

BYLAWS

of the

INDIAN WELLS VALLEY

GROUNDWATER AUTHORITY

May 18, 2017

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PREAMBLE

These Bylaws are adopted pursuant to Section 8.05 of the Joint Exercise of Powers Agreement creating the Indian Wells Valley Groundwater Authority (the "Agreement").

ARTICLE 1. THE AUTHORITY

- 1.1 **NAME OF THE AGENCY.** The name of the Agency created by the Agreement shall be the Indian Wells Valley Groundwater Authority ("Authority").
- 1.2 **SEAL.** The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year 2016, which is the year of its organization.
- 1.3 **PRINCIPAL OFFICE OF THE AUTHORITY.** The principal office of the Authority shall be at the offices of the Indian Wells Valley Water District, located at 500 W. Ridgecrest Boulevard, Ridgecrest, California, 93555.
- 1.4 **AUTHORITY POWERS.** The powers of the Authority are established in accordance with Article VI of the Agreement and vested in the Authority's Board of Directors ("Board"). The Board reserves the right to delegate such powers as are appropriate and permissible by law.

ARTICLE 2. MEETINGS

- 2.1 **OPEN MEETINGS.** Meetings of the Board and any Authority committees, including those with telephonic participation, shall be held in accordance with the Ralph M. Brown Act (California Government Code sections 54950, et seq.). No action shall be taken by secret ballot at such meetings. Meetings of the Board and Authority committees shall be held within the geographical boundaries of the Basin, except as permitted by the Brown Act.
- 2.2 **REGULAR MEETINGS.** The regular meetings of the Authority shall be held at a location within the geographical boundaries of the Basin on a day and time, which the Authority's Board may from time-to-time designate. In the event a regular meeting would take place on a legal holiday, the meeting may be rescheduled to another date and time as determined by the Board.
- 2.3 **SPECIAL MEETINGS.** Special meetings of the Board shall be conducted pursuant to California Government Code section 54956, and they may be called by the Chairperson or by the concurrence of any two Primary Directors.
- 2.4 **EMERGENCY MEETINGS.** Emergency meetings of the Board shall be conducted pursuant to California Government Code section 54956.5, and they may be called by the Chairperson or by the concurrence of any two Primary Directors.

- 2.5 AGENDA. The General Manager, in consultation with IWVGA General Counsel and staff of the Members, shall prepare the draft agenda, which must be reviewed and approved by the General Counsel. In the event there is a disagreement between the General Manager and the General Counsel on any topic, the Board Chairperson will be consulted to provide the necessary direction. The Chairperson or his or her delegate shall then approve the draft agenda before its finalization and posting in accordance with the Ralph M. Brown Act.
- 2.6 QUORUM. A quorum of the Board shall consist of a majority of the Directors representing the then active General Members. In the absence of a quorum, no business may be transacted beyond the adjournment of a meeting by the remaining Directors. A Director shall be deemed present for the determination of a quorum if the Director is present at the meeting in person or if they participate in the meeting telephonically as provided for by the Ralph M. Brown Act.
- 2.7 OFFICIAL ACT. Except as otherwise provided by statute, the Authority shall adopt every official act by a vote of the Board in accordance with the applicable provisions of the Agreement.
- 2.8 VOTING. As set forth in the Agreement, the affirmative vote of a majority of the Board shall be required for the approval of any Board action. In addition, no action may be approved by the Board unless it receives the affirmative vote from no less than two of the then voting Directors representing the County of Kern, the City of Ridgecrest, and/or the Indian Wells Valley Water District.

Notwithstanding the foregoing, the Board may approve the Regular Monthly Receivables by a simple majority vote so long as the routine costs and bills making up the Regular Monthly Receivables have not been objected to by any Director. While a Director may voice an oral objection at the meeting, a Director's presence is not required and they may also file an objection in writing prior to the meeting. Likewise, any meeting of the Board may be adjourned by a simple majority vote of the then present Directors.

The voting on all matters of the Board and Committees, including minute orders, resolutions, and ordinances shall be reported on the minutes and accomplished in a manner that readily signifies the action taken and the vote or abstention on that action of each member present for the action.

