SOUTHEAST WATER COALITATION
JOINT POWERS AGREEMENT
AMENDMENT

This Amendment to the Joint Powers Agreement is made and entered into as of this 11th day of April, 2006, by and between the Cities of Cerritos, Commerce, Downey, Huntington Park, Lakewood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, South Gate, Vernon and Whittier, each a municipal corporation ("Members"), In consideration of their mutual covenants and conditions herein, the parties agree as follows:

1. Section 8 of the Joint Powers Agreement is hereby amended to read as follows:

ADMINISTRATIVE ENTITY

8. Appointment: The Policy Board shall appoint the members of the Administrative Entity to carry out the policy of the Coalition. The Administrative Entity shall consist of:

a. One (1) representative from each Member of the Coalition, each of whom shall be an employee of the representative Member.

b. Three (3) representatives, each of whom shall be an employee of any three (3) PUC regulated private water purveyors providing retail water service within the Basins.

c. One (1) ex-officio, non-voting advisory member nominated by the California Department of Water Resources.

A quorum of the Administrative Entity shall consist of a majority of voting members, and a majority if voting members is required to take action. Each member of the Administrative Entity shall serve at the pleasure of the Policy Board. The Administrative Entity shall select officers and shall be reasonable for the conduct of its affairs.

2. Except as provided herein, all other terms and conditions of the Joint Powers Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

CITY OF DOWNEY

By: _____
Meredith Perkins, Mayor

ATTEST:

_____
Kathleen L. Midstokke, City Clerk 04-12-06

APPROVED AS TO FORM:

_____
Charles S. Vose, City Attorney

CURRENT AGREEMENT
DATED JUNE 28,2005

AMENDMENT AND COMPLETE RESTATEMENT OF SOUTHEAST WATER COALITION JOINT POWERS AGREEMENT

That certain Joint Powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, Huntington Park, Lakewood, Norwalk, Paramount, Pico Rivera, South Gate, Vernon, and Whittier and the Water Replenishment District of Southern California, each a municipal corporation ("Original Members"), is hereby amended and restated to read as follows:

"RECITALS

WHEREAS, each of the parties to this Agreement is a local government entity functioning within the County of Los Angeles;

WHEREAS, pursuant to the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code), two or more public agencies may by agreement jointly exercise any power held by the agencies entering into such agreement;

WHEREAS, The Parties are purveyors of potable water, are responsible for the supply of water, or are otherwise concerned about public water supplies;

WHEREAS, the Parties each desire to improve the quality and quantity of water in the region;

WHEREAS, each city which is a Party hereto has under its police power the authority to regulate groundwater, and to engage in the storage and recovery thereof;

WHEREAS, the statutory authority of the Water Replenishment District of Southern California is limited to storage of groundwater for replenishment purposes, and does not extend to storage of groundwater by individual parties for future use, nor to the regulation thereof;

WHEREAS, the Superior Court of California in and for the County of Los Angeles, in the case of *Central and West Basin Water Replenishment District v. Adams,* LASC Case No. 786656 and the case of *California Water Service Co., et al. v. City of Compton,* LASC Case No. 506806 (the ("Adjudications"), has fixed and determined the rights of various parties to extract groundwater for beneficial use within Central Basin and the West Coast Basin (collectively, the "Basins"));

WHEREAS, the court has retained the jurisdiction within each of the Adjudications to fix and determine the rights of parties to store and extract groundwater from the Basins for future use;

WHEREAS, under the Adjudications, the court has appointed the California Department of Water Resources as its Watermaster, for the purpose of overseeing the management of groundwater resources within the Basins

WHEREAS, a regional program of groundwater storage and recovery, which is administered by the court and coordinated through its Watermaster, is in the best interest of the Basins, the Parties, and the public they serve;

WHEREAS, the formation of a joint powers authority is independently authorized by state law;

WHEREAS, the Parties find that it is to their mutual advantage and benefit, and in the public interest, to establish a joint powers authority for the purpose of maintaining the quality and quantity of groundwater, to implement groundwater management policies as determined by the court, and to protect and enhance the storage of water for the benefit of local interests; and

WHEREAS, the Parties desire to use their common groundwater management powers and powers to store and recover water that are necessary and appropriate to further the purposes for which the joint powers authority is being established,

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

1. Incorporation of Recitals. The foregoing recitals are incorporated by reference.

2. Purposes. This Agreement is made pursuant to the provisions of Article I, Chapter 5, Division7, Title I of the Government Code of the State of California (commencing with Section 6500), relating to the joint exercise of powers common to the public agencies. The Parties are each empowered to exercise the powers within this Agreement. The Parties will exercise their powers jointly for the following purposes:

a. to maintain groundwater quality within the Basins;

b. to maintain secure groundwater supplies within the Basins;

c. to manage the use of groundwater within the Basins;

d. to coordinate efforts among Watermaster and entities proposing to store water within the Basins for future recovery;

e. to facilitate the implementation of a conjunctive use program by water purveyors;

f. to coordinate efforts among local entities and Watermaster to devise and implement strategies to safeguard groundwater quality;

g. to work cooperatively with Watermaster, the Water Replenishment District of Southern California, and other entities to promote coordination of policies and activities throughout the region.

3. Establishment. There is established pursuant to the Joint Exercise of Powers Act a joint powers authority which shall be a public entity separate from the parties to this Agreement. The name of such entity shall be the Southeast Water Coalition ("Coalition"). The Coalition shall carry out its functions through a Policy Board and an Administrative Entity as defined in this Agreement.

4. Term. The formation of the Coalition became effective July 1, 1991 upon each of the Original Parties' execution of the Joint Powers Agreement of that date ("Original Agreement"). The term of the Original Agreement was extended by subsequent amendment. By this Restated Agreement, the term of this Agreement is extended to June 30, 2030, and will be automatically extended for subsequent terms of twenty-five (25) years, except upon the affirmative vote of three-quarters (3/4) of the Policy Board. In the event not all of the Original Parties execute this Restated Agreement, it shall nonetheless be binding on those who do execute this Restated Agreement.

5. Meetings. The Coalition shall provide for regular and special meetings of any entity established hereunder, in accordance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) or with any successor provision. Minutes shall be kept of all meetings of the Policy Board and of the Administrative Entity. Copies of minutes shall be forwarded to all members of the Coalition.

6. Exercise of Powers. Pursuant to and to the extent required by Government Code Section 6509, the Coalition shall be restricted in the exercise of its powers in the same manner as the City of Downey is restricted in its exercise of similar powers; provided that, if the City of Downey shall cease to be a member, then the Coalition shall be restricted in the exercise of its power in the same manner as the City of Cerritos.

POLICY BOARD

7. Membership of the Policy Board. The governing body of the Coalition shall be a Policy Board made up of a representative of each participating public entity, which need not be a member of the legislative body of the public entity. The Policy Board shall oversee the activities of the Administrative Entity and shall act in concert with the courts, the State of California, the United States, and any other pertinent agencies in matters pertaining to improvement and protection of the quality and quantity of water in the Basins, and to implement groundwater storage and management policies.

a. Appointment. The legislative body of each of the participating public entities shall appoint one Policy Board member and one alternate Board member.

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

c. Compensation. Members shall receive the lesser of $150.00 per meeting attended or the maximum allowed by state law.

d. Voting. Each member shall have one vote. If a Policy Board member cannot attend a meeting, the alternate attending shall be fully empowered to act as the Policy Board member for the meeting so attended.

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

1. Determine general policy for Coalition activities.

2. Act on behalf of all member public agencies ("Members") in adopting strategies to pursue the Purposes of the Coalition as set forth in Section 2 of this Agreement.

3. Approve a budget to expend funds on development of water improvement alternatives, groundwater storage and recovery, lobbying activities (if required), and any other lawful purpose.

4. Ensure that programs are in the best interest of the residents of the area overlying the Basins.

5. Authorize expenditures of funds for the above purposes.

6. Share costs equally among the Members.

7. Approve or deny applications from non-member public agencies for admission to the Coalition.

8. Adopt bylaws, rules and regulations governing the affairs of the Coalition.

f. Meetings. The Policy Board shall provide for its regular and special meetings, provided however that it shall hold at least one regular meeting in each year and such additional meetings as may be necessary.

g. Quorum. A Majority of the Policy Board must be present to constitute a quorum. No action will be valid unless it receives the affirmative vote of the majority of those present, except that action to admit a new Member or to expel an existing Member must receive the affirmative vote of three-quarters (3/4) of the entire Policy Board.

h. Lead Agency. The Policy Board shall select the Lead Agency for the Coalition. The City Manager or General Manager of the Lead Agency City shall be and act as the Secretary for the Coalition. The Director of Finance of the Lead Agency shall be and act as the Treasurer and Auditor of the Coalition pursuant to Government Code Section 6506.6. Pursuant to Government Code Section 6501.1, the Secretary and Treasurer shall have charge of the property of the Coalition and each shall file a bond

in the penal sum of ten thousand dollars ($10,000.00). The Policy 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 Coalition.

i. Organization. The Policy Board shall elect a chair, a vice chair, and such other officers as the Board shall find appropriate. The Board shall appoint an executive director, treasurer, controller, clerk and legal counsel as it deems appropriate. The controller of the Coalition shall cause an independent annual audit of the Coalition's finances to be made by a certified public accountant in compliance with Government Code Section 6505. The treasurer of the Coalition shall be the depositor and shall have custody of all money of the Coalition from whatever source. The controller of the Coalition shall draw warrants to pay demands against the Coalition when the demands have been approved by the Coalition or by its authorized representative pursuant to any delegation of authority adopted by the Coalition. The treasurer and controller shall comply strictly with the provisions of statutes relating to their duties found in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code. Each officer shall serve for a term of one (1) year unless sooner terminated at the pleasure of the Board. The Board may adopt from time to time such rules and regulations for the conduct of its affairs as it deems necessary and appropriate.

j. Property of Coalition. Pursuant to Government Code Section 6505.6, the Policy Board shall designate an officer or employee, or officers and employees, to receive, deposit, invest, and disburse the property of the Authority pursuant to Government Code Sections 6505 and 6505.5. The Policy Board shall fix the amount of the fidelity bond to be filed by such public officer(s) and/or employee(s).

