McMULLIN AREA
GROUNDWATER SUSTAINABILITY AGENCY
JOINT POWERS AGREEMENT

THIS McMULLIN AREA GROUNDWATER SUSTAINABILITY AGENCY JOINT POWERS AGREEMENT (this "Agreement") is made and entered into this 31 st day of January, 2017 (the "Effective Date") by and between the Mid-Valley Water District, the Raisin City Water District and the County of Fresno each a "Member" and collectively, the "Members."

RECITALS

A. Whereas, on September 16, 2014, the Governor of the State of California signed into law Senate Bills 1168 and 1319, and Assembly Bill 1739 collectively, the Sustainable Groundwater Management Act, which is codified at Water Code Sections 10720 *et seq.;* and

B. Whereas, the Act allows certain local agencies to become a Groundwater Sustainability Agency ("GSA") and adopt a Groundwater Sustainability Plan ("GSP") as a means to manage and regulate groundwater in an underlying groundwater basin, which is defined as a basin or subbasin identified and defined in California Department of Water Resources Bulletin 118; and

C. Whereas, each Member is a local agency as defined in Water Code Section 10721(n) and is eligible to become a GSA and adopt a GSP; and

D. Whereas, the Act set forth that multiple local agencies overlying a single groundwater basin or subbasin may adopt separate GSPs if those plans are coordinated, or may join together to adopt a single plan; and

E. Whereas, each Member to this Agreement overlies a portion of the Kings Subbasin as it is currently defined by the California Department of Water Resources Bulletin 118 and each Member desires to participate in the implementation of the Act specifically within the area identified as the McMullin Area on Exhibit A attached hereto and incorporated herein by reference; and

F. Whereas, the Joint Exercise of Powers Act (Government Code Sections 6500 *et seq.*) provides that two or more public agencies may by agreement jointly exercise any powers common to those agencies and may by that agreement create an entity separate from the Members to the Agreement; and

G. Whereas, each Member signing this Agreement is a public entity organized and operating under the laws of the State of California, and/or a public agency as defined in California Government Code Section 6500; and

H. Whereas, the Members intend by this Agreement to create a joint powers authority ("JPA") for the purpose of acting as a separate and independent public agency and as a single GSA for this area, hereinafter identified as the McMullin Area Groundwater Sustainability Agency ("MAGSA"); and

I. Whereas, the Members agree among themselves to comply with Section 10720.5(b) of the Act, which states "[n]othing in this part, or in any groundwater management plan adopted pursuant to this part, determines or alters surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights."

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein and these Recitals, which are hereby incorporated by this reference, it is agreed by and among the Members hereto as follows:

Article I: Definitions

As used in this Agreement the meaning of the terms hereinafter set forth shall be as follows:

A. "Act" shall mean the Sustainable Groundwater Management Act of 2014 and all regulations adopted under the legislation (SB 1168, SB 1319, and AB 1739) which collectively comprise the Act, as that legislation and those regulations may be amended from time to time.

B. "Authority" or "MAGSA" shall mean the McMullin Area Groundwater Sustainability Agency Joint Powers Authority, which is the public and separate legal entity created by this Agreement.

C. "Board of Directors" or "Board" shall mean the governing body of the Authority as established by Section 3.01 of this Agreement.

D. "Fiscal Year" shall mean that period of twelve (12) months established as the Fiscal Year of the Authority pursuant to Section 4.01 of this Agreement.

E. "Groundwater Sustainability Agency" or "GSA" shall mean an agency enabled by the Act to regulate all or a portion of a subbasin pursuant to the Act.

F. "Groundwater Sustainability Plan" or "GSP" shall mean the plan developed, adopted and implemented by the Authority proposed or adopted pursuant to the Act.

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

H. "McMullin Area" shall mean the area depicted on Exhibit A.

I. "Project Agreement" means an agreement between the Authority and one or more Members to provide for carrying out Special Activities, as defined below, that are within the authorized purposes of the Authority.

