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JOINT EXERCISE OF POWERS AGREEMENT  
CREATING  
THE NORTH TULARE COUNTY REGIONAL WATER ALLIANCE

EFFECTIVE DATE: October 6, 2017

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1                                   **JOINT EXERCISE OF POWERS AGREEMENT**  
2                                   **CREATING THE NORTH TULARE COUNTY REGIONAL WATER ALLIANCE**  
3                                     
4                                   **(NCRWA)**

5   THIS Agreement ("Agreement") is made and entered into effect 6<sup>th</sup> day of  
6   October, 2017, by and among the East Orosi Community Services District,  
7   Sultana Community Service District, and County of Tulare. Each entity listed above  
8   is a political subdivision of the State of California, a public agency, and a "Party" to  
9   this Agreement, and all the entities listed above together are the "Parties" to this  
10   Agreement.  
11

12                                   **RECITALS**  
13

14           **WHEREAS**, Article 1, Chapter 5, Division 7, Title 1 of the California  
15   Government Code (Section 6500 et seq.) permits two or more public agencies by  
16   agreement to jointly exercise powers common to the contracting Parties; and  
17

18           **WHEREAS**, the Parties are public agencies which have the common power  
19   to make contracts necessary to exercise their respective powers; and  
20

21           **WHEREAS**, the Parties each are public agencies which have the common  
22   power to provide domestic water; and

23           **WHEREAS**, the Parties' goal is to provide affordable drinking water over the  
24   long-term for the Parties; and  
25

26           **WHEREAS**, the Parties have a joint and mutual interest in the successful  
27   planning, design, construction, and operation of a shared regional drinking water  
28

solution; and

**WHEREAS**, the Parties can through cooperation present more comprehensive and effective funding proposals with greater efficiency than they could obtain by their individual efforts; and

**NOW THEREFORE**, in consideration of their mutual promises, covenants and conditions, hereinafter set forth, the sufficiency of which is acknowledged, the Parties agree as follows:

## ARTICLE I

## DEFINITIONS

**“Act” or “The Act”** shall mean the Joint Exercise of Powers Act, California Government Code Title I, Division 7, Chapter 5, commencing with Section 6500.

**“Administrative Costs”** shall mean the non-volumetric overhead expenses of running the Alliance (e.g. insurance, support staff, office supplies, etc.)

“**Alliance**” shall mean the North Tulare County Regional Water Alliance created by this Agreement.

“Board” or “Board of Directors” shall mean the governing body of the Alliance.

“**Capital Costs**” shall mean the costs to plan, design, build, acquire, finance, or build a Water Project.

“Fiscal Year” shall mean July 1 through June 30 or that period of twelve months which is established by the Board of Directors as the fiscal year of the



Alliance.

**“Government Code”** shall mean the California Government Code.

“NCRWA” shall mean North Tulare County Regional Water Alliance.

“**Director**” shall mean a member of the Board of Directors who represents a Party to this Agreement.

“**Operating Costs**” shall mean the fixed and variable cost to operate and maintain Water Project.

“**Project Agreement**” means an Agreement between any or all of the Parties and the Alliance for the purpose of implementing a Water Project.

“**Water Project**” shall mean any planning, construction, modification, operation, or supply project considered or undertaken to effect the increased or more efficient or cost-effective provision of water to one or more of the jurisdictions of the Parties.

## ARTICLE 2

## PURPOSES OF THE AGREEMENT

This Agreement is entered into by the Parties so that they may jointly pursue regional drinking water supply and infrastructure projects to provide a long-term, secure, reliable, safe water supply for the benefit of all the Parties in an efficient, reliable, sustainable, cost-effective, and environmentally sound manner, develop and submit solicitations or applications for funding for those projects, and construct, own, operate, and maintain Water Project facilities.

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1 necessary or convenient to the exercise of said powers in furtherance of its  
2 purposes. Such powers include, but are not limited to, the following:

- 3
- 4 (a) To exercise jointly the common powers of the Parties in studying, planning,  
5 designing and implementing Water Projects.
- 6 (b) To treat water for the Parties to provide for domestic use and to assist any  
7 Party in providing extraterritorial water service, subject to Local Agency  
8 Formation Commission approval, if necessary, in accordance with scope of  
9 powers of the parties under Government Code § 56133, Government Code  
10 § 61101, Public Utilities Code § 16474 and other applicable laws.
- 11
- 12 (c) To make and enter into contracts, leases, and other agreements, including  
13 but not limited to contracts with the Parties and/or the Federal Government,  
14 the State of California, other local governments, agencies, special districts,  
15 and/or private parties;
- 16
- 17 (d) To apply for and receive grants and loans, including with principal  
18 forgiveness, for the study, planning, design, and/or implementation of Water  
19 Projects in accordance with the terms of this Agreement;
- 20
- 21 (e) To receive other gifts, contributions, and donations of property, funds,  
22 services, and other forms of assistance from persons, firms, corporations,  
23 and any governmental entity;
- 24
- 25 (f) To acquire, receive, hold, lease, or dispose of real and/or personal property,  
26 in the name of the Alliance;
- 27
- 28



