

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
October 15, 2018 at 1:30 p.m.

1. Call to Order, Flag Salute, Invocation and Roll Call

2. Adoption and Adjustment of Agenda

3. Public Comment: Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary. Speakers are requested to keep their comments to no more than five minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up.

4. Consent Calendar: If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approval of the Minutes of the Regular Board Meeting, October 1, 2018* (p. 2)
- B. Approval of the Minutes of the Engineering Workshop, October 8, 2018* (p. 6)

5. Reports:

- A. General Counsel Report* (p. 9)
- B. Directors' Reports
- C. Committee Reports

6. New Business:

- A. Consideration of and Possible Action on Assignment of MWQI to SWC* (p. 10)
- B. Consideration of and Possible Action on Amendment No. 1 to Municipal Water Quality Investigations Agreement (MWQI)* (p. 15)

7. Topics for Future Agendas

8. Announcements:

- A. Finance & Budget Workshop, October 22, 2018 at 1:30 p.m.
- B. San Gorgonio Pass Regional Water Alliance, October 24, 2018 at 5:00 p.m. – Banning City Hall
- C. Regular Board Meeting, November 5, 2018 at 1:30 p.m.

9. Closed Session (1 Item)

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957
Title: General Manager

10. Adjournment

Information included in Agenda Packet

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's internet Web site, accessible at: www.sgpwa.com (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
October 1, 2018

Directors Present: David Fenn, President
Ron Duncan, Vice President
Lenny Stephenson, Treasurer
Blair Ball, Director (arrived at 1:38 pm)
David Castaldo, Director (arrived at 1:44 pm)
Stephen Lehtonen, Director
Michael Thompson, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Thomas Todd, Finance Manager
Cheryle Rasmussen, Executive Assistant

1. **Call to Order, Flag Salute, Invocation, and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President David Fenn at 1:30 p.m., October 1, 2018 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. President Fenn gave the invocation. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *President Fenn asked if there were any adjustments to the agenda. There being none the Agenda was adopted as presented.*
3. **Public Comment:** *President Fenn asked if there were any members of the public that wished to make a public comment on items that are within the jurisdiction of the Agency. There were no members of the public that wished to comment at this time.*
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Water Rate Workshop, September 13, 2018
 - B. Approval of the Minutes of the Regular Board Meeting, September 17, 2018
 - C. Approval of the Minutes of the Finance and Budget Workshop, September 24, 2018
 - D. Approval of the Finance and Budget Workshop Report, September 24, 2018

Director Duncan made a motion, seconded by Director Stephenson, to adopt the consent calendar as presented. Motion passed 5-0, with Directors Ball and Castaldo not yet arrived.

5. Reports:

A. General Manager's Report:

(1) Operations Report: a) The Agency delivered 1145 acre-feet of Table A water to the Noble Creek Connection for the month of September. b) The SWP month-long shutdown for annual maintenance that was scheduled for December 2018 has been cancelled. The next month-long shutdown will take place December 2019. c) There will be a minor shutdown (2-3 days) sometime in late 2018 to accommodate Southern

California Edison, as they will be replacing a power pole that serves Crafton Hills Pump Station.

(2) Construction Update: General Manager Davis provided a PowerPoint presentation that showed the current construction for the Fiesta Recharge Facility.

(3) General Agency Updates: **(a) Ham Radios:** General Manager Davis reported that SBVMWD is well equipped to handle emergency situations i.e. an earthquake, as they have both satellite phones and ham radios. **(b) Noble Enlargement:** Signed drawings were received from DWR late last week. Advertising for construction of the project will take place this week. Bids will be opened on October 31st. Award of contract will probably be on the November 19th Board meeting agenda. **(c) Managers Meeting Update:** The Agency's water rate was reviewed by the managers. Managers were asked if the procurement of Nickel water was a mistake on the part of the Agency. No one indicated that it was a mistake. The next Managers meeting will take place on October 11th. **(d)** DWR sent out its August invoice reflecting the cost of SWP Table A water at \$280 an acre-foot; a slight decrease from the \$295 acre-foot in July.

