



Board of Directors

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Providing Outstanding Service Since 1963

August 28, 2023

Board of Directors
Triunfo Water & Sanitation District
Ventura County, California

Las Virgenes-Triunfo Public Financing Authority: Joint Exercise of Powers Agreement

Summary

On August 7, 2023, the JPA Board considered and supported a draft Joint Exercise of Powers Agreement to form the Las Virgenes-Triunfo Public Financing Authority. Attached (Exhibit A) is the Joint Exercise of Powers Agreement for approval by your Board. The Las Virgenes Municipal Water District has presented the same agreement and was approved by its Board on August 15, 2023.

The formation of the Las Virgenes-Triunfo Public Financing Authority is necessary to facilitate the joint financing of the Pure Water Project Las Virgenes-Triunfo through loans from various federal and state sources, and will facilitate the issuance of any debt that is necessary for the project. However, it would not obligate either District to repay the other partner's proportional share of any debt issued or loans executed. Each debt instrument would be structured such that each District is solely responsible for its proportional share of the debt and liability. The Authority would be the conduit for Triunfo to execute loan documents and issue debt for the Pure Water Project and other future projects as approved by the Board.

This Agreement was presented to the JPA Board in a draft format on August 7, 2023 with no comment or further direction provided by the Board.

Please contact me at 805-658-4649 or email vickiedragan@trunfowsd.com if you have any questions or need additional information regarding this item and attachments.

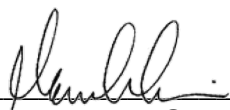
Fiscal Impact

There is no financial impact associated with this action.

Recommendation

It is recommended the Board approve and adopt Resolution No. 2023-010 and authorize the Chair to execute the Joint Exercise of Powers Agreement forming the Las Virgenes-Triunfo Public Financing Authority.


VICKIE DRAGAN - DIRECTOR OF FINANCE

REVIEWED AND APPROVED: 
Mark Norris, General Manager

Attachments: 1. Resolution No. TWSD 2023-010
2. Exhibit A: Joint Exercise of Powers Agreement for Las Virgenes-Triunfo Financing Authority

RESOLUTION NO. TWSO 2023-010

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE TRIUNFO WATER & SANITATION DISTRICT
AUTHORIZING AND APPROVING THE JOINT EXERCISE
OF POWERS AGREEMENT WITH THE LAS VIRGENES
MUNICIPAL WATER DISTRICT AND APPROVING
CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER
ACTIONS IN CONNECTION THEREWITH**

WHEREAS, under the Joint Exercise of Powers Act, California Government Code § 6500 *et seq.* (JPA Act), the Triunfo Water & Sanitation District (District) may enter into a joint exercise of powers agreement with one or more public agencies to jointly exercise any power common to them and to exercise additional powers granted under the JPA Act; and

WHEREAS, it is in the best interest of the District to enter into a Joint Powers Agreement with Las Virgenes Municipal Water District (LVMWD) in order to form a joint powers authority, to be known as the “Las Virgenes-Triunfo Public Financing Authority” (Authority) for the purpose of assisting the District and LVMWD in financing and refinancing capital improvement projects of each of the District, as well as joint projects of the District and LVMWD, and in financing working capital for the District and LVMWD; and

WHEREAS, under the JPA Act and the herein-defined JPA Agreement, the Authority will be a public entity that is separate and apart from the District and LVMWD, and the debts, liabilities, and obligations of the Authority will not be the debts, liabilities or obligations of the District and LVMWD or any representative of the District serving on the governing body of the Authority; and

WHEREAS, the Board of Directors (Board) of the District, with the aid of its staff and consultants, has reviewed the Joint Exercise of Powers Agreement (JPA Agreement) that is attached as Exhibit A and intends by this Resolution to authorize the execution of the JPA Agreement and to approve the creation of the Authority and related matters.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of TRIUNFO WATER & SANITATION DISTRICT AS FOLLOWS:

1. All recitals contained above are true and incorporated by reference herein.
2. The Board hereby authorizes the Board Chair to execute the JPA Agreement with LVMWD in substantially the form attached as Exhibit A, together with any such changes the Board Chair may deem appropriate and hereby approves the creation of the Authority for the purposes that are described in the second

WHEREAS clause above.

