

Appendix D

Third Amended and Restated Joint Exercise of Powers Agreement

**THIRD AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT
KERN NON-DISTRICTED LAND AUTHORITY**

THIS THIRD AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT (**Agreement**) is made and effective on the last date executed (**Effective Date**) pursuant to the California Joint Exercise of Powers Act (Govt. Code, §§ 6500 et seq.) by and among the public agencies listed on the attached **Exhibit A** (each, a **Member** and collectively, Members) providing for the Kern Non-Districted Land Authority (**Authority**) and setting the terms pursuant to which the Authority will operate.

RECITALS

A. Some of the Members previously entered into a Joint Exercise of Powers Agreement to form the Kern Groundwater Authority under the California Joint Exercise of Powers Act (Govt. Code, §§ 6500 et seq.). The member agencies of the Kern Groundwater Authority, as they existed from time to time, have twice amended and restated their Joint Exercise of Powers Agreement. The Members now want to again amend and restate that agreement by this Agreement for the purposes described below as well as change the name of the joint powers authority to more accurately reflect its singular purpose.

B. Each of the General Members is a local agency, as defined by the Sustainable Groundwater Management Act of 2014 (SGMA), duly organized and existing under and by virtue of the laws of the State of California, or an approved groundwater sustainability agency under SGMA, able to exercise powers related to groundwater management within its boundaries.

C. The Members, individually and collectively, have the goal of cost-effective, sustainable groundwater management in the Kern County Subbasin considering the interests and concerns of the Members and other stakeholders. As used in this Agreement, "Kern County Subbasin" means that 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. The Kern County Subbasin is designated as a high-priority basin by the Department of Water Resources (DWR).

D. Water Code section 10735.2(a)(2) provides that the State Water Resources Control Board (State Board) may designate the Kern County Subbasin as a probationary basin if after January 31, 2020 none of the following have occurred:

1. A groundwater sustainability agency (**GSA**) has adopted a groundwater sustainability plan (**GSP**) for the entire Kern County Subbasin.
2. A collection of local agencies has adopted GSPs that collectively serve as a GSP for the entire Kern County Subbasin; or
3. DWR has approved an alternative pursuant to Water Code section 10733.6.

E. No GSA within the Kern County Subbasin has adopted a GSP for the entire Kern County Subbasin nor has DWR approved an alternative pursuant to Water Code section 10733.6. However, the Members have, either individually or with others, adopted GSPs collectively serving as a GSP for the entire Kern County Subbasin.

F. Water Code section 10724(a) provides that, “[i]n the event that there is an area within a high- or medium-priority basin that is not within the management area of a [GSA], the county within which that unmanaged area lies will be presumed to be the [GSA] for that area.” The County of Kern declined to serve as the GSA for the unmanaged areas within the Kern County Subbasin.

G. The Kern County Water Agency (**KCWA**), having water management and supply responsibilities within the entire Kern County Subbasin, has previously agreed to provide the Authority, then known as the Kern Groundwater Authority (**KGA**), with KCWA’s jurisdictional authority over the Kern County Subbasin for the unmanaged areas lying outside the boundaries of any public agency with the required water management and supply responsibilities (**Non-districted Land**). The KGA or, in some cases, the County of Kern then entered into agreements with certain Members to enable those Members to include some Non-districted Land within their GSP or GSP chapter, as the case may be (**Outside Member Land**).

H. The intent of the Members is that the Authority will offer GSP coverage for Non-districted Land and, in some cases, offer regulatory authority to certain Members for Outside Member Land, through a grant of jurisdiction from KCWA, to maintain GSA and GSP coverage of the entire Kern County Subbasin and to avoid a probationary determination for the Kern County Subbasin by the State Board due to an adverse finding under Water Code section 10735.2(a)(2). The Members expressly intend that the Authority will not have the authority to limit or interfere with a member’s rights and authorities under its GSP, what lands are included in a Member’s GSA or GSP, or over a Member’s own internal matters, including, but not limited to, a Member’s surface water supplies, groundwater supplies, projects, facilities, operations, and water management.

