JOINT POWERS AGREEMENT

FORMING

THE DELTA CONVEYANCE DESIGN AND CONSTRUCTION JOINT POWERS AUTHORITY

Effective _____ __, 2018

Joint Powers Agreement –
The Delta Conveyance Design and Construction Joint Powers Authority

This AGREEMENT is made and entered into by and among the parties on the attached Exhibit A, which are referred to herein individually as a "Party" and collectively as "Parties".

RECITALS

WHEREAS, each of the Parties is a public agency organized and operating under the laws of the State of California; and

WHEREAS, California Government Code Sections 6500, et seq., ("Act") provide that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, Government Code section 6584 also confers powers on a joint powers agency that are independent of, complete and supplementary to any common powers delegated in a joint powers agreement; and

WHEREAS, the Parties desire to allow for the protection of both the Sacramento-San Joaquin Delta ("Delta") ecosystem and the more than 25 million people and 2,000,000 acres of highly productive farm land that currently depend upon water conveyed through the Delta; and

WHEREAS, the Parties desire to provide such protections, in part, through improvements in water infrastructure; and

WHEREAS, the California Department of Water Resources ("DWR") is a department within the State of California Natural Resources Agency and is responsible for constructing, operating, and maintaining the State Water Resource Development System, more commonly known as the State Water Project ("SWP"), and

WHEREAS, DWR desires to design and construct new Delta water conveyance facilities ("Conveyance Project") to be owned and operated by DWR, that would convey water from the Sacramento River north of the Delta directly to the existing SWP and Central Valley Project ("CVP") pumping plants located in the south Delta, and

WHEREAS, the purposes of the Conveyance Project are to make physical and operational improvements to the SWP and the CVP necessary to: protect and maintain ecosystem health; maintain water quality; and restore and protect water supplies so that the SWP and CVP are capable of readily delivering water within a stable regulatory framework at costs that are not so high as to preclude, and in amounts that are sufficient to support, the financing of the investments necessary to fund construction and operation of facilities and/or improvements, and

WHEREAS, the Parties constitute certain public water agencies that will each bear at least some of the financial obligation the Conveyance Project, and

WHEREAS, the Parties desire that the Conveyance Project be completed in a safe, timely, cost-effective and efficient manner, and

WHEREAS, DWR has determined that the timely and efficient design and construction of the Conveyance Project will require additional resources not available to DWR and that, therefore, it is in the best interest of the State of California and its citizens to partner with the Parties in the design and construction of the Conveyance Project; and

WHEREAS, the Delta Conveyance Design and Construction Joint Powers Authority ("Construction Authority") proposes to enter into an agreement with DWR establishing that the Construction Authority will undertake those activities required to complete the design and construction of the Conveyance Project; and

WHEREAS, the agreement with DWR is intended to obtain cost savings by allowing more flexible means of designing, contracting, constructing, and financing the Conveyance Project; and

WHEREAS, the Parties each have and possess the powers to design, construct, and implement water infrastructure projects; and

WHEREAS, the Parties each desire to exercise those powers regarding the design and construction of the Conveyance Project as provided in the Joint Exercise of Powers Agreement between the Department of Water Resources and the Construction Authority, and

WHEREAS, the aforementioned activities may best be achieved through the cooperative action of the Parties operating through a joint powers authority; and

WHEREAS, the Parties intend that upon acceptance of the Conveyance Project by DWR, the Construction Authority will be dissolved.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Parties agree as follows:

ARTICLE I: DEFINITIONS

For the purpose of this Agreement, the meaning of the terms hereinafter set forth shall be the following:

1.1 "Addenda" means any addenda, amendments, modifications, supplements or exhibits to the Agreement that are executed, approved or added in accordance with the terms of this Agreement after the Effective Date.

1.2 "Agreement" means this Joint Powers Agreement, including Exhibits A and B attached, which creates the Delta Conveyance Design and Construction Joint Powers Authority.

1.3 "Alternate Director" means an Alternate Director of the Board appointed in accordance with Article 6 (Directors and Officers).

1.4 "Applicable" means applicable as determined by the Board or an Officer, whichever is appropriate, in their sole discretion.

1.5 "Article" means an article of this Agreement and, unless otherwise specified, refers to all Sections within that article.

1.6 "Board" or "Board of Directors" means the governing body of the Delta Conveyance Design and Construction Joint Powers Authority.

