

**JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE
ASSOCIATION OF CALIFORNIA WATER AGENCIES
HEALTH BENEFITS AUTHORITY**

Amended and Restated as of June 1, 2010

THIS JOINT EXERCISE OF POWERS AGREEMENT (the "Agreement") amends and restates the Agreement originally dated as of May 1, 1994, by and among water districts and agencies organized and existing under the laws of the State of California, herein-after collectively referred to as the "Agencies" and individually as an "Agency" which are parties signatory to this agreement and listed in Appendix "A", which is attached hereto and made a part hereof. Said Agencies are sometimes referred to herein as "parties."

RECITALS

WHEREAS, Section 6500 et seq. of the Government Code of the State of California (Government Code) provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, Section 989 et seq. of the Government Code, more particularly Section 990.4 thereof, provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, Section 990.8 of the Government Code provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Section 990.4 of the Government Code; and

WHEREAS, each of the parties to this Agreement desire to join together with the other parties for the purpose of pooling their purchasing needs for health benefit coverage for their employees to provide said employees with a comprehensive Health Benefit Plan at a lower cost than might be available generally to the parties individually; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1—DEFINITIONS

The following definitions shall apply to the provisions of this Agreement:

"Agency" or "Agencies" or "Member" or "District" shall mean those entities of local government empowered by law, commonly known as "**Water Agencies**" to provide water-related services within the State of California, who are signatories to this Agreement, including any amendments thereto, and members of the Association of California Water Agencies.

"**Ancillary Benefit Programs**" shall mean the dental, vision, life and AD&D, Employee Assistance Plan, LTD, and Short Term Disability programs offered by the HBA to its members.

"Ancillary Benefit Program Committee" shall mean the Committee designated by the Board of Directors.

"Treasurer" shall mean the individual who is so appointed by the Board of Directors.

"Authority" shall mean the Association of California Water Agencies Health Benefits Authority.

"Benefit Coverage" shall mean employee benefits coverage provided through the HBA's Health and Ancillary Benefit Programs.

"Board of Directors" or **"Board"** shall mean the governing body of the Authority.

"Contributions" shall mean any health insurance premium or cash contribution required to maintain or fund the Health Benefit Plans.

"Executive Director/Secretary" shall mean the employee of the Authority who is employed by the Board of Directors.

"Finance and Audit Committee" shall mean the Committee of the Authority appointed by the Board of Directors.

"Health Benefit Programs" shall mean the medical care offered by the HBA to its members.

"Health Benefits Authority" shall mean the Joint Powers Authority created by and among the Public Agencies who are signatory to the Joint Exercise of Powers Agreement.

"HBA Employee Benefit Trust (EBT)" shall mean the tax exempt Trust established by the HBA to hold certain Plan assets of the HBA Welfare Benefit Coverage.

"Health Benefit Program Committee" shall mean the Committee of the Authority appointed by the Board of Directors.

"Member" shall mean Agency members of the Health Benefits Authority.

"Program Rules" shall mean those rules as established by the Board of Directors regarding participation in HBA programs.

"Representative" shall mean the individual designated as the individual representing a participating Agency or District.

"Standing Committees" shall mean the Health Benefit Program Committee, Ancillary Benefit Program Committee, and the Finance and Audit Committee, as formed by the Board of Directors pursuant to Article 11 herein.

ARTICLE 2—PURPOSE

This Agreement is entered into by the Agencies pursuant to Sections 990.4, and 990.8 of the Government Code and Section 6500 et seq. of the Government Code in order to enable those Agencies to pool their purchasing needs to provide their employees with comprehensive and economical health and welfare benefits through its Health Programs and Ancillary Programs.

This purpose shall be accomplished through the exercise of the common powers of such Agencies jointly in the creation of a separate entity, the Association of California Water Agencies Health Benefits Authority (the "Authority"), to combine the employees of the participating Agencies collectively into a single pool for the purposes of negotiating and providing Welfare Benefit Coverage including administrative services related to the welfare benefit coverage and to provide various administrative activities relative to the management of the pool and purchasing of insurance, including, but not limited to billing participating Agencies for premiums, making premium payments to the insurance carrier and determining eligibility for coverage of individual employees and their dependents.

It is the further purpose of this Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional agencies organized and existing under the laws of the State of California who qualify as an Agency as may desire to become parties to the Agreement and members of the Authority, and who agree to the participation rules applicable to the Welfare Benefit Coverage elected.