1 (g) To design, acquire, construct, manage, maintain and operate buildings,  
2 works or improvements;

3  
4 (h) To hold, manage, operate and maintain all Alliance property, facilities,  
5 buildings, structures, vehicles, apparatus and equipment;

6  
7 (i) To obtain in its own name all necessary and appropriate governmental  
8 permits, licenses, entitlements, opinions and rulings;

9 (j) To contract for or employ staff, consultants, or other agents or employees;

10  
11 (k) To incur debts, liabilities or obligations subject to limitations set forth in this  
12 Agreement;

13  
14 (l) To sue and be sued in its own name, and to settle any claim against it;

15 (m) To assess contributions and advances from the Parties pursuant to  
16 Government Code Section 6504 and Article 12 below, for the purposes set  
17 forth in this Agreement;

18  
19 (n) To invest any money in its treasury that is not required for its immediate  
20 necessities, pursuant to Government Code Section 6509.5;

21  
22 (o) The Alliance may not appropriate, expend, or encumber funds in excess of  
23 any amounts actually approved and contributed by the Parties or actually  
24 received from any other source.



1 (p) Pursuant to Gov. Code § 6502, the operations of the Alliance hereunder  
2 must at all times be located within the jurisdiction of one or more of the  
3 Parties.  
4

5 (q) The Alliance may not appropriate, expend, or encumber funds in excess of  
6 any amounts actually approved and contributed by the Parties or actually  
7 received from any other source.  
8

9 Pursuant to Government Code section 6509, the aforementioned powers shall be  
10 subject to those restrictions as apply to any of the Parties.  
11

## 12 **ARTICLE 6**

### 13 **BOARD OF DIRECTORS**

14  
15 (a) Composition of the Board of Directors

16 The Alliance shall be governed by the Board of Directors, which shall consist  
17 of three (3) members and shall be composed as follows:  
18

- 19 • One (1) member from the County of Tulare
  - 20 • One (1) member from East Orosi Community Services District
  - 21 • One (1) member from Sultana Community Services District
- 22

23 Within sixty (60) days after the execution of this Agreement by the  
24 Parties, each Party shall designate and appoint its representative to serve as  
25 Director on the Board. Each Party also shall appoint an alternate Director for  
26 each of its Director seats. Directors and alternate Directors must at all times  
27 be an existing board member of the Party which designated them. During the  
28

1 absence of a Party's representative Director at a duly held board meeting, the  
2 alternate from that Party shall assume all rights of the absent Director. A  
3 Party's alternate shall also have the authority to act in lieu of that Party's  
4 Director when said Director has an actual, apparent, or potential conflict of  
5 interest which results in that Director's non-participation in any decision of the  
6 Alliance's governing body.  
7

8       Members of the Board shall serve until removed or replaced by the governing  
9 board of the Party they represent. If, for any reason, a member resigns, leaves  
10 office, or cannot fulfill the duties of that position, the alternate member appointed by  
11 the respective Party shall become the regular member for the remainder of the  
12 applicable term.  
13

14       (b)   Voting Protocols  
15

16       The Board may only act by ordinance, resolution, or motion. A majority of the  
17 membership of the Board of Directors shall constitute a quorum for the transaction  
18 of business.

19       Approval of proposed actions requires a minimum of two (2) affirmative votes,  
20 except as provided herein.

21       The following actions shall require unanimity:

- 22       (i)   initiation of litigation in the name of the Alliance;
- 23       (ii)   adoption or amendment of the Alliance's Bylaws;
- 24       (iii)   submission of any application for funding from the State of  
25              California (or other government funder) exceeding \$75,000;
- 26       (iv)   approval, renewal, or extension of any Water Supply Agreement  
27              which would provide any amount of water to any Party who  
28

1 presently is, or at any time within the preceding twelve (12) month  
2 period, either: (A) in default on any term of this Agreement; (B)  
3 causing the Alliance to be in violation of any State permit  
4 requirement(s)/condition(s); or (C) in violation of any ordinance,  
5 policy, resolution, rule or regulation of the Alliance.

6 (v) selection and hiring of particular consultants and professional  
7 services providers.

