

NTC REGIONAL WATER ALLIANCE

JOINT POWERS AGREEMENT

This Joint Powers Agreement is made this XX day of March 2016 by and between, the Cutler PUD (representing the community of Cutler); East Orosi CSD (representing the community of East Orosi); Orosi PUD (representing the community of Orosi); Sultana CSD (representing the communities of Sultana and Monson); Tulare County (representing the county as well as the communities of Yetttem and Seville and their water systems); AND the Alta Irrigation District, who agree as follows:

1. DEFINITIONS. For purposes of this Agreement, the words and phrases below shall have the following meanings:

1.1. "Act" means the Joint Exercise of Powers Act, California Government Code title I, division 7, chapter 5 (commencing with Section 6500).

1.2. "Administration Costs" mean the Project-related costs of Agency administration, legal services, program management, Environmental Documentation,

Permitting (including any mitigation costs or filing fees related to Permitting), and contract negotiation costs.

1.3. "Agreement" means this Joint Powers Agreement.

1.4. "Agency" means the "NTC Regional Water Agency" created pursuant to this Agreement.

1.5. "Agency-Only Intake Facilities" mean the Agency pumping, electrical, piping, valving, stand-by power, chemical addition, and appurtenances to be installed by the Agency at the Raw Water Intake site.

1.6. "Board" or "Board of Directors" means the governing body of the Agency as established by this Agreement.

1.7. "Capital Costs" mean the Project-related costs of Construction, financing, acquiring, planning, and designing, the funding of a reasonable construction reserve, and design-period and Construction-period Administration Costs. Capital Costs include both the Capital Costs of the Project Facilities construction and payments under a water supply **or water right purchase contract** approved by the Agency.

1.8. "Completion of Construction" means the final completion (not substantial completion) of construction of the particular Project Facility as defined and determined under the Agency construction contract pertaining to that Project Facility.

1.9. "Construction" means the Project-related procurement of material, parts and equipment, conducting construction, construction management and related field services including project management activities, contractor management, and design assistance during construction, as-built-drawings, and startup testing.

- 1.10. "CEQA" means the California Environmental Quality Act.
- 1.11. "Design-Build Costs" mean the Project-related costs of property and rights-of-way acquisition, Permitting fees, engineering, design, design review, Construction, implementation of and compliance with Permitting and environmental mitigation measures and other requirements during Construction, and Construction-period monitoring of compliance with Permitting requirements and environmental, water quality, endangered species and related laws and regulations.
- 1.12. "Dedicated Capacity" means the capacity of the Project Facilities dedicated to each Project Participant as set forth **below in section 7.3.**
- 1.13. "Director" means a member of the Board of Directors.
- 1.14. "District" means the Alta Irrigation District.
- 1.15. "Effective Date" means the effective date **of this Agreement and the Agency** as provided in **section 3.4.**
- 1.16. "Environmental Documentation" means all activities and documents required to comply with federal and/or state environmental, water quality and endangered species laws and regulations (including CEQA) in connection with Permitting and the construction and operation of the Project, but not including implementation of and compliance with Permitting and environmental mitigation measures and other requirements during Construction and Construction-period monitoring of compliance with Permitting requirements and environmental, water quality, endangered species and related laws and regulations.
- 1.17. "Final EIR" means the Final Environmental Impact Report
- 1.18. "Final Engineering" means engineering and related activities that are necessary or appropriate to develop and prepare final design plans, specifications, drawings, and bidding and construction documents for the Project.
- 1.19. "Fiscal Year" means **July 1 through June 30** or such other fiscal annual period as the Board may determine.
- 1.20. "Fixed Operating Costs" mean those Project-related operating, maintenance and management costs that are incurred irrespective of the amount of water conveyed through the Project, including, but not limited to, operations and maintenance labor, laboratory costs, landscape maintenance, preventive maintenance, operation-period Administrative Costs, employee salaries and expenses.
- 1.21. "Force Majeure" means delays or defaults due to acts of God, government (other than acts or failure to act by one of the Parties), litigation, including litigation challenging the validity of this Agreement or any element thereof, general strikes or other force or event beyond the responsible party's reasonable control.
- 1.22. "Individually-Owned Project Facility" means a Project Facility to be financed and constructed by the Agency as part of the Project, but to be owned and operated by one of the Project Participants as may be later agreed to between the Agency and Project Participant.

1.23. "Initial Project" means the SWTP with the objective to provide a treated surface water supply for the Parties

1.24. "mgd" means millions of gallons of water per day.

1.25. "MOA" means Memorandum of Agreement.

1.26. "Participating Agency" means Tulare County and the Alta ID and any other future participating agency approved pursuant to **section 4.2.**

1.27. "Participating Community" and "Nonparticipating community" have the meanings as described in section 8.2.

1.28. "Parties" mean the Cutler PUD, East Orosi CSD, Orosi PUD, Sultana CSD and Tulare County as it represents Yetttem and Seville. "Party" means either one of the Parties. **(should we say entities instead of parties?)**

1.29. "Permitting" means all activities and documents to apply for and acquire the permits and licenses that are required under federal, state and/or local laws and regulations to construct and operate projects, including, but not limited to, conducting required studies, endangered species act consultation, environmental documentation, public notifications, preparation of permit and license applications, consultation and negotiations with involved persons and organizations including regulatory agencies. Permitting also shall include the acquisition of water right permits, licenses and contract water supplies that are necessary or appropriate for the project.

1.30. "Project" means a particular infrastructure project undertaken by the agency as agreed by the parties. In this case the project is the SWTP.

1.31. "Project Facility" or "Project Facilities" mean each facility or all facilities (as the case may be) identified as a Project Facility in **Exhibit A**, attached hereto and incorporated herein and such other Project-related facilities and improvements as may be approved by the Board. The "Initial Project Facilities" mean the (a) facilities and improvements as described in the NT County Regional Surface Water Treatment Project. (c) Raw Water Transmission Main, (d) Agency separate facilities and Agency share of the common facilities of the Raw Water Intake which may be jointly constructed with the Alta ID. The Project Facilities may be modified by the Board.

1.32. "Project Participants" mean the Parties and Participating Agencies which timely exercises its option to participate in projects. If a party does not timely exercise its option, then it will not be considered a Project Participant. "Project Participant" means any one of project Participants.

1.33. "Retail Operations" means direct water sales to customer along the pipelines who are not part of or are customers of any of the parties.

1.34. "Raw Water Intake" means the raw water diversion and intake facility.

1.35. "Raw Water Transmission Main" means the pipeline conveying untreated water from the Raw Water Intake to the Regional Facility/facilities.

