

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
March 2, 2020 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, February 18, 2020* (p. 3)
- B. Approval of the Minutes of the Finance and Budget Workshop, February 24, 2020* (p. 7)
- C. Approval of Finance and Budget Report, February 24, 2020* (p. 9)
- D. Approval of the Minutes of the Special Board Meeting, February 24, 2020* (p. 21)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
- B. General Counsel Written Report
- C. Directors' Reports
- D. Committee Reports

6. New Business (Discussion and Possible Action)

- A. Consideration and Possible Action on Adding Delivery Points for Yucaipa Valley Water District* (p. 22)
- B. Consideration and Possible Action on Resolution 2020-01 to Amend Delta Conveyance Finance JPA Agreement* (p.36)
- C. Consideration and Possible Action to Award a Contract to Roberts Consulting Group for Executive Recruitment Services for the Position of General Manager* (p. 82)

7. Topics for Future Agendas

8. Announcements

- A. Engineering Workshop, March 9, 2020 at 1:30 p.m.
- B. Water Conservation and Education Workshop, March 12, 2020 at 1:30 p.m.
- C. Regular Board Meeting, March 16, 2020 at 1:30 p.m.

9. Closed Session (1 Item)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code section 54956.8
 Property: Potential water rights/supplies offers from the City of Ventura
 Agency negotiator: Jeff Davis, General Manager
 Negotiating parties: Lynn Takaichi
 Under negotiation: price and terms of payment

10. Adjournment

Pending Agenda Items:

<i>Request</i>	<i>Requester</i>	<i>Date of Request</i>	<i>Tentative Meeting Date Agenda</i>
Continued discussion on the Updated/revised calculations on water rate	Board	02/18/2020	03/2020
Final costs of: Fiesta Recharge; Noble Creek Connection & Temp Connection; Mtn. View Connection	Thompson	12/02/2019	02/03/2020 or 02/18/2020

***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 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 attend 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
February 18, 2020

Directors Present: Ron Duncan, President
Lenny Stephenson, Vice President
Michael Thompson, Treasurer
Blair Ball, Director
David Fenn, Director
David Castaldo, Director
Steve Lehtonen, Director

Staff Present: Jeff Davis, General Manager
General Counsel Jeff Ferre
Thomas Todd, Finance Manager

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 Duncan at 1:30 p.m., February 18, 2020 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Duncan led the Pledge of Allegiance to the flag. Director Lehtonen gave the invocation. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *President Duncan asked if there were any adjustments to the agenda.* There being none the agenda was adopted as published.
3. **Public Comment:** *President Duncan 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 that are not on today's agenda.* There were no members of the public that spoke at this time.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, February 3, 2020
 - B. Approval of the Minutes of the Engineering Workshop, February 10, 2020

President Duncan asked for a motion on the Consent Calendar. Director Lehtonen made a motion, seconded by Director Stephenson, to adopt the consent calendar. Motion passed 7-0.

5. **Reports:**
 - A. **General Manager's Report:** A written report was not provided in the agenda packet. General Manager Davis verbally reviewed the following:
 1. **Operations Report—** We delivered 1314 AF so far this month. We are continuing to deliver 24 cfs to BCVWD. We continue to try to reduce our carryover storage in SLR even though there is no information that would lead us to believe that a spill is imminent.

2. Other Agency Updates

- a. Progress was made at Delta Conveyance caucus last week; we are moving towards an “opt out” approach with side deals.
- b. General Manager Davis attended a meeting today of Calimesa water issues, along with SBVMWD, YVWD, and the facilitator. He will review the results of the meeting with the Calimesa ad hoc committee.
- c. Flume update: Banning and Banning Heights hired a prominent FERC attorney. They are having some good results by going to higher level managers in Washington. They have an agreement with US Fish and Wildlife Service to get a permanent easement for the flume.
- d. General Manager Davis reviewed a letter from the Governor to the Secretary of the Interior pertaining to the new BiOps.

B. General Counsel Reports: None.

C. Directors Reports: **1) Director Fenn** reported on the Beaumont Basin Watermaster meeting that was held on February 5th. **2) Director Stephenson** reported on the YVWD workshop that was held on February 4th. He reported on South Mesa Water District’s meeting that was held on February 5th. He reported on YVWD’s workshop that was held on February 11th. **3) President Duncan** reported that he attended Beaumont Chamber Breakfast on February 14th. He also attended the City of Banning’s Special City Council meeting that was held on February 11th. **4) Director Lehtonen** stated that he also attended the Beaumont Basin Watermaster meeting. **5) Director Ball** reported on the Beaumont Chamber breakfast meeting. He also reported on the BCVWD Board meeting that was held on February 12th.

D. Committee Reports: **1) Director Ball** stated that the Capacity Fee Ad-Hoc Committee met on February 10th.

6. New Business:

A. Consideration of Sponsorship of 2020 Inland Solar Challenge. (ISC) A staff report and related materials were included in the agenda package. Director Thompson reported that two members of the Conservation and Education Committee met on February 13th. During that meeting sponsorship for the 2020 Inland Solar Challenge was discussed. He remarked that the Board had made several recommendations to the ISC committee last year and that he was impressed that a number of our requests were met, including the Board recommended IRS exempt status 501(c)3 that will be issued this year. He stated that he had made a recommendation during the Conservation and Education Committee to sponsor the ISC for \$5000; this would help with the cost of the recommended 501(c)3. He noted that the other committee member was not in favor of this recommendation. ISC Co-chair Devin Arciniega with San Bernardino Municipal Water Department thanked Director Thompson for his report. She stated that the recommendations given were good recommendations, and that it is important to the committee to follow-up and incorporate worthwhile suggestions. Mr.

Mark Kline, a teacher from Banning High, spoke on the number of students that have submitted college applications and had noted that they were involved with the ISC. He remarked that the mere fact that the students included the ISC experience on their applications made a positive impact on the decision making by various colleges. Director Ball made a motion to fund the ISC in the amount of \$4000, by directing staff to use the proceeds of two meetings per director that are submitted for the month of February 2020, with the balance coming from the Water Conservation and Education budget. The maximum that each director shall submit per diem director fees for the month of February shall be three. The motion failed due to a lack of a second. Director Thompson made a motion, seconded by Director Castaldo, to sponsor the event in the amount of \$5,000. Discussion on this topic took place by the Board. Director Lehtonen made a motion to call for the question, which was seconded by Director Thompson. President Duncan asked for a vote on the motion to call for the question. Motion passed 7-0. President Duncan asked for a vote on the motion to sponsor the ISC event in the amount of \$5,000. Motion passed 6-1, with Director Ball opposed.

B. Review of Costs and Revenues Related to 2019 and 2020 Water Deliveries. A staff report and related materials were included in the agenda package. General Manager Davis reviewed with the Board the revenues and costs related to water delivery for the previous calendar year; the final invoice was received this past Friday. General Manager Davis also reviewed projections for calendar year 2020. During discussion General Manager Dan Jagers (BCVWD) provided his opinion on how the Agency's projections were inaccurate. He stated his biggest concern is that his District is in the middle of a rate study and the numbers need to be correct. The Board discussed the costs and revenues with General Manager Davis. Director Fenn requested staff to provide calculations on different scenarios to be discussed by May, 2020. Director Thompson stated that he would like to see in the next discussion on this topic the total water represented in the Agency's portfolio this year, an update of the historical average variable rate, an update on Lodi Energy Center and what it means to the Agency. He also requested the YTD 2019 costs to include SGPWA operations and the 258 acre-feet of SWP water that was delivered to the Agency's recharge ponds. Lastly, he requested discussion on selling Nickel water inside the Agency's boundaries. Director Stephenson requested discussion on the Agency buying the remaining 50% of Nickel water and storing it to be used in a dry year. Director Castaldo requested a scenario where the capacity fee would be a factor in the rate.

7. Topics for Future Agendas: 1) Director Castaldo requested a Workshop instead of a Board meeting for the next Review of Costs and Revenues Related to 2019 and 2020 Water Deliveries.

8. Announcements:

- A. Finance & Budget Workshop, February 24, 2020 at 1:30 p.m.
- B. Regular Board Meeting, March 2, 2020 at 1:30 p.m.
- C. Engineering Workshop, March 9, 2020 at 1:30 p.m.

9. Closed Session (2 Items)

Time: 3:36 pm

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) and initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9

B. PUBLIC EMPLOYEE APPOINTMENT –
Pursuant to Government Code Section 54957
Title: Executive Recruitment Firm/Recruiter

The meeting reconvened to open session at: Time: 4:20 pm

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

10. Adjournment

Time: 4:21 pm

Draft - Subject to Board Approval

Jeffrey W. Davis, Secretary of the Board

0000

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
February 24, 2020

Directors Present: Ron Duncan, President; away from meeting 1:35 to 1:38 pm
Lenny Stephenson, Vice President
Mike Thompson, Treasurer
Blair Ball, Director; arrived at 1:33 pm
David Fenn, Director
Steve Lehtonen, Director

Directors Absent: David Castaldo, Director

Staff and Consultants Present:

Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager

1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Treasurer Mike Thompson at 1:30 pm, February 24, 2020, in the Agency Board Room at 1210 Beaumont Avenue, Beaumont, California. Treasurer Thompson led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** The agenda was adopted as posted.
3. **Public Comment:** No members of the public requested to speak at this time.
4. **New Business:**
 - A. Ratification of Paid Invoices and Monthly Payroll for January, 2020 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Stephenson, seconded by Director Lehtonen, to recommend that the Board ratify paid monthly invoices of \$1,349,762.73 and payroll of \$36,378.69 for the month of January, 2020, for a combined total of \$1,386,141.42. The motion passed 5 in favor, no opposed, with Director Castaldo absent, and Director Duncan away from the meeting.
 - B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Stephenson, seconded by Director Fenn, to recommend that the Board approve payment of the pending legal invoice for January, 2020 for \$5,068.10. The motion passed 6 in favor, no opposed, with Director Castaldo absent.

