



MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS HELD JANUARY 9, 2023

At approximately 1:00 p.m. on January 9, 2023, at the KDWCD, 2975 N. Farmersville Blvd., Farmersville California, Chairman Don Mills of the Greater Kaweah GSA called to order a meeting of the Board of Directors of the Greater Kaweah Groundwater Sustainability Agency Joint Powers Authority (“GKGSA”).

Directors Present:	Ernie Taylor Brian Watte Chris Tantau Stephen Johnson	Don Mills Alt. Jeff Ritchie Pete Vander Poel
Directors Absent: ¹	Eric Shannon	
Also Present:	Joe Cardoza Shawn Corley Mark Larsen Clinton Church Aubrey Mauritson Matt Klinchuch James Fischer Emmanuel Llamas Johnny Gailey Andrew Hart David De Groot Marlene Ferreira Maryse Suppinger Larry Dotson Jasmine Rivera Tien Tran Johnathan Vaughn Diana Zegarra Bo Champin Alexis Rosa Carly Coelho	Jimi Valov James Silva Tom Harder John Keller Tony De Groot George Barnes Blake Mauritson Collin Fernandes Geoff Vanden Heuvel Sarah Rutherford Robert Lo Bue Allison Tristao Kristina McKenna Lee Swall Craig Horning Jason Linman Richard Garcia Will Shannon Jim Goodin Steve Jackson Trelawney Bullis

¹ The Rural Communities and Stakeholder Committees did not meet prior to the January board meeting and thus were not able to recommend new appointments to the board. As a result, those two seats were unfilled for purposes of this meeting.

PUBLIC COMMENT

Chairman Mills opened the meeting for public comment. No public comment was presented.

CORRESPONDENCE AND ANNOUNCEMENTS

General Manager Larsen announced a water report. Lake Kaweah was currently at approximately 43,000 acre-feet and was severely encroached. Releases are at 2,000 cfs. Currently, there is close to 4,000 cfs inflow into the lake. Releases will need to be reduced to manage uncontrolled streams like Dry Creek.

Director Tantau reported that the Bureau of Reclamation has started flood releases.

Consulting Engineer David De Groot reported that the Tule is releasing approximately 900 cfs.

Chairman Mills announced that General Manager Larsen has moved from interim to permanent General Manager.

GOVERNING BOARD OFFICERS APPOINTMENTS

Governing Board Status Report

General Manager Larsen provided the Board with a status report on the current appointments. Attached hereto and incorporated by reference as Agenda Item #4A is a list of existing Directors, Alternates, and Officers.

Chairman Mills announced that, effective January of 2024, he will be stepping down from Lakeside Irrigation Water District, and will celebrate his 50th year of service at that time.

Review of Officer Nomination Policy

General Manager Larsen provided a report on the nomination process as outlined in the Bylaws.

Consider Appointment of Agency Chair, Vice-Chair and Secretary

Director Tantau moved, and Alt. Director Ritchie seconded to reappoint the current slate of officers for Chairman and Vice-Chairman, and appoint Mark Larsen as Secretary. The motion was unanimously approved.

General Manager Larsen noted that, in February, the Board will consider appointments to the Rural Communities and Stakeholder Committees. Currently, there is one opening on the Stakeholder Committee.

MINUTES

Review and Approve Minutes for the December 12, 2022 Board Meeting

A draft of the minutes was presented. A copy of the minutes is attached hereto and incorporated by reference as Agenda Item #5a.

Director Vander Poel moved to approve the minutes as presented in the agenda packet. Director Johnson seconded, and the motion was unanimously carried.

FINANCIAL REPORT

Consider for approval the quarterly financial report for the quarter ending December 31, 2022

General Manager Larsen provided a report. Attached hereto and incorporated by reference as Agenda Item #6a is a copy of the quarterly financial report ending December 31, 2022.

Discussion ensued.

Director Ritchie moved and Director Watte seconded to approve the quarterly report as presented in the agenda packet. The motion was unanimously carried.