ADMINISTRATIVE ENTITY

8. Appointment. The Policy Board shall appoint the members of the Administrative Entity to carry out the policies of the Coalition. The Administrative Entity shall consist of nine (9) members, as follows:

a. Five (5) members, who shall be employees of any of the Members, provided that no single Member shall have more than one employee on the Administrative Entity.

b. Three (3) members, who shall be employees of any private water purveyors or regulated public utilities providing retail water service within the Basins.

c. One (1) member nominated by the California Department of Water Resources.

A quorum of the Administrative Entity shall consist of five (5) members, and five (5) votes shall be required to take action. Each member of the Administrative Entity shall serve at the pleasure of the Policy Board. The Administrative Entity shall select such officers as shall be reasonable for the conduct of its affairs.

POWERS AND FUNCTIONS OF THE COALITION

9. Powers and Functions. Subject to the limitations set forth below, the Coalition, acting through its Policy Board and Administrative Entity, shall have any and all powers commonly held by the Members necessary or appropriate to regulate groundwater within the Basins including, but not limited to, the following powers:

a. Collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the Basins, including an evaluation of any proposals to store and recover water;

b. Establish and administer a conjunctive use program in coordination with the court and with Watermaster for the purpose of maintaining water supplies and managing storage programs in the Basins;

c. Buy and sell water on other than a retail basis;

d. Spread, sink or inject water in order to store it for future recovery;

e. Exchange water;

f. Store, transport, recapture, recycle, purify, treat or otherwise manage and control water for the beneficial use of persons and property within the area of the Basins;

g. Serve as Storage Program Administrator or similar function as may be designated by the court pursuant to either of the Adjudications;

h. Appoint a Program Review Committee for the purpose of evaluating groundwater storage proposals;

i. Study and plan ways and means to implement any or all of the foregoing powers.

10. Corporate and Political Powers. For purposes of exercising the authority, and subject to the limitations contained in this Agreement, the Coalition shall have the following corporate and political powers:

a. To sue and be sued in all actions and proceedings in all courts and tribunals.

b. To adopt a seal and alter it in its discretion

c. To take by grant, purchase, gift, devise or lease, to hold, use and enjoy, and to lease, convey or dispose of, real and personal property of every kind, within or without the boundaries of the members of the Coalition, necessary or convenient to the full exercise of its power.

d. For the common benefit of the Coalition and the retail water customers in the Basins, to store water in underground water basins or reservoirs within or outside the boundaries of the members of the Coalition, to appropriate water and acquire water rights within or outside the Coalition, to import water into the area overlying the Basins, and to conserve, or cause the conservation of, water within or outside the Coalition.

e. To exercise the right of eminent domain to take any property necessary to supply the Coalition, any Member or water agency with water; provided that the right of eminent domain may not be exercised with respect to water and water rights, and may not be exercised with respect to any property owned or occupied by any of the Members.

f. To act jointly with, or cooperate with the United States or any agency thereof, the state, or any county or agency thereof, or any political subdivision or district therein, including water replenishment districts, municipal water districts, private and public corporations, and any person, so that the powers of the Coalition may be fully and economically exercised.

g. To cause taxes, assessments, fees or charges to be levied in accordance with applicable state law to accomplish the purposes of the Coalition.

h. In conjunction with the court and the Adjudications, to require the permitting of groundwater storage and recovery programs within the Basins.

i. To make contracts, employ labor, and do all acts necessary for the full exercise of the Coalition's powers.

j. To carry out technical and other investigations of all kinds necessary to further the purposes of the Coalition.

k. To fix rates at which water acquired by the Coalition shall be sold for any purpose, and to establish different rates for different classes of service.

l. To allocate, apportion and distribute benefits received by the Coalition among entities providing retail water service within the boundaries of the Basins.

m. 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 of California, or other public or private entity necessary or appropriate for the Coalition's full exercise of its powers.

n. Finance, through the issuance of bonds or other financial instruments of indebtedness, funds necessary or convenient for the implementation of this Agreement.

o. Incur debts, liabilities, or obligations.

p. Purchase insurance for the Coalition.

q. Invest money in the treasury of the Coalition in the same manner and on the same conditions as local agencies pursuant to Government Code Section 53601.

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

11. Limitation. The Coalition shall have no power to regulate land use or to engage in the retail sale of water and shall be prohibited from restricting or otherwise limiting the extraction of groundwater within the boundaries of the Basins except consistent with the Adjudications. The Coalition shall be prohibited from funding any capital construction projects.

12. Contributions. Each Party executing this Restated Agreement shall contribute ten thousand dollars ($10,000.00) to the Coalition within thirty (30) days after execution of this Restated Agreement. The Policy Board shall establish the amount of initial contribution which shall be due from new members, at the time when the Policy Board approves the admission of the new member. The Policy Board may require additional contributions upon the approval of a majority of the Policy Board. Contributions shall be assessed against Members on an equal basis, or upon such other basis as may from time to time be determined by three quarters (3/4) of the Policy Board. Within thirty (30) days of the action of the Policy Board, each Member that does not withdraw from the Coalition during the thirty (30) day period shall thereupon make the required contribution.

13. Additional Parties. Additional members, which shall be municipal corporations or public districts, may be admitted upon vote of the Policy Board as provided in Section 7(e)(7). Upon admission, new Members shall execute this Agreement.

14. Accounts, Reports, and Audits. The following procedures are designed to insure strict accountability of all funds of the Coalition and to provide for accurate reporting of receipts and disbursements of said funds:

a. The Auditor of the Coalition shall either prepare or contract with a certified public accountant to prepare an annual audit of the accounts and records of the Coalition. The minimum requirements of such audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code and shall conform to generally accepted accounting principles.

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

15. Obligation for Debts and Liabilities and Distribution of Assets. Any party to this Agreement shall not be responsible for any of the debts, liabilities, or obligations of the Coalition. All such debts, liabilities or obligations shall exclusively be those of the Coalition.

a. Each member agrees to indemnify, save and defend the Authority and all other Members harmless from and against all claims, losses, and damages, including legal fees and expenses, arising out of any breach or default on the part of such Member in performance of any of its obligations under this Agreement, or any act or negligence of such Member or any of its agents, contractors, servants, employees or licensees with respect to this Agreement. No indemnification is made under this Section for claims, losses or damages, including legal fees and expenses, arising out of the willful misconduct, negligence or breach of duty under this Agreement by the Coalition or a Member or their officers, employees, agents or contractors.

b. The members of the Policy Board and any officer, employee, contractor, or agent of the Coalition shall use ordinary care and reasonable diligence in the exercise of their power and in the performance of their duties under this Agreement.

c. Funds of the Coalition may be used to defend, indemnify, and hold harmless the Coalition and any member of the Policy Board, and any employee of the Coalition for their actions taken within the scope of their duties while acting on behalf of the Coalition. Nothing herein shall limit the right of the Coalition to purchase insurance to provide such coverage as is hereinabove set forth.

16. Withdrawal by a Member. Any Member may withdraw upon thirty (30) days written notice given to the Policy Board. At least thirty (30) days prior to providing such written notice, and as a condition thereof, the withdrawing Member shall pay all unpaid contributions that were approved by the Policy Board greater than sixty (60) days prior to the date of such notice. No Member may withdraw so long as the Coalition has any outstanding contractual obligations or other indebtedness.

17. Termination. Upon termination of the Coalition, all of its then existing assets shall be divided and distributed for public purposes in such manner as shall be determined by a vote of three-quarters (3/4) of the Policy Board, provided, however, that this Agreement and the Policy Board shall continue to exist for the purposes of disposing of all claims, the administering the distribution of assets, and performing any other functions necessary to conclude the affairs of the Coalition. This Agreement may not be terminated by any member so long as the Coalition has any outstanding contractual obligations or other indebtedness.

18. Amendment. This Agreement may be amended by the affirmative vote of three quarters (3/4) of the Members.

19. Counterparts. This Agreement may be executed in counterparts, which together shall constitute the same agreement.

EXECUTED on the 28th day of June, 2005."

CITY OF LAKEWOOD

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

COUNCIL AGENDA
June 28, 2005

TO: Honorable Mayor and City Council

SUBJECT: Southeast Water Coalition Agreement

INTRODUCTION

In July 1991 the Lakewood City Council, ten neighboring cities and the Water Replenishment District of Southern California (WRD), adopted a joint power agreement creating the Southeast Water Coalition (SEWC). These agencies formed a joint power authority to improve and protect the quantity and quality of the regional water supply. Fourteen years later SEWC represents 12 communities and the WRD on water-related issues. The existing agreement expires on July 1, 2005 and each agency must consider the renewal of the SEWC agreement.

STATEMENT OF FACT

The principal purpose of the formation of the Southeast Water Coalition was to protect the Central Groundwater Basin from contamination migrating from the San Gabriel Valley Groundwater Basin. Since its formation the SEWC has diligently worked with the U.S. Environmental Protection Agency and the U.S. Army Corps of Engineers to improve the monitoring of groundwater contaminants, determine cost-effective remediation to protect the Whittier Narrows and the Central Groundwater Basin, and press the EPA for early implementation of remediation projects. SEWC has also been in support of numerous local groundwater cleanup and water project funding.

Population growth, surface, and groundwater pumping to supply demand coupled with wet and drought years are the principal reasons for groundwater management. Martha Davis stated at the UCLA Environment Symposium on March 3, 1998, In Southern California, "...many cities responded to the drought by exploring projects that would make them less dependent upon imported water supplies, and improve their capacity to meet their water needs through local water sources they directly controlled. As a result, Southern California -- out of all the regions of the State -- is in one of the best positions to meet its future water demand (even with all of the projected growth) because of water recycling, groundwater recharge and other local management projects...."

Water supplies used in Southern California come from several sources. Those sources include about half from imported water supplies and the other half from local supplies within the coastal plain of Southern California. The imported water sources are from northern California via the State Water Project, the Colorado River, and the Los Angeles Aqueduct. Local supplies are primarily groundwater and Southern California mountain

streamflow, recycled, and desalinated brackish groundwater. From a regional perspective, "The value of groundwater basins for water storage and distribution as part of a conjunctive use program may even exceed their value as sources of water supply. This value may be approximated by looking at the cost of constructing artificial surface storage and distribution facilities sufficient to convey surface or imported water supplies (Blomquist, Dividing the Waters)." SEWC needs to be prepared and empowered to continue in its roll to impose and protect the quality and quantity of the regional water supply.

The existing Joint Powers Authority's five-year agreement expires July 1, 2005. The amendment and complete restatement of the agreement allows for the continuation of the Southeast Water Coalition with expanded powers for an additional twenty-five years until June 30, 2030. The annual cost associated with membership in SEWC is $10,000.00.

SUMMARY

The coalition has made significant progress in the past fourteen years concerning the development and implementation of a strategy to protect the Central Basin from migration contaminated groundwater plumes originating in the San Gabriel Valley Groundwater Basin. This task is not complete and there remains significant work to be accomplished.

The City Council Water Resources Committee reviewed the proposed agreement, which expands the role of SEWC to include the authority to aggregate and administer water programs to serve the public interest, to protect the water supply quality and quantity.

RECOMMENDATION

City Council Water Resources Committee recommends that the City Council approve the following:

1. Agreement for the extension and restatement of the Southeast Water Coalition Joint Powers Authority and upon approval of the City Attorney as to form, authorize its execution by the Mayor on behalf of the City.
2. Appropriate $10,000.00 for the SEWC annual membership fee.

James B. Glancy
Director of Water Resources

Howard L. Chambers
City Manager

3.1 • AGREEMENT WITH SOUTHEAST WATER COALITION

220 Southeast Water Coalition

480 Water

Water Resources Director Jim Glancy displayed slides and gave an oral report based on the memo contained in the agenda. He stated that the Southeast Water Coalition had been formed in 1991 and he presented a brief history of the Coalition's mission and activities. He advised that the existing participation agreement was due to expire on July 1, 2005, and that there were remaining tasks to be completed. It was the recommendation of the Water Resources Committee to approve an agreement for the extension and restatement of the Southeast Water Coalition Joint Powers Authority and appropriate $10,000 for the annual membership fee.

Council Member Croft stated that he and Mayor Esquivel were members of the Water Resources Committee and that they viewed the proposed agreement as an important part of the City's program to maintain water quality.

Council Member Rogers stated that as a representative on the Coalition, he felt it was more important now than ever to keep the Coalition active.

COUNCIL MEMBER CROFT MOVED AND COUNCIL MEMBER ROGERS SECONDED TO APPROVE THE COMMITTEE'S RECOMMENDATIONS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Van Nostran, Croft, DuBois, Rogers and Esquivel
NAYS: COUNCIL MEMBERS: None

At 8:20 p.m., the Regular Meeting of the City Council was recessed for the Meeting of the Lakewood Redevelopment Agency. At 8:23 p.m., the City Council Meeting was reconvened.

ORAL COMMUNICATIONS: None

CLOSED SESSION:

152-4 City Manager Compensation

Mayor Esquivel announced that the City Council would recess to a closed session pursuant to Government Code §54957 to evaluate the performance of the City Manager.

At 9:06 p.m., the City Council reconvened with all members present.

Mayor Esquivel announced that the City Council had concluded its review and evaluation of the performance of City Manager Howard Chambers.

VICE MAYOR VAN NOSTRAN MOVED AND COUNCIL MEMBER DUBOIS SECONDED TO ADOPT RESOLUTION NO. 2005-40.

AMENDMENT

AMENDMENT TO SOUTHEAST WATER COALITION
JOINT POWERS AGREEMENT

That certain Joint Powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, Huntington Park, Lakewood, Norwalk, Paramount, Pico Rivera, South Gate, Vernon and Whittier and the Water Replenishment District of Southern California, is hereby amended by amending Section 2 to read as follows:

"Section 2. Term

The term of the Agreement shall be for a period of fourteen years from and after July 1, 1991. The Agreement may be extended by mutual consent of all parties.

In the event not all of the Parties execute the Agreement or any extension, the Agreement shall be binding on those that do execute the Agreement or extension."

Except as amended herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as follows:

CITY OF LAKEWOOD

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

AMENDMENT
DATED JUNE 10, 1997

AMENDMENT TO SOUTHEAST WATER COALITION
JOINT POWERS AGREEMENT

That certain joint powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, Huntington Park, Lakewood, Norwalk, Paramount, Pico Rivera, South Gate, Vernon and Whittier and the Water Replenishment District of Southern California, is hereby amended as follows:

Section 1. Section 2 of the Agreement is amended to read as follows:

"Section 2. Term.

The term of the Agreement shall be for a period of nine years from and after July 1, 1991. In the event not all of the Parties execute the Agreement, the Agreement shall be binding on those that do execute the Agreement. The Agreement may be extended by mutual consent of all parties."

Section 2. The paragraph entitled "Compensation" of Subsection A of Section 4 of the Agreement is amended to read as follows:

" Compensation.

The Policy Board may from time to time set and adjust the amount of compensation for the Policy Board members per meeting. Compensation may be set or adjusted as a part of the annual budget process and by adoption of the annual operating budget."

Section 3. Except as amended herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as follows:

City of Lakewood

MAYOR June 18, 1997

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Amendment

AMENDMENT TO SOUTHEAST WATER COALITION
JOINT POWERS AGREEMENT

That certain joint powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, La Mirada, Lakewood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs and Whittier and the Water Replenishment District of Southern California for the creation of the Southeast Water Coalition, and subsequently entered into by the cities of Huntington Park and South Gate, is hereby amended by amending Section 2 to read as follows:

"Section 2. Term.

This Agreement shall become effective and binding July 1, 1991, upon each of the Original Parties that executes the Agreement, notwithstanding that one or more of the Original Parties may execute the agreement later than July 1, 1991. The term of this Agreement shall be for a period of six years from and after July 1, 1991. In the event not all of the Original Parties execute the Agreement, the Agreement shall be binding on those that do execute the agreement. The Agreement may be extended by mutual consent of all parties."

Except as amended herein, all terms of the agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment to Agreement is executed by the parties as follows:

CITY OF LAKEWOOD

Joseph Esquivel
MAYOR

ATTEST:

Denise R. Hayward
CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

ORIGINAL AGREEMENT
JULY 1, 1991

JOINT POWERS AGREEMENT

AMONG THE CITIES OF CERRITOS, COMMERCE, DOWNEY, LA MIRADA LAKEWOOD, NORWALK, PARAMOUNT, PICO RIVERA, SANTA FE SPRINGS AND WHITTIER ALONG WITH THE CENTRAL AND WEST BASIN WATER REPLENISHMENT DISTRICT CREATING THE SOUTHEAST WATER COALITION

This Agreement, effective as of July 1, 1991, is between the above-named public agencies (hereinafter "Original Parties"), each of which is a public corporation duly organized and existing under the laws of the State of California.

WITNESSETH

WHEREAS, the Parties are each empowered by law to develop programs for the benefit of the citizens and businesses within each community; and

WHEREAS, the Parties are purveyors of potable water, are responsible for the supply of water, or are otherwise concerned about the maintenance of potable water supplies; and

WHEREAS, the Parties each desire to improve the quality and quantity of potable water in the region; and

WHEREAS, the various federal and state agencies involved with regional water quality issues prefer to work with one entity; and

WHEREAS, the Parties to this Agreement are willing to form a single entity to be called the "Southeast Water Coalition"; and

WHEREAS, by this agreement the Parties hereto intend to exercise their powers jointly to accomplish common objectives.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Authority and Purpose.

This agreement is made pursuant to the provisions of Article I, Chapter 5, Division 7, Title I of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of powers common to the public agencies. The Parties are each empowered to exercise the powers within said agreement. The purpose of this agreement is to exercise such powers jointly for the improvement and protection of the quality and quantity of potable water in the Southeast Area of Los Angeles County .

There is hereby created a new entity, to be called the Southeast Water Coalition (hereinafter "Coalition"). Pursuant to and to the extent required by Government Code Section 6509, the Coalition shall be restricted in the exercises of its powers in the same manner as the City of Downey is restricted in its exercise of similar powers; provided that, if the City of Downey shall cease to be a member, then the Coalition shall be restricted in the exercise of its power in the same manner as the City of Whittier.

Section 2. Term.

This Agreement shall become effective and binding July 1, 1991, upon each of the Original Parties that executes the agreement, notwithstanding that one or more of the Original Parties may execute the agreement later than July 1, 1991. The term of this Agreement shall be for a period of three years from and after July 1, 1991. In the event not all of the Original Parties execute the agreement, the agreement shall be binding on those that do execute the agreement. The Agreement may be extended by mutual consent of all parties.

Section 3. Brown Act.

All meetings of the Policy Board and Administrative Entity of the Coalition, including, without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Government Code Section 54950).

Section 4. Structure of the Coalition.

The Southeast Water Coalition shall embody two structures:

A. Policy Board
B. Administrative Entity

The functions and responsibilities of each are described below.

A. POLICY BOARD

PURPOSE

The Coalition shall create a Policy Board made up of a member of the legislative body of each participating public entity for the purpose of overseeing the activities of the Administrative Entity and to act in consort with the State of California, federal government and any other pertinent agencies in matters pertaining to improvement and protection of the quality and quantity of potable water in the Southeast Area of Los Angeles County.

APPOINTMENT

The legislative body of each of the participating public entities shall appoint one policy board member and one alternate board member from among its members.

TERM

Each member and alternate of the Board shall serve a two-year term. Board members and alternates may be removed at any time by the appointing legislative body. A vacancy shall exist if any member or alternate shall cease serving on the appointing legislative body.

VACANCIES

Vacancies during a term and successors following expiration of the term of any member shall be filled in the same manner as the original appointments.

COMPENSATION

Members shall receive $100.00 per meeting attended.

VOTING

Each member shall have one vote. If a board member cannot attend a meeting, the alternate attending shall be fully empowered to act as the board member for the meeting so attended.

RESPONSIBILITIES

It shall be the responsibility of the Policy Board to:

a. Determine general policy for Coalition activities.

b. Act on behalf of all member public agencies in adopting strategies for the improvement of water quality and quantity when working with various Federal and State agencies.

c. Approve a budget to expend funds on development of improvement alternatives, lobbying activities, if required, and any other lawful purpose.

d. Ensure that improvements are in the best interest of the Coalition residents.

e. Authorize expenditures of funds for the above purposes.

f. Share costs equally among the named agencies except for the lead agency which will only be assessed half the amount levied against the other members.

g. Approve or deny applications from non-member public agencies for admission to the Coalition.

h. Adopt bylaws governing the affairs of the Coalition.

i. Establish a Steering Committee, which shall have those powers specified in the Bylaws.

MEETINGS

The Policy Board shall provide for its regular and special meetings, provided, however, that it shall hold at least one regular meeting in each year and such further additional meetings as may be necessary. The dates upon which, and the hour, date and place at which any regular meeting shall be held shall be fixed by the Policy Board and copies filed with each party.

QUORUM

A majority of the Policy Board must be present to constitute a quorum. No action will be valid unless it receives the affirmative vote of the majority of the entire Board, except that action to admit a new party to the Coalition and to adopt Bylaws must receive the affirmative vote of three-quarters (3/4) of the entire Board.

MINUTES

The Secretary of the Policy Board shall cause to be kept minutes of regular, adjourned regular, and special meetings, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the agencies hereto.

OFFICERS

The Policy Board shall elect from among its members a Chairperson and a Vice Chairperson at its first meeting, and thereafter at the first meeting in each succeeding fiscal year the Policy Board shall elect or re-elect its Chairperson and a Vice-Chairperson.

In the event that the Chairperson or Vice-Chairperson ceases to be a Board Member, the resulting vacancy shall be filled at the next regular meeting of the Policy Board held after such

vacancy occurs. In the absence or inability of the Chairperson to act, the Vice-Chairperson shall act as Chairperson. The Chairperson, or in his or her absence the Vice-Chairperson, shall preside at and conduct all meetings of the Policy Board.

LEAD AGENCY

The Policy Board shall select the Lead Agency for the Coalition. The City Manager or General Manager of the Lead Agency City shall be and act as the Secretary of the Coalition. The Director of Finance of the Lead Agency shall be and act as the Treasurer and Auditor of the Coalition pursuant to Government Code Section 6506.6. Pursuant to Government Code Section 6505.1, the Secretary and Treasurer shall have charge of the property of the Coalition and each shall file a bond in the penal sum of ten thousand dollars ($10,000). The Policy 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 Coalition.

LEGAL COUNSEL

The Policy Board may engage the services of a private practicing attorney or utilize the Lead Agency's Attorney as legal counsel to the Coalition.

ACCOUNTS, REPORTS, AND AUDITS

The following procedures are designed to insure strict accountability of all funds of the Coalition and to provide for accurate reporting of receipts and disbursements of said funds.

The Auditor of the Coalition shall either prepare or contract with a certified public accountant to prepare an annual audit of the accounts and records of the Coalition. The minimum requirements of such audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code and shall conform to generally accepted auditing standards.

A report of said audit shall be filed as public records with each agency and also with the county auditor of Los Angeles County. Such report shall be filed within six months of the end of the fiscal year or years under examination.

Any costs of the audit, including contracts with or employment of certified public accountants in making such audit, shall be borne by the Coalition and charged against any unencumbered funds of the Coalition available for the purpose.

By unanimous action of the Policy Board, the annual audit may be replaced by an audit covering a two-year period.

B. ADMINISTRATIVE ENTITY

PURPOSE

The Administrative Entity shall carry out the policies developed by the Board to facilitate water quality and quantity improvement.

MEMBERS

The City Manager of each City and the General Manager of the Central and West Basin Water Replenishment District shall be members of the Administrative Entity. Each member shall appoint one alternate member to serve if the regular member of the Administrative Entity is unavailable, unwilling or unable to serve.

VOTING

Each member shall have one vote. If a member of the Administrative Entity cannot attend a meeting, the alternate attending shall be fully empowered to act as the Administrative Entity member for the meeting so attended.

RESPONSIBILITIES

It shall be the responsibility of the Administrative Entity to:

a. Work with State and Federal agencies to develop improvement plans that will be acceptable to the Coalition.

b. Engage and work with consultants as needed and consistent with the budget approved by the Policy Board.

c. Develop a budget and funding recommendations for the Coalition for approval by the Policy Board, with members being notified no later than February 15 of each year regarding the Coalition's proposed budget for the next fiscal year and the funding responsibility for each member.

d. Develop plans with various environmental agencies for the improvement of groundwater supplies.

e. Create technical work groups as needed.

f. Work with professional legislative representatives retained by the Coalition or others in connection

with Washington, D.C., the State Capitol, the executive branch and regulatory agencies.

MEETINGS

The Administrative Entity shall provide for its regular and special meetings, provided, however, that it shall hold at least one regular meeting in each year and such further additional meetings as may be necessary. The dates upon which, and the hour, date and place at which any regular meeting shall be held shall be fixed by the Administrative Entity and copies filed with each party.

QUORUM

A majority of the Administrative Entity must be present to constitute a quorum. No action will be valid unless it receives the affirmative vote of a majority of the quorum.

OFFICERS

The City Manager or General Manager of the Lead Agency shall be the Chairperson of the Administrative Entity. The Administrative Entity shall elect from among its members a Vice Chairperson at its first meeting, and thereafter at the first meeting in each succeeding fiscal year the Administrative Entity shall elect or re-elect its Vice-Chairperson.

In the absence or inability of the Chairperson to act, the Vice-Chairperson shall act as Chairperson. The Chairperson, or in his or her absence the Vice-Chairperson, shall preside at and conduct all meetings of the Administrative Entity. In the event the office of City Manager or General Manager of the Lead Agency shall become vacant, the Vice-Chairperson shall serve as Chairperson until a new City Manager or General Manager is appointed by the Lead Agency. If the office of Vice-Chairperson shall become vacant, the Administrative Entity shall appoint a Vice-Chairperson at the next regular meeting of the Administrative Entity held after such vacancy occurs.

MINUTES

The Chairperson of the Administrative Entity shall cause to be kept minutes of regular, adjourned regular, and special meetings, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Administrative Entity and to the agencies hereto.

Section 5. Contributions.

Each of the Original Parties shall contribute $10,000.00 to the Coalition within thirty days after execution of this

Agreement. The Policy Board shall establish the amount of initial contribution which shall be due from new members, at the time when the Policy Board approves the admission of the new member into the Coalition.

The Policy Board may require additional contributions upon the approval of a majority of all members of the Policy Board. Within thirty days of the action of the Policy Board, each member agency that does not withdraw from the Coalition during the thirty day period shall thereupon make the required contribution.

The Lead Agency will only be required to pay half the amount levied against the other members. The Policy Board may unanimously provide for a different distribution of contributions.

Section 6. Obligation for Debts and Distribution of Assets.

The agencies which are parties to this Agreement shall not be responsible for any of the debts, liabilities or obligations of the Coalition. All such debts, liabilities or obligations shall exclusively be those of the Coalition.

Upon termination of the Coalition, all of its then existing assets shall be divided equally among the then remaining member agencies including the Lead Agency.

Section 7. Withdrawal by Member Agencies.

Any member agency may withdraw upon 30 days written notice. Upon such withdrawal, the withdrawing agency shall pay all contributions approved by the Policy Board pursuant to Section 5 more than thirty (30) days prior to the date the agency provides written notice of its intention to withdraw. Should any unencumbered funds exist at the end of the fiscal year during which the Agency withdrew, the withdrawing agency shall be paid a share of such funds determined by multiplying the remaining funds by the ratio of the total funds contributed by the withdrawing agency during the fiscal year divided by the total funds contributed by all agencies during the fiscal year.