1.7 "Central Valley Project" or "CVP" means the federal reclamation project operated by Reclamation pursuant to federal reclamation law (Act of June 17, 1902 (32 Stat. 388)) and acts amendatory or supplementary thereto.

1.8 "Construction Authority Stand Up Costs" mean the stand up costs for the Construction Authority as described in Article XII (**BUDGET AND EXPENSES**) of this Agreement.

1.9 "Conveyance Project" means the project described in Section 2(a) of the Joint Exercise of Powers Agreement between the Department of Water Resources, State of California and the Construction Authority.

1.10 "Delta" has the meaning set forth in the Recitals.

1.11 "Delta Conveyance Design and Construction Joint Powers Authority" or "Construction Authority" means the public agency created by this Agreement.

1.12 "Director" means a Director of the Board appointed in accordance with Article 6 (Directors and Officers).

1.13 "DWR" has the meaning set forth in the Recitals.

1.14 "Effective Date" means the date set forth in Section 3.1.

1.15 "Member" means a public entity that satisfies the requirements of Article V (**Membership**) of this Agreement.

1.16 "Members" mean all of the public entities that satisfy the requirements of Article V (**Membership**) of this Agreement.

1.17 "Officer" means an Officer of the Delta Conveyance Design and Construction Joint Powers Authority appointed in accordance with Section 6.2.

1.18 "President" means the President of the Delta Conveyance Design and Construction Joint Powers Authority appointed in accordance with Section 6.3.

1.19 "Reclamation" means the United States Bureau of Reclamation.

1.20 "Secretary" means the Secretary of the Delta Conveyance Design and Construction Joint Powers Authority appointed in accordance with Section 6.3.

1.21 "Section" means a section, subsection or sub-subsection within an Article of this Agreement and, unless otherwise specified, refers to all numbered and lettered divisions within that section, subsection or sub-subsection.

1.22 "State" means the State of California.

1.23 "State Water Project" or "SWP" means the State Water Facilities, as defined in California Water Code section 12934(d).

1.24 "Treasurer" means the Treasurer of the Conveyance Project Coordination Agency appointed in accordance with Section 6.3.

1.25 "Vice-President" means the Vice-President of the Delta Conveyance Design and Construction Joint Powers Authority appointed in accordance with Section 6.7.

ARTICLE II: CREATION OF THE CONVEYANCE PROJECT COORDINATION AGENCY

There is hereby created pursuant to the Joint Exercise of Powers Act, California Government Code section 6500 *et seq.*, a public entity to be known as the "Delta Conveyance Design and Construction Authority." Delta Conveyance Design and Construction Joint Powers Authority shall be a public entity separate from its Members.

ARTICLE III: TERM

This Agreement shall become effective when at least two Members (1) execute this Agreement and (2) agree there is sufficient representation to fund the Construction Authority's Stand Up Costs.

This Agreement shall remain in effect until terminated pursuant to the provisions of Article XIV (**Withdrawal of Members**) of this Agreement.

ARTICLE IV: PURPOSES AND POWERS

4.1 Purpose. The purpose of this Agreement is to establish a public entity separate and apart from its Members to undertake those activities required to complete the design and construction of the Conveyance Project.

4.2 Powers. The Delta Conveyance Design and Construction Joint Powers Authority shall have the power in the name of the Construction Authority to exercise those common powers, and all independent, complete and/or supplementary powers authorized by Government Code section 6584 et. seq. or as otherwise authorized by law, necessary or appropriate to design and construct the Conveyance Project including, but not limited to, the following:

4.2.1 To make and enter into contracts necessary for the full exercise of the Delta Conveyance Design and Construction Joint Powers Authority powers;

4.2.2 To incur debts, liabilities, or obligations subject to the limitation herein set forth;

4.2.3 To acquire real or personal property, including, without limitation, by purchase, lease, gift, bequest, or devise, to hold, manage, lease and dispose of any such property;

4.2.4 To hold, manage, operate and maintain all Construction Authority property, facilities, buildings, structures, vehicles, apparatus and equipment;

4.2.5 To contract for the services of engineers, attorneys, technical specialists, financial consultants, and to employ such other persons as it deems necessary;