1.36. "Regional Facility" means the facilities that are part of a regional project to serve multiple parties and more than community.

1.37. "Repair and Replacement Costs" mean the costs for major repair and replacement costs, excluding preventive maintenance, of project Facilities as determined in accordance with the Agency design-build-operate service contract and as otherwise determined by the Board.

1.38. "Technical Services" mean Agency Project-related services and activities.

1.39 "Technical Committee" mean an advisory group on technical issues.

1.40. "Transmission Piping" means the treated water transmission lines between the Regional Facility(s) to be constructed as part of project Facilities and the facilities owned by a particular party for the use in the community (s) the parties provides service to. (How about meters?)

1.41. "Variable Operating Costs" mean those Project-related operating and maintenance costs and other costs that are dependent on, and vary based on, the volume of water actually conveyed through project including, but not limited to, the cost for solids disposal, power, and chemicals.

2. RECITALS. This Agreement is made with reference to the following background recitals.

2.1. The Parties each have the authority to develop, construct, operate and maintain, own and administer water supply facilities and services and wastewater collection treatment and disposal facilities and services.

The Parties goal is to jointly pursue the development and implementation of a project (s) that could involve, planning, designing, implementing constructing, operating, maintaining and administering of new or modified water supply sources, production, treatment and distribution of water and appurtenant infrastructure facilities and managerial and financial best practices to provide safe affordable drinking water over the long term to the communities the parties serve.

The Parties desire to implement this goal by creating a **Joint Powers Agency (JPA)** to exercise their established powers for their mutual benefit. As stated above the principal goal is to provide a long term, secure, reliable, safe water supply for the benefit of all the Parties in an, efficient, reliable, cost-effective and environmentally sound manner.

The principal goal of the Agency and of this Agreement is to provide a long term, secure, reliable, safe water supply for the benefit of all the Parties in an, efficient, reliable, cost-effective and environmentally sound manner. The first objective is to provide a treated surface water supply for the Parties.

2.2. The parties have been informed and have provided input to the NTCRSWTP study and the community has been informed of such study which was completed on XXX

By signing this agreement the parties agree with the implementation of that study as an alternative to the drinking water source of the communities benefiting from this project.

2.3. The purpose of this Agreement is to provide the legal mechanism under which the Agency will conduct and implement the project for the benefit of the Parties.

2.4. Through this agreement the Parties establish that they will share in the costs of Project-related acquisition of water rights, water supply contracts, Environmental Documentation, Permitting, design, Final Engineering, financing, property and rights-of-way acquisition, Construction, operation, maintenance and management of the Project on and subject to the terms of this Agreement.

How? Proportional on the number of connections? Equally among all of the Parties? What is the cost distribution process?

2.5. The Parties have a joint and mutual interest in the successful planning, design, construction and operation of the Project. The Parties each have the power to design, finance, lease, purchase, condemn, acquire, construct, operate, maintain, sell, **hypothecate** or otherwise dispose of the Project and related property for the purpose of the production, treatment and distribution of water as provided herein.

2.6. These powers can be exercised best through the cooperative action of the Parties through a Memorandum of Understanding (MOA), contract agreement, or joint power agreements as decided by the agency board. Under the Joint Exercise of Powers Act, each of the Parties is authorized to contract, collaborate and or enter into agreements with the other for the joint exercise of common powers.

2.7. For regional projects, the project design plans shall include fixed points of delivery of water from the regional project transmission piping to each Party's local distribution facilities.

2.8 The Agency may have the power to provide finished water to individual customers, residential or commercial, who are located within **400 feet** of a distribution line and who are not customers to any of the Parties and who have requested the service from the Agency.

3. CREATION OF AGENCY.

3.1. Authority. This Agreement is authorized by, and entered into pursuant to, the Act and other applicable law.

3.2. Agency Created. There is hereby created a public agency to be known as the "NTC Water Agency" The Agency shall be a public agency separate from the Parties. The Agency may change its name at any time through adoption of a resolution by the Board of Directors.

3.3. Liabilities. The debts, liabilities, contracts and obligations of the Agency shall be the debts, liabilities, contracts and obligations of the Agency alone. No debt, liability, contract or obligation of the Agency shall be or constitute a debt, liability, contract or obligation of the Parties or either of them. The Agency shall not have the authority to bind the Parties or either of them to any debt, liability, contract or obligation. However, a Party or Parties separately may contract for, or otherwise expressly assume responsibility for, a specific debt, liability, contract or obligation of the Agency, but only the Party or Parties expressly assuming responsibility shall be so bound, and no other Party then shall be liable for such debt, liability, contract or obligation.

3.4. Effective Date. The effective date of this Agreement and of the legal existence of the Agency shall be xx xx xx, and this Agreement and the Agency shall continue in full force and effect until terminated as provided in this Agreement.

3.5. No Restriction on Other JPA. Nothing in this Agreement shall prevent the Parties from entering into other joint powers agreements.

4. ORGANIZATION, BOARD AND OFFICERS.

4.1. Membership. Cutler PUD, East Orosi CSD, Orosi PUD, Sultana CSD. The Agency Board may by resolution approve additional members.

4.2. Participating Agencies. A Participating Agency shall be entitled to participate in open session Board meetings regarding the planning, design, Construction and operation of the Project. Agency may consult from time to time with current and potential future Participating Agencies regarding Project design, planning and implementation. The Agency Board may by resolution approve Participating Agencies.

4.2.1. Tulare County is a Participating Agencies with the JP Agency representing the communities of Monson, Yetttem and Seville

4.2.2 Alta Irrigation District as the raw water provider and owner of the assigned water right permits is considered a Participating Agency.

4.3. Board of Directors. The Agency shall be governed by a legislative body known as the Board of Directors. The Board shall consist of xx directors, with xx appointed by each Party. Each Party shall also select one alternate. Each Director shall be entitled to one vote. A Participating Agency may appoint a non-voting member to the Board who shall sit with the xx voting Directors at open session Board meetings, and have the right to participate in public Board discussions but shall not be counted towards a quorum, and may not make, or second, motions. A Participating Agency may also appoint an alternate member to the Board to attend in absence of the designated Participating Agency representative.

4.4. Selection of Directors. Within 30 days after the execution of this Agreement by the Parties, each Party shall designate and appoint the representatives to serve as Directors on the Board. Each Party also shall appoint an alternate Director. For each Party, each representative shall be an existing board member to the legal entity party to this agreement.