- C. Review of January, 2020 Bank Reconciliation: After review and discussion, a motion was made by Director Duncan, seconded by Director Fenn, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for January, 2020 as presented. The motion passed 6 in favor, no opposed, with Director Castaldo absent.
 - D. Review of Budget Report for January, 2020: General Manager Davis reviewed the budget report, highlighting a number of items, and answering questions. After further review and discussion, a motion was made by Director Duncan, seconded by Director Stephenson, to recommend that the Board acknowledge receipt of the Budget Report for January, 2020. The motion passed 6 in favor, no opposed, with Director Castaldo absent.
5. **Announcements:** Treasurer Thompson reviewed the announcements:
- A. Regular Board meeting, March 2, 2020, 1:30 pm
 - B. Engineering Workshop, March 9, 2020, 1:30 pm
 - C. Regular Board meeting, March 16, 2020, 1:30 pm
6. **Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 1:54 pm.

Draft - Not
Approved

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

From Treasurer Mike Thompson

The Finance and Budget Workshop was held on February 24, 2020. The following recommendations were made:

1. The Board ratify payment of Invoices of \$1,349,762.73 and Payroll of \$36,378.69 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for January, 2020 for a combined total of \$1,386,141.42.
2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$5,068.10
--------------------------	------------
3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for January, 2020
 - B. Budget Report for January, 2020

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Ave, Beaumont, CA 92223
Board Finance & Budget Workshop
Agenda
February 24, 2020 at 1:30 p.m.

1. Call to Order, Flag Salute

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 a specific agenda item, 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. New Business (Discussion and possible recommendations for action at a future regular Board meeting)

- A. Ratification of Paid Invoices and Monthly Payroll for January, 2020 by Reviewing Check History Reports in Detail*
- B. Review of Pending Legal Invoices*
- C. Review of January, 2020 Bank Reconciliation*
- D. Review of Budget Report for January, 2020*

5. Announcements

- A. Regular Board meeting, March 2, 2020, 1:30 pm
- B. Engineering Workshop, March 9, 2020, 1:30 pm
- C. Regular Board meeting, March 16, 2020, 1:30 pm

6. 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 Ave., Beaumont, CA 92223 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, during regular business hours. When practical, these public records will also be available on the Agency's Internet website, accessible at <http://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 to make a request for a disability-related modification or accommodation.

San Gorgonio Pass Water Agency
Check History Report
 January 1 through January 31, 2020

ACCOUNTS PAYABLE

Date	Number	Name	Amount
01/06/2020	119536	ACWA BENEFITS	871.31
01/06/2020	119537	BEAUMONT-CHERRY VALLEY WATER DISTRICT	440.56
01/06/2020	119538	BDL ALARMS, INC.	78.00
01/06/2020	119539	GOPHER PATROL	51.00
01/06/2020	119540	NICE GRAPHIX	270.00
01/06/2020	119541	OFFICE SOLUTIONS	246.88
01/06/2020	119542	PITNEY BOWES RESERVE ACCOUNT	250.00
01/06/2020	119543	CHERYLE M. STIFF	1,181.24
01/06/2020	119544	STATE WATER CONTRACTORS	923.00
01/06/2020	119545	UNLIMITED SERVICES	295.00
01/06/2020	119546	UNDERGROUND SERVICE ALERT	19.90
01/06/2020	119547	U. S. GEOLOGICAL SURVEY	243,292.69
01/06/2020	119548	WASTE MANAGEMENT INLAND EMPIRE	112.59
01/15/2020	119549	FRONTIER COMMUNICATIONS	1,317.00
01/15/2020	119550	SOUTHERN CALIFORNIA GAS	284.52
01/21/2020	119551	ACWA JPIA	1,089.35
01/21/2020	119552	ALBERT WEBB ASSOCIATES	10,902.50
01/21/2020	119553	CITIZENS BUSINESS BANK	5,490.09
01/21/2020	119554	DAVID TAUSSIG & ASSOCIATES, INC.	3,900.00
01/21/2020	119555	ERSC	9,329.99
01/21/2020	119556	I. E. RESOURCE CONSERVATION DISTRICT	4,220.00
01/21/2020	119557	MACRO COMMUNICATIONS	675.00
01/21/2020	119558	MATTHEW PISTILLI LANDSCAPE SERVICES	350.00
01/21/2020	119559	NICE-INCONTACT	97.64
01/21/2020	119560	OFFICE SOLUTIONS	183.65
01/21/2020	119561	PRO-CRAFT CONSTRUCTION, INC.	111,911.71
01/21/2020	119562	PROVOST & PRITCHARD	33,921.04
01/21/2020	119563	WELLS FARGO ELITE CREDIT CARD	5,246.14
01/28/2020	119564	AT&T MOBILITY	232.43
01/28/2020	119565	SOUTHERN CALIFORNIA EDISON	89.56
01/30/2020	119566	STANDARD INSURANCE COMPANY	484.20
01/14/2020	507395	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,168.17
01/14/2020	591968	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,247.90
01/30/2020	561862	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,170.33
01/30/2020	578356	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	7,274.93
01/14/2020	900289	CALPERS RETIREMENT	5,559.31
01/14/2020	900290	CAL PERS RETIREMENT - SIP-457	1,680.00
01/21/2020	900291	CALPERS HEALTH	8,142.79
01/30/2020	900292	CALPERS RETIREMENT	5,559.31
01/30/2020	900293	CAL PERS RETIREMENT - SIP-457	1,680.00
01/31/2020	900294	DEPARTMENT OF WATER RESOURCES	873,523.00
TOTAL ACCOUNTS PAYABLE CHECKS			1,349,762.73

San Geronio Pass Water Agency
Check History Report
 January 1 through January 31, 2020

PAYROLL

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
01/13/2020	801835	JEFFREY W. DAVIS	5,263.99
01/13/2020	801836	KENNETH M. FALLS	3,429.12
01/13/2020	801837	CASMIR J. OLAIVAR	372.52
01/13/2020	801838	CHERYLE M. STIFF	2,351.60
01/13/2020	801839	THOMAS W. TODD, JR.	3,673.63
01/29/2020	801840	BLAIR M. BALL	1,272.58
01/29/2020	801841	JEFFREY W. DAVIS	5,263.99
01/29/2020	801842	RONALD A. DUNCAN	1,272.58
01/29/2020	801843	KENNETH M. FALLS	3,429.12
01/29/2020	801844	DAVID L. FENN	1,272.58
01/29/2020	801845	CASMIR J. OLAIVAR	461.10
01/29/2020	801846	LEONARD C. STEPHENSON	1,272.58
01/29/2020	801847	CHERYLE M. STIFF	2,351.60
01/29/2020	801848	MICHAEL D. THOMPSON	1,018.07
01/29/2020	801849	THOMAS W. TODD, JR.	3,673.63
TOTAL PAYROLL			36,378.69
TOTAL DISBURSEMENTS FOR JANUARY, 2020			1,386,141.42

SAN GORGONIO PASS WATER AGENCY

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NBR</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	200131	LEGAL SERVICES JANUARY 2020	5,068.10

TOTAL PENDING INVOICES FOR APPROVAL FEBRUARY 2020

5,068.10

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
January 31, 2020**

BALANCE PER BANK ON 01/31/2020 - CHECKING ACCOUNT	319,890.12
Pending Transfer - DWR	<u>(1,000.00)</u>
Balance to Reconcile	<u>318,890.12</u>

LESS OUTSTANDING CHECKS

<u>CHECK NUMBER</u>	<u>AMOUNT</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
119544	923.00		
119564	232.43		
119566	484.20		
	<u>1,639.63</u>		<u>0.00</u>

TOTAL OUTSTANDING CHECKS	-1,639.63
--------------------------	-----------

BALANCE PER GENERAL LEDGER	<u>317,250.49</u>
----------------------------	--------------------------

BALANCE PER GENERAL LEDGER ON 12/31/2019	522,646.00
--	------------

CASH RECEIPTS FOR JANUARY	5,983,408.48
---------------------------	--------------

CASH DISBURSEMENTS FOR JANUARY

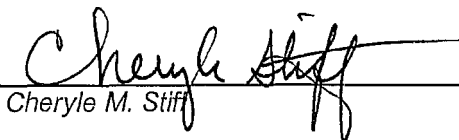
ACCOUNTS PAYABLE - CHECK HISTORY REPORT	-1,349,762.73
PAYROLL TRANSFER - BANK OF HEMET	<u>-39,000.00</u>
	<u>-1,388,762.73</u>

BANK CHARGES	-41.26
--------------	--------

TRANSFER TO LAIF	-4,800,000.00
------------------	---------------

BALANCE PER GENERAL LEDGER AT 01/31/2020	<u>317,250.49</u>
--	--------------------------

REPORT PREPARED BY:


Cheryl M. Stiff

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF JANUARY 2020**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
DEPOSIT TO CHECKING ACCOUNT				
1/2/20	RIVERSIDE COUNTY	PROPERTY TAXES	1,132,992.87	1,132,992.87
1/6/20	RIVERSIDE COUNTY	PROPERTY TAXES	175,027.02	175,027.02
1/10/20	RIVERSIDE COUNTY	PROPERTY TAXES	74,364.71	74,364.71
1/13/20	BCVWD	WATER SALES	211,869.00	211,869.00
1/28/20	RIVERSIDE COUNTY	PROPERTY TAXES	4,360,045.64	4,360,045.64
1/28/20	RIVERSIDE COUNTY	PROPERTY TAXES	464.28	464.28
1/28/20	TVI	CD - BOND INTEREST	28,644.96	28,644.96
TOTAL FOR JANUARY 2020			5,983,408.48	5,983,408.48

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SEVEN MONTHS ENDING ON JANUARY 31, 2020

FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME				Comparison:	42%
INCOME					
WATER SALES	5,600,000		5,600,000	3,058,793.85	45.38%
TAX REVENUE	2,750,000		2,750,000	1,866,637.77	32.12%
INTEREST	350,000		350,000	239,078.97	31.69%
DESIGNATED REVENUES	820,000		820,000	81,685.09	90.04%
CAPACITY FEE	0		0	0.00	
OTHER (REIMBURSEMENTS, TRANSFERS)	31,000		31,000	28,137.83	9.23%
TOTAL GENERAL FUND INCOME	9,551,000	0	9,551,000	5,274,333.51	44.78%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	6,100,000		6,100,000	1,833,955.40	69.94%
TOTAL COMMODITY PURCHASE	6,100,000	0	6,100,000	1,833,955.40	69.94%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	500,000		500,000	291,057.11	41.79%
PAYROLL TAXES	43,000		43,000	23,332.74	45.74%
RETIREMENT	250,000		250,000	103,597.66	58.56%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	73,000		73,000	13,309.10	81.77%
HEALTH INSURANCE	68,000		68,000	43,206.81	36.46%
DENTAL INSURANCE	5,000		5,000	2,983.28	40.33%
LIFE INSURANCE	1,600		1,600	1,101.38	31.16%
DISABILITY INSURANCE	5,200		5,200	3,006.47	42.18%
WORKERS COMP INSURANCE	3,800		3,800	1,953.73	48.59%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	5,828.67	41.71%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	960,600	0	960,600	489,376.95	49.06%

16/109

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SEVEN MONTHS ENDING ON JANUARY 31, 2020

FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	42%
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	115,000		115,000	53,798.24	53.22%
DIRECTORS TRAVEL & EDUCATION	15,000		15,000	6,086.13	59.43%
DIRECTORS MISC. MEDICAL	21,000		21,000	6,809.37	67.57%
OFFICE EXPENDITURES					
OFFICE EXPENSE	15,000		15,000	7,854.57	47.64%
POSTAGE	700		700	348.82	50.17%
TELEPHONE	11,500		11,500	6,355.08	44.74%
UTILITIES	5,000		5,000	2,419.96	51.60%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	17,000		17,000	4,658.39	72.60%
GENERAL MANAGER & STAFF TRAVEL	18,000		18,000	15,319.29	14.89%
INSURANCE & BONDS	23,000		23,000	23,281.65	-1.22%
ACCOUNTING & AUDITING	21,000		21,000	15,680.00	25.33%
STATE WATER CONTRACT AUDIT	5,500		5,500	5,471.00	0.53%
DUES & ASSESSMENTS	30,000		30,000	30,362.00	-1.21%
OUTSIDE PROFESSIONAL SERVICES	7,500		7,500	10,388.71	-38.52%
BANK CHARGES	1,000		1,000	650.41	34.96%
MISCELLANEOUS EXPENSES	500		500	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	500		500	693.77	-38.75%
VEHICLE REPAIR & MAINTENANCE	5,000		5,000	4,756.44	4.87%
MAINTENANCE & REPAIRS - BUILDING	30,000		30,000	7,382.74	75.39%
MAINTENANCE & REPAIRS - FIELD	8,000		8,000	1,018.05	87.27%
CONTRACT OPERATIONS AND MAINTENANCE	125,000		125,000	16,313.64	86.95%
WATER TREATMENT EXPENSE	0	75,000	75,000	37,921.31	49.44%
COUNTY EXPENDITURES					
LAFCO COST SHARE	6,000		6,000	6,651.71	-10.86%
ELECTION EXPENSE	0		0	0.00	0.00%
TAX COLLECTION CHARGES	11,000		11,000	5,061.67	53.98%
TOTAL ADMINISTRATIVE & PROFESSIONAL	492,200	75,000	567,200	269,282.95	52.52%

17/109

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SEVEN MONTHS ENDING ON JANUARY 31, 2020**

FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020					
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	42%
GENERAL ENGINEERING					
NEW WATER					
UPDATED STUDY ON AVAILABLE SOURCES	16,000		16,000	483.00	96.98%
SGMA SUPPORT					
GSP CONSULTANT	500,000		500,000	0.00	100.00%
WEBSITE SERVICES	3,000		3,000	0.00	100.00%
YUCAIPA GSA	0	30,000.00	30,000	11,274.42	62.42%
UWMP CONSULTANT	35,000		35,000	0.00	100.00%
STUDIES					
USGS	115,000		115,000	109,953.98	4.39%
WATER RATE NEXUS STUDY	35,000		35,000	0.00	100.00%
WATER RATE FINANCIAL MODELING	15,000		15,000	0.00	100.00%
CAPACITY FEE NEXUS STUDY UPDATE	48,000		48,000	6,243.75	86.99%
WHEELING RATE STUDY	0		0	0.00	0.00%
OTHER PROJECTS					
IRWMP IMPLEMENTATION PROPOSAL	22,000		22,000	0.00	100.00%
FLUME MONITORING	30,000		30,000	0.00	100.00%
INFRASTRUCTURE PLAN	30,000		30,000	8,635.50	71.22%
BASIN MONITORING TASK FORCE	18,000		18,000	18,046.00	-0.26%
GENERAL AGENCY - CEQA AND GIS SERVICES	7,000		7,000	230.00	96.71%
TOTAL GENERAL ENGINEERING	874,000	30,000	904,000	154,866.65	82.87%
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	150,000		150,000	44,514.76	70.32%
TOTAL LEGAL SERVICES	150,000	0	150,000	44,514.76	70.32%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	12,000		12,000	4,220.00	64.83%
ADULT EDUCATION PROGRAMS	5,000		5,000	0.00	100.00%
SPONSORSHIPS	10,000		10,000	0.00	100.00%
OTHER CONSERVATION, EDUCATION AND P. R.	15,000		15,000	0.00	100.00%
TOTAL CONSERVATION & EDUCATION	42,000	0	42,000	4,220.00	89.95%

18/109

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2019-20
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SEVEN MONTHS ENDING ON JANUARY 31, 2020**

		FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020				
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					Comparison:	42%
GENERAL FUND CAPITAL EXPENDITURES						
BUILDING & EQUIPMENT						
	BUILDING	10,000		10,000	0.00	100.00%
	FURNITURE & OFFICE EQUIPMENT	25,000		25,000	0.00	100.00%
	OTHER EQUIPMENT	0		0	0.00	0.00%
FIESTA RECHARGE FACILITY						
	POST DESIGN	20,000		20,000	94,480.10	-372.40%
	CONSTRUCTION	76,000		76,000	478,957.00	-530.21%
	BUNKER HILL CONJUNCTIVE USE PROJECT	0		0	0.00	0.00%
NOBLE TURNOUT EXPANSION						
	POST DESIGN	8,000		8,000	7,629.05	4.64%
	CONSTRUCTION	1,500		1,500	7,600.00	-406.67%
	SITES RESERVOIR	322,000		322,000	302,057.17	6.19%
	MONITORING WELLS USGS	250,000		250,000	299,873.26	-19.95%
	TOTAL GENERAL FUND CAPITAL EXPENDITURES	712,500	0	712,500	1,190,596.58	-67.10%
TRANSFERS TO OTHER FUNDS		0		0	0.00	
	TOTAL GENERAL FUND EXPENSES	9,331,300	105,000	9,436,300	3,986,813.29	57.75%
	WITHDRAWALS FROM RESERVES	1,326,000		1,326,000		
	TOTAL TRANSFERS TO/FROM RESERVES	1,326,000		1,326,000	0.00	
	GENERAL FUND NET INCOME YEAR TO DATE	1,545,700	-105,000	1,440,700	1,287,520.22	

19/109

**SAN GORGONIO PASS WATER AGENCY
 BUDGET REPORT FY 2019-20
 BUDGET VS. REVISED BUDGET VS. ACTUAL
 FOR THE SEVEN MONTHS ENDING ON JANUARY 31, 2020**

FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME				Comparison:	42%
INCOME					
TAX REVENUE	23,995,229		23,995,229	10,947,956.19	54.37%
INTEREST	650,000		650,000	551,612.43	15.14%
DWR CREDITS - BOND COVER, OTHER	3,031,777		3,031,777	1,568,208.66	48.27%
TOTAL DEBT SERVICE FUND INCOME	27,677,006	0	27,677,006	13,067,777.28	52.78%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	60,000		60,000	36,836.36	38.61%
PAYROLL TAXES	4,700		4,700	3,521.48	25.07%
BENEFITS	74,000		74,000	22,811.47	69.17%
STATE WATER CONTRACT PAYMENTS	24,500,000		24,500,000	14,641,625.00	40.24%
WATER TRANSFERS	1,625,000		1,625,000	328,122.05	79.81%
SWC CONTRACTOR DUES	75,000		75,000	38,049.00	49.27%
DELTA CONVEYANCE FACILITY AUTHORITY	40,000		40,000	50,000.00	-25.00%
EBX CONTRACT OPERATIONS AND MAINTENANCE	125,000		125,000	16,313.64	86.95%
SWP ENGINEERING AND MAINTENANCE	450,000		450,000	227,979.91	49.34%
DEBT SERVICE UTILITIES	11,000		11,000	6,627.03	39.75%
STATE WATER PROJECT LEGAL SERVICES	0		0	1,850.28	0.00%
TAX COLLECTION CHARGES	70,000		70,000	33,635.61	51.95%
TOTAL DEBT SERVICE FUND EXPENSES	27,034,700	0	27,034,700	15,407,371.83	43.01%
TRANSFERS FROM RESERVES	0		0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	642,306	0	642,306	-2,339,594.55	

20 / 109

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
February 24, 2020

Directors Present: Ron Duncan, President
Lenny Stephenson, Vice President
Michael Thompson, Treasurer
Blair Ball, Director
David Fenn, Director
Steve Lehtonen, Director

Directors Absent: David Castaldo

Staff Present: Jeff Davis, General Manager
General Counsel Jeff Ferre
Thomas Todd, Finance Manager

1. **Call to Order, Flag Salute, Invocation, and Roll Call:** The Special meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President Duncan at 2:00 p.m., February 24, 2020 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Duncan led the Pledge of Allegiance to the flag. Director Fenn gave the invocation. A quorum was present.
2. **Public Comment:** *President Duncan 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 that are not on today's agenda. There were no members of the public that spoke at this time.*
3. **Closed Session (1 Item) Time: 2:02 pm**
PUBLIC EMPLOYEE APPOINTMENT –
Pursuant to Government Code Section 54957
Title: Executive Recruitment Firm/Recruiter

The meeting reconvened to open session at: Time: 4:00 pm

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

4. **Adjournment Time: 4:00 pm**

Draft - Subject to Board Approval
Jeffrey W. Davis, Secretary of the Board

000

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Addition of Delivery Points for Yucaipa Valley Water District

DATE: March 2, 2020

Summary:

At the February Engineering workshop, the Board discussed a request from the Yucaipa Valley Water District to add four delivery points for future potential sales. The purpose of this proposed Board action is to determine if the Board wishes to approve three of the four delivery points.

