

**AGREEMENT FOR PERMITTEES SELECTING PARTICIPATION IN THE PRIORITIZATION AND OPTIMIZATION  
STUDY FOR ALTERNATIVE SALINITY PERMITTING APPROACH**

This Agreement is entered into by and between the CENTRAL VALLEY SALINITY COALITION, a California nonprofit mutual benefit corporation (hereafter “CVSC”) and the \_\_\_\_\_ [name of other party], (hereafter “Participant”<sup>1</sup>) (referred to individually or collectively as Party or Parties).

**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 became effective after receiving approval from the United States Environmental Protection Agency (USEPA) on November \_\_\_\_, 2020.
2. The Basin Plan Amendments include the Program to Control and Permit Salt Discharges to Surface and Groundwater (Salt Control Program). The Salt Control Program as applicable to Groundwater became effective on or about January 15, 2020, and surface water components became effective on or about \_\_\_\_\_ \_\_, 2020, after approval by USEPA.
3. The Salt Control Program is a program for the control and permitting of discharges containing salt in the Sacramento-San Joaquin River Basins and the Tulare Lake Basin and applies to all surface and ground waters.
4. Salt concentrations in surface and ground waters generally continue to increase over time despite existing water quality management programs and strategies to control salt. Based on supporting studies, existing salt management options in areas with significant salt concerns would unlikely change the volume and mass of salt. To address such concerns, the Central Valley Water Board found that a comprehensive solution to salinity issues in the Central Valley will need to rely on both local and sub-regional solutions as well as broad region-wide projects to export salt out of the Central Valley. Additional studies are needed to further define the range of solutions for surface and ground waters that may be deployed within each Central Valley hydrologic region to prevent continued impacts to salt sensitive areas in the Central Valley.
5. Given the need for these studies, the Central Valley Water Board will implement a phased Salt Control Program. Phase I consists of the Prioritization and Optimization Study (P&O Study), which will facilitate the development of a long-term Salt Control Program to achieve the Central Valley Water Board’s goals for salinity management for the Central Valley.
6. Under the provisions of the Basin Plan Amendments adopted by the Central Valley Water Board, all permitted salt discharges shall comply with the provisions of the Salt Control Program upon receiving a Notice to Comply from the Central Valley Water Board.

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<sup>1</sup> Hereinafter, the term Participant may mean either an individual permittee or a group of permittees that the Participant is representing in a collective manner.

7. For Phase I of the Salt Control Program, the Central Valley Water Board adopted two compliance pathways for permitted dischargers of salt: 1) Conservative Salinity Permitting Approach, and 2) Alternative Salinity Permitting Approach. The Conservative Salinity Permitting Approach applies to all permitted dischargers unless the permittee elects to participate in the Phase 1 Alternative Salinity Permitting Approach. Permittees have six (6) months from receiving a Notice to Comply to elect to participate in the Phase 1 Alternative Salinity Permitting Approach.
8. Permittees electing to participate in the Phase I Alternative Salinity Permitting Approach must agree to participate collectively in the P&O Study with other permittees, the Central Valley Water Board, and other stakeholders, including providing the minimum required level of financial support.
9. The CVSC has agreed to be the lead entity for overseeing P&O Study Work Plan development as well as implementing the approved P&O Study Work Plan, which is anticipated to take ten (10) to (15) years.
10. Upon approval of certain provisions of the Basin Plan Amendments by the USEPA, the Central Valley Water Board is expected to send Notices to Comply to permittees and irrigated agricultural lands coalition groups that discharge salt to surface or groundwater in the Central Valley Region's jurisdictional area.
11. Upon receiving the Notice to Comply, permittees have six (6) months to elect to participate in the Phase 1 Alternative Salinity Permitting Approach or be subject to the Conservative Salinity Permitting Approach.
12. Permittees that elect to participate in the Alternative Salinity Permitting Approach must register their intent to participate with the CVSC and provide payment for their identified level of financial support.

