JOINT EXERCISE OF POWERS AGREEMENT

CREATING

THE NORTH TULARE COUNTY REGIONAL WATER ALLIANCE

EFFECTIVE DATE: October 6, 2017
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JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE NORTH TULARE COUNTY REGIONAL WATER ALLIANCE
(NTCRWA)

THIS Agreement ("Agreement") is made and entered into effect ___ day of
__________, 2017, by and among the East Orosi Community Services District,
Sultana Community Service District, and County of Tulare. Each entity listed above
is a political subdivision of the State of California, a public agency, and a "Party" to
this Agreement, and all the entities listed above together are the "Parties" to this
Agreement.

RECITALS

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

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

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

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

WHEREAS, the Parties have a joint and mutual interest in the successful
planning, design, construction, and operation of a shared regional drinking water
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
"Government Code" shall mean the California Government Code.

"NTCRWA" 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.
ARTICLE 3

TERM

This Agreement shall become operative upon signature by all Parties and shall continue in full force and effect until terminated as provided herein.

ARTICLE 4

CREATION OF THE ALLIANCE

Pursuant to the Act, there is hereby created a public entity separate and apart from the Parties, to be known as the North Tulare County Regional Water Alliance ("NTCRWA" or "the Alliance"), with such powers as are hereinafter set forth. The debts, liabilities, and obligations of the Alliance shall be the debts, liabilities, or obligations of the Alliance alone and shall not constitute debts, liabilities, or obligations of any Party to this Agreement. The Alliance, its Board, officers, membership, and staff shall be governed by this Agreement, the Bylaws, and other documents duly adopted by the Alliance.

ARTICLE 5

POWERS OF THE ALLIANCE

Except as to each and all limitations and conditions specified throughout this Agreement, including those within Article 2, the Alliance shall have all the common powers of the Parties and as otherwise granted by the Act to achieve the purposes of the Alliance as set forth above. The Alliance is authorized to do all acts
necessary or convenient to the exercise of said powers in furtherance of its purposes. Such powers include, but are not limited to, the following:

(a) To exercise jointly the common powers of the Parties in studying, planning, designing and implementing Water Projects.

(b) To treat water for the Parties to provide for domestic use and to assist any Party in providing extraterritorial water service, subject to Local Agency Formation Commission approval, if necessary, in accordance with scope of powers of the parties under Government Code § 56133, Government Code § 61101, Public Utilities Code § 16474 and other applicable laws.

(c) To make and enter into contracts, leases, and other agreements, including but not limited to contracts with the Parties and/or the Federal Government, the State of California, other local governments, agencies, special districts, and/or private parties;

(d) To apply for and receive grants and loans, including with principal forgiveness, for the study, planning, design, and/or implementation of Water Projects in accordance with the terms of this Agreement;

(e) To receive other gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and any governmental entity;

(f) To acquire, receive, hold, lease, or dispose of real and/or personal property, in the name of the Alliance;
(g) To design, acquire, construct, manage, maintain and operate buildings, works or improvements;

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

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

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

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

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

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

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

(o) The Alliance may not appropriate, expend, or encumber funds in excess of any amounts actually approved and contributed by the Parties or actually received from any other source.
(p) Pursuant to Gov. Code § 6502, the operations of the Alliance hereunder must at all times be located within the jurisdiction of one or more of the Parties.

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

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

ARTICLE 6

BOARD OF DIRECTORS

(a) Composition of the Board of Directors

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

- One (1) member from the County of Tulare
- One (1) member from East Orosi Community Services District
- One (1) member from Sultana Community Services District

Within sixty (60) days after the execution of this Agreement by the Parties, each Party shall designate and appoint its representative to serve as Director on the Board. Each Party also shall appoint an alternate Director for each of its Director seats. Directors and alternate Directors must at all times be an existing board member of the Party which designated them. During the
absence of a Party's representative Director at a duly held board meeting, the
alternate from that Party shall assume all rights of the absent Director. A
Party's alternate shall also have the authority to act in lieu of that Party's
Director when said Director has an actual, apparent, or potential conflict of
interest which results in that Director's non-participation in any decision of the
Alliance's governing body.

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

(b) Voting Protocols

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

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

The following actions shall require unanimity:

(i) initiation of litigation in the name of the Alliance;
(ii) adoption or amendment of the Alliance's Bylaws;
(iii) submission of any application for funding from the State of
    California (or other government funder) exceeding $75,000;
(iv) approval, renewal, or extension of any Water Supply Agreement
    which would provide any amount of water to any Party who
presently is, or at any time within the preceding twelve (12) month period, either: (A) in default on any term of this Agreement; (B) causing the Alliance to be in violation of any State permit requirement(s)/condition(s); or (C) in violation of any ordinance, policy, resolution, rule or regulation of the Alliance.