- 2.9 RULES OF ORDER. All rules of order not otherwise provided for in these Bylaws shall be determined, to the extent practicable, in accordance with "Robert's Rules of Order;" provided, however, that no action shall be invalidated or its legality otherwise affected by the failure or omission to observe or follow "Robert's Rules of Order."
- 2.10 MINUTES. The Secretary shall prepare written minutes of the Board meetings, which shall be available for public inspection when approved by the Board. The record shall contain the votes and abstentions on each matter for which a vote is taken.

ARTICLE 3. OFFICERS

- 3.1 **OFFICERS OF THE BOARD.** Officers of the Authority's Board shall consist of a Chairperson and Vice-Chairperson. The Chairperson shall preside at all meetings of the Board, while the Vice-Chairperson shall perform the duties of the Chairperson in the absence or disability of the Chairperson. The Chairperson and Vice-Chairperson shall exercise and perform such other powers and duties as may be assigned by the Board.
- 3.2 **APPOINTMENT OF OFFICERS OF THE BOARD.** The Chairperson and Vice-Chairperson shall hold office for a term of one year commencing on January 1 of each and every calendar year. Beginning in 2017, the Chairperson and Vice-Chairperson shall rotate annually between the Board members representing the County of Kern, City of Ridgecrest, and the Indian Wells Valley Water District. The Board member representing the County of Kern shall be the first Chairperson followed in order by the City of Ridgecrest and then the Indian Wells Valley Water District. The Board member representing the City of Ridgecrest shall be the first Vice-Chairperson followed in order by the Indian Wells Valley Water District and then the County of Kern. Officers of the Board may be removed and replaced at any time, with or without cause by a vote of the Board. In the event that an Officer of the Board loses their position as a Primary Director, that Officer of the Board position shall become vacant and the Board shall elect a new individual to serve the remaining term.
- 3.3 **GENERAL MANAGER.** The General Manager shall have general supervision over the administration of Authority business and affairs, subject to the direction of the Board. The General Manager or designee may execute contracts, deeds, and other documents and instruments as authorized by the Board.
- Until an General Manager is appointed, and except for the Authority's General Counsel and Treasurer functions, Authority administration and management will be conducted using a collaborative staffing model in which the professional and technical staff of the member agencies work together to provide staff leadership, management, and administration of the Authority.
- 3.4 **BOARD SECRETARY.** The Secretary shall be elected by and serve at the discretion of the Board. The Secretary shall keep the administrative records of the Authority, act as secretary at meetings of the Authority, recording all votes and keep a record of the proceedings of the Authority to be kept for such purpose, and perform all duties incident to the Secretary's office. The Secretary shall maintain a record of all official proceedings of the Board. The Secretary shall also establish and maintain a list of persons interested in receiving notices regarding plan preparation, meeting announcements, and availability of draft plans, maps, and other relevant documents pursuant to Water Code Section 10723.4.
- 3.5 **GENERAL COUNSEL.** The Authority's General Counsels shall be the attorneys appointed by the County of Kern, the City of Ridgecrest, and the Indian Wells Valley

Water District. The primary responsibility to act as the Authority's General Counsel during public meetings shall rotate annually and be in coordination with who is the then acting Chairperson. For example, when the Chairperson is Kern County's representative, Kern County's attorney will act as the Authority's General Counsel during public meetings, or as otherwise directed by the Board. General Counsel shall be appointed by the Board, and shall be directly responsible to the Board. The General Counsel shall give advice or written opinions as needed and/or directed by the Board, and shall prepare proposed resolutions, laws, rules, contracts, and other legal documents for the Authority when requested to do so by the Authority. The General Counsel shall attend to all lawsuits and other matters to which the Authority is a part or in which the Authority may be legally interested and do such other things pertaining to the General Counsel's office as the Authority may request. Authority Counsel will recommend appointment of Special Counsel for matters involving more specialized legal service as required. The Board will set the compensation of Special Counsel.