J. "Special Activities" shall mean activities consistent with the purpose of this Agreement, but which are undertaken by fewer than all Parties.

Article II: Creation of Authority

Section 2.01 – Creation.

A. Pursuant to Government Code Section 6503.5, the Members of this Agreement hereby create a public entity separate and independent from the Members.

B. Pursuant to Government Code section 6509, the County of Fresno is the designated agency with respect to the Authority's exercise of power.

C. Within thirty (30) days after the Effective Date of this Agreement and after any amendment, the Authority shall cause a notice of such 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.

D. Within seventy (70) days after the Effective Date of this Agreement, the Authority shall file with the Secretary of State on a form prescribed by the Secretary of State and also with the county clerk of each county in which the Authority maintains an office, a statement of the following facts:

1. The full legal name of the Authority.

2. The official mailing address of the governing body of the Authority.

3. The name and residence or business address of each member of the governing body of the public agency.

4. The name, title, and residence or business address of the chairman, president, or other presiding officer, and clerk or secretary of the governing body of the Authority.

E. Within ten (10) days after any change in the facts listed in section 2.01(D), the Authority shall file an amended statement as required in Government Code Section 53051.

The Members, pursuant to their joint exercise of powers, hereby create a public entity to be known as the "McMullin Area Groundwater Sustainability Agency."

Section 2.02 – Purpose.

The Authority is formed with the purpose and intent of jointly forming a separate entity to fulfill the role of a GSA so that the Members may collectively or in conjunction with other entities develop, adopt, and implement a GSP for the sustainable management of groundwater for that portion of the Kings Subbasin underlying the McMullin Area.

Notwithstanding their intent to collectively develop, adopt, and implement a GSP, the Parties shall maintain complete control and autonomy over the surface water and groundwater supply assets to which they are currently legally and individually entitled, and make no commitments by entering into this Agreement to share or otherwise contribute their water supply assets as part of the preparation of or participation in a GSP.

The Members may exercise independent power within their own jurisdiction, including but not limited to, conducting Special Activities establishing or approving fees, and exercising and administering all powers held by each Member with regards to groundwater management and regulation as they existed prior to the approval of this Agreement or consistent with the Act, except as otherwise provided in this Agreement or as required by the Act. Members may be responsible within each of their own jurisdictions or service areas for the implementation of any GSP developed by the Authority, unless otherwise provided for in this Agreement, by decision of the Board of Directors, or as required by the Act. Each Member will be responsible for adhering to the terms of this Agreement, for constructively participating in the efforts to achieve compliance with the Act, and for timely payment of contributions that are approved by the Board of Directors in compliance with this Agreement.

Section 2.03 –Powers.

The Authority shall have the power to take any action to carry out the purposes of this Agreement. Subject to the applicable voting requirements described in this Agreement, the Authority is authorized, in its own name, to do all acts necessary for the exercise of said powers, including but not limited to, any and all of the following:

A. Undertaking, on behalf of the Members, all actions required by the California Department of Water Resources ("DWR") and State Water Resources Control Board ("SWRCB") for GSA purposes under the Act.

B. Conducting research and investigations and compiling appropriate reports for preparing a GSP and for developing Coordination Agreements, as defined in Water Code section 10721(d), with other GSAs.

C. Developing, adopting, and implementing a GSP.

D. Adopting initial and annual operating budgets, and establishing Member, contributions.

E. Making and assuming contracts, and employing agents, employees, consultants, and other such persons or firms as the Board may deem necessary to exercise the Authority's powers.

F. Incurring debts, liabilities, or obligations, subject to the limitations provided in this Agreement.

G. Issuing bonds and all other forms of indebtedness, on behalf of the GSA and any separate entity as permitted by the Board of Directors, to the extent and on the terms provided by law for the Authority.

H. Cooperating, acting in conjunction with, and contracting with the United States, the State of California or any agency thereof, Counties, and other local agencies, commensurate with the Authority's powers as a GSA.