3. The Board Chair is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.
4. This resolution shall take effect immediately upon its adoption by the Board, and the Clerk of the Board shall certify the vote adopting this Resolution.
5. Should any provision, section, paragraph, sentence, or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or word of this Resolution as hereby adopted shall remain in full force and effect.

PASSED AND ADOPTED this 28th day of August, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jane Nye, Chair
Triunfo Water & Sanitation District
Board of Directors

ATTEST:

Fidela Garcia, Clerk of the Board

APPROVED AS TO FORM:

Dennis McNulty, District Counsel

JOINT EXERCISE OF POWERS AGREEMENT

between

LAS VIRGENES MUNICIPAL WATER DISTRICT

and

TRIUNFO WATER & SANITATION DISTRICT

creating the

LAS VIRGENES-TRIUNFO PUBLIC FINANCING AUTHORITY

Dated as of _____ 1, 2023

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JOINT EXERCISE OF POWERS AGREEMENT

THIS JOINT EXERCISE OF POWERS AGREEMENT (this “**Agreement**”) is dated as of ____ 1, 2023, and is entered into by and between the LAS VIRGENES MUNICIPAL WATER DISTRICT, a municipal water district that is organized and existing under and by virtue of the laws of the State, including but not limited to Division 20 of the California Water Code (“**LVMWD**”), and TRIUNFO WATER & SANITATION DISTRICT, a county sanitation district that is organized and existing under and by virtue of the laws of the State, including but not limited to Chapter 3 of Part 3 of Division 5 of the California Health and Safety Code (“**TWSD**”).

DECLARATION OF PURPOSE

A. Chapter 5 of Division 7 of Title 1 of the California Government Code (the “**Act**”) authorizes LVMWD and TWSD to create a joint exercise of powers entity which has the power to exercise any powers common to LVMWD and TWSD and to exercise additional powers granted to such entity under the Act. This Agreement creates such an agency, which shall be known as the “Las Virgenes-Triunfo Public Financing Authority” (the “**Authority**”) for the purposes and to exercise the powers described herein.

B. LVMWD is authorized to buy, sell, lease and use property and to incur indebtedness for public purposes pursuant to California Water Code §§ 71592, 71610, 71611, 71612, 71690, 71691, 71692, 71722, 71723, 71811, 71812 and 71853 and other laws of the State of California.

C. TWSD is authorized to buy, sell, lease and use property and to incur indebtedness for public purposes pursuant to California Health and Safety Code §§ 4740, 4741, 4743, 4744, 4746.1, 4764 and 4767 and other laws of the State of California.

D. Article 4 of the Act (known as the “Marks-Roos Local Bond Pooling Act of 1985”) authorizes and empowers the Authority to issue or execute bonds or other obligations and to purchase bonds or other obligations issued or executed by, or to make loans to, LVMWD or TWSD for the purpose of financing public capital improvements, working capital, liability and other insurance needs or projects whenever there are significant public benefits, as determined by LVMWD or TWSD. The Marks-Roos Local Bond Pooling Act of 1985 further authorizes and empowers the Authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale.

TERMS OF AGREEMENT

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

“**Act**” means Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended.

“**Agreement**” means this Joint Exercise of Powers Agreement, dated as of ____ 1, 2023, by and between LVMWD and TWSD, as it may be amended from time to time, creating the Authority.

“**Authority**” means the Las Virgenes-Triunfo Public Financing Authority created by this Agreement.

“**Board**” means the governing board of the Authority, consisting of each member of the governing board of LVMWD and each member of the governing board of TWSD.

“**Brown Act**” means the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code), or any successor legislation hereafter enacted.

“**Indenture**” means, without limitation, each indenture, resolution, trust agreement, fiscal agent agreement, lease, sublease, loan agreement, installment purchase agreement or other instrument pursuant to which Obligations are issued or incurred.

“**LVMWD**” means the Las Virgenes Municipal Water District, a municipal water district that is organized and existing under and by virtue of the laws of the State, including but not limited to Division 20 of the California Water Code.

“**Member**” or “**Members**” means the members of the Authority from time to time as may be modified in accordance with this Agreement. As of the date of this Agreement, the Members are LVMWD and TWSD.