4.2.6 To apply for, accept, and receive state, federal or local licenses, permits, grants, loans, or other aid from any agency of the United States, the State or other public or private entities as the Delta Conveyance Design and Construction Joint Powers Authority deems necessary for the full exercise of its powers;

4.2.7 To undertake any investigations, studies, and matters of general administration;

4.2.8 To develop, collect, provide, and disseminate to the Members and others information that furthers the purposes of the Delta Conveyance Design and Construction Joint Powers Authority;

4.2.9 To sue and be sued in its own name;

4.2.10 To receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and any governmental entity;

4.2.11 To procure bonds, insurance and self-insurance as it deems advisable to protect the Parties and Construction Authority and its property, officers, employees, contractors and agents;

4.2.12 To perform all acts necessary or proper to carry out fully the purposes of this Agreement; and

4.2.13 To also exercise the independent, complete and/or supplementary powers of a joint powers agency, as provided by law.

4.3 To the extent required under Government Code section 6509, in the event that the State Water Project Contractors Authority becomes a party to this Agreement, and upon approval of the Board, the Construction Authority shall exercise its powers in the manner and according to the methods provided under the laws applicable to the State Water Project Contractors Authority.

Prior to such event, to the extent required under Government Code section 6509, the Construction Authority shall exercise its powers in the manner and according to the methods provided under the laws applicable to the Metropolitan Water District of Southern California.

4.4 Except as expressly provided herein, nothing in this Agreement shall be construed as affecting the rights or obligations of the Parties, including but not limited to any rights or obligations pursuant to contracts for delivery of water from the CVP or SWP.

ARTICLE V: MEMBERSHIP

5.1 Members. Membership in the Delta Conveyance Design and Construction Joint Powers Authority shall be limited to those public entities (1) that possess the common powers described in Article IV (**Purposes and Powers**) of this Agreement, (2) that will bear at least some of the financial obligation for the Conveyance Project, and (3) that execute this Agreement within five (5) months of it becoming effective and any addenda thereto. The Members will be listed in Exhibit A and, upon direction from the Board, Exhibit A may be modified without constituting an amendment to this Agreement.

5.2 New Members. It is recognized that entities, other than the original Members may wish to participate in the Construction Authority. Additional entities may become Members of the Authority upon such terms and conditions as provided by the Board upon affirmative vote of four (4) out of five (5) or 80% of all the Directors, whichever number is less.

ARTICLE VI: DIRECTORS AND OFFICERS

6.1 Board of Directors. The Delta Conveyance Design and Construction Joint Powers Authority shall be governed by a Board of Directors.

6.1.1 Initially, there shall be up to five (5) Directors and five (5) Alternative Directors, with each pair appointed by and representing the following Members or class of Members:

i. Metropolitan Water District of Southern California (State Water Project)
ii. Kern County Water Agency
iii. Santa Clara Valley Water District
iv. State Water Project contractor, selected by otherwise non-represented State Water Project contractors.
v. Metropolitan Water District of Southern California (Non State Water Project capacity)

The number of Directors may be expanded to seven (7) Directors and seven (7) Alternative Directors if, at any point after the execution of this Agreement, there are three or more CVP contractors, other than Santa Clara Valley Water District, that desire to become Members. CVP contractors may be assigned Director and Alternative Director positions upon such terms and conditions as provided by the Board upon affirmative vote of four (4) out of five (5) or 80% of all the Directors.

6.1.2 As set forth in Article VII (**Director Meetings**) of this Agreement, each Director and Alternative Director shall be appointed prior to the initial meeting, or within 30 days of an entity becoming a Member.

6.1.3 Directors and Alternative Directors shall receive such compensation from the Authority for services as may from time to time be established by the Board. In addition, Directors and Alternative Directors shall be reimbursed for expenses incurred by such Director or Alternative Directors in the conduct of the Construction Authority's business.

6.1.4 The names of all Directors and Alternative Directors shall be on file with the Board.

6.1.5 The Directors and Alternative Directors shall be directors, officers or employees of the Member or class of Members he or she represents.

6.1.6 The vote, assent, or approval of the Member for the appointment of the Director and Alternate Director shall be evidenced by a copy of the resolution of the governing board, the board minutes of the relevant meeting, or a letter of the governing board or executive officer of the Member or an association of a class of Members filed with the Construction Authority.