The alternate member shall also be an existing board member of the party. Alternates shall assume all rights of a Director representing the appointing entity and shall have the authority to act in the absence of a Director or in the event that a Director has a conflict of interest that precludes participation by the Director in any decision-making process of the Agency. Each Party shall give written notice to the Agency Secretary of the names of its Directors and alternate Director. The names of all directors and alternates shall be on file with the Board.

Each of the Directors and alternate Directors shall hold office from the first meeting of the Board after the appointment of the Director or alternate Director until a successor is selected. Directors, alternate Directors and Participating Agency members shall serve at the pleasure of the governing body of their appointing Parties or agency and may be removed at any time, with or without cause, at the sole discretion of such governing body.

4.5. Compensation. No Director shall receive any compensation from the Agency for serving as such; however, a Director may be reimbursed for necessary and actual expenses incurred by such Director in the conduct of the Agency's business. Except as specifically provided in this Agreement, staff of the Parties shall not be compensated by the Agency for their time incurred on Agency business and affairs.

4.6. Board Action.

4.6.1. All the power and authority of the Agency will be exercised by the Board, subject, however, to the rights reserved by the Parties as set forth in this Agreement, and provided further that the Board may delegate such powers and authority to its officers, employees, contractors and others as the Board deems appropriate.

4.6.2. The Board may act only by ordinance, resolution or motion.

4.6.3. Except as otherwise provided in section 8, for the purposes of transacting the business of the Board, a quorum shall consist of xxx Board Directors and a majority vote of the entire Board shall be required for any Board action

4.7. Principal Office. The Board shall designate a location within Tulare County as the principal Agency office. The Board may change the principal office from time to time.

4.8. Meetings. The time, frequency and place of regular meetings of the Board shall be determined by resolution adopted by the Board, with a copy of such resolution furnished to each Party and Participating Agency. All meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Government Code title 5, division 2, part 1, chapter 9 (commencing with Section 54950)).

4.9. Organization of the Board. The Board shall elect a Chair and a Vice-Chair to serve for a term of one year, unless sooner terminated at the pleasure of the Board. The first Chair and Vice-Chair appointed shall hold office from the date of appointment to June 30 of the ensuing year. The position of Chair and Vice-Chair shall alternate between representatives of each Party. The Board may, from time to time, determine the dates for the commencement and completion of the terms of the Chair and Vice-Chair.

4.10. Officers. The Agency shall provide for and appoint the following officers:

4.10.1. Treasurer/Auditor. The Treasurer shall function as the combined offices of Treasurer and Auditor pursuant to Government Code Section 6505.6, and shall strictly comply with the statutes relating to the duties of such offices found in the Act. The Treasurer shall be the depository and have custody of all money of the Agency from whatever source, and shall draw all warrants and pay demands against the Agency as approved by the Board. The Treasurer shall cause independent audits of the finances of the Agency to be made by a certified public accountant in compliance with Government Code Section 6505. The Treasurer shall serve at the pleasure of the Board. In lieu of designating the Treasurer and Auditor as set forth in this section, the Board may designate the treasurer of one of the Parties or a certified public accountant to be the Treasurer, as set forth in Government Code Section 6505.5. The Board shall then designate an Auditor as set forth in section 6505.5. The Treasurer shall serve at the pleasure of the Board.

4.10.2. Secretary. The Secretary shall cause to be kept minutes of all meetings of the Board. The secretary shall maintain the records of the Agency. The Secretary shall be appointed by and shall serve at the pleasure of the Board. The secretary does not have to be a board member. The board may appoint an employee to fulfill this position.

4.10.3. General Counsel. The General Counsel shall provide legal advice and services to the Agency. The General Counsel shall be appointed by and shall serve at the pleasure of the Board.

4.10.4. Additional Officers. The Board may appoint such additional officers as it deems necessary or appropriate.

4.10.5. Qualifications. Any officer, employee or agent of the Board also may be an officer, employee or agent of any of the Parties. Except as specifically provided in section 4.14, no officer, employee, agent or attorney of any of the Parties shall receive compensation from the Agency for time spent on Agency matters.

4.11. Technical Committee. There shall be a Technical Committee designated by each party. The Technical Committee shall be responsible for monitoring the activities of the Agency on behalf of the Parties and making such reports as the Board deems appropriate. The Technical Committee may make recommendations to the Board with respect to the appointment and termination of the **Agency General Manager**. The Technical Committee shall consult with and advise the **General Manager** concerning Project design, planning and implementation. The Technical Committee may only take action if the designees of the parties agree. A Participating Agency may be involved in Technical Committee meetings subject to Technical Committee member invitation.

4.12. Privileges, Liability and Immunity. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents, or employees of any of the Parties when performing their respective functions shall apply to the same degree and extent while such individuals are engaged in the performance of any of the functions and other duties under this Agreement. None of the officers, agents, or employees appointed by the Board shall be deemed by reason of their employment by the Board to be employed by any of the Parties or subject to any of the requirements of such Parties.

4.13. "General Manager" & Agency Management. Upon Board determination, the Board may appoint a General Manager or a management company or consultant who shall be responsible to the Board for the proper and efficient administration of the Agency as directed by the Board pursuant to the provisions of this Agreement or of any ordinance, resolution or order of the Board not inconsistent with this Agreement. The General Manager may be retained under contract with the Agency, be an employee of the Agency, or be an employee of one of the Parties.

The General Manager shall report directly to the Board and serve as staff to the Agency. Any communications, correspondence or other material that is furnished to the Board by the General Manager shall also be furnished to the **Technical Committee** unless the General Manager is directed otherwise by the Board. The General Manager shall serve at the pleasure of the Board. In addition to any other duties that may be assigned by the Board, the General Manager shall have the following authority:

4.13.1. Under the policy direction of the Board, and in consultation with the Technical Committee, to plan, organize, administer, implement and direct all activities of projects and Agency;

4.13.2. To authorize expenditures within the designations and limitations of the budget approved by the Board;

4.13.3. To make recommendations to and requests of the Board concerning any matter which is to be performed, done or carried out by the Agency;

4.13.4. To assign, supervise and otherwise control the activities of any Agency employees, Party employees assigned to the Agency, and contractors that may be retained by the Agency; and,

4.13.5. To have charge and control of and manage all real and personal property acquired by the Agency.

4.14. Staff. A Party may assign its employees to perform other services for the Agency, subject to the approval of both the Agency and Party. The services of such assigned employees shall be at the expense of the contributing Party, unless the contributing Party and the Agency enter into a written agreement to reimburse the Party for the value of the services provided by the assigned employees. The Agency also may enter into appropriate contracts for staff services or employ staff directly.

4.15. **Bylaws and Rules.** The Board may adopt from time to time such bylaws, rules and regulations for the conduct of its business and affairs of the Agency as may be necessary or appropriate.

5. POWERS AND PURPOSES.

5.1. Purposes. Each Party has in common the power to study, plan, develop, finance, acquire, condemn, lease, design, construct, maintain, repair, manage, operate, control and dispose of the Project Facilities, either alone or in cooperation with other public or private entities. The purpose of this Agreement is to jointly exercise some or all of the foregoing common powers, as appropriate, and for the exercise of such additional powers as may be authorized by law in the manner set forth in this Agreement, in order to provide for the most cost-efficient and timely acquisition of water rights, water supply contracts, Environmental Documentation, Permitting, design, Final Engineering, financing, property and rights-of-way acquisition, Construction, operation, maintenance and management of the Project. A related purpose of this Agreement is to better manage and coordinate the area surface and groundwater resources for the mutual benefit of the Parties.

5.2. Powers. All of the power and authority of the Agency shall be exercised by the Board. Subject to the conditions and restrictions in this Agreement, the Agency, in its own name, shall have the common powers of the Parties and as otherwise granted by the Act, in order to achieve the purposes of the Agency.

The Agency is authorized in its own name to do all acts necessary or convenient to the exercise of these powers and for these purposes, including but not limited to any or all of the following:

5.2.1 To exercise jointly the common powers of the Parties in studying, planning, designing and implementing the Project and other water supply projects consistent with this Agreement.

5.2.2. To make and enter contracts, and to execute leases, installment sale contracts or installment purchase contracts in accordance with procedures and requirements as permitted by law.

5.2.3. To contract for or employ clerical, administrative, technical or professional staff or consultant support of any kind including engineers, attorneys, planners, financial consultants or other agents or employees.

5.2.4. To design, acquire, construct, manage, maintain and operate any buildings, works, or improvements.

- 5.2.5. To acquire real or personal property, including, without limitation, by purchase, lease, gift, bequest, devise, or exercise of the power of eminent domain; to hold, manage, lease and dispose of any such property.
- 5.2.6. To hold, manage, operate and maintain all Agency property, facilities, buildings, structures, vehicles, apparatus and equipment.
- 5.2.7. To incur debts, liabilities or obligations subject to limitations set forth in this Agreement.
- 5.2.8. To sue and be sued in its own name.
- 5.2.9. To receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and any governmental entity.
- 5.2.10. To apply for and accept appropriate grants and loans under any federal, state or local programs for assistance in developing the Project, or any future authorized modifications to the Project.
- 5.2.11. To enter into arrangements for the transmission, purchase and sale of electrical power, or the trading of electrical power, related to operation of the Project.
- 5.2.12. To obtain, in its own name, all necessary and appropriate permits, licenses, entitlements, opinions and rulings.
- 5.2.13. To procure bonds, insurance and self-insurance as it deems advisable to protect the Parties and Agency and its property, officers, employees, contractors and agents.
- 5.2.14. To form and administer nonprofit corporations to do any part of what the Agency could do, or to perform any proper corporate function, and enter into agreements with such a corporation.
- 5.2.15. To issue bonds and certificates of participation in accordance with applicable statutes, including, but not limited to, the following: Article 2, Chapter 5, Title 1, Division 7 of the California Government Code, commencing with Section 6540; Chapter 6, Title 5, Division 2 of the California Government Code, commencing with Section 54300; and, Article 4, Chapter 5, Title 1, Division 7 of the California Government Code, commencing with Section 6584.
- 5.2.16. To use other financing acts, including, but not limited to the Improvement Bond Act of 1915.
- 5.2.17. To exercise any of the powers set forth in the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of the Act).
- 5.2.18. To enter into agreements incident to the issuance of bonds and certificates of participation for the purpose of enhancing the credit or liquidity of such bonds, or to place such bonds on a different payment schedule, such as an interest rate swap, cap or similar instrument, or in connection with the investment of the proceeds of such bonds.
- 5.2.19. To levy and collect revenue and funding as authorized by law.
- 5.2.20. To enter into agreements with the Parties and Participating Agencies for the construction, operation, maintenance and/or management of certain Project Facilities. Notwithstanding the foregoing, the Agency shall have any additional powers conferred under the Act, insofar as such additional powers may be necessary or desirable to accomplish the purposes of the Agency.

5.3. Manner of Exercise of Powers. To the extent not specifically provided for in this Agreement or the Act, the Agency shall exercise its powers subject to the restrictions upon the manner of exercising the powers under applicable local, state and federal laws.

5.4. Use of Project Water. The Agency shall operate the Project and use its best efforts to ensure that the set forth allocations are at all times, fully available for use by the Project Participants within their respective service areas.

A Project Participant shall not sell, convey, transfer or make its allocation available to a third-party without the prior approval of the Agency. This restriction shall not apply to a Project Participant's water service obligations to provide treated water within its service area. A Project Participant shall not use, convey or transfer Project water for use outside the authorized place of use **specified in the Agency's water right permit(s) or license(s) or water purchase contract.**

6. ALLOCATION OF COSTS, FINANCE AND ACCOUNTING

6.1. Allocation of Costs:

The costs incurred by the Agency in carrying out its functions shall be allocated between the Parties pursuant to this section. The Parties' respective percentage shares in this section may be changed by unanimous Board approval, The Agency shall keep and maintain accurate records showing and segregating the Capital Costs of the various Project Facility cost categories set forth below.

6.1.1. Capital Costs. Capital Costs sharing for projects Facilities shall be as follow: **xxx**

How? Proportional on the number of connections? Equally among all of the Parties? What is the cost distribution process?

6.1.2 The capital costs sharing shall apply to the Initial Project Facilities and any future capital costs, including, modification, improvement and minor repair and replacement costs. Following the Construction of the Initial Project Facilities, the percentage shares of the Capital Costs to apply to any expansion of, addition to or increase of projects Facilities and the Repair and Replacement costs shall be determined by the Board.

6.1.3. Fixed Operating Costs. Fixed Operating Costs for projects Facilities shall be allocated based on **xxx:**

6.1.4. Variable Operating and Repair and Replacement Costs. Variable Operating Costs for Project Facilities and Repair and Replacement Costs shall be allocated between projects Participants based on each Project Participant's proportionate share of the volume of use of projects Facilities or such other method as may be established by unanimous Board approval.