ARTICLE 3—PARTIES TO THE AGREEMENT

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories of this Agreement and, in addition, with such other parties as may later be added as parties to and signatories of this Agreement pursuant to Article 18. Each party to this Agreement certifies that the deletion of any party from this Agreement, pursuant to Articles 19 and 20 shall not affect this Agreement nor such party's intent to contract as described above with other parties to the Agreement then remaining. Each party to the Agreement must at all times participate in the Welfare Benefit Coverage offered hereunder.

ARTICLE 4—TERM OF AGREEMENT

- (a) This Amended and Restated Agreement shall become effective on June 1, 2010 in full force and effect and a legal, valid and binding obligation of each Agency, who were signatories on or before May 31, 2010, and for Agencies who submit to the Authority an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing board of each such Agency agreeing to the terms of this Agreement and the execution and delivery hereof, and shall continue subject to the terms of this Agreement until and unless terminated as hereinafter provided.

ARTICLE 5—THE AUTHORITY

As provided in Section 6500 et seq. of the Government Code, the Authority shall be a public entity separate from each of the Agencies possessing the common powers of the Agencies. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any of the Agencies.

ARTICLE 6—POWERS OF AUTHORITY

- (a) The Authority shall have the powers common to Agencies and is hereby authorized to do all acts necessary for the exercise of said common powers to provide comprehensive and economical health benefit coverage, including, but not limited to, any of the following:
- (1) To pay all Authority expenses, including, without limitation, insurance premiums, benefit plan claims, administration and operation expenses;
 - (2) To determine and select all health benefit plans or insurance policies necessary to carry out the programs of the Authority. The determination shall include the scope of such plans or policies; and to determine the method such plans or policies are to be insured or self insured in conformance with 990 et seq. of the Government Code for providing a health benefit plan to the parties to this agreement;
 - (3) To establish contribution rates for Agencies and to modify those rates from time to time upon written notice to the Agencies. Such contribution rates shall be established to fund the premiums to the insurance carrier and to fund self insured health benefits, Authority expenses, and a reasonable Authority reserve not to exceed the maximum reserve permitted by law;
 - (4) To assess Agencies in accordance with Program Rules for the purpose of recoupment of deficits due to insufficiency of contribution rates in the previous policy or plan year or to pay dividends to participating Agencies as declared by the Board of Directors.
 - (5) To establish such rules and regulations as may be necessary in administering the business of the Authority;
 - (6) To borrow money to carry out the purposes of the Authority and to pledge, assign or hypothecate any of the Authority assets to secure such loans subject to Article 5 of the Agreement;
 - (7) To accept, compromise, arbitrate or otherwise settle any obligation, liability or claim involving the Authority, including, but not by way of limitation, any claim for contributions or other sums payable hereto, and to enforce or contest any other obligation, liability or claim by appropriate legal proceedings if, in the sole discretion of the Directors, it is in the interest of the Authority to do so, or to assign any such claim and allow the assignee to institute legal or arbitration proceedings in its own name to enforce collection;

- (8) To require any person with obligation or rights hereunder to furnish, or permit an audit of, any reasonable information, data and documents that are pertinent in verifying the accuracy of contribution and acting upon claims for benefits under the Health Benefit Plan, or which are otherwise pertinent in administering the Authority;
 - (9) To publish, file and distribute all reports required by law;
 - (10) To determine all questions relating to eligibility for benefits, how benefits will be provided and similar questions. Such determinations shall be binding on all persons, except as may otherwise specifically be provided herein or in regulations duly adopted by the Board;
 - (11) To retain or employ attorneys, accountants, actuaries, auditors, office personnel, professional administrators and consultants and other suitable agents and employees;
 - (12) To exercise all powers granted under any insurance contract purchased with Authority funds;
 - (13) To decline or terminate the participation of an Agency in the Health Benefit or Ancillary Benefit Programs if there are repeated delinquencies or other failures to comply with the terms of the corresponding Program, this Agreement or the Bylaws provided for in Article 24;
 - (14) To enforce all obligations of Agencies to make contributions including assessments to the Authority by any means the Authority deems appropriate and to collect such contributions at such rates as may be established from time to time;
 - (15) To adopt uniform, specific, reasonable and diligent collection procedures with respect to Agencies who are delinquent in the payment of contributions or assessments;
 - (16) To cause to be prepared the operating budget of the Authority for each fiscal year;
 - (17) To receive and review periodic accounting of all funds under Articles 14 and 15 of the Agreement;
 - (18) To conduct on behalf of the Authority all business of the Authority which the Authority may conduct under the provisions hereof and pursuant to law;
 - (19) To implement such other powers and functions as are provided for in this Agreement or in the Bylaws.
- (b)** Except as otherwise provided herein, such powers shall be exercised subject only to such restrictions upon the manner of exercising such power as are imposed upon any participating agency in the exercise of similar powers, as provided in Section 6509 et seq. of the Government Code.
- (c)** Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Government Code or other applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Article 2 hereof.

ARTICLE 7—BOARD OF DIRECTORS

- (a) The Authority shall be governed by the Board of Directors which is hereby established and which shall be elected by the Representatives from each Member Agency.
- (b) Each Member of the Board shall serve until a successor is appointed or elected.
- (c) Each Member of the Board shall have one vote.
- (d) In any instrument in writing in the name of the Authority, the Board of Directors shall be bound by the record of votes and / or signatures of any six Directors, and all persons, partnerships, corporations and associations may rely thereon that such instrument has been duly authorized in accordance with this Agreement unless otherwise authorized by resolution of the Authority.
- (e) To the extent permitted by law, no Director shall be liable for any action on good faith taken or omitted nor for any act or omission of any other Director. The Authority shall indemnify and hold harmless the Directors to the extent and in the amounts provided by the laws of the State of California from and against all claims, damages and losses, and expenses arising out of the performance by the Directors of any duty or responsibility undertaken or performed in connection with the obligations of the Directors arising out of the Agreement. The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority and any Director for actions taken within the scope of the Authority. Notwithstanding any provision of the Agreement, the Authority shall have the right to purchase insurance to provide coverage for its Directors and employees with respect to the foregoing.

ARTICLE 8—POWERS OF THE BOARD OF DIRECTORS

Subject to their powers of allocation and delegation set forth elsewhere in this Agreement and to Article 6 hereof, the Board of Directors of the Authority shall have exclusive authority to control and manage the operation and administration of the Authority and its assets. The Board of Directors may exercise all lawful powers appropriate to the exercise of their authority hereunder, including the following powers and functions:

- (a) To pay all Authority expenses, including, without limitation, insurance premiums, benefit plan claims, administration and operation expenses;
- (b) To determine and select all health benefit plans or insurance policies necessary to carry out the programs of the Authority. The determination shall include the scope of such plans or policies; and to determine the method such plans or policies are to be insured or self insured in conformance with 990 et seq. of the Government Code for providing a health benefit plan to the parties to this agreement;
- (c) To establish contribution rates for Agencies and to modify those rates from time to time upon written notice to the Agencies. Such contribution rates shall be established to fund the premiums to the insurance carrier and to fund self insured health benefits, Authority expenses, and a reasonable Authority reserve not to exceed the maximum reserve permitted by law;

- (d) To assess Agencies in accordance with Program Rules for the purpose of recoupment of the deficits due to insufficiency of contribution rates in the previous policy or plan year or to pay dividends to participating Agencies as declared by the Board of Directors;
- (e) To establish such rules and regulations as may be necessary in administering the business of the Authority including such recommendations of the Standing Committees or the ACWA Insurance and Personnel Committee as may be deemed appropriate;
- (f) To borrow money to carry out the purposes of the Authority and to pledge, assign or hypothecate any of the Authority assets to secure such loans subject to Article 5 of the Agreement;
- (g) To accept, compromise, arbitrate or otherwise settle any obligation, liability or claim involving the Authority, including, but not by way of limitation, any claim for contributions or other sums payable hereto, and to enforce or contest any other obligation, liability or claim by appropriate legal proceedings if, in the sole discretion of the Directors, it is in the interest of the Authority to do so, or to assign any such claim and allow the assignee to institute legal or arbitration proceedings in its own name to enforce collection;
- (h) To require any person with obligation or rights hereunder to furnish, or permit an audit of, any reasonable information, data and documents that are pertinent in verifying the accuracy of contribution and acting upon claims for benefits under the Health Benefit Plan, or which are otherwise pertinent in administering the Authority;
- (i) To publish, file and distribute all reports required by law;
- (j) To determine all questions relating to eligibility for benefits, how benefits will be provided and similar questions. Such determinations shall be binding on all persons, except as may otherwise specifically be provided herein or in regulations duly adopted by the Board;
- (k) To retain or employ attorneys, accountants, actuaries, auditors, office personnel, professional administrators and consultants and other suitable agents and employees;
- (l) To exercise all powers granted under any insurance contract purchased with Authority funds;
- (m) To decline or terminate the participation of an Agency in the Health Benefits Plan if there are repeated delinquencies or other failures to comply with the terms of the Health Benefit Plan, this Agreement or the Bylaws provided for in Article 24;
- (n) To enforce all obligations of Agencies to make contributions to the Authority by any means the Authority deems appropriate and to collect such contributions at such rates as may be established from time to time by the Board;
- (o) To adopt uniform, specific, reasonable and diligent collection procedures with respect to delinquent Agencies;
- (p) To cause to be prepared the operating budget of the Authority for each fiscal year;
- (q) To receive and review periodic accounting of all funds under Articles 14 and 15 of the Agreement;