B. General Counsel Report: General Counsel Ferre provided information that the Board had requested on the Best Best & Krieger Public Policy and Ethics program. There are currently 85 participants in the program. The Agency falls within Tier 1 for special districts; this is due to the population within the Agency's boundaries. He explained the work product and how much it is per year. He listed items that had been provided to the Agency during the course of a year. President Fenn recommended that this item be discussed during the next Finance and Budget workshop; Counsel Ferre will not be required to attend.

B. Directors' Report: **1) Director Stephenson** reported that he attended the YVWD workshop on September 18th and on September 25th, both of which the Agency's water rate was listed on the agenda. There was no discussion on the water rate between the board members at either meeting. **2) President Fenn** reported on the SGPRWA meeting. A presentation was provided by Juliana Adams from Riverside County Flood Control and Water Conservation District. She spoke on Integrated Regional Water Management Plans and funding. Ms. Adams informed the group that one agency from the area needs to submit proposals for all projects. President Fenn stated that the SGPRWA's ongoing agenda reports include:

- a. Manager's Meeting Report
- b. Capacity Fee Update
- c. SGPWA - Report on Water Rate Workshop
- d. Beaumont Basin Water Master Meeting Report
- e. Legislative Update
- f. Imported Water Supply Update
- g. Alliance Agency Members Update

The next SGPRWA meeting will take place on October 24th. S representative of PACE will be presenting on the Pardee Atwell project at the October 24th meeting. He will

speak on the storm water management design, flood control, habitat mitigation, and groundwater recharge.

C. Committee Reports: 1) **Director Lehtonen** stated that there is a scheduled Strategic Planning Committee meeting for November 1st.

6. New Business:

A. Consideration and Possible Action to Appoint an Alternate Member to the Yucaipa GSA: A staff report and a copy of the Bylaws of the Yucaipa GSA were included in the agenda packet. General Manager Davis stated that during the last Board meeting Director Stephenson requested information on how to appoint an alternate to the Yucaipa GSA. The Bylaws state that each Party shall appoint a principal representative and an alternative representative and each representative shall be a senior executive management level employee of each designating Party. Directors Stephenson and Ball both suggested that staff inquire with the Yucaipa GSA if they would consider changing its Bylaws - Section 1.3 to allow board members to be a representative on the GSA. After discussion, Director Duncan made a motion, seconded by Director Stephenson, to direct General Manager Davis to appoint Finance Manager Thomas Todd as the alternate Yucaipa GSA representative. Staff is to inquire with the Yucaipa GSA if they would consider changing its Bylaws - Section 1.3 to allow board members as a representative/alternate representative. Motion passed 7-0.

B. Consideration and Possible Action Regarding Adoption of a Capitalization Policy: A staff report and a copy of the draft capitalization policy were included in the agenda packet. President Fenn stated that the draft capitalization policy was reviewed in detail during the September 24th Finance and Budget workshop. At that meeting, the Board voted to bring the proposed policy to the Board for approval. He stated that there were potential wording changes in the policy. Finance Manager Thomas Todd stated to the Board what the wording changes were. President Fenn made a motion, seconded by Director Duncan, to adopt the capitalization policy as presented. Motion passed 7-0.

7. Topics for Future Agendas: Director Ball requested information on a contingency plan for overflow at the Fiesta Recharge Facility at the next Engineering workshop. He would like to know who owns the property should there be an overflow and how is it designed in case there is an emergency.

8. Announcements:

- A. Engineering Workshop, October 8, 2018 at 1:30 p.m.
- B. Water Conservation and Education Workshop, October 11, 2018 at 1:30 p.m.
- C. Regular Board Meeting, October 15, 2018 at 1:30 p.m.

9. Closed Session (1 Item): President Fenn recessed the meeting to closed session at – Time: 2:12 p.m.

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957
Title: General Manager

President Fenn reconvened the meeting at – Time: 3:36 p.m.

General Counsel Ferre stated that there was no action taken during closed session that is reportable under the Brown Act.

10. Adjournment

President Fenn adjourned the meeting at: 3:36 p.m.