Section 8. Admission of New Members.

The terms of this Agreement shall be binding on every public agency admitted to the Coalition pursuant to an action of the Policy Board. Each new member shall execute a counterpart of this Agreement, which shall become effective on the date specified by the Policy Board. This date shall be indicated in the counterpart of the Agreement.

Section 9. Governmental Responsibilities

Nothing in this Agreement shall be interpreted as restricting member agencies in the exercise of their governmental powers as provided by law.

IN WITNESS WHEREOF, this Agreement is executed by the parties as follows:

CITY OF LAKEWOOD

MAYOR

ATTEST:

CITY CLERK, ACTING

CITY OF LAKEWOOD

APPROVED AS TO FORM

CITY ATTORNEY

910801 rap 0280287 0

CURRENT AGREEMENT
DATED JUNE 28,2005

AMENDMENT AND COMPLETE RESTATEMENT OF SOUTHEAST WATER COALITION JOINT POWERS AGREEMENT

That certain Joint Powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, Huntington Park, Lakewood, Norwalk, Paramount, Pico Rivera, South Gate, Vernon, and Whittier and the Water Replenishment District of Southern California, each a municipal corporation ("Original Members"), is hereby amended and restated to read as follows:

"RECITALS

WHEREAS, each of the parties to this Agreement is a local government entity functioning within the County of Los Angeles;

WHEREAS, pursuant to the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code), two or more public agencies may by agreement jointly exercise any power held by the agencies entering into such agreement;

WHEREAS, The Parties are purveyors of potable water, are responsible for the supply of water, or are otherwise concerned about public water supplies;

WHEREAS, the Parties each desire to improve the quality and quantity of water in the region;

WHEREAS, each city which is a Party hereto has under its police power the authority to regulate groundwater, and to engage in the storage and recovery thereof;

WHEREAS, the statutory authority of the Water Replenishment District of Southern California is limited to storage of groundwater for replenishment purposes, and does not extend to storage of groundwater by individual parties for future use, nor to the regulation thereof;

WHEREAS, the Superior Court of California in and for the County of Los Angeles, in the case of *Central and West Basin Water Replenishment District v. Adams,* LASC Case No. 786656 and the case of *California Water Service Co., et al. v. City of Compton,* LASC Case No. 506806 (the ("Adjudications"), has fixed and determined the rights of various parties to extract groundwater for beneficial use within Central Basin and the West Coast Basin (collectively, the "Basins"));

WHEREAS, the court has retained the jurisdiction within each of the Adjudications to fix and determine the rights of parties to store and extract groundwater from the Basins for future use;

WHEREAS, under the Adjudications, the court has appointed the California Department of Water Resources as its Watermaster, for the purpose of overseeing the management of groundwater resources within the Basins

WHEREAS, a regional program of groundwater storage and recovery, which is administered by the court and coordinated through its Watermaster, is in the best interest of the Basins, the Parties, and the public they serve;

WHEREAS, the formation of a joint powers authority is independently authorized by state law;

WHEREAS, the Parties find that it is to their mutual advantage and benefit, and in the public interest, to establish a joint powers authority for the purpose of maintaining the quality and quantity of groundwater, to implement groundwater management policies as determined by the court, and to protect and enhance the storage of water for the benefit of local interests; and

WHEREAS, the Parties desire to use their common groundwater management powers and powers to store and recover water that are necessary and appropriate to further the purposes for which the joint powers authority is being established,

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

1. Incorporation of Recitals. The foregoing recitals are incorporated by reference.

2. Purposes. This Agreement is made pursuant to the provisions of Article I, Chapter 5, Division7, Title I of the Government Code of the State of California (commencing with Section 6500), relating to the joint exercise of powers common to the public agencies. The Parties are each empowered to exercise the powers within this Agreement. The Parties will exercise their powers jointly for the following purposes:

a. to maintain groundwater quality within the Basins;

b. to maintain secure groundwater supplies within the Basins;

c. to manage the use of groundwater within the Basins;

d. to coordinate efforts among Watermaster and entities proposing to store water within the Basins for future recovery;

e. to facilitate the implementation of a conjunctive use program by water purveyors;

f. to coordinate efforts among local entities and Watermaster to devise and implement strategies to safeguard groundwater quality;

g. to work cooperatively with Watermaster, the Water Replenishment District of Southern California, and other entities to promote coordination of policies and activities throughout the region.

3. Establishment. There is established pursuant to the Joint Exercise of Powers Act a joint powers authority which shall be a public entity separate from the parties to this Agreement. The name of such entity shall be the Southeast Water Coalition ("Coalition"). The Coalition shall carry out its functions through a Policy Board and an Administrative Entity as defined in this Agreement.

4. Term. The formation of the Coalition became effective July 1, 1991 upon each of the Original Parties' execution of the Joint Powers Agreement of that date ("Original Agreement"). The term of the Original Agreement was extended by subsequent amendment. By this Restated Agreement, the term of this Agreement is extended to June 30, 2030, and will be automatically extended for subsequent terms of twenty-five (25) years, except upon the affirmative vote of three-quarters (3/4) of the Policy Board. In the event not all of the Original Parties execute this Restated Agreement, it shall nonetheless be binding on those who do execute this Restated Agreement.

5. Meetings. The Coalition shall provide for regular and special meetings of any entity established hereunder, in accordance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) or with any successor provision. Minutes shall be kept of all meetings of the Policy Board and of the Administrative Entity. Copies of minutes shall be forwarded to all members of the Coalition.

6. Exercise of Powers. Pursuant to and to the extent required by Government Code Section 6509, the Coalition shall be restricted in the exercise of its powers in the same manner as the City of Downey is restricted in its exercise of similar powers; provided that, if the City of Downey shall cease to be a member, then the Coalition shall be restricted in the exercise of its power in the same manner as the City of Cerritos.

POLICY BOARD

7. Membership of the Policy Board. The governing body of the Coalition shall be a Policy Board made up of a representative of each participating public entity, which need not be a member of the legislative body of the public entity. The Policy Board shall oversee the activities of the Administrative Entity and shall act in concert with the courts, the State of California, the United States, and any other pertinent agencies in matters pertaining to improvement and protection of the quality and quantity of water in the Basins, and to implement groundwater storage and management policies.

a. Appointment. The legislative body of each of the participating public entities shall appoint one Policy Board member and one alternate Board member.

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

c. Compensation. Members shall receive the lesser of $150.00 per meeting attended or the maximum allowed by state law.

d. Voting. Each member shall have one vote. If a Policy Board member cannot attend a meeting, the alternate attending shall be fully empowered to act as the Policy Board member for the meeting so attended.

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

1. Determine general policy for Coalition activities.

2. Act on behalf of all member public agencies ("Members") in adopting strategies to pursue the Purposes of the Coalition as set forth in Section 2 of this Agreement.

3. Approve a budget to expend funds on development of water improvement alternatives, groundwater storage and recovery, lobbying activities (if required), and any other lawful purpose.

4. Ensure that programs are in the best interest of the residents of the area overlying the Basins.

5. Authorize expenditures of funds for the above purposes.

6. Share costs equally among the Members.

7. Approve or deny applications from non-member public agencies for admission to the Coalition.

8. Adopt bylaws, rules and regulations governing the affairs of the Coalition.

f. Meetings. The Policy Board shall provide for its regular and special meetings, provided however that it shall hold at least one regular meeting in each year and such additional meetings as may be necessary.

g. Quorum. A Majority of the Policy Board must be present to constitute a quorum. No action will be valid unless it receives the affirmative vote of the majority of those present, except that action to admit a new Member or to expel an existing Member must receive the affirmative vote of three-quarters (3/4) of the entire Policy Board.

h. Lead Agency. The Policy Board shall select the Lead Agency for the Coalition. The City Manager or General Manager of the Lead Agency City shall be and act as the Secretary for the Coalition. The Director of Finance of the Lead Agency shall be and act as the Treasurer and Auditor of the Coalition pursuant to Government Code Section 6506.6. Pursuant to Government Code Section 6501.1, the Secretary and Treasurer shall have charge of the property of the Coalition and each shall file a bond

in the penal sum of ten thousand dollars ($10,000.00). The Policy 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 Coalition.

i. Organization. The Policy Board shall elect a chair, a vice chair, and such other officers as the Board shall find appropriate. The Board shall appoint an executive director, treasurer, controller, clerk and legal counsel as it deems appropriate. The controller of the Coalition shall cause an independent annual audit of the Coalition's finances to be made by a certified public accountant in compliance with Government Code Section 6505. The treasurer of the Coalition shall be the depositor and shall have custody of all money of the Coalition from whatever source. The controller of the Coalition shall draw warrants to pay demands against the Coalition when the demands have been approved by the Coalition or by its authorized representative pursuant to any delegation of authority adopted by the Coalition. The treasurer and controller shall comply strictly with the provisions of statutes relating to their duties found in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code. Each officer shall serve for a term of one (1) year unless sooner terminated at the pleasure of the Board. The Board may adopt from time to time such rules and regulations for the conduct of its affairs as it deems necessary and appropriate.

j. Property of Coalition. Pursuant to Government Code Section 6505.6, the Policy Board shall designate an officer or employee, or officers and employees, to receive, deposit, invest, and disburse the property of the Authority pursuant to Government Code Sections 6505 and 6505.5. The Policy Board shall fix the amount of the fidelity bond to be filed by such public officer(s) and/or employee(s).