6.1.7 Process to Fill Vacancies. In the event of a vacancy on the Board, the Member for which the Board vacancy exists shall fill such vacancy according to reasonable procedures determined by the Construction Authority consistent with this Article VI (**DIRECTORS AND OFFICERS**).

6.1.8 Each Director and Alternate Director shall hold office from the first meeting of the Board after his or her appointment by the Member he or she represents until a successor is selected and the Construction Authority is notified.

6.1.9 Directors and Alternate Directors serve at the pleasure of the Member or class of Members. A Director and Alternate Director office shall be declared vacant if the person serving dies, resigns, the Member the Director or Alternate Director serves withdraws from this Agreement, the membership of the Member the Director or Alternate Director serves is terminated, or whenever, at the discretion of the particular Member, the Director or Alternative Director is incapable of serving. Upon the Director office becoming vacant, the Alternate Director, if the office is not vacant, shall serve as Director, until the Member or class of Members appoints a Director.

6.1.10 All the power and authority of the Delta Conveyance Design and Construction Joint Powers Authority will be exercised by the Board, subject however to the rights reserved by the Members as herein set forth; provided, however, that the Board may delegate such powers and authority to the President or Executive Director as the Board may determine by motion, resolution or ordinance. The Board may also appoint and delegate such powers and authority to advisory committees or subcommittees composed of Directors and Officers as the Board may determine by motion, resolution or ordinance.

6.1.11 The Board may adopt from time to time such bylaws, rules and regulations for the conduct of its affairs as may be required.

6.2 Officers. Officers of the Construction Authority shall be a President, Vice President, Secretary, and Treasurer. Any number of offices may be held by the same person provided that the President shall not also serve as the Vice President, Secretary, or Treasurer. The Vice President, or in the Vice President's absence, the Secretary shall exercise all powers of the President in the President's absence or inability to act. The President, the Vice President, and the Secretary must be members of the Board of Directors. The President shall chair meetings of the Board. In the absence of the President, the Vice President shall be the chair such meetings. In the absence of the President and Vice President, the Secretary shall chair the meeting.

6.3 Appointment of Officers. Officers shall serve two (2) year terms and, except for the offices of President and Vice President, serve at the pleasure of the Board. The offices of President and Vice President shall be filled in accordance with Exhibit B and the terms of the initial President and Vice President shall commence at the initial Board meeting or as soon as practical thereafter. As provided for in Article VII (**BOARD MEETINGS**) of this Agreement, the Secretary and Treasurer shall be chosen at the initial Board meeting or as soon as practical thereafter. The Secretary and Treasurer may serve for multiple consecutive terms. Any Officer may resign at any time upon written notice to the Board.

6.3.1 The offices of President and Vice President shall rotate in accordance with Exhibit B. However, Exhibit B shall not become effective until the Members that will initially fill the offices of President and Vice President, as prescribed in Exhibit B, have executed this Agreement. The Board may choose an interim President and Vice-President that will serve until Exhibit B becomes effective. Exhibit B may be modified by a unanimous vote of all the Directors without constituting an amendment to this Agreement.

ARTICLE VII: BOARD MEETINGS

7.1 Initial Meeting. The initial meeting of the Board of Directors shall be held within 15 days of completion of the appointments of initial Directors and Alternative Directors, and held in Sacramento, California. The Board shall, at its first meeting or as soon thereafter as practicable, appoint the Secretary and Treasurer, and select an Auditor. Unless changed by the Board, the principle office of the Construction Authority shall be located in Sacramento County.

7.2 Time and Place. The Board shall meet at least twice per year at a time and place set by the Board, and at such other times as may be determined by the Board.

7.3 Special Meetings. Special meetings of the Directors may be called by the President or a majority of all the Directors.

7.4 Conduct. All meetings of the Board, including special and emergency meetings, shall be noticed, held, adjourned, and conducted in accordance with the Ralph M. Brown Act, to the extent applicable. The Board and Alternate Directors may use tele-conferencing or video-conferencing in connection with any meeting in conformance with and to the extent authorized by the applicable laws.

ARTICLE VIII: MEMBER VOTING

8.1 Quorum. A quorum of any meeting of the Board shall consist of a majority of the Directors. In the absence of a quorum, any meeting of the Directors may be adjourned from time to time by a vote of a majority present, but no other business may be transacted.