THEREFORE, in consideration of the mutual promises, covenants and conditions herein set forth, the Members agree as follows:

ARTICLE 1

DEFINITIONS

1.1 “Associate Members” means those Members of the Authority identified on the attached Exhibit A as an Associate Member or later admitted as an Associate Member in accordance with the terms and provisions of this Agreement and consistent with SGMA 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, unless directed otherwise by the Board of Directors.

1.2 “Board of Directors” or “Board” means the governing body of the Authority as established by Section 3.01 below.

1.3 “General Member” means those Members of the Authority identified as General Members on the attached Exhibit A or later admitted as a General Member 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.

1.4 “Jurisdictional Member” means the Kern County Water Agency. The Jurisdictional Member is not a General Member or an Associate Member of the Authority. The sole purpose of the Jurisdictional Member within the Authority is to provide the Authority with regulatory authority under SGMA for Non-districted Land, including Outside Member Land. The Jurisdictional Member will not have any obligation to fund the Authority or otherwise pay money to the Authority under Article 5 of this Agreement. The Jurisdictional Member has no seat or voting rights on the Board of Directors, no responsibility to draft a GSP or GSP chapter covering any Non-districted Land or Outside Member Land, or any other responsibility under this Agreement unless otherwise agreed in writing by the Jurisdictional Member.

1.5 “Members” means the General Members, Associate Members, and Jurisdictional Member.

1.6 “Special Activities” means activities that are consistent with the purpose of this

Agreement but undertaken by all or fewer than all the Members in the name of the Authority pursuant to Section 4.9 below.

ARTICLE 2

CREATION OF AUTHORITY

2.1 Creation of Authority. There is hereby created under the provisions of Government Code sections 6500 et seq., a joint powers authority, which will be a public entity separate from the Members and shall be known as the Kern Non-Districted Land Authority. Within 30 days after the Effective Date and after any amendment, the Authority shall cause a notice of this Agreement or amendment to be prepared and filed with the office of the California Secretary of State containing the information required by Government Code section 6503.5. Within 70 days after the Effective Date, the Authority shall cause a statement of the information concerning the Authority required by Government Code section 53051 to be filed with the office of the California Secretary of State and with the County Clerk for the County of Kern setting forth the facts required to be stated under Government Code section 53051(a).

2.2 Purpose of the Authority. The Authority intends, among other things, to adopt and implement a GSP or GSP chapter for Non-districted Land, and enter into agreements, as necessary and requested, with General Members to provide them with the required regulatory authority to include Outside Member Land in a General Member's GSP or GSP chapter. The sole purpose of the Authority is to provide regulatory authority for Non-districted Land so those lands are able to be regulated under a GSP as required by SGMA.

2.3 Term. This Agreement will become effective upon execution by all of the Members and will remain in effect for a period of two years following the Effective Date ~~or until~~ unless earlier terminated by agreement of a 75 percent majority of then participating Members. Unless and until terminated, this Agreement shall remain in effect and be binding upon the Members, and upon all future Members, except as to any party which ~~withdraws or is~~ terminated from its participation in the Authority in accordance with this Agreement. The Members are committed to transitioning, prior to the termination of this Agreement, SGMA implementation over Non-districted Land to the owners of those lands who have historically extracted groundwater for use on those lands, the County of Kern, or another appropriate agency. Notwithstanding the foregoing, this Agreement will terminate upon ~~either (a) the County of Kern becoming the GSA for all Non-districted Land, or (b) In the event the State Board designates~~ the Kern Subbasin as a probationary basin by the State Water Resources Control Board, this Agreement will remain in effect for the remainder of its term, but all actions of the Authority related to the Authority's purpose, as described in Section 2.2 above, following that probationary designation must

[be taken as Special Activities.](#)

