

JOINT EXERCISE OF POWERS AGREEMENT

by and among

THE CASITAS MUNICIPAL WATER DISTRICT

THE CITY OF SAN BUENAVENTURA

THE COUNTY OF VENTURA

THE MEINERS OAKS WATER DISTRICT

and

THE VENTURA RIVER WATER DISTRICT

creating the

THE UPPER VENTURA RIVER GROUNDWATER BASIN AUTHORITY

[MONTH] [DAY], 2015

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**JOINT EXERCISE OF POWERS AGREEMENT
THE UPPER VENTURA RIVER GROUNDWATER BASIN AUTHORITY**

This **Joint Exercise of Powers Agreement (“Agreement”)** is made and entered into as of [DAY] of [MONTH], [YEAR] (“**Effective Date**”), by and among the Casitas Municipal Water District, the City of San Buenaventura, the County of Ventura, the Meiners Oaks Water District, and the Ventura River Water District, sometimes referred to herein individually as a “**Member**” and collectively as the “**Members**” for purposes of forming the Upper Ventura River Groundwater Basin Authority (“**Authority**”) and setting forth the terms pursuant to which the Authority shall operate. Capitalized defined terms used herein shall have the meanings given to them in Article 1 of this Agreement.

RECITALS

A. Each of the Members is a local agency, as defined by the Sustainable Groundwater Management Act of 2014 (“**SGMA**”), duly organized and existing under and by virtue of the laws of the State of California, and each Member can exercise powers related to groundwater management.

B. For groundwater basins designated by the Department of Water Resources (“**DWR**”) as medium- and high-priority, SGMA requires designation of a groundwater sustainability agency (“**GSA**”) by June 30, 2017 and adoption of a groundwater sustainability plan (“**GSP**”) by January 31, 2022.

C. The Upper Ventura River Basin (designated basin number 4-3.01 in the DWR’s Bulletin No. 118) (“**Basin**”) is designated as a medium-priority sub-basin.

D. Under SGMA, a combination of local agencies may form a GSA through a joint powers agreement.

E. The Members have determined that the sustainable management of the Basin pursuant to SGMA may best be achieved through the cooperation of the Members operating through a joint powers agency.

F. The Joint Exercise of Powers Act of 2000 (“**Act**”) authorizes the Members to create a joint powers agency, and to jointly exercise any power common to the Members and to exercise additional powers granted under the Act.

G. The Act, including the Marks-Roos Local Bond Pooling Act of 1985 (Government Code sections 6584, *et seq.*), authorizes an entity created pursuant to the Act to issue bonds, and under certain circumstances, to purchase bonds issued by, or to make loans to, the Members for financing public capital improvements, working capital, liability and other insurance needs or projects whenever doing so would result in significant public benefits, as determined by the Members. The Act further authorizes and empowers a joint powers authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sales.

H. Based on the foregoing legal authority, the Members desire to create a joint powers authority for the purpose of taking all actions deemed necessary by the joint powers authority to ensure sustainable management of the Basin as required by SGMA.

I. The governing board of each Member has determined it to be in the Member's best interest and in the public interest that this Agreement be executed.

TERMS OF AGREEMENT

In consideration of the mutual promises and covenants herein contained, the Members agree as follows:

ARTICLE 1 DEFINITIONS

The following terms have the following meanings for purposes of this Agreement:

- 1.1 "Act" means the Joint Exercise of Powers Act, set forth in Chapter 5 of Division 7 of Title 1 of the Government Code, sections 6500, *et seq.*, including all laws supplemental thereto.
- 1.2 "Agreement" has the meaning assigned thereto in the Preamble.
- 1.3 "Auditor" means the auditor of the financial affairs of the Authority appointed by the Board of Directors pursuant to Section 13.3 of this Agreement.
- 1.4 "Authority" has the meaning assigned thereto in the Preamble.
- 1.5 "Basin" has the meaning assigned thereto in Recital C.
- 1.6 "Board of Directors" or "Board" means the governing body of the Authority as established by Article 6 of this Agreement.
- 1.7 "Bylaws" means the bylaws, if any, adopted by the Board of Directors pursuant to Article 11 of this Agreement to govern the day-to-day operations of the Authority.
- 1.8 "Director" and "Alternate Director" mean a director or alternate director appointed by a Member pursuant to Sections 6.2, 6.3 and 6.4 of this Agreement.
- 1.9 "DWR" has the meaning assigned thereto in Recital B.
- 1.10 "Effective Date" has the meaning assigned thereto in the Preamble.
- 1.11 "Executive Director" means the chief administrative officer of the Authority to be appointed by the Board of Directors pursuant to Article 10 of this Agreement.

- 1.12 “GSA” has the meaning assigned thereto in Recital B.
- 1.13 “GSP” has the meaning assigned thereto in Recital B.
- 1.14 “Member” has the meaning assigned thereto in the Preamble and further means each party to this Agreement that satisfies the requirements of Section 5.1 of this Agreement, including any new members as may be authorized by the Board, pursuant to Section 5.2 of this Agreement.
- 1.15 “Officer(s)” means the Chair, Vice Chair, Secretary, or Treasurer of the Authority to be appointed by the Board of Directors pursuant to Section 7.1 of this Agreement.
- 1.16 “SGMA” has the meaning assigned thereto in Recital A.
- 1.17 “State” means the State of California.

**ARTICLE 2
CREATION OF THE AUTHORITY**

2.1 Creation of Authority. There is hereby created pursuant to the Act a joint powers authority, which will be a public entity separate from the Members to this Agreement and shall be known as the Upper Ventura River Groundwater Basin Authority (“**Authority**”). Within 30 days after the Effective Date of this Agreement and after any amendment, the Authority shall cause a notice of this Agreement or amendment to be prepared and filed with the office of the California Secretary of State containing the information required by Government Code section 6503.5. Within 10 days after the Effective Date of this Agreement, the Authority shall cause a statement of the information concerning the Authority, required by Government Code section 53051, to be filed with the office of the California Secretary of State and with the County Clerk for the County of Ventura, setting forth the facts required to be stated pursuant to Government Code section 53051(a).

2.2 Purpose of the Authority. Each Member to this Agreement has in common the power to study, plan, develop, finance, acquire, construct, maintain, repair, manage, operate, control, and govern water supply, water management, or land use responsibilities within the Basin either alone or in cooperation with other public or private non-member entities, and each is a local agency eligible to serve as the GSA in the Basin, either alone or jointly through a joint powers agreement as provide for by SGMA. The purpose of this Authority is to serve as the GSA for the Basin and to develop, adopt, and implement the GSP for the Basin pursuant to SGMA and other applicable provisions of law.

**ARTICLE 3
TERM**

This Agreement shall become effective upon execution by each of the Members and shall remain in effect until terminated pursuant to the provisions of Article 16 (Withdrawal of Members) of this Agreement.

ARTICLE 4 POWERS

The Authority shall possess the power in its own name to exercise any and all common powers of its Members reasonably related to the purposes of the Authority, including but not limited to the following powers, together with such other powers as are expressly set forth in the Act and in SGMA. For purposes of Government Code section 6509, the powers of the Agency shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed on the County of Ventura, and in the event of the withdrawal of the County of Ventura as a Member under this Agreement, then the manner of exercising the Agency's powers shall be those restrictions imposed on the City of Ventura.