- (r) To conduct on behalf of the Authority all business of the Authority which the Authority may conduct under the provisions hereof and pursuant to law;
- (s) To implement such other powers and functions as are provided for in this Agreement or in the bylaws.

ARTICLE 9—MEETING OF THE BOARD OF DIRECTORS

- (a) **Meetings.** The Board shall provide for its regular, adjourned regular and special meetings or upon call of the President of the Authority; provided, however, that it shall hold at least one regular meeting annually as set forth in the bylaws.
- (b) **Minutes.** The Secretary shall cause minutes of regular, adjourned regular and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board. Copies of such minutes shall be available on request to the parties to this Agreement.
- (c) **Quorum.** At any meeting, the presence in person by at least a majority of Board Members shall constitute a quorum for the transaction of business. A majority of all of the Members of the Board shall be required to approve any resolution or motion, unless a different voting requirement to approve a particular action is specified under laws of the State of California, in the JPA Agreement or elsewhere in these Bylaws.
- (d) **Compliance with the Brown Act.** All meetings of the Board, including, without limitation, regular, adjourned regular and special meeting, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, Sections 54950 et seq. of the Government Code of the State of California, or any successor legislation thereto (the "Brown Act").

ARTICLE 10—OFFICERS OF THE AUTHORITY

- (a) **President.** The Board of Directors shall elect a President of the Authority for four year terms. In the event the President so elected ceases to be a member of the Board, the resulting vacancy in the office of President shall be filled at the next regular meeting of the Board held after such vacancy occurs. The President, or in his or her absence the Vice President, shall preside at and conduct all meetings of the Board, and shall chair the Board of Directors. . The President shall be ex-officio a member of all the standing committees.
- (b) **Vice President.** The Board of Directors shall elect a Vice President of the Authority for four year terms. In the event the Vice President so elected ceases to be a member of the Board, the resulting vacancy in the office of Vice President shall be filled at the next regular meeting of the Board held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President.
- (c) **Executive Director/Secretary.** The Executive Director/Secretary shall have the general administrative responsibility for the activities of the Authority and shall hire or cause to be hired all necessary employees thereof, subject to prior authorization of each position by the

Board of Directors, and shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as may be assigned by the Board of Directors. This person shall be selected by, and serve at the will of, the Board of Directors.

- (d) **Treasurer.** The Treasurer shall be appointed by the Board of Directors. The duties of the Auditor shall be as set forth in Articles 14 and 15 of this Agreement.
- (e) The Board of Directors shall have the power to appoint such other officers as may be necessary to carry out the purposes of this Agreement.

ARTICLE 11—STANDING COMMITTEES

There shall be established the following Standing Committees: Health Benefit Program Committee, the Ancillary Benefit Program Committee, and the Finance and Audit Committee, each appointed by the Board of Directors. The number of members of each Committee and its duties shall be set forth in the Bylaws. These Committees shall meet from time to time as directed by the Board of Directors, and shall make recommendations to the Board of Directors based upon the expertise of its members.

ARTICLE 12—INSURANCE COVERAGE

- (a) The Authority shall purchase or otherwise arrange for workers' compensation coverage, unemployment, health and welfare benefits or other such coverage for the employees of the HBA.
- (b) The Authority shall purchase directors and officers and fiduciary liability insurance coverage for officers of the Authority with regard to the performance of their duties as officers of the Authority.

