KERN GROUNDWATER AUTHORITY FOR THE TULARE LAKE BASIN PORTIONS OF KERN COUNTY AMENDED AND RESTATED JOINT POWERS AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT ("Agreement") is made and effective as of April 5, 2016, pursuant to the Joint Exercise of Powers Act (Government Code Sections 6500, *et seq.*) by and between the public agencies listed on the attached Exhibit A.

This Agreement is made with reference to the following facts and understandings.

A. Each of the parties to this Agreement (the "Members") provides water service to landowners and/or residents and/or provides water to retail water entities within its respective service area and the County of Kern has various oversight and active roles relative to water resources within the County, including, but not limited to, flood control, police powers, and water service.

B. Pursuant to a Joint Powers Agreement dated as of May 27, 2014 (the "Original Agreement"), the Kern Groundwater Authority (the "Authority") was created to carry out the purposes of Part 2.75 of Division 6 (commencing at Section 10750 of the California Water Code) and develop, adopt and implement a groundwater management plan that would be available to those lands within the boundaries of the Authority's members and within the Tulare Lake Groundwater Basin.

C. On August 29, 2014, the California Legislature passed comprehensive groundwater legislation contained in SB 1168, SB 1319 and AB 1739. Collectively, those bills, as subsequently amended, enacted the "Sustainable Groundwater Management Act" ("SGMA"). Governor Brown signed the legislation on September 16, 2014 and it became effective on January 1, 2015. In adopting SGMA, the Legislature intended "[t]o provide local groundwater agencies with the authority and technical and financial assistance necessary to sustainably manage groundwater." (California Water Code Section 10720(d).)

D. SGMA anticipates that each affected groundwater basin or subbasin will be regulated separately by one or more Groundwater Sustainable Agencies (each, a "GSA"). A local agency or combination of local agencies may elect to be the GSA for a basin or sub-basin. SGMA generally provides that a combination of local agencies may form a GSA through a joint powers agreement, memorandum of understanding or other legal agreement. (California Water Code Section 10723.6)

E. Groundwater sustainability under SGMA is to be achieved through Groundwater Sustainability Plans ("GSPs"). Under SGMA, a GSP can be a single plan developed by one or more GSAs, or multiple coordinated plans within a basin or subbasin by multiple GSAs (California Water Code Section 10727).

F. The Members, individually and collectively, have the goal of cost-effective, sustainable groundwater management in the Kern County Subbasin that considers the interests and concerns of the Members and other stakeholders.

G. As used in this Agreement "Kern County Subbasin" means such basin as defined in Department of Water Resources Bulletin 118, as its boundaries may be modified from time to time through the procedures described in California Water Code Section 10722.2.

H. The intent of the Members under this Agreement is to provide each Member with the sole right and responsibility to implement SGMA within its respective boundaries and/or Management Areas, as defined herein, in a manner determined by the Member, whether through the Authority or as a GSA. To facilitate coordination within the Kern County Subbasin, the Members desire for the Authority to have the authority to serve as a GSA for some or all of the Members within the Kern County Subbasin in a manner that allows the Members (individually or collectively) to directly implement SGMA and a GSP within their respective Management Areas as defined herein, while the Authority serves primarily a coordinating and administrative role in order to provide for sustainable groundwater management through the subbasin. The Members expressly intend that the Authority will not have the authority to limit or interfere with the respective Members' rights and authorities over their own internal matters, including, but not limited to, a Member's surface water supplies, groundwater supplies, facilities, operations, water management, and Water Supply Matters, as defined herein. Nothing in this Agreement is intended to modify or limit Members' police powers.

I. The Members expressly intend that neither SGMA, nor this Agreement, nor any GSP adopted by the Authority shall be construed as authorizing the Authority, or any dispute resolution process contained herein, to:

(i) determine or alter surface water rights or groundwater rights (California Water Code Section 10720.5 (b));

(ii) make binding determinations of the water rights of any person or entity (California Water Code Section 10726.8 (b)); or

(iii) supersede the existing land use authority of cities or counties, including the city or county general plan, within the overlying basin (California Water Code Section 10726.8 (f)).

J. In light of the enactment of SGMA together with the goals and intent described above, the Members wish to amend and restate the Original Agreement in its entirety as provided herein.

