TULE SUBBASIN MEDIATION PROPOSAL

Draft November 15, 2026

1) Mediation Panel. The mediation will be conducted by a panel of three mediators, Ernest Conant, Kevin O'Brien and Gary Sawyers (Panel). The Panel will be assisted by a technical advisor (TA), selected as provided in Section 2, who will advise the Panel on technical matters as determined by the Panel. The TA will be engaged and compensated by the same parties that engage and compensate the Panel.

2) Technical Advisor. The TA shall be selected by unanimous agreement of the Panel members and all GSAs prior to execution of the Contract (defined below). No TA shall be engaged, and no TA shall participate in the mediation, until so approved by the Panel and all GSAs, and until the TA has executed a joinder to the Contract.

3) Parties to the Mediation. The parties to the mediation will be all of the groundwater sustainability agencies within the Tule Subbasin, as approved by the California Department of Water Resources (the GSAs). It is anticipated that the Friant Water Authority will also participate in the mediation, subject to Sections 8(A) and (B). Similarly, the United States Bureau of Reclamation will be invited to participate in the mediation, subject to Sections 8(A) and (B) and a joinder in the Contract. Any other prospective participant in the mediation will be invited only upon unanimous consent of the GSAs. It is recognized that Water Code Section 10735.4(a) of the Sustainable Groundwater Management Act (SGMA) provides in part that the State Water Resources Control Board (SWRCB) ". . .may appoint a mediator or other facilitator, after consultation with affected local agencies, to assist in resolving disputes. . ." The GSAs will pursue status for the Panel as such a mediator or other facilitator with the SWRCB. The Panel will consult with the SWRCB to understand the matters that must be resolved to address the GSP deficiencies identified by the SWRCB.

4) Schedule. The mediation will commence on December 1, 2026, and the Panel will issue its Draft Report on or before August 1, 2027. The Draft Report will contain the Panel's recommendations regarding the key groundwater management elements to be incorporated into a unified GSP for the Tule Subbasin (Subbasin) , including the matters that must be resolved to address the GSP deficiencies identified by the SWRCB that are disputed ("Key Groundwater Management Issues"). The Panel will issue its Final Report on or before September 30, 2027.

5) Mediation Goals and Output. The Panel will produce a Final Report that will: (i) contain the Panel's recommendations concerning the Key Groundwater Management Issues; (ii) address and issue recommendations concerning all material areas of dispute raised during the mediation process; and (iii) provide a statement of reasons for the recommendations. The Neither the Draft nor Final Report will not include any recommendations regarding of ownership of groundwater rights among groundwater users within the Subbasin. The Draft

Report, submissions by the mediating parties, and all other mediation communications shall be confidential as provided in Section 8(B), but the Final Report will be publicly released as provided in Section 8(C).

6) Process.

A) Within 20 days following commencement of the mediation process, the Panel will meet with counsel and designated representatives of the GSAs to hold an organized discussion regarding the Key Groundwater Management Issues. The Panel will use information shared in this initial meeting to direct the GSAs to focus their mediation briefs to follow on the Key Groundwater Management Issues that materialize during this initial meeting.

B) Within 45 days following commencement of the mediation process, each of the GSAs will submit to the Panel and all parties to the mediation a Mediation Statement not more than 20 pages in length addressing Key Groundwater Management Issues and the GSA's proposed solutions.

C) Within 90 days following commencement of the mediation, the Panel will conduct an initial round of private interviews with representatives of the GSAs and Interested Stakeholders, including the Friant Water Authority and the Bureau of Reclamation. The purpose of these interviews will be to discuss the Mediation Statements and to determine whether there are areas of agreement—and the nature and extent of any disagreements—among the GSAs and Interested Stakeholders.

D) At the discretion of the Panel, additional rounds of private interviews may be scheduled between the Panel and representatives of some or all GSAs and Interested Stakeholders. All interviews will be completed within 180 days following commencement of the mediation.

E) Following issuance of the Panel's Draft Report on or before August 1, 2027, all GSAs and Interested Stakeholders will have an opportunity to submit written comments on the Draft Report. Written comments will be due on or before August 21, 2027 and will not exceed 15 pages in length. Following submission of written comments, the Panel and the TA will meet with representatives of all GSAs and Interested Stakeholders at a location to be determined. During these meetings the Panel may engage in "shuttle diplomacy," toward the goal of reaching consensus within the Subbasin regarding Key Groundwater Management Issues. As noted above, the Panel will issue its Final Report on or before September 30, 2027.

F) Subject to the Panel's obligation to maintain the confidentiality of communications by and between the mediating parties in the course of the mediation in accordance

with Cal. Evidence Code sections 1115-1129, the Panel will meet from time to time with staff of the SWRCB to report on the status of the mediation and obtain input from SWRCB staff on material issues.