Review Draft of 2023 Annual Budget

General Manager Larsen provided a report. Attached hereto and incorporated by reference as Agenda Item #6b is a copy of the draft 2023 Annual Budget.

Discussion ensued.

PUBLIC PARTICIPATION AND STAKEHOLDER ENGAGEMENT

Review and Discuss Content and Suggestions from NGO Letter

General Manager Larsen referred the board to Agenda Item #7, a copy of correspondence from NGOs regarding public participation and stakeholder engagement.

Paul Boyer and Director Vander Poel provided comments.

Discussion ensued.

Public comment was received from Sarah Rutherford.

Discussion ensued.

DATA MANAGEMENT SYSTEM (DMS)

Status Report

General Manager Larsen provided a report on the current DMS. Mr. Larsen advised that the Kaweah Subbasin as a whole is looking to revamp its system. Mr. Larsen noted that Mid-Kaweah GSA and East Kaweah GSA would like to use Montgomery & Associates.

Consulting Engineer David De Groot provided a report.

GSA REPORTS AND COMMITTEE DISCUSSION

Rural Communities Committee

General Manager Larsen advised that the Committee has not met, and is working on scheduling its next meeting.

Stakeholder Committee

General Manager Larsen advised that the Committee has not met, and will likely meet in a combined meeting with the Rural Communities Committee.

Technical Advisory Committee

General Manager Larsen advised that the TAC is scheduled for January 19, 2023, but that the meeting may be canceled due to lack of agenda items.

Kaweah Subbasin Management Team

General Manager Larsen advised that the Management Team is overdue for a meeting, and needs to get a meeting scheduled.

Grants

General Manager Larsen reported on various previously awarded grants which are working their way through the process.

Multibenefit Land Repurposing Grant

General Manager Larsen reported that Valley Eco is in charge of implementation, and that Provost & Prichard has been contracted in connection with identification of disadvantaged communities.

Land IQ Dashboard

General Manager Larsen advised that staff is meeting weekly with Provost & Prichard, working on further development of the Dashboard to make it more helpful. One current issue is how to report surface water deliveries.

Public comment was received from Geoff Vanden Heuvel.

Discussion ensued regarding reporting by entities which manage surface water.

Land Following Ad-Hoc Working Group

General Manager Larsen reported that the Land Following Group met on January 4, 2023, and that the content of that meeting would be addressed later in the Board meeting.

Communications and Outreach

General Manager Larsen advised that there was nothing to report.

DWR LANDFLEX PROGRAM

Review Program and Benefits

General Manager Larsen provided a report on the DWR LandFlex Grant Program. Attached hereto and incorporated by reference as Agenda Item # 10a is a copy of the Program's Guidelines.

Consulting Engineer De Groot provided a report on the Program.

Discussion ensued.

Public comment was received from Allison Tristao.

Discussion continued.

Consider Approval of Resolution 2023-01 to Authorize Submittal of Application

Attached hereto and incorporated by reference as Agenda Item #10b is a copy of Resolution 2023-01.

Director Vander Poel moved and Alt. Director Ritchie seconded to approve Resolution 2023-01 to Authorize Submittal of Application for the LandFlex program. The board unanimously approved the motion.

Public comment was received from Sarah Rutherford, Allison Tristao, and Geoff Vanden Heuvel.

Discussion continued.

LAND FALLOWING (REVERSE AUCTION)

2022-23 Program

General Manager Larsen provided a report on continued discussions with the ad-hoc group. Mr. Larsen advised that the group is looking at two potential periods. The group considered beginning the program in WY2023, but recommended beginning in WY 2024 as a more realistic alternative.

2023-24 Program

General Manager Larsen provided a report. Mr. Larsen advised that the goal is to bring a program to the Board in May of this year for approval, with outreach to take place in this spring through committees and other means.

Public comment was received from Tony De Groot.

2023 WATER YEAR ALLOCATION

Review Management of Precipitation

General Manager Larsen provided a history on the “precipitation issue” as related to allocations and Land IQ.