“**Obligations**” means bonds and any other evidence of indebtedness of the Authority authorized and issued pursuant to the Act.

“**State**” means the State of California.

“**TWSD**” means Triunfo Water & Sanitation District, a county sanitation district that is organized and existing under and by virtue of the laws of the State, including but not limited to Chapter 3 of Part 3 of Division 5 of the California Health and Safety Code.

Section 2. Purpose. This Agreement is made pursuant to the Act for the purpose of assisting in the financing and refinancing of capital improvement projects of LVMWD and TWSD and the financing of working capital for LVMWD and TWSD by exercising the powers referred to in this Agreement. Upon approval of the Board, the Authority may also assist other public agencies in the financing and refinancing of capital improvement projects and the financing of working capital.

Section 3. Term. This Agreement becomes effective as of the date hereof and shall continue in full force and effect until terminated by a supplemental agreement of TWSD and LVMWD; *provided, however*, that in no event shall this Agreement terminate while any Obligations of the Authority remain outstanding under the terms of any Indenture or other instrument pursuant to which such Obligations are issued or incurred.

Section 4. The Authority.

(a) Creation of the Authority.

(1) There is hereby created pursuant to the Act an authority and public entity to be known as the “Las Virgenes-Triunfo Public Financing Authority.” As provided in the Act, the Authority shall be a public entity separate from the Members. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Members, notwithstanding the fact that they may be payable from revenues of one or more of the Members as described in Section 10(b)(1).

(2) Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the California Secretary of State in the manner set forth in Section 6503.5 of the Act. Such notice shall also be filed with the office of the State Controller.

(3) In addition, as required by Section 53051 of the California Government Code, within 70 days after the effective date of this Agreement, the Authority shall file with the Secretary of State on a form prescribed by the Secretary of State and also with the County Clerk of Los Angeles County a statement of the following facts: (1) the full, legal name of the Authority; (2) the official mailing address of the Board; (3) the name and residence or business address of each member of the Board; and (4) the name, title and residence or business address of the Chair and Secretary of the Authority, and within 10 days after any change in the facts required to be stated pursuant to the foregoing, an amended statement containing such information shall be filed with the Secretary of State on a form prescribed by the Secretary of State and also with the County Clerk of Los Angeles County.

(b) Governing Board.

(1) The Authority will be administered by the Board, which will consist of each member of the governing board of LVMWD and each member of the governing board of TWSD. The term of office as a member of the Board will terminate when such member of the Board ceases to hold his or her respective seat on the governing board of LVMWD or TWSD, as applicable, and the successor to such seat on the governing board of LVMWD or TWSD, as applicable, will automatically become a member of the Board upon assuming such office.

(2) Members of the Board will not receive any compensation for serving as such, but will be entitled to reimbursement for necessary expenses actually incurred in connection with serving as a member if the Board determines that such expenses will be reimbursed and there are unencumbered funds available for such purpose; provided that: (a) any such reimbursement for a Board member who is also a member of the governing board of LVMWD shall be limited to the amount that is determined by the governing board of LVMWD; and (b) any such reimbursement for a Board member who is also a member of the governing board of TWSD shall be limited to the amount that is determined by the governing board of TWSD.

(c) Meetings of Board.

(1) Time and Place. The time and place for holding Board meetings shall be established, and may be changed at any time, by resolution of the Board. Initially, the Board shall conduct regular meetings on the first Monday of each month that is a business day, at the same location as the regular meetings of the governing board of the existing Las Virgenes-Triunfo Joint Powers Authority relating to joint facilities, as per the legal notice for such meetings. If the Secretary does not post an agenda for a regular meeting pursuant to the Brown Act, then such failure to post shall be deemed to be a determination by the Chair that no items require discussion and, therefore, that the regular meeting has been cancelled, except as otherwise provided in the Brown Act. The Board may hold special meetings at any time and from time to time in accordance with law.

(2) Legal Notice. All regular and special meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Brown Act.

(3) Minutes. The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as practicable after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the Members.

(4) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

(5) Affirmative Vote. Unless otherwise agreed by the Board, no action or resolution of the Board shall be effective unless a majority of the members of the Board shall vote to adopt such action or resolution.

(d) Officers; Duties; Bonds.

