# JOINT POWERS AGREEMENT

## FORMATION OF THE
## SOUTH FORK KINGS GSA JOINT POWERS AUTHORITY

THIS JOINT POWERS AGREEMENT ("Agreement") is made by and between the CITY OF LEMOORE, EMPIRE WEST SIDE IRRIGATION DISTRICT, STRATFORD IRRIGATION DISTRICT, STRATFORD PUBLIC UTILITIES DISTRICT, and the COUNTY OF KINGS, hereinafter collectively referred to as Members, with reference to the following:

A. In September 2014, California Governor, Jerry Brown, signed three bills (SB 1168, SB 1319, and AB 1739) into law creating the Sustainable Groundwater Management Act of 2014 (the "Act" or "SGMA"), which was amended in September and October 2015 when the Governor signed into law SB 13 and AB 617, respectively.

B. The Act requires the formation of Groundwater Sustainability Agencies ("GSAs") that will be responsible for implementing provisions of the Act as to each groundwater basin and groundwater subbasin falling within the provisions of the Act.

C. The Members overlie a portion of the Tulare Lake Subbasin of the San Joaquin Valley Groundwater Basin (the "Subbasin"), an unadjudicated groundwater subbasin, portions of which underlie the jurisdictional boundaries of each Member.

D. The Members are qualified to exercise powers related to groundwater management within their jurisdictional boundaries and qualify individually to serve as a GSA under the provisions of the Act.

E. Under the Act, a combination of local agencies may elect to form a GSA through a joint powers agreement, or other legal agreement.

F. The Members desire to create a joint powers authority, and are authorized to

enter into this Agreement pursuant to Government Code §§ 6500 et seq. for the purpose of acting as an independent public agency to serve as a single GSA under the Act for areas of the Subbasin underlying the collective jurisdictional boundaries of the Members.

G. Under the Act, each GSA is responsible for assuming its regulatory role by July 1, 2017, and for submitting a Groundwater Sustainability Plan ("GSP") to the California Department of Water Resources ("DWR") by either January 31, 2020 or January 31, 2022, depending on criteria specified in the Act.

H. The County of Kings ("County") has agreed to be a party to this Agreement and participate as a Member in order to ensure complete SGMA coverage over certain otherwise un-districted (sometimes referred to as "white") areas in the Tulare Lake Subbasin within the geographic boundaries of the GSA identified herein by the Members under this Agreement. The County's regulatory role within the scope of its membership in this joint powers authority and related implementation of SGMA is separate and distinct from the County's regulatory, land use, and police powers outside of the scope and purpose of this Agreement. This separate role and related powers are specifically reserved unto the County by State statute and the California Constitution.

I. The Members shall negotiate and enter into Coordination Agreements in accordance with the requirements of the Act with other GSAs in the Subbasin, for the purpose of coordinating each GSA's GSP to collectively manage the Subbasin in a sustainable manner as required by the Act.

J. The Members desire to begin collecting and organizing data, engaging and retaining experts and consultants, and soliciting feedback from stakeholders within the portion of the Subbasin subject to their jurisdiction, for the purpose of preparing a GSP for the portions of the Subbasin subject to their jurisdiction, and

for the purpose of negotiating Coordination Agreements with the other GSAs in the Subbasin to ensure that there is a coordinated plan for managing the Subbasin in compliance with the requirements of the Act.

K. The Members further intend by this Agreement to provide for the management and funding commitments reasonably anticipated to be necessary for the above purposes.

**ACCORDINGLY, IT IS AGREED:**

**1. RECITALS:** The foregoing recitals are incorporated herein by reference.

**2. DEFINITIONS**: Unless otherwise required by the context, the following terms shall have the following meanings:

a. "Act" shall mean the Sustainable California Groundwater Management Act of 2014.

and all regulations adopted under the legislation (SB 1168, SB 1319, AB 1739, SB 13, and AB 617) that collectively comprise the Act, as that legislation and those regulations may be further adopted or amended from time to time.

b. "Authority" shall mean the “South Fork Kings GSA” OR “SFK GSA” which is the public and separate legal entity created by this Agreement.

c. "Board" or "Board of Directors" shall mean the Board of Directors of the Authority as provided in this Agreement to govern and administer the Authority.

d. "Member" shall mean any of the signatories of this Agreement and "Members" shall mean all of the signatories to this Agreement.

e. "Subbasin” shall mean the Tulare Lake Subbasin of the San Joaquin Valley Groundwater Basin, as identified in Bulletin 118 (5-22.12) prepared by the California Department of Water Resources.

f. "Groundwater Sustainability Agency” or “GSA” shall mean an agency authorized by the Act to regulate portions of the Subbasin in compliance with the terms and

provisions of the Act.

h. "DWR" shall mean the California Department of Water Resources.

i. "SWRCB" shall mean the California State Water Resources Control Board.

