

**JOINT POWERS AGREEMENT
FOR FORMATION OF A GROUNDWATER SUSTAINABILITY AGENCY FOR THE
WHITE WOLF SUBBASIN
UNDER THE
SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

THIS JOINT POWERS AGREEMENT (JPA) is made and effective as of May 9, 2017, by and between **Arvin-Edison Water Storage District (AEWSD)**, **Wheeler Ridge-Maricopa Water Storage District (WRMWSD)**, **Tejon-Castac Water District (TCWD)**, and the **County of Kern (COUNTY)**, each a “Party” and collectively the “Parties,” with reference to the following facts:

A. In 2014, the State of California enacted the Sustainable Groundwater Management Act (Water Code Sections 10720 et seq.), referred to in this JPA as the “SGMA” or “Act,” as subsequently amended, pursuant to which certain public agencies may become or participate in a “Groundwater Sustainability Agency” (GSA) and adopt a “Groundwater Sustainability Plan” (GSP) in order to manage groundwater in underlying groundwater basins. The Act defines “basin” as a basin or subbasin identified and defined in California Department of Water Resources (DWR) Bulletin 118.

B. On February 10, 2016, AEWSD, WRMWSD and TCWD entered into a Memorandum of Understanding (MOU) to, among other things, seek a boundary modification in accordance with Chapter 3 of the Act for the White Wolf Subbasin, which has long been recognized and documented as a separate subbasin. With the support of the COUNTY, AEWSD, WRMWSD, and TCWD conducted a technical investigation and submitted a boundary modification request in March 2016. In July 2016 the DWR issued a draft report recommending the modification, and on October 18, 2016, the California Water Commission confirmed DWR’s recommendation and formally established the White Wolf Subbasin as a separate subbasin from the Kern County Subbasin. On December 23, 2016, DWR determined that the White Wolf Subbasin was not in critical overdraft.

C. The Parties are the agencies qualified to be a GSA under the Act for the White Wolf Subbasin, and collectively encompass the entire Subbasin. The map attached hereto as Exhibit A designates the boundaries of the White Wolf Subbasin.

D. Lands within the White Wolf Subbasin that have been developed to uses that utilize any significant groundwater are located within AEWSD, WRMWSD and TCWD. The White Wolf Subbasin lands which are not located within these districts but which are within the unincorporated County portions, are believed to utilize small or de minimis quantities of groundwater.

E. The Parties wish to provide a framework to form a GSA and to implement SGMA in the White Wolf Subbasin, such that the implementation is through local control and management and is implemented effectively, efficiently, fairly and at a reasonable cost.

F. As authorized by the Joint Exercise of Powers Act (Government Code Section 6500 et seq.), the parties are entering into this JPA to form the White Wolf GSA, share certain

costs, and other matters provided for herein, but are not currently creating a separate entity or authority.

THEREFORE, in consideration of the mutual promises set forth below and to implement the goals described above, the Parties agree as follows:

1. Formation of the White Wolf Subbasin GSA. The purpose of this JPA is to form a GSA for the White Wolf Subbasin prior to June 30, 2017, and to facilitate a cooperative and ongoing working relationship between the Parties that will allow them to explore, study, evaluate, develop and implement mutually beneficial approaches and strategies for development and implementation of a GSP for the White Wolf Subbasin. By execution of this JPA, the Parties collectively determine and elect to be the GSA for the White Wolf Subbasin ("White Wolf GSA"), subject to the procedures provided for in the Act. It is presumed that this White Wolf GSA will be the sole GSA for the White Wolf Subbasin.

By entering into this JPA, the Parties are not currently creating a separate entity or joint powers authority.

2. Development of a Groundwater Sustainability Plan. The GSP for the Subbasin ("White Wolf GSP") will be prepared by the White Wolf GSA. The TCWD will coordinate efforts of the Parties and be the point of contact with DWR, as defined by the Act, to meet and cooperatively develop the White Wolf GSP. In developing the White Wolf GSP, the White Wolf GSA shall consider all beneficial uses and users of groundwater in the Subbasin, including the interests listed at Section §10723.2 of the Act.