ARTICLE 13—IMPLEMENTATION OF BENEFIT COVERAGE

- (a) The Board of Directors shall review and approve all participation rules and guidelines applicable to the Benefit Coverage offered by the Authority.
- (b) These rules and guidelines shall apply to all member agencies seeking participation in any of the Benefit Coverage offered by the Authority.
- (c) The HBA shall maintain participation rules and guidelines in a Program Policy Manual.

ARTICLE 14—ACCOUNTS AND RECORDS

- (a) **Annual Budget.** The Board of Directors shall adopt an annual operating budget prepared pursuant to Article 6(a)(16) of this Agreement.
- (b) **Funds and Accounts.** The Treasurer of the Authority shall establish and maintain such funds and accounts as required by the Board and as required by generally accepted auditing standards. Books and records of the Authority in the hands of the Treasurer shall be open to

any inspection at all reasonable times by authorized Representatives of Agencies and as otherwise required by law.

- (c) **Treasurer's Report.** The Treasurer, within 120 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board of Directors and make copies of such report available to parties to this Agreement on request.
- (d) **Annual Audit.** The Treasurer shall provide for a certified, annual audit of the accounts and records of the authority, which audit shall be made by a Certified Public Accountant and shall conform to generally accept auditing standards. A report thereof shall be filed as a public record in the office of the Authority. Such report shall be filed within six months of the end of each year or years under examination.

ARTICLE 15—RESPONSIBILITY FOR MONIES

- (a) The Treasurer of the Authority shall have the custody of and the duty to disburse the Authority's funds including all funds held in the Health Benefits Authority Employee Benefits Trust (Trust) on a non-discretionary basis and subject to the direction provided by the Board of Directors of the Trust who shall have sole authority as to their use and disposition. The Treasurer shall have the authority to delegate the signatory function of the Treasurer to such persons as are authorized by the Board of Directors.
- (b) A bond in the amount determined adequate by the Board shall be required for all officers and personnel who have charge of, handle, or have access to any property of the Authority, such bond to be paid for by the Authority.
- (c) The Treasurer of the Authority shall assume the duties required by the JPA Act as may be amended, including the following duties:
 - (1) To receive and acknowledge receipt for all money of the Authority and to place it in the treasury of the Authority;
 - (2) To be responsible upon his or her official bond for the safekeeping and disbursement of all the Authority's money so held by him or her;
 - (3) To pay, when due, out of money of the Authority so held by him or her, all sums payable on outstanding bonds and coupons of the Authority.
 - (4) To pay any other sums due from the Authority;
 - (5) To verify and to report in writing on the first day of July, October, January and April of each year to the Authority and, on request, to Agencies the amount of money held for the Authority, the amount of receipt since the last report and the amount paid out since the last report.
- (d) All funds received by the Authority hereunder shall be invested in accordance with the Authority's investment policy by the Board of Directors in any instrument declared by state law to be permissible as an investment for any local public agency in the State of California or deposited in such bank or banks as the Board of Directors may designate for that purpose, and

all withdrawals shall be made only by check signed by not less than two individuals with signatory authority as authorized by the Bylaws of the Authority or unanimous vote of the Board of Directors.

- (e) The Directors of the HBA Employee Benefit Trust shall have sole authority to invest Trust assets in a prudent manner.

ARTICLE 16—RESPONSIBILITIES OF THE AUTHORITY

The Authority shall perform the following functions in discharging its responsibilities under this Agreement:

- (a) Maintain and administer the Benefit Coverage in instruments offered to the Authority's member agencies.
- (b) Assist each Member's Representative with the implementation of the Welfare Benefit Coverage applicable to the member agency.
- (c) Review the Benefit Coverage to maintain their fiscal integrity.
- (d) Such other responsibilities as deemed necessary by the Board of Directors.

ARTICLE 17—RESPONSIBILITIES OF MEMBERS

Members shall have the following responsibilities:

- (a) Each Member shall appoint an employee of the Member to be responsible for the implementation and maintenance of the applicable program function and to serve as a liaison between the Member and the Authority as to the programs in which it participates.
- (b) Each Member shall maintain its own set of records regarding the programs in which it participates.
- (c) Each Member shall pay its premium and or contributions within thirty (30) days of the invoice date. After withdrawal or termination, each Member or its successor shall pay promptly to the Authority its share of any additional premium, when and if required of it by the Board of Directors under Article 21 or 22 of this Agreement.
- (d) Each Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out Benefit Coverage provided under this Agreement.
- (e) Each Member shall in any and all ways cooperate with and assist the Authority, and any insurer of the Authority, in all matters relating to this Agreement and covered claims and will comply with all Bylaws, rules and regulations adopted by the Board of Directors.