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

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

(c) Compensation

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

ARTICLE 7
POWERS OF THE BOARD OF DIRECTORS

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

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

(b) The Board of Directors shall elect the officers of the Alliance and shall appoint or hire necessary staff in accordance with Articles 9 and 10 hereof.
(c) The Board of Directors shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Alliance by May first (1st) each year. Each budget will be distributed to each and all of the Parties within ten (10) days after adoption of the same.

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

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

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

(g) The Board of Directors shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Alliance, including, but not limited to, establishing ad hoc or standing committees.
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:
(i) The Party’s legal counsel for purposes of obtaining advice on whether the matter has direct financial or liability implications for the Party;

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

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

ARTICLE 9
OFFICERS AND STAFF

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

(a) Chair and Vice Chair

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

(b) Secretary

The Secretary shall keep or cause to be kept the minutes of the all meetings of the Board and maintain the records of the Agency.
(c) Auditor-Treasurer

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

(d) Staff

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

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

ACCOUNTS AND RECORDS

(a) Annual Budget.

Within ninety (90) days after the first meeting of the Board, and thereafter by May first (1st) 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
submits a written request to the Alliance. The report shall be filed within six (6) months of the end of the fiscal year or years under examination. Costs of the audit shall be considered a general expense of the Alliance.

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

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

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

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

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

ARTICLE 11

RESPONSIBILITIES OF PARTIES

The Parties shall have the following responsibilities under this Agreement:
(a) The governing board or authority of each Party shall appoint representative(s) to the Board of Directors, pursuant to Article 6 hereof.

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

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

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

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

ARTICLE 12

ALLOCATION AND PAYMENT OF ALLIANCE COSTS

(a) Payment Allocation

(i) This Article will be amended to determine allocation of project related costs. Allocation of Capital and Operating costs for specific Water Projects shall be determined on a project-by-project basis in the Project Agreement or other separate agreement, or the resolution approving such project. A Project Agreement must be
executed before a binding funding agreement is signed. Any contribution by any Party shall be subject to approval of the governing board of that Party.

(ii) Allocation of administrative costs shall be as set forth in EXHIBIT A, “Member Demand Share.”

(b) Payment Obligations

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

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

If a Party fails to pay its assessed share of the Alliance’s costs, the unpaid amounts shall bear interest at the highest legal rate allowed by law beginning on the payment due date. The Alliance may exercise any available remedy to enforce payment by the defaulting Party, including expulsion from the Alliance.
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
Alliance. The written intent to withdraw may be retracted no later than one hundred twenty (120) days prior to the end of the 180 day termination period.

(ii) After a Project Agreement

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

(b) Effect of Voluntary Withdrawal

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

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

(c) Involuntary Withdrawal

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

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

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

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

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

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

(vi) Subject to section (f) of this Article, if any Party ceases to provide domestic water within that portion of its jurisdictional boundaries which overlap with those of the Alta Irrigation District, that Party shall become disqualified from Alliance
membership, and that Party's membership will be terminated upon at least thirty (30) days written notice provided by the Alliance to the Party after the date of the qualifying event, as found and declared by the Board based upon substantial evidence, unless special dispensation is sought by the disqualified Party and granted by the remaining Board members.

(d) Effect of Involuntary Withdrawal

A Party that withdraws involuntarily from the Alliance shall remain liable for its share of the Alliance's costs that are incurred prior to the effective date of withdrawal. The withdrawing Party shall not be entitled to the return of any payments or contributions to the Alliance, except for its share of excess revenues, if any.

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

(e) Termination

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

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

(f) Assignment of County’s Duties and Obligations

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

ARTICLE 14

LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS, AND LEGAL ADVISORS

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

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

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

The funds of the Alliance shall be used to defend, indemnify, and hold harmless the Alliance and each Party, the Auditor-Treasurer of the Alliance, any director, officer, committee member, contractor or retained expert, or other staff appointed by the Alliance or loaned to the Alliance by any Party, or any counsel acting as legal advisor to any board or committee, for their actions taken within the scope of the authority of the Alliance. Nothing herein shall limit the right of the Alliance to purchase insurance to provide such coverage as is herein set forth.
ARTICLE 15

INSURANCE

The Alliance shall obtain general liability and environmental insurance containing liability coverage in such amounts as the Board shall determine will be necessary to adequately insure against the risks of liability that may be incurred by the Alliance. The Parties, their officers, directors, and employees, and any operators of any facilities owned by the Alliance, shall be named as additional insureds.