I. Applying for, accepting and receiving licenses, permits, new or future water rights (to the extent such application does not infringe on the rights of Members), approvals, agreements, grants, loans, gifts, contributions, donations, or other aid from any agency of the United States, the State of California, or other public or private person or entity necessary for fulfilling the purposes of the GSA.

J. Acquiring, by eminent domain or otherwise, holding, and disposing of real or personal property.

K. Acquiring, leasing, owning, constructing, managing, maintaining, operating, and disposing of buildings, works, or improvements.

L. Suing and being sued in its own name

M. Providing for the prosecution of, defense of, or other participation in actions or proceedings at law or in public meetings in which the Members, pursuant to this agreement may have an interest, and employing counsel or other expert assistance for that purpose.

N. Participating in groundwater sustainability projects related to the Act.

O. Assisting the Members, pursuant to this agreement in groundwater sustainability projects related to the Act.

P. Creating committees and sub-committees.

Q. Employing all GSA enforcement powers identified in the Act.

R. Imposing fees as authorized by the Act.

S. Adopting rules, bylaws, regulations, policies and procedures for governing the operation of the GSA, and adopting and implementing a GSP consistent with the powers and purposes of the Authority and as authorized by the Act.

T. Entering into Project Agreements with Members.

Section 2.04 – Adoption of GSP.

The Members agree that the GSP shall be coordinated and managed by the Authority and all modifications of or amendments to of the GSP shall be adopted only by the Authority's Board of Directors and in accordance with this Agreement.

Article III: Internal Organization

Section 3.01 – Governing Body.

The governing body of the Authority shall be a five (5) - member Board of Directors, with each seat selected by the respective board of each Member as identified in Table 1 below.

Table 1 – MAGSA Board of Directors

Seat	Assignment
1	Raisin City Water District
2	Raisin City Water District
3	Mid-Valley Water District
4	County of Fresno
5	'White Area' landowner appointed by the County of Fresno

A. Alternates - Each Director representing a Member on the Board of Directors of the Authority may identify up to two alternates to serve on the Member's, behalf. Unlike Directors, Alternates need not be elected officials.

B. Vacancies – Filling a vacancy of a Director's seat is the responsibility of the Member who is represented by that Director's seat on the Board of Directors.

C. Seat 5 – Seat 5 shall be an individual, or authorized representative of an entity, that owns land that is: (1) within the boundaries of the Authority; and (2) outside the service area of Mid-Valley Water District or Raisin City Water District.

D. If the Board of Directors determines that reasonable cause exists to remove a Director from the Board, it can request that the Member that appointed the Director remove the individual and appoint a new Director.

Section 3.02 – Board Terms.

All Board terms shall be two (2) years. For initiation of the Board, three (3) seats—two held by Raisin City Water District and one held by Mid-Valley Water District—shall be three (3)-year terms.

Section 3.03 – Administration and Officers.

The officers of the Authority are the Chair, Vice-Chair, Secretary and Treasurer.

A. The Board of Directors shall, at its first meeting and thereafter at its first meeting following July 1 of each succeeding year, elect a Chair and Vice-Chair from among the Directors. The Vice-Chair shall assume responsibilities of the Chair in the absence of the Chair.

B. The Secretary shall (1) keep or cause to be kept, at the principal executive office or such other place as the Board may direct, a book of summary minutes of all meetings and actions of the Board of Directors and committees of the Authority, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings and the proceedings of such meetings; and (2) give, or cause to be given, notice of all meetings of the Board and committees of the Authority required by the Bylaws be given. The Secretary has such powers and may perform such other duties as may be prescribed by the Board.