## **TERMS OF AGREEMENT**

1. Participant has either received a Notice to Comply or has members that have received a Notice to Comply with the Salt Control Program. After reviewing and considering the options available for complying with the Salt Control Program, Participant (or the Participant on behalf of its members) has elected to comply through the Phase 1 Alternative Salinity Permitting Approach.
2. Participant understands that electing to comply through the Phase 1 Alternative Salinity Permitting Approach is not mandatory and that Participant is electing this option on their own free will.
3. Participant understands that CVSC is not a regulatory entity, but is a non-profit organization that has voluntarily agreed to administer the P&O Study, which is an essential component of the Phase 1 Alternative Salinity Permitting Approach.
4. By electing to comply through the Phase 1 Alternative Salinity Permitting Approach, Participant agrees to the following:
  - a. Participant will provide timely annual payments to the CVSC at the identified level of financial support that applies to the Participant including any fees or charges; and,
  - b. Participant will cooperate with the CVSC by providing permittee information, readily available data and information as requested pertaining to salt discharges, or other readily available information necessary for implementation of the P&O Study Work Plan. Such data shall be provided in an appropriate format as requested by the CVSC, to the extent that the Participant can reasonably and feasibly provide the requested data and information in the format requested.

- c. If the Participant represents multiple permittees, or is a third party that provides for General Order compliance through membership in the third party (e.g., Irrigated Lands Coalitions), the Participant is committing to the following:
    - i. Providing P&O Study information to its members and collecting the information in 4.b. above, as applicable from its members to ensure efficient information collection.
    - ii. Collecting funds, or paying directly for the individual members or the collective Participant. In the event that the Participant is collecting funds from multiple permittees, the Participant needs to provide the CV-SALTS ID and other identifying and contact information for each permittee as needed by CVSC or the Central Valley Water Board to document P&O Study participation.
    - iii. Cooperating with CVSC and the Central Valley Water Board on any issues relating to permittees and/or members being covered by the Participant's enrollment.
  - d. Further, by signing this agreement, if the Participant represents multiple permittees, or is a third party that provides for General Order compliance through membership in the third party (e.g., Irrigated Lands Coalitions), Participant hereby represents to the CVSC that the Participant has all appropriate authority to represent the identified group of permittees, or members of Participant's organization and the CVSC may rely on this representation.
5. Except as provided in paragraph 19 below, the CVSC agrees to develop timely deliverables as required by the Salt Control Program as related to development and implementation of the P&O Study Work Plan, including not limited to, annual progress reports, Interim Project Reports, long-term governance and funding plans, recommendations for amendments to the Water Quality Control Plans for Phase II of the Salt Control Program, and a Final Phase I Project Report.
  6. Participant understands that costs for the P&O Study are shared among all Participants based on a cost allocation mechanism set forth by the CVSC.
  7. Participant understands that costs for the P&O Study and the number of participants may change and costs will be evaluated annually and that the cost allocation may change no more frequently than annually.
  8. Participant understands that failure to make timely payments may result in an additional assessment or penalty in accordance with CVSC adopted policies, which may be revised from time to time. All current policies are posted on the CVSC website at: [www.cvsalinity.org/cvsc](http://www.cvsalinity.org/cvsc).
  9. The CVSC agrees to evaluate costs annually and will work in good faith to put forward a cost allocation mechanism that is reasonable and administratively implementable.
  10. The CVSC may consider the following factors when establishing the cost allocation mechanism: salinity levels in the discharge, the volume of the discharge, total salinity load or impacts, local conditions, administrative efficiencies in the collection of cost allocations by trade or industry-based organizations, and other factors determined appropriate.
  11. The CVSC agrees that contributions provided by Participant to CVSC are to be used only for the purpose of preparing and implementing the P&O Study Work Plan and reasonable administrative costs associated with administering the P&O Study by CVSC.
  12. The CVSC agrees to seek alternative funding sources for implementation of all or parts of the P&O Study Work Plan, if determined appropriate. However, the Participant understands that the permittee

participants electing the Phase I Alternative Salinity Permitting Approach are ultimately responsible for the development and implementation of all or parts of the P&O Study Work Plan.