(1) The officers of the Authority shall be the Chair, Vice Chair, Executive Director, Treasurer, Deputy Treasurer and Secretary.

The Chair shall be the person serving as the President or Chair, as applicable, of the governing board of either LVMWD or TWSD, alternating annually beginning on January 1 of each year, provided that the initial Chair shall be the person serving as the Chair of the governing board of TWSD, who shall serve as Chair from the effective date of this Agreement through December 31, 2023.

The Vice Chair shall be the person serving as the President or Chair, as applicable, of the governing board of either LVMWD or TWSD who is not then serving as the Chair, alternating annually beginning on January 1 of each year, provided that the initial Vice Chair shall be the person serving as the President of the governing board of LVMWD, who shall serve as Vice Chair from the effective date of this Agreement through December 31, 2023.

The Executive Director shall be the person serving as the General Manager of LVMWD.

The Treasurer shall be the person serving as the Treasurer of the governing board of LVMWD.

The Deputy Treasurer shall be the person serving as the Director of Finance & Administration of LVMWD.

The Secretary shall be the person serving as the Secretary of the governing board of LVMWD.

The officers shall perform the duties normal to their respective offices and such other duties as may be imposed by the Board. The foregoing officers shall sign all contracts on behalf of the Authority and shall perform such other duties as may be imposed by the Board; provided that the Board may, by resolution, authorize other officers of the Authority to sign contracts on behalf of the Authority. The Vice Chair shall act, sign contracts, and perform all of the Chair's duties in the absence of the Chair. The Secretary shall perform such duties as may be imposed by the Board and cause a copy of this Agreement, and any amendment to this Agreement, to be filed with the California Secretary of State pursuant to the Act. These officers shall have such additional powers and duties as may be determined by the Board from time to time by resolution.

The Board shall appoint a General Counsel of the Authority from time to time.

(2) Pursuant to Section 6505.6 of the Act, the person serving as the Treasurer of the governing board of LVMWD is hereby designated as the Treasurer of the Authority. The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond in the amount of \$25,000 as required by Section 6505.1 of the Act; provided, that such bond shall not be required if the Authority does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by a trustee or other fiduciary in connection with any Obligations). The cost of the bond, if necessary, shall be paid by LVMWD.

(3) So long as required by Sections 6505 and 6505.5 of the Act, the Treasurer of the Authority shall prepare or cause to be prepared: (a) a special audit as required pursuant to Section 6505 of the Act every year during the term of this Agreement; and (b) a report in writing on the first day of July, October, January and April of each year to the Board, LVMWD and TWSD which report shall describe the amount of money held by the Treasurer of the Authority, the amount of receipts since the last such report and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Obligations to the extent that such trustee or other fiduciary provides regular reports covering such amounts).

(4) The services of the officers shall be without compensation by the Authority. LVMWD will provide such other administrative services as required by the Authority, and shall not receive economic remuneration from the Authority for the provision of such services.

(5) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

(6) 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 activities of officers, agents or employees of the Members when performing their respective functions within the territorial limits of their respective Member shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

(7) None of the officers, agents or employees, if any, directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any Member or, by reason of their employment by the Authority, to be subject to any of the requirements of any Member.

(8) The Members hereby confirm their intent and agree that, as provided in Section 4(a) hereof and in the Act, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of LVMWD or TWSD, notwithstanding the fact that they may be payable from revenues of one or more of the Members as described in Section 10(b)(1).

(9) In any event, the Authority or LVMWD shall cause all records regarding the Authority's formation, existence, operations, any Obligations issued or incurred by the Authority, obligations incurred by it and proceedings pertaining to its termination to be retained for at least six years following termination of the Authority or final payment of any Obligations issued or incurred by the Authority, whichever is later.

(10) Confirmation of officers shall be the first order of business at the first meeting of the Authority, regular or special, held in each calendar year.

(11) No Board member, officer, agent or employee of the Authority, without prior specific or general authority by a vote of the Board, shall have any power or authority to bind the Authority by any contract, to pledge its credit, or to render it liable for any purpose in any amount.

Section 5. Powers.