C. The Board of Directors shall designate a qualified person to act as the Treasurer of the Authority. The person holding the position of Treasurer of the Authority shall have charge of the depositing and custody of all funds held by the Authority. The Treasurer shall perform such other duties as may be imposed by provisions of applicable law, including those duties described in Government Code section 6505.5, and that may be prescribed by the Board or the Bylaws. In the event that the person designated by the Board is not a Director, the person serving as Treasurer may be reasonably compensated for performing such work. In the event that the person designated by the Authority to perform such services is an employee of a Member, the governing body of that Member shall determine the reasonable charges to be made against the Authority for the services of the Treasurer.

The Treasurer shall be responsible for all money of the Authority from whatever source. 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 and by bondholders as and to the extent provided by resolution or indenture. The Treasurer shall contract with a certified public accountant to make an annual audit of the accounts and records of the Authority which shall be conducted in compliance with Section 6505 of the California Government Code.

D. Management: In addition to, or in lieu of, hiring employees, the Authority may engage one or more third parties to manage any or all of the business of the Authority on terms and conditions acceptable to the Board of Directors. A third party so engaged may, but need not, be a Member. Any third party so engaged shall have such responsibilities as are set forth in the contract for such third party's services.

E. Fiscal Agent: Without limiting the breadth of Section 3.03(D), the Board of Directors may select a Member or a third party to act as the fiscal agent for the Authority pursuant to an agreement with the fiscal agent approved by the Board of Directors.

Section 3.04 – Voting Thresholds.

All board actions require a majority vote of the Board of Directors, except the following nine (9) board actions:

Table 2 – Voting Thresholds for Specific Board Actions

	Board Action	Voting Threshold
1.	Adoption of or amendment to a GSP	Unanimous vote of all Directors
2.	To incur debts, liabilities or obligations on behalf of the Authority	Unanimous vote of all Directors
3.	Adoption of or revisions to policies of the Authority	Unanimous vote of all Directors
4.	GSA Enforcement	Three affirmative votes by Directors
5.	Authorization to participate in litigation, or other legal proceedings	Unanimous vote of all Directors
6.	Amendment of the Agreement	Unanimous vote of all Directors, subject to ratification by all Members
7.	Any assessment or fee levied or imposed by the GSA	Unanimous vote of all Directors

8.	Budget allocation among Members for GSA operations after initial GSP	Unanimous vote by all Directors
9.	Removal of a Member from the GSA	Three affirmative votes by Directors

Section 3.05 - Compensation, Expenses, and Reimbursement.

Directors and their alternates shall not be compensated by the Authority for participation on the Board. The Authority shall develop a policy for reimbursement associated with direct expenses.

Section 3.06 - Conflicts of Interest.

The Authority shall adopt a conflict of interest code and policy.

Section 3.07 – Application of Laws to Authority Functions.

The Authority shall comply with all applicable laws in the conduct of its affairs, including, but not limited to, the Joint Exercise of Powers Act (Gov. Code §6500, et seq.); Ralph M. Brown Act (Gov. Code § 54950, et seq.); and conflict of interest laws/regulations (such as Gov. Code §1090, et seq., the requirements of the California Political Reform Act, Gov. Code § 87100, et seq., and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification, 2 California Code of Regulations §18700, et seq., as amended.

Section 3.08 – Meetings.

The Board of Directors shall fix the hour, date, and place for its regular meetings, provided the Board shall meet at least once per month.

Section 3.09 – Committees.

The Board of Directors may establish standing committees and ad hoc committees as it deems necessary. The Board of Directors shall establish membership of those committees. The Board of Directors may also dissolve any committee it deems to be no longer necessary.

Article IV: Financial Provisions

Section 4.01 – Fiscal Year.

The Fiscal Year of the Authority shall be from July 1 through June 30 of each year.

Section 4.02 – Property Custodian.

The Board of Directors shall from time to time designate the officers and persons, in addition to those specified in Section 3.03 above, who shall have charge of, handle, or have access to any property of the Authority. The Authority shall acquire such fidelity bonds or comparable insurance covering such officers and persons in amounts designated by the Board of Directors; provided that if no bond amount is set by the Board of Directors, no bond shall be required. Such bond amount shall be subject to ratification by the Members in compliance with California Government Code Section 6505.1.