Draft - Subject to Board approval

Jeffrey W. Davis, Secretary of the Board

cmr

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
October 8, 2018

Directors Present: David Fenn, President
Blair Ball, Director
David Castaldo, Director
Ron Duncan, Vice President
Steve Lehtonen, Director
Leonard Stephenson, Director

Directors Absent: Michael Thompson, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Cheryle Stiff, Executive Assistant

1. Call to Order, Flag Salute and Roll Call. The Engineering workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Vice President Duncan at 1:30 p.m., October 8, 2018 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Vice President Duncan led the Pledge of Allegiance to the flag. A quorum was present.

2. Public Comment. There were no members of the public who wished to comment at this time.

3. Discussion of Governance of San Gorgonio Pass Subbasin GSA's. A copy of the San Gorgonio Pass Subbasin GSA Memorandum of Agreement was included in the agenda package for reference. General Manager Davis introduced Deborah Wordham of Best Best & Krieger, a SGMA specialist who has supported the Agency's SGMA efforts, and mentioned that she would help him make a presentation. He then summarized the San Gorgonio Pass Subbasin SGMA situation. The three GSA's had previously wished to amend the MOA to allow Advisory Councils as a method of accomplishing the necessary work and maintaining transparency, but the Board at a previous meeting did not allow the amendment. He related that the General Managers of the GSA members have since developed a new strategy based on an outreach program modeled on that of IRWMP's that does not require an amendment to the MOA. He noted that if the Board desired a higher level of transparency, they could direct him to hold periodic SGMA updates at Board meetings, thus giving the Board and the public additional opportunities to learn about the GSA's activities and to provide input if desired. The Board showed its support for the outreach process based on IRWMP's and directed the General Manager to hold SGMA updates quarterly for the Board starting in January.

4. Public Meeting to Receive Input on Potential Monitoring Well Sites in San Gorgonio Pass Subbasin. A series of maps of the Subbasin was included in the agenda package. General Manager Davis noted that, as a condition of a \$1 million grant the Agency received for drilling monitoring wells in the San Gorgonio Pass Subbasin, a public meeting must be held to seek stakeholder input on the locations

of the monitoring wells. He reviewed the maps with the Board and with the public and noted the thought process behind the selection of the final three sites. He described the eastern boundary of the Subbasin and noted that virtually no water level data exists for that portion of the Subbasin, and because of that any model of the basin could not be considered to be accurate and would not be able to be calibrated. At the end of the presentation two members of the public made comments. One asked if the presence of Tamarisk trees would impact groundwater levels in the Subbasin, and the other supported the selection process of the three sites and the locations of the sites themselves. All three are owned by Caltrans, who is relatively easy to work with relative to obtaining easements. There was no other input received from the public at the meeting.

5. Discussion of Overflow Methodology of Fiesta Recharge Facility (Joseph Caldwell—Webb & Associates). General Manager Davis introduced Joseph Caldwell of Albert Webb & Associates who presented a short power point summarizing the drainage of the facility in the event of an emergency. He noted the primary and secondary overflow lines and described how they would work and that, even in the event that both of these failed, the facility is designed to drain to Mountain View Avenue, not to the existing middle school or the adjacent property. He answered a number of questions from board members and the public.

6. Update on Sites Reservoir. General Manager Davis provided verbal updates, noting that there were no documents supporting his updated information. He described a number of conference calls in which he participated that have resulted in:

- Progress on enabling the costs of Sites Reservoir to be put on the Agency's Statement of Charges. He noted that this issue is linked to the issues of priority of Sites water vis a vis SWP water, and not harming other Contractors when Sites water is delivered via the SWP.
- Discussions related to changing Phase 2 of the Sites project to be a series of one-year time periods, thus enabling Sites investors to reduce the amount of their investments prior to getting all the information they need to make a final decision on participation.
- Progress on integrating the reservoir into operation of the SWP and CVP. He noted that much modeling is going on to determine how best to accomplish this, given the additional water that would be added to the system.

General Manager Davis noted that there will be a Sites Reservoir Committee meeting on October 18 that he will attend. He assured the Board that he will be able to update this information at the next Board meeting.