THEREFORE, in consideration of the mutual promises, covenants and conditions herein set forth, it is agreed by and among the Members that the Original Agreement is hereby amended and restated to read in its entirety as follows:

Article I: Definitions

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

(a) "Associate Members" shall mean those Members of the Authority admitted in accordance with the terms and provisions of this Agreement that are not General Members. The Board of Directors may from time to time admit Associate Members on terms and conditions

consistent with SGMA and as determined by the Board. Representatives of Associate Members may not serve on the Board and/or Board Committees. Likewise, while the Board of Directors welcomes their input, the representatives of Associate Members shall be non-voting, their presence shall not be counted in determining whether a quorum is present, and they shall not be permitted in closed sessions of the Board of Directors.

(b) "Authority" shall mean the Kern Groundwater Authority, being the separate entity created pursuant to the provisions of Government Code sections 6500 *et seq.* by this Agreement.

(c) "Board of Directors" or "Board" shall mean the governing body of the Authority as established by Section 3.01 of this Agreement.

(d) "Committee" shall mean any committee established pursuant to Section 3.03 of this Agreement.

(e) "Fiscal Year" shall mean that period of 12 months established as the Fiscal Year of the Authority pursuant to Section 4.01 of this Agreement.

(f) "General Members" shall mean those Members of the Authority more particularly identified as General Members on Exhibit A, and any parties which shall hereafter become General Members in accordance with the terms and provisions of this Agreement. A local agency as defined by SGMA may participate as a General Member on its own behalf or join with one or more agencies as a single General Member. Multiple agencies which elect to coordinate their representation as one General Member shall, for purposes of this Agreement, be treated as one General Member.

(g) "GSA" shall mean Groundwater Sustainability Agency as defined in SGMA.

(h) "GSA Notice Date" shall mean March 1, 2017.

(i) "Kern County Subbasin" means the groundwater subbasin described in Recital G of this Agreement.

(j) "GSP" shall mean Groundwater Sustainability Plan as defined in SGMA.

(k) "Management Area" shall mean the area within the boundaries of a Member or group of Members to be managed by that Member or group of Members under any GSP adopted by the Authority.

(l) "Members" shall mean the General Members and Associate Members.

(m) "SGMA" shall mean the Sustainable Groundwater Management Act.

(n) "Special Activities" shall mean activities that are consistent with the purpose of this Agreement, but which are undertaken by fewer than all the Members in the name of the Authority pursuant to Section 3.07.

(o) "Water Supply Matters" shall mean a Member's surface water supplies, groundwater supplies, facilities, operations, water management, water supply projects and financial affairs.

Article II: Creation of Authority

Section 2.01 – Creation.

The Members hereby reaffirm that, pursuant to their joint exercise of powers under the provisions of Government Code sections 6500 *et seq.*, they have created a public entity to be known as the "Kern Groundwater Authority."

Section 2.02 – Term.

This Agreement is an amendment of the Original Agreement and shall therefore become effective, including without limitation on General Members not executing it, upon its execution by at least 75% of the General Members and will remain in effect until terminated by agreement of a majority of then participating General Members. Notwithstanding the above, once the Authority has adopted and approved a GSP for some or all of the Kern County Subbasin, this Agreement shall not be terminated except by agreement of 75% of the General Members (as described in Section 3.05 below). Unless it is terminated, this Agreement shall remain in effect and be binding upon the Members and upon all future Members for such a period as the Authority engages in any activities under this Agreement, except as to any party which withdraws or is terminated from its participation in the Authority in accordance with this Agreement. This Agreement shall supersede the Original Agreement and the Interim Funding Agreement effective 2013. Any monies collected pursuant to the Interim Funding Agreement which have not been expended as of the date of this Agreement shall be credited towards each Member's financial commitment as identified herein.

Section 2.03 – Purpose.

(a) The purposes of this Agreement are to:

(i) provide for the joint exercise of powers common to each of the Members and powers granted pursuant to SGMA (subject to the restrictions contained in this Agreement), through the Authority, to cooperatively carry out the purposes of SGMA and develop, adopt and implement a legally sufficient GSP covering those portions of the Kern County Subbasin that are within the jurisdictional boundaries of the Members, subject to the limitations set forth herein; and

(ii) provide a mechanism for the coordination of groundwater management activities by and among the Members, in accordance with SGMA.

(b) Each of the General Members (or group of General Members) shall have the sole and absolute right, in its sole discretion, to:

(i) become a GSA individually or collectively within the General Member's boundaries or the Management Area managed in whole or in part by such General Member;

(ii) approve the portion, section or chapter of the GSP adopted by the Authority as applicable within the General Member's boundaries or the Management Area managed in whole or in part by such General Member, as provided for in Section 7.01 of this Agreement; and

(iii) implement SGMA and the GSP adopted by the Authority within the General Member's boundaries or the Management Area managed in whole or in part by such General Member.