Background:

The Agency first began delivering water to the Yucaipa Valley Water District at its filtration plant in 2006. At that time, that was the only delivery point requested by YVWD. No delivery points for groundwater banking were requested. Since that time, YVWD has determined that it is in its interest to bank imported water for future use in the event of a future outage of the State Water Project. Such an outage could come about due to an earthquake, wildfire, power failure, or other such calamity. In an effort to maintain service to its customers, YVWD wants to bank water locally for such an occasion.

In that vein, in 2017 YVWD requested four additional delivery points for supplemental water from the Agency. These four points included:

- Wilson Creek Spreading Basin, Yucaipa
- Fiesta Recharge Facility, Beaumont
- BCVWD recharge facility, Cherry Valley
- Bunker Hill groundwater basin, San Bernardino

The Agency did not act on this request in 2017, preferring to wait until the Fiesta recharge facility was online to bring this request to the

Board for consideration. At that time, it was expected that this would occur much sooner.

At the Engineering workshop, staff discussed with the Board the issues that are of most interest to the Agency for delivery of its water—keeping the water in the Agency’s service area, and ensuring that CEQA has been met for any new facility that will be taking delivery of the Agency’s water. In all four cases, staff believes that water delivered at the requested locations would eventually be used within the Agency’s service area. YVWD has no motivation to serve the water in any other service area.

With regard to CEQA, it was anticipated in 2017 that this would be completed for the Bunker Hill Conjunctive Use Project by this time. However, that is not the case, due to circumstances beyond the control of either the Agency or YVWD. For that reason, staff does not recommend approving the Bunker Hill basin as a new delivery point for YVWD at this time. It is expected that, when CEQA is completed for this project, staff would bring this back to the Board for consideration at that time.

For the other three delivery points, staff believes that it is in the region’s best interest for the Board to approve them at this time. Banking supplemental water for future use represents good water management and is something the Board should encourage.

It would be up to YVWD to determine when and if it would use any of these delivery points in the future. In the case of the Wilson Creek location, which is in San Bernardino County, the Agency will request that YVWD fully account for any water purchased from the Agency and stored in that location, both on the delivery side and on the distribution side (withdrawal from storage for delivery to retail customers). This is not anticipated to be a difficult issue.

Detailed Report:

Yucaipa Valley Water District is aware that purchasing State Water Project water for treatment and direct deliveries is fraught with peril in the event the State Water Project is out of service for any length of time. Consequently, the District wishes to purchase water from the Agency to store in local groundwater basins that can be pumped out

and delivered to customers in the event of future outages of the State Water Project. YVWD wishes to utilize more than one basin for this storage since its Riverside County customer base is served from multiple basins, including the Beaumont Basin and the Calimesa Basin. Depending on the situation, YVWD may wish to have the Agency spread this banked water in its Fiesta facility, or to have the BCVWD spread it in its facility, or to spread it in the Wilson Creek spreading basins. In the event of a lengthy outage, YVWD may need to draw from wells in many locations to continue to make deliveries to its Calimesa customers and therefore wants the flexibility to deliver water to any of these locations.

Fiscal Impact:

There is no immediate fiscal impact to approving these additional delivery points. Delivery of water to the Agency's Fiesta recharge facility could increase the Agency's maintenance costs at some point in the future but that is not expected to be a major expense and may not be additional at all, depending on whether the Agency delivers water to this facility in the same year.

Recommendation:

Staff recommends that the Board approve three new delivery points for YVWD—Wilson Creek, Fiesta recharge, and BCVWD recharge. As an alternative, the Board could also conditionally approve the Bunker Hill basin as a delivery point, with proof of CEQA compliance required before allowing YVWD to take delivery at that location. If the Board does not provide that conditional approval at this time, it would need to do so in the future, prior to any deliveries to that location.



Yucaipa Valley Water District

12770 Second Street • P. O. Box 730 • Yucaipa, California 92399-0730
(909) 797-5117 • Fax: (909) 797-6381 • www.yvwd.dst.ca.us

August 15, 2017

Jeff Davis, General Manager
San Gorgonio Pass Water Agency
1210 Beaumont Avenue
Beaumont, California 92399

Subject: Application for Four (4) Additional Imported Water Delivery Points at Various Locations from the San Gorgonio Pass Water Agency

Dear Mr. Davis:

Please find attached a completed *Application for SGPWA Water Service in Accordance with SGPWA Ordinance No. 8* for additional delivery points to be used by Yucaipa Valley Water District. In addition to the previously approved service connection to Yucaipa Valley Water District, approved by the San Gorgonio Pass Water Agency as Resolution No. 2007-03 (SGPWA Connection Point 1), the Yucaipa Valley Water District respectfully requests the addition of the following connection points:

- SGPWA Connection Point No. 2 Surface Spreading / Groundwater Recharge at the Wilson Creek Spreading Basins, Bryant Street, Yucaipa, California;
- SGPWA Connection Point No. 3 Surface Spreading / Groundwater Recharge at the San Gorgonio Pass Water Agency, Beaumont Avenue Recharge Facilities, Beaumont Avenue, Beaumont California;
- SGPWA Connection Point No. 4 Surface Spreading / Groundwater Recharge at the Beaumont Cherry Valley Water District, Brookside Spreading Basins, Beaumont Avenue, Beaumont, California; and
- SGPWA Connection Point No. 5 Surface Spreading / Groundwater Recharge at the San Bernardino Valley Municipal Water District, Bunker Hill Basin Conjunctive Use Project, Redlands, California.

To facilitate the processing of this application, the Yucaipa Valley Water District understands that:

- All imported water ordered and delivered to the Yucaipa Valley Water District from the San Gorgonio Pass Water Agency will be identified and categorized as part of the *Supplemental Water Calculations for SBVMWD & SGPWA* (see Exhibit A). This monthly spreadsheet summary will be expanded to include information about surface spreading / groundwater recharge activities from imported water supplied by the San Gorgonio Pass Water Agency.

Directors and Officers

25 / 109

CHRISTOPHER MANN
Division 1

BRUCE GRANLUND
Division 2

JAY BOGH
Division 3

LONNI GRANLUND
Division 4

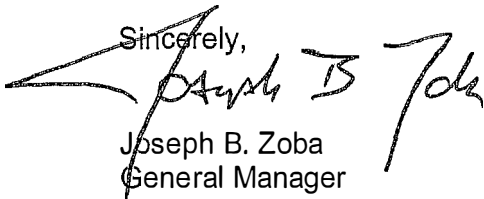
THOMAS SHALHOUB
Division 5

JOSEPH B. ZOBA
General Manager
and Secretary

- The imported water purchased from the Yucaipa Valley Water District from the San Gorgonio Pass Water Agency at a delivery point outside of the boundary of the San Gorgonio Pass Water Agency will ultimately be used within the boundary of the San Gorgonio Pass Water Agency.
- The requested approvals for SGPWA Connection Point Nos. 2 and 5 will require a joint agreement between the San Gorgonio Pass Water Agency, the San Bernardino Valley Municipal Water District, and the Yucaipa Valley Water District. Please advise how you would like to proceed with this multi-party agreement.
- The requested approvals for SGPWA Connection Point Nos. 3, 4, and 5 will be considered and possibly pre-approved by the San Gorgonio Pass Water Agency. The Yucaipa Valley Water District appreciates the approval of these Connection Points in order to facilitate the funding commitments and additional agreements that are necessary to fully implement at utilize the recharge facilities.

Should you have any questions, or require any additional information, please contact me directly at (909) 797-5119 x2 or at jzoba@ywd.dst.ca.us.

Sincerely,



Joseph B. Zoba
General Manager

Copies to:

- Douglas Headrick, San Bernardino Valley Municipal Water District (with attachments)

Attachments:

- **Exhibit A** - Supplemental Water Calculations for San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency
- **Exhibit B** - Email Message from Jeff Davis to Joseph Zoba dated Monday, July 17, 2017
- **Exhibit C** - San Gorgonio Pass Water Agency *Application for SGPWA Water Service in Accordance with SGPWA Ordinance No. 8*, dated July 17, 2017
- **Exhibit D** - Yucaipa Valley Water District Workshop Memorandum No. 17-108, Application for Four (4) Additional Imported Water Service Connections with the San Gorgonio Pass Water Agency, July 25, 2017



San Gorgonio Pass Water Agency
APPLICATION FOR SGPWA WATER SERVICE
IN ACCORDANCE WITH SGPWA ORDINANCE NO. 8

1. APPLICANT NAME: Yucaipa Valley Water District

2. LEGAL CAPACITY:

Public Agency (enabling law): California Government Code Sections 30000
 Public Utility (enabling law): _____
 Mutual Water Company _____ PUC Regulated Water Company
 Private Water Company _____ Partnership _____ Individual
 Limited Liability Company (State): _____
 Corporation (type and State): _____

3. TYPE OF USE:

Municipal _____ Industrial _____ Agriculture _____ Recreation
 Ground Water Recharge _____ Other _____

4. QUANTITY and FLOW RATES:

Maximum Flow Rate (cfs) 30 cfs Minimum Flow Rate (cfs) 0 cfs

FIRST YEAR QUANTITY REQUESTED BY MONTH FOR (Acre-Feet)

January: 2017 - 0 acre feet	July: 2017 - 0 acre feet
February: 2017 - 0 acre feet	August: 2017 - 0 acre feet
March: 2017 - 0 acre feet	September: 2017 - 0 acre feet
April: 2017 - 0 acre feet	October: 2017 - 0 acre feet
May: 2017 - 0 acre feet	November: 2017 - 0 acre feet
June: 2017 - 0 acre feet	December: 2017 - 0 acre feet

TOTAL ANNUAL QUANTITY FIRST YEAR: 0 acre feet

YEARS 2 through 5 ANNUAL QUANTITY (acre feet) :

2ND: Varies 0 to 500 3RD: Varies - 0 to 500 4TH: Varies 0 to 500 5TH: Varies 0 to 500

STAFF USE ONLY

First Application Renewal Application Assigned to: _____

Date Accepted: _____ Board Hearing Date: _____

Staff Recommendation: _____

Environmental Finding: Exempt De Minimus Negative Declaration
 Mitigated Negative Declaration EIR

SGPWA Ordinance No. 8 Application

Page 2 of 3

5. LOCATION OF USE (indicate all areas where SGPWA water will be used):

- Township, Range, Section, ¼ ¼: _____
- Assessors Parcel Number: See Attached _____

6. FACILITIES CONSTRUCTION (describe all physical facilities that will be constructed as a result of this application, including specific connections to SGPWA owned facilities—attach design preliminary design if available): See Attached

7. LOCATION OF DELIVERY (indicate where connection will be made to SGPWA system):

- Township, Range, Section, ¼ _____
- Assessors Parcel Number: See Attached _____
- SGPWA Pipeline Station if known _____

8. TREATMENT (describe water treatment facilities (if any) that will be used for the purpose of use intended by the applicant): Not applicable.