8 (vi) issuance of bonds or incurring any form of obligation or  
9 indebtedness obligating the Alliance for an amount in excess of  
10 \$75,000;  
11

12 (c) Compensation

13  
14 Compensation, if any, for Board and/or officer service may be established by  
15 the Board in its bylaws or by resolution. Nothing in this section prohibits the  
16 payment of compensation by a Party's governing board to its representatives.  
17  
18

19 **ARTICLE 7**

20 **POWERS OF THE BOARD OF DIRECTORS**

21  
22 The Board of Directors shall have the following powers and functions:

23 (a) The Board of Directors shall exercise all powers and conduct all  
24 business of the Alliance, either directly or by delegation to its officers and staff.

25 (b) The Board of Directors shall elect the officers of the Alliance and shall  
26 appoint or hire necessary staff in accordance with Articles 9 and 10 hereof.  
27  
28



1 (c) The Board of Directors shall cause to be prepared, and shall review,  
2 modify as necessary, and adopt the annual operating budget of the Alliance by May  
3 first (1<sup>st</sup>) each year. Each budget will be distributed to each and all of the Parties  
4 within ten (10) days after adoption of the same.  
5

6 (d) The Board of Directors may develop, or cause to be developed, and  
7 may review, and modify as necessary, any solicitation or funding application for a  
8 Water Project, authorized in accordance with all of the applicable terms, conditions  
9 and limitations within this Agreement, and administrative services necessary to  
10 carry out such solicitation or funding application or the receipt, administration and  
11 disbursement of any funds received.  
12

13 (e) The Board of Directors shall provide for necessary services to the  
14 Alliance, by contract or otherwise, which may include, but shall not be limited to,  
15 administrative, accounting, auditing, operations, and legal services.  
16

17 (f) The Board of Directors shall provide direction to the staff of the Alliance  
18 and establish Alliance policy.  
19

20 (g) The Board of Directors shall have such other powers and duties as are  
21 reasonably necessary to carry out the purposes of the Alliance, including, but not  
22 limited to, establishing ad hoc or standing committees.  
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## ARTICLE 8

### MEETINGS OF THE BOARD OF DIRECTORS

(a) The Board of Directors shall hold at least one regular meeting each year and shall provide for such other regular meetings and for such special meetings as it deems necessary. The Board shall determine the time and place of regular meetings by resolution or bylaws adopted by the Board.

(b) The Secretary of the Board shall provide for the keeping of minutes of regular and special meetings of the Board of Directors, and shall provide a copy of the minutes to each member of the Board of Directors at the next scheduled meeting.

(c) All meetings of the Board of Directors shall be called, noticed, held, and conducted in accordance with the provisions of Government Code Section 54950, et seq. (the "Ralph M. Brown Act").

(d) The Alliance shall provide each of the Parties the agenda, including any supplements thereof, and any supporting agenda materials of all meetings of the Board of Directors not later than the time that the Alliance publishes notice of such meetings pursuant to paragraph (c), immediately above.

(e) Pursuant to Government Code Section 54956.96, confidential information received by a Party's representative in closed session may be disclosed to the following persons, if that information has direct financial or liability implications for that Party:

1 (i) The Party's legal counsel for purposes of obtaining advice on  
2 whether the matter has direct financial or liability implications for the  
3 Party;  
4

5 (ii) Other members of the Party's legislative body present in a  
6 closed session of that Party; and/or  
7

8 (iii) The Party's designated alternate who is attending a meeting as  
9 the Party's representative in place of the regular representative.  
10

## 11 ARTICLE 9

### 12 OFFICERS AND STAFF

13  
14 The Board of Directors shall elect from its membership a Chair, Vice Chair,  
15 and Secretary of the Board of Directors, to serve for a term of one (1) year.  
16

#### 17 (a) Chair and Vice Chair

18 The Chair, or in his or her absence, the Vice Chair, shall preside at and conduct  
19 all meetings of the Board of Directors. Pursuant to Government Code Section  
20 6505.1, the Chair, the Vice Chair, and such other persons as the Board of Directors  
21 may designate, shall have charge of, handle and have access to the property of the  
22 Alliance.  
23

#### 24 (b) Secretary

25 The Secretary shall keep or cause to be kept the minutes of the all meetings  
26 of the Board and maintain the records of the Agency.  
27  
28

1 (c) Auditor-Treasurer

2 The Auditor-Treasurer shall be the Auditor-Controller of the County of Tulare,  
3 unless the Board appoints, by resolution, a different Auditor-Treasurer, Auditor or  
4 Treasurer in accordance with the Act. The Auditor-Treasurer or its designee shall  
5 perform the functions described in the Act, including the receipt and payment of the  
6 Alliance's funds and other duties set forth in Government Code 6505.5(a)-(e). The  
7 Auditor-Treasurer shall strictly comply with all provisions of the Act regarding the  
8 duties of Auditor and Treasurer. The Tulare County Board of Supervisors shall  
9 determine charges against the Alliance for the services of the Auditor-Controller,  
10 not to exceed the reasonable cost of providing those services, and subject to  
11 approval of the Alliance.  
12  
13  
14