ADMINISTRATIVE ENTITY

8. Appointment. The Policy Board shall appoint the members of the Administrative Entity to carry out the policies of the Coalition. The Administrative Entity shall consist of nine (9) members, as follows:

a. Five (5) members, who shall be employees of any of the Members, provided that no single Member shall have more than one employee on the Administrative Entity.

b. Three (3) members, who shall be employees of any private water purveyors or regulated public utilities providing retail water service within the Basins.

c. One (1) member nominated by the California Department of Water Resources.

A quorum of the Administrative Entity shall consist of five (5) members, and five (5) votes shall be required to take action. Each member of the Administrative Entity shall serve at the pleasure of the Policy Board. The Administrative Entity shall select such officers as shall be reasonable for the conduct of its affairs.

POWERS AND FUNCTIONS OF THE COALITION

9. Powers and Functions. Subject to the limitations set forth below, the Coalition, acting through its Policy Board and Administrative Entity, shall have any and all powers commonly held by the Members necessary or appropriate to regulate groundwater within the Basins including, but not limited to, the following powers:

a. Collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the Basins, including an evaluation of any proposals to store and recover water;

b. Establish and administer a conjunctive use program in coordination with the court and with Watermaster for the purpose of maintaining water supplies and managing storage programs in the Basins;

c. Buy and sell water on other than a retail basis;

d. Spread, sink or inject water in order to store it for future recovery;

e. Exchange water;

f. Store, transport, recapture, recycle, purify, treat or otherwise manage and control water for the beneficial use of persons and property within the area of the Basins;

g. Serve as Storage Program Administrator or similar function as may be designated by the court pursuant to either of the Adjudications;

h. Appoint a Program Review Committee for the purpose of evaluating groundwater storage proposals;

i. Study and plan ways and means to implement any or all of the foregoing powers.

10. Corporate and Political Powers. For purposes of exercising the authority, and subject to the limitations contained in this Agreement, the Coalition shall have the following corporate and political powers:

a. To sue and be sued in all actions and proceedings in all courts and tribunals.

b. To adopt a seal and alter it in its discretion

c. To take by grant, purchase, gift, devise or lease, to hold, use and enjoy, and to lease, convey or dispose of, real and personal property of every kind, within or without the boundaries of the members of the Coalition, necessary or convenient to the full exercise of its power.

d. For the common benefit of the Coalition and the retail water customers in the Basins, to store water in underground water basins or reservoirs within or outside the boundaries of the members of the Coalition, to appropriate water and acquire water rights within or outside the Coalition, to import water into the area overlying the Basins, and to conserve, or cause the conservation of, water within or outside the Coalition.

e. To exercise the right of eminent domain to take any property necessary to supply the Coalition, any Member or water agency with water; provided that the right of eminent domain may not be exercised with respect to water and water rights, and may not be exercised with respect to any property owned or occupied by any of the Members.

f. To act jointly with, or cooperate with the United States or any agency thereof, the state, or any county or agency thereof, or any political subdivision or district therein, including water replenishment districts, municipal water districts, private and public corporations, and any person, so that the powers of the Coalition may be fully and economically exercised.

g. To cause taxes, assessments, fees or charges to be levied in accordance with applicable state law to accomplish the purposes of the Coalition.

h. In conjunction with the court and the Adjudications, to require the permitting of groundwater storage and recovery programs within the Basins.

i. To make contracts, employ labor, and do all acts necessary for the full exercise of the Coalition's powers.

j. To carry out technical and other investigations of all kinds necessary to further the purposes of the Coalition.

k. To fix rates at which water acquired by the Coalition shall be sold for any purpose, and to establish different rates for different classes of service.

l. To allocate, apportion and distribute benefits received by the Coalition among entities providing retail water service within the boundaries of the Basins.

m. 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 of California, or other public or private entity necessary or appropriate for the Coalition's full exercise of its powers.

n. Finance, through the issuance of bonds or other financial instruments of indebtedness, funds necessary or convenient for the implementation of this Agreement.

o. Incur debts, liabilities, or obligations.

p. Purchase insurance for the Coalition.

q. Invest money in the treasury of the Coalition in the same manner and on the same conditions as local agencies pursuant to Government Code Section 53601.

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

11. Limitation. The Coalition shall have no power to regulate land use or to engage in the retail sale of water and shall be prohibited from restricting or otherwise limiting the extraction of groundwater within the boundaries of the Basins except consistent with the Adjudications. The Coalition shall be prohibited from funding any capital construction projects.

12. Contributions. Each Party executing this Restated Agreement shall contribute ten thousand dollars ($10,000.00) to the Coalition within thirty (30) days after execution of this Restated Agreement. The Policy Board shall establish the amount of initial contribution which shall be due from new members, at the time when the Policy Board approves the admission of the new member. The Policy Board may require additional contributions upon the approval of a majority of the Policy Board. Contributions shall be assessed against Members on an equal basis, or upon such other basis as may from time to time be determined by three quarters (3/4) of the Policy Board. Within thirty (30) days of the action of the Policy Board, each Member that does not withdraw from the Coalition during the thirty (30) day period shall thereupon make the required contribution.

13. Additional Parties. Additional members, which shall be municipal corporations or public districts, may be admitted upon vote of the Policy Board as provided in Section 7(e)(7). Upon admission, new Members shall execute this Agreement.

14. Accounts, Reports, and Audits. The following procedures are designed to insure strict accountability of all funds of the Coalition and to provide for accurate reporting of receipts and disbursements of said funds:

a. The Auditor of the Coalition shall either prepare or contract with a certified public accountant to prepare an annual audit of the accounts and records of the Coalition. The minimum requirements of such audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code and shall conform to generally accepted accounting principles.

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

15. Obligation for Debts and Liabilities and Distribution of Assets. Any party to this Agreement shall not be responsible for any of the debts, liabilities, or obligations of the Coalition. All such debts, liabilities or obligations shall exclusively be those of the Coalition.

a. Each member agrees to indemnify, save and defend the Authority and all other Members harmless from and against all claims, losses, and damages, including legal fees and expenses, arising out of any breach or default on the part of such Member in performance of any of its obligations under this Agreement, or any act or negligence of such Member or any of its agents, contractors, servants, employees or licensees with respect to this Agreement. No indemnification is made under this Section for claims, losses or damages, including legal fees and expenses, arising out of the willful misconduct, negligence or breach of duty under this Agreement by the Coalition or a Member or their officers, employees, agents or contractors.

b. The members of the Policy Board and any officer, employee, contractor, or agent of the Coalition shall use ordinary care and reasonable diligence in the exercise of their power and in the performance of their duties under this Agreement.

c. Funds of the Coalition may be used to defend, indemnify, and hold harmless the Coalition and any member of the Policy Board, and any employee of the Coalition for their actions taken within the scope of their duties while acting on behalf of the Coalition. Nothing herein shall limit the right of the Coalition to purchase insurance to provide such coverage as is hereinabove set forth.

16. Withdrawal by a Member. Any Member may withdraw upon thirty (30) days written notice given to the Policy Board. At least thirty (30) days prior to providing such written notice, and as a condition thereof, the withdrawing Member shall pay all unpaid contributions that were approved by the Policy Board greater than sixty (60) days prior to the date of such notice. No Member may withdraw so long as the Coalition has any outstanding contractual obligations or other indebtedness.

17. Termination. Upon termination of the Coalition, all of its then existing assets shall be divided and distributed for public purposes in such manner as shall be determined by a vote of three-quarters (3/4) of the Policy Board, provided, however, that this Agreement and the Policy Board shall continue to exist for the purposes of disposing of all claims, the administering the distribution of assets, and performing any other functions necessary to conclude the affairs of the Coalition. This Agreement may not be terminated by any member so long as the Coalition has any outstanding contractual obligations or other indebtedness.

18. Amendment. This Agreement may be amended by the affirmative vote of three quarters (3/4) of the Members.

19. Counterparts. This Agreement may be executed in counterparts, which together shall constitute the same agreement.

EXECUTED on the 28th day of June, 2005."

CITY OF LAKEWOOD

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

COUNCIL AGENDA
June 28, 2005

TO: Honorable Mayor and City Council

SUBJECT: Southeast Water Coalition Agreement

INTRODUCTION

In July 1991 the Lakewood City Council, ten neighboring cities and the Water Replenishment District of Southern California (WRD), adopted a joint power agreement creating the Southeast Water Coalition (SEWC). These agencies formed a joint power authority to improve and protect the quantity and quality of the regional water supply. Fourteen years later SEWC represents 12 communities and the WRD on water-related issues. The existing agreement expires on July 1, 2005 and each agency must consider the renewal of the SEWC agreement.

STATEMENT OF FACT

The principal purpose of the formation of the Southeast Water Coalition was to protect the Central Groundwater Basin from contamination migrating from the San Gabriel Valley Groundwater Basin. Since its formation the SEWC has diligently worked with the U.S. Environmental Protection Agency and the U.S. Army Corps of Engineers to improve the monitoring of groundwater contaminants, determine cost-effective remediation to protect the Whittier Narrows and the Central Groundwater Basin, and press the EPA for early implementation of remediation projects. SEWC has also been in support of numerous local groundwater cleanup and water project funding.

Population growth, surface, and groundwater pumping to supply demand coupled with wet and drought years are the principal reasons for groundwater management. Martha Davis stated at the UCLA Environment Symposium on March 3, 1998, In Southern California, "...many cities responded to the drought by exploring projects that would make them less dependent upon imported water supplies, and improve their capacity to meet their water needs through local water sources they directly controlled. As a result, Southern California -- out of all the regions of the State -- is in one of the best positions to meet its future water demand (even with all of the projected growth) because of water recycling, groundwater recharge and other local management projects...."

