement water to all additional systems that are identified in Exhibit A, all systems incorporated into Exhibit A pursuant to the Opt-In Systems provision in Section 2.1 for financially disadvantaged persons and all systems identified under the approved Water Replacement Plan described in Section 2.5 within the second twelve (12) months from the Effective Date of this Agreement. The Water Boards Team may audit systems included for service to ensure that adequate replacement water was provided to each System.

2.4 The Water Boards Team acknowledges and agrees that SBASG is not obligated to provide, or continue to provide, bottled water deliveries to a System if a System owner or user refuses to receive the bottled water deliveries.

2.5 As a condition precedent to SBASG's exercise of the option to extend the term of the Agreement described in Section 1.3, SBASG shall develop a water replacement plan to identify and provide replacement drinking water to all remaining impacted drinking water systems and well owners/users within the Subject Area, irrespective of financial need, similar to the water replacement process set forth in this Section 2 ("Water Replacement Plan"). Systems and well owners/users identified in year 2 need not be financially disadvantaged to qualify for replacement water. The Water Replacement Plan shall be of sufficient detail to be implemented within a reasonable time and contain; (i) a sampling and analysis plan to identify remaining drinking water wells in the Subject Area needing replacement water due to nitrate concentrations in excess of the MCL, (ii) an outreach and education plan to inform Subject Area residents about the potential for nitrate contaminated drinking water and the concomitant health risks, their options and a process for applying for and receiving timely replacement drinking water at no cost to the users, and (iii) an implementation schedule for the two plans, including mechanisms to ensure that any nitrate-impacted systems and/or wells above the MCL identified in year 1 will receive replacement water in year 2. The Replacement Water Plan is subject to review and approval by the Water Boards Team, and should be submitted a minimum of thirty (30) days in advance of SBASG's exercise of the option.

2.6 Except as otherwise provided in this Agreement, neither SBASG nor its members shall be obligated to perform any additional work or verification of, or provide replacement water or payment for, drinking water sources in the Basin during the Term of this Agreement. Any such additional work or payment shall be performed solely at SBASG's option. For example, SBASG may provide to the Water Boards Team from time to time empirical information that the systems identified herein that are being used to provide drinking water no longer contains nitrate levels that exceed the MCL or that the source of the nitrate contaminants has been removed in order to mutually approve the removal of that System from the scope of this Agreement.

3.0 Confirmation of Replacement Water for SBASG Properties

3.1 Within 60 days of the Effective Date of this Agreement, SBASG will submit a confirmation notice ("Confirmation Notice") to the Water Boards Team stating that, for each SBASG member who owns and/or operates agricultural property for which a Notice of Intent ("NOI") has been submitted under the Conditional Waiver, if any, domestic water users on properties identified in each NOI whose drinking water sources exceed the nitrate MCL have received replacement drinking water, whether through ongoing and consistent bottled water deliveries, treatment systems, or otherwise. A copy of the form of the Confirmation Notice to be used by SBASG is attached as **Exhibit B, which will be finalized by the parties during the initial 60-day period of this agreement**. If, after the 60-day period, any such domestic water users have not received replacement drinking water, the appropriate SBASG member(s) will, within an additional 60 days, identify the outstanding water source(s), coordinate the provision of replacement water to the appropriate users, and submit a Confirmation Notice directly to the Water Boards Team with a copy to SBASG reflecting this information.

3.2 Section 3.1 of this Agreement applies only to properties identified in each SBASG member's respective NOI, if any. The Water Boards Team understands and agrees that the Confirmation Notice submitted to or received by SBASG does not obligate SBASG to review or audit the data or certify its accuracy except as otherwise provided in Section 2.2. Instead, each member of SBASG is certifying under Section 3.1 under penalty of perjury that the information provided to SBASG, pursuant to the Confirmation Notice, is complete and accurate at the time submitted.

3.3 Each member who joins SBASG shall comply with the Agreement. The Water Boards Team may require documentation from the individual member to verify the information provided in the Confirmation Notice by SBASG.

4.0 Status Reports

Every three months during the Term of this Agreement, SBASG and/or its agent or independent contractor shall provide the State Board Prosecutors and the Central Coast Executive Officer a status report regarding the progress of the replacement water efforts taken pursuant to this Agreement. The status report will specify, amongst other items, the number of systems provided replacement water. The Water Boards Team may collectively request additional status reports from SBASG or additional information provided to it by its contractors related to this effort on advance written notice of at least 72 hours.