7. Announcements

- A. Regular Board Meeting, October 15, 2018 at 1:30 p.m.
- B. Finance and Budget Workshop, October 22, 2018 at 1:30 p.m.
- C. San Gorgonio Pass Regional Water Alliance, October 24, 2018
- 5:00 p.m. Banning City Hall;
- D. Regular Board Meeting, November 4, 2018 t 1:30 p.m.

8. Adjournment: Vice President Duncan adjourned the meeting at 3:30 pm

Draft—subject to Board approval

Jeff Davis, Secretary to the Board

cmr



BEST BEST & KRIEGER
ATTORNEYS AT LAW

Memorandum

To: President and Members of the Board
San Geronio Pass Water Agency

From: Jeffrey F. Ferre, General Counsel
Best Best & Krieger LLP

Date: October 15, 2018

Re: General Counsel Report - Board of Directors Meeting

The Governor recently signed AB 747, by Assembly Member Caballero, which establishes an Administrative Hearings Office within the State Water Resources Control Board (“State Board”). Existing law authorizes the executive director of the State Board to issue complaints alleging violations of State Board orders and then the decision on such complaints is issued by the State Board. AB 747, effective July 1, 2019, creates within the State Board an Administrative Hearings Office (“Office”) composed of attorneys qualified to act as hearing officers in adjudicative proceedings involving water rights matters.

The intent of this legislation is for the Office to be an independent unit to serve as a neutral, fair, and efficient forum for adjudications. The Office will be staffed with qualified and impartial hearing officers to ensure that water rights matters are resolved in a timely manner. In addition, concerns have been raised in the past that the State Board acts as both the prosecutor and judge on complaints filed against water rights holders. The intent of this legislation is to provide a third party/hearing officer to adjudicate certain water rights matters.

The State Board will now have the discretion to enlist the assistance of a hearing officer from the Office depending on the type of enforcement action that the State Board is addressing. For example, and in general, the State Board may request a hearing officer to assist the State Board in conducting a hearing. In addition, the State Board may assign an entire matter to a hearing officer.

For example and in general, an Administrative Civil Liability Order (violation of a permit to divert water which was originally issued by the State Board) can be issued by the hearing officer. The party/entity that is the subject of the Order can then request a reconsideration of the matter before the State Board. By contrast, for rulings on matters other than Administrative Civil Liability Orders, the hearing officer will issue a proposed order and the State Board can then adopt, or change, the proposed order before it becomes final.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Assignment of the Municipal Water Quality Investigations Program to the State Water Contractors

DATE: October 15, 2018

Summary:

The Agency is a member of the State Water Project Contractors Authority (SWPCA), a joint powers agency consisting of a subset of the 29 State Water Contractors. One of the programs that the Authority manages is the Municipal Water Quality Investigation Program (MWQI). The Authority is going on hiatus, necessitating a new home for the program. The purpose of this proposed Board action is to change the MWQI agreements so that the program may be transferred to the State Water Contractors Inc (SWC).

Background:

A number of years ago, a large subset of the State Water Contractors (most of the urban Contractors) formed a joint powers authority, the State Water Project Contractors Authority, to perform some actions that the State Water Contractors could not.

At the time, the MWQI program, in another form, was operated by the State Water Contractors, but it was transferred to the JPA for various reasons. Since that time, it has been governed by a specific project committee of SWPCA known as the MWQI Specific Project Committee. The Agency is a longtime member of both SWPCA and the MWQI Specific Project Committee. Membership in MWQI has been helpful to the Agency and its customers in dealing with water quality issues on the State Water Project, in particular algae.

Other specific project committees have been operating under the SWPCA umbrella as well, including the Delta Specific Project Committee. This SPC has gone on hiatus and SWPCA's board has

decided to do the same thing for various reasons. However, the MWQI program is a popular one that the Contractors want to continue. Hence the proposed action to assign the MWQI program from SWPCA to SWC.

Detailed Report:

SWPCA was formed because it was felt that there were many opportunities for the Contractors to get involved in other issues. For years SWPCA met with DWR staff and others in an attempt to have the State Water Project operated by SWPCA (it would still have been owned by DWR). This effort eventually faded partly due to union issues and partly due to political issues.