9. ACKNOWLEDGMENT BY APPLICANT:

Applicant acknowledges and agrees to the following by signature below:

- SGPWA water service will at all times be in accordance with SGPWA Ordinance No. 8, and any other rules and regulations as may be amended, adopted or mandated by the SGPWA Board of Directors or any entity of the State of California. SGPWA water service is wholesale in nature. Due to the annual variable nature of the SGPWA water supply, SGPWA water deliveries shall not constitute a vested right to a fixed amount of SGPWA water each year or to any specific level of pressure.
- SGPWA water service shall be subject to all of the terms and conditions of SGPWA's SWP contract with DWR, including delivery interruption by reason of DWR and/or SGPWA's requirements for maintenance and operation of its facilities or by reason of demand in excess of SGPWA's Table A Amount. SGPWA water is raw and untreated, and SGPWA makes no representation as its quality with respect to suitability for any particular purpose.

SGPWA Ordinance No. 8 Application
Page 3 of 3

- Applicant agrees to fund all costs that result from processing this application and/or from construction of facilities required to provide the service requested, including but not limited to: environmental review; circulation of the application for review by the public; engineering analysis and design; and, construction of related physical facilities. The applicant will deposit sufficient funds with the SGPWA prior to expense being incurred by SGPWA.
- Applicant agrees to pay charges for SGPWA water delivered at established SGPWA rates within 30 days after SGPWA invoice. The Applicant shall not use the water delivered by SGPWA outside of SGPWA.
- Applicant agrees to defend, indemnify and hold harmless SGPWA, its directors, officers, agents and employees from and against any and all claims, demands, losses, costs, expenses, liability and damages, including but not limited to reasonable engineers' and attorneys' fees, arising out of or related to (i) the control carriage, handling, use, disposal, or distribution of water delivered by SGPWA after the point of delivery; (ii) the attachment to or removal of Applicant's facilities to those of SGPWA; and (iii) the environmental review and approval for this Application. This covenant to defend, indemnify and hold harmless shall survive the termination of SGPWA's water service to Applicant.

Yucalpa Valley Water District

Applicant

Signature

Joseph B. Zoba

Printed Name

General Manager

Title

July 17, 2017

Date

San Gorgonio Pass Water Agency Connection Point 2 Wilson Creek Spreading Basins



Assessor Parcel Numbers: 032105220; 032105222; 032105227; 032106106; 032106107; 032106112; and 032106117

Site Description:

The Wilson Creek Spreading Basins were originally constructed by the Yucaipa Valley Water Conservation District. The property is currently owned by the County of San Bernardino. The San Bernardino Valley Municipal Water District owns and operates the Wilson Creek Turnout which provides flow metering capability and flow control of water deliveries to the Wilson Creek Spreading Basins for groundwater recharge purposes. The Wilson Creek Spreading Basins has the ability to receive up to 30 cubic feet per second (cfs) from San Bernardino Valley Municipal Water District. As a result of this application, some of the water delivered to this site may be from the San Gorgonio Pass Water Agency.

Flow Rates:

The minimum flow rate will be 0 cubic feet per second and the maximum flow rate will be 30 cubic feet per second. The specific flow rate and imported water contribution will be determined jointly by the San Bernardino Valley Municipal Water District, the San Gorgonio Pass Water Agency, and the Yucaipa Valley Water District.

San Gorgonio Pass Water Agency Connection Point 3 SGPWA Beaumont Avenue Recharge Facility



Assessor Parcel Numbers: 404010016; and 404010017

Site Description:

The Beaumont Avenue Recharge Facility ("Facility") will consist of a series of five tiered basins, each separated by earthen berms. The Facility would have raised embankments along its perimeter so that a portion of the basins will be above the current ground elevation and a portion of the basins will be below the current ground elevation. The recharge facility has been designed for an infiltration rate of two feet per day and to accommodate a maximum flow rate of 20 cubic feet per second (cfs). With a capacity of 20 cfs, the normal operation of the facility would allow recharge of 3,000 acre feet per year to 4,000 acre feet per year. The proposed recharge basin would be operating during wet periods of the year. Each basin would have a maximum ponding depth of 5.5 feet and a minimum freeboard of 1.5 feet from water surface to the basin rim.

Flow Rates:

The minimum flow rate will be 0 cubic feet per second and the maximum flow rate will be 20 cubic feet per second. The specific flow rate and imported water contribution will be determined by the San Gorgonio Pass Water Agency and the Yucaipa Valley Water District.

San Gorgonio Pass Water Agency Connection Point 4 BCVWD Brookside Spreading Basins



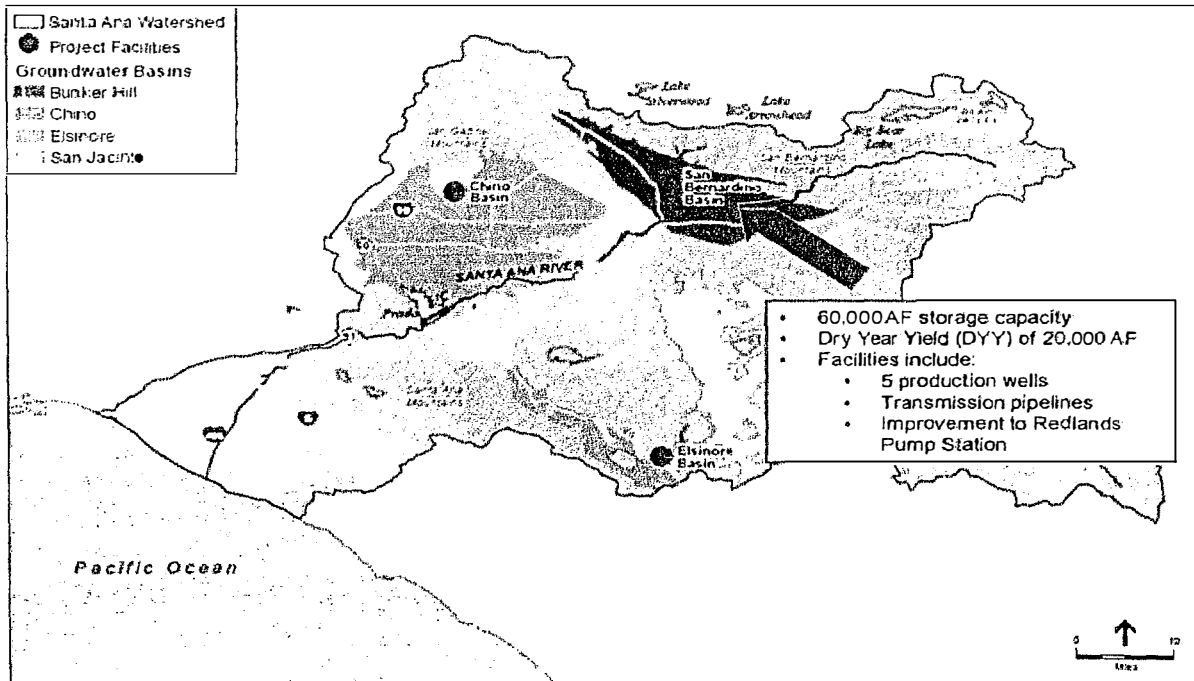
Assessor Parcel Number: 403200007

Site Description: The Brookside Spreading Basins are operated by the Beaumont Cherry Valley Water District and is used to recharge captured storm flow and imported water from the San Gorgonio Pass Water Agency. The initial spreading facilities were completed and operational in 2006, with the most recent phase being completed in 2014. This site has excellent recharge capabilities with historic long-term percolation rates 7 to 10 acre-feet per acre per day. Following approval of a connection point by the San Gorgonio Pass Water Agency, the Yucaipa Valley Water District will pursue a separate agreement to form a partnership with the Beaumont Cherry Valley Water District.

Flow Rates: The minimum flow rate will be 0 cubic feet per second and the maximum flow rate will be 20 cubic feet per second. The specific flow rate and imported water contribution will be determined jointly by the Beaumont Cherry Valley Water District, the San Gorgonio Pass Water Agency, and the Yucaipa Valley Water District.

San Gorgonio Pass Water Agency Connection Point 5 Bunker Hill Conjunctive Use Program

Bunker Hill / SBBA Bank



Assessor Parcel Numbers: Various

Site Description: On September 17, 2013, the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency conducted a joint board meeting that included a discussion about a proposed Bunker Hill Conjunctive Use Project ("Bunker Hill CUP"). The Bunker Hill CUP would provide the San Gorgonio Pass Water Agency and the Yucaipa Valley Water District with an opportunity to store imported water south of the Delta in the Bunker Hill Basin.

Flow Rates: The minimum flow rate will be 0 cubic feet per second and the maximum flow rate will be 30 cubic feet per second. The specific flow rate and imported water contribution will be determined jointly by the San Bernardino Valley Municipal Water District, the San Gorgonio Pass Water Agency, and the Yucaipa Valley Water District.