- 4.1. To exercise all powers afforded to a GSA pursuant to and as permitted by SGMA.
- 4.2. To develop, adopt and implement the GSP pursuant to SGMA.
- 4.3. To adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority and adoption and implementation of the GSP.
- 4.4. To obtain rights, permits and other authorizations for, or pertaining to, implementation of the GSP.
- 4.5. To perform other ancillary tasks relating to the operation of the Authority pursuant to SGMA, including without limitation, environmental review, engineering, and design.
- 4.6. To make and enter contracts necessary to the full exercise of the Authority's power.
- 4.7. To employ, designate, or otherwise contract for the services of, agents, officers, employees, attorneys, engineers, planners, financial consultants, technical specialists, advisors, and independent contractors.
- 4.8. To exercise jointly the common powers of the Members, as directed by the Board, in developing and implementing a GSP for the Basin.
- 4.9. To investigate legislation and proposed legislation affecting the Basin and to make appearance regarding such matters.
- 4.10. To cooperate, act in conjunction and contract with the United States, the State of California, or any agency thereof, counties, municipalities, public and private corporations of any kind (including without limitation, investor-owned utilities), and individuals, or any of them, for any and all purposes necessary or convenient for the full exercise of the powers of an Authority.

4.11. To incur debts, liabilities or obligations, to issue bonds, notes, certificates of participation, guarantees, equipment leases, reimbursement obligations and other indebtedness, and, to the extent provided for in a duly adopted Authority to impose assessments, groundwater extraction fees or other charges, and other means of financing the Agency authorized by as provided in Chapter 8 of SGMA commencing at Section 10730 of the Water Code.

4.12. To collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the Basin.

4.13. To establish and administer a conjunctive use program for the purposes of maintaining sustainable yields in the Basin consistent with the requirements of SGMA.

4.14. To exchange and distribute water.

4.15. To regulate groundwater extractions as permitted by SGMA.

4.16. To spread, sink and inject water into the Basin.

4.17. To store, transport, recapture, recycle, purify, treat or otherwise manage and control water for beneficial use.

4.18. To apply for, accept and receive licenses, permits, water rights, approvals, agreements, grants, loans, contributions, donations or other aid from any agency of the United States of America, the State of California or other public agencies or private persons or entities necessary for the Authority's purposes.

4.19. To develop and facilitate market-based solutions for the use and management of water rights.

4.20. To acquire property and other assets by grant, lease, purchase, bequest, devise, gift, or eminent domain, and to hold, enjoy, lease or sell, or otherwise dispose of, property, including real property, water rights, and personal property, necessary for the full exercise of the Authority's powers.

4.21. To sue and be sued in its own name.

4.22. To provide for the prosecution of, defense of, or other participation in actions or proceedings at law or in public hearings in which the Members, pursuant to this Agreement, may have an interest and may employ counsel and other expert assistance for these purposes.

4.23. To exercise the common powers of its Members to develop, collect, provide, and disseminate information that furthers the purposes of the Authority, including but not limited to the operation of the Authority and adoption and implementation of the GSP to the Members, legislative, administrative, and judicial bodies, as well the public generally.

4.24. To accumulate operating and reserve funds for the purposes herein stated.

4.25. To invest money that is not required for the immediate necessities of the Authority, as the Authority determines is advisable, in the same manner and upon the same conditions as Members, pursuant to Government Code section 53601, as it now exists or may hereafter be amended.

4.26. To undertake any investigations, studies, and matters of general administration.

4.27. To perform all other acts necessary or proper to carry out fully the purposes of this Agreement.

ARTICLE 5 MEMBERSHIP

5.1 Members. The Members of the Authority shall be the Casitas Municipal Water District, the City of San Buenaventura, the County of Ventura, the Meiners Oaks Water District, and the Ventura River Water District, as long as they have not, pursuant to the provisions hereof, withdrawn from this Agreement.

5.2 New Members. Any public agency (as defined by the Act) that is not a Member on the Effective Date of this Agreement may become a Member upon: (a) the approval of the Board of Directors by a supermajority of at least [PERCENT] of the votes held among all Directors as specified in Article 9 (Member Voting); (b) payment of a pro rata share of all previously incurred costs that the Board of Directors determines have resulted in benefit to the public agency, and are appropriate for assessment on the public agency; and (c) execution of a written agreement subjecting the public agency to the terms and conditions of this Agreement.