The Delta SPC was formed at least in part because it was felt that it could be a funding vehicle for the Cal Water Fix. When a decision was made earlier this year to form a new finance JPA for this purpose (the Agency is a member of this JPA as well), the reasons for SWPCA's existence became less important. The Delta SPC helped fund a number of scientific studies performed by yet another JPA, the State and Federal Contractors Authority (SFWCA) that is in the process of disbanding because of the nature of how the finance and governance of the Cal WaterFix has worked out. Thus, the MWQI program is the only one currently active that is under SWPCA.

Over the past few months, SWPCA's board has discussed what its next steps should be. It was decided by the Board for the organization to go on hiatus for now—not to disband, but to stop meeting with any regularity (except for an annual meeting) until it is decided whether it should continue in existence or not.

There are two proposed Board actions, and the Board must vote on each of them separately. The first is an agreement among the members of SWPCA to assign the MWQI program to the State Water Contractors Inc, of which the Agency is also a member but which is not a joint powers authority.

The second is an amendment to the MWQI agreement between DWR and the members of the MWQI SPC to essentially do the same thing—assign the MWQI program to SWC. The first agreement is among Contractors only. The second involves DWR, which is a

partner in the MWQI. Much of the work funded by MWQI is performed by DWR employees.

The MWQI is a popular program among urban Contractors, as it enables them to keep up on water quality issues within the State Water Project and to monitor water quality on a real time basis. Among other things, the MWQI program has done a lot of research on algae and has helped make recommendations as to how to keep algae levels lower in the SWP and also to inform Contractors as to whether algae is toxic or not. Since algae has been an issue on the East Branch in recent years, it makes sense for the Agency to continue its membership in MWQI. The Agency pays its MWQI dues through the annual Statement of Charges from DWR.

Costs are not expected to change. In fact, any changes should be invisible to the members of the MWQI SPC. The work will continue to be done by the same people at the same cost. It will now be overseen by a new employee at SWC, the Science Manager. The Science Manager would have been hired by SWC regardless of the dispensation of the MWQI program.

Fiscal Impact:

There is no fiscal impact to the proposed actions.

Recommendation:

Staff recommends that the Board vote to:

- (1) Assign the SWPCA MWQI program to the State Water Contractors and
- (2) Approve Amendment No. 1 of the MWQI Agreement between DWR and SWPCA to assign the MWQI program to the State Water Contractors.

The MWQI program has been helpful to the Agency's customers by providing real time water quality data and by performing research related to algae in the State Water Project.

**ASSIGNMENT OF STATE WATER PROJECT
CONTRACTORS AUTHORITY MWQI PROGRAM
SPECIFIC PROJECT AGREEMENT TO STATE WATER
CONTRACTORS**

WHEREAS, the undersigned members of the State Water Project Contractors Authority (“SWPCA”) have executed a MWQI Program Specific Project Agreement to establish a MWQI Specific Project Committee (“SPC”) to perform supplemental water quality related services for the California Department of Water Resources (“DWR”) Municipal Water Quality Investigations (“MWQI”) Program for the period January 1, 2017 through December 31, 2019; and

WHEREAS, pursuant to the Specific Project Agreement, the members of the MWQI SPC have undertaken financial obligations and have deposited funds with SWPCA to pay for certain water quality related services through the MWQI SPC Account; and

WHEREAS, the members of the MWQI SPC are also members of the State Water Contractors (“SWC”) and wish to perform all of the obligations they have undertaken in the MWQI Program Specific Project Agreement as members of a MWQI Committee of the SWC, rather than as members of the MWQI SPC, by forming a new SWC MWQI Committee, dissolving the MWQI SPC, and assigning all of the rights and obligations set forth in the MWQI Specific Project Agreement from SWPCA to the SWC; and

WHEREAS, the SWC has agreed (a) to form a MWQI Committee whose members shall be the same as the members of the MWQI SPC, (b) on behalf of the members of the MWQI Committee to accept an assignment of the MWQI Program Specific Project Agreement from SWPCA, and (c) to administer funds on deposit for the services provided by the MWQI Committee in place of SWPCA’s MWQI Program Specific Project Agreement, conditional upon agreement by DWR and further conditional upon SWPCA’s transfer of all funds in the MWQI SPC Account to the SWC;