ARTICLE 3

POWERS

The Authority shall possess the power in its own name to exercise any and all common powers of its General Members reasonably related to the purpose of the Authority, including (1) making and entering into contracts with the Jurisdictional Member, General Member(s), Associate Member(s), and others as necessary to accomplish the Authority's purpose, (2) serving as a GSA, as well as developing, adopting and implementing a GSP or GSP chapter, for Non-districted Land, except Outside Member Land for which a General Member serves as a GSA, and (3) such other powers as are expressly set forth in the Joint Exercise of Powers Act (Govt. Code, §§ 6500 et seq.), and may be exercised consistent with the purpose of the Authority. In the development and adoption of a GSP or GSP chapter, the Authority must reasonably consider the interests of owners of Non-districted Land who have historically extracted groundwater for use on those lands. The Authority will not oppose the inclusion of any Non-districted Lands in the GSA/GSP of any Member, as may be agreed upon a Member and Non-districted Landowner. For purposes of Government Code section 6509, and unless the Authority has adopted applicable rules, regulations, policies, bylaws and procedures, the powers of the Authority shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed on Cawelo Water District or, if Cawelo Water District ceases to be a General Member, another California water district that is a General Member of the Authority.

ARTICLE 4

INTERNAL ORGANIZATION

4.1 Governing Body. The Authority will be governed by a Board of Directors which is hereby established, and which shall be initially composed of representatives for each of the General Members and two representatives for owners of Non-districted Land. The Non-districted Land representatives will be appointed by the Board following recommendations(s) from Members or owners of Non-districted Land. There will not be a representative for any Associate Member on the Board of Directors, although a person affiliated with an Associate Member may be appointed to serve on the Board as a representative for owners of Non-districted Land. Without amending this Agreement, the Board of Directors composition will be altered from time to time to reflect the termination and/or admission of any new General Members.

4.2 Directors. Each General Member's governing board shall select a representative

to serve as its representative on the Board. A Member may designate a representative to serve as its alternate Director. The role of each alternate Director is to assume the duties of the Director appointed by his/her Member agency in the event of the absence or unavailability of such Director, including the Director's duties as a member of any Committee established pursuant to Section 4.4 below. A Director and any alternate Director so named will continue to serve until his or her respective successor is appointed.

4.3 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 also 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.

4.4 Committees. The Board of Directors may from time to time appoint one or more ad hoc or standing committees to assist in carrying out the purposes and objectives of the Authority. The Board shall determine the purpose and need for such committees. No committee or participant on such committee will have any authority to act on behalf of the Authority.

4.5 Quorum. 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, including any committee meetings. 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.

4.6 Voting. Voting by the Board of Directors shall be made on the basis of one vote for each Director. A Director may vote on all matters of Authority business unless disqualified because of a conflict of interest pursuant to California law or the local conflict of interest code adopted by the Board of Directors. A Director (including a director serving as a member of a committee) may vote on any matter or action even if (a) that would affect the Member represented by such Director, or (b) that would impact any land or landowners within the boundaries of the Member represented by such Director or Outside Member Land managed in whole or in part by such Member.

4.7 Affirmative Decisions of the Board of Directors. Except as otherwise provided in this Agreement, all decisions of the Board of Directors require the affirmative vote of 75 percent of the total number of Directors on the Board present and voting. Notwithstanding the foregoing, any approval or amendment to the Authority's GSP shall require the affirmative vote of 100 percent of the Directors on the Board.

4.8 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 (Govt. Code, §§ 54950, et seq.)

4.9 Special Activities. With the prior approval of 100 percent of the 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. 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 (a) no Special Activity undertaken pursuant to such agreement shall conflict with the terms of this Agreement and (B) 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.

(a) **Continued Administration of Existing Grants.** As a first Special Activity, which will not be subject to approval by the Board of Directors, the Members agree the Authority may continue to administer grants awarded to the Authority prior to the Effective Date in the same fashion as those grants have historically been administered by the Authority. However, this agreed Special Activity for administration of existing grants may not serve as a precedent for administration by the Authority of any future grants as those must be the subject of an additional Special Activity and Board approval.

4.10 Admission, ~~Withdrawal~~ and Termination of Members.

(a) Additional parties may join in this Agreement and become Members or Associate Members upon the approval of the entire Board of Directors, subject to terms and conditions as may be established by the 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) A Member may be terminated by a 75 percent 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 been cured by the effective date for the termination.

(c) The terminated Member will also be entitled to copies of all non-confidential 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.

ARTICLE 5

FINANCIAL PROVISIONS

5.1 Fiscal Year. The fiscal year of the Authority shall be from January 1 through December 31 of each calendar year (**Fiscal Year**).