(c) Except to the extent requested by a General Member with respect to the lands within its boundaries, the Authority shall serve primarily a coordinating and administrative role in order to provide for sustainable groundwater management of the Kern County Subbasin in a manner that does not limit any Member's rights or authority over its own water supply matters, including, but not limited to, a Member's Water Supply Matters. Subject to the provisions, limitations and restrictions contained in this Agreement, activities unrelated to coordinating and administrative tasks necessary for groundwater management and sustainability shall not be undertaken by the Authority.

(d) Notwithstanding any other provision of this Agreement, the Authority shall not seek status as a GSA or approve a GSP prior to the GSA Notice Date.

(e) Not later than the GSA Notice Date, or such later date as determined by the Board of Directors, each Member shall provide the Authority with written notice that such Member will:

(i) continue as a Member and request the Authority to act as the GSA within such Member's boundaries or for the Management Area managed in whole or in part by such Member pursuant to a separate agreement between the Authority and the Member setting forth the terms and conditions of the Authority's role as the GSA within such Member's boundaries or for the Management Area managed in whole or in part by such Member;

(ii) continue as a Member and confirm that it will implement the GSP adopted by the Authority within such Member's boundaries or for the Management Area managed in whole or in part by such Member continue as a Member;

(iii) continue as a Member but seek GSA status within its boundaries or within the Management Area managed in whole or in part by such Member in order to implement SGMA and the GSP adopted by the Authority therein; or

(iv) seek GSA status within its boundaries or within the Management Area managed in whole or in part by such Member and adopt its own GSP, in which case such Member shall be deemed to have withdrawn from the Authority pursuant to Article VI but will endeavor in good faith to develop and execute a coordination agreement with the Authority in accordance with SGMA. Such Member may still be eligible to become an Associate Member pursuant to Section 6.02 (a).

The County of Kern may form a separate GSA or be part of a GSA for areas not within the boundaries of other Members and also be a GSA or participate in a GSA formed pursuant to this Agreement.

Section 2.04 – Powers.

(a) Subject to the limitations and restrictions contained within this Agreement, the Authority shall have the power to take any action, for the benefit of its Members, to carry out the purposes of this Agreement, including, but not limited to, applying for loans and grants, becoming a GSA for any or all of the Kern County Subbasin except the portions thereof for which Members become the GSA, and developing, adopting and implementing a GSP, subject to the paramount right of Members to become GSAs as specified in Section 2.03. The Authority shall have the power to sue and be sued. Notwithstanding the foregoing, the Authority shall not have the power to control, limit or empower a Member's rights and authorities over its own Water Supply Matters. Likewise, unless a Member requests it, the Authority shall have no power to interfere with (i) the Member's rights, use or management of the Member's water or water supply or (ii) the rights of individual landowners within the Member's boundaries to utilize, apply, store, or otherwise use surface or groundwater. Subject to the limitations and restrictions contained in this Agreement, the Authority is authorized, in its own name, to do all acts necessary for the exercise of said powers provided that said acts are duly adopted by the then seated Board of Directors and are consistent with this Agreement. Except as provided in Section 4.05, the Authority may not levy assessments on its Members. In accordance with California Government Code Section 6509, the foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the Cawelo Water District.

(b) Notwithstanding anything to the contrary in this Agreement, the Authority shall not (i) undertake any activities within any Member's boundaries, or within a Management Area managed in whole or in part by such Member, unless the Member formally and expressly requests, consents to and agrees, in writing, to the activity proposed in accordance with Section 7.04 or (ii) acquire or seek to acquire by eminent domain any property of a Member. Nothing in this Agreement shall modify or limit the police powers of Members, if any.

Article III: Internal Organization

Section 3.01 – Governing Body.

(a) The Authority shall be governed by a Board of Directors which is hereby established and which shall be initially composed of representatives of the General Members, as shown on Exhibit A. Without amending this Agreement, the Board of Directors composition shall be altered from time to time to reflect the termination and/or admission of any new General Members.

(b) Each General Member's governing board shall select a representative from its governing body or the governing body of one of the agencies within the General Member to serve as their Board member. A General Member may designate from its governing body or the governing body of one of the agencies within the General Member to serve as its alternative Director. The role of each alternate Director shall be to assume the duties of the Director appointed by his/her Member entity in case of the absence or unavailability of such Director, including without limitation such Director's duties as a member of any Committee established pursuant to Section 3.03. The Directors and alternates so named shall continue to serve until their respective successors are appointed.

(c) Nothing in this Agreement shall preclude a future amendment of this Agreement to reconfigure the Board of Directors into a smaller body comprised of representatives of General Members or other individuals, all as defined in such amendment.