6.1.5. Supplemental Water Purchase Costs. The costs of the annual note payments by the Agency under a Water Agreement. For example in the case of purchasing water from the Alta ID the allocation of that cost shall be based on **xx**

6.2. Individually-Owned Project Facilities:

6.2.1. For an Individually-Owned Project Facility, Capital Costs may include such costs related to the initial design and Construction of that Project Facility. The Capital Costs of an Individually-Owned Project

Facility shall be allocated entirely to the project Participant that will be served by that Project Facility (see section above). After Completion of Construction and conveyance of the completed Individually-Owned Project Facility to a Project Participant, the Agency shall not incur or allocate to projects Participants any subsequent Capital Costs related to the repair, replacement, modification or improvement of the Individually-Owned Project Facility. The Agency will not be responsible for the operation and maintenance of any Individually-Owned Project Facility, and the Agency shall not incur or allocate to projects Participants any Fixed Operating Costs, Variable Operating Costs or Repair and Replacement Costs related to the operation and maintenance of any Individually-Owned Project Facility.

6.2.2. If approved by the Agency Board and agreed to in writing by the Agency and a Project Participant, an Individually-Owned Project Facility or Facilities may be included as part of projects and financed, designed or constructed by the Agency. Upon Completion of Construction of any Individually-Owned Project Facility, the Agency will convey all of its right, title and interest in the completed Individually-Owned Project Facility to projects Participant that is served by that Project Facility and that Project

The Project Participant shall accept the conveyance of the completed Project Facility and thereafter be responsible for the ownership, operation, maintenance, repair, replacement, modification and improvement of that Project Facility. The Agency shall have no obligation to operate, maintain, repair, replace, modify or improve any Individually-Owned Project Facility.

6.3. Payment Obligations.

6.3.1. Each of the Parties agrees that they will be responsible for paying its respective costs of the Agency in accordance with the payment schedule adopted by the Board pursuant to section 6.3.2 below, and consistent with the cost allocation methodology set forth in section 6.1 and any bonds or certificates of financing issued or financing agreements entered into by the Agency.

6.3.2. All costs of the Agency shall be annually assessed and a cost schedule revised accordingly. The schedule should generate sufficient revenues to meet the obligations of the Agency for that fiscal year as set forth in the Agency's annual budget. The schedule should include any and all bonds or financing agreements entered into by the Agency. Each Party's water enterprise fund or such other fund as a Party may determine will be responsible for the payment of this annual assessment whether or not water is available for diversion to projects, and regardless of the occurrence of any Force Majeure event.

6.3.3. Notwithstanding anything to the contrary herein, each of the Parties shall be individually liable to the other Party for its failure to pay its respective share of the Agency's annual costs (including but not limited to debt service on any bonds or related obligations). In the event that a Party fails to make any payment of such costs (a "Defaulting Party"), a non-defaulting Party may voluntarily make such payment on behalf of the Defaulting Party, but the Defaulting Party shall remain obligated to reimburse the non-defaulting Party for such advance with interest calculated at one and one-half the rate of return earned by the treasury of the non-defaulting Party during the time period of the default.

If the Defaulting Party has not repaid the non-defaulting Party for such advance by the agreed payment schedule, the non-defaulting Party may take such legal action as it deems appropriate to enforce payment of such obligation.

The agency may decide to establish a debt reserve funds for such events and may establish policies for nonpayment and disconnect procedures.

6.3.4. Any payment remaining unpaid by a Party after its due date shall bear interest at the rate and terms established in policies and procedures or Rules and Regulations of the agency.

In the event of such a default, in addition to any other remedy that may be available, the Agency may cease providing water to the Defaulting Party until the delinquent amount with interest has been paid in full.

6.4. Revenue Deficit. If insufficient revenue is collected by the Agency to satisfy all of its annual costs (other than by reason of a failure of any Party to pay its share of costs), then such deficiency will be assessed by the Agency against all Parties in the same manner as costs were allocated to each Party for the fiscal year in which such deficit was incurred.

6.5. Budget Reserves and Excess Revenues. The Board shall determine on an annual basis, prior to the beginning of each fiscal year, a level of reasonable cash reserves to be accumulated by the Agency. The reserve accounts could be those recommended by funding agencies such as, debt reserve, O&M reserve, emergency reserve, future repairs and improvements reserve. These reserves shall be accumulated from revenues collected in excess of all actual costs of the Agency. Once the targeted reserve level is reached, all additional revenues collected in excess of the actual costs of the Agency shall be considered excess revenue and, subject to any limitation in any bond or other financing agreement, carried forward as revenue for the next fiscal year and serve to reduce each Party's respective assessment for such subsequent fiscal year.

6.6. Annual Budget. Within 90 days after the first meeting of the Board, and thereafter prior to the commencement of each fiscal year, the Board shall adopt a budget, including a projection of Capital Costs, Fixed Operating Costs, Variable Operating Costs and Repair and Replacement Costs for projects for the ensuing fiscal year plus an amount to fund a contingency reserve. The budget also shall include a forecast of the payment obligations for each of the Parties for the subsequent four years. (They will be preparing a 5 Year Financial Plan/Budget)

After the adoption of the initial budget, if the Board because of a tie-vote or other reason fails to timely approve an annual budget, then the prior year's annual budget (plus a cost of living adjustment) shall continue in effect until superseded by a new Board-approved budget and the former budget shall provide appropriation for ongoing Agency expenditures consistent with that budget, as adjusted.

6.7. Reconciliation of Fixed and Variable Costs/ Annual Financial Statement. As soon as practicable following the commencement of a fiscal year, the Board shall, upon recommendation of the Treasurer, reconcile Capital Costs, Fixed and Variable Operating Costs and Repair and Replacement Costs for the prior fiscal year.

The amount so reconciled shall then be factored into the calculation of projected Capital Costs, Fixed and Variable Operating Costs and Repair and Replacement Costs for the next fiscal year.

6.8. Accounting Procedures. The Agency shall keep and maintain strict accountability of all funds, receipts and expenses, and shall keep and maintain appropriate records and accounts of all funds, receipts and expenses under this Agreement in accordance with accounting and bookkeeping practices

established by, or consistent with, those utilized by the Controller of the State of California for like public entities. In particular, the Treasurer shall comply strictly with requirements of the Act. The Agency shall allow any Party, or any of its employees, accountants, attorneys or agents to review, inspect, copy and audit any such records and accounts, including source documents.

6.9. Assets. The Agency shall maintain up to date records of all its assets including, vehicles, apparatus, equipment and other assets and property contributed by each Party. The Agency shall prepare and annually review its Asset Management Plan.

6.10. Expenditures. The Board shall establish and comply with a system and procedure for the review and approval of Agency expenditures and claims and the drawing and/or signing of Agency warrants or checks. All expenditures shall be consistent with the approved budget, except as otherwise determined by the Board.

