



Chair Members:  
Rodney Palla, Chair  
Harold Hanson  
Gene Lundquist

## **KERN RIVER GSA**

Thursday, October 6, 2016  
10:00 a.m.

**City Hall North**  
1600 Truxtun Avenue, Bakersfield CA 93301  
First Floor, Conference Room A

### **AGENDA**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC STATEMENTS**
- 4. APPROVAL OF SEPTEMBER 1, 2016 MINUTES**
- 5. NEW BUSINESS**
  - A. Correspondence Received (City Clerk)
  - B. Website Update
  - C. Documents in Response to the County
  - D. Cost Sharing Discussion
  - E. Update from Management Group (Beard/Chianello/Mulkay)
    - i. White Paper Update
    - ii. Modeling & Budget Update
    - iii. KGA Participation in Modeling
    - iv. KGA Stakeholder Identification Form
    - v. Management Comments
- 6. COMMITTEE COMMENTS**
- 7. CLOSED SESSION:** Conference with Legal Counsel: Potential Litigation; Closed Session pursuant to Government Code section 54956.9(d)(2),(e)(1). One matter.
- 8. CLOSED SESSION ACTION**
- 9. ADJOURNMENT**

**KERN RIVER GSA  
MINUTES  
MEETING OF SEPTEMBER 1, 2016**

Conference Room A, City Hall North, 1600 Truxtun Avenue

**ACTION TAKEN**

1. **CALL TO ORDER REGULAR MEETING** - 10:03 a.m.

2.. **ROLL CALL**

Present: Chairman Palla, Chair Members Hanson  
and Lundquist

Absent: None

3. **PUBLIC STATEMENTS**

None.

4. **APPROVAL OF AUGUST 4, 2016 MINUTES**

***Motion by Chair Member Lundquist, seconded by  
Chair Member Hanson, for approval of the  
minutes.***

**APPROVED**

5. **NEW BUSINESS**

A. Correspondence Received

Clerk Typist Katharine Dye announced that the agency had received one letter of correspondence dated June 2, 2016 from Kristal Davis Fadtko at California Department of Fish and Wildlife requesting that they receive all notices, announcements, and documents related to the agency.

B. Update from Management Group

i. ITRC Study Reimbursement Agreement

***Motion by Chair Member Hanson,  
seconded by Chair Member Lundquist,  
for approval to send a letter to the KGA  
regarding the KRGSA's desire to  
participate in the ITRC Study.***

**APPROVED**

**6. DEFFERED BUSINESS**

**ACTION TAKEN**

- A. Update on KRGSA website and interested parties form

Assistant City Manager Steve Teglia provided on overview of the upcoming website.

**7. COMMITTEE COMMENTS**

General Manager for KDWD Mark Mulkay announced that he, David Beard, and Art Chianello held a conference call with Phyllis Stanin regarding white papers.

ID 4 Manager David Beard spoke regarding the letter the KRGSA sent to the KGA on August 4, 2016 detailing the use of Todd Groundwater model development proposal, and recommended that the KRGSA send out the same letter to other agencies who have applied for a GSA.

- 8. CLOSED SESSION: Conference with Legal Counsel: Potential Litigation; Closed Session pursuant to Government Code section 54956.9(d)(2), (e)(1). One matter.**

**Motion by Chairman Palla to adjourn to Closed Session at 10:39 a.m.**

**APPROVED**

**Meeting reconvened at 11:46 a.m.**

- 9. CLOSED SESSION ACTION: Conference with Legal Counsel: Potential Litigation; Closed Session pursuant to Government Code section 54956.9(d)(2), (e)(1). One matter.**

**STAFF WAS GIVEN DIRECTION**

City Attorney Ginny Gennaro announced that there was a unanimous vote staff was given direction.

**10. ADJOURNMENT**

**Chairman Palla adjourned the meeting at 11:47 a.m.**

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CHAIR of the Kern River  
Groundwater Sustainability Agency

**KERN GROUNDWATER AUTHORITY  
&  
KERN RIVER GROUNDWATER SUSTAINABILITY AGENCY**

**FUNDING & PARTICIPATION AGREEMENT**

THIS FUNDING & PARTICIPATION AGREEMENT (the “**Agreement**”) is made effective as of \_\_\_\_\_, 2016 by and among certain of the members of the Kern Groundwater Authority (the “**Authority**”) and the Kern River Groundwater Sustainability Agency (the “**KRGSA**”) listed on the attached **Exhibit A** (collectively the “**Parties**”), and is made with reference to the following facts:

A. The Parties desire to coordinate the development of a groundwater model for purposes of meeting the various requirements of the Sustainable Groundwater Management Act (“SGMA”).

B. The Parties wish to engage Todd Groundwater to develop the groundwater model as described on the attached **Exhibit B** (the “**The Activity**”).