Section 4.03 – Budget.

The cost-share formula for the MAGSA is defined in the attached Exhibit B. These funds serve to develop the Authority's initial GSP. Subsequent budgets shall be set by the Board of Directors each Fiscal Year, and the Board of Directors shall adopt an annual budget for the Authority for the ensuing Fiscal Year.

The Contribution and Participation Percentage may be adjusted by the Board of Directors in the event of admission, withdrawal, reinstatement or termination of a Member consistent with Section 5.03, or in the event of modification of a Member's service area.

Section 4.04 – Member Contributions To The Authority.

All contributions adopted by the Board of Directors as provided in Section 4.03 shall be paid to the Authority on a schedule set by the Board of Directors; provided, that no Member shall be obligated to make any such payment unless and until such Member's governing body has approved and appropriated the funds necessary to make such payment. In the event a payment by a Member is otherwise required – but is not made because such Member's governing body has not approved such payment or appropriated the funds necessary to make such payment – such Member shall be subject to termination from the Authority pursuant to Section 5.03(D), but upon any such termination shall not be liable for the amount of such payment.

Article V: Relationship of Authority and Its Members

Section 5.01 – Separate Entity.

In accordance with California Government Code Sections 6506 and 6507, the Authority shall be a public entity separate from the Members. To the greatest extent permitted by law, unless otherwise specifically agreed herein by all Members as to a specific debt, liability and/or obligation, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the Members under California Government Code Section 6508.1. The Authority shall own and hold title to all funds, property and works acquired by it during the term of this Agreement.

No Member has the power to obligate any other Member hereof and no Member debt, liability or obligation due any third party may be asserted or collected against this

JPA, the GSA or any individual Member as a result of membership in this GSA by and among the Members. The Authority shall indemnify, defend, and save harmless the Members, their officers, agents, directors, and employees, from and against any and all claims and losses whatsoever, occurring or resulting to persons, firms, or entities furnishing or supplying work, services, labor, materials or supplies to the Authority in connection with the performance of this Agreement, and, except as expressly provided for by law, from any and all claims and losses accruing or resulting to any persons, firm or entity, for damage, injury, death arising out of our connected with the Authority's performance of its obligations under this Agreement. The Authority may also acquire such policies of directors and officers liability insurance and in such amounts as the Board of Directors shall deem prudent. The Board of Directors members, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers, and in the performance of their duties pursuant to this Agreement. The Board of Directors shall not be liable to the Members to this Agreement for any mistake of judgment or any other action made, taken, or omitted by any agent, employee, or independent contractor selected with reasonable care, nor for loss incurred through the investment of Authority funds or failure to invest same. To the extent authorized under California law, no Director, officer or employee of the Authority shall be responsible for any action made, taken, or omitted, by any other Director, officer or employee.

Section 5.02 – Insurance.

The Board of Directors shall, from time to time and at least annually, review the general liability, automobile, directors and officers, and other insurance coverage maintained by the Authority for adequacy and determines the nature, extent and limits of insurance to be maintained by the Authority. The Authority shall purchase and maintain such insurance as the Board of Directors determines to be appropriate after such review.

Section 5.03 – Admission, Withdrawal, Reinstatement and Termination of Members.

A. Notwithstanding anything herein to the contrary, any Member may withdraw from this Agreement by giving sixty (60) days written notice of its election to do so, which notice shall be given to the Board of Directors provided, that such withdrawal does not in any way impair any contracts, resolutions, indentures or other obligations of the Authority then in effect. In the event of a disagreement between the Authority and the withdrawing Member as to whether such withdrawal shall cause the impairment of any contracts, resolutions, indentures or other obligations of the Authority, such determination shall be made, notwithstanding anything in the Agreement to the contrary, by a unanimous vote of the remaining Board of Directors. Any Member that withdraws and later seeks reinstatement to the Authority shall provide funds to the Authority, proportionate to their responsibility, as if they had never left.