NOW, THEREFORE, SWPCA, the SWC., and the undersigned members of the MWQI SPC agree as follows:

1. The members of the MWQI SPC shall form a committee of the SWC to be known as the MWQI Committee.

2. The members of the MWQI Committee shall perform the obligations and enjoy the rights they have undertaken in the MWQI Program Specific Project Agreement as members of the MWQI SPC. The MWQI Program Specific Project Agreement is hereby assigned by SWPCA to the SWC, and the SWC agrees to administer that agreement in place of SWPCA, according to its terms.

3. The assignment set forth herein shall be effective upon the last to occur of the following: (a) execution of this assignment by all MWQI SPC members, SWPCA, and the SWC; (b) execution of an amendment to that certain agreement between DWR, SWPCA and participating State Water Project Contractors, identified as SWPAO No. 16303, to provide for assistance with DWR's MWQI Program by those State Water Project Contractors as members of the MWQI Committee rather than as members of the MWQI SPC; and (c) amendment of a Standard Services Agreement between SWPCA and Contra Costa Water District for participation in the MWQI Program for a term that ends on June 30, 2019, which shall provide for assignment of that agreement by SWPCA to the SWC.

4. Upon the effective date of the assignment of the MWQI Program Specific Project Agreement by SWPCA to the SWC as set forth herein, SWPCA shall transfer all funds in its MWQI SPC Account to the SWC, at which time the MWQI SPC shall be dissolved.

**AMENDMENT NO. 1 OF THE MUNICIPAL WATER
QUALITY INVESTIGATIONS AGREEMENT BETWEEN
THE DEPARTMENT OF WATER RESOURCES, THE
STATE WATER PROJECT CONTRACTORS AUTHORITY
AND PARTICIPATING STATE WATER PROJECT
CONTRACTORS (SWPAO NO. 16303)**

WHEREAS, the State of California, Department of Water Resources (“DWR”) has entered into an agreement (“Agreement”) dated September 1, 2017, with the State Water Project Contractors Authority (“Authority”) and participating Urban State Water Project Contractors (“Urban SWP Contractors”) including Alameda County Flood Control and Water Conservation District, Zone 7, Alameda County Water District, Antelope Valley-East Kern Water Agency, Castaic Lake Water Agency (now named Santa Clarita Valley Water Agency), Central Coast Water Authority, Crestline-Lake Arrowhead Water Agency, Kern County Water Agency, Metropolitan Water District of Southern California, Mojave Water Agency, Napa County Flood Control and Water Conservation District, Palmdale Water District, San Bernardino Valley Municipal Water District, San Geronio Pass Water Agency, San Luis Obispo County Flood Control and Water Conservation District, Santa Clara Valley Water District, and Solano County Water Agency, for the provision of certain water quality related services to DWR’s Municipal Water Quality Investigations (“MWQI”) program; and

WHEREAS, all of the Urban SWP Contractors signatory to the Agreement, except for San Luis Obispo County Flood Control and Water Conservation District, are also members of a MWQI Specific Project Committee formed by the Authority for the purpose of funding the services that the Authority provides to DWR’s MWQI program, and therefore the Authority itself is also a signatory to the Agreement; and

WHEREAS, the Authority and the Urban SWP Contractors wish to assign the MWQI Specific Project Committee's activities to the State Water Contractors, a non-profit mutual benefit corporation, which will form its own MWQI Committee consisting of the same Urban SWP Contractors that are already members of the Authority's MWQI Specific Project Committee, to continue to provide the same water quality related services to DWR that the Authority's MWQI Specific Project Committee currently provides; and

WHEREAS, the Authority also intends to assign to the State Water Contractors the three existing Consulting Services Agreements between the Authority and Tetra Tech, Inc., and Palencia Consulting Engineers, to provide services to DWR's MWQI program; and

WHEREAS, the Authority and the members of the Authority's MWQI Specific Project Committee also intend to transfer to the State Water Contractors all of the funds currently on deposit with the Authority to fund the activities of the Authority's MWQI Specific Project Committee, to pay for the water quality related services that the MWQI Committee of the State Water Contractors will provide to DWR's MWQI program, in place of the Authority, following the Authority's assignment of those activities from the Authority's MWQI Specific Project Committee to the State Water Contractors for performance by its MWQI Committee; and

WHEREAS, the purpose of this Amendment No. 1 is to provide for the assignment and transfer of funds as described herein, and to make conforming amendments to the Agreement to reflect the assignment.

