THE LOS ANGELES GATEWAY REGION INTEGRATED REGIONAL WATER MANAGEMENT AUTHORITY

THIS JOINT EXERCISE OF POWERS AGREEMENT ("Agreement"), dated for reference as of 8/16/12, is entered into by and between the Cities of Bell Gardens, Bellflower, Cerritos, Commerce, Downey, Lakewood, Long Beach, Lynwood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, Signal Hill, South Gate, Vernon, Whittier, and the Central Basin Municipal Water District, and the Long Beach Water Department, et al., all of which are municipal corporations. Each of the foregoing are sometimes referred to herein as "Member", or collectively as "Members."

RECITALS

(i) Each party to this Agreement is a "local public agency", as defined in the Integrated Regional Water Management Planning Act of 2002, California Water Code Section 10530, et seq. ("IRWMPA"). As of the effective date of this Agreement, all Members function within the County of Los Angeles.

(ii) Each Member is a "public agency", as defined in the Joint Exercise of Powers Act, California Government Code Section 6500, et seq., and all are authorized to enter into this Joint Exercise of Powers Agreement in order to exercise powers common to these public agencies.

(iii) It is the intent of the Members in entering into this Agreement to create a "regional water management group", as defined in and authorized by the IRWMPA, in order to create a regional water resources management plan that will protect and enhance regional water supplies, and to otherwise further the purposes of the IRWMPA, with respect to the Members' jurisdictional areas (collectively, "Gateway Region") and can also perform other regional responsibilities for water development and management, as described herein.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, terms, conditions and covenants contained herein, the parties agree as follows:

1. Recitals Incorporated. The recitals set forth above, are hereby incorporated by reference and made a part of this Agreement.

2. Purposes. This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act, relating to the exercise of powers common to the Members. The purpose of this Agreement is to jointly exercise the powers set forth herein as to the Gateway Region, and, acting as a "regional water management group", to jointly prepare and/or adopt a "regional plan" for the management of water resources, and for implementation and operation of "qualified projects or programs", and/or the preparation of "qualified reports and studies", as those quoted terms are defined in the IRWMPA. In accordance with the IRWMPA, the regional water resources management plan may more specifically address any of the matters set forth and more fully described in California Water Code Section 10540(c) including, but not limited to, the following: ground water management planning; urban water management planning; the

preparation of a water supply assessment; the planning, construction or modification of a flood management project; the planning, construction or modification of a water recycling project; the planning, construction or modification of a domestic water supply facility to meet safe drinking water standards; the planning, construction or modification of a drainage water management unit, and/or the implementation of a water conservation program. Notwithstanding the citation of specific legal authority for the foregoing, the Joint Powers Authority may exercise any other statutory authority which may now exist or be subsequently enacted to deal with ground water, storm water, water recharge, water recycling, water supply, water drainage, water conservation or any related urban water management subject within the purview of local or regional water agencies.

3. Establishment. Pursuant to the Joint Exercise of Powers Act (Government Code Sections 6600, *et. seq.*), there is hereby established a Joint Powers Authority which shall be a regional water management group and a public entity separate from the parties to this Agreement. The name of such entity shall be the Los Angeles Gateway Region Integrated Regional Water Management Authority ("Authority"). The Authority shall carry out its functions through a Governing Board, as described in this Agreement.

4. Term of Agreement. This Agreement is effective as of the latest date by which at least three (3) Members, two of which have statutory authority over a water supply, have adopted resolutions by their legislative bodies approving joining the Authority and thereafter having executed this Agreement, and shall continue in full force and effect for so long as no less than three (3) such Members remain, or until terminated by unanimous consent, provided that all liabilities of the Authority have been satisfied and all assets of the have been distributed.

5. Restriction on Exercise of Powers. Pursuant to and to the extent required by California Government Code Section 6509, the Authority shall be restricted in the exercise of its powers to the same extent as the City of Long Beach is restricted in its exercise of powers hereunder; provided that, if the City of Long Beach shall cease to be a Member, then the Authority shall be restricted in its exercise of powers to the same extent as the City of Downey is restricted in its exercise of powers hereunder; in that the aforesaid cities are charter cities with statutory authority over a water supply.