5.0 Enforcement Actions; Third Party Claims

5.1 During the Term of this interim Agreement, the Water Boards Team covenants and agrees that it will not issue, prosecute, or otherwise pursue any actions, lawsuits, or claims, including, but not limited to, any administrative, regulatory, or enforcement action for replacement water and/or groundwater cleanup and/or abatement of nitrate contaminated groundwater where replacement water is being provided, against SBASG or any of its members arising out of or related to any past, present, actual, or threatened discharge of nitrate or nitrogen in the Basin. **Except as provided for in Section 5.2**, the scope of the temporary waiver of claims provided in this Section 5.1 shall be construed as broadly as possible and shall include, but not be limited to, cleanup and abatement orders to provide replacement water under California Water Code section 13304, investigation orders under California Water Code section 13267, cease and desist orders under California Water Code section 13301, any other claims or actions under Division 7 (commencing with Section 13000) of the California Water Code, and any other actions, lawsuits, or other claims for replacement water, whether based on statute, common law, or other theories of liability.

5.2 Without exception, Section 5.1 does not restrict the State Board Prosecutors or the Central Coast Executive Officer and/or Central Coast Water Board prosecution staff from pursuing any action against a member of SBASG under an applicable Conditional Waiver, or under Division 7 of the Water Code, except as such actions pertain to replacement water due to nitrate contamination.

5.3 During the Term of this Agreement, if a private party or other third party to this Agreement initiates or asserts any lawsuit or other claim (whether based in tort, contract, or another theory of liability) against an SBASG member(s) arising out of or relating to any actual or threatened discharge of nitrate or nitrogen in the Basin, the Water Boards Team, upon request by the affected SBASG member(s), shall cooperate with SBASG member(s) in good faith by providing the SBASG member(s) any and all information requested by the SBASG member(s) that is in its possession, custody, or control.

5.4 SBASG's submission of a Confirmation Notice to the Water Boards Team as provided in Section 3.0 of this Agreement, including the Water Boards Team's right to verify the information as provided in Section 3.3, and confirmation that said member is in "good standing" with SBASG shall constitute conclusive evidence that the member is entitled to the benefits and protections of this Section 5.0. The State Board Prosecutors and the Central Coast Water Board prosecution staff shall immediately dismiss any action, lawsuit, or claim, including, but not limited to, any administrative, regulatory, or enforcement action for replacement water due to nitrate contamination upon verification that said action was initiated subsequent to a person or entity becoming a member in good standing of SBASG. "Good standing" is defined as a member who is in compliance with all of the terms and conditions of this Agreement and the operating agreement between the members of SBASG. This Section 5.4 does not apply to any existing actions (as identified in Sections 5.5 and 5.6) taken against an individual or entity prior to execution of this Agreement without mutual written consent of the Parties.

5.5 The individuals or entities identified as alleged responsible parties in pending enforcement actions relating to San Vincente Mutual Water Company and Wildhorse Café Water System may only join SBASG and receive all benefits and protections of this Agreement on terms and conditions acceptable to all Parties to this Agreement. Members of SBASG who have received notice of these enforcement actions, but have not been identified as alleged responsible parties in those actions, shall be entitled to the protections afforded in this Agreement.

5.6 Except for pending enforcement actions identified in Section 5.5, if the State Board Prosecutors and the Central Coast Water Board prosecution staff initiates or provides notice of its intent to initiate an administrative, regulatory, or enforcement action for replacement water due to nitrate contamination the individual or entity may join SBASG, comply with the provisions of Sections 3.1 and 5.4, and receive all benefits and protections of this Agreement if the individual or entity agrees to join SBASG on or before the 45th day from the Effective Date of this Agreement. After the 45th day, any and all parties alleged by the Water Boards Team to be responsible for nitrate contamination in the Basin will only be allowed to join SBASG, if at all, on terms and conditions acceptable to all Parties to this Agreement. Without exception, SBASG may admit a member who is not entitled to receive all of the benefits and protections of this Agreement with or without consent of the Water Boards Team.