6.11. Audit. Annually, biennially, or on any longer period as permitted by law, the Board shall contract with an independent certified public accountant to perform a financial audit of the accounts and records of the Agency. Copies of such audit reports shall be filed with each Party and any Participating Agency and, if required, with the State Controller within six months of the end of the audited fiscal year, or such other period permitted or required by law.

7. PROJECT FACILITIES AND CAPACITY.

7.1. Authorized Project Facilities. Subject to the restrictions and limitations of this Agreement and the completion of the Environmental Documentation and Permitting, and as required by law, the Agency is authorized to implement and undertake the acquisition of water rights and water supply contracts, design, Final Engineering, financing, property and rights-of-way acquisition, Construction, operation, maintenance and management of and for the Project Facilities. Following Construction of the Initial Project Facilities, the Agency may expand, add to or increase to the Project Facilities as may be determined by the Board.

7.1.1. The overall Project service area and water right place of use **are shown on Exhibit B**, attached hereto and incorporated herein. The Project service area and water right place of use also may be expanded by the Board from time to time. Each of these types of expansions is subject to State Water Resources Control Board approval of any change in the authorized place of use in any applicable water-rights permit or contract.

7.1.2. The final Project design plans shall include fixed points of delivery of water from the Transmission Piping to each Party's local distribution facilities.

7.1.3. The Agency may provide finished water to individual customers, residential or commercial, who are located within 400 feet of a distribution line and who are not customers to any of the Parties and who have requested the service from the Agency.

7.2. Expenditure Controls. The Agency shall secure the written approval of the Community of each Party before proceeding with the award of any contract for Final Engineering or Construction of the Initial Project Facilities. After securing these approvals, further Community approval will not be required as a precondition to Board actions and decisions about such project.

7.3. Dedicated Capacity. (Insert information from the NTCRSWTP study in here)

7.3.1. Upon Completion of Construction of the Initial Project Facilities, each Project Participant shall be entitled to exclusive use of the Dedicated Capacity in the Project Facilities as set forth in engineering study (insert information here) without regard to whether the Project Participant actually uses such facilities for the delivery of water. The daily flow limits in the table below are based on an Initial Project Facilities capacity of xx mgd. The actual total capacity of the as-built Regional Water Treatment Facility will be rated by the California Department of Public Health following required testing of the plant construction. If the total rated daily flow limit capacity differs from the total daily flow limit amount presented in the table below, then each Project Participant's daily flow limit shall be adjusted accordingly and proportionately based on the percentage shares.

7.3.2. If the Agency expands the Project Facilities to produce greater than xx mgd, then the foregoing daily flow limits in mgd as well as the corresponding percentages shall be adjusted as determined by the Board; however, the quantity (mgd) of Dedicated Capacity allocated to each party and the annual limit for each party shall not be increased without its written consent (i.e., if a party chooses not to consent to and participate in a Project expansion, then its Dedicated Capacity and annual limit would remain fixed and its percentage share of the expanded Project would be reduced accordingly or the percentages may be revised by written agreement between the Parties to reflect a different basis for calculation).

7.4. Water Delivery.

7.4.1 After Completion of Construction of the Project Facilities, the Agency shall make available and deliver to each Project Participant a total amount of treated water up to its respective Dedicated Capacity shares, subject to the terms and conditions of this Agreement and the availability of water.

7.4.2 The water shall be delivered to the points of delivery as shown on the final Project plans and specifications.

7.4.3 The Agency shall deliver treated water that meets all state and federal drinking water quality standards applicable to the Project at the time of the delivery.

7.4.4 The Agency shall consult with the Project Participants on a regular basis to determine specific schedules of deliveries, and, consistent with the terms of this Agreement, the Agency shall use its best efforts to meet the requirements of the Project Participants.

7.4.5 If a Project Participant does not desire or take its full entitlement of available water, then the amount of water not delivered to that Project Participant may be made available at no cost for the raw water and delivered to other Project Participants that are interested in additional water deliveries.

7.4.6 The Agency shall keep and maintain a monthly schedule of the actual quantities of water delivered to each of the Project Participants.

7.5. Changes in Dedicated Capacity Shares.

7.5.1. The Parties' respective Dedicated Capacity shares may be changed by unanimous Agency Board approval. The parties Dedicated Capacity share shall not be changed without prior written consent and unanimous approval by the Agency Board.

7.5.2. Any two or more of the Project Participants may adjust their respective Dedicated Capacity shares and redistribute their respective shares among themselves, so long as the total Dedicated Capacity share percentages of the Project Participants in the redistribution remains the same after the redistribution. The redistribution may be temporary or permanent. The redistribution shall be in writing approved and signed by the involved Project Participants and filed with the Agency. If temporary, the writing shall indicate the effective dates of the redistribution. The redistribution also may reallocate the Project Participants' respective payment shares under section 6.1, in which case the writing also shall indicate the changes to the section 6.1 shares, whether temporary or permanent, and, if temporary, the effective dates of the changes.

7.6. Reduction in Availability of Project Water. If, for any reason (including, but not limited to, water supply availability, drought, restrictions on diversion, regulatory requirements, damage, or maintenance), the daily water available for delivery is less than xx mgd (or an expanded Project capacity as later may be approved by the Board) at any time, and such reduction is not due to an act or omission of any Project Participant, then the available water supply shall be allocated among the Project Participants based on their percentage shares of Dedicated Capacity as set forth in section 7.3 or on such other allocation as may be determined by the Board; provided, however, that any reduction in water from the supplemental water purchase shall be reduced based on the cost allocation shares set forth in section 6.1.5, unless the Parties agree to a different allocation of this water.

If, for any reason, the annual water delivery capacity of the Project Facilities is less than xx af/yr, and such reduction is not due to an act or omission of any Project Participant, then the annual amounts of available water shall be allocated among the Project Participants based on the percentage shares of Dedicated Capacity as set forth in section 7.3 or on such other allocation as may be determined by the Board; provided, however, that any reduction in water from the supplemental water purchase shall be reduced based on the cost allocation shares set forth in section 6.1.5, unless the Parties agree to a different allocation of this water.

If reductions in both the daily water delivery capacity and the annual limit occur, then available daily water delivery capacity shall be allocated first, and the available annual limit then shall be allocated in a manner that is consistent with the allocated daily water delivery capacity. If the reduction is due to an act or omission of a Project Participant, then that Project Participant shall be responsible for absorbing the amount of the reduction attributable to its act or omission from its share of Dedicated Capacity or annual limit.