- 3.5.1 **RETAINER AGREEMENTS.** The Board of Directors shall execute a retainer agreement with the Authority's General Counsels which shall expressly provide that each attorney acting as General Counsel shall be afforded the full and complete opportunity to represent their General Member in any dispute or action regardless of any actual or perceived conflicts with the Authority or any of its other Members. Additionally, the General Counsel shall, when deemed appropriate or called upon, seek the advice and consultation of the legal counsels, and possibly staff, from Members of the Authority on legal issues facing the Authority; in such an instance, the communications shall be confidential and protected to the fullest extent possible in law and said communications shall not in any way preclude staff or legal counsels from fulfilling their duties and obligations to their Member, including representation in any dispute or action.
- 3.6 **OFFICER COMPENSATION.** Officers of the Authority which are not Directors shall receive compensation as designated by the Board in written contract. When, and only if, specifically called upon by the Board in advance, non-Director officers may receive reimbursement of their actual and necessary expense at the then current IRS reimbursement rate.
- 3.7 **FISCAL AGENT AND TREASURER.** The County of Kern shall serve as the Fiscal Agent and Treasurer for the Authority unless otherwise directed by a vote of the Board. The Fiscal Agent shall be depository for and shall have the responsibility 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 during the Fiscal Year as designated by the Board. The books and records of the Authority shall be open to inspection by the General and Associate Members and the Treasurer shall provide strict accountability of said funds in accordance with Government Code sections 6505 and 6505.5 and all other applicable provisions of law, including any amendments thereto.

- 3.8 **WATER RESOURCES MANAGER.** The Authority shall hire a consultant or consultants with the appropriate technical background, expertise, and experience to prepare and implement a Groundwater Sustainably Plan (“GSP”). This position shall be named the Water Resources Manager and they shall be responsible for preparing and implementing the GSP as directed by the Board. An engineering, or other technical firm, may perform these duties, but, in the event that they are performed by a firm, an individual shall be appointed to serve as the primary project manager. In preparing the GSP, the Authority’s Water Resources Manager will consult with the Policy Advisory Committee and the Technical Advisory Committee as directed by the Board. The Authority’s Water Resources Manager shall also provide technical information and reports to the Board as needed and/or directed by the Board. Following the adoption of the GSP, the Authority’s Water Resources Manager shall be responsible for all work needed to implement the terms of the GSP as directed by the Board, including, if so directed, the preparation of an annual report.

ARTICLE 4. DIRECTOR COMPENSATION AND EXPENSES

- 4.1 **COMPENSATION.** Currently, the Directors are not compensated for their service by the Authority. In the event that changes, the Board will set Director compensation pursuant to a written policy adopted by the Board and included herein.
- 4.2 **EXPENSES.** If previously approved by the Board, a Director shall receive actual, reasonable, and necessary reimbursement for travel, meals, lodging, registration, and similar expenses incurred on Authority business. The reimbursement rates for lodging shall not exceed the posted rates for a trade conference, but if lodging at the posted rates is not available, the reimbursement rate shall be comparable to the posted rates. For travel of 250 miles or less, Directors shall be reimbursed at the IRS mileage rate. For travel over 250 miles, Directors shall be reimbursed at a rate determined by the Board. As used herein, “transportation” includes travel to and from terminals. Automobile rental expenses shall be approved in advance. Reimbursement for meals, other than alcoholic beverages, shall be at the rate established by the IRS or actual reasonable cost not to exceed \$90 per day. Directors may declare the amount of the meal under penalty of perjury in lieu of receipts if the amount is less than the IRS rate. Claims for expense reimbursement shall be submitted to the Board on forms provided by the Authority within 30-days after the expense has been incurred. The General Manager shall determine whether the claim satisfies the requirements of this section and if the claim is denied, the claimant may appeal to the Board.

ARTICLE 5. STANDING COMMITTEES

- 5.1 **ESTABLISHMENT OF STANDING COMMITTEES.** In accordance with Section 7.04 of the Agreement, the Board may from time to time establish standing committees for the purpose of making recommendations to the Board on the various activities of the Authority. The establishment of any standing committee and its general duties shall require a vote of the Board, and the activities of the standing committee shall be subject

to the provisions of the Ralph M. Brown Act (California Government Code sections 54950, et seq.). Standing committees shall exist for the term specified in the action creating the committee and, the Board may dissolve a committee at any time through a vote of the Board.

- 5.2 **CONDUCT OF STANDING COMMITTEES.** All standing committee meetings shall be noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code sections 54950, et seq.). Except as set forth below, the Board shall appoint the respective committee chairs in consultation with the committee members and the Board may further establish rules of conduct for said standing committees. The Board shall, in consultation with the committee members, establish a time and provide a place for regular meetings of any standing committee. The Board Chairperson may call a special meeting of a standing committee as the need arises. The Standing Committee's chairperson, vice chairperson, or three members may make the request to the Board for calling a special meeting. Standing committee meeting minutes shall be recorded and upon approval shall be distributed to the Board. Unless determined by General Counsel that a legal conflict, a public records exemption, or other privilege exists, standing committee members shall have access to and may inspect the records of the Authority, including, but not limited to, the accounting books and records and minutes of the proceedings of the Board and other committees of the Board, at any reasonable time. A designated representative of the committee member may make any inspection under this Section and the right of inspection includes the right to copy.