ARTICLE 18—NEW MEMBERS

Staff designated by the Board of Directors shall review and approve all Agency requests for participation by those Agencies who agree to adhere to the applicable Program Rules specified in Article 1 in the definition of "Agency" or "Agencies". Qualifying entities may be added as parties to this Agreement and become Agencies upon (i) the filing by the entity of an executed Appendix A to this Agreement, together with a certified copy of the resolution of the governing body of such entity agreeing to the terms of this Agreement and the execution and delivery hereof. Upon satisfaction of such conditions, the Board of Directors shall file such executed Appendix A of this Agreement as an amendment hereto, effective upon the date such filing. Agencies denied participation may appeal to the Board of Directors for reconsideration as a participating Agency.

ARTICLE 19—WITHDRAWAL

An Agency may withdraw as a party to this Agreement to be effective on the first day of any month by providing written intention of withdrawing to the Secretary at least 60 days prior to the proposed effective date of the withdrawal. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Secretary who shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon the proposed filing date, or such other date as the Board of Directors may designate which is not more than 90 nor less than 60 days from the notice in order to bring such notice of withdrawal in compliance with the terms hereof.

ARTICLE 20—CANCELLATION

- (a) Notwithstanding any other provision of this Agreement, the Board of Directors shall have the right to cancel any Agency's participation in any Benefit Coverage of the Authority if the Agency is more than 30 days in arrears in the payment of monthly contributions for Benefit Coverage.
- (b) Notwithstanding any other provision of this Agreement, the participation of any Agency, including participation in the programs of the Authority, shall cease and be cancelled automatically whenever such Agency's membership in the Association of California Water Agencies ceases. Such automatic cancellation shall not relieve the Agency of its responsibilities as provided for in Article 21 (b).

ARTICLE 21—EFFECT OF WITHDRAWAL OR CANCELLATION

- (a) The withdrawal or cancellation of any Agency from this Agreement shall not terminate this Agreement and an Agency by withdrawing or being cancelled pursuant to Articles 19 and 20 shall not be entitled to payment or return of any contribution, consideration or property paid, or donated by the Agency to the Authority, or to any distribution of assets.
- (b) The withdrawal or cancellation of any Agency pursuant to Articles 19 and 20 shall not terminate its responsibilities with respect to the payment of its share of contributions due or in arrears at the time of such withdrawal or cancellation.

ARTICLE 22—TERMINATION AND DISTRIBUTION.

- (a) This Agreement may be terminated by the Board of Directors subject to ratification by the written consent of three-fourths of the Membership within 90 days of the Board of Directors' approval of the motion to terminate the Agreement, provided, however, that this Agreement and the Authority shall continue to exist for the purpose of concluding all functions necessary to wind up the affairs of the Authority.
- (b) The Board of Directors is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority.
- (c) Upon termination of this agreement, all assets of the Authority shall be distributed only among those parties that have been signatory's hereto during the 12 months preceding the date upon which the written consent required by paragraph (a) hereof was determined to have been completed by the Board of Directors. The Board of Directors shall determine such distribution within six months after all other business of the Authority has been concluded.

ARTICLE 23—TERMINATION OF THE AUTHORITY

The Authority may be terminated or its powers changed, restricted or eliminated by the Board of Directors along with the written consent of three-fourths of the Membership.

ARTICLE 24—BYLAWS AND GOVERNING DOCUMENTS

The Bylaws shall be effective upon ratification of this Agreement. Each party to the Agreement shall receive a copy of the Bylaws and other such governing documents.

ARTICLE 25—NOTICES

Any notice or instrument authorized or required to be given or delivered pursuant to this Agreement shall be deemed to have been given or delivered when the same is deposited in any United States Post Office, postage prepaid, or is shipped by United Parcel Service, addressed to the principal office of the respective Agency and shall be deemed to have been received by the Agency to whom the same is addressed at the expiration of three business days after deposit in the United States Post Office of delivery to or pick up at the Authority's principal office by United Parcel Service.

ARTICLE 26—AMENDMENT TO THE AGREEMENT

Except as provided by Article 18 hereof, this Agreement may be amended by the Board of Directors subject to ratification by the written consent of a majority of the Agencies within 90 days of the Board 's approval of the motion to amend the Agreement.