5.7 If this Agreement terminates because of the adoption or implementation of a Mutually-Approved Funding Solution under Section 1.2(iii) of this Agreement, the Parties agree to meet and confer in good faith and discuss the potential extension and/or permanent continuation of the enforcement "standstill" provided in this Agreement. During this meet and confer process, the benefits and obligations of this Section 5 shall continue to apply until a Party formally provides notice that the meet and confer process has been terminated.

6.0 Cooperation

6.1 During the Term of this Agreement, the Parties agree to cooperate and assist each other with its implementation and in the following areas:

(a) Making efforts to obtain approval and implementation of a legislative, regulatory, policy-based, or similar form of funding source that is designed, in whole or in part, to fund the provision of replacement water to nitrate-impacted drinking water sources in the Basin.

(b) Making efforts to identify and assess the technological, regulatory, and/or economic feasibility of alternatives for long term replacement water for nitrate-impacted drinking water sources in the Basin.

(c) Educating non-SBASG members about the benefits of a proactive approach to providing replacement water for nitrate-impacted drinking water sources in the Basin and the benefits of joining SBASG to further that objective;

(d) Analyzing, seeking, and obtaining available funding, through grants or otherwise, to assist in the replacement water efforts for nitrate-impacted systems in the Basin, although SBASG acknowledges that the Water Boards Team does not have discretion or final authority to allocate public grant funds; .

(e) Discussing the feasibility of facilitating and assisting public agencies, nonprofits, and for-profit entities with performing outreach and education regarding the impacts of nitrates on human health and inviting interested well owners and users within the Basin to have their well water tested, receive bottled water, and/or receive some other form of replacement water provided by SBASG at no cost to the user. The Water Boards Team will work with SBASG to evaluate the possibility of partnering with Monterey County Environmental Health Bureau for outreach, education, and sample analysis, and SBASG will work with the Water Boards team to negotiate the possibility of encouraging local hospitals and medical facilities to provide public messages related to this issue; and,

(f) Providing technical and/or administrative support to implement the terms of this Agreement.

7.0 Authorization of Agent or Independent Contract of SBASG

The Water Boards Team acknowledges and authorizes SBASG to implement its obligations under the terms of this Agreement in conjunction with, or through, an agent(s) or independent contractor(s) selected by SBASG. SBASG shall retain sole discretion to hire and fire any such agent or independent contractor.

8.0 No Admissions

Neither SBASG nor any of its members make any admissions of guilt, fault, and/or liability by providing interim bottled water or any other form of replacement water to residents in the Basin, by entering into this Agreement, or otherwise.

9.0 Confidentiality

9.1 The State Board Prosecutors initiated their investigation against certain landowners within the Basin in December of 2015. Most of those Landowners are not members of SBASG and SBASG was voluntarily formed to collaborate and resolve the Basin's nitrate issue. Little, if any, information has been provided to date to the State Board Prosecutors except the work on Systems set forth in Exhibit A. As consideration for SBASG's work under this Agreement, the Water Boards Team acknowledges and agrees that, to the extent permitted by law, including, but not limited to, the California Public Records Act, any and all privileged information and/or documents arising out of or relating to the Nitrate Contamination Claims or the negotiation, execution, implementation, or terms of this Agreement shall remain privileged ("Confidential Information"). The Water Boards Team further agrees that it will not in any way publicize or cause to be publicized in any communications or media, including but not limited to, books, newspapers, magazines, legal professional journals or periodicals, journals, panels, programs, lectures, radio, television, blogs or internet websites, any Confidential Information, without SBASG's prior, written approval or a court order. The Water Boards Team and SBASG acknowledge and agree that this Agreement is the product of negotiation between the Parties of a disputed claim, and that this Agreement is being implemented during a pending enforcement action. Accordingly, the Water Boards Team acknowledges and agrees to maintain, at all times, the highest level of confidentiality for the Confidential Information permitted by law. Notwithstanding the above, the Water Boards Team and SBASG have mutually agreed that the information in Exhibit B attached hereto can be made public at any time and shall be utilized by all Parties in the event of any inquiries without further consent required, and that Exhibit C, the joint press release, will be issued on a date or shortly after the date of the execution of this Agreement.

9.2 If one or more of the Water Boards Team members receives a subpoena or request for records, whether through a Public Record Act request or otherwise, that seeks, or may seek, disclosure of Confidential Information, the Water Boards Team acknowledges and agrees that it will notify and consult with SBASG as soon thereafter as practicable regarding the subpoena or request.

9.3 SBASG shall not disclose to any third party (other than SBASG's independent contractor(s), agent(s), or consultant(s) for purposes of implementing the Agreement) any information, documents, or data designated by the Water Boards Team as confidential.

9.4 To the extent consistent with the California Public Records Act, the terms of this Section 9.0 concerning confidentiality shall remain in full force and effect and survive the termination of this Agreement to the maximum extent permitted by law. However, all Parties understand that SBASG members, and the data provided by SBASG to the Water Boards and data generated by the Water Boards is subject to the California Public Records Act.

10.0 Limited Standing of Central Coast Prosecutor to Enforce Contract Terms

The Central Coast Prosecutor acknowledges and agrees that it is a limited signatory to this Agreement, entitled to enforce only Sections 1.1, 3.0, 5.1,5.2, 5.3, 5.4, 5.5, and 11.0 of this Agreement. The Central Coast Prosecutor's limited standing to enforce provisions of this

Agreement shall not limit or otherwise affect the terms and conditions of this Agreement that impose obligations on the Central Coast Prosecutor.

11.0 Miscellaneous

11.1 **Notices.** All notices required under this Agreement shall be sent in writing, via certified or registered mail and email, to the following contact information:

To SBASG:

Salinas Basin Agriculture Stewardship Group
c/o Jeffery R. Gilles
L+G, LLP
318 Cayuga Street
Salinas, California 93901
Email: jeff@lg-attorneys.com

To the Water Board Representatives:

California State Water Resources Control Board
Office of Enforcement
Attn: Christian M. Carrigan, Director
801 K Street, Suite 2300
Sacramento, CA 95814
Email: cris.carrigan@waterboards.ca.gov

Central Coast Regional Water Quality Control Board
Attn: John M. Robertson, Executive Officer
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401
Email: john.robertson@waterboards.ca.gov

11.2 **Construction of Agreement.** This Agreement is the product of negotiation and preparation by and among the Parties and their respective attorneys. The Parties therefore expressly acknowledge and agree that this Agreement shall not be deemed to have been prepared or drafted by one Party or another, or its attorneys, and will be construed accordingly.

11.3 **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to California choice of law rules, and any litigation pertaining to this Agreement shall be conducted in the state or federal courts located in Monterey County, California.

11.4 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, assigns, partners, partnerships, parents, subsidiaries, affiliated and related entities, officers, directors, principals, agents, servants, employees, representatives, and all persons, firms, associations and/or corporations connected with them, including without limitation their insurers, sureties, and/or attorneys.

11.5 **Severability.** If any provision or any part of any provision of this Agreement is for any reason held to be invalid, unenforceable, or contrary to any public policy, law, statute and/or ordinance, then the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.

11.6 **Counterparts.** The Parties may execute this Agreement in one or more counterparts, via email or otherwise, each of which shall be deemed an original agreement, and all of which shall be considered one and the same instrument, and a signature transmitted by email shall be deemed to be an original signature.

11.7 **Benefit of Counsel.** The advice of legal counsel has been obtained by each of the Parties prior to entering into this Agreement.

11.8 **Entire Agreement.** This Agreement constitutes the entire, fully integrated understanding between and among the Parties with regard to the matters herein set forth. There are no representations, warranties, agreements, arrangements, or undertakings, oral or written, between or among the Parties relating to the subject matter of this Agreement which are not fully expressed. This Agreement may be modified only by a writing signed by all parties.

11.9 **No Third Party Beneficiaries.** 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.

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11.10 **Representation of Authority.** The signatories to the Agreement represent that each has the authority to bind the respective Party to the terms and conditions set forth in the Agreement.

Dated: 3/29/2017

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

By: _____
Jonathan Bishop (Name)
Its: Chief Deputy Director

Dated: _____

CENTRAL COAST REGIONAL WATER QUALITY CONTROL BOARD

By: _____
John Robertson (Name)
Its: Executive Officer

Dated: _____

SALINAS BASIN AGRICULTURE STEWARDSHIP GROUP, LLC

By: _____
Dennis Sites (Name)
Its: Chairperson

11.10 **Representation of Authority.** The signatories to the Agreement represent that each has the authority to bind the respective Party to the terms and conditions set forth in the Agreement.