13. Participant understands that this agreement pertains only to Phase I of the Salt Control Program and the Phase I Alternative Salinity Permitting Approach. Funding approaches for implementing Phases II and III may be addressed in the P&O Study; however, nothing in this agreement commits Participant to fund Phase II or Phase III actions. Phase II consists of project development and identification of funding for capital improvement projects, and Phase III consists of the final implementation of large-scale capital projects.
14. The Participant understands that compliance with the terms of the Salt Control Program is ultimately determined by the Central Valley Water Board and not CVSC or other participants to this agreement.
15. The Participant is free to withdraw from this agreement at any time upon giving a minimum of 30 days express written notification to the CVSC. Any annual contributions paid to the CVSC for the current year by a withdrawing Participant shall not be reimbursable by CVSC to the withdrawing Participant.
16. Prior to withdrawing from this agreement, the Participant should consult with the Central Valley Water Board regarding its options for complying with the Conservative Salinity Permitting Approach.
17. In the event that the Participant does not fulfill its obligations under paragraph 4 of this agreement, the CVSC is obligated to notify the Central Valley Water Board of the Participant's failure to meet its commitment for continued participation in the P&O Study.
18. Participant understands that the terms of this agreement provide benefit to the Participant on an annual basis.
19. Participant understands that the CVSC reserves the right to terminate this agreement with a Participant after providing written notice at least sixty (60) days in advance of such termination. Any action by the CVSC to terminate the agreement with respect to a single Participant (or group of permittees represented by one Participant) shall include a reason(s) for such termination in writing. The Participant may request that the CVSC provide Participant an opportunity to appear before the CVSC Board of Directors to oppose such termination prior to the termination becoming effective. The CVSC Board of Directors reserves the ultimate authority to determine if a termination shall become effective.
20. CVSC intends to remain the entity for administering the P&O Study for the duration of the P&O Study. However, in the unlikely event that the CVSC finds it necessary to withdraw from being the administering entity, the CVSC agrees to all of the following:
  - a. Provide at least six (6) months' notice in advance of such withdrawal so that Participants, in cooperation with the Central Valley Water Board, have the opportunity to identify or create a new successor entity for administering the P&O Study.
  - b. Provide all data, information, reports, and information to any successor entity identified by the Participants and/or the Central Valley Water Board.
  - c. Transfer all remaining funds, after addressing all outstanding liabilities, to any identified successor entity.
  - d. Agree to work cooperatively with the Central Valley Water Board, Participants, and any successor entity for an orderly transfer of data, information, reports, and remaining funds.

21. The CVSC agrees to maintain an accounting system that clearly documents funds provided to the CVSC for the P&O Study and funds paid out from the CVSC for purposes of administering the P&O Study.
22. Within a reasonable time after payment of costs, CVSC will make available documentation of participation for the year or years of participation.
23. Participation in the P&O Study, and being a Party to this Agreement, shall not constitute an admission of current or historic liability or fault with respect to salt pollution or contamination in surface or ground water that may exist within the Central Valley.
24. 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 that is not a Party.
25. The agreement shall be interpreted and enforced pursuant to the laws of the State of California. In the event of any litigation arising hereunder, the Parties hereto agree to submit to the jurisdiction of any court of competent jurisdiction within the State of California, County of Sacramento.
26. If any provision of the agreement is found invalid or unenforceable, the balance of the agreement shall remain in full force and effect.
27. The agreement may be executed electronically and in counterparts with the same force and effect as if executed in one complete document by all Parties
28. This agreement contains the entire agreement between the Parties.

By checking this box,  Participant is hereby agreeing to the Terms of this Agreement.

Date: \_\_\_\_\_

[NAME OF PARTICIPANT ENTITY] \_\_\_\_\_

CV-SALTS ID # \_\_\_\_\_ listed on Notice to Comply

By: \_\_\_\_\_

Signature of Participant entity authorized representative

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Print name and title of Participant entity authorized representative