C. All members of the Authority have been given the opportunity to enter into this Agreement. This Agreement and the Activity were determined to be consistent with the Joint Powers Agreement and approved by the Authority’s Board of Directors on \_\_\_\_\_.

C. All members of the KRGSA have been given the opportunity to enter into this Agreement. This Agreement and the Activity were approved by the KRGSA Board of Directors on \_\_\_\_\_.

THEREFORE, in consideration of the facts recited above and of the covenants, terms and conditions set forth herein, the Parties agree as follows:

Section 1     Purpose:

The purpose of this Agreement is to set forth the terms und which the Parties will coordinate to undertake the Activity. The activities undertaken to carry out the purposes of this Agreement shall be those, and only those, authorized by the Management Committee (defined in Section 2 of this Agreement) from time to time in accordance with this Agreement. Without limiting in any way the scope of the activities that may be undertaken under this Agreement, such activities shall include funding actions and obligations undertaken to carry out the directions of the Management Committee.

Section 2     Organization:

The Parties agree that a cooperative effort to develop a groundwater model between and

among the Parties may be cost-effective, avoid duplication and effectively use limited resources of the Parties. The Parties agree to use good faith efforts to reach consensus on the guidance and development of the Activity. To advance the purpose of this Agreement, Parties agree to establish the organizational structure below:

(a) Management Committee. The business of the Parties under this Agreement shall be conducted by a Management Committee consisting of three (3) members appointed by the Authority and three (3) members appointed by the KRGSA. Appointment of each member of the Management Committee shall be by action of the governing body of the Parties appointing such member, and shall be effective upon the appointment date. Each member shall serve on the Management Committee from the date of appointment by the governing body of the Party he/she represents at the pleasure of such governing body. The Parties may appoint alternate members to attend, participate and vote in Management Committee meetings in the absence of the appointed members.

(1) Officers. The Management Committee shall select from among its members a Chairman, who shall act as presiding officer, and a Vice Chairman, to serve in the absence of the Chairman. There also shall be selected a Secretary, who may, but need not be, a member of the Management Committee. All elected officers shall remain in office at the pleasure of a majority vote of the Management Committee.

(2) Meetings. The Chairman of the Management Committee or, a majority of a quorum of the members of the Management Committee, are authorized to call meetings of the Management Committee as necessary and appropriate to conduct the business of the Parties under this Agreement. All such meetings shall be open to the public and subject to the requirements set forth in the Ralph M. Brown Act (Government Code Sections 54950 et seq.).

(3) Quorum and Voting. A majority of the then-appointed members shall constitute a quorum of the Management Committee. Each Committee Member shall have one vote. All actions of the Management Committee must be taken by a vote of at least sixty-six percent (66%) the members present.

Option 2: A majority of the then-appointed members shall constitute a quorum of the Management Committee. Votes of each Committee Member shall be allocated by the Participation Percentages as set forth in Exhibit A. Specifically, each Authority Committee Member will be allocated one-third of the Participation Percentage for all Parties participating as part of the Authority. Similarly, each KRGSA Committee Member shall be allocated a vote equal to one-third of the total Participation Percentage for all Parties participating under the KRGSA. All actions of the Management Committee must be taken by a vote of at least sixty-six percent (66%) the votes present at the time of voting.

(4) Powers and Limitations Thereon. Subject to the direction of the governing bodies of the Parties, the Management Committee shall undertake all actions

necessary for carrying out this Agreement, including but not limited to the responsibility for:

- setting policy for the Parties acting under this Agreement with respect to the Activity;
- making budget recommendations for activities undertaken in the name of the Parties under this Agreement;
- determining the basis for calculation of the participation percentages for each fiscal year, and the timing required for payments of obligations hereunder;
- employing consultants and otherwise authorizing expenditure of funds collected under this Agreement within the parameters of the budget approved hereunder;
- and such other actions as shall be reasonably necessary or convenient to carry out the purposes of this Agreement.

(5) In addition to the responsibilities above, the Management Committee shall develop a statement of work describing tasks to be completed to develop the groundwater model. The statement of work will be attached and incorporated into this Agreement.

### Section 3 Funding:

(a) Budget. The Parties shall have the authority and the obligation to develop and approve a budget for the activities authorized by this Agreement, annually or more frequently as needed, for presentation to the governing bodies of the Parties. No budget shall be deemed approved until it is approved by both the Management Committee and the governing bodies of the Parties. To initially fund the budget for this Agreement, for the period between the effective date set forth above and December 31, 2017, the Parties shall contribute their pro-rata share of a total of \$XXX,000, in accordance with Section 5 of this Agreement.