ARTICLE 6 BOARD OF DIRECTORS AND OFFICERS

6.1 Formation of the Board of Directors. The Authority shall be governed by a Board of Directors (“**Board of Directors**” or “**Board**”). The Board shall consist of seven (7) Directors consisting of the following representatives who shall be appointed in the manner set forth in Section 6.3:

6.1.1 One (1) representative appointed by the governing board of each of the following Members: the Casitas Municipal Water District, the City of San Buenaventura, the County of Ventura, the Meiners Oaks Water District, and the Ventura River Water District.

6.1.2 Two (2) community stakeholder representatives owning land and/or holding water rights within the boundaries of the Authority. [ADD DETAIL RE REPRESENTATIVES TO BE ON BOARD]

6.2 Duties of the Board of Directors. The business and affairs of the Authority, and all of the powers of the Authority, including without limitation all powers set forth in Article 4 (Powers), are reserved to and shall be exercised by and through the Board of Directors, except as may be expressly delegated to the Executive Director or others pursuant to this Agreement, Bylaws, or by specific action of the Board of Directors.

6.3 Appointment of Directors. The Directors shall be appointed as follows:

6.3.1 One (1) representative from the Casitas Municipal Water District shall be appointed by the Casitas Municipal Water District Board of Directors.

6.3.2 One (1) representative from the City of San Buenaventura shall be appointed by the City of San Buenaventura City Council.

6.3.3 One (1) representative from the County of Ventura shall be appointed by the County of Ventura Board of Supervisors.

6.3.4 One (1) representative from the Meiners Oaks Water District shall be appointed by the Meiners Oaks Water District Board of Directors.

6.3.5 One (1) representative from the Ventura River Water District shall be appointed by the Ventura River Water District Board of Directors.

6.3.6 The two (2) community stakeholder representatives owning land and/or holding water rights within the boundaries of the Authority shall be appointed by majority vote of the five (5) Member Directors. The procedures for nominating the community stakeholder representatives shall be set forth in the Bylaws. [ADD DETAIL RE MANNER IN WHICH NOT PUBLIC AGENCY REPRESENTATIVES APPOINTED TO BOARD]

6.4 Alternate Directors. Each Member may also appoint one Alternate Director to the Board of Directors. One Alternate shall also be appointed to act as a substitute Director for either of the two (2) Directors representing community stakeholders. All Alternates shall be appointed in the same manner as set forth in Section 6.3. Alternate Directors shall have no vote, and shall not participate in any discussions or deliberations of the Board unless appearing as a substitute for a Director due to absence or conflict of interest. If the Director is not present, or if the Director has a conflict of interest which precludes participation by the Director in any decision-making process of the Board, the Alternate Director appointed to act in his/her place shall assume all rights of the Director, and shall have the authority to act in his/her absence, including casting votes on matters before the Board. Each Alternate Director shall be appointed prior to the third meeting of the Board. Alternates are strongly encouraged to attend all Board meetings and stay informed on current issues before the Board.

6.5 Requirements. Each Member's Director and Alternate Director shall be appointed by resolution of that Member's governing body to serve for a term of two years. A Member's Director or Alternate Director may be removed during his or her term or reappointed for multiple terms at the pleasure of the Member that appointed him or her. A Director representing community stakeholders may be removed or reappointed in the same manner as he or she was appointed as set forth in Section 6.3. No individual Director may be removed in any other manner, including by the affirmative vote of the other Directors.

6.6 Vacancies. A vacancy on the Board of Directors shall occur when a Director resigns or at the end of the Director's term as set forth in Section 6.5. For Member Directors, a vacancy shall also occur when he or she is removed by his or her appointing Member. For Directors representing community stakeholders, a vacancy shall also occur when the Director is removed as set forth in Section 6.5. Upon the vacancy of a Director, the Alternate Director shall serve as Director until a new Director is appointed as set forth in Section 6.3 unless the Alternate Director is already serving as an Alternate Director in the event of a prior vacancy, in which case, the seat shall remain vacant until a replacement Director is appointed as set forth in Section 6.3. Members shall submit any changes in Director or Alternate Director positions to the Executive Director in writing and signed by an authorized representative of the Member.

ARTICLE 7 OFFICERS

7.1 Officers. Officers of the Authority shall be a Chair, Vice Chair, Secretary, and Treasurer. The Treasurer shall be appointed consistent with the provisions of Section 13.3. The Vice Chair, or in the Vice Chair's absence, the Secretary, shall exercise all powers of the Chair in the Chair's absence or inability to act.

7.2 Appointment of Officers. Officers shall be elected annually by, and serve at the pleasure of, the Board of Directors. Officers shall be elected at the first Board meeting, and thereafter at the first Board meeting following January 1st of each year. An Officer may serve for multiple consecutive terms, with no term limit. Any Officer may resign at any time upon written notice to the Board, and may be removed and replaced by a simple decision of the Board.

7.3 Principal Office. The principal office of the Authority shall be established by the Board of Directors, and may thereafter be changed by a simple majority vote of the Board.

ARTICLE 8 DIRECTOR MEETINGS

8.1 Initial Meeting. The initial meeting of the Board of Directors shall be held in the County of Ventura, California within [NUMBER OF DAYS] of the Effective Date of this Agreement.

8.2 Time and Place. The Board of Directors shall meet at least quarterly, at a date, time and place set by the Board within the jurisdictional boundaries of one or more of the Members, and at such times as may be determined by the Board.

8.3 Special Meetings. Special meetings of the Board of Directors may be called by the Chair or by a simple majority of Directors in accordance with the provisions of Government Code section 54956.

8.4 Conduct. All meetings of the Board of Directors, including special meetings, shall be noticed, held, and conducted in accordance with the Ralph M. Brown Act (Government Code sections 54950, *et seq.*). The Board may use teleconferencing in connection with any meeting in conformance with and to the extent authorized by applicable law.

8.5 Local Conflict of Interest Code. The Board of Directors shall adopt a local conflict of interest code pursuant to the provisions of the Political Reform Act of 1974 (Government Code sections 81000, *et seq.*)

ARTICLE 9 MEMBER VOTING

9.1 Quorum. A quorum of any meeting of the Board of Directors shall consist of an majority of the Directors plus one Director. In the absence of a quorum, any meeting of the Directors may be adjourned by a vote of a simple majority of Directors present, but no other business may be transacted. For purposes of this Article, a Director shall be deemed present if the Director appears at the meeting in person or participates telephonically, provided the telephone appearance is consistent with the requirements of the Ralph M. Brown Act.

9.2 Director Votes. Voting by the Board of Directors shall be made on the basis of one vote for each Director, unless one or more Directors requests weighted voting. If weighted voting is requested, then each Director's vote shall be weighted proportionally to **[DESCRIBE WEIGHTED VOTING]**. Accordingly, to determine the weighted vote for each Director, **[DESCRIBE HOW TO DETERMINE WEIGHTED VOTE FOR EACH MEMBER]**. A Director, or an Alternate Director when acting in the absence of his or her Director, may vote on all matters of Authority business unless disqualified because of a conflict of interest pursuant to California law or the local conflict of interest code adopted by the Board of Directors.

9.3 Affirmative Decisions of the Board of Directors. Except as otherwise specified in this Agreement, all affirmative decisions of the Board of Directors shall require the affirmative vote of the simple majority of all appointed Directors (whether present or not), unless weighted voting is requested, in which case all affirmative decisions by the Board shall require the affirmative vote of the simple majority of the weighted votes held by all Directors (whether present or not), provided that if a Director is disqualified from voting on a matter before the Board because of a conflict of interest, that Director shall be excluded from the calculation of the total number of Directors, or total number of weighted votes, as applicable, that constitute a simple majority. Notwithstanding the foregoing, a unanimous vote of all Member Directors participating in voting shall be required to approve any of the following: (i) any capital expenditure that is estimated to cost \$100,000 or more; (ii) the annual budget; (iii) the GSP for the Basin or any amendment thereto; or (iv) any stipulation to resolve litigation concerning groundwater rights within or groundwater management for the Basin.

ARTICLE 10 EXECUTIVE DIRECTOR AND STAFF

10.1 Appointment. The Board of Directors shall appoint an Executive Director, who may be, though need not be, an officer, employee, or representative of one of the Members. The Executive Director's compensation, if any, shall be determined by the Board of Directors.

10.2 Duties. If appointed, the Executive Director shall be the chief administrative officer of the Authority, shall serve at the pleasure of the Board of Directors, and shall be responsible to the Board for the proper and efficient administration of the Authority. The Executive Director shall have the powers designated by the Board, or otherwise as set forth in the Bylaws.

10.3 Term and Termination. The Executive Director shall serve until he/she resigns or the Board of Directors terminates his/her appointment.

10.4 Staff and Services. The Executive Director may employ such additional full-time and/or part-time employees, assistants and independent contractors who may be necessary from time to time to accomplish the purposes of the Authority, subject to the approval of the Board of Directors. The Authority may contract with a Member or other public agency or private entity for various services, including without limitation, those related to the Authority's finance, purchasing, risk management, information technology and human resources. A written agreement shall be entered between the Authority and the Member or other public agency or private entity contracting to provide such service, and that agreement shall specify the terms on which such services shall be provided, including without limitation, the compensation, if any, that shall be made for the provision of such services.

ARTICLE 11 BYLAWS

The Board of Directors shall cause to be drafted, approve, and amend Bylaws of the Agency to govern the day-to-day operations of the Agency. The Bylaws shall be adopted at or before the first anniversary of the Board's first meeting.

ARTICLE 12 ADVISORY COMMITTEES

The Board of Directors may from time to time appoint one or more advisory committees or establish standing or ad hoc committees to assist in carrying out the purposes and objectives of the Authority. The Board shall determine the purpose and need for such committees and the necessary qualifications for individuals appointed to them. Each committee shall include a Director as the chair thereof. Other members of each committee may be constituted by such individuals approved by the Board of Directors for participation on the committee. However, no committee or participant on such committee shall have any authority to act on behalf of the Authority.

ARTICLE 13 ACCOUNTING PRACTICES

13.1 General. The Board of Directors shall establish and maintain such funds and accounts as may be required by generally accepted public agency accounting practices. The Authority shall maintain strict accountability of all funds and report of all receipts and disbursements of the Authority.

13.2 Fiscal Year. Unless the Board of Directors decides otherwise, the fiscal year for the Authority shall run concurrent with the calendar year.

13.3 Appointment of Treasurer and Auditor; Duties. The Treasurer and Auditor shall be appointed in the manner, and shall perform such duties and responsibilities, specified in Sections 6505.5 and 6505.6 of the Act.

ARTICLE 14 BUDGET AND EXPENSES

14.1 Budget. Within [NUMBER OF DAYS] after the first meeting of the Board of Directors, and thereafter prior to the commencement of each fiscal year, the Board shall adopt a budget for the Authority for the ensuing fiscal year. In the event that a budget is not so approved, the prior year's budget shall be deemed approved for the ensuing fiscal year, and any groundwater extraction fee or assessment(s) of contributions of Members, or both, approved by the Board during the prior fiscal year shall again be assessed in the same amount and terms for the ensuing fiscal year.

14.2 Authority Funding and Contributions. For the purpose of funding the expenses and ongoing operations of the Authority, the Board of Directors shall maintain a funding account in connection with the annual budget process. The Board of Directors may fund the Agency and the GSP as provided in Chapter 8 of SGMA, commencing with Section 10730 of the Water Code, and may also issue assessments for contributions by the Members in the amount and frequency determined necessary by the Board. Assessments for Member contributions shall be made by each Member in [EQUAL PROPORTION OR IN PROPORTION TO THE WEIGHTED VOTE OF EACH MEMBER], and therefore no Member shall be required to make contributions to the Authority in excess of that portion of each assessment that is equivalent to the [PROPORTION] of the weighted vote possessed by its Director. Such contributions shall be paid by each Member to the Authority within [NUMBER OF DAYS] of assessment by the Board.

14.3 Return of Contributions. In accordance with Government Code section 6512.1, repayment or return to the Members of all or any part of any contributions made by Members and any revenues by the Authority may be directed by the Board of Directors at such time and upon such terms as the Board of Directors may decide; provided that (1) any distributions shall be made in proportion to the contributions paid by each Member to the Authority, and (2) any capital contribution paid by a Member voluntarily, and without obligation to make such capital contribution pursuant to Section 14.2, shall be returned to the contributing Member, together with accrued interests at the annual rate published as the yield of the Local Agency Investment Fund administered by the California State Treasurer, before any other return of contributions to the Members is made. The Authority shall hold title to all funds and property acquired by the Authority during the term of this Agreement.

14.4 Issuance of Indebtedness. The Authority may issue bonds, notes or other forms of indebtedness, as permitted under Section 4.11, provided such issuance be approved at a meeting of the Board of Directors by unanimous vote of the Directors as specified in Article 9 (Member Voting).

ARTICLE 15 LIABILITIES

15.1 Liability. In accordance with Government Code section 6507, the debt, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and not the Members.

15.2 Indemnity. Funds of the Authority may be used to defend, indemnify, and hold harmless the Authority, each Member, each Director, and any officers, agents and employees of the Authority for their actions taken within the course and scope of their duties while acting on behalf of the Authority. Other than for gross negligence or intentional acts, to the fullest extent permitted by law, the Authority agrees to save, indemnify, defend and hold harmless each Member from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are in any way attributable in whole or in part, to negligent acts or omissions of the Authority or its employees, officers or agents or the employees, officers or agents of any Member, while acting within the course and scope of a Member relationship with the Authority.

ARTICLE 16 WITHDRAWAL OF MEMBERS

16.1 Unilateral Withdrawal. Subject to the Dispute Resolution provisions set forth in Section 17.9, a Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective upon [NUMBER OF DAYS] written notice to the Executive Director.

16.2 Rescission or Termination of Authority. This Agreement may be rescinded and the Authority terminated by unanimous written consent of all Members, except during the outstanding term of any Authority indebtedness.

16.3 Effect of Withdrawal or Termination. Upon termination of this Agreement or unilateral withdrawal, a Member shall remain obligated to pay its share of all debts, liabilities and obligations of the Authority required of the Member pursuant to terms of this Agreement, and that were incurred or accrued prior to the Effective Date of such termination or withdrawal, including without limitation those debts, liabilities and obligations pursuant to Sections 4.11 and 14.4. Any Member who withdraws from the Authority shall have no right to participate in the business and affairs of the Authority or to exercise any rights of a Member under this Agreement or the Act, but shall continue to share in distributions from the Authority on the same basis as if such Member had not withdrawn, provided that a Member that has withdrawn from the Authority shall not receive distributions in excess of the contributions made to the Authority while a Member. The right to share in distributions granted under this Section 16.3 shall be in lieu of any right the withdrawn Member may have to receive a distribution or payment of the fair value of the Member's interest in the Authority.

16.4 Return of Contribution. Upon termination of this Agreement, any surplus money on-hand shall be returned to the Members in proportion to their contributions made. The Board of Directors shall first offer any property, works, rights and interests of the Authority for sale to the Members on terms and conditions determined by the Board of Directors. If no such sale to Members is consummated, the Board of Directors shall offer the property, works, rights, and interest of the Authority for sale to any non-member for good and adequate consideration. The net proceeds from any sale shall be distributed among the Members in proportion to their contributions made.

ARTICLE 17 MISCELLANEOUS PROVISIONS

17.1 No Predetermination or Irretrievable Commitment of Resources. Nothing herein shall constitute a determination by the Authority or any of its Members that any action shall be undertaken or that any unconditional or irretrievable commitment of resources shall be made, until such time as the required compliance with all local, state, or federal laws, including without limitation the California Environmental Quality Act, National Environmental Policy Act, or permit requirements, as applicable, has been completed.

17.2 Notices. Notices to a Director or Member hereunder shall be sufficient if delivered to the City Clerk or Board Secretary of the respective Director or Member and addressed to the Director or Member. Delivery may be accomplished by U.S. Postal Service, private mail service or electronic mail.

17.3 Amendments to Agreement. This Agreement may be amended or modified at any time only by subsequent written agreement approved and executed by all of the Members.

17.4 Agreement Complete. The foregoing constitutes the full and complete Agreement of the Members. This Agreement supersedes all prior agreements and understandings, whether in writing or oral, related to the subject matter of this Agreement that are not set forth in writing herein.

17.5 Severability. Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any applicable Federal law or any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, or provisions hereof shall not be affected thereby, provided however, that if the remaining parts, terms, or provisions do not comply with the Act, this Agreement shall terminate.

17.6 Withdrawal by Operation of Law. Should the participation of any Member to this Agreement be decided by the courts to be illegal or in excess of that Member's authority or in conflict with any law, the validity of the Agreement as to the remaining Members shall not be affected thereby.

17.7 Assignment. The rights and duties of the Members may not be assigned or delegated without the written consent of all other Members. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void.

17.8 Binding on Successors. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members.

17.9 Dispute Resolution. In the event that any dispute arises among the Members relating to (i) this Agreement, (ii) the rights and obligations arising from this Agreement, or (iii) or a Member proposing to withdraw from membership in the Agency, the aggrieved Member or Member proposing to withdraw from membership shall provide written notice to the other Members of the controversy or proposal to withdraw from membership. Within thirty (30) days thereafter, the Members shall attempt in good faith to resolve the controversy through informal means. If the Members cannot agree upon a resolution of the controversy within thirty (30) days from the providing of written notice specified above, the dispute shall be submitted to mediation prior to commencement of any legal action or prior to withdraw of a Member proposing to withdraw from membership. The mediation shall be no less than a full day (unless agreed otherwise among the Members) and the cost of mediation shall be paid in equal proportion among the Members. The mediator shall be either voluntarily agreed to or appointed by the Superior Court upon a suit and motion for appointment of a neutral mediator. Upon completion of mediation, if the controversy has not been resolved, any Member may exercise all rights to bring a legal action relating to the controversy or withdraw from membership as otherwise authorized pursuant to this Agreement.

17.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

17.11 Singular Includes Plural. Whenever used in this Agreement, the singular form of any term includes the plural form and the plural form includes the singular form.

17.12 Member Authorization. The legislative bodies of the Members have each authorized execution of this Agreement, as evidenced by their respective signatures below.

IN WITNESS WHEREOF, the Members hereto have executed this Agreement by authorized officials thereof on the dates indicated below, which Agreement may be executed in counterparts.

[Signatures on Following Page]

CASITAS MUNICIPAL WATER DISTRICT DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

CITY OF SAN BUENAVENTURA

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

COUNTY OF VENTURA

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

MEINERS OAKS WATER DISTRICT

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

VENTURA RIVER WATER DISTRICT

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____