(a) The Authority shall have any and all powers which are common powers of the Members, and the powers separately conferred by law upon the Authority. All such powers, whether common to the Parties or separately conferred by law upon the Authority, are specified as powers of the Authority except any such powers which are specifically prohibited to the Authority by applicable law. Except as otherwise set forth herein as permitted by law, the Authority's exercise of its powers is subject to the restrictions upon the manner of exercising the powers of LVMWD and TWSD.

(b) The Authority is hereby authorized, in its own name, to do all acts necessary or convenient for the exercise of its powers, including, but not limited to, any or all of the following: to sue and be sued; to make and enter into contracts; to employ agents, consultants, attorneys, accountants and employees; to acquire, hold or dispose of property, whether real or personal, tangible or intangible, wherever located; to issue bonds or otherwise incur debts, liabilities or Obligations to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues or the rights thereto as security for such Obligations.

(c) Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Section 2 hereof.

(d) Notwithstanding anything to the contrary in this Agreement, the Authority shall not have the power or the authority to enter into any retirement contract with any public retirement system (as defined in Section 6508.2 of the California Government Code) for any reason. The provision in this paragraph is intended to benefit the Members and to be a confirming irrevocable obligation of the Authority which may be enforced by the Members, individually or collectively.

Section 6. Termination of Powers. The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement in accordance with Section 3 hereof.

Section 7. Fiscal Year. Unless and until changed by resolution of the Board, the fiscal year of the Authority shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year, which shall be the period from the effective date of this Agreement to June 30, 2024.

Section 8. Disposition of Assets. Upon termination of this Agreement pursuant to Section 3 hereof, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority shall be returned in proportion to any contributions made as required by Section 6512 of the Act. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. After rescission or termination of this Agreement pursuant to Section 3 hereof, all property of the Authority, both real and personal, shall be distributed

in proportion to any contributions made by the Members, to LVMWD and TWSD, subject to Section 9 hereof.

Section 9. Contributions and Advances. Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance made in respect of a revenue-producing facility shall be made subject to repayment, and shall be repaid, in the manner agreed upon by LVMWD or TWSD, as the case may be, and the Authority at the time of making such advance, as provided by Section 6512.1 of the Act. It is mutually understood and agreed that neither LVMWD nor TWSD has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though either may do so. The Members may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Authority.

Section 10. Obligations.

(a) Authority to Issue or Incur Obligations. When authorized by the Act or other applicable provisions of law and by resolution of the Board, the Authority may issue or incur Obligations for the purpose of raising funds for the exercise of any of its powers or to otherwise carry out its purposes under this Agreement. Said Obligations shall have such terms and conditions as are authorized by the Board.

(b) Limited Obligations.

(1) The Obligations, including the principal and any purchase price thereof, and the interest and premium, if any, thereon, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds and other assets pledged therefor under the applicable Indenture(s) and shall not constitute a charge against the general credit of the Authority or any Member. The Obligations shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or any of its income or receipts except the property, income and receipts pledged therefor under the applicable Indenture(s). The Obligations shall not constitute a debt, liability or obligation of the State or any public agency thereof, including any Member, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State or any public agency thereof, including the Members, shall be pledged to the payment of the principal or purchase price of, or the premium, if any, or interest on the Obligations, nor shall the State or any public agency or instrumentality thereof, including the Members, in any manner be obligated to make any appropriation for such payment. The Authority shall have no taxing power.

(2) No covenant or agreement contained in any Obligation or Indenture shall be deemed to be a covenant or agreement of any director, officer, agent or employee of the Authority or any Member, in his or her individual capacity, and no director or officer of the Authority executing an Obligation shall be liable personally on such Obligation or be subject to any personal liability or accountability by reason of the issuance of such Obligation.

Section 11. Agreement not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between LVMWD and TWSD, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

Section 12. Accounts and Reports.

(a) Books and Records. All funds of the Authority shall be strictly accounted for in books of account and financial records maintained by the Authority, including a report of all receipts and disbursements. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles and by each Indenture for outstanding Obligations (to the extent that such duties are not assigned to a trustee for owners of Obligations). The books and records of the Authority shall be open to inspection at all reasonable times by the Members and their representatives.

(b) Indentures. The Authority shall require that each Indenture provide that the trustee appointed thereunder shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of such Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out the requirements of this Section 12.