A withdrawing Member shall in all events remain liable for its proportionate share of (i) its full amount of the adopted fiscal year budget; (ii) any call for funds or assessment

levied by the Authority prior to the date it provides its notice of withdrawal; (iii) any contribution required by Section 4.03 to reflect the Participation Percentages in existence at the time the subject act or omission occurred; and (iv) the amount of any annual budget approved prior to the date it provides its notice of withdrawal.

Should a Member choose to withdraw from the Authority in accordance with the terms of this Agreement, that Member expressly retains the right to serve as the GSA for the portion of the groundwater basin underlying its jurisdictional boundaries to the extent permitted by the Act.

B. Any Member may be terminated by a vote of the Board of Directors as set forth in Section 3.04 above, and upon termination shall no longer be a Member of the Authority. A Member so terminated shall not be liable for the amounts described in clauses (i), (ii) and (iii) of the immediately preceding paragraph except to the extent they are delinquent on the date of termination.

C. In the event a Member withdraws from the Authority or is terminated in accordance with the terms and conditions hereof, such Member shall not receive a refund of any amounts advanced to the Authority by such Member prior to the date of its withdrawal or termination and shall be obligated to continue to pay its share of any legal fees and costs for any action in which the Member is named or participating as part of the Authority.

D. Notwithstanding the foregoing provisions of Section 5.03, should the Authority be sued for any action or inaction by the Authority, then the Members constituting the Authority at the time of said action/inaction complained of shall not have the right to withdraw from the Authority during the pendency of that suit. Similarly, if the action or inaction upon which a suit is/was filed occurred when a Member was in the Authority but subsequently withdrew prior to the filing of a suit against the Authority, then such departed Member shall participate in the defense of that action as if it was still a Member to the Authority.

Section 5.04 – Term and Disposition Of Property Upon Dissolution.

A. The Authority shall be formed and come into existence on the Effective Date and shall continue in existence unless terminated by the governing body of each of the Members then a party to this Agreement or at any point in time at which there ceases to be at least two parties to this Agreement, at which point in time this Agreement shall be automatically terminated; provided however, that the Authority and this Agreement shall continue to exist for the purpose of disposing of liabilities distributing funds, property and/or other assets (such funds, property and/or other assets, collectively, the "Authority Assets"), and all other functions necessary to conclude the business of the Authority.

B. Notwithstanding any other provision herein, this Agreement shall remain in effect and be binding upon the Members hereto and upon all subsequent Members joined herein for such a period as the Authority desires to engage in any activities under this

Agreement. The foregoing provision shall not apply, however, to any Member that withdraws or is terminated from its participation in the Authority in accordance with this Agreement.

C. Upon termination of this Agreement, after the payment and fulfillment of all obligations of the Authority, any Authority Assets remaining shall be distributed to the Parties in proportion to the total contribution made by the Parties toward the funding of the Authority over the lifetime of the Authority's existence. The Authority shall cease to exist when the Authority Assets have been distributed according to the provisions contained in this Section, this Agreement generally, and the Joint Exercise of Powers Act (Gov. Code §6500 *et seq.*).

Article VI: Liabilities

A. The Authority, and those persons, agencies and instrumentalities used by it to perform the functions authorized herein, whether by contract, employment or otherwise, shall be exclusively liable for any/all injuries, costs, claims, liabilities, damages of whatever kind arising from or related to activities of the Authority.

B. The Authority shall hold harmless and indemnify the Members, and each of them, including their officers and employees, from any claim or liability arising from acts or omissions of the Authority in pursuit of this Agreement, and in so doing, shall provide the Members, and each of them, with legal defense of any and all claims or liabilities and shall pay reasonable attorney's fees and costs incurred in providing such defense.