3. GSA Governing Body. There is hereby established a seven member JPA Board for the White Wolf GSA, which shall be subject to the following:

a. AEWSD, WRMWSD and TCWD ("Voting Parties") shall each have two votes in the JPA Board and will be represented by two persons designated by the respective entities. The COUNTY shall be a non-voting board member of the JPA Board and will be represented by a person it designates, and shall be a Party to this JPA as an Additional Entity. Each Party may appoint one or more alternate JPA Board members.

b. The JPA Board may adopt resolutions, bylaws and policies to provide further details for conducting its affairs consistent with this JPA and applicable law and amend the same from time to time. Meetings of the JPA Board shall be called, noticed and conducted subject to the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.)

c. A quorum of the JPA Board to transact business shall consist of four representatives from the Voting Parties. In order to pass any proposition or resolution, an affirmative vote of a majority of the JPA Board members present and voting will be required, provided that to adopt or make any amendment to the GSP, the unanimous consent of the Voting Parties shall be required.

d. The composition, voting procedures and powers of the JPA Board shall be reviewed and reaffirmed or modified as part of the process to adopt a GSP, including determining,

if any of the Parties deems appropriate, forming a joint powers authority as a separate entity to submit and/or implement the GSP. This must occur no later than January 31, 2022.

4. Powers/Development of GSP.

(a) Under the Conditions and with the exceptions set forth in the Agreement, the White Wolf GSA shall have all the powers that a GSA is authorized to exercise as provided by the Act, including, but not limited to, developing a GSP that is consistent with the Act and DWR's regulations and imposing fees to pay for GSA and GSP activities. The JPA Board shall proceed in a timely fashion to develop and adopt a GSP for the White Wolf Subbasin by January 31, 2022.

(b) The White Wolf GSA shall not have the power to control, limit or empower a Party's rights and authorities over its own surface water supplies, facilities, operations, water management, water supply projects and financial affairs. As provided in Water Code Section 10720.5 of the Act, the White Wolf GSA and all of its Parties confirm that groundwater management under this White Wolf GSA shall not modify rights or priorities to use or store groundwater consistent with Section 2 of Article X of the California Constitution and that any groundwater management plan adopted by the White Wolf GSA 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.

5. Matters Related to County Powers.

(a) If the COUNTY is requested by the White Wolf GSA to use the COUNTY's police powers for a specific GSA purpose, then the White Wolf GSA shall indemnify and defend the COUNTY against liability for such exercise of its police powers.

(b) The Parties agree that nothing in a GSP or any actions taken by this White Wolf GSA will modify, limit or preempt the COUNTY's police powers, including, but not limited to, its land use authority. The COUNTY shall not designate or zone a specific project with the expectation that this GSA will provide more water allotment than that which is determined by any GSP allotment and policies, if there were such allotments. Likewise, the White Wolf GSA will not restrict the use of groundwater within its boundaries to a specific use.

(c) In accordance with the terms and conditions of this JPA, the White Wolf GSA will manage the areas of the White Wolf Subbasin that are not within the boundaries of AEWS, WRMWS and TCWD.

(d) Consistent with Water Code Section 10726.4(b), well permitting (which is presently codified in Kern County's Code of Ordinances at Section 14.08) is under the COUNTY's jurisdiction. The White Wolf GSA shall not issue permits for the construction, modification, and/or abandonment of groundwater wells except as authorized by the COUNTY. The White Wolf GSA will not transform, or trigger the transformation of, the well-permitting process from a ministerial function (which does not trigger CEQA) to a discretionary function (which may trigger CEQA) without prior consultation with the COUNTY. If the White Wolf GSA causes CEQA to be triggered with respect to any particular well permitting application within the White Wolf GSA, then the White Wolf GSA shall indemnify and defend the COUNTY

against liability, costs and attorney's fees awarded to petitioner(s) in any CEQA challenge to well permitting within the Subbasin.

(e) Water transfers within the Subbasin will be considered as part of the White Wolf GSP development. In the event the adopted GSP includes extraction allocations pursuant to Water Code section 10726.4, the GSP will include conditions under which those allocations will be transferrable within the Subbasin without materially adversely affecting others, including, but not limited to, providing that any such transfer does not materially harm any Party to this Agreement, any portion of the Subbasin, degrade water quality, or materially harm any other groundwater user within the Subbasin. The Parties acknowledge that material harm is difficult to determine objectively in advance and agree to work to include a hydrologic review process for any transfers that are authorized in the GSP. Notwithstanding the foregoing, the respective Parties reserve all applicable rights they have with respect to preserving water supplies within their boundaries.

