

**AGREEMENT OF THE
GOVERNMENT FINANCIAL SERVICES
JOINT POWERS AUTHORITY**

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THIS AGREEMENT (“Agreement”) is entered into pursuant to the provisions of Title I, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code (“Government Code”), relating to the joint exercise of powers between the signatory public agencies for the purpose of operating an agency known as **GOVERNMENT FINANCIAL SERVICES JOINT POWERS AUTHORITY**.

RECITALS:

WHEREAS, the Government Code permits two (2) or more public agencies to join or exercise any power common to them.

WHEREAS, the signatories have determined that there is a need by public agencies for expertise in financial matters including, but not limited to, planning and implementing financings and best practices in their financial strategies.

WHEREAS, each of the member agencies individually have the authority to perform and procure the services contemplated by the Joint Powers Authority.

WHEREAS, the intent of the Joint Powers Authority is to follow the law and be ethical.

WHEREAS, each signatory has determined that it is economically practical and for its public benefit and in its interest to do so.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF ALL OF THE MUTUAL BENEFITS, COVENANTS AND AGREEMENTS CONTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1

CREATION OF THE JOINT POWERS AUTHORITY

A Joint Powers Authority, separate and apart from the public agencies that are party to this Agreement, is hereby created and designated as the GOVERNMENT FINANCIAL SERVICES JOINT POWERS AUTHORITY (the “Authority”).

ARTICLE 2

PURPOSE OF THE AUTHORITY

The Authority is established primarily to assist the parties to this Agreement (the “Members”) and other public agencies with their financial matters including, but not limited to, planning, and implementing financings and best practices in their financial strategies, as described further in Article 4, for the ultimate purpose of providing fiscal benefits to the Members and to the taxpayers which support them. Notwithstanding the above terms, the Authority may engage in any legal act.

ARTICLE 3

POWERS OF THE AUTHORITY

The Authority, acting through its Board of Directors (“Board”), shall have the power and authority to exercise any power common to the public agencies which are parties to this

Agreement, provided that the same is in furtherance of the functions and objectives of this Agreement, including, but not limited to the following powers:

- A. To make and enter into contracts.
- B. To employ agents and employees.
- C. To enter into contracts, including purchase agreements.
- D. To acquire, hold and/or dispose of real and personal property.
- E. To construct, manage, maintain, or operate any building, works or improvements.
- F. To incur debts, liabilities, and obligations.
- G. To sue and be sued in the name of the Authority.
- H. To receive gifts, contributions and donations of property, funds, services, or other forms of assistance from members, firms, persons, corporations, associations, and any other governmental entity in accordance with existing laws.
- I. To invest surplus funds as permitted by law.
- J. To receive, collect, and disburse moneys.
- K. To carry out all provisions of this Agreement.
- L. To retain experts and consultants to assist the Authority in the performance of the duties specified below in Article 4.
- M. To employ or retain legal counsel to advise on matters relating to the operation of the Authority.
- N. To exercise other reasonable and necessary powers in furtherance or support of any purpose of the Authority or power granted by the Joint Powers Law, this Agreement, or the Bylaws of the Authority, as adopted by the Board.

Pursuant to Section 6509 of the Government Code, the exercise of the powers of the Authority shall be subject to the same restrictions upon the manner of exercising its powers as imposed upon one (1) of the contracting parties, namely the Kern County Superintendent of Schools.

ARTICLE 4

FUNCTIONS OF THE AUTHORITY

As necessary to fulfill its purposes, the Authority may provide, perform, assist, consult, train, or teach on any of the following functions, including but not limited to:

4.1. Financial Planning Projects:

- A. Financial modeling.
- B. Tax base analysis.
- C. Demographic analysis.
- D. New development impact mitigation.
- E. Financial and capital improvements planning.
- F. Ballot measures and election planning.
- G. Third party reviews and specialized debt analysis.
- H. Financial transactions, including but not limited to:
 - i. General obligation bonds.
 - ii. Certificates of participation (“COPs”).
 - iii. Lease-purchase financings.

- iv. Mello-Roos Community Facilities District (“CFD”) financing.
- v. Lease revenue bonds.
- vi. Tax and revenue anticipation notes (“TRANS”).
- vii. Limited obligation improvement/assessment bonds.
- viii. State and Federal loan programs.

4.2. Assistance & Support with Specialized Projects:

- A. Assessment, community facilities, and school facilities improvement districts.
- B. Special taxes (including parcel taxes and Mello-Roos taxes).
- C. Community engagement.
- D. Citizens’ Bond Oversight Committee training and consulting.
- E. Fraud prevention and examination.
- F. Financial review and analysis.
- G. Public employee workforce housing.
- H. Property purchase, sale, and lease planning and negotiations.
- I. Energy project pro formas and feasibility studies.

