22309

KERN RIVER WATER RIGHTS AND STORAGE AGREEMENT

by and among

BUENA VISTA WATER STORAGE DISTRICT,

NORTH KERN WATER STORAGE DISTRICT,

TULARE LAKE BASIN WATER STORAGE DISTRICT,

and HACIENDA WATER DISTRICT

- - -

December 31, 1962

RECORDING REQUESTED BY AND MAIL TO
North Kern Water Storage Dist
PO Box 1195
Bakersfield Calif
Attn W J Balch

RECORDED IN OFFICIAL RECORDS
OF KERN COUNTY, CALIFORNIA

APR 5 1963 6 Min. Past 2 P.M. No fee

RAY A. VERCAMMEN, County Recorder

Joint Exhibit 18

KERN RIVER WATER RIGHTS AND STORAGE AGREEMENT

THIS AGREEMENT, made as of the 31st day of December, 1962, by and among BUENA VISTA WATER STORAGE DISTRICT, a water storage district duly organized and existing under and by virtue of the laws of the State of California (herein called "Buena Vista"), NORTH KERN WATER STORAGE DISTRICT, a like district (herein called "North Kern"), TULARE LAKE BASIN WATER STORAGE DISTRICT, a like district (herein called "Tulare Lake"), and HACIENDA WATER DISTRICT, a California water district duly organized and existing under and by virtue of the laws of the State of California (herein called "Hacienda"), which four Districts are herein collectively called "Districts",

W I T N E S S E T H:

THAT WHEREAS:

A. Buena Vista executes this contract for and on behalf of itself, Buena Vista Associates, Incorporated, and all of the parties of the first part (or their successors in interest) in and to that certain contract known as the "Miller-Haggin Agreement", dated 28 July 1888, and recorded in the office of the County Recorder of Kern County, California, in Book 2 of Agreements at page 40, as amended and supplemented, who may wish to share in the benefits and obligations of this contract;

B. North Kern executes this contract for and on behalf of itself and all of the parties of the second part (or their successors in interest) in and to said Miller-Haggin Agreement, as amended and supplemented, and all of the parties (or their successors in interest) whose water rights on the Kern River were adjudicated among themselves in that certain judgment known as the "Shaw Decree", rendered 6 August 1900, by the Superior Court of the State of California in and for the County of Kern, Honorable Lucien Shaw, Judge, in that certain action No. 1901, entitled "Farmers Canal Company, et al., Plaintiffs, vs. J. R. Simmons, et al., Defendants", who may wish to share in the benefits and obligations of this contract;

C. Tulare Lake and Hacienda execute this contract on behalf of themselves and all others who establish rights to waters of Kern River for use on lands north of Wasco Road and who may wish to share in the benefits and obligations of this contract; and

D. The Districts have been negotiating for some years with the United States for a contract or contracts permitting

them to use storage space in Isabella Reservoir for storage of their Kern River water, but such negotiations have not been completed and it is not certain when or whether they will be completed, and the Districts now desire, without awaiting the conclusion of such negotiations, to agree among themselves upon the division of the water of Kern River and upon the other matters hereinafter set forth upon a mutually satisfactory basis which shall be permanently effective regardless of when or whether the Districts or any of them ever do execute such a contract or contracts with the United States;

NOW, THEREFORE, the Districts hereby agree with each other as follows:

1. Upstream-Downstream Division.

All parties agree that from and after the date hereof all waters of Kern River shall be divided and apportioned between North Kern and Buena Vista and the parties they represent (hereinafter called "Upstream Group"), on the one hand, and Tulare Lake, Hacienda and all other parties establishing rights to such waters north of the Wasco-Paso Robles Highway (hereinafter called "Downstream Group"), on the other hand, as follows:

(a) The following percentages of the calculated natural flow of Kern River at First Point of Measurement shall be allocated and belong to the Downstream Group during the indicated periods of each calendar year:

Aggregate Kern River Flow in Thousands of Acre-Feet	Downstream Group Percentage
January - March	
First 250	None
All over 250	33%
April - July	
First 550	None
Next 50 (from 550 to 600)	33%*
Next 50 (from 600 to 650)	33%
Next 400 (from 650 to 1050)	44%
All over 1050	60.5%

August - December	None

*Only in certain years, namely, each year immediately following a year in which the April-July flow equals or exceeds 600,000 acre-feet.