Water supplies used in Southern California come from several sources. Those sources include about half from imported water supplies and the other half from local supplies within the coastal plain of Southern California. The imported water sources are from northern California via the State Water Project, the Colorado River, and the Los Angeles Aqueduct. Local supplies are primarily groundwater and Southern California mountain

streamflow, recycled, and desalinated brackish groundwater. From a regional perspective, "The value of groundwater basins for water storage and distribution as part of a conjunctive use program may even exceed their value as sources of water supply. This value may be approximated by looking at the cost of constructing artificial surface storage and distribution facilities sufficient to convey surface or imported water supplies (Blomquist, Dividing the Waters)." SEWC needs to be prepared and empowered to continue in its roll to impose and protect the quality and quantity of the regional water supply.

The existing Joint Powers Authority's five-year agreement expires July 1, 2005. The amendment and complete restatement of the agreement allows for the continuation of the Southeast Water Coalition with expanded powers for an additional twenty-five years until June 30, 2030. The annual cost associated with membership in SEWC is $10,000.00.

SUMMARY

The coalition has made significant progress in the past fourteen years concerning the development and implementation of a strategy to protect the Central Basin from migration contaminated groundwater plumes originating in the San Gabriel Valley Groundwater Basin. This task is not complete and there remains significant work to be accomplished.

The City Council Water Resources Committee reviewed the proposed agreement, which expands the role of SEWC to include the authority to aggregate and administer water programs to serve the public interest, to protect the water supply quality and quantity.

RECOMMENDATION

City Council Water Resources Committee recommends that the City Council approve the following:

1. Agreement for the extension and restatement of the Southeast Water Coalition Joint Powers Authority and upon approval of the City Attorney as to form, authorize its execution by the Mayor on behalf of the City.
2. Appropriate $10,000.00 for the SEWC annual membership fee.

James B. Glancy
Director of Water Resources

Howard L. Chambers
City Manager

3.1 • AGREEMENT WITH SOUTHEAST WATER COALITION

220 Southeast Water Coalition

480 Water

Water Resources Director Jim Glancy displayed slides and gave an oral report based on the memo contained in the agenda. He stated that the Southeast Water Coalition had been formed in 1991 and he presented a brief history of the Coalition's mission and activities. He advised that the existing participation agreement was due to expire on July 1, 2005, and that there were remaining tasks to be completed. It was the recommendation of the Water Resources Committee to approve an agreement for the extension and restatement of the Southeast Water Coalition Joint Powers Authority and appropriate $10,000 for the annual membership fee.

Council Member Croft stated that he and Mayor Esquivel were members of the Water Resources Committee and that they viewed the proposed agreement as an important part of the City's program to maintain water quality.

Council Member Rogers stated that as a representative on the Coalition, he felt it was more important now than ever to keep the Coalition active.

COUNCIL MEMBER CROFT MOVED AND COUNCIL MEMBER ROGERS SECONDED TO APPROVE THE COMMITTEE'S RECOMMENDATIONS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Van Nostran, Croft, DuBois, Rogers and Esquivel
NAYS: COUNCIL MEMBERS: None

. . .

At 8:20 p.m., the Regular Meeting of the City Council was recessed for the Meeting of the Lakewood Redevelopment Agency. At 8:23 p.m., the City Council Meeting was reconvened.

. . .

ORAL COMMUNICATIONS: None

. . .

CLOSED SESSION:

152-4 City Manager Compensation

Mayor Esquivel announced that the City Council would recess to a closed session pursuant to Government Code §54957 to evaluate the performance of the City Manager.

At 9:06 p.m., the City Council reconvened with all members present.

Mayor Esquivel announced that the City Council had concluded its review and evaluation of the performance of City Manager Howard Chambers.

VICE MAYOR VAN NOSTRAN MOVED AND COUNCIL MEMBER DUBOIS SECONDED TO ADOPT RESOLUTION NO. 2005-40.

AMENDMENT

AMENDMENT TO SOUTHEAST WATER COALITION JOINT POWERS AGREEMENT

That certain Joint Powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, Huntington Park, Lakewood, Norwalk, Paramount, Pico Rivera, South Gate, Vernon and Whittier and the Water Replenishment District of Southern California, is hereby amended by amending Section 2 to read as follows:

"Section 2. Term

The term of the Agreement shall be for a period of fourteen years from and after July 1, 1991. The Agreement may be extended by mutual consent of all parties.

In the event not all of the Parties execute the Agreement or any extension, the Agreement shall be binding on those that do execute the Agreement or extension."

Except as amended herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as follows:

CITY OF LAKEWOOD

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

AMENDMENT
DATED JUNE 10, 1997

AMENDMENT TO SOUTHEAST WATER COALITION
JOINT POWERS AGREEMENT

That certain joint powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, Huntington Park, Lakewood, Norwalk, Paramount, Pico Rivera, South Gate, Vernon and Whittier and the Water Replenishment District of Southern California, is hereby amended as follows:

Section 1. Section 2 of the Agreement is amended to read as follows:

"Section 2. Term.

The term of the Agreement shall be for a period of nine years from and after July 1, 1991. In the event not all of the Parties execute the Agreement, the Agreement shall be binding on those that do execute the Agreement. The Agreement may be extended by mutual consent of all parties."

Section 2. The paragraph entitled "Compensation" of Subsection A of Section 4 of the Agreement is amended to read as follows:

" Compensation.

The Policy Board may from time to time set and adjust the amount of compensation for the Policy Board members per meeting. Compensation may be set or adjusted as a part of the annual budget process and by adoption of the annual operating budget."

Section 3. Except as amended herein, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as follows:

City of Lakewood

MAYOR June 10, 1997

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Amendment

AMENDMENT TO SOUTHEAST WATER COALITION
JOINT POWERS AGREEMENT

That certain joint powers Agreement entered into by and between the cities of Cerritos, Commerce, Downey, La Mirada, Lakewood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs and Whittier and the Water Replenishment District of Southern California for the creation of the Southeast Water Coalition, and subsequently entered into by the cities of Huntington Park and South Gate, is hereby amended by amending Section 2 to read as follows:

"Section 2. Term.

This Agreement shall become effective and binding July 1, 1991, upon each of the Original Parties that executes the Agreement, notwithstanding that one or more of the Original Parties may execute the agreement later than July 1, 1991. The term of this Agreement shall be for a period of six years from and after July 1, 1991. In the event not all of the Original Parties execute the Agreement, the Agreement shall be binding on those that do execute the agreement. The Agreement may be extended by mutual consent of all parties."

Except as amended herein, all terms of the agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment to Agreement is executed by the parties as follows:

CITY OF LAKEWOOD

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

ORIGINAL AGREEMENT
JULY 1, 1991

JOINT POWERS AGREEMENT

AMONG THE CITIES OF CERRITOS, COMMERCE, DOWNEY, LA MIRADA LAKEWOOD, NORWALK, PARAMOUNT, PICO RIVERA, SANTA FE SPRINGS AND WHITTIER ALONG WITH THE CENTRAL AND WEST BASIN WATER REPLENISHMENT DISTRICT CREATING THE SOUTHEAST WATER COALITION

This Agreement, effective as of July 1, 1991, is between the above-named public agencies (hereinafter "Original Parties"), each of which is a public corporation duly organized and existing under the laws of the State of California.

WITNESSETH

WHEREAS, the Parties are each empowered by law to develop programs for the benefit of the citizens and businesses within each community; and

WHEREAS, the Parties are purveyors of potable water, are responsible for the supply of water, or are otherwise concerned about the maintenance of potable water supplies; and

WHEREAS, the Parties each desire to improve the quality and quantity of potable water in the region; and

WHEREAS, the various federal and state agencies involved with regional water quality issues prefer to work with one entity; and

WHEREAS, the Parties to this Agreement are willing to form a single entity to be called the "Southeast Water Coalition"; and

WHEREAS, by this agreement the Parties hereto intend to exercise their powers jointly to accomplish common objectives.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Authority and Purpose.

This agreement is made pursuant to the provisions of Article I, Chapter 5, Division 7, Title I of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of powers common to the public agencies. The Parties are each empowered to exercise the powers within said agreement. The purpose of this agreement is to exercise such powers jointly for the improvement and protection of the quality and quantity of potable water in the Southeast Area of Los Angeles County .

There is hereby created a new entity, to be called the Southeast Water Coalition (hereinafter "Coalition"). Pursuant to and to the extent required by Government Code Section 6509, the Coalition shall be restricted in the exercises of its powers in the same manner as the City of Downey is restricted in its exercise of similar powers; provided that, if the City of Downey shall cease to be a member, then the Coalition shall be restricted in the exercise of its power in the same manner as the City of Whittier.

Section 2. Term.

This Agreement shall become effective and binding July 1, 1991, upon each of the Original Parties that executes the agreement, notwithstanding that one or more of the Original Parties may execute the agreement later than July 1, 1991. The term of this Agreement shall be for a period of three years from and after July 1, 1991. In the event not all of the Original Parties execute the agreement, the agreement shall be binding on those that do execute the agreement. The Agreement may be extended by mutual consent of all parties.

Section 3. Brown Act.

All meetings of the Policy Board and Administrative Entity of the Coalition, including, without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Government Code Section 54950).

Section 4. Structure of the Coalition.

The Southeast Water Coalition shall embody two structures:

A. Policy Board
B. Administrative Entity

The functions and responsibilities of each are described below.