15 (d) Staff

16 The Board may appoint or hire other staff as may be necessary for the  
17 administration of the Alliance, subject to Board-approved appropriations therefore  
18 within the Alliance's adopted budget.  
19

20 The Alliance shall secure and pay for a fidelity bond or bonds, or equivalent  
21 insurance or self-insurance if legally appropriate, in an amount or amounts and in  
22 the form specified by the Board of Directors, covering all officers and staff of the  
23 Alliance, and all officers and staff who are authorized to have charge of, handle,  
24 and have access to the Alliance's property.  
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**ARTICLE 10**

**ACCOUNTS AND RECORDS**

(a) Annual Budget.

Within ninety (90) days after the first meeting of the Board, and thereafter by May first (1<sup>st</sup>) of each fiscal year, the Board shall adopt a budget.

(b) Accounts and Records. The Alliance shall maintain strict accountability of all funds and reports of all receipts and disbursements in accordance with the Act and the standards of the Governmental Accounting Standards Board (GASB) or its successor. The Auditor-Treasurer shall establish and maintain funds and accounts, including separate accounts for each Water Project, in conformity with GASB standards and the Board's direction. The Alliance's books and records shall be open to inspection at all reasonable times by any Party.

(c) Auditor's Report. The Auditor-Treasurer, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board of Directors and Parties.

(d) Annual Audit. Pursuant to Government Code Section 6505, the Alliance shall either make or contract with an independent certified public accountant to make an annual fiscal year audit of all accounts and records of the Alliance, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with the Parties and the Tulare County Auditor-Controller and shall be sent to any public agency or person in California that



1 submits a written request to the Alliance. The report shall be filed within six (6)  
2 months of the end of the fiscal year or years under examination. Costs of the audit  
3 shall be considered a general expense of the Alliance.  
4

5 (e) Pursuant to Government Code Section 6505.5, the Auditor-Treasurer  
6 shall:  
7

8 (i) Receive and acknowledge receipt of all funds of the Alliance and  
9 place them in the treasury to the credit of the Alliance;  
10

11 (ii) Be responsible upon his or her official bond for the safekeeping  
12 and disbursements of all Alliance funds so held by him or her;  
13

14 (iii) Pay any sums due from the Alliance, as approved for payment  
15 by the Board of Directors or by anybody or person to whom the Board of Directors  
16 has delegated approval authority, making such payments from Alliance funds upon  
17 warrants drawn by the Auditor;  
18

19 (iv) Verify and report in writing to the Alliance and to the Parties, as  
20 of the first day of each quarter of the fiscal year, the amount of money then held for  
21 the Alliance, the amount of receipts since the last report, and the amount paid out  
22 since the last report;  
23

## 24 25 ARTICLE 11

### 26 RESPONSIBILITIES OF PARTIES

27  
28 The Parties shall have the following responsibilities under this Agreement:

1 (a) The governing board or authority of each Party shall appoint  
2 representative(s) to the Board of Directors, pursuant to Article 6 hereof.

3  
4 (b) Each Party shall appoint an officer or employee of the Party to serve as  
5 a point of contact between the Party and the Alliance for day-to-day matters relating  
6 to the Alliance.

7  
8 (c) Each Party shall provide the Alliance such other information or  
9 assistance as may be necessary for the Alliance to develop and implement Water  
10 Projects under this Agreement.

11 (d) Each Party shall cooperate with and assist the Alliance and other  
12 contractors in all matters relating to this Agreement, and shall comply with all  
13 Bylaws, and other rules adopted by the Board of Directors.

14  
15 (e) Each Party shall have such other responsibilities as are provided  
16 elsewhere in this Agreement, and as are established by the Board of Directors in  
17 order to carry out the purposes of this Agreement.  
18

## 19 20 **ARTICLE 12**

### 21 **ALLOCATION AND PAYMENT OF ALLIANCE COSTS**

#### 22 (a) Payment Allocation

23  
24 (i) This Article will be amended to determine allocation of project related  
25 costs. Allocation of Capital and Operating costs for specific Water Projects shall be  
26 determined on a project-by-project basis in the Project Agreement or other separate  
27 agreement, or the resolution approving such project. A Project Agreement must be  
28

1 executed before a binding funding agreement is signed. Any contribution by any  
2 Party shall be subject to approval of the governing board of that Party.

3 (ii) Allocation of administrative costs shall be as set forth in **EXHIBIT A**,  
4 "Member Demand Share."

5 (b) Payment Obligations

6 The Board shall annually assess on the Parties the Alliance's projected costs,  
7 which may include a reasonable cash reserve for that fiscal year, as set forth in the  
8 Alliance's annual budget and consistent with the project cash flow needs of the  
9 Alliance.