(b) In the next calendar year when the calculated natural flow of Kern River at First Point of Measurement exceeds 650,000 acre-feet during the April-July period the Upstream Group will assign an extra 19,800 acre-feet of Kern River water to Hacienda over and above the Downstream Group's allocation under subparagraph (a) hereof, this assignment of extra water to be done once only and never repeated after having been accomplished.

(c) Whenever it appears likely, upon the basis of snow surveys and other relevant data, that Downstream Group will receive an allocation of water during the April-July period of any year, then allocations of water to Downstream Group will commence as early in the April-July period as is practicable, subject to adjustment as the season progresses, in accordance with procedures and criteria to be approved by the chief engineers of the Districts.

(d) All of the flow of Kern River not apportioned to the Downstream Group in accordance with subparagraphs (a) and (b) hereof shall be apportioned and belong to the Upstream Group.

(e) As used herein the term "calculated natural flow at First Point of Measurement" shall mean the quantity of water which would have passed the First Point of Measurement in the Kern River during any specified period of time if Isabella Dam and Reservoir were not in existence, as calculated upon a daily average basis by the Water-Master in accordance with a formula to be submitted to and approved by the Chief Engineer of each of the four Districts, which formula may be revised from time to time by such Engineers. The "First Point of Measurement" is the measuring station established and existing in the channel of Kern River in the Southwest Quarter (SW-1/4) of Section Two (2), Township Twenty-Nine (29) South, Range Twenty-Eight (28) East, M.D.B.& M., and it shall not be moved without the written approval of the Chief Engineer of each of the four Districts.

2. Transportation of Downstream Group Allocation.

(a) Each year during which the Downstream Group is entitled to a water allocation within the April-July period pursuant to Paragraph 1 hereof North Kern agrees to transport all water so allocated to the Downstream Group to the Second Point of Measurement on Kern River (being the measuring station as now established and existing in the channel of Kern River in the Northeast Quarter of Section 24, Township 30 South, Range 25 East, M.D.B.& M., or as hereafter relocated with the consent of the Districts) undiminished in quantity during the period ending August 31st of the same year, provided that Kern River water allocated to Buena Vista is being transported to Second Point of Measurement at the same time, and subject to reasonable rates of flow and practicable procedures to be agreed upon by the respective engineers of Tulare, Hacienda, Buena Vista and North Kern from time to time.

(b) Whenever the Downstream Group shall be entitled to a water allocation within the April-July period of any year, and a member of the Downstream Group stores any or all of its share of such allocation in Isabella Reservoir until after August 31st of the same year, then on September 1st of that year North Kern, to the extent that it has water in storage in Isabella Reservoir, will assign to the owner of such Downstream water an amount of North Kern's water then in storage in Isabella Reservoir equal to the quantity of additional water which would have been required to transport such Downstream water to Second Point of Measurement in accordance with the obligation of North Kern under the foregoing subparagraph (a) hereof if the owner of such Downstream water had caused such water to flow down to Second Point of Measurement prior to August 31st of such year instead of storing it in Isabella Reservoir. Water so assigned to a member of the Downstream Group in accordance with this subparagraph shall be stored and held by the assignee thereof in Isabella Reservoir at the assignee's own risk, cost and expense, and shall bear its own evaporation and seepage losses. Such water shall be used by the assignee thereof solely for the purpose of absorbing seepage, evaporation and transportation losses in the transportation of the assignee's Kern River water to Second Point of Measurement, and for no other purpose or purposes whatsoever.

(c) Other than as provided in subparagraphs (a) or (b) respecting the transportation of Downstream Group water to Second Point, nothing shall be deemed or claimed at any time to give Downstream Group any right to or interest in the seepage, evaporation or transportation losses or the equivalent thereof, and if more efficient transportation methods or facilities or different points of delivery shall be established by North Kern and/or Buena Vista, all resulting savings in such losses shall belong to the District or Districts accomplishing such savings.

(d) When Kern River water allocated to the Downstream Group is transported to Second Point of Measurement at times not covered by subparagraph (a) hereof, the seepage, evaporation and transportation losses attributable to the transportation of such Downstream Group water shall be computed on an incremental loss basis in accordance with criteria and formulas agreed upon from time to time by the engineers of the respective districts.

(e) Buena Vista agrees with the members of the Downstream Group that when water owned by any member of the Downstream Group is transported from Second Point of Measurement to the Wasco-Paso Robles Highway in Kern River Channel or in any other conduit which the member of the Downstream Group may have the right to use, and there is Buena Vista water in the same channel or conduit at the same time, then the evaporation, seepage and transportation losses attributable to the transportation of such Downstream Group water will be computed upon an incremental loss basis, in accordance with criteria and formulas agreed upon from time to time by said engineers, but nothing herein contained shall be deemed to obligate Buena Vista to cause Buena Vista water to be present in any such channel or conduit at any time or times, and when no Buena Vista water is present in any such channel or conduit, all such losses shall be borne by the member or members of the Downstream Group having water therein. Buena Vista and the Downstream Group agree to establish such water measuring stations and such procedures for maintaining, cleaning and operating the river channel and levees, canals, flood channels and other structures which may now or hereafter be established and utilized for the purpose of transportation of waters of Kern River from Second Point of Measurement to the Wasco-Paso Robles Highway, as the respective engineers of Buena Vista and the Downstream Group shall agree from time to time, and the cost of all such facili-

ties and operations shall be shared by Buena Vista and the Downstream Group in accordance with principles and criteria approved from time to time by said engineers. Such use of channels or conduits under the control of Buena Vista shall be subject to priority of use by Buena Vista in transporting for its own purposes or purposes of landowners within its boundaries, Kern River water, and water hereafter acquired by it or said landowners from sources other than Kern River, including, but not by way of limitation, well water pumped from within or without its boundaries by it or said landowners. Buena Vista shall have the exclusive right to determine if space is available in channels or conduits under its control for transportation of water for Downstream Group.

3. North Kern - Buena Vista Division.

North Kern and Buena Vista agree that all waters of the Kern River apportioned to the Upstream Group hereunder shall be divided and apportioned in accordance with the Miller-Haggin Agreement mentioned above, as amended and supplemented, except that on each day when any water shall be apportioned to the Downstream Group under the provisions of Paragraph 1 hereof or under any other agreement entered into by the parties hereto or under any judgment binding upon them the remainder of the waters of the river on that day shall be divided and apportioned among the Upstream Group as follows:

(a) All of the waters of the Kern River on that day shall first be tentatively apportioned under the Miller-Haggin Agreement as amended just as though all such waters were to be apportioned to the Upstream Group and none thereof to the Downstream Group.

(b) Whenever during the period commencing April 1st and ending July 31st of any year the calculated natural flow of Kern River at First Point of Measurement shall exceed 650,000 acre-feet then the portion of the Downstream Group allocation during that period which is equal to ten per cent (10%) of the excess of such flow over 650,000 acre-feet during the period shall be deducted from the quantity so tentatively apportioned to the Parties of the First Part to the Miller-Haggin Agreement and their heirs, executors, administrators, successors and assigns.

(c) All other water actually apportioned to the Downstream Group shall be deducted from the quantity so tentatively apportioned to the Parties of the Second Part to the Miller-Haggin Agreement and their heirs, executors, administrators, successors and assigns.

(d) There shall then be finally apportioned on that day to such respective parties the quantities remaining out of their respective tentative apportionments after the deductions described in the foregoing subparagraphs (b) and (c).

4. Covenant Against Claims.

Each party hereby accepts the water apportionment provisions hereof as a final and permanent settlement of all of its rights and claims in and to the waters of Kern River, and each party hereby covenants and agrees with the others that it will never make or assert against any other party or parties hereto any claim to any of the waters of Kern River except the waters herein expressly apportioned to it. Each party agrees that all waters of Kern River to which it may become entitled under any application now pending or hereafter filed before the State Water Rights Board, or under any permit or license issued pursuant to any such application, shall serve and be used only to feed and support the respective rights and allocations of the parties hereto in accordance with the provisions of this contract.

5. Upstream Releases.

All parties agree that any and all waters to which the Upstream Group shall be entitled but which shall not be stored or diverted from the Kern River above the Wasco-Paso Robles Highway shall, upon and after passing said highway, belong to the Downstream Group to be used and enjoyed by them as other Kern River waters which they shall be entitled to receive; that such use and enjoyment by the Downstream Group are permissive; and that the Downstream Group shall never, and it hereby agrees that it will not at any time, claim or contend that its rights have been enlarged thereby or that the rights of the Upstream Group have been diminished thereby or waived or abandoned to the extent thereof.

6. Storage and Diversion Rights.

(a) All parties agree that water belonging to any party may be stored by such party in Isabella Reservoir whenever and to the extent that space therein shall be available to such party, or may be stored by such party elsewhere in any surface or underground reservoir available to it, or may be diverted by such party directly from Kern River for beneficial use without prior storage, all as such party shall determine from time to time.

(b) The ownership of all water stored in Isabella Reservoir by the United States for flood control purposes shall not be affected or changed by such storage but shall be treated for all purposes hereunder as though stored by the owners thereof for their respective accounts.

(c) Each party agrees with the others that it will not request or approve the release from Isabella Reservoir of any water not owned by such party without the consent of the owner of such water.

(d) All parties agree that water stored in Isabella Reservoir by any party hereto shall be released or discharged from storage only on direction of the party to which such water is credited and belongs, or on instructions from the United States for flood control purposes, and that upon such release or discharge such water shall be allowed to flow down the channels of Kern River for diversion and use by the party to which such water belongs without interference or diminution by any other party.

7. Permanent Storage Contract.

All parties shall cooperate with each other and with the United States in completing negotiations for and executing as soon as possible a permanent contract (herein called "permanent storage contract") for the use of conservation storage space in Isabella Reservoir upon a cash payment basis in a form as similar as possible to the form identified as "Draft 9/25/62" now pending before the Department of the Interior. In such permanent contract the Districts shall purchase the following respective percentages of the right to the use of the storage space available for conservation use in Isabella Reservoir:

Buena Vista	32%
North Kern	68%
Tulare	None
Hacienda	None

	100%
	====

For convenience 32% of such storage space is hereinafter designated as "Buena Vista Space" and 68% thereof as "North Kern Space". Likewise, 20/68ths of the North Kern Space (equal to 20% of the entire space) is hereinafter designated as "Downstream Space".

8. Option of Downstream Group for the Purchase of Storage Space.

If and when North Kern so contracts with the United States for use of storage space in Isabella Reservoir, the Downstream Group shall have an irrevocable option for ten years from the date of such contract to purchase all or any part of the Downstream Space from North Kern at North Kern's cost (which is $45,730 per percentage point or $914,600 for the entire 20%) without interest. Such option may be exercised by giving written notice to North Kern accompanied by full payment of the purchase price and the written approval of Tulare Lake and Hacienda. Copies of the notice shall be given to the United States and to the Water Master.

9. Rental of Storage Space.

If and when a permanent storage contract is made with the United States for use of conservation storage space in Isabella Reservoir as contemplated by Paragraph 7 hereof, then the following provisions shall become applicable and shall remain in effect throughout the duration of such contract:

(a) In addition to the option to purchase the Downstream Space from North Kern pursuant to the provisions of Paragraph 8 hereof, Downstream Group shall have the perpetual right to rent the Downstream Space in whole or in part from North Kern for the storage of Kern River water allocated to Downstream Group in this contract. If Downstream Group shall purchase any of the Downstream Space

from North Kern pursuant to Paragraph 8 hereof, then the quantity of space so purchased shall be deducted from the quantity which Downstream Group shall have the right to rent hereunder, and if Downstream Group shall so purchase all of the Downstream Space then its right of rental under this Paragraph 9(a) shall thereupon terminate. The rate of rental to be paid by Downstream Group to North Kern for use of such space shall be the rate hereinafter specified.

(b) Whenever the Buena Vista space is not fully occupied the unoccupied portion thereof may be rented temporarily by North Kern at the rental rate hereinafter specified, but it must be promptly vacated whenever and to the extent that such space is needed by Buena Vista.

(c) Whenever the North Kern Space (including the Downstream Space to the extent not purchased by the Downstream Group) is not fully occupied, the unoccupied portion thereof may be rented temporarily by Buena Vista at the rental rate hereinafter specified, but it must be promptly vacated whenever and to the extent that such space is needed by North Kern or (to the extent of such Downstream Space) by Downstream Group.

(d) If Downstream Group shall purchase any of the Downstream Space pursuant to Paragraph 8 hereof, then whenever any of the space so purchased is not fully occupied the unoccupied portion thereof may be rented temporarily by Buena Vista or North Kern (or by both of them in proportion to the respective quantities of water they have available for storage therein) at the rental rate hereinafter specified, but it must be promptly vacated whenever and to the extent that such space is needed by Downstream Group.

(e) The rate of rental to be paid for the use of storage space pursuant to Paragraphs 9(a), 9(b), 9(c) and 9(d) hereof shall be computed as follows:

(1) Promptly after the end of each calendar year (herein called the "current year") commencing with the first calendar year during which water is stored in Isabella Reservoir pursuant to such permanent storage contract, the Water Master shall determine the total cost to all of the Districts of all storage by

them of water in Isabella Reservoir during the current calendar year and the four immediately preceding calendar years. Such total cost shall consist of all charges made by the United States to the Districts for operation and maintenance under the permanent storage contract or under the pre-existing interim storage contracts for the five-year period, plus the sum of $1,143,250 representing interest at 5% per annum for the five-year period upon the purchase price of all the storage space in the reservoir under the permanent storage contract.

(2) The Water Master shall then determine the number of acre-feet of irrigation water stored in Isabella Reservoir pursuant to the permanent storage contract or the pre-existing interim contracts upon each day during the same five-year period. He shall then add together the numbers of acre-feet so determined for all of the days of the five-year period so as to obtain a figure representing in acre-foot days the aggregate use of Isabella Reservoir for irrigation water storage during the entire five-year period.

(3) The Water Master shall then divide the total number of dollars representing the total cost of storage for the five-year period determined pursuant to item (1) hereof by the number of acre-foot days of irrigation water storage during the same period determined pursuant to item (2) hereof, so as to obtain an average cost per acre-foot-day for the storage of irrigation water in the reservoir during the five-year period.

(4) The rental rate of storage space per acre-foot-day during the current calendar year shall then be the average cost per acre-foot-day as so determined.

(f) Promptly after so computing the applicable rental rate for the current year, the Water Master shall compute and notify all parties of the total rent due by each party to each other party for rental of storage space during the current year, and each party shall promptly pay each amount of rent due by it.

10. Flood Control Releases.

All parties agree that whenever the United States shall order that water stored in Isabella Reservoir shall be discharged therefrom to provide space for flood control storage, and more than one of the Districts then have contracts with the United States for use of such space, then the procedure shall be as follows:

(a) Each party's share (to be designated as such party's "available storage space") of the storage space which will be available after completion of th discharges so ordered by the United States shall be computed by the Water Master in terms of acre-feet i conformity with the proportions which all parties' shares of the rights to such storage space bear to each other. For this purpose Downstream Group's sha of the right to such storage space shall include the portion of the Downstream Space which Downstream Gro has the right to rent pursuant to Paragraph 9(a) her

(b) The Water Master shall then compute as of time immediately prior to the commencement of such d charges the amount, if any, by which the quantity of water held by each party in storage in Isabella Reservoir exceeds such party's available storage space. Such excess shall be designated as "excess storage".

(c) The quantity of stored water discharged each day from storage in Isabella Reservoir to comply with such order of the United States shall be computed by the Water Master and shall be deemed to be part of and shall be deducted from the respective balances of excess storage of those parties having excess storage remaining in Isabella Reservoir at the end of the previous day. Such deductions shall be made in the proportion that such excess storage balances bear to each other.

(d) The foregoing process shall be continued until the aggregate amount of water held in storage by all parties shall be reduced to the total volume of the available storage space of all parties.

(e) If at the time of any such discharge any party has in storage less water than could be contained

in its available storage space then none of the water discharged to comply with the order of the United States shall be deducted from such party's balance of stored water, and any of its available storage space not occupied by its own water may be temporarily used by the other parties in accordance with the provisions of Paragraph 9 hereof.

(f) The discharge of water from Isabella Reservoir to comply with an order of the United States shall not change or affect the ownership of the water so discharged.

(g) All such computations shall be made and recorded by the Water Master.

11. Water Master.

The parties agree that the Water Master shall prepare and keep complete records on a daily basis of the flow of the waters of Kern River and the storage thereof in and release thereof from Isabella Reservoir and shall prepare and deliver to each District reports summarizing such records at such times (but not more often than weekly) as the chief engineers of the four Districts shall approve from time to time; that all such records of the Water Master shall be open to inspection by the properly authorized representatives of the Districts at all reasonable times; that each District shall supply the Water Master with any and all information in its possession which may be needed in compiling such records; that the Water Master shall supply each District with complete copies of such records or specified portions thereof promptly upon request and payment by the requesting District of the actual cost of preparing such copies; that the Water Master shall promptly notify each District of all orders affecting such District which are given to him by any District or by the United States for storage of water in or release of water from Isabella Reservoir; and that the Water Master shall be compensated for his services and reimbursed for his expenses by the Districts on a fair basis to be agreed upon and shared by the respective Districts from time to time. All parties hereby appoint the General Manager of Kern County Canal and Water Company at Bakersfield, California, to serve as Water Master under this Agreement and under the contract with the United States until such appointment is