4.3 Administration and Compliance Efforts:

- A. Post-bond sale compliance.
- B. Annual continuing disclosure reports (to Electronic Municipal Market Access “EMMA”).
- C. Annual debt transparency reports (to the California Debt and Investment Advisory Commission “CDIAC”).
- D. Significant event monitoring and disclosure reports.
- E. Development of debt policies and arbitrage and rebate regulation compliance procedures.
- F. Coordination regarding investment of proceeds.
- G. Pension and Other Post-Employment Benefits trust analysis and coordination.
- H. Long-term capital project budgeting and debt monitoring.
- I. Credit rating monitoring and oversight.
- J. Analysis and implementation of refinancing opportunities.
- K. Assistance with debt prepayment, redemption, and termination procedures.

4.4 Other Services: The Authority may perform such other functions as may be necessary or appropriate to carry out the Agreement, including provision of services to non-members, so long as such other functions so performed are not prohibited by any provision of law and are not otherwise inconsistent with this Agreement or the Bylaws.

ARTICLE 5

TERM OF THE AGREEMENT

This Agreement shall become effective at the later of July 1, 2022, or at 12:01 a.m. on the day following the date on which two (2) eligible Public Agencies approve this Agreement, as evidenced by signature to this Agreement and, for those public agencies that require it, adoption of an authorizing governing board resolution.

This Agreement shall be ongoing and continue in effect until lawfully terminated as provided herein and in the Bylaws.

ARTICLE 6

BYLAWS

The operations of the Authority shall be carried out pursuant to the Bylaws as adopted and from time to time amended by the Board of Directors.

ARTICLE 7

MEMBERSHIP

7.1 Definition: Membership shall be limited to public agencies, as that term is defined in Government Code Section 6500, who satisfy any further requirements specified in the Bylaws and have been admitted to membership. Each Member shall be entitled to the rights and privileges of and subject to the obligations of membership as provided in this Agreement and the Bylaws. Members may withdraw or be expelled from the Authority as specified in the Bylaws.

7.2 Membership Classes: There shall be two (2) classes of membership. Founding Members shall have permanent seats on the Board and shall consist of those members who: (1) Joined the Authority as Founding Members by July 1, 2022; or (2) Selected by other Founding Members to replace a Founding Member who has left the Authority. The Replacement Founding Member shall also have a permanent seat on the Board. There shall be no more than seven (7) Founding Members. All other members shall be Regular Members. Certain Members will be asked to join the Board for a stated term, as further stated below. Whenever the Authority refers to "Members" (without specifying whether Founding or Regular), the term applies to all classes of members.

7.3 Application for Membership: Any public agency may apply to be a Member by submitting an application to the Authority. If approved, a Member must pay an annual membership fee. A Regular Member may participate in all activities and programs of the Authority but shall not have voting rights unless selected by the Board to serve on the Board.

ARTICLE 8

BOARD OF DIRECTORS

8.1 Subject to the provisions and limitations of Government Code Section 6500 and following and any other applicable laws, and subject to any limitations in this Agreement or the Bylaws, the Authority's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under direction of the Board of Directors.

8.2 Number of Board Members: The Board shall be comprised of one (1) Representative from each of the Founding Members. In addition to the Representative appointed by each Member to represent such Member, an Alternate is to be designated by the Member, who may vote only in the absence of the Representative. There will be a maximum of seven (7) Founding members. The Board shall have the responsibility to oversee all functions of the

Authority. The Board may delegate to an Executive Committee, certain day-to-day operations of the Authority, save the following, which may not be delegated:

- A. Approval of financial transactions outside the ordinary course of operations.
- B. Expulsion of a Member from the Authority.
- C. Termination or suspension of the rights of a Member in default.
- D. Approval of the dissolution of the Authority.
- E. Approval to amend this Agreement (by two-thirds vote).

8.3 At-Large Board Members: The Board may appoint from the Regular Members, up to four (4) At-Large Board Members, who each shall serve as a Board Member for a period of three (3) years. The At-Large Board Members may serve up to two (2) consecutive terms. At-Large Board Members shall have a Representative and an Alternate who serves in the place of the Representative, as required. Both the Representative and the Alternate shall be designated by the Member.

8.4 Executive Committee: When the number of Board Members exceeds ten (10), the Board may delegate the day-to-day operations of the Authority to an Executive Committee whose functions and authority are further set forth in Article 9, below.