A quorum of a committee shall be a majority of the appointed committee members that hold a vote. As provided in the Brown Act, no meeting of a standing committee shall occur without the attendance of a quorum of its committee members. The affirmative vote of the majority of the members present at a standing committee meeting is necessary for the passage of any motion. The voting on all matters of standing committees, including minute orders, resolutions, and ordinances shall be reported on the minutes and accomplished in a manner that readily signifies the action taken and the vote or abstention on that action of each member present for the action. All rules of order for a standing committee not otherwise provided for in these Bylaws shall be determined, to the extent practical, in accordance with "Robert's Rules of Order;" provided, however, that no action shall be invalidated or its legality otherwise affected by the failure or omission to observe or follow "Robert's Rules of Order." The Authority's General Counsel shall resolve all questions of compliance with "Robert's Rules of Order."

- 5.3 **STANDING COMMITTEE MEMBERSHIP.** Standing committee appointments and removal shall be made at the Board's discretion.
- 5.4 **STANDING COMMITTEE DIRECTION.** The Board shall assign tasks to its standing committees, the expected duration for completion of a particular task, and a summary of the resources, including staff or consultant support available to the standing committee in performing the task.

- 5.5 **POLICY ADVISORY COMMITTEE.** As authorized by California Water Code Section 10727.8, which provides that a “groundwater sustainability agency may appoint and consult with an advisory committee consisting of interested parties for the purposes of developing and implementing a groundwater sustainability plan,” the Board hereby establishes a standing committee named the Policy Advisory Committee (PAC). The PAC is the primary advisory body to the Board on all policy-related matters of the Board that are appropriate for the PAC input. The Board shall provide tasks to the PAC and the PAC shall report directly to the Board. As set forth Section 5.9, the PAC shall be provided an opportunity to advise the Board on the development of the Indian Wells Valley Groundwater Sustainability Plan (GSP) including all components that, in the aggregate, comprise the GSP, including, but not limited to, substantive components required of a GSP under California Water Code Division 6, Part 2.74, Chapters 6 and 8, and under California Code of Regulations, Title 23, Division 2, Chapter 1.5, Subchapter 2 (“GSP Elements.”), prior to the Board’s approval of each GSP Element. Upon adoption of the GSP, the PAC shall continue to meet regularly as provided by the Board and, where legally appropriate, advise the Board concerning the policy matters pertaining to the implementation of the GSP. In the event that the GSP is subject to modification, such modifications shall be made in accordance with these Bylaws. The PAC shall not discuss or influence any enforcement aspects of GSP implementation, so as to avoid conflicts of interest and other legal limitations. Sections 5.3 through 5.13 shall be subject to annual review by the Board.
- 5.6 **POLICY ADVISORY COMMITTEE MISSION AND OBJECTIVES.** As required by California Water Code Section 10723.2, the Authority as a Groundwater Sustainability Agency must consider the interests of all beneficial uses and users of groundwater within the Basin. To assist the Authority with meeting this requirement, the objectives of the PAC are to: (1) provide all water users in the Basin with a meaningful voice and representation on policy matters of the Board associated with SGMA; (2) work collaboratively for the benefit of the Basin as a whole; (3) provide input and recommendations to the Board, in collaboration with the Water Resources Manager, and other committees of the Board, in support of actions that facilitate bringing the Basin into compliance with SGMA; and (4) work in good faith to achieve consensus and make unified recommendations to develop a GSP and for management actions to achieve groundwater sustainability in accordance with the requirements of SGMA.
- 5.7 **POLICY ADVISORY COMMITTEE MEMBERSHIP.** The Board shall appoint voting PAC members to the following constituent groups:
- 2 representatives from Large Agriculture
 - 1 representative from Small Agriculture
 - 2 representatives from Business Interests
 - 2 representatives from Domestic Well Owners
 - 2 representatives from residential customers of a public agency water supplier
 - 1 representative from Eastern Kern County Resource Conservation District
 - 1 representative from Wholesaler and Industrial User

At least one of the appointed voting PAC members shall, in addition to representing one of the above listed constituent groups, shall also represent Disadvantaged Communities as defined by California Public Resources Code Section 75005(g), by residing or conducting business within a Disadvantaged Community or serving water to a Disadvantaged Community.