Section 3.02 – Officers.

The Board shall select a Chair from among the Board of Directors who shall be the presiding officer of the Board meetings. The Board shall select a Vice Chair from among the Board of Directors who shall serve as the presiding officer in the absence of the Chair. The Board shall also select a Secretary, who need not be a member of the Board of Directors. The terms of such Officers shall be established by the Board of Directors from time to time and as necessary.

Section 3.03 – Committees.

There shall be established such Committees as the Board of Directors shall determine from time to time. Each such Committee shall be comprised of representatives of General Members, shall exist for the term specified in the action establishing the Committee, shall meet as directed by the Board of Directors, and shall make recommendations to the Board of Directors on the various activities of the Authority. The Board of Directors may delegate authority to the Committee to administer and implement the various activities of the Authority, subject at all times to the limitations on the Authority set forth in this Agreement; provided, that no power to enforce any aspect of SGMA or the GSP adopted by the Authority shall be delegated to a Committee.

Members shall be give reasonable advance notice of all Committee meetings, including without limitation ad hoc Committee meetings, all of which meetings shall be open to Members and their representatives.

Section 3.04 – Seal; Bylaws.

The Board may (but need not) adopt an official seal for the Authority and adopt such bylaws as it may deem necessary to regulate the affairs of the Authority in accordance with this Agreement. The bylaws may be amended from time to time by a majority vote of the Board of Directors as it may deem necessary.

Section 3.05 – Voting; Quorum.

(a) Subject to Section 3.05(c), each member of the Board of Directors shall be entitled to a vote determined as follows:

(i) Each member of the Board shall have one (1) vote on matters with respect to which such member is entitled to vote.

(ii) Voting on actions related to Special Activities shall be weighted as determined by each Special Activity agreement.

(b) Directors holding two-thirds of the voting power on the entire Board of Directors on a matter shall constitute a quorum for the transaction of Authority business. Any Board member abstaining from a vote shall be counted for purposes of determining the existence of a quorum, but shall not be deemed to be voting.

(c) A Director (including a Director serving as a member of a Committee) shall be entitled to vote on any matter or action (i) that would affect the General Member represented by such Director, (ii) relating to the general business or administration of the Authority, or (iii) that would impact any land or landowners within the boundaries of the General Member represented by such Director or the Management Area managed in whole or in part by such General Member.

(d) Examples of matters and actions on which a Director shall be entitled to vote include without limitation matters or actions relating to the implementation of SGMA within the boundaries of the General Member represented by such Director, amounts to be paid by the General Member represented by such Director to the Authority, the imposition of fees or charges within the boundaries of the General Member represented by such Director, the adoption or amendment of the Authority's GSP.

(e) In the event of a disagreement as to whether a Director is entitled to vote on a matter or action coming before the Board or a Committee, such Director shall be entitled to vote on the matter or action unless 75% of the Directors present at the meeting determine that such Director is not so entitled.

(f) Except as otherwise provided in this Agreement, any action by the Board of Directors shall require a two-thirds vote of the Directors entitled to vote thereon that are present at the meeting. Any amendment of this Agreement shall be governed by Section 8.01.

(g) Two-thirds of the members of a Committee entitled to vote thereon shall constitute a quorum for a matter or action before the Committee. All questions and matters of any nature whatsoever coming before any Committee shall be determined, provided a quorum is present, by the concurrence of 75% of the members of such Committee entitled to vote thereon present and voting on such matter. Any Committee member entitled to vote thereon abstaining from a vote shall be counted for purposes of determining the existence of a quorum, but shall not be deemed to be voting.

(h) This Section 3.05 shall not apply to matters affecting implementation of SGMA within a particular Management Area. Such matters shall be governed by the Member or

Members implementing SGMA within that Management Area, except to the extent otherwise agreed upon by such Member(s) pursuant to 2.04(b) or in a Special Activity agreement.

Section 3.06 – Meetings.

Meetings of the Board of Directors and any Committee (to the extent applicable) shall be conducted in accordance with the Ralph M. Brown Act, California Government Code Sections 54950, *et seq.*

Section 3.07 - Special Activities.