C. Funds of the Authority may be used to defend, indemnify, and hold harmless the Authority, the Members, and any officers, agents, and employees for their actions taken within the scope of their duties while acting on behalf of the Authority.

Article VII: Miscellaneous Provisions

Section 7.01 – Amendment.

This Agreement may be amended from time to time.

Section 7.02 – Severability And Validity Of Agreement.

Should the participation of any Member to this Agreement, or any part, term or provision of this Agreement be decided by the courts or the legislature to be illegal, in excess of that Member'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 Member hereby agrees it would have entered into this Agreement upon the same terms as provided herein as if that Member had not been party to in this Agreement.

Section 7.03 – Assignment.

Except as otherwise provided in this Agreement, the rights and duties of the Members to this Agreement may not be assigned or delegated without the approval of the Board of Directors. 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. This Agreement shall inure to the benefit of and be binding upon the successors and Board of Directors-authorized assigns of the Members hereto.

Section 7.04 – 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 Members hereto. Facsimile and electronic signatures shall be binding.

Section 7.05 – 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 Members beneath their signatures on this Agreement, or to such other changed addresses communicated to the Authority and the Members in writing.

Section 7.06 – Governing Law and Venue.

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of California, excluding any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Fresno County, California. The parties to this Agreement hereby expressly waive any right to remove any action to a county other than Fresno County as permitted pursuant to California Code of Civil Procedure Section 394.

Section 7.07 – Dispute Resolution.

The Members agree that any dispute regarding the enforcement or interpretation of any term, covenant or condition of this Agreement ("Dispute") shall first, for a period of not less than thirty (30) days, be submitted to mediation before a mutually acceptable mediator prior to initiation of litigation or any other binding arbitration or adjudicative dispute resolution process. The Members shall: (i) mediate in good faith; (ii) exchange all documents which each believes to be relevant and material to the issue(s) in the Dispute; (iii) exchange written position papers stating their position on the Dispute and outlining the

subject matter and substance of the anticipated testimony of persons having personal knowledge of the facts underlying the Dispute; and (iv) engage and cooperate in such further discovery as the Members agree or mediator suggests may be necessary to facilitate effective mediation. Each Member shall bear its own costs, fees and expenses of the mediation. Venue of the mediation shall be a mutually agreeable city within Fresno County, California.

Section 7.08 – Attorney's Fees.

If any Member commences any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing Member in such proceeding or action shall be entitled to recover from the other Member(s) its reasonable attorney's fees and legal expenses.

IN WITNESS WHEREOF, the Members hereto, pursuant to resolutions duly and regularly adopted by their respective governing boards, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

COUNTY OF FRESNO

Brian Pacheco, Chairman
Board of Supervisors

ATTEST:
Bernice E. Seidel, Clerk
Board of Supervisors

By _____

REVIEWED AND RECOMMENDED FOR APPROVAL

By: _____
Steven E. White, Director
Department of Public Works and Planning

APPROVED AS TO ACCOUNTING FORM
Oscar J. Garcia, CPA
Auditor-Controller/ Treasurer-Tax Collector