7.7. Ownership of Project Facilities. Except as otherwise provided by section 6.2, all Project Facilities, lands and easements shall be owned by and held in the name of the Agency for the benefit of the Project Participants in accordance with the terms of this Agreement.

8. NONPARTICIPATION BY A PARTY

8.1. Party Commitment to Project. By approving this Joint Powers Agreement, each Party commits to proceeding with the design, Construction and operation of the Initial Project Facilities and to funding the Capital Costs of the Initial Project Facilities on and subject to the terms of this Agreement; however, the party commitment also is subject to the approval by its voters/community at a (insert date range)

special meeting called for that purpose. Each Party approves the Implementation of Regional Project Milestone Schedule (“Schedule”) that is attached as Exhibit C and each Party shall diligently and in good faith strive to take and implement the Schedule actions in accordance with the Schedule deadlines.

8.2. Missed Deadline. If a Party fails to take an action in accordance with the Schedule (which includes the failure of the Agency Board to timely approve a contract to design and construct the Project Facilities due to the failure of a Party’s Directors to vote in favor of the contract), the other Parties may give written **Notice of Missed Deadline** to the Party missing the deadline. The Notice of Missed Deadline will inform about the nature of the missed deadline, state the noticing Party’s intention to proceed with the Project with the remaining parties per this section 8, and provide the Party missing the deadline with 20 days to cure the missed deadline. If the Party missing the deadline fails to satisfactorily cure the matter within the 20-day cure period, then the other Parties (the “Participating Community”) may give written notice (the “Go-It-Alone Notice”) to the Agency Secretary and the Party missing the deadline (the “Nonparticipating Community”) that the Participating Communities are exercising their option to proceed with the Project pursuant to this section 8.

On the first day of the month following receipt of the Go-It-Alone Notice by the Secretary, sections 8.3 through 8.10 will apply to the Project and the contractual relations between the Parties and the Agency. If there are any irreconcilable inconsistencies between this section 8 and another provision of this Agreement, section 8 will govern.

8.3. Agency Board Action. The Board of Directors will continue to be a **xx** member Board; however, for the purposes of transacting any business of the Board pertaining directly or indirectly to the Project (including Construction, operation, expansion and financing related decisions), a quorum shall consist of the **xx** Directors who represent the Participating Communities, and an affirmative vote by Participating Communities shall be required for any Board action. For the sake of clarity, the intent of this paragraph is that the Nonparticipating Community not be able to prevent the Participating Communities or the Agency from proceeding with the Project.

8.4. Modification of Project Facilities. The Agency Board will modify the scope and design of the Project Facilities so that the Project Facilities are reduced to provide capacity and water supply for only the Participating Communities, including, but not necessarily limited to, a reduction of the Regional Water Treatment Facility capacity to a size as determined by the Board and removal of the Transmission Piping for the Nonparticipating Community. The Agency will proceed with the design, Construction and operation of the modified Project Facilities for the sole use and benefit of the Participating Communities.

8.5. Dedicated Capacity and Use of Project Facilities. All Agency lands, easements, Permitting, contracts, staffing, Agency funds and reserves on hand and other assets will be provided for the sole benefit and use of the Participating Communities. Upon Completion of Construction of the modified Project Facilities, all Project Facilities and the full Dedicated Capacity of the Project Facilities will be provided for the sole benefit and use of the Participating Communities.

8.6. Water Rights. The full water supply available under Agency Water Right contracts will be provided for the sole use (through the Agency) of the Participating Communities.

8.7. Cost Allocation. Starting on the first day of the month following the Go-It-Alone Notice, the Participating Communities will be solely liable and responsible for all Agency and Project Capital Costs, Fixed Operating Costs, Variable Operating Costs, Repair and Replacement Costs and other costs and expenses; except that the Nonparticipating Community will remain liable for payment to the Agency for (a) its share of Agency and Project costs incurred prior to the first day of the month following the Go-It-Alone Notice (as calculated, charged and assessed pursuant to section 6).

8.8. Reimbursement for Redesign Costs. **If, after the date we commence construction**, a Party fails to take an action in accordance with the Schedule and the other Party gives a Go-It-Alone Notice pursuant to section 8.2, then the Nonparticipating Community will pay or reimburse the Agency for the Agency's and Participating Communities' direct, actual and reasonable costs to redesign the Project Facilities for just the Participating Communities and including staff and administrative costs directly related to the redesign.

8.9. Limited Rights of Nonparticipating Community. The Nonparticipating Community will not receive any water supply from the Project, it will not have any Dedicated Capacity in the Project Facilities, and it will not have any intake and diversion capacity in the Raw Water Intake. The Directors representing the Nonparticipating Community will have limited or no voting rights on the Board as indicated by section 8.3.

8.10. Re-participation by Nonparticipating Community. If, following a Go-It-Alone Notice, the Nonparticipating Community desires to re-participate in the Project, then it and the Participating Communities may negotiate a fair and equitable amendment of this Agreement to address the terms of such re-participation and buy-in to the Project Facilities. Re-participation by the Nonparticipating Community will be allowed only pursuant to the terms of an amended Agreement mutually approved by the governing board of each Party. If the Nonparticipating Community expresses an interest in re-participation, then the Participating Communities will negotiate in good faith on fair and equitable terms of an amended Agreement and will not unreasonably refuse re-participation by the Nonparticipating Community.

9. INDEMNIFICATION.

9.1. By Agency. The directors, officers, employees, agents and volunteers of the Agency shall be entitled to defense and indemnification by the Agency as provided under **Government Code title 1, division 3.6, part 2, chapter 1, article 4 (commencing with Section 825) and title 1, division 3.6, part 7 (commencing with section 995)**. The Agency shall indemnify, defend, protect, and hold harmless each Party, and its officers, employees, agents and volunteers, from and against any and all liability, losses, claims, damages, expenses, and costs (including attorney, expert witness and consultant fees, and litigation costs) of every nature arising out of or in connection with the Agency's performance under this Agreement or failure to perform under this Agreement. The Parties acknowledge that the Agency's insurance and indemnity-related costs will be costs of Agency operations for which they will be liable for under section 6.

9.2. By a Party. Each Party shall indemnify, defend, protect, and hold harmless the Agency and the other Party, and their respective directors, officers, employees, agents and volunteers, from and against any

and all liability, losses, claims, damages, expenses, and costs (including attorney, expert witness and consultant fees, and litigation costs) of every nature arising out of or in connection with the Party's performance under this Agreement or failure to perform under this Agreement.