10 Each Party shall be responsible for paying its respective share of the  
11 Alliance's costs, and any budgeted cash reserve assessed, in accordance with the  
12 payment schedule adopted by the Board pursuant to this section and consistent  
13 with the cost allocation methodology set forth in this Article. If the revenues are  
14 insufficient to satisfy the Alliance's actual costs, then the Board of Directors may  
15 assess such deficiency in the same manner as the annual assessment or amend  
16 the annual budget to cut costs. If collected assessments exceed the Alliance's  
17 actual costs and budgeted cash reserves, they shall be considered excess  
18 revenues and applied to next fiscal year's costs to reduce each Party's respective  
19 share of next year's costs.  
20

21 If a Party fails to pay its assessed share of the Alliance's costs, the unpaid  
22 amounts shall bear interest at the highest legal rate allowed by law beginning on  
23 the payment due date. The Alliance may exercise any available remedy to enforce  
24 payment by the defaulting Party, including expulsion from the Alliance.  
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## ARTICLE 13

### WITHDRAWAL, EXPULSION, AND TERMINATION

#### (a) Voluntary Withdrawal

The notice requirements for, and surviving obligations of, voluntary withdrawal are governed by the stage of the Water Project, as set forth below, and by each Party's obligations under any applicable Project Agreement(s). A withdrawing party is liable for its share of the Alliance's costs that are incurred prior to the effective date of withdrawal.

Except as expressly stated in this Article, there shall be no limitation on any Party withdrawing from the Alliance before the Alliance applies for drinking water planning or construction funding from the State Water Resources Control Board or any other funding source, and any Party withdrawing from the Alliance prior to the Alliance's application for said funding shall not owe any obligation or debt to the Alliance or any of its members arising in any way from the Alliance's application or acceptance of the aforementioned funding. The Alliance shall not have authority to adopt any ordinance, resolution, policy or funding application contrary to the provisions hereof.

#### (i) Before and Through Alternatives Analysis; Before Design

At any time before Project Agreement is executed for the design of a Water Project, any party may voluntarily withdraw its membership in the Alliance upon one hundred eighty (180) days' advance written notice to the other Parties and the



1 Alliance. The written intent to withdraw may be retracted no later than one hundred  
2 twenty (120) days prior to the end of the 180 day termination period.

3  
4 (ii) After a Project Agreement

5 At any time after a Project Agreement is executed for any stage of a Water  
6 Project, the terms of that Project Agreement will govern the Parties' ability to  
7 withdraw and the notice required.

8  
9 (b) Effect of Voluntary Withdrawal

10  
11 After a Party has served its written notice of intent to withdraw from the Alliance  
12 pursuant to the provisions of this Article, that Party cannot be assessed by the  
13 Board for its share of costs incurred after the effective date of withdrawal. A  
14 withdrawing party is liable for its share of the Alliance's administrative costs that are  
15 due after notice but prior to the effective date of withdrawal, as well as for any  
16 obligations voluntarily incurred through a Project Agreement.

17  
18  
19 Notwithstanding anything to the contrary in this Agreement, a withdrawing Party  
20 shall not be obligated or indebted to the Alliance or anyone else on any application  
21 to, and/or agreement with, any funding source, when the same are submitted or  
22 entered into after said Party provided notice of withdrawal from the Alliance. Any  
23 assets contributed on loan by the withdrawing Party, or the value of said loaned  
24 assets at the date of withdrawal, will as promptly as reasonably possible be  
25 returned to the withdrawing Party provided said assets are not obligated as  
26 described in this Agreement. Payments by a Party for Capital Costs, Operating  
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1 Costs, or Administrative Costs, and costs of preparation of any solicitation or  
2 application for funding authorized or incurred prior to the effective date of  
3 withdrawal shall not be returned. The withdrawal of the Party shall have no effect on  
4 the continuance of this Agreement among the remaining Parties.  
5

6 (c) Involuntary Withdrawal  
7

8 A Party may be expelled from the Alliance for any of the following:  
9

10 (i) Non-payment, or repeatedly untimely payment, as defined in the  
11 Bylaws, of each and all amounts due under this Agreement;

12 (ii) Two or more instances, within any twelve (12) month period,  
13 causing the Alliance or its operations to be in violation of any law or regulation,  
14 permit, or applicable maximum contaminant level (MCL) set by regulators;  
15

16 (iii) Causing the Alliance to become liable for civil penalties or creating  
17 a risk thereof;  
18

19 (iv) Imperiling the proper operation of or wellbeing of infrastructure of  
20 the Alliance or otherwise creating a significant risk of liability of the Alliance; and  
21

22 (v) Two (2) consecutive, unexcused absences from the Board  
23 meetings. Absences may be excused by the Board.  
24

25 (vi) Subject to section (f) of this Article, if any Party ceases to provide  
26 domestic water within that portion of its jurisdictional boundaries which overlap with  
27 those of the Alta Irrigation District, that Party shall become disqualified from Alliance  
28

1 membership, and that Party's membership will be terminated upon at least thirty  
2 (30) days written notice provided by the Alliance to the Party after the date of the  
3 qualifying event, as found and declared by the Board based upon substantial  
4 evidence, unless special dispensation is sought by the disqualified Party and  
5 granted by the remaining Board members.  
6

7  
8 (d) Effect of Involuntary Withdrawal

9 A Party that withdraws involuntarily from the Alliance shall remain liable for its share  
10 of the Alliance's costs that are incurred prior to the effective date of withdrawal.  
11

12 The withdrawing Party shall not be entitled to the return of any payments or  
13 contributions to the Alliance, except for its share of excess revenues, if any.  
14

15 Upon involuntary withdrawal of a Party from the Alliance and this Agreement,  
16 no capital contributions of said Party shall be returned to said Party. An  
17 involuntarily withdrawing Party as provided herein shall continue to be liable for its  
18 share of the outstanding obligations or debts incurred by the Alliance, including  
19 remaining unfunded capital expenditures, and for expenses under any water supply  
20 contract between the Alliance and any third-party water supplier representing the  
21 withdrawing Party's portion of water, incurred or approved prior to the date of  
22 involuntary withdrawal of such Party. Contributions by an involuntarily withdrawing  
23 Party for annual operating expenses and costs of preparation of any solicitation or  
24 application for funding authorized or incurred prior to the effective date of  
25 withdrawal shall not be returned upon said involuntary withdrawal. The involuntary  
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1 withdrawal of the Party shall have no effect on the continuance of this Agreement  
2 among the remaining Parties.

3  
4 (e) Termination

5 This Agreement may be terminated by the mutual consent of the Parties  
6 through resolution of all Parties' governing boards, as long as the Alliance has no  
7 outstanding debt or obligation. The Alliance's assets that remain after satisfaction  
8 of its existing obligations shall be distributed among the Parties in proportion to the  
9 historic allocation of Alliance costs.  
10

11 The Board of Directors shall determine such distribution within six (6) months  
12 after disposal of the last obligation of the Alliance. This Agreement and the Alliance  
13 shall thereafter continue to exist until such time as the final disposition of all claims,  
14 distribution of all assets, and performance of all other functions necessary to  
15 conclude the affairs of the Alliance.  
16  
17

18 (f) Assignment of County's Duties and Obligations

19 Upon formation or expansion of one or more special districts to serve as  
20 domestic water supplier for the communities of Yettem and Seville, the County of  
21 Tulare, if at that time it is a Party hereto, shall be authorized to, in a separate writing  
22 between the involved Parties, assign and delegate to such newly formed or  
23 expanded district the County's seat on the Board and the proportionate share of its  
24 interest and obligations under this Agreement which pertains exclusively to the  
25 newly formed or expanded district(s). Such assignment must occur within sixty (60)  
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1 days after final approval of the district creation or expansion by LAFCO, otherwise  
2 assignment will require approval by the Alliance's Board of Directors. If the County  
3 of Tulare assigns all of its interest in, and obligation to, the Alliance under this  
4 Agreement as to all of the aforementioned communities, upon receipt of written  
5 notice thereof, the County of Tulare may cease to be a Party hereto, or may remain  
6 a non-voting Party in order to maintain the initial area of Alliance jurisdiction. In the  
7 absence of any separate written agreement being submitted to the Alliance  
8 regarding the County's seat on the Board, each successor entity and the County  
9 shall alternate in filling said seat while they remain an existing Party hereto.  
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## 14 **ARTICLE 14**

### 15 **LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS,** 16 **AND LEGAL ADVISORS** 17

18 The members of the Board of Directors, officers, committee members, and  
19 legal advisors to any board or committee of the Alliance shall use ordinary care and  
20 reasonable diligence in the exercise of their powers and in the performance of their  
21 duties pursuant to this Agreement. They shall not be liable for any mistake of  
22 judgment or any other action made, taken, or omitted by them in good faith, nor for  
23 any action taken or omitted by any agent or employee selected with reasonable  
24 care, nor for loss incurred through investment of Alliance funds, or failure to invest,  
25 performed in good faith.  
26  
27

28 The Alliance shall hold harmless, defend, and indemnify the Parties, their

1 agents, officers, and employees from and against any liability, claims, actions,  
2 costs, damages, or losses of any kind, including death or injury to any person  
3 and/or damage to property (including property owned by any Party), arising out of  
4 the activities of the Alliance, its agents, officers, and employees under this  
5 Agreement. The foregoing indemnification obligations shall continue beyond the  
6 term of this Agreement as to any acts or omissions occurring under this Agreement.  
7