Presentation of Supplemental Technical Memorandum to Water Year 2023 Allocations regarding Precipitation

Attached hereto and incorporated by reference as Agenda Item #12b is a copy of the Supplemental Technical Memorandum prepared by David De Groot. Mr. De Groot provided a presentation regarding the same.

Public comment was received from numerous unidentified members of the public.

Discussion ensued.

NEXT MEETING DATE

Chairman Mills announced the next meeting of the Groundwater Sustainability Agency will commence on Monday, February 13, 2023, at 1:00 p.m.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

[Government Code Section 54956.9(d)(2)]

Number of Potential Cases: One

The Board of Directors, while in closed session pursuant to Government Code Section 54956.9(d)(2), met with General Counsel Aubrey Mauritson regarding one potential items of anticipated litigation.

CLOSED SESSION ITEMS

Report Action Taken in Closed Session Required by Government Code 54957.1

The Board of Directors returned to open session. Chairman Mills advised that there was no reportable action.

ADJOURNMENT

As there was no further business to come before the Board of Directors, the meeting was concluded.

Respectfully submitted,

Mark Larsen, Secretary



Greater Kaweah GSA
DRAFT FY 2023 Budget
 2/13/2023

DRAFT

Category	2022 Actual Income	2023 Proposed Income
Income		
Gross Acreage Land-based Assessment (less 10% received)	\$627,527	\$1,745,793
Miscellaneous Income (interest)	\$15,175	\$9,000
Grant Funds	\$96,115	\$180,000
Total Income	\$738,817	\$1,934,793

Category	2021 Adopted Budget	2022 Adopted Budget	2022 Actual Expense	2023 Proposed Budget
GSA Administration	\$355,700	\$546,922	\$490,422	\$573,000
5100 Payroll (fully burdened)	\$245,000	\$398,922	\$ 325,116	\$ 380,000
5110 Office Administration	\$11,700	\$16,500	\$ 3,180	\$ 16,000
5111 Supplies, Equipment, Postage	\$1,700	\$4,500	\$ 1,935	\$ 5,000
5112 Publications, Notices, Website	\$10,000	\$12,000	\$ 1,245	\$ 12,000
5120 Communication, Outreach, Media	\$7,000	\$15,000	\$ 27,703	\$ 20,000
5200 Insurance	\$7,000	\$15,000	\$ 10,919	\$ 20,000
5300 Professional Services	\$85,000	\$101,500	\$ 123,505	\$ 137,000
5310 Legal	\$70,000	\$85,000	\$ 123,505	\$ 120,000
5320 Audit	\$15,000	\$16,500	\$ -	\$ 17,000
GSP Implementation	\$1,200,000	\$1,335,000	\$525,126	\$1,325,000
5400 GSP Development & Implementation	\$605,000	\$745,000	\$ 331,448	\$ 780,000
5401 Dashboard Development & Support	\$15,000	\$40,000	\$ 95,324	\$ 80,000
5402 GSP Development & Updates	\$200,000	\$250,000	\$ 125,430	\$ 100,000
5403 Management Actions & Policy Development	\$100,000	\$200,000	\$ -	\$ 50,000
5404 DMS Update & Management	\$50,000	\$100,000	\$ 6,331	\$ 100,000
5405 Annual Reporting	\$40,000	\$55,000	\$ 27,165	\$ 50,000
5406 Engineering	\$200,000	\$100,000	\$ 77,198	\$ 400,000
5410 Subbasin Coordination	\$100,000	\$100,000	\$ 5,246	\$ 50,000
5420 Monitoring / Measurement / Data	\$495,000	\$490,000	\$ 188,432	\$ 495,000
5421 GW Level (Semi Annual)	\$40,000	\$20,000	\$ -	\$ 20,000
5422 GW Quality (Quarterly)	\$120,000	\$60,000	\$ -	\$ 60,000
5423 Subsidence (Annual)	\$50,000	\$15,000	\$ -	\$ 15,000
5424 Landowner Demand Tracking	\$100,000	\$160,000	\$ 186,882	\$ 200,000
5425 New Monitoring Wells	\$150,000	\$200,000	\$ 1,550	\$ 200,000
5426 Well Video Logging	\$35,000	\$35,000	\$ -	\$ -
Funding Efforts	\$450,000	\$460,000	\$208,306	\$160,000
5430 Grant Writing	\$20,000	\$20,000	\$ 8,306	\$ 20,000
5440 Rate Studies, Prop 218, Prop 26 Elections	\$60,000	\$40,000	\$ -	\$ 40,000
5520 JPA Member Reimbursement	\$370,000	\$400,000	\$ 200,000	\$ 100,000
Total	\$2,005,700	\$2,341,922	\$1,223,854	\$2,058,000