8.2 Director Votes. Each Director shall have one (1) vote. All decisions by the Board shall be made by a majority vote of all the Directors, except the vote of four (4) out of five (5) or 80% of Directors, whichever number is less, shall be required to (1) endorse or otherwise support any legislation, (2) terminate the membership of a Member as provided in Article XIV (**WITHDRAWAL OF MEMBERS**) , (3) as provided in Article V (**MEMBERSHIP**), and (4) as provided in Article XII (**BUDGET AND EXPENSES**), for the issuance of notes or other forms of indebtedness, including entering into leases for real property or equipment. Alternate Directors shall have no vote if the Director is present. If the Director is not present, the Alternate Director may cast a vote.

ARTICLE IX: EXECUTIVE DIRECTOR

9.1 Appointment. The Board shall hire an Executive Director. The Executive Director shall be compensated for his/her services, as determined by the Board.

9.2 Duties. The Executive Director shall be the chief administrative officer of the Construction Authority, shall serve at the pleasure of the Board of Directors, and shall be responsible to the Board for the proper and efficient administration of the Construction Authority. The Executive Director shall have the powers that the Board delegate by motion, resolution or ordinance. The Executive Director will be delegated requisite authority to carry out such responsibilities as permitted by law.

9.3 Staff. The Executive Director shall employ such additional full-time and/or part-time employees, assistants and independent contractors that may be necessary from time to time to accomplish the purposes of the Construction Authority.

9.4 Term and Termination. The Executive Director will serve until he/she resigns or the Board decides to terminate his/her employment.

ARTICLE X: COMMITTEES

The Board shall also appoint one or more advisory committees or establish standing committees, including an Environmental Compliance and Mitigation Committee to be chaired in accordance with Exhibit B. As stated in Article 6.3.1, Exhibit B may be modified by a unanimous vote of all the Directors without constituting an amendment to this Agreement. The Board shall determine the purpose and need for such committees and the necessary qualifications for individuals appointed to them. Each advisory or standing committee shall include at least one Director and the Director shall act as the chair thereof. The Board may delegate such powers and authority to advisory committees or standing committees as the Board may determine by motion, resolution or ordinance.

ARTICLE XI: ACCOUNTING PRACTICES

11.1 General. The Board shall establish and maintain such funds and accounts as may be required by generally accepted utility accounting practice.

11.2 Fiscal Year. Unless the Directors decide otherwise, the fiscal year for the Authority shall be July 1 through June 31.

11.3 Auditor.

11.3.1 An Auditor shall be chosen annually by, and serve at the pleasure of the Board. As provided for in Article VII (**Director Meetings**) of this Agreement, the Auditor shall be chosen at the first Board meeting. An Auditor may serve for multiple consecutive terms. The Auditor may resign at any time upon written notice to the Board.

11.3.2 The Auditor shall make an annual audit of the accounts and records of the Authority. A report shall be filed as a public record with the Auditor of the county where the Authority is domiciled consistent with Government Code section 6505, and with each agency that is a Member. Such report also shall be filed with the Secretary of State within twelve (12) months of the end of the fiscal year under examination.

11.4 Treasurer. The Board, or its designated representative, shall contract with an independent certified public accountant or the Treasurer or Chief Financial Officer of any Member, to serve as Treasurer of the Authority. The Treasurer shall be the depository of and have custody of funds, subject to the requirements of Government Code sections 6505-6505.6. The Treasurer shall have custody of all money of the Construction Authority from whatever source and shall perform the duties specified in Government Code section 6505.5. The Treasurer shall be bound in accordance with Government Code section 6505.1 and shall pay demands against the Construction Authority that have been approved by the Board. All funds of the Construction Authority shall be strictly and separately accounted for, and regular reports shall be rendered to the Board of all receipts and disbursements at least quarterly during the fiscal year. The books and records of the Construction Authority shall be open to inspection by a Director at all reasonable times upon reasonable notice.

ARTICLE XII: BUDGET AND EXPENSES

12.1 Budget. The Board shall adopt an annual budget before the beginning of a fiscal year. The budget shall include, at a minimum, individual contract estimates with a contingency amount and all administrative costs to be incurred by the Construction Authority to perform the purposes of this Agreement.

