

**MEMORANDUM OF UNDERSTANDING
FOR IMPLEMENTATION OF THE
SUSTAINABLE GROUNDWATER MANAGEMENT ACT
IN THE KINGS GROUNDWATER BASIN**

THIS MEMORANDUM OF UNDERSTANDING (the “MOU”) is made and effective as of May ___, 2015, by and between the Alta Irrigation District, the Consolidated Irrigation District, the Fresno Irrigation District, the County of Fresno, the County of Tulare, the City of Fresno, the City of Clovis and the Kings River Conservation District (“KRCD”), each a “Party” and collectively the “Parties,” with reference to the following facts:

A. The State of California has enacted the Sustainable Groundwater Management Act (contained in SB 1168, AB 1739 and SB 1319), referred to in this MOU as the “Act,” pursuant to which certain local agencies may become “groundwater sustainability agencies” and adopt “groundwater sustainability plans” in order to manage and regulate groundwater in underlying groundwater basins. (The Act defines “basin” as a basin or subbasin identified and defined in California Department of Water Resources Bulletin 118.) Each Party is a local agency qualified to become a groundwater sustainability agency and adopt a groundwater sustainability plan under the Act.

B. Multiple local agencies overlying a single groundwater basin or subbasin may adopt individual groundwater sustainability plans if those plans are coordinated, or may join together to adopt a single plan. The Parties all overlie portions of the Kings Subbasin as it is currently defined by the California Department of Water Resources (the “Basin”) and wish to participate in the implementation of the Act specifically within the Basin. As a result, coordination and cooperation between them is necessary in order to determine their respective roles and the manner in which they will implement the Act. In addition, other agencies that are qualified to become groundwater sustainability agencies overlie the Basin and have expressed interest in implementation of the Act in the Basin, and the Parties acknowledge the importance of involving those other agencies in the management of groundwater resources in the Basin under the Act. The Parties wish to create a vehicle that will allow those other agencies to become involved in that management if they so desire.

C. The Parties wish to provide a framework for cooperative efforts relative to implementation of the Act in the Basin, both with each other and with other agencies in the Basin interested in implementing the Act, to help ensure that the Act is implemented in the Basin effectively, efficiently, fairly, and at the lowest reasonable cost.

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

1. Purposes of MOU. The primary purposes of this MOU are to (i) facilitate a cooperative and ongoing working relationship between the Parties that will allow them to explore, study, evaluate and (to the extent the Parties agree) develop and implement mutually beneficial approaches and strategies for implementing the Act in the Basin (“Alternatives”) and

(ii) facilitate contacts with other agencies overlying the Basin so that they can be invited to participate in this MOU or activities undertaken in connection herewith.

3. Implementation of Alternatives. The Parties intend that this MOU govern their joint activities while they are exploring, studying, evaluating and developing Alternatives. The Parties shall regularly confer on Alternatives, and nothing in this MOU is intended to restrict the range of Alternatives that may be discussed or pursued by the Parties. If any or all of the Parties identify an Alternative they wish to jointly implement, they shall develop the appropriate agreement(s) governing such Alternative. Such agreement(s), and not this MOU, shall govern implementation of an Alternative to be pursued jointly by any of the Parties. No Alternative identified by the Parties shall be undertaken until they have complied with all applicable environmental laws, including without limitation the California Environmental Quality Act and any other applicable Federal or state law.

4. Outreach to Other Agencies. In recognition of the importance of involving all interested agencies in the Basin that are qualified to be groundwater sustainability agencies under the Act in the management of the Basin, as an initial activity under this MOU, the Parties shall develop and implement an outreach plan pursuant to which the Parties will contact other agencies within their respective boundaries that may become groundwater sustainability agencies and adopt groundwater sustainability plans under the Act, to invite their participation in this MOU and activities undertaken in connection herewith. Subject to Section 13 of this MOU, such agencies may become Parties hereto.

5. Formation of Joint Powers Authority. As a part of their cooperative efforts under this MOU, the Parties shall discuss and explore the formation of a new joint powers authority or similar arrangement to develop and implement a single groundwater sustainability plan or coordination of groundwater sustainability plans through a coordination agreement or agreements as provided for in the Act for some or all of the Basin. Without limiting the range of issues associated with formation of such a joint powers authority or similar arrangement to be considered by the Parties, they shall evaluate whether agencies overlying the Basin, which have been contacted pursuant to Section 4 of this MOU but which have not joined in this MOU, should be invited to participate in such joint powers authority or similar arrangement.

6. No Obligation. None of the Parties is obligated to pursue any Alternative it does not believe, in its sole and absolute discretion, to be in such Party's best interests.

7. Costs. Each Party shall bear all costs it incurs with respect to its activities under this MOU, including without limitation costs relative to Alternatives in which they wish to participate prior to their implementation. Costs incurred in connection with this MOU for the joint benefit of all Parties shall be borne equally by the Parties, with KRCD acting as fiscal agent for such expenses. The other Parties shall promptly contribute their respective shares of any such costs upon receipt of a request from KRCD together with an accounting thereof.

8. Staff. Each Party shall designate a principal contact person for that Party, who may be changed from time to time, and such other appropriate staff members and consultants to participate on such Party's behalf in activities undertaken pursuant to this MOU. The principal

contact person for each Party shall be responsible for coordinating meetings and other activities under this MOU with the principal contact person for the other Parties. Meetings shall occur as the principal contacts determine are necessary, and each Party shall make its expertise and resources reasonably available for activities under this MOU.