G) To promote efficiency in the mediation, the GSAs will be responsible for communicating with water users and other stakeholders within their respective GSAs about the issues addressed in the mediation and for collating and presenting to the Panel relevant information received from such parties.

7) Contract for Mediation Services.[1i] The GSAs and the Panel members will enter into a written contract for mediation services (Contract), to which the TA and each other mediation participant will become bound by executing a joinder. The Contract will specify the terms and conditions of the mediation including but not limited to the following:

A) The Contract will be executed by authorized representatives of all GSAs within the Subbasin. One of the GSAs will be designated as the fiscal agent for all GSAs; that fiscal agent will manage funds related to the mediation. The fiscal agent will maintain a segregated account to hold funds provided by the GSAs and from which payments will be disbursed.

B) The Contract will specify that the members of the Panel and the TA are being engaged separately, each with independent rights under the Contract, and not collectively or as a legal entity.

8) Confidentiality and Privilege.

A) The mediation shall be conducted in accordance with Cal. Evidence Code sections 703.5 and 1115-1129. Except as provided in Section 8(C), all mediation sessions, proceedings, communications, negotiations, settlement discussions, admissions, and writings (including the Mediation Statements, interview communications, written comments, and the Draft Report) made or prepared for the purpose of, in the course of, or pursuant to the mediation shall be confidential and privileged, shall not be admissible or subject to discovery or compelled disclosure in any arbitration, administrative adjudication, civil action, or other noncriminal proceeding, and shall remain so after the mediation ends. These protections shall bind and benefit all GSAs, their counsel and representatives, the Panel, the TA, and all other persons who participate in the mediation. Any person other than the GSAs and the Panel members, including the TA and any Interested Stakeholder, must execute a joinder to

[1] Query whether the Contract should be split into two documents, one of which would address the process for the mediation described herein and one of which would address the financial and similar provisions to maintain those confidential.

the Contract as a condition of participating in the mediation. No Panel member or the TA shall be called to testify or produce any writing concerning the mediation, including the Final Report beyond its text. Counsel for each GSA shall provide the disclosure required by Cal. Evidence Code section 1129 before the GSA executes the Contract.

B) Notwithstanding Section 8(B), the Final Report shall be released to the public for review and use. By executing the Contract or a joinder to the Contract, all GSAs, the Panel, the TA, and all other mediation participants expressly agree in writing, pursuant to Cal. Evidence Code sections 1122(a)(1) and 1121, to the public disclosure of the Final Report and to its submission to and consideration by any court or other adjudicative or administrative body (including the SWRCB). The Final Report shall not quote, attribute, or disclose any statement, offer, position, or admission of any participant, or any information disclosed in private interviews, except as all GSAs agree in writing. This consent is limited to the Final Report and does not waive confidentiality or privilege as to any other mediation communication or writing. Release of the Final Report shall not constitute an admission by any GSA.

C) The Panel members and the TA will be independent contractors and will not advise any GSAs or other public agencies relative to decisions to be made by relative to the subject matter of the mediation. Accordingly, the Panel members and the TA will not be subject to the reporting requirements of the Political Reform Act, including but not limited to filing Form 700 or other applicable law.

D) All Panel members, and potentially the TA (who has not yet been identified), have had past professional relationships with parties in the Subbasin and/or that could potentially be affected by actions within the Subbasin. The Contract will include a general description of such past relationships and will include (i) an acknowledgement of such past relationships by the GSAs; (ii) a commitment by the GSAs not to assert such past relationships as a basis for rendering the mediation defective or for disqualifying any of the Panel members or the TA; and (iii) a waiver by the GSAs of any actual or potential conflicts allegedly resulting from such past relationships or from any information acquired in connection therewith.

E) The Panel members and the TA will each be compensated at a flat monthly fee in the amount of $20,000 per month. The final monthly payment will be made on or before October 30, 2027, subject to the continuing obligation of the GSAs to discharge all payment obligations specified in the Contract.

F) The obligations of the GSAs to share the costs of the mediation will be addressed in a separate written agreement by and among the GSAs.

G) The three Panel members and the TA will each be reimbursed for reasonable expenses

incurred in connection with the mediation including but not limited to reasonable travel and lodging expenses.

H) The Contract will specify the schedule and milestones of the mediation consistent with this proposal.

I) The Contract will provide that the engagement of any Panel member or the TA may be terminated by either the GSAs or that Panel member or the TA upon reasonable notice with or without cause, without terminating the Contract as to the remaining parties.

J) If the mediating parities wish to retain the services of the three Panel members and/or the TA for additional mediation services to occur after September 30, 2027, the terms of such engagement will be addressed in a separate contract.

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