**3. CERTIFICATION:** Each Member, as a signatory to this Agreement, certifies and declares that it is a public agency, as defined by Government Code § 6500, that is authorized to enter into a joint powers agreement to contract with each other for the joint exercise of any common power under Article 1, Chapter 5, Division 7, Title 1 of the Government Code.

**4. CREATION OF SEPARATE AGENCY:** There is hereby created an agency separate from the parties to the Agreement, and which is responsible for the administration of the Agreement, to be known as the "**SOUTH FORK KINGS GSA**". For the purpose of interacting with the banking system the Authority will accept payments in the shortened name of **"SFK GSA."** Within thirty (30) days of the effective date of this Agreement, the Members shall cause a notice of this Agreement to be prepared and filed with the office of the California Secretary of State as required by Government Code § 6503.5.

**5. PURPOSES AND MEMBER RESPONSIBILITIES:** The Authority is formed for the following purposes and responsibilities of its Members:

a. To jointly form a separate entity to fulfill the role of a GSA consisting of the Members, so that the Members may collectively develop, adopt, and implement a Groundwater Sustainability Plan ("GSP") for the sustainable management of groundwater for that portion of the Subbasin underlying the collective jurisdictional boundaries and service areas of the Members, as those boundaries may be amended or modified from time to time.

b. Notwithstanding their intent to collectively develop, adopt, and implement a GSP, as provided in Water Code § 10720.5, the Members confirm that groundwater management under this Authority shall be consistent with Section 2 of Article X of the California Constitution and that any GSP adopted by the Authority shall

not determine or alter surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights. The Members make no commitments by entering into this Agreement to share or otherwise contribute their water supply assets as part of the preparation of a GSP.

c. The geographic boundaries of the GSA contemplated by the Members are set forth in the map attached hereto as Exhibit "A", which is incorporated herein by this reference. The Authority will also represent the Members in discussions with other Subbasin stakeholders, and shall enter into a Coordination Agreement(s) with those that form GSAs in the Subbasin, to achieve an integrated, comprehensive basin-wide plan that satisfies the Act as to sustainable groundwater management for the entire Subbasin. The Authority shall also represent Members in discussions, and may enter into agreements as necessary with GSAs in neighboring subbasins.

d. Each Member may exercise independent power within its own jurisdiction, including but not limited to, the establishment or approval of fees and the exercise and administration of all powers held by each Member with regard to groundwater management and regulation as such Member existed prior to the approval of this Agreement and/or consistent with the Act, except as otherwise provided in this Agreement and/or as required by the Act. Should a Member choose to withdraw from the Authority in accordance with the terms of this Agreement, that Member expressly retains the right to serve exclusively as a GSA, subject to the requirements of the Act, for that portion of the Subbasin underlying its jurisdictional boundaries or service area.

e. Each Member shall retain the right to implement the requirements of any GSP developed by the Authority within each of their respective jurisdictions, unless

otherwise provided for in this Agreement or as required by the Act.

f. The Members enter this Agreement with the intent to operate the Authority in compliance with the requirements of the Act, addressing those operations and programs that can be most cost-effectively handled at the regional level by maximizing local resources, private sector participation and contract services. Each Member will be responsible for adhering to the terms of this Agreement, for constructively participating in the efforts to achieve compliance with the Act, and for timely payment of contributions that are approved by the Board in compliance with this Agreement.

**6. POWERS:** The Members intend that the Authority provide for the joint exercise of certain powers common to the Members in studying, planning and cooperatively and sustainably managing groundwater in the Subbasin, and for the exercise of such additional powers as are conferred by law in order to meet the requirements of the Act. The Members are each empowered by the laws of the State of California to exercise the powers specified in this Agreement, and to comply with the provisions of the Act and other laws. These common powers shall be exercised for the benefit of any one or more of the Members or otherwise in the manner set forth in this Agreement. Nothing in this Agreement or a future GSP shall be interpreted as superseding the land use authority of the County, including the County General Plan (Water Code §10726.8(f) of the Act). Subject to the limitations set forth in this Agreement, the Authority shall have the powers to perform all acts necessary to accomplish its purpose as stated in this Agreement, including but not limited to the following:

a. To make and/or assume contracts and to employ agents, employees, consultants and such other persons or firms as the Board may deem necessary, to the full exercise of the Authority's power, including, but not limited to, engineering, hydrogeological, and other consultants, and with attorneys and accountants and financial advisors, for the purpose of providing any service

required by the Authority to accomplish its purposes and Member responsibilities identified in Section 5;

b. To conduct all necessary research and investigations, and to compile appropriate reports and collect data from all available sources to assist in preparation of a GSP, and for development of Coordination Agreements with other GSAs in the Subbasin, so as to allow the Members to participate in the sustainable management of the Subbasin in compliance with the Act;

c. To cooperate, act in conjunction with, and contract with the United States, the State of California, or any agency thereof, the other Tulare Lake Subbasin stakeholders or GSAs, or any of them, in the full exercise of the Authority's powers as a GSA;

d. To apply for, accept and receive licenses, permits, water rights, approvals, agreements, grants, loans, gifts, contributions, donations and aid or assistance from any agency of the United States, the State of California or other public or private person or entity necessary for fulfilling the purposes of a GSA;

e. To acquire by grant, purchase, lease, gift, devise, contract, construction, eminent domain or otherwise, and hold, use, enjoy, sell, let, and dispose of, real and personal property of every kind, including land, water rights, structures, buildings, rights-of-way, easements, and privileges, and to construct, maintain, alter, and operate any and all works or improvements, within or outside the agency, necessary or proper to carry out any of the purposes of the Authority (Water Code § 10726.2);

f. To utilize the GSA enforcement powers identified in the Act (Water Code § 10732), including the imposition and collection of civil penalties that shall be utilized in accordance with the requirements of the Act;

g. To sue and be sued in its own name;

h. To provide for the prosecution of, defense of, or other participation in actions or proceedings at law or in public meetings in which the Members, pursuant to this Agreement, may have an interest, and to employ counsel or other expert assistance for that purpose;

i. To adopt an initial operating budget and initial member contributions within ninety (90) days of the execution of this Agreement, and an annual budget and Member contributions to same, by June 30 of each year, unless an alternative date is specified at the time of the adoption of the previous budget;

j. To incur debts, liabilities or obligations, subject to the limitations provided in this Agreement;

k. To impose fees authorized by the Act (Water Code §§ 10730-10731), without any limitation on a Member's ability to impose fees within its jurisdiction, to fund the cost of furthering the purposes of this Agreement, complying with the Act, and sustainably managing groundwater within the Subbasin;

l. To adopt by-laws, rules, regulations, policies and procedures, as deemed necessary by the Board, for governing the operation of the GSA and adoption and implementation of the GSP consistent with the powers and purposes of the Authority and as authorized by Chapter 5 of the Act;

m. To investigate legislation and proposed legislation affecting the Act and the Subbasin and make appearances regarding such matters, and if necessary initiate litigation regarding same;

n. To take such actions as are deemed necessary to achieve its specific and limited purposes as stated above.

o. To the extent authorized by the Act, to exercise any powers in the manner and according to the methods provided under the laws applicable to the Stratford Irrigation District.

**7. OBLIGATIONS OF AUTHORITY:** No debt, liability or obligation of the Authority shall constitute a debt, liability or obligation of any of the Members, appointed members of the Board of Directors, or committee members.

**8. DESIGNATION OF ADMINISTERING AGENCY:** The powers of the Authority provided in this Agreement shall be exercised in the manner provided by law for the exercise of such powers by the Members.

**9. ORGANIZATION:**

a. GOVERNING BOARD: The Authority shall be governed by a Board of Directors which shall be composed of one (1) appointee of each Member ("Principal Director"). The Principal Director shall be a individual currently serving on the Board or Council of each of the Members, and may only be replaced by an individual currently serving on the Board or Council of each of the Members. In the event a Member's Council or Board replaces a Principal Director, the Member shall provide all other Members with notice of the replacements prior to the next Board meeting. Each Member may designate one (1) Alternate Director for the purpose of fully participating on the Authority Board in the same manner as a Principal Director only when a Principal Director is absent. If an Alternate Director is not a member of the Board or Council of the Member agency that he or she represents, said Alternate Director shall be an employee or authorized agent of the Member.

b. BOARD MEMBER TERMS AND COMPENSATION: Directors appointed by a Member shall serve without terms and at the pleasure of the Board or Council of the Member they represent. Directors and Alternate Directors shall serve without compensation, except that they may be reimbursed for reasonable expenses associated with their service on the Board as authorized by the Board.

c. MEETINGS: Regular meetings of the Board may be held quarterly, or as the

Board determines as necessary, on such dates and times and at such locations as the Board shall fix by resolution. Special meetings of the Board shall be called in accordance with Government Code § 54956. All meetings shall comply with the provisions of the Ralph M. Brown Act (Government Code §§ 54950 at seq.).

d. QUORUM: Fifty percent (50%) of the Directors plus one (1) shall constitute a quorum in order to conduct business.

e. VOTING: A simple majority of the Members shall be required for an action of the Board, except that:

(1) A majority vote of less than a quorum may vote to adjourn;