Exhibit A

Supplemental Water Calculations for the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency

Supplemental Water Calculations for SBVMWD & SGPWA

Monday, July 17, 2017

\$309 00
Effective 7/1/09

Potable Water Calculation:

Calculations	June 2017		
	SBVMWD	SGPWA	Total
Quantity of Imported Water Delivered to YVWD (AF)	[A]	--	1,014.60
Quantity of Filtered Water Delivered to Customers (AF)	[B]	--	879.57
Potable Water Consumption By County (kgal)	[C]	294,235	43,982
Percentage of Domestic Use per County	[D] = % of [C]	87.0%	13.0%
Preliminary Allocation of Filtered Water (AF)	[E]=[B]*[D]	765.19	114.38
Well No. 35 Production (AF)	[F]	--	0.00
Well No. 40 Production (AF)	[G]	--	0.00
Well No. 48 Production (AF)	[H]	--	0.00
Well No. 61 Production (AF)	[I]	--	0.00
Calculation of Filtered Water Use in Riv. Co. (AF)	[J]=[E]-[F]-[G]-[H]-[I]	--	114.38
Revised Allocation of Filtered Water (AF)	[K]	765.19	114.38
Imported Water Allocated to YVWD (AF)	[L]	682.31	--
Imported Water Allocated to WHMWC (AF)	[M]	82.88	--

Recycled Water Calculation:

Calculations	June 2017		
	SBVMWD	SGPWA	Total
Quantity of Recycled Water from Direct Imports (AF)	[N]=[A]-[B]	--	135.03
Amount of Recycled Water from B-8 at Wochholz RWRP (AF)	[O]	--	88.43
Actual Recycled Use in Riv. Co. (AF)	[P]	--	6.15
Revised Allocation of Recycled Water Use from YVRWFF (AF)	[Q]	0.00	0.00

Summary of Monthly Water Purchase from SGPWA

June 2017		
SBVMWD	SGPWA	Total
765.19	114.38	879.57

	Potable	114.38 AF
Checks paid to SGPWA	Check Number	
	Check Date	
	Check Amount	\$309 AF
		\$35,343.42
	Recycled	0.00 AF
Checks paid to SGPWA	Check Number	N/A
	Check Date	N/A
	Check Amount	\$309 AF
		\$0.00

6/30/2017 CHECK REQUEST

02-5-01-51316	Potable (114.38 AF)	\$35,343.42
02-5-01-51316	Recycled (0.00 AF)	\$0.00
SGPWA CHECK TOTAL		\$35,343.42

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Amendment to Delta Conveyance Finance Joint Power Authority Agreement (JPAA)

DATE: March 2, 2020

Summary:

The purpose of this proposed Board action is to approve an amendment the Joint Powers Agreement forming the Delta Conveyance Finance Joint Powers Authority to account for new members and additional information. The amendment is not substantive and action to approve the amendment by Resolution 2020-01 is essentially a “housekeeping” item.

Background:

On May 21, 2018, the Board approved Resolution 2018-02 (included in the agenda package) that, among other things, authorized joining the Delta Conveyance Finance Joint Powers Authority (DC Finance JPA). The purpose of the JPA is to finance, in the short term, the Delta Conveyance project, until DWR is cleared to sell bonds on its own (via a validation process).

Among other things, the existing Joint Powers Agreement refers to the Delta Conveyance project specifically as the “California Water Fix.” That project is no longer in existence, so one of the purposes of the amendment is to change this reference. In addition, a few other housekeeping changes are included in the amendment, including:

- A change in the “whereas” section to reflect activities that have occurred since the original agreement was executed;
- A change in the project description and purpose;
- A change enabling the Executive Committee of the JPA Board of Directors to meet as needed, instead of quarterly;

- Changes to reflect that the JPA currently includes 11 members instead of the original three (the Agency was one of the original three members);
- A change to clarify that JPA Board members serve with no compensation from the JPA, though Board members may be reimbursed for expenses, and individual members may compensate their JPA Board members;
- A change reflecting how new members may be added; and
- Several minor changes related to administrative issues related to dates and the term of the JPA Agreement.

Detailed Report:

The Delta Conveyance Finance JPA Board of Directors meets quarterly or as needed on the third Thursday of each month in Sacramento. This coincides with the monthly Contractor Board meetings. The JPA Board consists of one representative from each of the eleven JPA members. In most cases JPA Board members are General Managers; however a few members have delegated either a Board member or lower level staff person to serve on the DC Finance JPA Board. The General Manager serves as the Agency's representative on the Board and currently serves as the Board Secretary and on the Executive Committee.

The DC Finance JPA is gearing up for a potential bond sale in 2022 to finance final design and the beginning of construction of the Delta Conveyance project. In the meantime, it has hired a General Counsel, Bond Counsel, has conducted an annual audit, has adopted by-laws, and is receiving regular reports on the progress of the planning process of the Delta Conveyance project.

The DC Finance JPA works in concert with another Joint Powers Authority, the Delta Conveyance JPA, which is charged with design and construction of the Delta Conveyance project. The Agency is represented on that Board by others.

The amendment allows the JPA Agreement to reflect the fact that there are new members, that certain events have transpired since 2018, and to clarify minor administrative issues.

Resolution 2020-01, included in the agenda package, formally approves the amendment to the JPA Agreement.

Fiscal Impact:

There is no fiscal impact to approving this amendment.

Recommendation:

Staff recommends that the Board adopt Resolution 2020-01 approving the amendment to the Delta Conveyance Finance JPA Agreement. A red-lined copy of the existing agreement, a clean copy of the amended agreement, Resolution 2018-02 and Resolution 2020-01 are included in the agenda package.

RESOLUTION NO. 2018-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY AUTHORIZING SUPPORT OF, AND PARTICIPATION IN, CALIFORNIA WATERFIX AND AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE, EXECUTE AND DELIVER VARIOUS FINANCING IMPLEMENTATION AGREEMENTS AND RELATED DOCUMENTS

WHEREAS, the San Gorgonio Pass Water Agency (“Agency”) is a state water project contractor (“SWP Contractor”) formed under special act legislation set forth in the Water Code Uncodified Acts, Act 1100. The Agency was formed for the purpose of importing water from the State Water Project (“SWP”) into the San Gorgonio Pass area; and

WHEREAS, the mission of the Agency is to import water and to protect and enhance local water supplies for use by present and future water users and to sell imported water to local water agencies within the Agency’s service area; and

WHEREAS, the Agency has a contract with the California Department of Water Resources (“DWR”) for 17,300 acre-feet per year of SWP water; and

WHEREAS, the California WaterFix (“CWF”) is a critical component of the California Water Action Plan which is the State of California’s blueprint for “a sustainable and resilient future”; and

WHEREAS, the CWF is essential to protecting and assuring the SWP’s future reliability by addressing the Sacramento-San Joaquin River Delta’s ecosystem and levee system which are increasingly vulnerable to earthquakes, flooding, saltwater intrusion, climate change, and environmental degradation; and

WHEREAS, DWR, acting as lead agency, prepared and processed a Final Environmental Impact Report (“EIR”) for CWF pursuant to the requirements of the California Environmental Quality Act (“CEQA”). The Final EIR was certified and CWF was approved by DWR on July 21, 2017. DWR also adopted the Findings of Fact (“Findings”), Statement of Overriding Considerations (“SOC”) and the Mitigation Monitoring and Reporting Program (“MMRP”), and filed a Notice of Determination (“NOD”). The Final EIR identifies the Agency as one of the responsible agencies, under CEQA, for actions related to CWF since the Agency is a SWP Contractor. [CHECK ON WHETHER SGPWA IS ACTUALLY LISTED AS A RESPONSIBLE AGENCY]

WHEREAS, various SWP Contractors (collectively, “CWF Project Participating Members”) have committed to, or will be committing to, assisting DWR in the financing of CWF in the following ways (collectively, “CWF Financial Arrangements”):

1. The CWF Project Participating Members have proposed forming a joint exercise of powers authority (“Finance JPA”) that would facilitate, through different actions, the issuance of revenue bonds by DWR (“California WaterFix Revenue Bonds”) to finance the SWP share of capital costs, construction, planning and other preconstruction costs of CWF; and

2. Since the marketability of the California WaterFix Revenue Bonds may be affected by judicial challenges to CWF, DWR plans to sell these revenue bonds directly to the Finance JPA through a “private placement;” and

3. In turn, the Finance JPA would finance its purchase of the California WaterFix Revenue Bonds by issuing its own bonds (“Finance JPA Bonds”); and

4. The CWF Project Participating Members have proposed supporting the Finance JPA Bonds issued by the Finance JPA by protecting the purchasers of the Finance JPA Bonds from the risk of nonpayment or invalidity of the California WaterFix Revenue Bonds. Such a risk could result from a successful challenge to the authority of DWR to repay the California WaterFix Revenue Bonds from proceeds of charges imposed by DWR on SWP Contractors through DWR’s regular statement of charges. Such a successful challenge may also result in the inability of SWP Contractors to use proceeds of SWP Taxes to pay such obligations. This protection would be accomplished through one or more agreements (any such agreement to be referred to herein as a “Support Agreement” and any such Support Agreement or other form of support of the California WaterFix Revenue Bonds shall be referred to herein as “Support”), including, without limitation, in the form of debt service Support Agreements, or through the purchase by the CWF Project Participating Members of the California WaterFix Revenue Bonds or other property through installment purchase agreements. Said installment purchase agreements may obligate SWP Contractors to make payments from sources other than SWP Tax proceeds. Said Support and/or Support Agreements would be entered into by CWF Project Participating Members regardless of whether any such CWF Project Participating Members has also joined the Finance JPA; and

5. It has been proposed that the Finance JPA and DWR enter into a security agreement (“Security Agreement”) pursuant to which DWR would agree that if it defaults in the payment of debt service of the California WaterFix Revenue Bonds or other agreed-upon conditions, DWR would transfer to the Finance JPA, or another designated entity, all of DWR’s right, title and interest in CWF and use its efforts to assist any other necessary transfers to permit the Finance JPA, or other designated entity, to construct, own and operate CWF; and

6. Until the issuance of the first California WaterFix Revenue Bonds, DWR plans to request the short-term contribution of additional funds from willing SWP Contractors for ongoing pre-construction costs. Such gap funding would be provided through “Gap Funding Agreements” between DWR and each SWP Contractor who is willing to participate. When the first California WaterFix Bonds are issued, the SWP Contractors who provided such gap funding would be reimbursed for the payments they made through a Gap Funding Agreement.