Dated: _____

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

By: _____
Jonathan Bishop (Name)
Its: Chief Deputy Director

Dated: March 28, 2017

CENTRAL COAST REGIONAL WATER QUALITY CONTROL BOARD

By: _____
John Robertson (Name)
Its: Executive Officer

Dated: _____

SALINAS BASIN AGRICULTURE STEWARDSHIP GROUP, LLC

By: _____
Dennis Sites (Name)
Its: Chairperson

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Dated: _____

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

By: _____
Jonathan Bishop (Name)
Its: Chief Deputy Director

Dated: _____

CENTRAL COAST REGIONAL WATER QUALITY CONTROL BOARD

By: _____
John Robertson (Name)
Its: Executive Officer

Dated: 4-3-19

SALINAS BASIN AGRICULTURE STEWARDSHIP GROUP, LLC

By: _____
Dennis Sites (Name)
Its: Chairperson

EXHIBIT A
Water Systems and Wells

System Type	System Name	Water System ID	Sample Date	Connect	Pop	NO3 (mg/L) MCL-45	N (mg/L) MCL-10	Mailing City/State/Zip
LPAs								
2701726	Spence Rd Ws #05	WA0000970	9/2/2016		25		6.2	Salinas, Ca 93912
2702409	El Camino Wc Inc	WA0000269	9/20/2016	31	90		18	Spreckels, Ca 93962
2701036	Apple Ave Ws #03		9/22/2016	20	60		38.9	Greenfield, Ca 93927
SWSs								
2702359	Valley Electric Ws - Bryan Co		6/17/2015	2		252		Gonzales, Ca 93926
2701741	Mesa Verde Rd Ws #01	WA0000525	6/25/2013	7	21		52	Lemoore, 93245
2701964	Spence Rd Ws #04	WA0001103	5/23/2016	4	12		51.5	Salinas, Ca 93907
2701580	Apple Ave Ws #01	WA0000924	9/16/2015		12		34.6	Greenfield, Ca 93927
2701038	Morisoli Rd Ws	WA0000805	6/17/2015	2	6	147		Soledad, Ca 93960
2702205	Blanco Rd Ws #04	WA0001114	11/17/2015	3	9		32	Salinas, Ca 93906
2701729	Spence Rd Ws #08	WA0000857	5/23/2016	2	6		27	Salinas, Ca 93908
2702282	El Camino Real Ws #43	WA0001178	12/9/2015	2	6		25.5	Salinas, Ca 93907
2701560	Russo Rd Ws #03	WA0000870	1/25/2016	2	9		25.4	Castroville, Ca 95012
2702298	Espinosa Rd Ws #09	WA0001187	2/4/2016	3	9		22.5	Madera, Ca 93638
2701920	El Camino Real Ws #37	WA0000719	11/12/2015	4	12		22.5	Salinas, Ca 93907
2702067	Rancho Salinas Packing Ws	WA0001133	5/23/2016	3	9		20.2	Salinas, Ca 93907
2700540	Del Monte Farms Rd Ws #02	WA0000903	7/15/2014	3	12	86		Castroville, Ca 95012-0000
2701433	Harrison Rd Ws #02	WA0000665	5/17/2016	3	9		17.8	Salinas, Ca 93905
2702340	Underwood Rd Ws #01	WA0001205	1/18/2012	2	6	77		San Jose, Ca 95120
2702311	Del Monte Farms Rd Ws #10	WA0001196	7/16/2015	3	9	71		Castroville, Ca 95012-0000
2702367	Mile End Rd Ws #02	WA0000975	11/12/2015	2	6		16	Soledad, Ca 93960
2700714	Russo Rd Ws #01	WA0000937	4/23/2014	3	9	65		Castroville, Ca 95012
2700603	Mile End Rd Ws #01	WA0000940	12/17/2015	2	6		14.4	Soledad, Ca 93960
2702451	Elkhorn Rd Ws #22	WA0001262	1/25/2016	2	6		14.4	Castroville, Ca 95012
2700508	El Camino Real Ws #34	WA0000365	5/27/2014	5	15	62		Salinas, Ca 93907
2701180	Metz Rd Ws #09	WA0000522	6/28/2016	10	21		14	Soledad, Ca 93960
2702366	Old Stage Rd Ws #08	WA0000756	8/13/2015	3	9		14	Salinas, Ca 93908
2702161	Kohara Nursery Ws	WA0000292	5/28/2013	4	9	61		Salinas, Ca 93908
2701229	Bluerock View Apartments Ws	WA0000466	6/9/2016	11	24		13.5	Salinas, Ca 93907