An individual may qualify as a Domestic Well Owner representative if they own a well used for residential purposes only, if they are part of a well sharing agreement, or if they are a shareholder/member of a mutual water company.

Individuals seeking appointment to a voting position on the PAC must be a citizen of the United States that is at least 18 years of age and either a registered voter, landowner, authorized representative of a landowner, or a person that relies on groundwater from the in Indian Wells Valley Groundwater Basin. Individuals seeking membership to a voting position on the PAC must submit an application which will be reviewed and acted upon by the Board. However, since the Eastern Kern County Resource Conservation District is a public agency, its Board will be allowed to submit a request for the appointment of an individual from their agency.

The Board shall also provide non-voting membership on the PAC for the following:

- 1 representative from the Indian Wells Valley Water District
- 1 representative from the Department of the Navy
- 1 representative from the Bureau of Land Management

Additionally, while not considered official members of the PAC and not holding any voting rights on matters before the PAC, one representative from Kern County Planning and Natural Resources Department shall be appointed to provide land use expertise.

The public entities and Departments set forth above may request the appointment of a PAC member representative that is a member of their Board or organization.

Having already conducted an application process and upon the proper and thorough review of the applications submitted, the Board has chosen the initial PAC membership set forth in Authority Resolution _____. Said Resolution may be amended in the future as the need arises to reflect changes in PAC membership.

- 5.8 POLICY ADVISORY COMMITTEE CHAIRPERSON AND VICE-CHAIRPERSON, AND MEMBERSHIP TERMS. The PAC shall appoint a PAC Chairperson and PAC Vice-chairperson in consultation with the Board. The non-voting members of the PAC and the Eastern Kern County Resource Conservation District may change their PAC member representatives without Board approval. All other changes in PAC membership shall require Board approval. Changes in individual PAC members should generally coincide with the annual membership review process. In the event that a PAC member

needs to step down outside of this timeframe, the member should notify the PAC Chair (or, as warranted, the Vice-Chair) in writing of the need for change no less than two weeks prior to the next PAC meeting. If the member desires, they may provide a recommendation to the Board on replacement member to the PAC.

The initial term of PAC member representatives shall be until the GSP is completed and approved by DWR. Subsequent terms shall be two years, culminating at the end of a calendar year.

- 5.9 **POLICY ADVISORY COMMITTEE ROLES AND RESPONSIBILITIES.** The PAC, in consultation with the Water Resources Manager, shall be tasked by the Board to develop non-binding proposals on policy matters pertaining to each GSP Element (“PAC Proposals”). The PAC shall strive for consensus in all of its decision-making, particularly when crafting PAC Proposals. If the PAC is unable to reach consensus, the range of opinions provided, including areas of agreement and disagreement, will be documented in meeting summaries (“PAC Meeting Summaries”). PAC Proposals and PAC Meeting Summaries shall be submitted to the Water Resources Manager for initial review and comment. After considering all comments provided by the Water Resources Manager, and incorporating such comments to the extent deemed appropriate by the PAC, the PAC shall submit final PAC Proposals and any final PAC Meeting Summaries to the Board for consideration. If the PAC deems it inappropriate to include any comments or concerns of the Water Resources Manager, the PAC will provide the Board with a detailed reasoning to support its determination.

The Board shall consider all PAC Proposals and PAC Meeting Summaries, as well as any technical information and reports provided by the Water Resources Manager that are requested by the Board, and after such consideration, the Board shall make a final approval of each GSP Element and direct the Water Resources Manager to prepare the GSP Element in accordance with the Board’s approval.