(c) Audits. The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority in compliance with the requirements of the Act. Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section 12, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

(d) Audit Reports. The Treasurer of the Authority, as soon as practicable after the close of each Fiscal Year, but in any event within the time necessary to comply with the requirements of the Act, shall file a report of the audit performed pursuant to this Section 12 as required by the Act and shall send a copy of such report to public entities and persons in accordance with the requirements of the Act.

Section 13. Funds. Subject to the provisions of each Indenture for outstanding Obligations providing for a trustee to receive, have custody of and disburse funds which constitute Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to accounting procedures approved by the Board and shall make the disbursements required by this Agreement or otherwise necessary to carry out the provisions and purposes of this Agreement.

Section 14. Conflict of Interest Code. The Authority shall, by resolution, adopt a Conflict of Interest Code to the extent required by law.

Section 15. Breach. If default shall be made by LVMWD or TWSD in any covenant contained in this Agreement, such default shall not excuse either LVMWD or TWSD from fulfilling its obligations under this Agreement, and LVMWD and TWSD shall continue to be liable for the performance of all conditions herein contained. LVMWD and TWSD hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and LVMWD and TWSD hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

Section 16. Notices. Notices and other communications hereunder to the parties shall be sufficient if delivered to the clerk or secretary of the governing body of each party.

Section 17. Withdrawals and Additions of Members.

(a) Withdrawals. Any Member may withdraw from the Authority by filing with the Board a certified copy of a resolution of the governing body of the Member expressing its desire to so withdraw, whereupon the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect the existence of the Authority nor the effectiveness of any Obligations of the Authority. If such withdrawal results in the termination of the Authority, such termination shall be subject to the limitations of Section 3 and the Member shall pay all of its outstanding obligations to the Authority prior to such termination becoming effective.

(b) Additional Members. Any public agency may be added as a party to this Agreement, and become a Member, by filing with the Board a certified copy of a resolution of the governing body of such public agency whereby it agrees to the provisions of this Agreement and requests to become a Member. The Board may accept or reject any such proposal in its sole discretion, and if accepted, such public agency shall become a Member when: (i) its admission is approved by a vote of a majority of the Board voting on the matter; (ii) such public agency agrees to bear its future share of the costs and expenses incurred by the Authority in the course of its activities; and (iii) such public agency signs this Agreement. Upon satisfaction of the provisions of this clause (b), such public agency shall be a Member for all purposes of this Agreement. The effectiveness of such membership shall not constitute or require an amendment or modification of this Agreement.

Section 18. Effectiveness. This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of TWSD and LVMWD, as the initial Members, when each party has executed a counterpart of this Agreement.

Section 19. Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

Section 20. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

Section 21. Amendment of Agreement. This Agreement may be amended by supplemental agreement executed by the Members at any time; provided, however, that this Agreement may be terminated only in accordance with Section 3 hereof; and provided further that such supplemental agreement shall be subject to any restrictions contained in any Obligations or documents related to any Obligations to which the Authority is a party.

Section 22. Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of LVMWD, by resolution duly adopted by the governing board of LVMWD, and, in the case of TWSD, by resolution duly adopted by the governing board of TWSD, and, in the case of the Authority, by resolution duly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 23. Waiver of Personal Liability. No member, officer, employee, attorney, agent, governing board member or Board member of the Authority, LVMWD or TWSD shall be individually or personally liable for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of the Authority or the actions undertaken pursuant to this Agreement, and the Authority shall defend such members, officers, employees, attorneys, agents, governing board member or Board member against any such claims, losses, damages, costs, injury and liability. Without limiting the generality of the foregoing, no member, officer, employee, attorney, agent, governing board member or Board member, of the Authority, LVMWD or TWSD shall be personally liable on any Obligations or be subject to any personal liability or accountability by reason of the issuance of Obligations pursuant to the Act and this Agreement. To the full extent permitted by law, the Board shall provide for indemnification by the Authority of any person who is or was a member of the Board, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or an officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in the course and scope of his or her office, employment or agency. In the case of a criminal proceeding, the Board may provide for indemnification and defense of a member of the Board, or an officer, employee or other agent of the Authority to the extent permitted by law.