9.3. Survival. These indemnification obligations shall survive and continue in full force and effect after termination of this Agreement for any reason with respect to any actions or omissions that occurred before the date of termination.

9.4. Agency Not Liable for Operation Beyond Point of Delivery. The Agency and its directors, officers, agents, contractors, employees and volunteers shall not be liable for the control, carriage, handling, use, disposal, or distribution of Project water supplied to a Party after such water has passed the point of delivery to that Party, nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water beyond that point of delivery; and each Party shall indemnify and hold harmless the Agency pursuant to section 9.2 from any such damages, claims or liability. The Agency shall have no right, title or interest in Project water after the water has passed the point of delivery to a Party.

9.5. Parties Not Liable for Operation Upstream From Point of Delivery. A Party and its officers, agents, contractors, employees and volunteers shall not be liable for the control, carriage, handling, use, disposal, or distribution of Project water before such water has passed the point of delivery to the Party; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water before it has passed that point of delivery; and the Agency shall indemnify and hold harmless the Party pursuant to section 9.1 from any such damages, claims or liability.

9.6. The indemnification and hold harmless provisions of this section 9 shall apply in lieu of the right of contribution provisions at **Government Code Sections 895-895.8.**

10. TERM, WITHDRAWAL AND DISSOLUTION.

10.1. Term. This Agreement and the Agency shall continue in existence until terminated and dissolved in accordance with the terms of this section 10.

10.2. Withdrawal Prior to the construction of the Project Facilities. Prior to construction of the project facilities, the Parties may terminate this Agreement and dissolve the Agency upon giving all the Parties and the Agency Board 90 days prior written notice of termination; provided, however, the Parties shall be obligated for their share of all liabilities and expenses of the Agency incurred prior to the effective date of such termination. If the Agency Board has received such notice of termination, it shall be prohibited from issuing any bonded indebtedness or participation in debt or awarding any contracts for Construction. If this Agreement is terminated pursuant to this section 10.2, then the Parties shall ask the State Water Resources Control Board to allocate any funding pursued and obtained for this project.

10.3. Dissolution. This Agreement and the Agency may be terminated and dissolved by only by the mutual approval of the Parties expressed by resolution of the governing board of each Party approving a dissolution agreement pursuant to section 10.4. The Agency shall not be dissolved until all debts and

liabilities of the Agency have been discharged or assumed in accordance with this Agreement and the dissolution agreement. During the outstanding term of any Agency bonds, certificates of participation or other indebtedness, this Agreement and the Agency shall not be terminated unless (a) the indebtedness is first paid off in full before the effective date of the termination, or (b) the indebtedness is assigned to and assumed by one or some of the Parties or a responsible successor entity and there is alternate security for the indebtedness in a form and manner approved by bond counsel selected by the Agency as lawful and adequately protecting the interests of any holders of evidence of indebtedness of the Agency.

10.4. Dissolution Agreement. Subject to section 10.3 above, this Agreement and the Agency may be dissolved pursuant to a dissolution agreement approved by **all Parties** that provides for the dissolution of the Agreement and Agency, the utilization, distribution, transfer and assignment of the funds, assets and property (including any completed or partially constructed Project Facilities) of the Agency, and the transfer and assignment of the rights, liabilities and obligations of the Agency. If, at the time of dissolution, the Agency has completed any Project Facility, then the dissolution agreement also must provide for one of the Parties or a responsible successor entity to assume the rights, liabilities and obligations to continue the operation and maintenance of the Project Facility or Facilities. The dissolution agreement also must provide for the transfer and assignment of the Agency water right permits and licenses or contracts to the Parties or a responsible successor entity that will hold, maintain and exercise the permit or license for the benefit of the Project Participants. Any such water right transfer and assignment would be subject to approval by the State Water Resources Control Board, if required. If, at the time of dissolution, the Agency is a party to a water supply agreement with Alta ID, then the dissolution agreement also must provide for one of the Parties or a responsible successor entity to assume the rights, liabilities and obligations under the Alta ID water supply agreement. Upon dissolution of the Agency pursuant to a dissolution agreement approved pursuant to this section, the funds, assets, property, rights, liabilities and obligations of the Agency shall be utilized, distributed, transferred and assigned as provided by the dissolution agreement.

11. GENERAL PROVISIONS.

11.1. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the Parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

11.2. Construction and Interpretation. It is agreed and acknowledged by the Parties that this Agreement has been arrived at through negotiation, and that each Party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in construing or interpreting this Agreement.

11.3. Waiver. The waiver at any time by any Party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

11.4. Remedies Not Exclusive. The 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 either Party of any remedy under this Agreement shall be without prejudice to the enforcement of any other remedy.

11.5. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

11.6. Successors and Assigns. Except as otherwise provided by law or legally ordered by the Tulare County Local Agency Formation Commission as part of a local government organization or reorganization proceeding, the rights and duties of the Parties under this Agreement shall not be assigned or delegated without the prior written consent of the other Party. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void.

Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Agency then in effect, and may be subject to such additional reasonable conditions of approval imposed by the Party approving the assignment or delegation.

11.7. No Third Party Beneficiaries. This Agreement shall not be construed to create any third party beneficiaries. This Agreement is for the sole benefit of the participating communities

LIST OF EXHIBITS

Exhibit A List of Joint Water Supply Project Facilities

Exhibit B Project Service Area and Water Right Place of Use

Exhibit C Implementation of Regional Project Milestone Schedule

EXHIBIT A

List of NTCRSWTP Project Facilities. Agency facilities -- Project facilities to be constructed, owned and operated by the Agency:

1. Regional Water Treatment Facility
2. Raw Water Intake
3. Agency-Only Intake Facilities
4. Raw Water Transmission Main
5. Joint Transmission Piping
- 6.

EXHIBIT B

Project Service Area and Water Right Place of Use

[Attach]

EXHIBIT C

Project Facilities Milestone Schedule

Date and Action Item Task:

For example,

Xx Community Approval of the project and the formation of the JPA Authority

List each entity Governing Board approval and date Board of xx approval of (1) water rates to fund its share of the Capital Costs of the Project Facilities, and (2) resolution authorizing design and construction of the Project Facilities*

Xx date approval of resolution authorizing design and construction of the Project Facilities*

Xx Governing Board authorization to fund its share of the Capital Costs of the Project Facilities

Xx Approval by Agency Board to award a contract to design and construct the Project Facilities

* The Community and board authorization to construct the Raw Water Intake portion of the Project

Facilities will be subject to State of California approval of grant funding of at least xx million toward the Capital Costs of the Raw Water Intake, **or Board action to waive this condition regarding State of California grant funding**