12.2 Construction Authority Stand Up Costs. The Construction Authority Stand Up Costs, which is to be used for the purpose of funding general overhead and administrative expenses for the initial operations of the Construction Authority, is budgeted not to exceed one million dollars ($1,000,000.00). Each Member shall contribute two hundred thousand dollars ($200,000) per Board seat. Any Member that does not make its respective contribution to the Construction Authority Stand Up Costs within forty-five (45) days after a Treasurer and depository of funds has been selected by the Board or within forty-five (45) days of joining the Construction Authority, whichever is later, shall be deemed to have withdrawn as a Member and ceased to be a Party to this Agreement.

12.3 Contribution; Payments: Advances. In accordance Section 6504 of the Government Code of the State of California, as amended, the Members may make such contributions, payments and advances, including in-kind services, to the Construction Authority as are approved from time to time by the Board of Directors.

12.4 Return of Contributions. In accordance with Government Code Section 6512.1, repayment or return to the Members of all or any part of any contributions made by Members may be directed by the Board at such time and upon such terms as the Board may decide.

12.5 Funding for the Construction Authority. Except for the Construction Authority Stand Up Costs actually expended, funding for the Authority which shall include but not be limited to all costs incurred and associated with the design and construction of the Conveyance Project pursuant to this Agreement shall be derived exclusively from DWR. However, in the event that DWR does not have the authority to fund, construct or own the Conveyance Project as part of the State Water Project, funding for the Construction Authority may be derived from other sources.

The Members of the Construction Authority shall not be responsible for any costs incurred by the Construction Authority in fulfillment of its purposes pursuant to this Agreement and any relevant Bylaws. The Delta Conveyance Design and Construction Joint Powers Authority shall hold title to all funds and property acquired by the Construction Authority during the term of this Agreement.

12.6 Indebtedness. The issuance of bonds, notes or other forms of indebtedness, including entering into leases for real property or equipment, shall be approved at a meeting of the Directors.

ARTICLE XIII: LIABILITIES

13.1 No Member Liability. The debt, liabilities and obligations of the Delta Conveyance Design and Construction Joint Powers Authority shall be the debts, liabilities and obligations of the Authority alone, and not the individual Members.

13.2 Indemnity. Funds of the Delta Conveyance Design and Construction Joint Powers Authority may be used to defend, indemnify and hold harmless the Delta Conveyance Design and Construction Joint Powers Authority, each Member, each Director, and any officers, agents and employees of the Delta Conveyance Design and Construction Joint Powers Authority for their actions taken within the course and scope of their duties while acting on behalf of the Delta Conveyance Design and Construction Joint Powers Authority, including pursuant to a future project agreement. Other than for gross negligence or intentional acts, the Delta Conveyance Design and Construction Joint Powers Authority shall indemnify and hold harmless each Member, its officers, agents and employees from and against all claims, demands, or liability, including legal costs, arising out of or are encountered in connection with this Agreement and the activities conducted hereunder and shall defend each of them against any claim, cause of action, liability, or damage resulting therefrom. The directors, officers, employees, agents and volunteers of the Agency shall be entitled to defense and indemnification by the Construction Authority as provided under Government Code title 1, division 3.6, part 2,

chapter 1, article 4 (commencing with Section 825) and title 1, division 3.6, part 7 (commencing with section 995). The indemnification and hold harmless provisions of this section 13.2 shall apply in lieu of the right of contribution provisions at Government Code Sections 895-895.8.

ARTICLE XIV: WITHDRAWAL OF MEMBERS

14.1 Termination of Membership. The Board of Directors may terminate the membership of any Member upon a finding that the Member (1) does not possess powers common to the other Members, or (2) does not agree to bear its share of the Conveyance Project's costs.

14.2 Unilateral Withdrawal. Upon sixty (60) days' prior written notice, a Member may unilaterally withdraw from this Agreement for any reason, without causing or requiring termination of this Agreement. A member that withdraws shall be held to its financial obligations to the Construction Authority incurred while a member. Unless the notice is retracted, the withdrawal shall be effective as of the date the Member provided written notice or after written confirmation from the Construction Authority that the Member's outstanding obligations have been resolved.