(b) Fiscal Agent. \_\_\_\_\_ shall act as the fiscal agent for the Parties with respect to activities undertaken under this Agreement. Not later than the 60<sup>th</sup> day of each calendar quarter, the fiscal agent shall invoice each of the Parties for their share (based on that Parties participation percentage set forth on **Exhibit A**) of the anticipated costs for activities undertaken under this Agreement for the next calendar quarter as determined by the Management Committee, which amount shall be paid by each of the Parties to the fiscal agent within 30 days of the receipt of such invoice. With the approval of the Management Committee, the fiscal agent may also make additional calls for funds from the Parties if needed to pay expenses incurred under this Agreement, subject to the approved budget for activities under this Agreement. The fiscal agent shall deposit all amounts received and account for them separately. The fiscal agent shall pay all bills approved by the Management Committee from funds on deposit. The fiscal agent shall also provide monthly reports to the Parties reflecting all receipts and disbursements of funds provided under this Agreement. The books and records of the fiscal agent relating to

activities undertaken under this Agreement shall be open to inspection by the Parties during reasonable business hours.

(c) Allocation of Obligations. Should the Parties acting collectively under this Agreement enter into any contract or other voluntary obligation, such contract or obligation shall be in the name of the fiscal agent; provided, that all financial obligations thereunder shall be satisfied solely with funds provided under this Agreement. Further, if the fiscal agent, the Parties or any other party is held liable for any amounts caused by an act or omission occurring in the performance of this Agreement, such party shall be entitled to contribution from each of the Parties so that each of the Parties shall bear a share of such liability equal to the amount of such liability multiplied by its participation percentage in existence at the time the subject act or omission occurred. Each of the Parties shall indemnify, defend and hold the other Parties (including without limitation the fiscal agent) harmless from and against any liability, cause of action or damage (a “**Cost**”) arising out of the performance of this Agreement in excess of the amount of such Cost multiplied by each of the Parties participation percentage. Notwithstanding the foregoing, to the extent any such liability is caused by the negligent or wrongful act or omission of one or more of the Parties, such Party shall bear such liability. Upon approval by the Management Committee, the fiscal agent shall be reimbursed from funds provided under this Agreement for its reasonable administrative costs incurred in connection with activities undertaken under this Agreement.

Section 4 Participation Percentages:

Each of the Parties shall pay that share of costs for activities undertaken pursuant to this Agreement incurred on behalf of all of the Parties, whether undertaken in the name of the of the Parties or otherwise, equal to such Parties’ participation percentage as established in this Section 5. The initial participation percentages of the Parties are set forth in the attached **Exhibit A**. These initial participation percentages are fixed for purposes of establishing responsibilities for start-up costs and other amounts contained in the approved budget through December 31, 2017. The participation percentages of each of the Parties may be modified by the Management Committee from time to time as the result of the admission of a new party to this Agreement or the withdrawal of a member, and **Exhibit A** shall be amended to reflect all such changes. Such amended **Exhibit A** shall, upon approval by the Management Committee, be attached hereto and upon attachment, shall supersede all prior versions of **Exhibit A** without the requirement of an amendment of this Agreement.

Section 6 Source of Payments:

Each of the Parties shall fix rates, charges or assessments in connection with its operations so that it will at all times have sufficient money to meet its obligations hereunder.

Section 7 Term:

This Agreement shall take effect on the date it is executed by the Parties and shall

remain in full force and effect until this Agreement is amended, rescinded or terminated by the Management Committee.

Section 8      Withdrawal From Further Participation:

To withdraw from this Agreement, the withdrawing Party shall provide the other Parties written notice of such withdrawal not less than 30 days prior to the withdrawal date. As of the withdrawal date, all rights of participation in this Agreement shall cease for the withdrawing Party, and the withdrawing Party shall within 30 days, pay all financial obligations incurred prior to the date of the withdrawing Party's notice of withdrawal and pursuant to the terms of this Agreement. Upon withdrawal of a Party, the participation percentages described in Section 4 shall be automatically recalculated to distribute such participation percentages among all remaining Parties on a prorated basis.

Section 9      Admission of New Parties:

Additional entities may become Parties to this Agreement upon a majority vote of all the then-current Parties to this Agreement, and upon such conditions as are fixed by such Parties. Upon admission of a new Party, the participation percentages described in Section 4 shall be recalculated to distribute such participation percentages among all Parties on a prorated basis and such revised percentages shall be effective as of the date the new Party executes the Agreement.

Section 10     Amendments:

This Agreement may be amended only by a writing executed by all of the then-current Parties.

Section 11     Assignment; Binding on Successors:

Except as otherwise provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the written consent of the other Parties. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties.

Section 12     Counterparts:

This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Facsimile and electronic signatures shall be binding for all purposes.

Section 13     Severability:



If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, the remainder of the Agreement shall not be affected thereby.

Section 14    Notices:

Notices authorized or required to be given under 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 beneath their signatures on this Agreement, or to such other address as the Parties may provide from time to time.

[SIGNATURES]