8.5 Members of the Board of Directors shall serve as unpaid volunteers; however, the Members of the Board of Directors may receive such reimbursement of expenses as the Board may establish by resolution to be just and reasonable as to the Authority.

ARTICLE 9

EXECUTIVE COMMITTEE

9.1 The Executive Committee shall be comprised of at least three (3) members of the Board of Directors as determined in the Bylaws.

9.2 The Executive Committee, unless limited by a resolution of the Board, shall have, and may exercise all the authority of the Board in the management of the regular business and affairs of the Authority; provided, however, that the Executive Committee shall not have the Authority of the Board in reference to those matters enumerated in Article 8 as reserved for the Board of Directors. The Executive Committee shall provide a meeting summary to the full Board, including all resolutions, at the next regularly scheduled Board meeting unless already reported out at a special meeting.

9.3 The Executive Committee shall make regular reports to the Board as to its activities. Members of the Executive Committee shall serve a term of two (2) years and may have their terms renewed by a majority vote of the Board.

ARTICLE 10

ACCOUNTABILITY OF FUNDS

The Authority shall ensure strict accountability of all funds and report of all receipts and disbursements. The Authority shall provide in its Bylaws for the assignment of responsibility for financial operations and accountability (e.g., auditing).

ARTICLE 11

TERMINATION OF AGREEMENT

11.1 Termination of this Agreement may be initiated upon either a) two-thirds vote of all Members or b) the withdrawal or removal from membership of all Members pursuant to the Bylaws, in either case an “Act of Dissolution.”

11.2 In the event of an Act of Dissolution, this Agreement, the Bylaws, and the Authority shall continue to exist until such time as the disposition of all claims and payment or provision for obligations, distribution of assets, and all other functions necessary to wind up the affairs of the Authority have been completed, at which time the Agreement shall terminate.

11.3 “Obligations” shall include, but not be limited to, all payments required by law, together with any reserves established for the purpose of paying liabilities, together with any other legal obligations incurred by the Authority pursuant to this Agreement.

ARTICLE 12

DISPOSITION OF PROPERTY AND FUNDS

In the event of termination of the Agreement, the assets net of any liabilities of the Authority shall be distributed and apportioned among the current Members, in proportion to the fees paid by each Member since the formation of the Authority, consistent with Government Code Section 6512.

In the event a Member withdraws from membership in the Authority prior to an Act of Dissolution, that Member’s interest in the property and funds of the Authority shall be determined as set forth in the Bylaws.

ARTICLE 13

INVESTMENT OF SURPLUS FUNDS

The Authority shall have the power to cause to be invested in compliance with Section 6509.5 of the Government Code such surplus funds as are not necessary for the immediate operation of the Authority in such investments as permitted by law.

ARTICLE 14

AMENDMENTS

The Board may agree to amend this Agreement with a two-thirds vote of the sitting members of the Board. Such amendments shall be binding upon all Members of the Authority. Failure of a Member to abide by an amendment may result in involuntary termination of such Member as provided in the Bylaws.

ARTICLE 15

SEVERABILITY

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any laws of the State of California including Government Code Section 6502, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

ARTICLE 16

LIABILITY AND INDEMNIFICATION

16.1 Any and all debts, liabilities and obligations incurred by or imposed upon the Authority shall be the debts, liabilities, and obligations solely of the Authority and no debt, liability or obligation shall thereby be imposed on any party (or the collective parties) to the Agreement. Notwithstanding the foregoing, each Member shall be liable for its pro rata share of those obligations imposed by Government Code Section 6508.1, relating to employee retirement benefits. The tort liability and immunities of the members of the Board or any committee appointed thereby, and all officers and employees of the Authority, shall be governed by Government Code section 810, et seq.

16.2 The Authority shall insure itself to the extent deemed necessary by the Board against loss, liability and claims arising out of or connected with this Agreement.

ARTICLE 17

FILING WITH THE SECRETARY OF STATE

A notice satisfying the requirements of Section 6503.5 of the Government Code shall be filed with the Office of the Secretary of State and Office of the State Controller no later than thirty (30) days following the date this Agreement becomes effective.

This Agreement may be executed in counterpart originals. Facsimile shall be deemed originals.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS JOINT EXERCISE OF POWERS AGREEMENT FOR THE OPERATION OF THE GOVERNMENT FINANCIAL SERVICES JOINT POWERS AUTHORITY BY THEIR AUTHORIZED OFFICERS AS SET FORTH BELOW AND IN COUNTERPART:

Date:

Member:

By : _____
Designated Representative