14.3 Termination and Distribution.

14.4.1 This Agreement shall continue until terminated. However, it may not be terminated until such time as (1) DWR has accepted the Conveyance Project in accordance with Joint Exercise of Powers Agreement between the Department of Water Resources, State of California and the Construction Authority and (2) DWR has taken over all activities related to the design and construction of the Conveyance Project, and all principal of and interest on any liabilities or other forms of indebtedness of the Construction Authority are paid in full. Thereafter, this Agreement may be terminated by the written consent of 80% of the then current Members; provided, however, that this Agreement and the Construction Authority continue to exist after termination for the purpose of disposing of all claims, distribution of assets and all other functions necessary to conclude the obligations and affairs of the Construction Authority.

14.4.2 After completion of the Construction Authority's purposes, all assets and any surplus money on deposit in any fund or account of the Construction Authority will be distributed in accordance with the Board's direction. The Board is vested with all powers of the Delta Conveyance Design and Construction Joint Powers Authority.

ARTICLE XV: BYLAWS

At, or as soon as practicable after, the first meeting of the Board of Directors, the Board shall draft and approve Bylaws of the Construction Authority to govern the day-to-day operations of the Construction Authority.

ARTICLE XVI: MISCELLANEOUS PROVISIONS

16.1 Non-Waiver of Sovereign Authority. Nothing herein shall constitute a waiver or relinquishment of sovereign authority of any Member with respect to any decision related hereto,

including, but not limited to, the decision to participate in any action hereunder or to participate in an action separate and apart herefrom.

16.2 No Predetermination or Irretrievable Commitment of Resources. Nothing herein shall constitute a determination that any action, including the Conveyance Project, shall be undertaken or that any irretrievable commitment of resources shall be made, until such time as the required compliance with the California Environmental Quality Act, National Environmental Policy Act, or permit requirements, as applicable, has been completed.

16.3 Notices. Notices to a Director or Member hereunder shall be sufficient if delivered to the principal office of the respective Director or Member and addressed to the Director or Member. Delivery may be accomplished by U.S. Postal Service, private mail service, or electronic mail.

16.4 Amendments To Agreement. This Agreement may be amended or modified at any time only by subsequent written agreement approved and executed by each of the Members.

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

16.6 Severability. Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any applicable Federal law or any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, or provisions hereof shall not be affected thereby, provided however, that if the remaining parts, terms, or provisions do not comply with Government Code sections 6500 *et seq.*, this Agreement shall terminate.

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

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

16.9 Binding on Successors. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members hereto. No creditor, assignee, or third-party beneficiary of any Member shall have any right, claim or title to any part, share interest, fund, or asset of the Construction Authority.

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

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

16.12 Limitations on Liability. Section 13.2 of this Agreement defines the scope of the Delta Conveyance Design and Construction Joint Powers Authority's duty to defend, indemnify and hold harmless any Director, officer, agent or employee. The Delta Coveyance Design and Construction Joint Powers Authority may purchase such insurance as the Board may deem appropriate for this purpose. A Member may separately contract for or assume responsibility for specific debts, liabilities, or obligations of the Construction Authority. Notwithstanding any other provision of this Agreement, no fee, assessment or charge may be levied against a current Member without express consent of the Member.

16.13 Official Bonds. The Executive Director and the Auditor are designated as officers required having and filing official bonds pursuant to Government Code section 6505.1 in amounts to be fixed by the Board.

16.14 Closed Session. Closed sessions of the Board shall be confidential. However, confidential information from closed sessions may be disclosed to Members as permitted by Government Code section 54956.96. The Board may include provisions in its bylaws to implement this section.

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

Dated:_____ _____

By: _____

Attest:

_____

Approved as to form:

_____

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EXHIBIT A

List of Member Agencies

[To Be Developed]

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EXHIBIT B

Rotation of Officers

Year	Construction JPA President	Construction JPA Vice-President	Environment Committee Chair	Environment Committee Vice-Chair
Year 1-2	Santa Clara Valley Water District (SCVWD)	Metropolitan Water District of Southern California (MWD)	Kern County Water Agency (KCWA)	State Water Contractor at large (SWC)
Year 3-4	MWD	KCWA	SWC	SCVWD
Year 5-6	KCWA	SWC	SCVWD	MWD
Year 7-8	SWC	SCVWD	MWD	KCWA
Year 9-10	SCVWD	MWD	KCWA	SWC
Year 11-12	MWD	KCWA	SWC	SCVWD
Year 13-14	KCWA	SWC	SCVWD	MWD
Year 15-16	SWC	SCVWD	MWD	KCWA