(f) The White Wolf GSA will ensure that any additional local agencies have a continuous opportunity to participate in the preparation, review and adoption of the White Wolf GSP. The term "participate" in this context means access to all non-privileged drafts, reports, technical information and other materials and communications, and an ability to actively engage in all open meetings related to the preparation, review and adoption of the White Wolf GSP. With respect to the COUNTY, as an Additional Entity and signatory to this JPA, its opportunities for participation and review are more than members of the general public and the COUNTY will be afforded access to all documents, drafts, reports, technical information and other materials and communications of the GSA.

(g) The White Wolf GSA will actively work with the COUNTY to preserve and protect available water supplies. Before adopting any GSP covering the White Wolf GSA's jurisdiction or agreeing to the coordination of the GSP with other GSPs, the White Wolf GSA shall consider the mitigation measures adopted in the COUNTY's certified Final Oil and Gas Environmental Impact Report (SCH# 2013081079), which was adopted by the Kern County Board of Supervisors on November 9, 2015, to address the creation of any GSP practices related to the implementation of SGMA and the Oil and Gas permitting.

6. Costs. Each Party shall bear its own costs incurred with respect to activities under this JPA to participate on the JPA Board and its proceedings and related matters. Costs incurred to retain consultants to assist with development of the White Wolf GSP and perform related studies as approved by the JPA Board and to implement the White Wolf GSP shall be borne equally by the Voting Parties (AEWSD, WRMWSD and TCWD). The Parties may consider levying a charge pursuant to the Act, or other legal authority. Certain costs for special projects may be funded under separate agreements among the benefited Parties.

7. Staff. Each Party shall designate a principal contact person, if other than the designated JPA Board members, and other appropriate staff members and consultants to participate on such Party's behalf in activities undertaken pursuant to this JPA. The TCWD shall be responsible for coordinating meetings and other activities under this JPA with the JPA Board and principal contact persons for the other Parties. Informal staff meetings may occur as needed.

8. Ongoing Cooperation. The Parties acknowledge that activities under this JPA will require the frequent interaction between them in order to pursue opportunities and resolve issues that arise. The Parties shall work cooperatively and in good faith.

9. Notices. Any formal notice or other formal communication given under the terms of this JPA shall be in writing and shall be given personally, by facsimile, by electronic mail (email), or by certified mail, postage prepaid and return receipt requested. Any notice shall be delivered or addressed to the Parties at the addressees' facsimile numbers or email addresses set forth below under each signature and at such other address, facsimile number or email address as shall be designated by notice in writing in accordance with the terms of this JPA. The date of receipt of the notice shall be the date of actual personal service, confirmed facsimile transmission or email, or three days after the postmark on certified mail.

10. Entire Agreement/Amendments/Counterparts. This JPA incorporates the entire and exclusive agreement of the Parties with respect to the matters described herein and supersedes all prior negotiations and agreements (written, oral, or otherwise) related thereto. This JPA may be amended only in a writing executed by all of the Parties. This JPA may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11. Termination/Withdrawal.

(a) This JPA shall remain in effect unless terminated by the unanimous consent of the voting Parties.

(b) Upon 60 days written notice, any of the Parties may withdraw from this JPA and the JPA shall remain in effect for the remaining Parties. A withdrawing Party shall be liable for expenses incurred through the effective date of the withdrawal (that is 60 days after the written notice, unless a later date is specified in the notice) and for its share of any contractual obligations incurred by the White Wolf GSA while the withdrawing Party was a party to this JPA, however, as provided a paragraph 6, the COUNTY is not participating in GSP development costs. Upon withdrawal as a Party, whether occurring before or after June 30, 2017, it is contemplated the withdrawing Party may concurrently become (or designate) a GSA for the lands within its boundaries, so that such lands of the withdrawing Party would continue to be subject to a GSA, and if applicable a GSP and the powers of such withdrawing Party within its boundaries would not be limited by this JPA. In such event this GSA and its remaining Parties (i) shall not object to or interfere with the lands in the withdrawing Parties' boundaries being in a GSA, as designated by such withdrawing Party, (ii) shall facilitate such transition to the extent necessary, and (iii) this GSA shall withdraw from managing the Subbasin as a GSA (if it has already elected to be a GSA) for that portion of the Subbasin within the boundaries of the withdrawing Party and so notify DWR. In such event, the withdrawing Party shall reconcile and reach agreement with any other Party with respect to overlapping boundaries of the Parties to determine which GSA the respective overlapping lands will be within.