5.2 Funds; Accounts. An outside certified public accountant shall serve as the fiscal agent and Treasurer of 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.

(a) 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.

(b) 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. All costs associated with this Audit will be the full responsibility of the Authority.

5.3 Property; Bonds. The Board of Directors shall from time to time designate the officers and persons, in addition to those specified in Section 5.3 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.

5.4 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 5.5 below, 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 any alternate Director to approve or disapprove 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.

5.5 Payments to the Authority.

(a) 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, and activities related to development and implementation of a GSP for Non-districted Land covered by the Authority's GSP or GSP chapter shall be funded (i) from permissible contributions from or charges to third parties, including landowners within the Non-districted Land covered by the Authority's GSP or GSP chapter and (ii) assessments on the Members and Associate 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 and Associate Members, as shown on the attached Exhibit A. Members that were not Members of the Authority prior to the Effective Date (i.e., Members joining the Authority through execution of this Agreement) shall not be obligated to pay assessments to the Authority for any of the debts, liabilities or obligations of the Authority incurred prior to the Effective Date, [unless expressly assumed in writing](#).

(b) No Member or Associate 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 annual budget (i.e., general administrative services, such as legal, preparation of audits, and other general administrative functions) 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.

5.6 Liability For Debts. The Members do not intend to be obligated either jointly or severally for the debts, liabilities or obligations of the Authority, except as may be specifically provided for in under Government Code section 895.2, as amended or supplemented. Provided, however, if any 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 Member shall bear an equal share of such liability, as shown on the then-current attached **Exhibit A**.

5.7 SGMA-Related Expenses Incurred by Members. Expenses incurred by a Member or Associate Member, or group of Members, for SGMA implementation within its or their boundaries shall be borne solely by that Member, Associate Member, or group of Members. Neither the Authority nor its other Members shall be liable for those expenses.

5.8 Separate Entity; Property. In accordance with 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.

5.9 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 funds on hand, such surplus money shall be returned to the payors of the subject surplus funds. The distribution of said surplus to Members and Associate Members shall be proportionate to the current year percentages as shown in the attached 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.

ARTICLE 6

MANAGEMENT

The Authority may, by contract, hire for management services to the Authority. In lieu of that hiring, the Authority may engage one or more staff members from the Members, with the consent of that Member, to manage any or all of the business of the Authority on

terms and conditions acceptable to the Board of Directors. Any staff member so engaged shall remain the employee of the Member employing him or her, and that Member shall be solely responsible for the staff member's compensation.

ARTICLE 7

MISCELLANEOUS PROVISIONS

7.1 Amendment. This Agreement may be amended from time to time by the concurrence of 75 percent of the General Members. To provide non-concurring parties an opportunity to withdraw from the Authority, an amendment shall be binding on all parties 60 days after the required concurrence has been obtained. Any amendment to extend the term of this Agreement shall provide a non-concurring party a 90-day period to withdraw with no continuing financial obligation required.

7.2 Severability and Validity of Agreement. If the participation of any party to this Agreement, or any part, term or provision of this Agreement is decided by a Court 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 not be affected thereby and each party hereby agrees it would have entered into this Agreement upon the remaining terms and provisions.

7.3 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 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.

7.4 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.

7.5 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 the attached **Exhibit A**, or to such other changed addresses communicated to the Authority and the Members in writing, and to such other entities that become Members.

7.6 Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof. All understandings and agreements heretofore had between the parties respecting this transaction, including without limitation, any offers, counteroffers or letters of intent, are merged in this Agreement, which fully and completely expresses the agreement of the parties. There are no representations, warranties, covenants or agreements except as specifically and expressly set forth herein and in the exhibits annexed hereto.

7.7 Interpretation. The words and phrases defined in Article 1 will, in addition to the definitions contained in the Preamble and Recitals as indicated with bold font, govern interpretation of this Agreement. When a reference is made in this Agreement to Articles, sections, or Exhibits, such reference shall be to an Article, section of or exhibit to this Agreement unless otherwise indicated. All attached exhibits are incorporated herein by reference. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes,” and “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” No provision of this Agreement shall be construed to require any person to take any action that would violate any applicable law, rule, or regulation.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year set forth on the attached **Exhibit A**.