(2) Any of the following actions shall require a supermajority (4/5ths) vote of the Members:

(i) Create and appoint members to a Stakeholder Advisory Committee;

(ii) Enter into contracts or incur debts over $25,000 or for terms in excess of two (2) years;

(iii) Appointment, employment, or dismissal of an employee, including any independent contractor who functions as an employee;

(iv) Compromise or payment of any claim against the Authority;

(v) Acquisition by grant, purchase, lease, gift, devise, contract, construction, or otherwise, and the decision(s) to hold, use, enjoy, sell, let, and dispose of, real and personal property of every kind, including land, water rights, structures, buildings, rights-of-way, easements, and privileges, and to construct, maintain, alter, and operate any and all works or improvements, within or outside the agency, that the Board deems necessary or proper to carry out any of the purposes of the Authority;

(vi) Approval of any Coordination Agreements with other GSAs in the

Subbasin, or any GSA in an adjoining subbasin;

(vii) Approval of a GSP for the portions of the Subbasin identified by the GSA boundaries, including any subsequent modifications to the GSP, and including all decisions involving defining and managing sustainability thresholds, including but not limited to determinations related to sustainable yield, measurable objectives and yearly water budgets and approval of annual reports;

(viii) Approval of actions to utilize the enforcement powers of Chapter 9 of the Act;

(ix) Approval of budget and Member contributions pursuant to Section 12;

(x) Adoption of an ordinance;

(xi) Assessments for Extraordinary Costs pursuant to Section 14;

(xii) Removal of Members from the Authority pursuant to Section 18;

(xiii) Admission of additional members pursuant to Section 19;

(xiv) Initiation of litigation by the Authority.

(3) Any of the following actions shall require a unanimous vote of all Members:

(i) Amendment of this Agreement;

(ii) Election to conduct the audit every two (2) years.

f. MINUTES: The Board shall cause minutes of all meetings to be prepared, and shall maintain a copy in the Authority's records accessible to each Member, as soon as practicable after each meeting. Approval of the minutes shall be by a majority of the quorum.

g. RULES: The Board shall adopt such other rules and regulations for the conduct of its business as a GSA and in the implementation of any GSP as it shall deem necessary or desirable consistent with the provisions of this Agreement and the Act.

h. OFFICERS: The officers of the Authority shall be a Chairperson, Vice-Chairperson, and Secretary, and such other officers as the Board shall designate. The election of officers will take place at the first meeting of each fiscal year. The Treasurer shall be formally designated by a resolution adopted by the Board of Directors stating the effective date of the appointment and the term of the appointment.

i. STAKEHOLDER ADVISORY COMMITTEE: The Board may create an Advisory Committee for the purpose of soliciting information from any potentially affected stakeholders utilizing groundwater within the jurisdictional boundaries of the Authority and potentially subject to the GSP to be developed by the Authority. Membership on the Advisory Committee and the time/date for meetings shall be at the discretion of the Board.

j. MANAGEMENT COMMITTEE: The Board may create a Management Committee for the purpose of overseeing all activities undertaken in pursuit of the goals and objectives of the Authority identified in this Agreement, and for reporting upon same to the Board. The Management Committee may be comprised of one staff person or authorized agent from each of the Members. The Management Committee may, among other things, be responsible for the approval of all expenditures authorized by the Board through their approval of budget appropriations as required herein. The Management Committee may also establish a Technical Advisory Subcommittee for the purpose of assisting the Management Committee and the Board with the technical aspects of GSP development and implementation of the Act. In the event that the Board does not create a Management Committee, the activities the Management Committee would have otherwise performed shall be performed by individuals or agents as designated by the Board in its discretion.

**10. FISCAL AGENT, DEPOSITORY AND ACCOUNTING:** The Treasurer is designated as the fiscal agent and depository for the Authority, and shall be appointed by the Board as provided in Section 9. The Treasurer shall be the depositary and have custody of all money of the Authority, from whatever source, subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent. All funds of the Authority shall be held in the joint operating fund established by Section 13, or such other separate accounts as may be necessary, in the name of the Authority and not commingled with the funds of any Member or any other person or entity. Full books and accounts shall be maintained for the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for public entities. The books and records of the Authority shall be open to inspection by the Members at all reasonable times, and by bondholders and lenders as and to the extent provided by resolution or indenture.

The Authority shall reimburse the Treasurer for all expenses incurred pursuant to its role as Treasurer, or for any other administrative assistance provided to the Authority. In the event that the Authority appoints a third party to serve as Treasurer, the Authority and the Treasurer shall enter into a separate agreement regarding reimbursement of the Treasurer for any and all contributions and expenses incurred by the Treasurer consistent with this Section.