By _____
Deputy

APPROVED AS TO LEGAL FORM
Daniel C. Cederborg
County Counsel

By: _____
Deputy

FOR ACCOUNTING USE ONLY

Fund:	0001
Subclass	10000
Org. No	4360-1250
Account	7295

Raisin City Water District

By:_____

Mid-Valley Water District

By:_____

EXHIBIT A

McMullin Area of the Kings Subbasin

Exhibit A

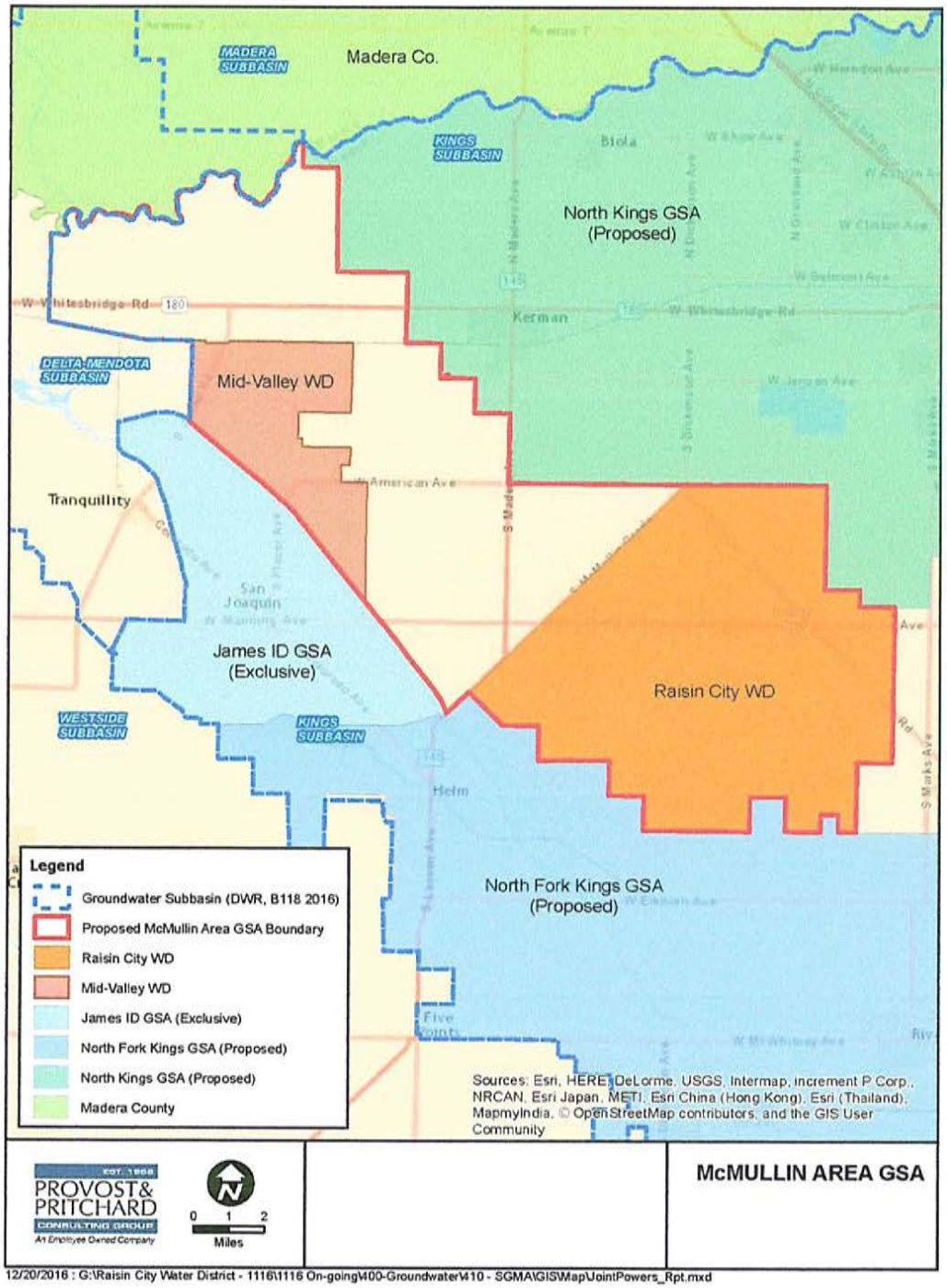

EXHIBIT B

AGENCY	SERVICE AREA	% of Total	INTIAL BUDGET $100,000
RAISIN CITY WATER DISTRICT	51,719 (Acres)	42.87%	$42,870
MID-VALLEY WATER DISTRICT	13,678 (Acres)	11.34%	$11,340
COUNTY OF FRESNO	55,238 (Acres)	45.79%	$45,790
Total	120,635	100%	$100,000