WHEREAS, various SWP Contractors have committed to, or will be committing to, the formation of a Delta Conveyance Design and Construction Joint Exercise Of Powers Authority (“DCA”) for the implementation of the CWF, providing fiscal control and oversight and protection of the public’s investment. The DCA would undertake the construction of CWF through a contract with DWR. The Board of Directors of the Agency is not currently planning on joining the DCA; and

WHEREAS, the Agency's participation allocation in the SWP under the State Water Contracts (determined by reference to Table A of such State Water Contracts) equals 0.41% of the total SWP cost. The Agency's participation in the SWP share of the Cal Water Fix is 0.43, since North of Delta Contractors will not be participating in cost allocation for this project. Therefore, in no event shall the Agency's share of the cost of CWF and/or any CWF Financial Arrangements exceed 0.43 % of the estimated total capital costs of the SWP share of CWF; and

WHEREAS, the Board of Directors of the Agency desires to authorize the General Manager of the Agency to negotiate, execute, and deliver agreements and documents associated with CWF, including the CWF Financial Arrangements which may be necessary, in order to effect the Agency's participation in the CWF, consistent with the Agency's percentage participation allocation of the total SWP share of the cost of CWF.

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY DOES HEREBY FIND AND DETERMINE AND ORDER AS FOLLOWS:

1. Incorporation of Recitals All of the foregoing Recitals are true and correct and the Board so finds and determines. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

2. Approval of the Agency's Financial Participation in CWF The Agency Board hereby authorizes and approves the Agency's participation in the financing of CWF as set forth in more detail in this Resolution; provided that the Agency's participation in any financing of CWF shall not exceed 0.43% of the estimated total capital costs of the SWP share of CWF.

3. CEQA Compliance As one of the responsible agencies for actions related to the Final EIR for CWF, prior to taking action on CWF, the Agency has considered DWR's certified Final EIR and the impacts of CWF as disclosed and analyzed in the Final EIR. As a responsible agency, the Agency:

(a) has considered DWR's certified Final EIR and the impacts of the CWF as disclosed and analyzed in the Final EIR.

(b) hereby adopts DWR's Findings with respect to each potentially significant impact of the CWF.

(c) hereby adopts a SOC in view of potentially significant and unavoidable impacts, and

(d) hereby adopts the MMRP.

4. Authorization of General Manager The Agency Board hereby authorizes the General Manager of the Agency, and any of the designees of the General Manager, to do any and all things necessary or convenient, in the best interests of the Agency, to effect any financing of CWF through the CWF Financial Arrangements, including the Finance JPA (collectively referred to herein as "Agency Participation Action") consistent with the CWF Finance Arrangements as set forth in this Resolution. The General Manager, or his/her designee, is hereby authorized to enter into and all agreements and documents that the

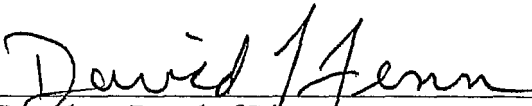
General Manager, or his/her designee, determines, in his or her reasonable discretion, to be necessary or convenient, in the best interests of the Agency, to carry out any Agency Participation Action, and to execute all papers, documents, certificates, agreements or other instruments that may be required in order to carry out any Agency Participation Action or to evidence said authority and its exercise. In implementing these actions, the General Manager shall be authorized to use such reasonable assumptions, methods, approaches and calculations he/she believes, in good faith, to be consistent with the authorizations herein and necessary to the implementation of the matters provided for in this Resolution.

5. Limitation On Agency Participation Action The Agency shall not make financial commitments to CWF in excess of 0.43% of the estimated total capital costs of the SWP share of CWF, unless the Agency decides to participate in "side agreements" with other Contractors to lease, for the long term, portions of their share of the Cal Water Fix. In this case, the Agency's ownership would not change, but its financial participation would increase in proportion to the size of the "side deals." The terms of bonds issued for the project shall not exceed 40 years and the total interest cost on debt issued shall not exceed 8%.

6. Effective Date The President of the Board shall sign this Resolution and the Secretary of the Board shall attest thereto, and this Resolution shall be in full force and effect immediately upon adoption.

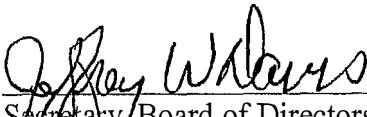
7. Severability If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

ADOPTED AND APPROVED this 21st day of May, 2018.



President, Board of Directors
San Geronio Pass Water Agency

ATTEST:



Secretary, Board of Directors
San Geronio Pass Water Agency

RESOLUTION NO. 2020-01
RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN GORGONIO PASS WATER AGENCY APPROVING
THE AMENDED DELTA CONVEYANCE
FINANCE AUTHORITY JOINT POWERS AGREEMENT

WHEREAS, on May 21, 2018, the SAN GORGONIO PASS WATER AGENCY passed Resolution No. 2018-02 approving and authorizing execution of the Delta Conveyance Finance Authority Joint Powers Agreement (“Finance JPAA”), pursuant to which the Delta Conveyance Finance Authority (“Finance Authority”) was created; and

WHEREAS, the Finance JPAA defined the term "Conveyance Project" (per Section 2.(f)) by reference to the definition in Section 2(a) of the Joint Exercise of Powers Agreement between the Department of Water Resources of the State of California (“DWR”) and the Delta Conveyance Design and Construction Authority (“Construction Authority”) to design and construct the California WaterFix conveyance facilities (“JEPA”); and

WHEREAS, on February 12, 2019, subsequent to the execution of the Finance JPAA, Governor Gavin Newsom laid out a new direction for Delta conveyance and offered his support for a revised conveyance project designed to modernize and improve the DWR water delivery system from the Sacramento San Joaquin River Bay Delta; and

WHEREAS, the Governor's revised conveyance proposal may constitute a material change to the Conveyance Project as described in the JEPA, and could include new operational criteria, permitting requirements, require new permits and a certification of consistency with the Delta Plan through the Delta Stewardship Council’s consistency determination process; and

WHEREAS, the Finance Authority member agencies desire to amend the Finance JPAA so as to define the term Conveyance Project as a new, and yet to be determined, Delta water conveyance facility to be designed and constructed by the Construction Authority under the

supervision of the DWR, that would convey water from the Sacramento River in the north Delta through the Delta directly to the existing State Water Project and federal Central Valley Project pumping plants located in the South Delta; and

WHEREAS, the Board desires to amend the Finance JPAA based on the current membership and operating protocols of the Finance Authority; and

WHEREAS, the Board desires to approve and execute the amended Finance JPAA, and to express its intention to support bonds issued by the Finance Authority at a future date for the Conveyance Project as defined in the amended Finance JPAA.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the **SAN GORGONIO PASS WATER AGENCY** does hereby find, determine, and declare as follows:

1. That the Board approves and executes the Finance Joint Powers Authority Agreement, as amended and attached hereto as Exhibit A, and as presented to the Board on March 2, 2020; and
2. That any financial commitment by the **SAN GORGONIO PASS WATER AGENCY** to support any bonds issued by the Finance Authority be brought to the Board for its consideration and approval.

APPROVED AND ADOPTED this 2nd day of March, 2020.

SAN GORGONIO PASS WATER AGENCY

Ron Duncan
President, Board of Directors

ATTEST:

Secretary, Board of Directors

DELTA CONVEYANCE FINANCE AUTHORITY

AMENDED AND RESTATED JOINT POWERS
AGREEMENT

Amended as of _____, 2019

SECTION 1.	PURPOSE	2
SECTION 2.	DEFINITIONS.....	2
SECTION 3.	CREATION OF THE	
SECTION	AUTHORITY.....	4
<u>SECTION 34.</u>	TERM.....	4
SECTION 4	POWERS	4
5.	BONDS AND NOTES	6
SECTION 56.	LIMITATIONS AND CONTRIBUTION	6
SECTION 67.	TERMINATION OF POWERS; LIQUIDATION; DISTRIBUTION	7
SECTION 87.	BOARD OF DIRECTORS	7
SECTION 99.	EXECUTIVE COMMITTEE AND EXECUTIVE DIRECTOR	7
SECTION	MEETINGS OF BOARD OF DIRECTORS	8
109.	OFFICERS	9
SECTION	CONTRIBUTIONS; PAYMENTS; ADVANCES	10
140.	ADDITIONAL MEMBERS.....	11
SECTION	WITHDRAWAL OR EXCLUSION OF MEMBER	11
121.	ACCOUNTS AND REPORTS.....	11
SECTION	BREACH	12
132.	INDEMNITY	12
SECTION	SEVERABILITY	13
143.	SUCCESSORS AND ASSIGNS; AMENDMENTS.....	13
SECTION	NOTICES	13
154.	OTHER OBLIGATIONS.....	14
SECTION	EXECUTION OF COUNTERPARTS.....	14
176.		
SECTION		
187.		
SECTION		
198.		
SECTION		
2019.		
SECTION		
2120.		
SECTION		
2221.		
SECTION		
2322.		

AMENDED AND RESTATED
JOINT POWERS AGREEMENT,

DELTA CONVEYANCE FINANCE AUTHORITY.

THIS amended and restated Joint Powers Agreement of the Delta Conveyance Finance Authority, ~~dated as of and effective on _____, 2019~~ ("Agreement"), is made and entered into by and among: Alameda County Water District; Alameda County Flood Control and Water Conservation District, Zone 7; San Geronio Pass Water Agency; Metropolitan Water District of Southern California; Antelope Valley-East Kern Water Agency; Coachella Valley Water District; Mojave Water Agency; Desert Water Agency; Santa Clara Valley Water District; Santa Clarita Valley Water Agency; and the San Bernardino Valley Municipal Water District. Additional Public Water Agencies may execute and become members as specified in Section 14 below.