**AMENDED AGREEMENT TO FORM A JOINT POWERS AUTHORITY
GREATER KAWEAH GROUNDWATER SUSTAINABILITY AGENCY**

THIS AMENDED AGREEMENT TO FORM A JOINT POWERS AUTHORITY (“Agreement”) is made _____, 2023, by and between KAWEAH DELTA WATER CONSERVATION DISTRICT (“KDWCD”), COUNTY OF TULARE (“County”), KINGS COUNTY WATER DISTRICT (“KCWD”), and LAKESIDE IRRIGATION WATER DISTRICT (“LIWD”) and ST. JOHNS WATER DISTRICT (“SJWD”) (hereinafter referred to individually as “Member” and collectively as “Members”), in light of the following:

RECITALS

A. During September 2014, Governor Brown signed three bills (SB 1168, SB 1319, and AB 1739) into law creating the Sustainable Groundwater Management Act (“SGMA”).

B. SGMA authorizes the formation of an entity called a Groundwater Sustainability Agency (“GSA”), one or more of which are authorized to be responsible for implementing provisions of SGMA as to each groundwater basin and subbasin falling within the provisions of SGMA.

C. The Members overlie the Kaweah Subbasin (5-22.11 of the Department of Water Resources Bulletin 118 classifications) (“Subbasin”) of the San Joaquin Valley Basin, an unadjudicated groundwater basin, portions of which underlie the jurisdictional boundaries of each Member.

D. Each of the Members to this Agreement is a local government entity with either water supply, water management, or land use responsibilities within the Subbasin and is qualified individually to serve as a GSA under the provisions of SGMA.

E. Under SGMA, a combination of local agencies may elect to form a GSA through a joint powers agreement.

F. The Members intend by this Agreement to create a joint powers authority that will elect to become a GSA for their jurisdictional areas covering a portion of the Subbasin.

G. Under SGMA, each GSA will be responsible for assuming its regulatory role by June 30, 2017, and for submitting a Groundwater Sustainability Plan (“GSP”) to the Department of Water Resources by January 31, 2020.

H. The Members intend to work cooperatively with other GSAs in the Subbasin for purposes of developing a GSP and entering into a Coordination Agreement if necessary.

I. The Members desire, once successfully electing to be a GSA, to begin collecting and organizing data, engaging and retaining experts and consultants, and soliciting feedback from beneficial users, users of groundwater and interested parties within the portion of the Subbasin subject to their jurisdiction, for the purpose of preparing a GSP and for the purpose of negotiating Coordination Agreements with the other GSAs in the Subbasin.

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

K. The Members intend by this Agreement to provide a framework for cooperative efforts for all entities and individuals within the Authority's jurisdictional area and to implement SGMA in the most effective, efficient, and fair way reasonably possible, and at the lowest reasonable cost.

NOW THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, the Members hereby agree as follows:

ARTICLE I

GENERAL PROVISIONS

Section 1.01. Creation of Authority. Pursuant to California Government Code Section 6500 *et seq.*, there is hereby created a public entity to be known as the "Greater Kaweah Groundwater Sustainability Agency" (hereinafter referred to as the "Authority"), which shall be a public entity separate and apart from the Members, and shall administer this Agreement.