With the prior approval of the entire Board of Directors, Members may undertake Special Activities in the name of the Authority. All Members shall be given the opportunity to participate in each Special Activity of the Authority unless the Special Activity is an action described in Section 7.04. Prior to undertaking a Special Activity, the Members electing to participate in the Special Activity shall enter into an activity agreement. Such activity agreement shall provide that (i) no Special Activity undertaken pursuant to such agreement shall conflict with the terms of this Agreement and (ii) the Members to the activity agreement shall indemnify, defend and hold the Authority, and the Authority's other Members, harmless from and against any liabilities, costs or expenses of any kind arising as a result of the Special Activity described in the activity agreement. All assets, rights, benefits, debts, liabilities and obligations attributable to a Special Activity shall be assets, rights, benefits debts, liabilities and obligations solely of the Members that have entered into the activity agreement for that Special Activity, in accordance with the terms of the activity agreement, and shall not be the assets, rights, benefits, debts, liabilities and obligations of those Members that have not executed the activity agreement. Members not electing to participate in the Special Activity shall have no rights, benefits, debts, liabilities or obligations attributable to such Special Activity.

Article IV: Financial Provisions

Section 4.01 – Fiscal Year.

The Fiscal Year of the Authority shall be from January 1 through December 31 of each year.

Section 4.02 – Funds; Accounts.

(a) The North Kern Water Storage District shall serve as the Fiscal Agent and Treasurer for the Authority unless otherwise determined by the entire Board. The Fiscal Agent shall be responsible for all money of the Authority from whatever source. The Board may compensate the fiscal agent for services rendered.

(b) All funds of the Authority shall be strictly and separately accounted for and regular reports shall be rendered of all receipts and disbursements at least quarterly during the Fiscal Year. The books and records of the Authority shall be open to inspection by the Members.

(c) The Authority shall contract with a certified public accountant to make an audit or review of the accounts and records of the Authority which shall be conducted in compliance with Section 6505 of the California Government Code. The Fiscal Agent shall have the right to reject

any proposed certified public accountant. All costs associated with this Audit will be the full responsibility of the Authority.

Section 4.03 – Property; Bonds.

The Board of Directors shall from time to time designate the officers and persons, in addition to those specified in Section 4.02 above, who shall have charge of, handle, or have access to any property of the Authority. Each such officer and person shall file a bond in an amount designated by the Board of Directors.

Section 4.04 – Budget.

By a date set by the Board of Directors each Fiscal Year, the Board of Directors shall adopt a budget for the Authority for the ensuing Fiscal Year; provided, that except as provided in Section 4.05, the Authority shall not impose assessments or other charges on Members. Notwithstanding the foregoing, by its execution of this Agreement, each Member confirms that it has authorized its Director and Alternate Director to approve actions and expenditures by the Authority over and above the approved annual budget of the Authority for a Fiscal Year that do not create a fiscal obligation greater than $5,000 on such Member without further action of such Member.

Section 4.05 – Payments To The Authority.

Except as otherwise provided, all fees, costs and expenses incurred by the Authority for general administrative services, such as legal, preparation of audits, and other general administrative functions shall be funded (i) from permissible contributions from third parties and (ii) assessments on the General Members, levied from time to time by the Board of Directors to carry out the activities of the Authority generally applicable to all General Members, which shall be equal per General Member, as initially shown on Exhibit A.

(a) No Member shall be bound, financially or otherwise, by any obligation, contract or activity undertaken by the Authority unless and except to the extent agreed upon by the Member, except that each Member shall be obligated to fund its then current annual share of the general basic budget of the Authority, provided such budgets are otherwise approved as provided herein. Funding of other matters shall be through Special Activity agreements or as otherwise agreed to by the Members in writing.

Section 4.06 – GSP Fees.

The Authority may impose reasonable fees, charges, assessments and other levies to implement its GSP and/or SGMA; provided, that the Authority shall have no authority to impose any such fees, charges, assessments or other levies on any of its Members or within a Management Area without the express consent and approval of the affected Member(s), or the Member or Member implementing the Authority's GSP and SGMA within such Management Area.

Article V: Management

Section 5.01 – Management.

In addition to, or in lieu of, hiring employees, the Authority may engage one or more General Member(s) or third party(ies) to manage any or all of the business of the Authority on terms and conditions acceptable to the Board of Directors. Any General Member or third party so engaged shall have such responsibilities as are set forth in the contract for such General Member's or third party's services.

Article VI: Relationship of Authority And Its Members

Section 6.01 – Separate Entity; Property.

In accordance with California Government Code Sections 6506 and 6507, the Authority shall be a public entity separate and apart from the parties to this Agreement. Unless, and to the extent otherwise agreed herein, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the Member entities. The Authority shall own and hold title to all funds, property and works acquired by it during the term of this Agreement.

Section 6.02 – Admission, Withdrawal and Termination of Members.

