

MEMORANDUM OF UNDERSTANDING COMMUNITY WATER SYSTEMS ALLIANCE

This Memorandum of Understanding (“MOU”) is entered into this ____ day of _____, **2020** (“Effective Date”) by and between the California Association of Mutual Water Companies, a California non-profit mutual benefit corporation (“Cal Mutuals”), and _____ (“Participant”) with respect to the following.

RECITALS

- A. There are numerous regulatory and legislative issues facing water suppliers in California, including, but not limited to, water quality standards, requirements to limit water losses, a potential water tax, funding mechanisms for low-income rate assistance and long-term water use efficiency requirements.
- B. There are numerous water suppliers serving disadvantaged and severely disadvantaged communities that, while operating efficiently and well, do not, on an individual basis, have the financial resources to be able to effectively advocate with respect to the issues identified in Recital A.
- C. Cal Mutuals is a non-profit association formed to provide effective advocacy for, and to facilitate operational and educational resources to ensure effective and compliant operation and governance of, mutual water companies and other small water systems in California.
- D. Cal Mutuals has worked with various water systems to develop a collaborative program to assist water systems serving disadvantaged and severely disadvantaged communities with regulatory and legislative advocacy, as described in Section 1, below (the “Initiative”).
- E. The Community Water Systems Alliance (“CWSA”) is an alliance of water systems who are undertaking the Initiative, working with and through Cal Mutuals as described herein.
- F. Participant desires to participate in CWSA and desires to make a financial contribution to help offset the costs of the Initiative, in accordance with the provisions set forth below.

NOW, THEREFORE, Participant and Cal Mutuals agree as follows:

1. The Initiative. Cal Mutuals will provide the services necessary to administer and coordinate the functions relating to the Initiative, as guided by the principles attached hereto as Exhibit A and incorporated herein by this reference. Participant, in its sole discretion and at its sole cost, may provide services of its employees to assist with implementing the Initiative. Participant shall cooperate with Cal Mutuals in coordinating and organizing any such services that are to be provided in conjunction with the Initiative.

2. Participant's Financial Contribution.

(a) Cal Mutuals has established the following **annual dues** structure for Participants to join and participate in CWSA. The CWSA fiscal year begins annually on October 1 and ends on September 30.

Individual Disadvantaged Communities:

Tier 1: Annual Gross Revenues of less than \$250,000	\$ 500
Tier 2: Annual Gross Revenues between \$250,000 and \$499,999	\$ 750
Tier 3: Annual Gross Revenues between \$500,000 and \$999,999	\$ 1,250
Tier 4: Annual Gross Revenues between \$1,000,000 and \$3,999,999	\$ 2,500
Tier 5: Annual Gross Revenues of \$4,000,000 and higher	\$ 5,000

Tier 6: Regional Water Agencies Representing Multiple Disadvantaged Communities and water suppliers with no qualified DACs: \$10,000

Tier 7: Anchor Members \$30,000

(b) Participant's annual gross revenues place it in Tier _____, and Participant shall therefore pay dues of \$_____. That amount may be paid in a lump sum or through a payment arrangement to be agreed upon by Participant and Cal Mutuals. The amount shall be payable by check payable to Cal Mutuals or by wire transfer or other electronic funds transfer in the manner directed by Cal Mutuals. Cal Mutuals shall separately account for all such contributions and shall utilize Participant's and other CWSA members' contributions only for costs related to the Initiative and its administration. Cal Mutuals shall issue a quarterly report of CWSA's income and expenses, including the use of Participant's contribution, on or before the thirtieth (30th) day following the end of each calendar quarter (i.e., March 31, June 30, September 30 and December 31). Participant acknowledges that, with the exception of the dues structure set forth in subsection (a), above, the financial contributions of other CWSA members may vary and may be greater than or less than Participant's contributions.

3. CWSA Participant Issues. Participant shall allow Cal Mutuals to use Participant's name in any correspondence that Cal Mutuals may send regarding the Initiative and in any materials used in soliciting additional members in CWSA; provided, however, that if such correspondence relates to any position CWSA will be taking, including, but not limited to legislation or regulatory matters, Participant shall be provided the opportunity to opt out of being specifically named in any such correspondence by notifying Cal Mutuals by telephone or e-mail within twenty-four (24) hours after being notified of the position CWSA proposes to take. If the Participant desires to opt out from being included on any such communication, Cal Mutuals will remove Participant's name from the communication. Upon written request of Participant, Cal Mutuals shall promptly (i.e., within three business days) provide Participant by e-mail with a list of all participants in CWSA and their respective contributions.

4. Audit/Inspection. Upon at least forty-eight (48) hours' prior written notice, Participant may audit or inspect, at Participant's sole cost and expense, Cal Mutuals' accounting books and records relating to CWSA and the Initiative.

5. Term; Termination. This MOU shall have an indefinite term, although it is contemplated to last approximately two years. Because CWSA is intended to be a temporary program, it may be terminated at any time by the vote of at least sixty percent (60%) of its members. Participant may withdraw from CWSA at any time, upon at least seven (7) days' written notice. Such withdrawal shall not entitle Participant to a refund of any portion of its contribution under Section 2, above, unless any audit or inspection under Section 4, above, reveals the misappropriation of funds by Cal Mutuals, in which case CWSA shall be entitled to the return of its entire contribution or such other amount thereof as the parties may agree.

6. Indemnification. Cal Mutuals shall indemnify and defend Participant, and its members, directors, officers, employees and agents, against any third party claims, losses, liabilities damages, lawsuits, claims, judgments or other costs resulting from Cal Mutuals' gross negligence or intentional misconduct in performing its duties hereunder. In the event Participant provides employees to render services in conjunction with the Initiative, Participant shall indemnify and defend Cal Mutuals, and its members, directors, officers, employees and agents, against any third party claims, losses, liabilities damages, lawsuits, claims, judgments or other costs resulting from the gross negligence or intentional misconduct or any employee of Participant in rendering such services.

7. Notices. Any notice or other communication to be provided under this MOU shall be in writing, and shall be deemed effectively given upon personal delivery; or upon deposit in any United States mail box, by registered, certified, Priority, or Express mail, postage prepaid; or upon delivery by nationally recognized overnight courier; or upon confirmed transmission by facsimile, addressed to the other party at the address shown below.

8. Governing Law. This MOU shall be governed by and construed in accordance with the laws of the State of California.

9. Amendment. This MOU may be modified only by a written agreement signed by both parties.

10. Severability. If any court determines that any provision of this MOU is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this MOU invalid or unenforceable and such provision shall be modified, amended or limited only to the extent necessary to render it valid and enforceable

11. Counterparts; Execution Transmitted by E-Mail or Fax. This MOU may be executed in counterparts, effective as of the Effective Date first set forth above. The parties agree that this MOU will be considered signed when the signature of a party is delivered by e-mail or by facsimile transmission. Such e-mailed or facsimile signature shall be treated in all respects as having the same effect of an original signature. IN WITNESS WHEREOF, the Participant and Cal Mutuals have executed this MOU as of the date first above written.

California Association of Mutual Water
Companies

By Lisa Yamashita-Lopez, President

By _____

Address:
1370 N. Brea Blvd., Suite 238
Fullerton, CA 92835

Address: