

**SECOND AMENDMENT TO
JOINT EXERCISE OF POWERS AGREEMENT
FENNER VALLEY WATER AUTHORITY**

THIS SECOND AMENDMENT TO THE JOINT EXERCISE OF POWERS AGREEMENT ("Second Amendment") is made and entered into on June 19, 2020 by and among Santa Margarita Water District, a California water district ("SMWD") and Fenner Valley Mutual Water Company, a California nonprofit mutual benefit corporation ("FVMWC") (each individually a "Member" and collectively "Members"), to amend the provisions related to the formation and governance of the Fenner Valley Water Authority ("Authority").

RECITALS

- A. Members entered into a Joint Exercise of Powers Agreement on November 14, 2014.
- B. The First Amendment was approved by SMWD and FVMWC on October 4, 2017 and removed the requirement that the Directors and Alternate Directors to the Authority Board be Directors of the member agency Board of Directors. The Amendment provides flexibility and discretion in selecting individuals to serve. In addition, the Amendment allows for the Alternates appointed by the Managing Member (SMWD) to serve for either of its Board Members.
- C. On December 9, 2019, the Authority approved seeking an amendment to the Joint Exercise of Powers Agreement to provide flexibility of when Members are appointed to the Board of Directors, changing the annual appointment process to an as needed basis.

TERMS OF AGREEMENT


In consideration of the mutual promises and covenants herein contained, the Members agree to delete Article 6, Section 6.3 ("Directors") in its entirety, replaced to read in full as follows:

6.3 Directors. The initial Board shall consist of three (3) Directors and three (3) Alternate Directors. Each Member shall appoint one Director and one Alternate Director to the Board. The Managing Member shall appoint one additional Director and one additional Alternate Director. Alternate Directors shall have no vote and shall not participate in any discussions or deliberations of the Board, if the Director is present and qualified to participate. If a Director is not present, or if a Director has a disqualifying conflict of interest which precludes participation by the Director in any decision-making process of the Board, the Alternate Director appointed to act in his or her place shall assume all rights of the Director, and shall have the authority to act in his or her absence, including casting votes on matters before the Board. Alternate Directors appointed by the Managing Member may serve in the place of either Director appointed by the Managing Member in either Director's absence or disqualification. Directors and Alternate Directors will serve at the pleasure of the appointing Member. Members will inform the Authority of a change in its appointed Directors as needed.


IN WITNESS WHEREOF, the member hereto have executed this Second Amendment by authorized officials thereof on the dates indicated below.

SANTA MARGARITA WATER DISTRICT

DATED: June 19th 2020

By: 
Title: General Manager


APPROVED AS TO FORM:

By: 
Title: General Counsel

Address: 26111 Antonio Parkway
Rancho Santa Margarita, CA

FENNER VALLEY MUTUAL WATER
COMPANY

DATED: 07-01-2020

By: 
Title: CEO

APPROVED AS TO FORM:

By: 
Title: General Counsel

Address: 550 South Hope Street, Suite 2850
Los Angeles, CA 90071