(a) Additional qualified parties may join in this Agreement and become General Members upon the approval of the entire Board of Directors, subject to terms and conditions as may be established by the Board of Directors. Associate Members may be admitted on terms and conditions established by the entire Board of Directors. Prior to being admitted as a new Member, an entity shall execute an agreement to be bound by the terms of this Agreement and any other terms and conditions established by the Board of Directors.

(b) Notwithstanding anything herein to the contrary, any Member may withdraw from this Agreement by giving 30 days written notice of its election to do so, which notice shall be given to the Board of Directors and to each of the other parties.

(c) Upon withdrawal, the Member shall not be relieved of all obligations for assessments to pay costs or liabilities of the Authority which were incurred prior to the date of the withdrawing Member's notice of withdrawal, but shall remain responsible for all obligations for assessments to pay costs or liabilities of the Authority which were incurred prior to the date of the withdrawing Member's notice of withdrawal.

(d) Subject to any contrary provisions of SGMA, a Member may be terminated by a three-fourths vote of the Directors representing Members not subject to the termination vote if such Member is then in breach of this Agreement and the breach is identified in the vote of the Board of Directors. Upon termination, the breaching Member shall no longer be a Member of the Authority; provided, that such termination shall become effective no earlier than 90 days after such vote of the Board of Directors and shall only be effective if the breach identified in the vote of the Board of Directors has not be cured by the effective date for the termination.

(e) Upon termination, the Member shall be entitled to a reimbursement for all assessments collected within 12 months prior to the termination vote and they shall be relieved

of all ongoing obligations for assessments to pay costs or liabilities of the Authority which were incurred prior to the date of the termination.

(f) Upon withdrawal or termination as a Member, the provisions of Section 2.04(b) shall remain applicable to any such withdrawing or terminated Member. The withdrawing or terminated Member will also be entitled to copies of all documents, information, and material developed by the Authority and paid for in whole or in part by the Member prior to the Member's withdrawal or termination.

(g) Upon withdrawal or termination as a Member, whether occurring before or after the GSA Notice Date and/or the date the Authority becomes a GSA as provided for in SGMA, it is contemplated the withdrawing or terminated Member would concurrently become (or designate) a GSA for the lands within its boundaries (or a Management Area managed in whole or in part by such Member), so that such lands of the withdrawing or terminated Member would continue to be subject to a GSA and if applicable a GSP and the powers of such withdrawing Member within its boundaries would not be limited by this Agreement. In such event the Authority and its remaining Members shall not object to or interfere with the lands in the withdrawing or terminated Member's boundaries (or a Management Area managed in whole or in part by such Member) being in a GSA, as designated by such withdrawing or terminated Member.

Section 6.03 – Disposition Of Property Upon Termination Or Determination By Board Of Directors Of Surplus.

(a) Upon termination of this Agreement or upon determination by the Board of Directors that any surplus money is on hand, such surplus money shall be returned to the Members of the Authority. The distribution of said surplus shall be proportionate to the current year percentages as shown in Exhibit A, or as modified after the inclusion of new Members.

(b) The Board of Directors shall first offer any surplus properties, works, rights and interests of the Authority for sale to the Members and the sale shall be at the Authority's actual cost unless otherwise required by law. If no such sale is consummated, then the Board of Directors shall offer the surplus properties, works, rights and interests of the Authority for sale in accordance with applicable law to any governmental agency, private entity or persons for good and adequate consideration.

Section 6.04 –Liability For Debts.

The Members do not intend hereby to be obligated either jointly or severally for the debts, liabilities or obligations of the Authority, except as may be specifically provided for in California Government Code Section 895.2 as amended or supplemented. Provided, however, if any General Member(s) of the Authority are, under such applicable law, held liable for the acts or omissions of the Authority caused by negligent or wrongful act or omission occurring in the performance of this Agreement, such parties shall be entitled to contribution from the other Members so that after said contributions each General Member shall bear an equal share of such liability, as shown on the then-current Exhibit A. This Section 6.04 does not apply to acts or omissions of a Member in implementing the GSP adopted by the Authority within such Member's boundaries or a Management Area managed in whole or in part by such Member.

Section 7.03 – Actions Requiring Additional Approval.

Subject to the limitations of this Agreement, the Authority shall not do any of the following without the approval of 75% of the voting power of the Board of Directors:

(a) Restrict or otherwise limit extraction of native groundwater other than through economic incentives and disincentives.

(b) Fund capital construction projects.

Notwithstanding any other provision of this Agreement, the Authority shall not restrict or otherwise limit the extraction of water stored (whether through direct recharge or in lieu deliveries) in the Kern County Subbasin as a part of any banking or recharge project or program, or otherwise seek to regulate the operation any such project or program.

Section 7.04 – Management Areas.

Any General Member (or group of General Members) may request that the Authority directly assume the responsibility of implementing SGMA and the Authority's GSP within its Management Area by giving written notice to the Authority, which notice may be given at any time. Where the service areas of multiple Members overlap a Management Area, the Members within the Management Area shall unanimously join the request. The Board of Directors shall take action to accept or reject such request. If the Authority accepts such request, the Authority and the requesting General Member(s) shall develop a mutually acceptable agreement describing the respective roles and responsibilities of the Authority and the requesting General Member(s) with respect to such implementation.

Except as otherwise expressly provided, the Authority's role within a Management Area, unless otherwise unanimously requested by the Member(s) managing such Management Area, shall be primarily coordinating and administrative. In particular, the roles and responsibilities for implementing SGMA and the GSP within a Management Area shall be the subject of a Special Activity agreement between the Member(s) and the Authority.

Article VIII: Miscellaneous Provisions

Section 8.01 – Amendment.

This Agreement may be amended from time to time by the concurrence of 75% of the General Members. To provide non-concurring parties an opportunity to withdraw from the Authority as provided herein, an amendment shall be binding on all parties 60 days after the required concurrence has been obtained.

Section 8.02 – Severability And Validity Of Agreement.

Should the participation of any party to this Agreement, or any part, term or provision of this Agreement be decided by a courts or the Legislature to be illegal, in excess of that party's authority, in conflict with any law of the State of California, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms or provisions of this Agreement shall

Section 6.05 – SGMA-Related Expenses Incurred by Members.

Expenses incurred by a Member, or group of Members, for the implementation of the SGMA within a Management Area shall be borne solely by that Member or group of Members. Neither the Authority nor its other Members shall be liable for such expenses.

Article VII – Implementation of SGMA

Section 7.01 – Development of GSP.

Any Member or group of Members may create its or their own chapter or provisions governing SGMA implementation within their respective boundaries or a Management Area managed in whole or in part by such Member(s) for inclusion by the Authority into the Authority's GSP. The Authority shall promptly review the proposed chapter or provisions for consistency with the Authority's GSP and to determine that it meets the requirements of SGMA. If the Authority determines by a vote of 75% of the Directors that a Member's proposed chapter or provisions is/are consistent with SGMA and the Authority's GSP, it shall incorporate such chapter or provisions into the Authority's GSP. The Authority shall not adopt a GSP that will be implemented within any Member's boundaries or Management Area without the prior approval of the Member.

Section 7.02 – Authorization to Carry Out the Terms of the GSP.

The Authority is authorized to carry out any of the following powers for the benefit of its Members that are included in the GSP adopted by the Authority without any further approval of the Board of Directors, subject at all times to the limitations and restrictions contained within this Agreement:

(a) Collection and maintenance of water extraction information and other technical data.

(b) Coordination of actions within, and reporting by, a Management Area.

(c) Carrying out studies and other technical investigations.

(d) Establishment and administration of conjunctive use and land fallowing programs.

(e) Requiring permitting of water extraction facilities.

(f) Requiring installation of meters.

(g) Buy, sell, exchange, recharge, and/or store water if the benefits thereof are made available to all General Members.

(h) Fix and collect rates for replenishment and other activities as a regulatory or service fee provided for at Water Code Sections 10730 through 10731.

not be affected thereby and each party hereby agrees it would have entered into this Agreement upon the remaining terms and provisions.

Section 8.03 – Assignment.

Except as otherwise provided in this Agreement, the rights and duties of the parties to this Agreement may not be assigned or delegated without the advance written consent of the Authority (as evidenced by a majority vote of the Board of Directors), and any attempt to assign or delegate such rights or duties in contravention of this section shall be null and void. Any assignment or delegation permitted under the terms of this Agreement shall be consistent with the terms of any contracts, resolutions or indentures of the Authority then in effect, including without any Special Activity agreement to which the assigning or delegating Member is a party. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. This section does not prohibit a party from entering into an independent agreement with another agency regarding the financing of that party's contributions to the Authority or the disposition of proceeds which that party receives under this Agreement so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the parties under this Agreement.

Section 8.04 – Execution In Parts Or Counterparts.

This Agreement may be executed in parts or counterparts, each part or counterpart being an exact duplicate of all other parts or counterparts, and all parts or counterparts shall be considered as constituting one complete original and may be attached together when executed by the parties hereto. Facsimile or electronic signatures shall be binding.

Section 8.05 – Notices.

Notices authorized or required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given when mailed, postage prepaid, or delivered during working hours to the addresses set forth for each of the parties hereto on Exhibit "A" of this Agreement, or to such other changed addresses communicated to the Authority and the Member entities in writing, and to such other entities that become Members.