- 5.10 **PAC ATTENDANCE.** PAC member representatives must regularly attend all meetings of the PAC. PAC member representatives who regularly miss PAC meetings may be removed by the action of the Board. PAC member representatives agree to: (1) arrive at each meeting fully prepared to discuss the issues on the agenda, where such preparation includes reviewing meeting minutes, policy information, and draft documents distributed in advance of each PAC meeting; (2) present and represent the views of their constituent group on the issues being discussed and be willing to engage in respectful, constructive dialogue with other members of the PAC; (3) develop a problem-solving approach in which they consider the interests and viewpoints of all stakeholders in the Basin; (4) keep their constituent group informed about ongoing issues and actively seek their input; and (5) pursue the PAC’s purpose and goals and support GSP development and where legally appropriate implementation. An individual appointed by the Board shall prepare written minutes of all PAC meetings, which shall be available for public inspection once reviewed and approved by the PAC.

- 5.11 **TECHNICAL ADVISORY COMMITTEE.** The Board hereby establishes a standing committee named the Technical Advisory Committee (TAC) which will assist the Water

Resources Manager in the preparation of the GSP and will work collaboratively with other committees of the Board.

- 5.12 **TECHNICAL ADVISORY COMMITTEE MEMBERSHIP.** The TAC shall be comprised of individuals representing PAC members, PAC membership categories, and the interests of the Basin landowners and water users. Members of the TAC must have a formal education and experience in a groundwater related field and an understanding of the technical aspects of the Basin or similar groundwater basins in California. Each member of the PAC may nominate one member of the TAC for review and possible approval by the Board. The Board may also appoint members to the TAC that are not affiliated with any PAC members to ensure proper stakeholder representation. The initial TAC membership shall be adopted by Authority Resolution. Said Resolution may be amended in the future as the need arises to reflect changes in appointment of TAC representatives consistent with these Bylaws. The initial term of membership for the TAC shall be until the GSP is completed and approved by DWR. Subsequent terms of membership shall be two years, culminating at the end of a calendar year. The TAC shall appoint a TAC Chairperson and a TAC Vice-Chairperson in consultation with the Water Resources Manager.
- 5.13 **TECHNICAL ADVISORY COMMITTEE ROLES AND RESPONSIBILITIES.** As required by law and as directed by the Board, the Water Resources Manager shall be responsible for the preparation of each technical element of the GSP. The Water Resources Manager shall attend and set the agenda of each TAC meeting so that each technical element of the GSP is presented to the TAC, in draft, to afford the TAC a reasonable opportunity to review and conduct a thorough evaluation prior to finalization of that technical element. In the course of evaluating each draft technical element of the GSP, the TAC shall strive for consensus in preparing written recommendations to the Water Resources Manager (“TAC Proposals”). The TAC shall submit its TAC Proposals to the Water Resources Manager, as well as written summaries of the range of TAC comments reflecting any areas of disagreement for consideration in the final preparation of any GSP Element. If any TAC member disagrees with any proposed GSP element following discussion with the Water Resources manager, that member (or members) may submit a written analysis and objection to the Board no later than 72 hours before that GSP element is considered by the Board. In the event that the GSP is subject to modification, such modifications shall be made in accordance with these Bylaws. The TAC shall not discuss or influence any enforcement aspects of GSP implementation, so as to avoid conflicts of interest and other legal limitations.

ARTICLE 6. BUDGET AND FINANCES

- 6.1 **BUDGET.** The Authority shall operate pursuant to an operating budget adopted in accordance with Section 9.07 of the Agreement. The Authority shall endeavor to operate each year pursuant to an annually balanced budget so that projected annual expenses do not exceed projected annual revenues. If the General Manager or Chairperson determines the approved budget is inadequate, he or she shall submit recommended modifications to the Board for consideration and action. The General

Manager shall implement the approved or revised budget, provided all expenditures for capital improvements shall be approved by the Board before they are undertaken.

- 6.2 **APPROVAL OF WARRANTS AND SIGNATURE OF CHECKS.** The Board shall approve all warrants and authorize issuance of checks in payment thereof. A check register showing the check number, payee, amount, and the purpose of each check, as prepared by the Treasurer, will be sent to the Board as required by the Brown Act. Checks in payment of utility bills, postage, payroll, payroll taxes, credit union collections, petty cash, emergency repairs, and invoices subject to discount and interfund transfers may be disbursed prior to Board approval. Such items shall be set forth on the next regular check register and presented to the Board.
- 6.3 **GENERAL AND SPECIAL BOOKS OF ACCOUNT.** The Treasurer shall maintain books of account in accordance with accepted accounting principles showing the status of all monies received and disbursed. Such general and special fund accounts shall be maintained as are necessary to accomplish the purpose of the Authority.
- 6.4 **FUND DEPOSITORIES.** Currently the County of Kern is Fiscal Agent and Treasurer for the Authority and all funds of the Authority are deposited with the County of Kern. If the Board desires to designate a new depository for Authority funds, the Board shall do so through a written policy included herein.