ARTICLE 16

BYLAWS

The Board of Directors shall adopt Bylaws which must be consistent with the terms of this Agreement and which must provide for the administration and management of the Alliance. To be effective, adopted Bylaws and any changes or amendments thereto must be approved by unanimous consent of the Board of Directors.

ARTICLE 17

NOTICES

The Alliance shall address notices, billings, and other communications to the member Parties as directed by the Parties. Each Party shall provide the Alliance with the address to which communications are to be sent. Each Party may change its address by giving written notice to the Alliance and all other Parties. Each Party
shall address notices and other communications to the Alliance at the office address of the Alliance as set forth in the Bylaws. In the absence of bylaws, notices to the Alliance may be sent c/o the Board of Supervisors of the County of Tulare and the headquarters of each Party as specified within Tulare County LAFCO's latest edition of the Cities and Special Districts Inventory.

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

Except as otherwise required by law, any required notice shall be given in writing and shall either be personally delivered, sent by facsimile transmission, or sent by first class mail, postage prepaid. Notice personally delivered is effective when delivered, notice sent by facsimile is deemed received upon electronic confirmation of successful transmission, and notice sent by mail shall be deemed received on the fifth (5th) day following the date of mailing.

ARTICLE 18

AMENDMENT

Any portion of this Agreement may be modified or amended from time to time by the written approval of the governing bodies of all the Parties without, in any way, affecting the remainder. Any such modification or amendment must cite to and identify the portion of this Agreement modified or amended.
ARTICLE 19
ADMISSION OF NEW PARTIES

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

ARTICLE 20
PROHIBITION AGAINST ASSIGNMENT

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

ARTICLE 21
GOVERNING LAW

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

SEVERABILITY

In the event any provisions of this Agreement are held by a court of competent jurisdiction to be invalid, void, or unenforceable, the Parties will use their best efforts to meet and confer to determine how to mutually amend such provisions with valid and enforceable provisions, and the remaining provisions of this Agreement will nevertheless continue in full force and effect without being impaired or invalidated in any way.

ARTICLE 23

AGREEMENT COMPLETE

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous agreement negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature whatsoever unless expressly included in this Agreement. This Agreement may be executed in one or more original counterparts, all of which together will constitute one and the same agreement. The Parties acknowledge that in executing this Agreement they have relied on legal advice from their attorneys.
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
litigation or some other dispute resolution procedure, unless the Parties mutually agree otherwise. The mediator shall be mutually selected by the Parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each Party. All costs and fees required by the mediator shall be split equally by the Parties; otherwise each Party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days after the commencement of mediation, either Party may pursue litigation to resolve the dispute. Any remedies provided in this Agreement are cumulative and not exclusive, and are in addition to any other remedies that may be provided by law or equity. The exercise by any Party of any remedy under this Agreement shall be without prejudice to the enforcement of any other remedy.

ARTICLE 26

COUNTERPARTS

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

COUNTY OF TULARE

Pete Vander Poel,
Chairman, Board of Supervisors

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

By __________________________
Deputy Clerk

EAST OROSI COMMUNITY SERVICES DISTRICT

______________________________
Chairman
Attest:

______________________________
By __________________________

SULTANA COMMUNITY SERVICES DISTRICT

______________________________
Chairman
Attest:

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

COUNTY OF TULARE

Pete Vander Poel,
Chairman, Board of Supervisors

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

By __________________________
Deputy Clerk

EAST OROSI COMMUNITY SERVICES DISTRICT

Chairman
Attest:

By Lucy Rodriguez

SULTANA COMMUNITY SERVICES DISTRICT

Chairman
Attest:

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

COUNTY OF TULARE

________________________
Pete Vander Poel,
Chairman, Board of Supervisors

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

By _______________________
      Deputy Clerk

EAST OROSI COMMUNITY SERVICES DISTRICT

________________________
Chairman
Attest:

________________________
By _______________________

SULTANA COMMUNITY SERVICES DISTRICT

________________________
Chairman
Attest:

________________________
By Office Manager

Celeste Perez
APPROVED AS TO LEGAL FORM

Deanne Peterson,
County Counsel, County of Tulare

Matthew Pierce,
Counsel, East Orosi Community Services District

Matthew Pierce,
Counsel, Sultana Community Services District
EXHIBIT A
Member Demand Share

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>Expected Demand Share (%)</th>
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<tr>
<td>County of Tulare (for Monson, Seville, and Yettem)</td>
<td>29.16</td>
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<tr>
<td>East Orosi Community Services District</td>
<td>22.79</td>
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<td>Sultana Community Services District</td>
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