A. POLICY BOARD

PURPOSE

The Coalition shall create a Policy Board made up of a member of the legislative body of each participating public entity for the purpose of overseeing the activities of the Administrative Entity and to act in consort with the State of California, federal government and any other pertinent agencies in matters pertaining to improvement and protection of the quality and quantity of potable water in the Southeast Area of Los Angeles County.

APPOINTMENT

The legislative body of each of the participating public entities shall appoint one policy board member and one alternate board member from among its members.

TERM

Each member and alternate of the Board shall serve a two-year term. Board members and alternates may be removed at any time by the appointing legislative body. A vacancy shall exist if any member or alternate shall cease serving on the appointing legislative body.

VACANCIES

Vacancies during a term and successors following expiration of the term of any member shall be filled in the same manner as the original appointments.

COMPENSATION

Members shall receive $100.00 per meeting attended.

VOTING

Each member shall have one vote. If a board member cannot attend a meeting, the alternate attending shall be fully empowered to act as the board member for the meeting so attended.

RESPONSIBILITIES

It shall be the responsibility of the Policy Board to:

a. Determine general policy for Coalition activities.

b. Act on behalf of all member public agencies in adopting strategies for the improvement of water quality and quantity when working with various Federal and State agencies.

c. Approve a budget to expend funds on development of improvement alternatives, lobbying activities, if required, and any other lawful purpose.

d. Ensure that improvements are in the best interest of the Coalition residents.

e. Authorize expenditures of funds for the above purposes.

f. Share costs equally among the named agencies except for the lead agency which will only be assessed half the amount levied against the other members.

g. Approve or deny applications from non-member public agencies for admission to the Coalition.

h. Adopt bylaws governing the affairs of the Coalition.

i. Establish a Steering Committee, which shall have those powers specified in the Bylaws.

MEETINGS

The Policy Board shall provide for its regular and special meetings, provided, however, that it shall hold at least one regular meeting in each year and such further additional meetings as may be necessary. The dates upon which, and the hour, date and place at which any regular meeting shall be held shall be fixed by the Policy Board and copies filed with each party.

QUORUM

A majority of the Policy Board must be present to constitute a quorum. No action will be valid unless it receives the affirmative vote of the majority of the entire Board, except that action to admit a new party to the Coalition and to adopt Bylaws must receive the affirmative vote of three-quarters (3/4) of the entire Board.

MINUTES

The Secretary of the Policy Board shall cause to be kept minutes of regular, adjourned regular, and special meetings, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the agencies hereto.

OFFICERS

The Policy Board shall elect from among its members a Chairperson and a Vice Chairperson at its first meeting, and thereafter at the first meeting in each succeeding fiscal year the Policy Board shall elect or re-elect its Chairperson and a Vice-Chairperson.

In the event that the Chairperson or Vice-Chairperson ceases to be a Board Member, the resulting vacancy shall be filled at the next regular meeting of the Policy Board held after such

vacancy occurs. In the absence or inability of the Chairperson to act, the Vice-Chairperson shall act as Chairperson. The Chairperson, or in his or her absence the Vice-Chairperson, shall preside at and conduct all meetings of the Policy Board.

LEAD AGENCY

The Policy Board shall select the Lead Agency for the Coalition. The City Manager or General Manager of the Lead Agency City shall be and act as the Secretary of the Coalition. The Director of Finance of the Lead Agency shall be and act as the Treasurer and Auditor of the Coalition pursuant to Government Code Section 6506.6. Pursuant to Government Code Section 6505.1, the Secretary and Treasurer shall have charge of the property of the Coalition and each shall file a bond in the penal sum of ten thousand dollars ($10,000). The Policy 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 Coalition.

LEGAL COUNSEL

The Policy Board may engage the services of a private practicing attorney or utilize the Lead Agency's Attorney as legal counsel to the Coalition.

ACCOUNTS, REPORTS, AND AUDITS

The following procedures are designed to insure strict accountability of all funds of the Coalition and to provide for accurate reporting of receipts and disbursements of said funds.

The Auditor of the Coalition shall either prepare or contract with a certified public accountant to prepare an annual audit of the accounts and records of the Coalition. The minimum requirements of such audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code and shall conform to generally accepted auditing standards.

A report of said audit shall be filed as public records with each agency and also with the county auditor of Los Angeles County. Such report shall be filed within six months of the end of the fiscal year or years under examination.

Any costs of the audit, including contracts with or employment of certified public accountants in making such audit, shall be borne by the Coalition and charged against any unencumbered funds of the Coalition available for the purpose.

By unanimous action of the Policy Board, the annual audit may be replaced by an audit covering a two-year period.

B. ADMINISTRATIVE ENTITY

PURPOSE

The Administrative Entity shall carry out the policies developed by the Board to facilitate water quality and quantity improvement.

MEMBERS

The City Manager of each City and the General Manager of the Central and West Basin Water Replenishment District shall be members of the Administrative Entity. Each member shall appoint one alternate member to serve if the regular member of the Administrative Entity is unavailable, unwilling or unable to serve.

VOTING

Each member shall have one vote. If a member of the Administrative Entity cannot attend a meeting, the alternate attending shall be fully empowered to act as the Administrative Entity member for the meeting so attended.

RESPONSIBILITIES

It shall be the responsibility of the Administrative Entity to:

a. Work with State and Federal agencies to develop improvement plans that will be acceptable to the Coalition.

b. Engage and work with consultants as needed and consistent with the budget approved by the Policy Board.

c. Develop a budget and funding recommendations for the Coalition for approval by the Policy Board, with members being notified no later than February 15 of each year regarding the Coalition's proposed budget for the next fiscal year and the funding responsibility for each member.

d. Develop plans with various environmental agencies for the improvement of groundwater supplies.

e. Create technical work groups as needed.

f. Work with professional legislative representatives retained by the Coalition or others in connection

with Washington, D.C., the State Capitol, the executive branch and regulatory agencies.

MEETINGS

The Administrative Entity shall provide for its regular and special meetings, provided, however, that it shall hold at least one regular meeting in each year and such further additional meetings as may be necessary. The dates upon which, and the hour, date and place at which any regular meeting shall be held shall be fixed by the Administrative Entity and copies filed with each party.

QUORUM

A majority of the Administrative Entity must be present to constitute a quorum. No action will be valid unless it receives the affirmative vote of a majority of the quorum.

OFFICERS

The City Manager or General Manager of the Lead Agency shall be the Chairperson of the Administrative Entity. The Administrative Entity shall elect from among its members a Vice Chairperson at its first meeting, and thereafter at the first meeting in each succeeding fiscal year the Administrative Entity shall elect or re-elect its Vice-Chairperson.

In the absence or inability of the Chairperson to act, the Vice-Chairperson shall act as Chairperson. The Chairperson, or in his or her absence the Vice-Chairperson, shall preside at and conduct all meetings of the Administrative Entity. In the event the office of City Manager or General Manager of the Lead Agency shall become vacant, the Vice-Chairperson shall serve as Chairperson until a new City Manager or General Manager is appointed by the Lead Agency. If the office of Vice-Chairperson shall become vacant, the Administrative Entity shall appoint a Vice-Chairperson at the next regular meeting of the Administrative Entity held after such vacancy occurs.

MINUTES

The Chairperson of the Administrative Entity shall cause to be kept minutes of regular, adjourned regular, and special meetings, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Administrative Entity and to the agencies hereto.

Section 5. Contributions.

Each of the Original Parties shall contribute $10,000.00 to the Coalition within thirty days after execution of this

Agreement. The Policy Board shall establish the amount of initial contribution which shall be due from new members, at the time when the Policy Board approves the admission of the new member into the Coalition.

The Policy Board may require additional contributions upon the approval of a majority of all members of the Policy Board. Within thirty days of the action of the Policy Board, each member agency that does not withdraw from the Coalition during the thirty day period shall thereupon make the required contribution.

The Lead Agency will only be required to pay half the amount levied against the other members. The Policy Board may unanimously provide for a different distribution of contributions.

Section 6. Obligation for Debts and Distribution of Assets.

The agencies which are parties to this Agreement shall not be responsible for any of the debts, liabilities or obligations of the Coalition. All such debts, liabilities or obligations shall exclusively be those of the Coalition.

Upon termination of the Coalition, all of its then existing assets shall be divided equally among the then remaining member agencies including the Lead Agency.

Section 7. Withdrawal by Member Agencies.

Any member agency may withdraw upon 30 days written notice. Upon such withdrawal, the withdrawing agency shall pay all contributions approved by the Policy Board pursuant to Section 5 more than thirty (30) days prior to the date the agency provides written notice of its intention to withdraw. Should any unencumbered funds exist at the end of the fiscal year during which the Agency withdrew, the withdrawing agency shall be paid a share of such funds determined by multiplying the remaining funds by the ratio of the total funds contributed by the withdrawing agency during the fiscal year divided by the total funds contributed by all agencies during the fiscal year.

Section 8. Admission of New Members.

The terms of this Agreement shall be binding on every public agency admitted to the Coalition pursuant to an action of the Policy Board. Each new member shall execute a counterpart of this Agreement, which shall become effective on the date specified by the Policy Board. This date shall be indicated in the counterpart of the Agreement.

Section 9. Governmental Responsibilities

Nothing in this Agreement shall be interpreted as restricting member agencies in the exercise of their governmental powers as provided by law.

IN WITNESS WHEREOF, this Agreement is executed by the parties as follows:

CITY OF LAKEWOOD

MAYOR

ATTEST:

CITY CLERK, ACTING

CITY OF LAKEWOOD

APPROVED AS TO FORM

CITY ATTORNEY

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