8  
9 No director, officer, committee member, or legal advisor to any board or  
10 committee shall be responsible for any action taken or omitted by any other  
11 director, officer, committee member, or legal advisor to any board or committee. No  
12 director, officer, committee member, or legal advisor to any board or committee  
13 shall be required to give a bond or other security to guarantee the faithful  
14 performance of their duties pursuant to this Agreement.  
15

16 The funds of the Alliance shall be used to defend, indemnify, and hold  
17 harmless the Alliance and each Party, the Auditor-Treasurer of the Alliance, any  
18 director, officer, committee member, contractor or retained expert, or other staff  
19 appointed by the Alliance or loaned to the Alliance by any Party, or any counsel  
20 acting as legal advisor to any board or committee, for their actions taken within the  
21 scope of the authority of the Alliance. Nothing herein shall limit the right of the  
22 Alliance to purchase insurance to provide such coverage as is herein set forth.  
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1 shall address notices and other communications to the Alliance at the office  
2 address of the Alliance as set forth in the Bylaws. In the absence of bylaws, notices  
3 to the Alliance may be sent c/o the Board of Supervisors of the County of Tulare  
4 and the headquarters of each Party as specified within Tulare County LAFCO's  
5 latest edition of the Cities and Special Districts Inventory.  
6

7         The Alliance shall promptly give each Party a copy of any notice provided to  
8 the Alliance from anyone, including but not limited to any notice from any other  
9 Party, or of any notice provided by the Alliance to anyone.  
10

11         Except as otherwise required by law, any required notice shall be given in  
12 writing and shall either be personally delivered, sent by facsimile transmission, or  
13 sent by first class mail, postage prepaid. Notice personally delivered is effective  
14 when delivered, notice sent by facsimile is deemed received upon electronic  
15 confirmation of successful transmission, and notice sent by mail shall be deemed  
16 received on the fifth (5<sup>th</sup>) day following the date of mailing.  
17  
18  
19

## 20                                 **ARTICLE 18**

### 21                                 **AMENDMENT**

22  
23         Any portion of this Agreement may be modified or amended from time to time  
24 by the written approval of the governing bodies of all the Parties without, in any  
25 way, affecting the remainder. Any such modification or amendment must cite to and  
26 identify the portion of this Agreement modified or amended.  
27  
28

1 **ARTICLE 19**

2 **ADMISSION OF NEW PARTIES**

3  
4 Any public agency with the power and authority to provide domestic water  
5 which serves customers within a region adjacent to the Alliance's existing  
6 boundaries may become a Party to the Alliance by amendment to this Agreement,  
7 whether by addendum or otherwise, which shall become effective upon approval by  
8 the Parties.  
9

10 **ARTICLE 20**

11 **PROHIBITION AGAINST ASSIGNMENT**

12  
13 Other than pursuant to the terms of Article 13, subsection (f), no Party may  
14 assign any right, claim, or interest, or delegate any obligation that it may have under  
15 this Agreement, and no creditor, assignee, or third party beneficiary of any Party  
16 shall have any right, claim, or title to any part, share, interest, fund, premium, or  
17 asset of the Alliance.  
18

19  
20 **ARTICLE 21**

21 **GOVERNING LAW**

22  
23 The Parties agree that for the purposes of venue, performance under this  
24 Agreement is to be in Tulare County, California. The rights and obligations of the  
25 Parties and all interpretation and performance of this Agreement shall be governed  
26 in all respects by the laws of the State of California.  
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**ARTICLE 24**

**FILINGS**

The Chair of the Board of Directors of the Alliance shall cause the following to be done upon signature of this document or any amendment hereto by all parties:

- (a) file the required form of notice of this Agreement, and any amendment hereto, with the Office of California Secretary of State, within thirty (30) days of its effective date, as required by Government Code Section 6503.5;
- (b) file a full copy of the original Joint Powers Agreement, and any amendment hereto, with the State Controller and Tulare County LAFCO, within thirty (30) days of its effective date, as required by Government Code Section 6503.6;
- (c) file the required form of notice with the Secretary of State and with the Tulare County Clerk within seventy (70) days of its effective date, as required by Government Code Section 53051;
- (d) File notice of any changes to the information filed under (c) within ten (10) days of the change.

**ARTICLE 25**

**DISPUTE RESOLUTION**

If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the Parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to

1 litigation or some other dispute resolution procedure, unless the Parties mutually  
2 agree otherwise. The mediator shall be mutually selected by the Parties, but in case  
3 of disagreement, the mediator shall be selected by lot from among two nominations  
4 provided by each Party. All costs and fees required by the mediator shall be split  
5 equally by the Parties; otherwise each Party shall bear its own costs of mediation. If  
6 mediation fails to resolve the dispute within 30 days after the commencement of  
7 mediation, either Party may pursue litigation to resolve the dispute. Any remedies  
8 provided in this Agreement are cumulative and not exclusive, and are in addition to  
9 any other remedies that may be provided by law or equity. The exercise by any  
10 Party of any remedy under this Agreement shall be without prejudice to the  
11 enforcement of any other remedy.