6. Governing Board. The governing body of the Authority shall be the Governing Board which shall be made up of one representative from each Member public agency, but such representative need not be a member of the legislative body of such public agency if approved by resolution of the legislative body of the Member. The Governing Board shall oversee the activities of the Authority and shall act consistent with and in furtherance of the purposes of this Agreement and the Authority, as specified in Section 2, above.

(a) Appointment. The legislative body of each of the Member public agencies shall appoint one member of the Governing Board and one alternate Board member. If neither the Governing Board member nor the Member's alternate can attend a scheduled meeting, the Member public agency may designate in writing a representative for that meeting who may attend and participate in that meeting as if he or she was a Governing Board member.

(b) Term of Members. Each member and alternate member of the Governing Board shall serve a two-year term. Board members and alternates may be removed at any time by the appointing legislative body. Vacancies shall be filled in the same manner as the original appointment.

(c) Compensation. Governing Board members shall receive no compensation for attending required meetings.

(d) Voting. Each Governing Board member shall have one (1) vote. If a Board member cannot attend a meeting, the alternate attending shall be fully empowered to act as the Governing Board member for the meeting so attended. Voting shall require a majority or super-majority vote as provided below in Section (g).

(e) Responsibilities. It shall be the responsibility of the Policy Board to:

(1) Determine general policy for Authority activities.

(2) Act on behalf of all Members in adopting strategies to pursue the purposes of the Authority, as set forth in Section 2 of this Agreement.

(3) Approve a budget to expend funds necessary to exercise the powers and achieve the purposes of the Authority, as set forth in this Agreement, and as otherwise provided by law. A super-majority vote shall be required to adopt a budget or assess the contribution of costs or to purchase or long-term lease any real property.

(4) Ensure that projects and programs that are undertaken are in the best interest of the residents served by the Authority.

(5) Authorize expenditures of funds in accordance with budget and any purchasing procedures adopted by the Governing Board.

(6) Share costs equally among the Members, except as otherwise provided herein.

(7) Approve or deny applications from local public agencies for admission to the Authority or expel a member from the Authority, which shall require a super-majority vote of the Board and approval by the legislative bodies of the Members pursuant to Sections 13, 16 and 17.

(8) Adopt by-laws, rules and regulations governing operations of the Authority.

(9) Appoint such ad hoc or standing committees of its Members as it may deem appropriate, all in uniformity with the Ralph M. Brown Act (Sections 54950 *et seq.*)

(f) Meetings. The Governing Board shall conduct regular and special meetings in accordance with the Ralph M. Brown Act, commencing with California Government Code Section 54950, or any successor provision thereto. It shall hold at least one regular meeting in each year and such additional meetings as may be necessary to accomplish the purposes specified herein. Regular meetings hall be held at such location as the Governing Board may determine by Resolution. Minutes shall be kept of all meetings of the Authority and shall be provided to the Members and made available to the public. Meetings shall be conducted in accordance with the most current edition of "Roberts Rules of Order" unless otherwise provided by the Governing Board.

(g) Quorum. A majority of the Governing Board must be present to constitute a quorum. No action will be valid unless it has received the affirmative vote of the majority of those Governing Board members present, except where a super-majority vote is specified. Where a super-majority vote is specified herein, it shall mean the affirmative vote of three-quarters (3/4) of the Members of the entire Board.

7. Organization.

(a) Officers. The Governing Board shall elect a chair, a vice-chair, and/or such other officers as the Board shall find appropriate. Each officer shall serve for a term of one (1) year unless sooner terminated at the pleasure of the Governing Board. Upon approval by the Governing Board, all contracts, deeds and other official documents on behalf of the Authority shall be executed by the Chair or the Executive Director, and attested to by the Secretary and approved as to form by Lead Agency's legal counsel or other appropriate officer.

(b) Employees. The Governing Board may appoint an executive director, controller, clerk, legal counsel or other employees as it deems appropriate and may establish the duties and compensation of such employees. The Governing Board may choose to utilize the services of employees of the Members by appointing a Lead Agency, as described below, and, if required, compensate the Member accordingly, or may directly appoint and employ its own staff. If the Authority directly employs employees, the Governing Board shall adopt a personnel system establishing rules and regulations comparable to the public sector generally.

(c) Finances. The Controller of the Authority shall cause an independent annual audit of the Authority's finances to be made by a certified public accountant in compliance with California Government Code Section 6505 or successor authority. The Treasurer of the Authority shall be the depositor and shall have custody of all money of the Authority received from whatever source. The Controller of the Authority shall draw warrants to pay demands against the Authority when the demands have been approved by the Authority by its authorized representative pursuant to any delegation of authority adopted by the Authority. The Treasurer and Controller shall comply strictly with the provisions of statutes relating to their duties, as set forth in the Joint Exercise of Powers Act.

(d) Consultants. In addition to hiring employees, the Authority is authorized to enter into contracts and pay consultants pursuant to the Authority's purchasing procedure to perform any work or activity it is empowered to perform hereunder, including for the provision of professional, financial, legal, administrative, technical or other services.

(e) Lead Agency. The Governing Board may select from the Members, a Lead Agency for the Authority. In such case, the City Manager or General Manager of the Lead Agency City shall be and act as the Secretary for the Authority and the Director of Finance of the Lead Agency shall be and act as the Treasurer and Auditor of the Authority, pursuant to California Government Code Section 6505.6. Pursuant to California Government Code Section 6505.1, the Secretary and Treasurer shall have charge of the property of the Authority and each shall file an official bond in the penal sum of Ten Thousand Dollars ($10,000.00) or such additional amount as the Governing Board may establish. By majority vote, the Governing Board may change the Lead Agency at any time. In such event, the officers of the new Lead Agency shall serve as the respective officers of the Authority.

(f) Property of the Authority. Pursuant to California Government Code Section 6505.1, the Governing Board may designate an officer or employee, or officers and employees, in addition to the Secretary and Treasurer, to receive, deposit, invest, and disburse the money of the Authority pursuant to California Government Code Sections 6505.5 and 6509.5. The Governing Board shall fix the amount of the official bond to be filed by each such designee.

8. Powers and Functions as a Regional Water Management Entity. Subject to the limitations set forth herein, the Authority, acting through its Governing Board, shall have any and all powers commonly held by the Members, necessary or appropriate to fulfill the purposes set forth in Section 2, above, and to otherwise perform the functions and exercise the powers of a regional water management group pursuant to applicable law.

9. Corporate and Political Powers. For purposes of exercising its authority, and subject to the limitations set forth herein, the Authority shall have all joint powers specified in California Government Code Section 6508 including, but not limited to, any or all of the following:

(a) To exercise the common powers of its Members pursuant to Section 2 above;

(b) To make and enter into contracts;

(c) To employ agents and employees;

(d) To acquire, construct, manage, maintain or operate any building, structure, work or improvement;

(e) To acquire, hold or dispose of real or personal property;

(f) To incur debts, liabilities and obligations and issue bonds, notes, certificates of participation and other forms or evidence of indebtedness;

(g) To sue and be sued in its own name;

(h) To apply for, accept, receive and disburse grants, loans and other financial aid from any agency of the State of California or the United States of America and to receive donations of property, funds, services and other forms of assistance from persons, firms, corporations or governmental entities;

(i) Obtain insurance for the Authority and contract for risk management services authority;

(j) Invest money of the Authority in the same manner and on the same conditions as local agencies pursuant to California Government Code Section 53601;

(k) To prepare and support legislation related to the purposes of this Agreement;

(l) To adopt rules, regulations, policies, bylaws and procedures for the carrying out of the foregoing powers or necessary for the governing of the operations of the Authority; and

(m) Exercise all other powers necessary and proper to carry out the provisions of this Agreement.

10. Limitations. The Authority shall not have the power of eminent domain.

11. Expenditures and Contributions. From time to time, the Governing Board may require Member contributions in order to make expenditures necessary to carry out the purposes and functions of the Authority which may include, but are not limited to, retention of consultant(s) to conduct studies and prepare plans, reports and designs, and/or provide management services. Contracts over $100,000 shall require a super-majority vote. Contributions may be assessed against Members on an equal basis, or upon such other basis as may be determined by the Governing Board. Within thirty (30) days of such an assessment by the Governing Board becoming effective, each Member, shall make the required contribution, providing that any member not wishing to make such contribution may, in the alternative, withdraw from the Authority within said period by adopting a resolution of withdrawal by its legislative body.

12. Eligibility for Membership and Admission. Any local public agency that is a member of the Gateway Cities Council of Governments, or that has statutory authority over a water supply with the Gateway Cities Region, may apply to become a member of the Authority and may become a Member upon a super-majority vote of the Governing Board. Upon admission, each new Member shall immediately execute this Agreement. At the time of approval of admission, the Governing Board may request that the new Member make a voluntary payment of any costs incurred by the Authority to date, to the extent the benefit of those costs will be derived or will continue to be derived after the new Member agency has joined the Authority.

13. Accounts, Reports, and Audits. The following procedures shall be followed to ensure strict accountability of all funds of the Authority and to provide for accurate reporting of receipts and disbursements of said funds:

(a) The auditor of the Authority shall either prepare or contract with a certified public accountant to prepare an annual audit of the Authority's accounts and records. The minimum requirements for such audits shall be those prescribed by the State Controller for special districts under California Government Code Section 26909 or successor statute and shall conform to generally accepted accounting principles.

(b) A report of said audit shall be filed as a public record with each Member and with the County Auditor of the County of Los Angeles. Such report shall be filed within six (6) months of the end of the fiscal year or years under examination.

(c) Any additional procedures pertaining to accountability of funds and assets of the Authority, as specified in the Joint Exercise of Powers Act, shall be followed.

14. Obligation for Debts and Liabilities and Distribution of Assets. Except as otherwise provided herein, no Member shall be individually responsible for any of the debts,

liabilities or obligations of the Authority, and all such debts, liabilities and obligations shall exclusively be those of the Authority.

(a) Indemnification.

(1) Each Member agrees to indemnify, defend and hold the Authority and all other Members, and employees, officers and agents of the Authority, free and harmless with respect to any and all claims, liabilities, losses, and damages, including legal fees and expenses, to the extent arising out of or connected with the acts or omissions, or breach or default, of such Member, or any person or entity acting on behalf of such Member, in the performance of any of its obligations under this Agreement.

(2) The Authority shall indemnify, defend, and hold harmless, jointly and severally, each of its Members and the Members' officers, officials, employees, agents, and representatives with respect to any loss, damage, injury, claim, litigation, or liability, including attorney's fees and costs, arising out of or in any way related to the creation of operation, functioning, decisions, or actions of the Authority or the Authority's officers, officials, employees, agents, or representatives.

(3) The provision of indemnity set forth in this Section shall not be construed to obligate the Authority to pay any liability, including but not limited to punitive damages, which by law would be contrary to public policy or otherwise unlawful.

(b) Tort Liability. Government Code Section 895.2 imposes certain tort liability jointly upon public agencies solely by reason of such public agencies being parties to an agreement as defined in Government Code Section 895. Therefore, the Member public agencies, as among themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, each assume the full liability imposed upon it or any of its officers, agents, employees or representatives by law for injury caused by a negligent or wrongful action or inaction, or omission, occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve this purpose, each Member public agency indemnifies and holds harmless each other party and the Authority, for any loss, cost or expense, including reasonable attorney's fees and consultant fees that may be imposed upon or incurred by such other Member public agency or the Authority solely by virtue of Government Code Section 895.2.

(c) Funds for Defense. Notwithstanding the provisions of paragraphs (a) or (b), above, by a super-majority vote of the Governing Board, the Board may approve the expenditure of Authority funds to defend, indemnify and hold the Authority, members of the Governing Board, and any employee or agent of the Authority, free and harmless from claims and liabilities arising in connection with their actions taken in good faith, and while within the scope of their duties being performed on behalf of the Authority.

(d) Self Insure. The Authority may self-insure or purchase insurance, and/or-, require the Members to self-insure or purchase insurance, in order to comply with any of the defense and indemnity requirements herein.

(e) Privileges and Immunities. All of the privileges and immunities from liability, exemptions from laws, ordinances, and rules, all pension, relief, disability, worker's compensation, and other benefits which apply to the activity of officers, agents, or employees of

any Member when performing their respective functions within the territorial limits of the Member, shall apply to them to the same degree and extent while engaged in the performance on any of their functions and duties extraterritorially hereunder.

15. Withdrawal by a Member. Subject to the provisions of this section, any Member may withdraw from the Authority by providing the Governing Board no less than thirty (30) days prior written notice including a copy of the initiating resolution by the legislative body of the withdrawing Member. The withdrawing Member shall pay all unpaid contributions that were approved by the Governing Board more than thirty (30) days prior to the date of the notice of withdrawal. No Member may withdraw unless and until it has satisfied any and all outstanding contractual obligations, or other indebtedness for which such Member would otherwise be obligated, in whole or in part, to pay. "Outstanding contractual obligations" includes the obligations for payments on contracts which the Authority has entered into and are legally binding but where additional services will be performed in the future, until the contract has been fully performed.

16. Effect of Termination. Upon termination of this Agreement by the Authority, all of the existing assets shall be divided and distributed for public purposes in such manner as shall be determined by a super-majority vote of the Governing Board provided, however, that this Agreement and the Governing Board shall continue to exist for the purposes of disposing of all claims, administering the distribution of assets, and performing any other functions necessary to conclude the affairs of the Authority. This Agreement may not be terminated so long as the Authority has any outstanding contractual obligations or other indebtedness.

17. Notices. Notices permitted or required to be sent pursuant to this Agreement shall be sent by registered mail, return receipt requested, or reputable overnight delivery service, addressed as follows:

> To Member public agencies at each Member public agency's official business address, personally addressed to the that agency's Governing Board member;
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> To the Authority at 11111 Brookshire Ave., Downey CA 90241, attention: Secretary. This address shall be the Authority's official business address. This address may be changed by approval of the Governing Board and the giving of written notice to each Member at their official business address.

18. Amendment. This Agreement may be amended by a super-majority vote of the Governing Board and by a super-majority vote of the legislative bodies of the Members acting by resolution with all such resolutions adopted within 90 days of the action by the Governing Board.

19. Legal Actions.

(a) Remedies. The Authority is hereby authorized to take any and all legal or equitable actions, including but not limited to, seeking an injunction and/or specific performance, necessary or permitted by law, to enforce this Agreement.

(b) Applicable Law and Forum. The laws of the State of California shall govern the interpretation and enforcement of this Agreement, without regard to conflict of law principles. Legal actions must be instituted and maintained in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court in that county, or in the Federal District Court in the Central District of California.

(c) Acceptance of Service of Process. In the event that any legal action is commenced against the Authority, service of process on the Authority shall be made by personal service upon the Executive Director or Secretary of the Authority, or in such other manner as may be provided by law.

(d) Waivers. All waivers of any term or condition of this Agreement shall be in writing. No waiver of any term or same term or condition at a different time.

20. Liberal Construction; Severability. In the event of any litigation over the meaning of this Agreement or the authority of any agency of the Authority, this Agreement shall be liberally construed to effectuate its purposes. Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California or federal law, or otherwise be rendered unenforceable or invalid, the validity of the remaining portions and/or provisions shall not be affected thereby.

21. Conflicts of Interest. No officers, official, or employee of the Authority shall have any financial interest, direct or indirect, in the Authority nor shall any such person participate in any decision relating to the Authority which affects his or her financial interests, in violation of any State law or regulation.

22. Books and Records. All books, records, accounts, and documents of the Authority shall be available at any reasonable time to the Directors and, to the extent provided by the California Public Records Act (Government Code Section 6250 *et. seq.*) shall be public records. This Section does not authorize the release of any confidential documents which are exempt from disclosure under the California Public Records Act or other applicable law or regulations.

23. Principal Office. The principal office of the Authority shall be that of the office of the Executive Director or as from time to time designated by the Board.

24. Successors. This Agreement shall be binding upon all Members and shall inure to the benefit of the successors of each of the Members provided, however, that no Member may assign any right or obligation under this Agreement without the written consent of the Governing Board.

25. Effectuate Counterparts. This Agreement may be executed in counterparts, which together shall constitute the same and entire agreement.

26. Filing with Secretary of State. The Secretary of the Governing Board is directed to file with the office of the California Secretary of State a notice of adoption or amendment of this Agreement within thirty (30) days after the effective date of such adoption or amendment, as required by California Government Code Section 6503.5 and shall file all other official notices as may be required by law.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed and attested by its duly authorized officers as of the dates set forth below.

MEMBER:

Dated: 8.16.12

By: _____

Doug Willmore, City Manager

ATTEST:

_____

Rebecca Valdez, CMC, City Clerk

APPROVED TO FORM:

_____ for David J. Aleshire

David Aleshire, City Attorney