**11. ACCOUNTABILITY, REPORTS AND AUDITS:** There shall be strict accountability of all funds, and an auditor designated by the Board shall report any and all receipts and disbursements to the Board with such frequency as shall reasonably be required by the Board. The Authority will utilize the services of an outside independent certified public accountant to make an annual audit of the accounts and records of the Authority as required by Government Code § 6505, unless the Board, by unanimous vote, elect to conduct the audit for a two (2) year period. In each case, the minimum requirements of the audit shall be those prescribed by the State Controller for special districts pursuant to Government Code § 26909, and shall conform to generally accepted accounting principles. The outside independent certified public accountant

selected by the Authority shall be formally designated by a resolution adopted by majority vote of the quorum present stating the effective date of the appointment and the term of the appointment.

**12. OPERATING BUDGET, CONTRIBUTIONS, AND EXPENDITURES:** The Board shall, by a four-fifths vote of the Members, approve an initial operating budget within ninety (90) days following the execution of this Agreement, to be funded by contributions from the Members of the Authority as specified by this Section. Thereafter, the fiscal year for the Authority shall extend from July 1 to June 30 of each year, and the Board shall, by a four-fifths vote of the Members, adopt an annual operating budget for the coming fiscal year by June 30 of each year, to be funded by contributions from the Members of the Authority, as required to conduct its business in a manner consistent with the purposes of the Authority. Member contributions for an approved budget shall be equally allocated to each Member, unless said approved budget specifically requires disproportionate contributions. The Members may also fund the annual operating budget through the imposition of fees, assessments, charges and/or civil penalties as authorized by the Act and any other applicable California laws and local regulations. It shall be the intent of the Members to reimburse past Member contributions.

The Authority shall have the power to establish a joint operating fund. The fund shall be used to pay all administrative, operating and other expenses incurred by the Authority, and shall be funded by each Member's contributions as set forth in the initial and annual operating budget as required by this Section. All expenditures within the designations and limitations of the applicable approved budget appropriations shall be made upon approval of the Management Committee. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the approval of the Board and in accordance with Board directions and authorizations concerning authorized account signatories. The Authority may invest any money that is not required for its immediate necessities in the same manner, and upon the same conditions, as any local agency may do by law.

**13. ALTERNATIVE FUNDING SOURCES:** In addition to the Member contributions contemplated by Section 12, the Authority may also seek funding from other alternative sources, including but not limited to state and federal grants or loans. Unless specifically allocated by majority vote of the quorum present, all funding contributions obtained from alternative sources shall be equally allocated to each Member, for use by the Authority consistent with its powers and purposes.

The Board may arrange payment of the expenses of the Authority through an alternative funding source. In accordance with Government Code § 6512.1, the Board may direct repayment or return to the Members of all or part of the contributions made by the Members, upon such terms as may be consistent with any indebtedness incurred by the Authority. Unless otherwise prohibited by the alternative funding source, said alternative source's funds will be disbursed before local funds for covered Authority obligations.

**14. ASSESSMENTS FOR EXTRAORDINARY COSTS:** In the event the Authority should experience an unanticipated need to pay for extraordinary costs, or to pay for any and all costs of litigation or indemnification as provided in this Agreement, to the extent not covered by insurance, and to the extent that such costs cannot otherwise be reasonably funded through use of reserves on hand or through the other revenue sources authorized by this Agreement, the Board may authorize an assessment of extraordinary costs, whether actually incurred or estimated to be necessary, by a four-fifths vote of the Members. The assessment of extraordinary costs authorized by this Section shall be equally allocated to each Member, unless specified otherwise by the Board. The Members agree that they will then furnish the Authority with the funds authorized by the assessment for extraordinary costs within a reasonable period of time as determined by the Board.

**15. INITIAL STAFFING CONTRIBUTIONS:** The Authority initially intends to pursue the goals and objectives identified in this Agreement by utilizing the staff of each of the Members to pursue those operations, investigations and programs that can be most cost-effectively handled

by maximizing Member staff and resources. The Management Committee shall meet to determine the respective initial staffing contributions of the Members that will be utilized during the time period covered by the initial operating budget. Thereafter, all Member staff contributions to conduct the activities of the Authority shall be recommended by the Management Committee for approval by the Board at the time for adopting the annual budget for the Authority. In the event that the staffing contributions of the Members recommended by the Management Committee are not allocated equally amongst the Members, the Board may adjust the Member contributions in the budget as specified in Section 12 herein.

**16. DISPUTE RESOLUTION:** Should any controversy arise among or between Members concerning this Agreement or the rights and duties of any Member under this Agreement, the Members shall submit the matter to a person appointed by a majority vote of the Management Committee to mediate the dispute. The appointed mediator shall be a person who is not an employee or agent of any Member and, if necessary, as determined by a majority of the Management Committee, shall be a person who has knowledge of and experience in the management of groundwater resources. The appointed mediator shall recommend a decision on the matter in dispute and will be compensated by the Authority.