2700653	Middlefield Rd Ws #04	WA0000418	3/9/2016	5	15		13.3	Salinas, Ca 93906
2702596	Meridian Rd Ws #15	WA0001524	11/18/2014	3		58		Castroville, Ca 95012
2701685	Espinosa Rd Ws #01	WA0000359	8/20/2015	12	36		13	Salinas, Ca 93907
2701862	Espinosa Rd Ws #04	WA0000994	11/19/2015	3	9		12.4	Castroville, Ca 95012
2701419	Central Ave Ws		1/9/2014	2		54		
2700539	Del Monte Farms Rd Ws #01	WA0000353	11/3/2015	5	15		11.7	Castroville, Ca 95012
2700651	Middlefield Rd Ws #02	WA0000412	3/9/2016	14	42		11.7	Salinas, Ca 93906
2702164	Valley Rd Ws #02	WA0000714	11/3/2015	2	6		11.7	Salinas, Ca 93907
2700774	San Vicente Rd Ws #01	WA0000482	6/28/2016	10	23		10.1	Soledad, Ca 93960
2701713	Metz Rd Ws #01	WA0000521	9/27/2016				10.1	
2701479	Spring Point Ws #05	WA0001005	5/5/2016	4	12	48		Castroville, Ca 95012
2701999	Walnut Ave Ws #01	WA0000808	12/7/2015	4	12		14	Walnut Ave. Greenfield
2702099	Walnut Ave Ws #02	WA0001159	3/17/2016	6	6		31.5	39568 Walnut Ave. Greenfield
2702181	Fairview Rd Ws #01	WA0000784	6/27/2016	2	6		14	32504 River Rd
2700609	Karner Rd Ws #01	WA0000905	1/25/2016	2	8		13.5	Karner Rd Castroville
2701574	Kitzmiller Rd Ws #01	WA000941	10/22/2013	4	12		11.7	Kitzmiller Rd Soledad
2700652	Middlefield Rd Ws #03	WA0000417	5/20/2014	7	21		11.7	783 Middle Field Rd Salinas
GAMA Wells Above MCL								
S-MS-SV22-T1			10/31/2012				65.6	Chualar, Ca 93925
S-MS-SV11-T2			4/30/2013				51.5	
S-MS-SV29-T1			3/27/2013				40.4	San Lucas, Ca 93954
S-MS-SV29			11/8/2012				30.4	King City, Ca 93930
S-MS-SV21-T2			5/20/2013				27	Salinas, Ca 93907
S-MS-SV26-T2	San Lucas WD		5/21/2013				23.5	San Lucas, Ca 93954
S-MS-SV16-T1			5/22/2013				21.8	King City, Ca 93930
S-MS-SV36-T1			12/5/2012				21.1	Salinas, Ca 93908
S-MS-SV09			10/29/2012				18.7	Salinas, Ca, 93908
S-MS-SV30-T1			3/27/2013				15.3	King City, Ca 93930
S-MS-SV21	Blackie Rd WS #20	WA0001577	11/5/2012	5	15		11.4	Castroville, Ca 95012
S-MS-SV32-T1	Misionero Vegetables WS	WA0000620	5/2/2013				11	Gonzales, Ca 93926
S-MS-SV34-T2	Moro Rd WS #01	WA0000712	12/4/2012	4	12		10.9	Salinas, Ca 93907

EXHIBIT B
Confirmation Notice

A. Entities

_____

_____

_____

_____

B. Replacement Drinking Water Statement

1. Option 1

_____ The entity(ies) listed above own and/or operate property located above the Salinas Valley Groundwater Basin, for which a Notice(s) of Intent has been submitted under the Central Coast Regional Water Quality Control Board's Conditional Waiver of Waste Discharge Requirements (Agricultural Order R3-2012-0011) (the "Conditional Waiver") due to applicable agricultural operations on that property. Those agricultural operations have been assigned the following AW numbers:

a. _____ e. _____

b. _____ f. _____

c. _____ g. _____

d. _____ h. _____

Domestic water users, if any, residing on properties identified in the Notice(s) of Intent whose groundwater sources of drinking water exceed applicable state and federal maximum contaminant levels for nitrate in drinking water have either received or refused replacement drinking water.