12. Assignment. No rights or duties of any of the Parties under this JPA may be assigned or delegated without the express prior written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties without such written consent shall be null and void.

13. Indemnification. No Party, nor any officer, director, employee or agent of a Party, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by another Party under or in connection with this JPA. The Parties further agree, pursuant to California Government Code Section 895.4, that each party shall fully indemnify and hold harmless each other Party and its officers, directors, employees and agents from and against any claims, damages, losses, judgments, liabilities, expenses, and other cost, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any action taken or omitted to be taken by such Party under this JPA. Notwithstanding the foregoing, the Voting Parties agree to fully indemnify, defend, and hold harmless the COUNTY and its officers, directors, employees and agents from and against any claims, damages, losses, judgments, liabilities, expenses or other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any action taken or omitted to be taken by the GSA, except to the extent directly caused by the COUNTY, or its officers, directors, employees or agents, negligence or wrongful acts, provided that the foregoing exception shall not apply to any claim that the COUNTY was negligent in entering into this Agreement, providing oversight of the GSA, the actions of GSA or the Voting Parties.

IN WITNESS WHEREOF, the Parties have executed this JPA as of the date first above written.

Arvin-Edison Water Storage District

By: 
President
Address: P.O. Box 175
Arvin, CA 93203
Email arvined@aewsd.org
Facsimile (661) 854-5573

Wheeler Ridge-Maricopa Water Storage District

By: 
Engineer - Manager
Address: 12109 Highway 166
Bakersfield, CA 93313-9630
Email RKUNDE@WRMWS.D.COM
Facsimile 661-858-2643

Tejon-Castac Water District

By: 
President
Address: P.O. Box 478
Lebec, CA 93243
Email datkinson@tcwd.info
Facsimile (661) 248-3400

County Of Kern

By: _____
Zack Scrivner, Chairman
County of Kern Board of Supervisors

APPROVED AND RECOMMENDED:
COUNTY ADMINISTRATIVE OFFICE

By: _____
Alan Christensen, Chief Deputy
CAO for Water Resources

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By: _____
Phillip Hall, Deputy County Counsel

IN WITNESS WHEREOF, the Parties have executed this JPA as of the date first above written.

Arvin-Edison Water Storage District

By: _____

Address: _____

Email _____

Facsimile _____

Wheeler Ridge-Maricopa Water Storage District

By: _____

Address: _____

Email _____

Facsimile _____

Tejon-Castac Water District

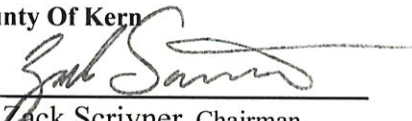
By: _____

Address: _____

Email _____

Facsimile _____

County Of Kern

By:  _____

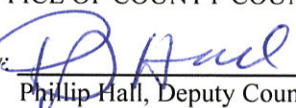
Zack Scrivner, Chairman
County of Kern Board of Supervisors