9. Other Alternatives. Nothing in this MOU shall preclude any Party from pursuing implementation of the Act on its own or with third parties. Further, while the Parties intend to diligently explore Alternatives in which all of them participate, nothing in this MOU shall preclude any of the Parties from pursuing Alternatives with less than all of the other Parties.

10. Ongoing Cooperation. The Parties acknowledge that activities under this MOU will require the frequent interaction between them in order to exploit opportunities and resolve issues that arise. The Parties shall work cooperatively and in good faith. The goal of the Parties shall be to preserve flexibility with respect to the implementation of each Alternative to maximize the mutual benefits of that Alternative to the Parties. Notwithstanding the foregoing, nothing in this MOU shall be interpreted to require the Parties to jointly implement any Alternatives, and each Party reserves the unrestricted authority and right to determine whether it wishes to implement any Alternatives with the other Parties.

11. Confidentiality. The Parties acknowledge that, in connection with their mutual activities under this MOU, each of them may share sensitive and/or confidential information with the other Parties. To the fullest extent permitted by law, each of the Parties shall maintain any information, documents or materials shared by the other Parties or mutually developed pursuant to this MOU in confidence and shall not voluntarily provide or reveal such information, documents or materials to any third party. If any Party receives a request or order from a third party that the receiving Party believes requires it to disclose any such information, documents or materials, the receiving Party shall (i) immediately notify the other Parties and provide them with a copy of such request or order, (ii) defer any disclosure of such information, documents or materials for as long as legally permitted and (iii) cooperate with any other Party that wishes to pursue an order preventing the disclosure of such information, documents or materials.

12. Notices. Any formal notice or other formal communication given under the terms of this MOU shall be in writing and shall be given personally, by facsimile or by certified mail, postage prepaid and return receipt requested. Any notice shall be delivered or addressed to the parties at the addresses or facsimile numbers set forth below or at such other address or facsimile numbers as shall be designated by notice in writing in accordance with the terms of this Agreement. The date of receipt of the notice shall be the date of actual personal service or confirmed facsimile transmission, or three days after the postmark on certified mail.

If notice is given to the Alta Irrigation District, it shall be given at the following address and facsimile number:

Alta Irrigation District
289 North "L" Street
Post Office Box 715
Dinuba, CA 93618

Attn: General Manager
Facsimile No.: 559-591-5190

If notice is given to the Consolidated Irrigation District, it shall be given at the following address and facsimile number:

Consolidated Irrigation District
2255 Chandler Street
Selma, CA 93662
Attn: General Manager
Facsimile No.: 559-896-8488

If notice is given to the Fresno Irrigation District, it shall be given at the following address and facsimile number:

Fresno Irrigation District
2907 S Maple Avenue
Fresno, CA 93725
Attn: General Manager
Facsimile No.: 559-233-8227

If notice is given to the County of Fresno, it shall be given at the following address and facsimile number:

County of Fresno
2220 Tulare Street, 6th floor
Fresno California 93721
Attn: Director of Public Works and Planning
Facsimile No.: 559-600-4537

If notice is given to the County of Tulare, it shall be given at the following address and facsimile number:

County of Tulare
2800 W. Burrel
Visalia, CA 93291
ATTN: County Administrative Officer
Facsimile No.: 559-733-6318

If notice is given to the City of Fresno, it shall be given at the following address and facsimile number:

City of Fresno
Department of Public Utilities
2600 Fresno Street
Fresno, CA 93721

Attn: Thomas C. Esqueda, Director
Facsimile No.: 559-498-1304

If notice is given to the City of Clovis, it shall be given at the following address and facsimile number:

City of Clovis
1033 Fifth Street
Clovis, CA 93612
Attn: Public Utilities Director
Facsimile No.: 559 324-2862

If notice is to be given to KRCD, it shall be given at the following address and facsimile number:

Kings River Conservation District
4886 East Jensen Avenue
Fresno, CA 93725
Attn: General Manager
Facsimile No.: 559-237-5567

13. Entire Agreement. This MOU incorporates the entire and exclusive agreement of the Parties with respect to the matters described herein and supersedes all prior negotiations and agreements (written, oral or otherwise) related thereto. This MOU may be amended (including without limitation to add new Parties) only in a writing executed by all of the Parties.

14. Termination. This MOU shall remain in effect unless terminated by the mutual written consent of the Parties, or upon 30 days written notice of termination delivered by one Party to the others that is not withdrawn prior to the specified termination date; provided, that upon termination by one Party, the remaining Parties may by mutual written agreement continue this MOU in effect as between the non-terminating Parties. No Party shall be liable to any other if it elects to terminate this MOU.

15. Severability. Should any provision of this MOU be determined by a court of competent jurisdiction to be void, in excess of a Party's authority, or otherwise unenforceable, the validity of the remaining provisions of this MOU shall not be affected thereby.

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

Signatures on next page

IN WITNESS WHEREOF, the parties have executed this MOU as of the date first above written.

ALTA IRRIGATION DISTRICT

COUNTY OF TULARE

By: _____
Chris M. Kapheim, General Manager

By: _____
Chairman, Tulare County Board of
Supervisors

CONSOLIDATED IRRIGATION DISTRICT

CITY OF FRESNO

By: _____
Phil Desatoff, General Manager

By: _____

FRESNO IRRIGATION DISTRICT

CITY OF CLOVIS

By: _____
Gary R. Serrato, General Manager

By: _____

COUNTY OF FRESNO

KINGS RIVER CONSERVATION DISTRICT

By: _____
Chairman, Fresno County Board of
Supervisors

By: _____
David L. Orth, General Manager