ARTICLE 27—AGREEMENT NOT EXCLUSIVE

This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements entered into by or among any of the Agencies, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

ARTICLE 28—CONFLICT OF INTEREST CODE

The Board of Directors by resolution shall adopt a Conflict of Interest Code as required by law.

ARTICLE 29—PROHIBITION AGAINST ASSIGNMENT

No Agency may assign any right, claim or interest it may have under this Agreement and no creditor, assignee or third party beneficiary of any Agency shall have any right, claim or title or any part, share, interest, fund, premium or asset of the Authority, except as otherwise provided for under Article 6 (e).

ARTICLE 30—COUNTERPARTS

This Agreement may be executed by the Agencies in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

ARTICLE 31—CHOICE OF LAW

This Agreement shall be governed by the laws of the State of California.

ARTICLE 32—SEVERABILITY

If one or more clauses, sentences, paragraphs, provisions or articles of the Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Agencies that the remainder of the Agreement shall not be affected thereby.

ARTICLE 33—HEADINGS

The titles of articles and paragraphs of this Agreement are for convenience only, and no presumption or implication of the intent of the parties as to the construction of this Agreement shall be drawn therefrom.

ARTICLE 34—AGREEMENT COMPLETE

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

ARTICLE 35—ADOPTION

The parties to this Agreement evidence their adoption of this Agreement by (1) executing Appendix A, which is attached to and made a part of this Agreement and (2) by providing the Authority a copy of a formal resolution from its governing body adopting the amended and restated Agreement as of June 1, 2010, or such later date as specified in its resolution.

Appendix A

ACWA	Chino Basin WCD
ACWA-JPIA	Chowchilla WD
Alameda County WD	Citrus Heights WD
Alpaugh ID	City of Blue Lake
Alta ID	City of Buellton
Amador WA	City of Fillmore
American River FCD	City of San Juan Bautista
Angiola WD	City of Tehachapi
Antelope Valley-East Kern WA	Clearlake Oaks CWD
Aromas WD	Coastside CWD
Banta-Carbona ID	Consolidated ID
Bay Area Water Supply & Conserv Dist	Contra Costa WD
Bella Vista WD	Corcoran ID
Belridge WSD	Cordua ID
Berrenda Mesa WD	Cottonwood WD
Big Bear Area Regional Wastewater	Crescenta Valley WD
Big Bear City CSD	Crestline-Lake Arrowhead WA
Big Bear MWD	Crestline Village WD
Biggs-W Gridley WD	Cucamonga Valley WD
Bighorn-Desert View WA	Del Paso Manor WD
Bodega Bay PUD	Del Puerto WD
Bolinas Community PUD	Delano-Earlimart ID
Boron CSD	Delhi County WD
Borrego WD	Desert WA
Brookstrail Township CSD	Diablo Water District
Browns Valley ID	Dunnigan WD
Buena Vista WSD	East Bay MUD
Burney WD	East Contra Costa ID
Butte WD	East Orange CWD
Byron-Bethany ID	East Valley WD
Cachuma Oper & Maint Board	EI Toro WD
Calaveras CWD	Elk Grove Water Services
Calaveras PUD	Elsinore Valley MWD
Calleguas MWD	Fair Oaks WD
Camrosa WD	Fallbrook PUD
Carlsbad MWD	Firebaugh Canal WD
Carmichael WD	Foothill MWD
Carpinteria Valley WD	Forresthill PUD
Casitas MWD	Forestville WD
Castaic Lake WA	Frazier Park PUD
Castroville WD	Fresno ID
Cawelo WD	Fresno Metro Flood Control Dist.
Centerville CSD	Friant Power Authority
Central Basin MWD	Friant Water Authority
Central California ID	Georgetown Divide PUD
Central Coast WA	Glenn Colusa ID
Central San Joaquin WCD	Golden Hills CSD
Central WD	Goleta WD
Channel Island Beach CSD	Grassland WD
Chino Basin Watermaster	Greenfield CWD