APPROVED AND RECOMMENDED:
COUNTY ADMINISTRATIVE OFFICE

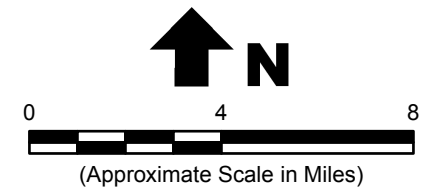
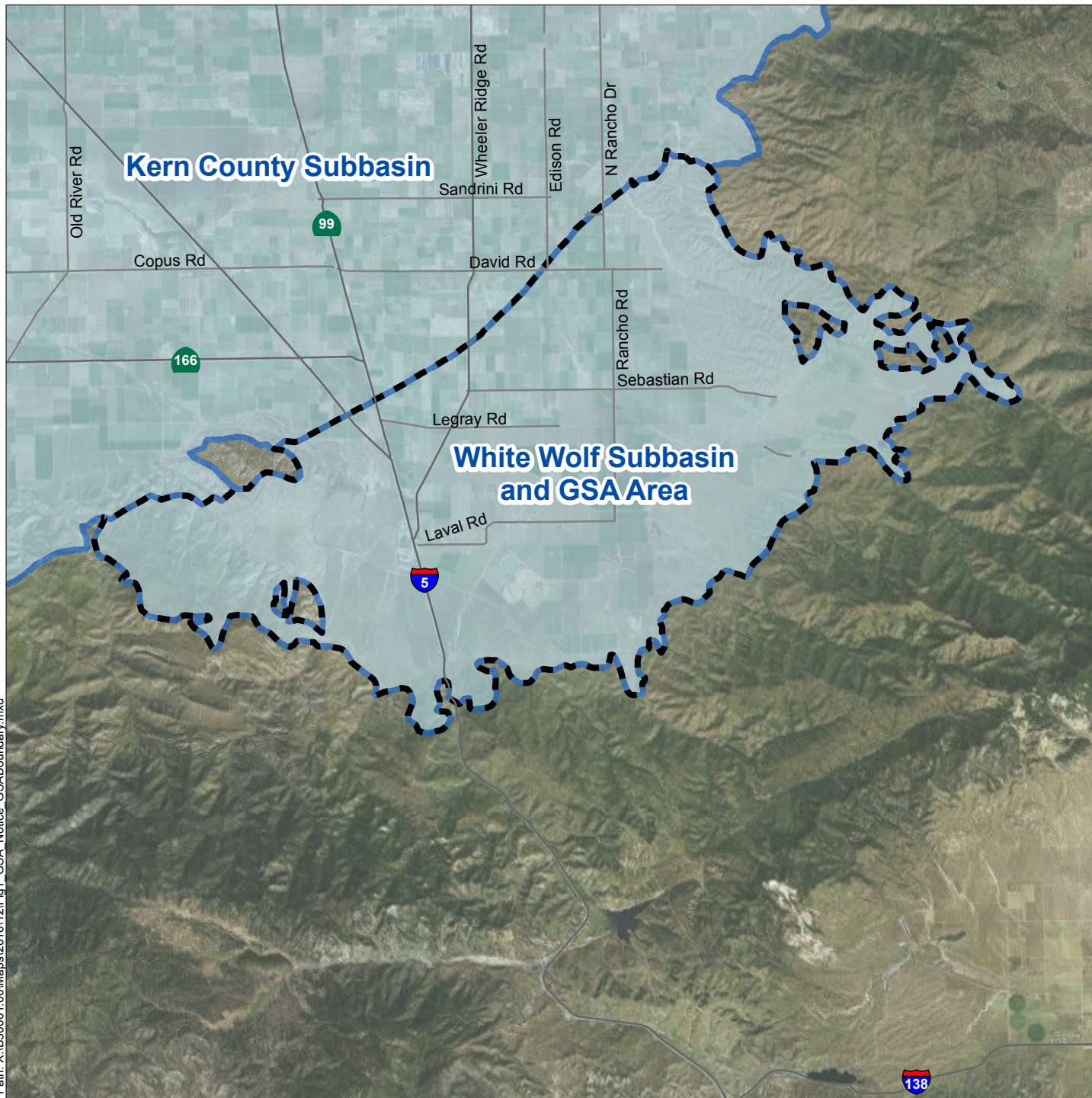
By:  _____

Alan Christensen, Chief Deputy
CAO for Water Resources

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By:  _____

Phillip Hall, Deputy County Counsel



Legend

- White Wolf Subbasin and GSA Area
- DWR Groundwater Basin
- Road

Abbreviations

DWR = California Department of Water Resources
GSA = Groundwater Sustainability Agency

Notes

1. All locations are approximate.

Sources

1. DWR groundwater basins are based on the Final 2016 Basin Boundaries, dated 18 October, 2016.
2. The White Wolf GSA Area is the same as the White Wolf Subbasin.
3. Aerial photograph provided by ESRI's ArcGIS Online, obtained 14 December 2016.

**Erler &
Kalinowski, Inc.**

White Wolf Subbasin
and GSA Area

Tejon-Castac Water District
Kern County, CA
May 2017
EKI B50001.00
Exhibit A