**17. WITHDRAWAL OF MEMBERS:**

a. NOTICE TO MEMBERS: Any Member may withdraw from the Authority by delivery of written notice, pursuant to Section 26, of its intent to withdraw from the Authority, to each of the Members, at least one hundred twenty (120) days prior to the date of withdrawal ("Withdrawal Notice Period"). The remaining Members may, but shall not be required to, consent to a shorter Withdrawal Notice Period

b. EFFECT OF WITHDRAWAL: The withdrawal of a Member shall have no effect on the continuance of this Agreement among the remaining Members. After providing written notice of withdrawal, the withdrawing Member shall neither be entitled nor obligated to participate in a vote on any matter before the Board, including but not

limited to adoption of the annual operating budget required by Section 12 and the assessment for extraordinary costs allowed by Section 14.

c. CONTINUING FISCAL OBLIGATIONS: Any Member that withdraws as provided herein shall remain proportionately liable during the Withdrawal Notice Period for its proportionate share of the annual operating budget required by Section 12. If the Members have approved extraordinary costs in accordance with Section 14 prior to the date of written notice of withdrawal of a Member, the withdrawing Member shall be proportionately liable for the obligations or debts approved and incurred by the Authority for those extraordinary costs. Any Member that withdraws shall remain proportionately liable for any unfunded capital expenditures approved prior to the date of written notice of withdrawal of such Member.

d. CONTINUING CLAIMS OBLIGATIONS: Members will remain obligated to contribute their proportionate share (based upon the membership roll as of the date of the claim), including without limitation legal defense costs, for any occurrences incurred during the Member's membership prior to the date of written notice of withdrawal of such Member, but not presented as a claim against the Authority until after the Member's withdrawal.

e. DIVISION OF PROPERTY ASSETS: The real or personal property assets contributed by the withdrawing Member or the value of the real or personal property assets at the date of withdrawal will be returned to the withdrawing Member.

**18. REMOVAL OF MEMBERS:**

a. NOTICE OF REMOVAL: The Board, by a vote of four-fifths of the Members, may remove a Member from the Authority. Removal of the Member by the Board shall be effective upon delivery, pursuant to Section 26, of written notice of removal to the removed Member.

b. EFFECT OF REMOVAL: The removal of the Member shall have no effect on the continuance of this Agreement among the remaining Members. After providing written notice of removal, the removed Member shall neither be entitled nor obligated to participate in a vote on any matter before the Board, including but not limited to adoption of the annual operating budget required by Section 12 and the assessment for extraordinary costs allowed by Section 14.

c. CONTINUING FISCAL OBLIGATIONS: Any Member that is removed as provided herein shall remain proportionately liable for the obligations or debts approved by the Authority, including any unfunded capital expenditures, prior to the date of delivery of written notice of removal of such Member.

d. CONTINUING CLAIMS OBLIGATIONS: Removed Members will remain obligated to contribute their proportionate share (based upon the membership roll as of the date of the claim), including without limitation legal defense costs, for any occurrences incurred during the removed Member's membership, but not presented as a claim against the Authority until after the Member's removal.

e. DIVISION OF PROPERTY ASSETS: The real or personal property assets contributed by the removed Member or the value of the real or personal property assets at the date of delivery of notice of removal will be returned to the removed Member.

**19. ADDITION OF MEMBERS:** The Board shall allow additional members to join the Authority by a vote of four-fifths of the Members. Additional members must be capable, qualified and authorized to participate in a JPA and a GSA under the Act, and must be located within the Subbasin. The Board may set whatever conditions it deems necessary in order to allow the inclusion of additional members, including but not limited to, the reimbursement of such prospective member's proportionate share of the costs already incurred by the Members.

**20. TERM AND TERMINATION:** This Agreement shall become effective, and the

Authority shall come into existence, on the date that the last of the named parties executes the Agreement. The Agreement, and the Authority, shall thereafter continue in full force and effect until four-fifths of the Members elect to terminate the Agreement.

Upon effective election to terminate this Agreement, the Board shall continue to act as a board to wind up and settle the affairs of the Authority. The Board shall adequately provide for the known debts, liabilities and obligations of the Authority, and shall then distribute the assets of the Authority among the Members, as follows:

a. The assets contributed by each Member, or the value thereof as of the date of termination shall be distributed to that entity.

b. The remaining assets shall then be distributed to each Member in equal proportions.

The distribution of assets shall be made in-kind to the extent possible by returning to each Member those assets contributed by such parties to the Authority; however, no party shall be required to accept transfer of an asset in kind.

Notwithstanding any other provision by the Board for payment of all known to debts, liabilities and obligations of the Authority, each of the Members shall remain liable for any and all such debts, liabilities, and obligations in equal proportions, or in the proportion specified by unanimous action of the Board if alternative proportions are so specified for particular actions or activities that give rise to such debts, liabilities, and obligations.

**21. INDEMNIFICATION/CONTRIBUTION:** The Authority shall hold harmless, defend and indemnify the Members, and their agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property (including property owned by any Member), arising out of the activities of the Authority, or its agents, officers and employees under this Agreement. The foregoing indemnification obligations shall continue beyond the term of this Agreement as to any acts or omissions occurring before or under this Agreement or any extension of this Agreement.

**22. INSURANCE:** The Authority shall obtain general liability insurance, which shall include public officials and management liability coverage, and containing liability coverage in such amounts as the Board shall determine will be necessary to adequately insure against the risks of liability that may be incurred by the Authority. The Members, alternates, their officers, directors and employees, shall be named as additional insureds.

**23. CLAIMS:** All claims against the Authority, including, but not limited to, claims by public officers and employees for fees, salaries, wages, mileage, or any other expenses, shall be filed within the time and in the manner specified in Chapter 2 (commencing with Section 910) of Part 3, Division 3.6 of Title I of the Government Code, which describes the appropriate content of a claim.

**24. ENTIRE AGREEMENT REPRESENTED:** This Agreement represents the entire agreement among the parties as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of all of the parties.

**25. HEADINGS:** Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

**26. NOTICES:** Except as may be otherwise required by law, any notice to be given shall be written and shall be sent by first class mail, postage prepaid and addressed as follows:

City of Lemoore
Attn: City Manager
119 Fox Street
Lemoore, CA 93245

Empire West Side Irrigation District
Attn: General Manager
P.O. Box 66
Stratford, CA 93274

County of Kings
Attn: County Administrative Officer
1400 West Lacy Boulevard, Bdg. #1
Kings County Government Center
Hanford, CA 93230

Stratford Public Utilities District
Attn: General Manager
P.O. Box 85
Stratford, CA 93266

Stratford Irrigation District
Attn: General Manager
P.O. Box 647
Lemoore, CA 93245

With Courtesy Copy to:
County Counsel
1400 W. Lacey Blvd., Bdg. #4
Hanford, CA 93230

Notice sent by first class mail shall be deemed received on the fourth day after the date of mailing. Any party may change the above address by giving written notice pursuant to this Section.

**27. CONSTRUCTION:** This Agreement reflects the contributions of all parties and accordingly the provisions of Civil Code Section 1654 shall not apply to address and interpret any uncertainty.

**28. NO THIRD PARTY BENEFICIARIES INTENDED:** Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

**29. WAIVERS:** The failure of any party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach.

**30. CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY:** This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the Members, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to any Member is lost, the affected Member or Members may withdraw from or terminate this Agreement. Unless terminated, the remainder of the Agreement shall continue in full force and effect.

**31. FURTHER ASSURANCES:** Each party agrees to execute any additional documents and to perform any further acts which may be reasonably required to affect the purposes of this Agreement.

**32. COUNTERPARTS:** This Agreement may be signed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**33. AMENDMENT**: This document may only be amended with a unanimous vote by its Members.

**THE PARTIES,** having read and considered the above provisions, indicate their agreement by their authorized signatures.

**CITY OF LEMOORE Signature page**

**THE PARTIES,** having read and considered the above provisions, indicate their agreement by their authorized signatures below.

CITY OF LEMOORE

Acting _____ Date 2/7/17
City Manager

_____ Date 2/7/17
ATTEST
City Clerk

Approved as to Form
City Attorney

_____ Date 2-7-17

**STRATFORD IRRIGATION DISTRICT Signature page**

**THE PARTIES,** having read and considered the above provisions, indicate their agreement by their authorized signatures below.

STRATFORD IRRIGATION DISTRICT

C H Meyer

President of the Board

Joanne Baley

ATTEST
Secretary of the Board

Date 1/19/2017

Approved as to Form
District Counsel

Date 1/19/17

**STRATFORD PUBLIC UTILITIES DISTRICT Signature page**

**THE PARTIES,** having read and considered the above provisions, indicate their agreement by their authorized signatures below.

STRATFORD PUBLIC UTILITIES DISTRICT

_____
President of the Board

Patricia M Silva Date 1-18-17
_____
ATTEST
Secretary of the Board

Approved as to Form
District Counsel

Raymond L. Carlson Date 1/18/17
_____

**EMPIRE WEST SIDE IRRIGATION DISTRICT Signature page**

**THE PARTIES,** having read and considered the above provisions, indicate their agreement by their authorized signatures below.

EMPIRE WEST SIDE IRRIGATION DISTRICT

_____
President of the Board

_____ Date 1/18/17
ATTEST
Secretary of the Board

Approved as to Form
Legal Counsel

_____ Date 1/18/17

**COUNTY OF KINGS Signature page**

**THE PARTIES,** having read and considered the above provisions, indicate their agreement by their authorized signatures below.

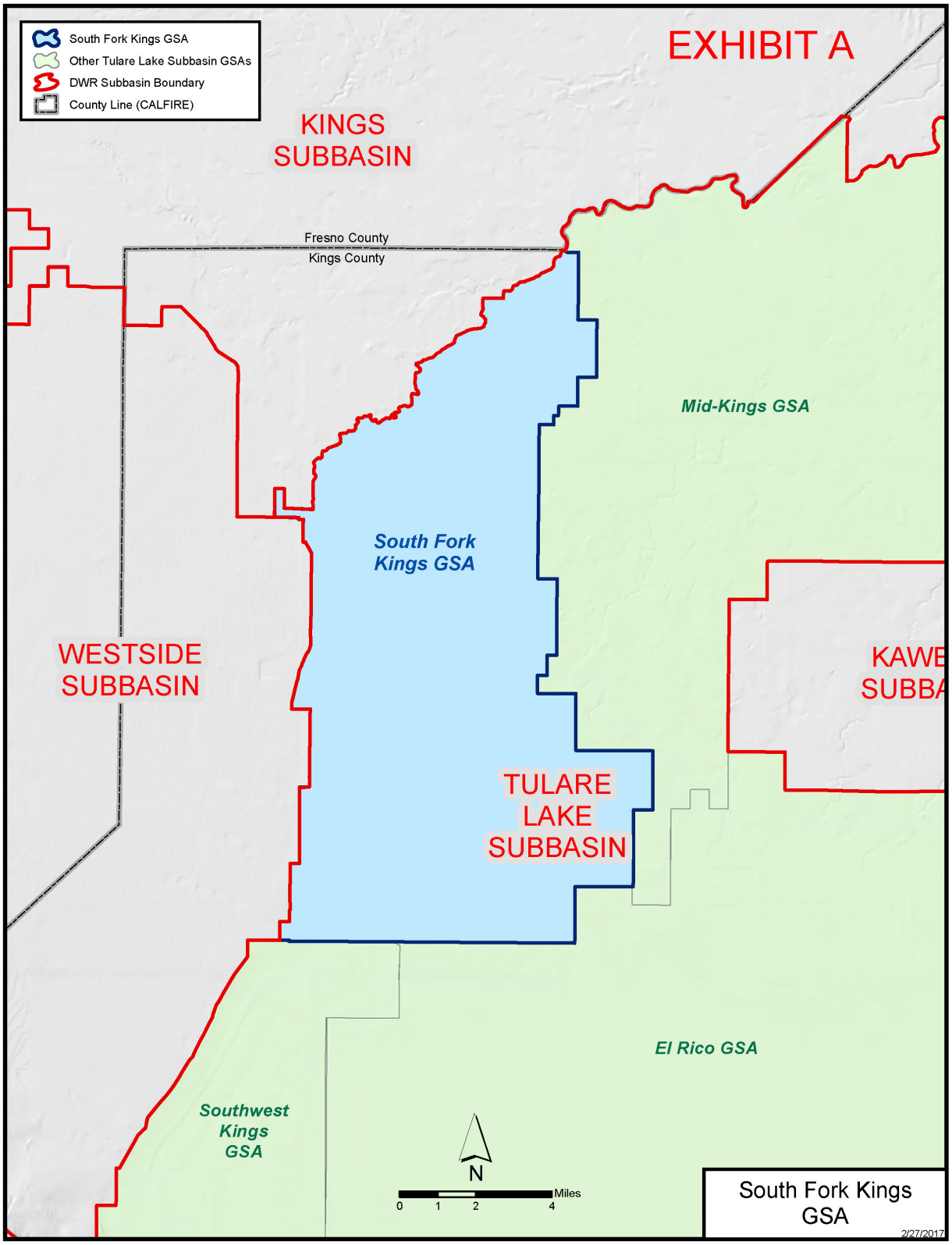
COUNTY OF KINGS

_____ Date March 8, 2017
Chairman of the Board of Supervisors

_____ Date March 8, 2017
ATTEST
Catherine Venturella, Clerk of the Board

Approved as to Form
Colleen Carlson, County Counsel

_____ Date March 8, 2017

EXHIBIT "A"

GEOGRAPHIC BOUNDARIES OF THE GSA