NOW, THEREFORE, DWR, the Authority, and the Urban SWP Contractors hereby agree as follows:

1. The Authority's rights, obligations and interests in the Agreement are hereby assigned to the State Water Contractors.

2. The rights and obligations of the Urban SWP Contractors under the Agreement shall remain the same. However, hereafter the obligations performed by the Authority's MWQI Specific Project Committee will be performed by the MWQI Committee of the State Water Contractors.

3. The funds on deposit with the Authority to pay for financial obligations associated with the activities of the Authority's MWQI Specific Project Committee will be transferred to the State Water Contractors to pay for those obligations.

4. The Agreement is hereby amended such that: (a) all references to the Authority are hereby changed to refer to the State Water Contractors; (b) the term "MWQI SPC Account" is hereby changed to mean an account established by the State Water Contractors rather than an account established by the Authority; (c) the term "MWQI SPC Charge" is hereby changed to mean a charge collected by the State Water Contractors rather than a charge collected by the Authority; (d) the term "MWQI Specific Project Agreement" is hereby changed to mean an agreement entered into by Urban SWP Contractors as members of the MWQI Committee of the State Water Contractors rather than as members of the Authority's MWQI Specific Project Committee; and (e) the term "MWQI Project Committee (SPC)" is hereby changed to mean the Urban SWP Contractors as members of the MWQI Committee of the State Water Contractors.

5. Except as amended herein, all provisions of the Agreement shall continue in full force and effect, according to its terms.

6. The provisions of this amendment shall be conditional upon (a) assignment by the Authority to the State Water Contractors of the two Consulting Services Agreements with Tetra Tech, Inc., and the Consulting Services Agreement with Palencia Consulting Engineers for work currently contracted for DWR's MWQI program, (b) acceptance

of said assignments by the State Water Contractors, and (c) consent to said assignments by the affected consultants.

7. This amendment shall not be effective unless signed by DWR, the Urban SWP Contractors, and the Authority.

STATE OF CALIFORNIA, DEPARTMENT OF WATER RESOURCES

By: _____
Chief, Division of Environmental Services

Date: _____

**ALAMEDA COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT, ZONE 7**

By: _____
General Manager

Date: _____

ALAMEDA COUNTY WATER DISTRICT

By: _____
General Manager

Date: _____

ANTELOPE VALLEY-EAST KERN WATER AGENCY

By: _____
General Manager

Date: _____

SANTA CLARITA VALLEY WATER AGENCY

By: _____
General Manager

CENTRAL COAST WATER AUTHORITY

By: _____
Executive Director

CRESTLINE-LAKE ARROWHEAD WATER AGENCY

By: _____
General Manager

Date: _____

KERN COUNTY WATER AGENCY

By: _____
General Manager

Date: _____

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: _____
Group Manager, Water Resource Management

Date: _____

MOJAVE WATER AGENCY

By: _____
General Manager

Date: _____

NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By: _____
District Engineer

Date: _____

PALMDALE WATER DISTRICT

By: _____
General Manager

Date: _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
General Manager

Date: _____

SAN GORGONIO PASS WATER AGENCY

By: _____
General Manager and Chief Engineer

Date: _____

**SAN LUIS OBISPO COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**

By: _____
Public Works Director

Date: _____

SANTA CLARA VALLEY WATER DISTRICT

By: _____
General Manager

Date: _____

SOLANO COUNTY WATER AGENCY

By: _____
General Manager

Date: _____

STATE WATER PROJECT CONTRACTORS AUTHORITY

By: _____
General Manager

Date: _____

The State Water Contractors accepts assignment of the Agreement as set forth herein.

STATE WATER CONTRACTORS

By: _____
General Manager

Date: _____