Section 1.02. Purpose. The purposes of this Agreement are:

- (a) To create a Joint Powers Authority separate from its Members that will elect to be the GSA for a portion of the Subbasin;
- (b) To develop, adopt, and implement a GSP in order to implement SGMA's requirements and achieve sustainability goals outlined in SGMA; and
- (c) To enter into a Coordination Agreement or similar agreement with other GSAs in order to meet the sustainability requirements outlined in SGMA.

ARTICLE II

POWERS

Section 2.01. Powers. The Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of all powers authorized under SGMA and necessary to satisfy the requirements of SGMA. The Authority shall exercise powers only as authorized by law as identified in Section 2.04 herein.

Section 2.02. Restrictions on the Exercise of Powers. Pursuant to Government Code Section 6509 *et seq.*, the powers of the Authority shall be exercised and restricted in the same manner as those imposed upon St. John’s Water District.

Section 2.03. Obligations of the 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.

Section 2.04. Water Right. As provided in Water Code Section 10720.5 of SGMA, the Authority and all of its Members confirm that groundwater management under this Authority shall be consistent with Section 2 of Article X of the California Constitution and that any groundwater sustainability plan 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.

ARTICLE III

GOVERNING BODY

Section 3.01. Governing Board. The Authority shall be administered by a Board of Directors (“Board”), composed of Directors and alternate Directors as described herein, to serve at the pleasure of their appointive governing body. All voting power of the Authority shall reside in the Board.

(a) The Board shall consist of Directors who shall be appointed as follows:

- (1) Two elected members of the governing body of KDWCD.
- (2) One elected member of the governing body of each Member entity, other than KDWCD.
- (3) A representative of California Water Service Company (“Cal Water”), nominated by Cal Water and appointed by the Board.
- (4) A representative of the Stakeholder Committee, as hereinafter described, nominated by said committee and appointed by the Board.
- (5) A representative of the Rural Communities Committee, as hereinafter described, nominated by said committee and appointed by the Board.

(b) Each Member shall appoint one person, who is either an elected member of the governing body of the Member entity or on the staff of such Member entity, to serve as an alternate Director of the Board in the same manner as the Director is appointed by the Member. Each other entity entitled to a seat on the Board, whether Cal Water, the Stakeholders Committee, or the Rural Communities Committee, shall also nominate a person to serve

in like manner as an alternate Director of the Board, subject to Board appointment. Any such alternates shall be empowered to cast votes in the absence of the regular Directors or, in the event of a conflict of interest preventing the regular Director from voting, to vote because of such conflict of interest.

- (c) Directors and alternate Directors shall serve at the pleasure of the Board and may be removed or replaced as follows:
- (1) Directors appointed by Members may be removed or replaced at any time by their governing board; and
 - (2) Appointees of the Board may be removed or replaced by the Board for failure to attend at least three (3) consecutive Board meetings without excuse, or may also be removed or replaced at any time by the appointee's governing board or nominating committee.
 - (3) A Director who is no longer either an elected member of the governing body of the entity or on the staff of such entity that qualified such director to serve on the Board shall be deemed automatically removed from the Board.

Section 3.02. Meetings of the Board. The Board shall provide for calling and conducting its regular meetings and special meetings, in accordance with Government Code Section 54950 *et seq.*

Section 3.03. Minutes. The Secretary shall cause to be kept summary minutes of the meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the summary minutes to be forwarded to each Director and to each of the Members.

Section 3.04. Voting. Each Director shall have one vote.