revoked and a new appointment is made. The appointment of a Water Master may be revoked by written notice from a majority of the Districts to the Water Master and to the other parties hereto, and the appointment of a new Water Master may be made by written agreement of all of the Districts, or, if they do not agree, such appointment may be made upon request of any District by the Director of Water Resources of the State of California. By endorsement hereon said Kern County Canal and Water Company agrees that its General Manager may serve as such Water Master.

12. Dismissal of Litigation.

By endorsement hereon Kern River Delta Farms, a partnership, successor in interest to La Hacienda Company, as the owner of substantially all of the land in Hacienda Water District, approves the execution of this contract on its behalf by Hacienda Water District, and agrees that immediately after the execution and delivery of this contract it will cause each of the following actions to be dismissed with prejudice:

(a) Action No. 14360 commenced April 13, 1959, in the Superior Court of the State of California in and for the County of Kings, entitled "La Hacienda Company, a corporation, Plaintiff, vs. Tulare Lake Basin Water Storage District, et al., Defendants."

(b) Petition No. 128-60 filed April 14, 1960, in the United States Court of Claims, entitled "LaHacienda Company, a corporation, Plaintiff, vs. The United States of America, Defendant".

13. Water Percolation and Recovery Committee.

The Districts recognize that the use of underground water storage basins in the Kern River Delta may become important for the effective, economical and efficient use of the Kern River waters apportioned hereunder and such other waters as may be obtained from other sources from time to time, and in order to determine the feasibility and practicability of a program for the percolation of water to such underground basins for later recovery and use the Districts agree as follows:

(a) A committee to be known as "Water Percolation and Recovery Committee" shall be promptly established, its

membership to consist of a representative and one or more alternates appointed by each of the Districts.

(b) The Committee shall proceed promptly to consider the formulation of a plan of study and experimentation to determine the feasibility and practicability of such a water percolation and recovery program.

(c) Said Committee in its deliberations concerning the type and extent of said study and experimentation plan shall consider, among other things, the following items:

(1) The specific yield of soils where water may be percolated.

(2) The practical percentage of recovery of percolated water in various areas and under different conditions and periods of storage.

(3) The best and most efficient locations for well and pump installations.

(4) The cost per acre-foot of recovering percolated water with both natural gas and electrically operated pumps.

(5) The possible use of certain existing wells and pumps as part of the program operation.

(6) The cost of conduit construction or improvement for conveyance of recovered water to its place of use in crop irrigation.

(7) The possibility of incorporating into such a program the percolation and recovery of water brought into the area from sources other than Kern River.

(8) The relation to underground recharge in specific areas to varying amounts of gravity water use in adjoining areas.

(9) Determination of the ground water inflow requirements in specific areas to sustain adequate and economic well water production.

(10) Determination of ground water quality in specific areas and its possible relationship to vary-

ing amounts of gravity water application on overlying lands.

(11) An appropriate formula for the sharing by the Districts of the costs of the study and experimentation plan.

(d) The Committee, as soon as practicable, shall prepare and submit a report of its conclusions and recommendations to each of the Districts. Each District by resolution shall manifest its approval or disapproval of the Committee's report. If a study and experimentation program is recommended by the Committee, each District shall indicate whether it desires to proceed as recommended and whether it accepts its share of the costs.

(e) Each District shall make available to the Committee data and information in its possession pertinent to a water percolation and recovery program.

14. Water Exchange Contracts.

Downstream Group shall have a priority position on any contracts to exchange Kern River water and receive in return water from other sources.

(a) Downstream Group may at any time sell or exchange water of Kern River to which it is entitled hereunder for water owned or obtained by other parties from other sources.

(b) North Kern and Buena Vista may independently or together exchange water of Kern River to which they are entitled hereunder for waters owned or obtained by other parties from other sources subject to the following limitations:

(1) Downstream Group shall in any such contract be permitted to substitute, upon the same terms and conditions, up to the quantity of Kern River entitlement that Downstream Group then has available, its Kern River water for all or a portion of North Kern and Buena Vista water that other parties agree to accept.

(2) Water to be returned by other parties for Kern River water shall first be offered to Down-

stream Group to the extent that Downstream Group is willing to accept such water and to the extent that Downstream Group has a credit balance of Kern River water delivered.

(3) Downstream Group may specify points of delivery other than the Kern River Channel, such as turnouts of the Friant-Kern Canal or the proposed Feather River Canal, provided only that the exchangor can physically arrange such a delivery. If designation of different points of delivery is more expensive for an exchangor than the exchange that would otherwise be made to North Kern or Buena Vista, Downstream Group shall compensate the exchangor for the additional expense.

(4) If and when North Kern and/or Buena Vista negotiate exchanges with third parties, such third parties are to be informed of and required to agree to these provisions. All such arrangements will be handled through the Water Master and there shall be no inconvenience or greater expense than if the exchangor had made its exchange solely with either North Kern or Buena Vista.

15. Term.

This contract shall take effect upon the date set forth in the preamble hereof and it shall continue in effect until terminated or amended by the mutual written consent of all of the Districts or their successors in interest.

16. Notices.

Any notice hereunder to any of the following shall be deemed to have been given if deposited in the United States Mail in a sealed envelope, franked or postpaid, certified, and addressed as follows:

To North Kern:	North Kern Water Storage District Post Office Box 1195 Bakersfield, California
To Buena Vista:	Buena Vista Water Storage District Buttonwillow, California

To Tulare Lake: Tulare Lake Basin Water Storage District
Corcoran, California

To Hacienda: Hacienda Water District
Corcoran, California

Any party may change its address by giving the other parties written notice of its new address.

17. Succession.

This agreement shall bind and inure to the benefit of the respective heirs, executors, administrators, successors and assigns of the Districts and all parties on whose behalf each of them makes this agreement.

EXECUTED in ten counterparts (two for each District, one for Kern County Canal and Water Company and one for La Hacienda Company) at Bakersfield, California, as of the day and year first above written.

NORTH KERN WATER STORAGE DISTRICT

By _____ President

By _____ ASSISTANT Secretary

(SEAL)

BUENA VISTA WATER STORAGE DISTRICT

By _____ President

By _____ Secretary

(SEAL)

TULARE LAKE BASIN WATER STORAGE DISTRICT

By _____ President

By _____ Assistant Secretary

(SEAL)

HACIENDA WATER DISTRICT

By _____ President

By _____ Secretary

(SEAL)

The undersigned hereby agrees that its General Manager may serve as Water Master under the foregoing Agreement.

Bakersfield, California, MAR 18, 1963.

KERN COUNTY CANAL AND WATER COMPANY

By _____ VICE President

By _____ ASSISTANT Secretary

(SEAL)

The undersigned hereby approves the execution of the foregoing contract by Hacienda Water District on its behalf and agrees to perform the obligations imposed upon it by Paragraph 12 of the contract.

Merced, California, April 2nd, 1963.

KERN RIVER DELTA FARMS,
a partnership

By _____ C. Ray Robinson

_____ Hugh Bennett

_____ George Nickel, Jr.

General Partners

STATE OF CALIFORNIA
_____ County of Kern } ss.

On this 20th day of March, A. D. 1963, before me, Claude E. Haggard, a Notary Public in and for said Kern County and State, residing therein, duly commissioned and sworn, personally appeared L. J. Freeborn, known to me to be the ____ President, and Gino Forsigiani, known to me to be the _____ Secretary, of BUENA VISTA WATER STORAGE DISTRICT, the water storage district that executed the within instrument and known to me to be the persons who executed the within instrument on behalf of the District therein named, and acknowledged to me that such District executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said Kern County and State the day and year in this certificate first above written.

Claude E. Haggard
NOTARY PUBLIC
in and for the _____ County of Kern, State of California

My Commission expires: MY COMMISSION EXPIRES FEB. 21, 1966

(Notarial Seal)

STATE OF CALIFORNIA
_____ County of KERN } ss.

On this 18th day of March, A. D. 1963, before me, RUTH L. BRANTLEY, a Notary Public in and for said Kern County and State, residing therein, duly commissioned and sworn, personally appeared G. E. Starfield, known to me to be the ____ President, and Jane Mathews, known to me to be the ASSISTANT Secretary, of NORTH KERN WATER STORAGE DISTRICT, the water storage district that executed the within instrument and known to me to be the persons who executed the within instrument on behalf of the District therein named, and acknowledged to me that such District executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said KERN County and State the day and year in this certificate first above written.

Ruth L. Brantley
NOTARY PUBLIC
in and for the _____ County of
KERN, State of California
RUTH L. BRANTLEY

My Commission expires: _____
My Commission Expires Sept. 15, 1966.

(Notarial Seal)

STATE OF CALIFORNIA
_____ County of KINGS } ss.

On this 22ND day of MARCH, A. D. 1963, before me, RUBY B. STALEY, a Notary Public in and for said KINGS County and State, residing therein, duly commissioned and sworn, personally appeared LOUIS T. ROBINSON, known to me to be the ____ President, and JAMES G. McCAIN, known to me to be the Assistant Secretary, of TULARE LAKE BASIN WATER STORAGE DISTRICT, the water storage district that executed the within instrument and known to me to be the persons who executed the within instrument on behalf of the District therein named, and acknowledged to me that such District executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said KINGS County and State the day and year in this certificate first above written.

Ruby B. Staley
NOTARY PUBLIC
in and for the _____ County of KINGS, State of California

My Commission expires: APRIL 20, 1964

(Notarial Seal)

STATE OF CALIFORNIA
_____ County of Merced } ss.

On this 2nd day of April, A. D. 1963, before me, Janet E. Wilkinson, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Hugh Bennett, known to me to be the ___ President, and W. E. Craven, known to me to be the _____ Secretary, of HACIENDA WATER DISTRICT, the water district that executed the within instrument and known to me to be the persons who executed the within instrument on behalf of the District therein named, and acknowledged to me that such District executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County and State the day and year in this certificate first above written.

Janet E. Wilkinson
NOTARY PUBLIC
in and for the County of Merced,
State of California

My Commission expires: Feb. 1, 1965

(Notarial Seal)

STATE OF CALIFORNIA
_____ County of Kern } ss.

On this 18th day of March, A. D. 1963, before me, VIOLA G. WALKER, a Notary Public in and for said Kern County and State, residing therein, duly commissioned and sworn, personally appeared CARTER H. BREUSING, known to me to be the VICE President, and LEON J. McDONOUGH, known to me to be the ASSISTANT Secretary, of KERN COUNTY CANAL AND WATER COMPANY, the corporation that executed the within instrument and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said Kern County and State the day and year in this certificate first above written.

Viola G. Walker
NOTARY PUBLIC
in and for the _____ County of Kern, State of California

My Commission expires: _____

(Notarial Seal) VIOLA G. WALKER My Commission Expires July 26, 1963.

STATE OF CALIFORNIA }
County of Merced } ss.

On this 2nd day of April, 1963, before me Janet E. Wilkinson, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared C. RAY ROBINSON, known to me to be the person described in and whose name is subscribed to the within instrument as a general partner of Kern River Delta Farms, a partnership, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County and State the day and year first above written.

Janet E. Wilkinson
NOTARY PUBLIC
in and for the County of Merced,
State of California

My Commission expires: Feb. 1, 1965

(Notarial Seal)

STATE OF CALIFORNIA }
County of Merced } ss.

On this 2nd day of April, 1963, before me Janet E. Wilkinson, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared HUGH BENNETT, known to me to be the person described in and whose name is subscribed to the within instrument as a general partner of Kern River Delta Farms, a partnership, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County and State the day and year first above written.

Janet E. Wilkinson
NOTARY PUBLIC
in and for the County of Merced,
State of California

My Commission expires: Feb. 1, 1965

(Notarial Seal)

STATE OF CALIFORNIA)
) ss.
County of Merced)

On this 2nd day of April, 1963, before me Janet E. Wilkinson, a Notary Public in and for said _____ County and State, residing therein duly commissioned and sworn, personally appeared GEORGE NICKEL, JR., known to me to be the person described in and whose name is subscribed to the within instrument as a general partner of Kern River Delta Farms, a partnership, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said _____ County and State the day and year first above written.

Janet E. Wilkinson
NOTARY PUBLIC
in and for the _____ ~~and~~ County
of Merced, State of California

My Commission expires: Feb. 1, 1965.

(Notarial Seal)

22309

This is a true certified copy of the record if it bears the seal, imprinted in purple ink, of the Recorder.

SEP 2 4 1997

JAMES W. MAPLES, Assessor-Recorder
Kern County California

By Valerie O'Reilly Deputy

COUNTY RECORDER
KERN COUNTY, CA