Section 8.06 – Dispute Resolution.

(a) A dispute resolution group shall be established by the Board of Directors to resolve disputes and/or controversies through mediation relating to the interpretation, construction, performance, termination, breach of, or withdrawal from this Agreement (the "Dispute Resolution Group"). The Dispute Resolution Group shall meet with the parties involved no later than 30 days following notification of the dispute or controversy. Thereafter, the Dispute Resolution Group will have 90 days to endeavor to resolve the dispute.

(b) Following conclusion of the dispute resolution process as herein provided, any Member may pursue any judicial or administrative remedies otherwise available. Notwithstanding this Section 8.06, a Member may seek a preliminary injunction or other interlocutory judicial relief if necessary to avoid irreparable damages or to preserve the status quo.

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

Arvin-Edison Water Storage District
Name of Member

By: _____

Print Name: Edwin Camp

Title: President

By: _____

Print Name: John Moore

Title: Secretary-Treasurer

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

COUNTY OF KERN

By: _____ APR 05 2016
Mick Gleason
Chairman of Board of Supervisors

APPROVED AS TO CONTENT:
County Administrative Office

By: _____
John Nilon
County Administrative Officer

APPROVED AS TO FORM:
Office of the County Counsel

By: _____ Dated: 4-5-2016
Phillip W. Hall

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

Kern County Water Agency
Name of Member

By: Curtis Creel

Print Name: Curtis Creel

Title: General Manager

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

Kern Delta WD
Name of Member

By: L Mark Mulkay

Print Name: L. Mark Mulkay

Title: General Manager

By:

Print Name: Rich Tillemans

Title: Director

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

Kern-Tulare Water District
Name of Member

By: S. C. Dolke

Print Name: Steven C. Dolke

Title: General Manager

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

Cawelo
Name of Member

By: _____

Print Name: David Fenn

Title: Director

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

City of Shafter

Name of Member

By: _____

Print Name: Michael James

Title: Public Works Director

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

KERN WATER BANK AUTHORITY
Name of Member

By: William A. Taube

Print Name: William A. Taube

Title: Board member

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

North Kern Water Storage District
Name of Member

By: _____

Print Name: Kevin Ansara

Title: Board President

By: _____

Print Name: Robert Mize

Title: Asst Secretary

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

Olcese Water District
Name of Member

By: _____

Print Name: _____

Title: James L. Nickel, President

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

Rosedale-Rio Bravo W.S.D
Name of Member

By: _____

Print Name: Jason Selvidge

Title: Director

By: _____

Print Name: Gary Unruh

Title: Director

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

SWSD Semitropic Water Storage District
Name of Member

By: _____

Print Name: Fredrick A. Weg'is

Title: Director

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

Shafter Wasco Irr. Dist
Name of Member

By: _____

Print Name: Roger Riley

Title: Board member

By: _____

Print Name: DANA MUNN

Title: General Manager

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

SSJMUD
Name of Member

By: James R Regan

Print Name: James R. Regan

Title: Board member

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

Tejon-Castaic Water District
Name of Member

By: _____

Print Name: Dennis Atkinson

Title: President

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

WEST KERN WATER DISTRICT
Name of Member

By: Geoff Morris

Print Name: GREG MORRIS

Title: BOARD MEMBER

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

Westside District Water Authority
Name of Member

By: _____

Print Name: GREG A. HAMMETT

Title: Co-Manager

(b) Following conclusion of the dispute resolution process as herein provided, any Member may pursue any judicial or administrative remedies otherwise available. Notwithstanding this Section 8.06, a Member may seek a preliminary injunction or other interlocutory judicial relief if necessary to avoid irreparable damages or to preserve the status quo.

IN WITNESS WHEREOF, the parties hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

Wheeler Ridge-Maricopa Water Storage District

By: _____

Print Name: George Cappello

Title: President

By: _____

Print Name: Jose Marin

Title: Secretary

EXHIBIT A

GENERAL MEMBERS

Arvin-Edison Water Storage District

Cawelo Water District

City of Shafter

Kern County Water Agency

Kern County

Kern Delta Water District

Kern-Tulare Water District

Kern Water Bank Authority

North Kern Water Storage District

Olcese Water District

Rosedale-Rio Bravo Water Storage District

Semitropic Water Storage District

Shafter-Wasco Irrigation District

Southern San Joaquin Municipal Utility District

Tejon-Castaic Water District

West Kern Water District

Westside District Water Authority

Wheeler Ridge-Maricopa Water Storage District