Section 3.05. Quorum; Required Votes; Approval. A quorum of the Board for convening of any meeting shall consist of a majority of all Directors, or in the absence of a Director, such Director's designated alternate. A quorum of the Board must be present at the time of any vote on any matter before the Board. An affirmative vote of at least a majority of all Directors, or designated alternate Director, present in a quorum of the Board, shall be required for any action of the Board. Notwithstanding the foregoing, approval of certain types of matters shall require the approval of two-thirds of the Directors of the Board. The items requiring approval of two-thirds of the Directors of the Board are agenda items related to budgets, assessments, litigation, the hiring or termination of the chief executive officer, the adoption of the GSP, the addition of new Members, the termination of Members or Cal Water, and amendments of this Agreement. Directors representing a Member who is delinquent in any past or present monetary contributions may be asked to abstain from voting on all matters.

Section 3.06. Bylaws. The Board may adopt bylaws and governing regulations consistent with this Agreement, which may be amended from time to time, for the conduct of its meetings as are necessary for the purposes hereof.

ARTICLE IV

COMMITTEES

Section 4.01. Committee Formation. Committees shall be formed by the Board in order to advise the Board on matters that fall within the scope of the particular committee's assignment. Committees may be standing committees or *ad hoc* committees. The Board shall appoint one Director or alternate Director to be a member of and the Chair of each committee. Committees shall meet as often as directed by the Board or, if no such direction is given, as often as necessary, as determined by the Chair of the committee. The Authority's Bylaws may include further prescriptions and information regarding Committees, consistent with this Agreement. .

ARTICLE V

OFFICERS AND EMPLOYEES

Section 5.01. Chair and Vice-Chair. Each year the Board shall elect a Chair and a Vice-Chair from among the Directors. The Chair and the Vice-Chair shall serve at the pleasure of the Board and shall perform the duties normally required of said offices.

- (a) The Chair shall (1) preside at and conduct each meeting of the Board, (2) represent the Board as directed by the Board, (3) be an ex-officio member of each committee established by the Board, and (4) perform such other duties as may be imposed by said Board;
- (b) The Vice-Chair shall act and perform all of the Chair's duties in the absence of the Chair; and
- (c) The Chair or Vice-Chair may sign all contracts and agreements as approved by the Board.

Section 5.02. Secretary. The Board shall appoint a Secretary from among the employees of the Authority, or if no such employees exist, a consultant. The Secretary shall serve at the pleasure of the Board. The Secretary shall act on behalf of the Authority and perform such other duties as may be imposed by the Board. The Secretary may sign agreements for the Authority when authorized by the Board.

Section 5.03. Treasurer and Auditor.

- (a) Pursuant to Government Code Section 6505.5, KDWCD'S Treasurer shall be the depository, shall have custody of all the money of the Authority from whatever source, and shall have the duties and obligations of the Treasurer as set forth in Government

Code Sections 6505 and 6505.5. KDWCD's Treasurer shall be responsible for receiving quarterly reports from the Secretary and verifying the balance of this report with respect to the balance as maintained by the Treasurer's records.

- (b) KDWCD's Treasurer shall assure strict accountability of all receipts and disbursements of the Authority and shall make arrangements with a certified public accountant or firm of certified public accountants for the annual audit of accounts and records of the Authority.

Section 5.03. Officers in Charge of Records; Funds; and Accounts. Pursuant to Government Code Section 6505.1, KDWCD's Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto; and the Secretary shall have charge of, handle and have access to all other records of the Authority.

Section 5.04. Employees and Consultants. The Board may hire employees and consultants, including engineers, accountants and attorneys, to provide services and leadership to the Authority to accomplish the purposes of the Authority.

ARTICLE VI

ACCOUNTS AND REPORTS; FUNDS

Section 6.01. Accounts and Reports. KDWCD's Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Authority shall be open to inspection at all reasonable times by the public and representatives of the Members. KDWCD's Treasurer, within 120 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to the Members.

Section 6.02. Annual Budget. The Board shall adopt a budget for the Authority. The County shall provide funds as set forth in the adopted budget. Should the County contribute grant funds such funds shall be restricted to the approved grant tasks. Members other than the County, and Cal Water, shall make contributions which shall be included in the budget adopted by the Board. A Director's affirmative vote to approve a budget does not constitute consent to finance or otherwise participate in any project or projects within that budget.

Section 6.03. Intention for Reimbursement for Expenditures from Grant Proceeds. It is the intention of the Members that the advancement of monies by any Members or Cal Water for expenses of the operational needs of the Authority shall be reimbursed from the proceeds of grants, if grant funds are obtained and such reimbursement is allowable under the terms of any grant agreement.

Section 6.04. Assessment of Members. The Board may vote to assess Members and Cal Water for a share of costs incurred by the Authority or which are anticipated to be incurred by the Authority. All assessments shall be paid by Members and Cal Water within sixty (60) days of

the approval of the assessment by the Board. Any Member or entity failing to timely pay an assessment may lose its privilege to vote on any item presented to the Board, until such assessment is paid.

ARTICLE VII

MEMBERSHIP

Section 7.01. Other Members. The Board may vote to approve other entities to be a Member of the Authority with representatives serving as Director and alternate Director on the Board. The Board may vote to remove any Member as a member of the Authority and may vote to remove Cal Water's representation on the Board.

ARTICLE VIII

TERM; WITHDRAWAL; TERMINATION

Section 8.01. Term. The Members hereby agree to establish the Authority to last in perpetuity. This Agreement may be rescinded and the Authority terminated by unanimous written consent of all Members.

Section 8.02. Withdrawal of Member. A Member may terminate its membership in the Authority at any time upon giving written notice of the withdrawal to the Authority. Cal Water may similarly withdraw its position on the Board of Directors at any time upon giving written notice of the withdrawal to the Authority. Any Member or Cal Water who withdraws shall remain obligated to pay its share of all debts, liabilities, and obligations incurred or accrued prior to the effective date of such withdrawal.

Section 8.03. Disposition of Assets. Upon termination of the Authority, any assets shall be returned to the Members and Cal Water in the same proportion said Members have funded such reserves or surplus, in accordance with California Government Code Section 6512.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.01. Amendments. This Agreement may be amended by the Board at any time, or from time to time.

Section 9.02. Indemnification. The Authority shall indemnify, defend, and save harmless the Members, their officers, agents, and employees, and appointed members of the Board of Directors, their officers, agents, and employees, and committee members, their officers, agents, and employees, from and against any and all claims and losses whatsoever, occurring or resulting to persons, firms, or corporations furnishing or supplying work, services, materials or supplies to the Authority in connection with the performance of this Agreement, and, except as expressly

provided by law, from any and all claims and losses accruing or resulting to any persons, firm or corporation, for damage, injury, or death arising out of or connected with the Authority's performance of its obligations under this Agreement. Nothing herein shall limit the right of the Authority to purchase insurance or to create a self-insurance mechanism to provide coverage for the foregoing indemnity.

Section 9.03. Insurance. The Authority shall obtain insurance for all Members, appointed Board members, and committee members, including but not limited to directors and officers liability insurance and general liability insurance containing policy limits in such amounts as the Board of Directors shall determine will be necessary to adequately insure against the risks of liability that may be incurred by the Authority.

Section 9.04. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions will remain in force and unaffected to the fullest extent permitted by law and regulation.

Section 9.05. Secretary of State Filing Requirements. The Chairman of the Board of Directors of the Authority shall file a Notice of this Agreement with the Office of the California Secretary of State within thirty (30) days of its effective date, as required by Government Code Section 6503.5 and within seventy (70) days of its effective date as required by Government Code Section 53051.

IN WITNESS WHEREOF, the Members hereto execute this Agreement to be effective on the date first written above.

County: COUNTY OF TULARE By: _____ Steve Worthley, Chairman Board of Supervisors	KDWCD: KAWEAH DELTA WATER CONSERVATION DISTRICT By: _____ Don Mills, President
KCWD: KINGS COUNTY WATER DISTRICT By: _____ Ernie Taylor, President	LIWD: LAKESIDE IRRIGATION WATER DISTRICT By: _____ Don Mills, President
SJWD: ST. JOHNS WATER DISTRICT By: _____ Jeff Ritchie, President	