2. Option 2

_____ The entity(ies) listed above do not currently own or operate property located above the Salinas Valley Groundwater Basin that is identified in a Notice of Intent submitted under the Conditional Waiver.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____, ___, 2017, at _____, California.

By: _____

_____ (Name)

Its: _____

EXHIBIT C

Media Release

Local Farmers, State Agencies Collaborate on Drinking Water Replacement Program for Salinas Valley Communities

State Encourages Farmers to Join Temporary Program to Address Contaminated Water

FOR IMMEDIATE RELEASE
April xx, 2017

Contacts: Andrew DiLuccia, State Water Board
(916) 324-4775
Andrew.diluccia@waterboards.ca.gov
John Robertson, Central Coast Water Board
(805) 542-4630
John.Robertson@waterboards.ca.gov
Greg Larsen, Salinas Stewardship Group
(916) 718-4590
greg@larscaz.com

SACRAMENTO – In a collaborative effort, a coalition of farmers has joined with state and local regulators to produce a replacement drinking water plan for Salinas Valley residents whose groundwater supplies are contaminated with unsafe levels of nitrate.

Working in cooperation with the State Water Resources Control Board and the Central Coast Regional Water Quality Control Board, the Salinas Basin Agricultural Stewardship Group, LLC has agreed to supply drinking water to communities in the Salinas Valley whose drinking water is above the standard for nitrates.

The temporary program will be organized and funded by the members of the stewardship group, a coalition of local agricultural owners and operators. It will run for up to two years while the parties work toward permanent solutions to respond to the challenges of nitrate accumulation in Salinas basin groundwater.

"Ensuring that communities have safe, affordable drinking water is a high priority of the State Water Board," said Jonathan Bishop, chief deputy director at the State Water Board. "We welcome the leadership of the stewardship group in stepping up to this important challenge. And we look forward to working with them and others across the community toward long-term solutions."

The temporary program covers small water systems and some domestic wells used by about 850 residents in the rural area. The Coalition for Urban/Rural Environmental Stewardship (CURES), which is coordinating the program, is contacting residents whose water sources have levels of nitrate above the drinking water standard. Delivery of the replacement water will begin this month.

Nitrate contamination of groundwater is one of the most serious water quality challenges facing rural communities in California. Over the last decade, the Central Coast Water Board has been at the forefront of identifying communities at-risk for nitrate contamination and working to ensure clean drinking water options are available.

"Protecting the health of those dependent on groundwater for their drinking water goes to the core of our Board's mission," said Central Coast Water Board Chairman Dr. Jean-Pierre Wolff. "This collaborative agreement offers the opportunity to provide interim safe drinking water to some of those in need -- and represents a big step in the right direction."

The State Water Board's Office of Enforcement and the Central Coast Water Board are suspending their current replacement water enforcement programs against parties that join the stewardship group for as long as two years while this new program is instituted. Landowners who wish to become a member of the stewardship group still have time to join.

"We're going to allow about a month for folks to join the group and take advantage of the enforcement standstill before we start looking at further enforcement against non-cooperative parties," said Cris Carrigan, director of the Office of Enforcement for the State Water Board.

The state and regional water boards credited the stewardship group's leadership as one of the keys to creating the temporary drinking water program.

"The stewardship group members are pleased to partner in this important pilot program to answer the immediate needs of households whose drinking water from domestic wells contains nitrate exceeding the maximum contaminant level," said Joe Pezzini, stewardship group member and President/CEO of Ocean Mist Farms.

"Safe drinking water is certainly a basic need and we must now work together on an effective, lasting solution involving our entire community," Pezzini said. "As a group, we are focused on a long-term solution that balances community concerns, including the safety of our water sources, the health of our people, and the productivity of our local economy that supports us all. We look forward to working with governmental agencies, including the State Water Board, and other local interests to build a cooperative organization with the resources needed to resolve this community challenge."

The State Water Board, Central Coast Water Board and the stewardship group will host a community meeting in the Salinas area soon to provide additional information and answer questions about the agreement.

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