## 12 **ARTICLE 26**

### 13 **COUNTERPARTS**

14  
15 This agreement may be executed in any number of counterparts, each of  
16 which when executed and delivered shall constitute a duplicate original, but all  
17 counterparts together shall constitute a single agreement.  
18  
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1 IN WITNESS WHEREOF, East Orosi Community Services District, Sultana  
2 Community Service District, and the County of Tulare have executed this Joint  
3 Exercise of Powers Agreement Creating the North Tulare County Regional Water  
4 Alliance as of the day and year first hereinabove written.  
5

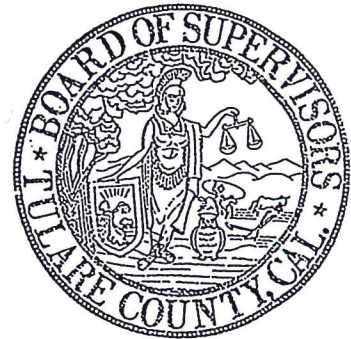
6 COUNTY OF TULARE

7 

8 Pete Vander Poel,  
9 Chairman, Board of Supervisors

10 Attest: Michael C. Spata  
11 Clerk of the Board/County Administrative Officer

12 By   
13 Deputy Clerk



14 EAST OROSI COMMUNITY SERVICES DISTRICT

15 \_\_\_\_\_  
16 Chairman

17 Attest:

18 \_\_\_\_\_  
19 By \_\_\_\_\_  
20  
21

22 SULTANA COMMUNITY SERVICES DISTRICT

23 \_\_\_\_\_  
24 Chairman

25 Attest:

26 \_\_\_\_\_  
27 By \_\_\_\_\_  
28

1 IN WITNESS WHEREOF, East Orosi Community Services District, Sultana  
2 Community Service District, and the County of Tulare have executed this Joint  
3 Exercise of Powers Agreement Creating the North Tulare County Regional Water  
4 Alliance as of the day and year first hereinabove written.  
5

6 **COUNTY OF TULARE**

7  
8 \_\_\_\_\_  
Pete Vander Poel,  
Chairman, Board of Supervisors

9  
10 Attest: Michael C. Spata  
Clerk of the Board/County Administrative Officer

11  
12 By \_\_\_\_\_  
Deputy Clerk

13  
14 **EAST OROSI COMMUNITY SERVICES DISTRICT**

15 Carmen Moreno 9/28/17  
16 Chairman

17 Attest:

18 Lucy Rodriguez  
19 By Lucy Rodriguez  
20

21  
22 **SULTANA COMMUNITY SERVICES DISTRICT**

23 \_\_\_\_\_  
24 Chairman

25 Attest:

26 \_\_\_\_\_  
27 By \_\_\_\_\_  
28

1 IN WITNESS WHEREOF, East Orosi Community Services District, Sultana  
2 Community Service District, and the County of Tulare have executed this Joint  
3 Exercise of Powers Agreement Creating the North Tulare County Regional Water  
4 Alliance as of the day and year first hereinabove written.  
5

6 **COUNTY OF TULARE**

7  
8 \_\_\_\_\_  
Pete Vander Poel,  
Chairman, Board of Supervisors  
9

10 Attest: Michael C. Spata  
Clerk of the Board/County Administrative Officer  
11

12 By \_\_\_\_\_  
Deputy Clerk  
13

14 **EAST OROSI COMMUNITY SERVICES DISTRICT**

15  
16 \_\_\_\_\_  
Chairman  
17

18 Attest:  
19 \_\_\_\_\_

20 By \_\_\_\_\_  
21

22 **SULTANA COMMUNITY SERVICES DISTRICT**

23 \_\_\_\_\_  
Chairman  
24

25 Attest:  
26 \_\_\_\_\_

27 By Office Manager  
Celeste Perez  
28



1 APPROVED AS TO LEGAL FORM

2 Deanne Peterson, Deputy 2016924

3 Deanne Peterson,  
4 County Counsel, County of Tulare

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6 Matthew Pierce,  
7 Counsel, East Orosi Community Services District

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9 Matthew Pierce,  
10 Counsel, Sultana Community Services District

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EXHIBIT A  
Member Demand Share

Member Agency	Expected Demand Share (%)
County of Tulare (for Monson, Seville, and Yettem)	29.16
East Orosi Community Services District	22.79
Sultana Community Services District	48.05