Appendix A

Helix WD	Mid-Peninsula WD
Henry Miller Reclamation Dist #2131	Millview CWD
Hi-Desert WD	Mission Hills CSD
Hidden Valley Lake CSD	Mission Springs WD
Humboldt Bay MWD	Mojave PUD
Humboldt Bay Harbor Rec	Mojave WA
Humboldt CSD	Montara Water & Sanitary District
Idyllwild WD	Montecito Sanitary District
Indian Wells VWD	Montecito WD
Irvine Ranch WD	Monterey Peninsula WMD
Ivanhoe ID	Mountain Gate CSD
Ivanhoe PUD	MWD of Orange County
James ID	Nevada ID
Joshua Basin WD	Newhall CWD
Jurupa CSD	North Coast CWD
Kanawha WD	North Delta Water Agency
Kaweah Delta WCD	North Kern WSD
Kern CWA	North of the River MWD
Kern Tulare / Rag Gulch	North San Joaquin WCD
Kings CWD	Oakdale ID
Kings River Conservation District	Olivenhain MWD
Kings River Water District	Orange Cove ID
Kern Tulare WD	Orange CWD
Kinneloa ID	Orchard Dale WD
Kirkwood Meadows PUD	Orland-Artois WD
La Canada ID	Pacheco WD
La Habra Heights CWD	Padre Dam MWD
La Puente Valley CWD	Pajaro Valley WMA
Laguna Beach CWD	Pajaro/Sunny Mesa CSD
Laguna ID	Palm Ranch ID
Lake Arrowhead CSD	Palmdale WD
Lake Don Pedro CSD	Panoche WD
Lakeside Irrigation WD	Paradise ID
Lakeside WD	Patterson ID
Las Virgenes MWD	Pebble Beach CSD
Le Grand CSD	Pescadero Reclamation Dist. #2058
Littlerock Creek ID	Phelan Pinon Hills CSD
Los Alamos CSD	Pico WD
Lost Hills WD	Pinedale CWD
Lower San Joaquin Levee District	Planada CSD
Madera/Chowchilla WPA	Porterville ID
Madera ID	Princeton-Codora-Glenn ID
Madera WD	Quartz Hill CWD
Main San Gabriel Basin Wtrmstr	Rainbow MWD
Maine Prairie WD	Ramirez WD
Malaga CWD	Rancho California WD
Mammoth CWD	Rand Communities WD
Marina Coast WD	Reclamation District #108
Mariposa PUD	Reclamation District #2068
McKinleyville CSD	Reclamation District #999
Merced ID	Reclamation District #1000

Appendix A

Reclamation District #1004	Terra Bella ID
Redwood Valley CWD	The West Side ID
Richvale ID	Thermalito Water & Sewer
Rincon Del Diablo MWD	Three Valleys MWD
Rio Alto Water District	Trabuco Canyon WD
Rio Linda-Elverta Community WD	Tranquility ID
Riverdale ID	Tri-Dam Project
Rosamond Community Services Dist	Tulare ID
Rosedale-Rio Bravo WSD	Tulare Lake Basin WSD
Rowland WD	Tulelake ID
Sacramento Suburban WD	Tuolumne Utilities District
San Andreas SD	Twentynine Palms WD
San Benito CWD	United WCD
San Bernardino VMWD	Upper San Gabriel Valley MWD
San Bernardino VWCD	Vallecitos WD
San Francisquito Creek JPA	Valley Center WD
San Gabriel Basin WQA	Valley CWD
San Gabriel CWD	Valley of the Moon WD
San Gabriel Valley MWD	Vandenberg Village CSD
San Geronio Pass WA	Ventura River CWD
San Juan Water District	Vista ID
San Luis & Delta-Mendota WA	Walnut Valley WD
Santa Ana Watershed PA	Weaverville CSD
Santa Clara VWD	West Basin MWD
Santa Fe ID	West Kern WD
Santa Margarita WD	West Valley WD
Santa Maria Valley WCD	West Stanislaus ID
Santa Ynez River WCD	Westborough WD
Saucelito ID	Western MWD
Scotts Valley WD	Wheeler Ridge-Maricopa WSD
Semitropic WSD	WRD of Southern California
Serrano WD	Yolo County FC & WCD
Shafter-Wasco ID	Yorba Linda WD
Solano County WA	Yuima MWD
Solano ID	
Soquel Creek WD	
South Coast WD	
South Feather Water & Power (hydro)	
***South Feather Power (water)	
South Montebello ID	
South San Joaquin ID	
South Sutter WD	
South Tahoe PUD	
Southern San Joaquin MUD	
Stockton East WD	
Stone Corral ID	
Sutter Extension WD	
Tehachapi-Cummings CWD	