ARTICLE 7. DEBTS AND LIABILITIES

- 7.1 **DEBTS AND LIABILITIES.** Except as may be specifically provided for in the Agreement and/or California Government Code Section 895.2 as amended or supplemented, the debts, liabilities, and obligations of the Authority are not, and will not be, the debts, liabilities, or obligations of any or all of the Members. However, nothing in this Article or in the Agreement prevents, or impairs the ability of, a Member or Members, from agreeing, in a separate agreement, to be jointly and/or severally liable, in whole or in part, for any debt, obligation, or liability of the Authority, including, but not limited to, any bond or other debt instrument issued by the Authority.

ARTICLE 8. RECORDS RETENTION

- 8.1 **RECORDS RETENTION POLICY.** The Authority shall adopt a records retention policy. This policy will provide criteria and procedures for the retention or destruction of Authority records.
- 8.2 **MAINTENANCE AND INSPECTION OF AGREEMENT AND BYLAWS.** The Authority will keep at its principal executive office the original or copy of the Agreement and these Bylaws as amended to date, which will be open to inspection by the Authority or any Member at all reasonable times during office hours.

- 8.3 **INSPECTION RIGHTS OF MEMBERS.** Provided that upon the advice of General Counsel no legal conflict exists, any Member may inspect any record of the Authority, including, but not limited to, the accounting books and records and minutes of the proceedings of the Board and committees of the Board, at any reasonable time. A designated representative of the entity may make any inspection and copying under this Section, and the right of inspection includes the right to copy.
- 8.4 **INSPECTION BY DIRECTORS.** Provided that upon the advice of General Counsel no legal conflict exists, any Director may inspect any record of the Authority, including but not limited to the accounting books and records and minutes of the proceedings of the Board and committees of the Board, at any reasonable time. A designated representative of the entity may make any inspection and copying under this Section and the right of inspection includes the right to copy.
- 8.5 **INSPECTION BY THE PUBLIC.** As directed and permitted by law, Authority records are open to inspection by the public.
- 8.6 **WEBSITE POLICY.** The Authority shall establish a public website where all pertinent documentation, not specifically protected by law, may be openly inspected by the public. Documents shall generally include, but are not limited to: all agendas, minutes, resolutions, and ordinances of the Board and its standing committees; all public written briefings, presentations, and correspondence of the Board and its standing committees; and all public financial and technical reports that are not protected by law.

ARTICLE 9. CODE OF ETHICS

- 9.1 **DECLARATION OF POLICY.** The proper operation of democratic government requires that public officials and employees be independent, impartial, and responsible to the people; that government decisions and policy be made in the proper channels of the governmental structure; that public office not be used for personal gain; and the public have confidence in the integrity of its government. In recognition of these goals, there is hereby established a Code of Ethics for all officers and employees, whether elected or appointed, paid or unpaid. This Article establishes ethical standards of conduct for Authority officers and employees by setting forth those acts or actions that are incompatible with the best interests of the Authority and by directing the officers' disclosure of private financial or other interests in matters affecting the Authority.
- 9.2 **RESPONSIBILITIES OF PUBLIC OFFICE.** Public officials and employees are agents of public purpose and hold office for the benefit of the public. They are bound to uphold the United States and State Constitution and to carry out impartially the laws of the nation, State, and the Authority, thus to foster respect for all governments. They are bound to observe, in their official acts, the highest standards of performance and to discharge faithfully the duties of their office, regardless of personal considerations. Recognizing that the public interests must be their primary concern, their conduct in both their official and private affairs should be above reproach.