Section 24. Notices. Notices to LVMWD hereunder shall be sufficient if delivered to the General Manager of LVMWD at 4232 Las Virgenes Road, Calabasas, California 91302-1994, and notices to TWSD hereunder shall be sufficient if delivered to the General Manager of TWSD at 370 North Westlake Boulevard, Suite 100, Westlake Village, California 91362. The notice address for the Authority shall be 4232 Las Virgenes Road, Calabasas, California 91302-1994.

Section 25. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

Section 26. Dispute Resolution.

(a) Disputes can be best avoided by full, fair and complete communication. The Members will do everything reasonably possible to undertake and foster such communication. Directors and staff of the Members are permitted and encouraged to address one another during regular business hours and during meetings. The procedures in this section may be invoked when disputes arise despite the best efforts of the Members, their officers, agents and employees. This provision anticipates that disputes will be divided into two categories. A “budget dispute” arises when a Member wishes to contest expenditures of the Authority. A “general dispute” arises when a Member disputes any other decision of the Board or officers of the Authority or any interpretation of this Agreement. This provision provides a different alternate dispute resolution process depending on whether a budget dispute or a general dispute has arisen.

(b) A Member may invoke dispute resolution for a budget dispute by serving a written statement on the President or Chair, as applicable, of each Member. The statement shall identify the issues to be resolved, the position of the petitioner, the apparent position of the respondent, and a summary of anticipated evidence. The Members are required to use dispute resolution strictly in the following order: (1) through mediation with a neutral mediator or fact-finder; and (2) if still needed, by binding arbitration. If arbitration becomes necessary, each Member will select a neutral arbitrator (one that is technically qualified for the specific issue, if possible), and the two arbitrators so

selected shall select a third neutral arbitrator (also technically qualified, if possible) to chair the three-person arbitration. The arbitrators shall conduct the arbitration as expeditiously as possible according to the appropriate laws and rules regarding arbitrations in California. The arbitration panel shall limit its award to a determination of reasonableness and need, and to a determination of whether the petition of the petitioner or the respondent is most appropriate for matters that a Member refuses to approve. Each Member shall pay its own attorneys' fees and costs of dispute resolution, but the prevailing party as determined by the arbitrator shall be entitled to recover attorneys' fees and costs.

(c) A party may invoke this subsection to deal with a general dispute by filing a written request with the President or Chair, as applicable, of each Member. At the next regular meeting occurring at least four days after the filing of the request, the governing board of each Member shall appoint two of its governing members to serve on a committee. The committee members shall meet forthwith to receive and consider the reports of each Member on the subject matter of the dispute. The committee will report its findings at the next scheduled meeting of the Authority to occur at least thirty (30) days after the appointment of the committee. If the dispute is not resolved after the committee have met and conferred, either party may press the appointment of a mediator. If the parties are unable to select a mutually agreeable mediator, the mediator shall be selected, by using the procedures specified for the appointment of a mediator by a court. If the dispute is not resolved as a result of mediation, a party may request advisory arbitration. If the parties cannot select an arbitrator by mutual agreement, the process for selecting an arbitrator in a court proceeding shall be followed. After appointment of an arbitrator, either party may obtain copies of records in the possession of the other party at no cost by written request. Witnesses may be deposed, but the record of the deposition shall be a videotape record. The record of the arbitration shall also be videotaped. The decision of the arbitration shall be written and transmitted simultaneously to the President or Chair, as applicable, of each Member.

Section 27. Miscellaneous.

(a) This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(b) Where reference is made to duties to be performed for the Authority by a public official or employee, such duties may be performed by that person's duly authorized deputy or assistant. Where reference is made to actions to be taken by a Member, such action may be exercised through the officers, staff or employees of such Member, in the manner provided by law.

(c) This Agreement is made in the State of California, under the Constitution and laws of California and is to be construed as a contract made and to be performed in California.

(d) This Agreement is the complete and exclusive statement of the agreement among the parties with respect to the subject matter hereof, which supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers or officials thereunto duly authorized.

LAS VIRGENES MUNICIPAL WATER DISTRICT

By _____
President

Attest:

District Secretary

TRIUNFO WATER & SANITATION DISTRICT

By: _____
Chair

Attest:

Clerk of the Board