- 9.3 **DEDICATED SERVICE.** Officers and employees owe a duty of loyalty to the political objectives expressed by the electorate and the programs developed by the Board to attain those objectives. Appointive officers and employees should adhere to the rules of work and performance established as the standards for their positions by the appropriate authority. Officers and employees should not exceed their authority or breach the law, or ask others to do so, and owe a duty to cooperate fully with other public officers and employees unless prohibited from so doing by law or by the officially recognized confidentiality of their work.
- 9.4 **FAIR AND EQUAL TREATMENT.** The canvassing of members of the Board, directly or indirectly, to obtain preferential consideration in connection with any appointment to the municipal service, shall disqualify the candidate for appointment except with reference to positions filled by appointment by the Board. Officers and employees shall not request or permit the use of Authority-owned vehicles, equipment, materials, or property for personal convenience or profit, except when such services are available to the public generally or are provided for the use of such officer or employee in the conduct of official business. Officers and employees shall not grant special consideration, treatment, or advantage to a member of the public beyond what is available to every other member of the public.
- 9.5 **POLITICAL ACTIVITIES.** Officers and employees shall not solicit or participate in soliciting an assessment; subscription of contribution to a political party during working hours on property owned by the Authority and shall conform to Government Code Sections 3202 and 3203. Officers and employees shall not promise appointment to a position with the Authority.
- 9.6 **EX PARTE COMMUNICATIONS.** A written communication received by an officer or employee shall be made part of the record of decision. A communication concerning only the status of a pending matter shall not be regarded as an ex parte communication.
- 9.7 **AVOIDANCE OF IMPRESSIONS OF CORRUPTIBILITY.** Officers and employees shall conduct their official and private affairs so as not to give a reasonable basis for the impression that they can be improperly influenced in performance of public duties. Officers and employees should maintain public confidence in their performance of the public trust in the Authority. They should not be a source of embarrassment to the Authority and should avoid even the appearance of conflict between their public duties and private interests.
- 9.8 **NO DISCRIMINATION IN APPOINTMENTS.** No person shall be appointed to, removed from, or in any way favored or discriminated against with respect to any appointive administrative office because of such person's race, color, age, religion, gender identification, national origin, political opinions, affiliations, or functional limitation as defined by applicable State or Federal laws, if otherwise qualified for the position or office. This provision shall not be construed to impair administrative discretion in determining the requirements of a position or in a job assignment of a person holding such a position, subject to review by the Board.

- 9.9 **AUTHORITY ALLEGIANCE AND PROPER CONDUCT.** Officers and employees shall not engage in or accept any private employment, or render services for private interest, when such employment or service is incompatible with proper discharge of official duties or would tend to impair independence or judgment or action in the performance of those duties. Officers and employees shall not disclose confidential information concerning the property, government, or affairs of the Authority, and shall not use confidential information for personal financial gain. Officers and employees shall not accept a gift in excess of limits established by State law. Officers and employees shall not accept any gift contingent upon a specific action by the Board. Officers and employees shall not appear on behalf of business or private interests of another before the Board where such appearance would create a potential of having to abstain from Officers participating on that matter or be incompatible with official duties. Officers and employees shall not represent a private interest of another person or entity in any action or proceeding against the interest of the Authority in any litigation to which the Authority is a party. A Director may appear before the Authority on behalf of constituents in the course of duties as a representative of the electorate or in the performance of public or civic obligations.
- 9.10 **PENALTIES.** In addition to any other penalties or remedies provided by law, violation of this Article shall constitute a cause for suspension, removal from office or employment, or other disciplinary action after notice and hearing conducted by the appropriate appointed authority or, in the case of the Board, a majority of such Board.

ARTICLE 10. CLAIMS AGAINST THE AUTHORITY

- 10.1 [RESERVED]

ARTICLE 11. PURCHASING POLICY

- 11.1 [RESERVED]

ARTICLE 12. INVESTMENT POLICY

- 12.1 [RESERVED]

ARTICLE 13. CONFLICT OF INTEREST CODE

- 13.1 [RESERVED]

ARTICLE 14. AMENDMENT

- 14.1 **AMENDMENT.** These Bylaws may be amended from time to time by resolution of the Board.

ARTICLE 15. DEFINITIONS AND CONSTRUCTION

- 15.1 **DEFINITIONS AND CONSTRUCTION.** Unless specifically defined in these Bylaws, all defined terms shall have the same meaning ascribed to them in the Agreement. If any term of these Bylaws conflicts with any term of the Agreement, the Agreement's terms shall prevail, and these Bylaws shall be amended to eliminate such conflict of terms. Unless the context or reference to the Agreement requires otherwise, the general provisions, rules of construction, and definitions in the California Civil Code will govern the interpretation of these Bylaws.