Formatted: Centered, Indent: Left: 0", Space Before: 0 pt, Line spacing: Multiple 1.1 li

Formatted: Font color: Custom Color(54,54,54), Character scale: 105%

Formatted: Font: Not Bold, Font color: Custom Color(54,54,54), Character scale: 105%

Formatted: Heading 3, Centered, Space Before: 0 pt, Line spacing: Multiple 1.1 li

Formatted: Heading 3, Centered, Indent: Left: 0", Line spacing: Multiple 1.1 li

Formatted: Font: Not Bold, Font color: Custom Color(54,54,54), Character scale: 105%

WITNESSETH:

WHEREAS, each Member is a Public Water Agency and is empowered by law to acquire, construct, finance, maintain and operate facilities for the delivery of water for public or private use and all rights, properties and improvements necessary therefore; and

WHEREAS, each Member desires to clarify and support the purposes of an existing, ~~enter into an agreement to create a separate~~ public entity pursuant to the provisions of the Joint Powers Act for the purpose set forth herein and desires that such separate public entity have the powers provided herein in connection with such purpose;

WHEREAS, on July 3, 2018, pursuant to the Joint Powers Act, the Alameda County Water District, Alameda County Flood Control and Water Conservation District, Zone 7, and the San Geronio Pass Water Agency previously created a separate public agency, the Delta Conveyance Finance Authority ("DCFA"), for the purpose of financing some or all of costs of constructing a certain California Department of Water Resources Project to convey water through the Sacramento-San Joaquin Delta ("Delta"), which project was known as the "California WaterFix Twin Tunnels;" and

Formatted: Font color: Light Blue

WHEREAS, the following public agencies, by resolution, joined the Delta Conveyance Authority subsequent to July 3, 2018: Metropolitan Water District of Southern California; Antelope Valley-East Kern Water Agency; Coachella Valley Water District; Mojave Water Agency; Desert Water Agency; Santa Clara Valley Water District; Santa Clarita Valley Water Agency; and the San Bernardino Valley Municipal Water District; and

Formatted: Font color: Light Blue

WHEREAS, in February 2019, the California Department of Water Resources ("DWR") rescinded its approvals of the California WaterFix and directed environmental review and study of ~~determined it would not construct the "Twin Tunnels" project, but would construct~~ alternative facilities to modernize and improve DWR's water delivery system through the Delta; and

Formatted: Font color: Light Blue

WHEREAS, the Members hereto wish to amend the original Joint Powers Agreement of the

Delta Conveyance Finance Authority to increase flexibility and to empower the Delta Conveyance Finance Authority to take actions necessary to finance projects, following applicable environmental review, to ensure the reliability and resiliency of the State Water Project, including different conveyance project facilities to convey water through the Sacramento-San Joaquin Delta.

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do hereby agree as follows:

SECTION 1. PURPOSE. This Agreement is made pursuant to the provisions the Joint Powers Act, to create and support a separate public entity to: (1) exercise Common Powers, and (2) exercise Additional Powers; in each case as determined from time to time by the Board. It is explicitly recognized that it is intended that the Finance Authority, in exercising its powers, and to further the public's interest, will serve as an issuer of Bonds for the benefit of a Member or Members in implementing projects designed to modernize and improve the reliability and resiliency of the California Department of Water Resources' water delivery system from the Delta.

Formatted: Font color: Light Blue

SECTION 2. DEFINITIONS. In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified.

(a) **Additional Powers.** Such powers, in addition to the Common Powers, as are granted or otherwise available to the Finance Authority pursuant to the Joint Powers Act or any other applicable law, whether currently in force or hereafter enacted. Such powers include those provided in the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of the Joint Powers Act, including but not limited to, the power to issue and purchase debt obligations issued by, or to make loans to, the Members or other agencies or enter into various other financing arrangements as authorized under the Joint Powers Act, and to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale. To the extent not already constituting Common Powers, the Additional Powers shall include without limitation, the Powers described in Section 5 hereof.

(b) **Additional Project Amounts.** The term "Additional Project Amounts" means the amount of payments made by a Member to the California Department of Water Resources for the construction of Conveyance Projects in exchange for a right to use capacity in said Conveyance Projects ("Project Capacity Right") (other than any payments made under a State Water Contract relating to the State Water Project); provided, however, if any Member is assigned any Project Capacity Right from another Member and the assignee Member makes payments to the assignor Member for such Project Capacity Right, then the amount of such payments shall constitute the Member Support Amount of solely the assignee Member.

(c) **Bonds.** Bonds, notes and any other evidence of indebtedness issued or incurred by the Finance Authority pursuant to any applicable provision of the Joint Powers Act or any other lawful authority.

(d) **Central Valley Project.** The term "Central Valley Project" means the federal reclamation project operated by the United States Bureau of Reclamation pursuant to federal

reclamation law (Act of June 17, 1902 (32 Stat. 388)) and acts amendatory or supplementary thereto.

(e) **Common Powers.** The legal powers which are common to the Members under applicable laws of the State, including but not limited to, those powers of the Members in connections with the issuance of Bonds, the expenditure of proceeds of Bonds and the borrowing and lending of money.

(f) **Conveyance Project.** ~~The term "Conveyance Project" shall mean the project described in Section 2(a) of the JEPA, including facilities for conveying and delivering water for public or private uses and all rights, properties and improvements necessary therefor, including fuel and energy facilities and resources, and buildings, structures, improvements and facilities appurtenant thereto or provided therefor together with land necessary therefor.~~ **Conveyance Projects.** The term "Conveyance Projects" shall mean facilities and projects designed to support the conveyance and delivery of water from the Delta for public or private uses and all rights, properties and improvements necessary therefore, including fuel and energy facilities and resources, and buildings, structures, improvements and facilities appurtenant thereto or provided therefore together with land necessary therefore.

(g) **DCA Agreement.** The term "DCA Agreement" shall mean the Joint Powers Agreement, dated May 14, 2018, and any subsequent amendments thereto, which formed the Delta Conveyance Design and Construction Joint Powers Authority.

(h) **DCA.** The term "DCA" shall mean the joint exercise of powers agency formed by the DCA Agreement.

~~(i)~~
(i) **Effective Date.** ~~The term "Effective Date" shall mean the last signature date this agreement is executed by a party hereto, and is the date upon which this Agreement shall be in effect.~~ Formatted: Font: Bold

(j) **Finance Authority.** The term "Finance Authority" shall mean the separate public entity created by this Agreement.

~~(k)~~
(k) **Financial Commitment Amount.** The term "Financial Commitment Amount" shall mean, initially, one (1), and from and after the first issuance of Bonds by the Finance Authority, a fraction, the numerator of which is the total Member Support Amount of the Member selecting the applicable Director, and the denominator of which is the sum of the total principal amount of Bonds then outstanding and the aggregate amount of all Additional Project Amounts of all Members.

~~(l)~~
(l) **Fiscal Year.** ~~The term "Fiscal Year" shall mean the Fiscal Year of the Finance Authority, as established from time to time by the Board of Directors, being at the date of this Agreement the period from July 1 to and including the following June 30.~~ The Fiscal Year shall be established as beginning July 1, up to and including June 30 of the subsequent year. The Board of Directors may change the Fiscal Year from time to time. Formatted: Font color: Light Blue

~~(m)~~
(m) **JEPA.** The term "JEPA" shall mean the Joint Exercise of Powers Agreement, between the Department of Water Resources, State of California and the DCA to design and construct the ~~the~~ Formatted: Font color: Light Blue

California Water Fix conveyance facilities Conveyance Projects dated October 26, 2018, and any subsequent amendments thereto.

Formatted: Font color: Light Blue

(nm) **Joint Powers Act.** The Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code as in effect on the effective date of this Agreement, as the same may be amended and supplemented.

(on) **Member.** The term "Member" shall mean (1) the Public Water Agencies that execute this Agreement on or before the date first above written; (2) a Public Water Agency which shall have met the requirements of Section 14 hereof; or (3) a successor of a Public Water Agency referred to in Section 20. The term "Member" shall, however, exclude any Public Water Agency which shall have withdrawn or been excluded from the Finance Authority pursuant to Section 15 hereof.

(po) **Member Support Amount.** The term "Member Support Amount" shall mean, with respect to any Member, the sum of (1) the original principal amount of Bonds that a Member has undertaken by agreement to pay by installment purchase agreement, and (2) without duplication with amounts described in clause 1 of this definition, any Additional Project Amounts of such Member.

(qp) **Powers.** Collectively, the Common Powers and the Additional Powers.

(rq) **Public Water Agency.** The term "Public Water Agency" shall mean (1) a public agency that has entered into an agreement with the California Department of Water Resources for water supply from the State Water Project or an agreement with the Federal Bureau of Reclamation for water supply from the Central Valley Project or (2) a member unit of Kern County Water Agency.

(sf) **State Water Project.** The term "State Water Project" means the State Water Facilities, as defined in California Water Code section 12934(d).

~~SECTION 3. CREATION OF AUTHORITY. Pursuant to the Joint Powers Act, there is hereby created a public entity, to be known as the "Finance Authority", and said Finance Authority shall be a public entity separate and apart from the Members. The effective date of this Agreement shall be July 3, 2018.~~

~~Within 30 days after the effective date of this Agreement or any amendment hereto, the Secretary shall cause a notice of this Agreement or amendment hereto to be prepared and filed with the office of the Secretary of State of the State of California in the manner set forth in Section 6503.5 of the Joint Powers Act.~~

~~SECTION 4. PLACE OF BUSINESS.~~ SECTION 3. PLACE OF BUSINESS. The business office of the Finance Authority shall be at 1121 L Street, Suite 1045, Sacramento, CA 95814, or at such other place as may later be designated by the Board of Directors.

~~SECTION 5. TERM.~~ SECTION 4. TERM. This Agreement shall become effective on the Effective Date as of the date hereof and, subject to the right to rescind provided by Section 89 hereof, shall continue in full force and effect until July 2, 2068, or until such later date as all bonds and notes of

the Finance Authority and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and notes.

~~SECTION 6.~~ **SECTION 5. POWERS.** The Finance Authority has all Powers necessary or convenient, specified or implied, to the accomplishment of the purposes of this Agreement, subject to the restrictions set for in this Section. The enumeration of any Powers herein shall not limit the generality or scope of the Powers granted to the Authority pursuant to this Section, the definition of Common Powers, the definition of Additional Powers, or the grant of any other powers otherwise available to the Authority as a separate public entity pursuant to the Joint Powers Act or any other applicable law whether currently in force or hereafter enacted. Without limiting the generality of the Powers conferred in this Section, the Finance Authority is hereby authorized, in its own name, to do all acts necessary or convenient to the accomplishment of the purposes of this Agreement and the full exercise of the Powers conferred in this Section, including, but not limited to, any or all of the following:

(a) To finance or assist in the financing of the planning, development, acquisition, construction, improvement, management, maintenance or operation of the Conveyance Projects, or any interest therein, to act as agent, and to sell, deliver, exchange, and otherwise dispose of any interest the Authority may have or acquire in the Conveyance Projects, including without limitation, any capacity or other interest in the Conveyance Projects; and to purchase, lease or otherwise acquire and equip, maintain, operate, sell, assign, convey, lease and otherwise dispose of facilities or systems, or interests therein, together with all lands, buildings, equipment, and all other real or personal property, tangible or intangible, necessary or incidental thereto.

(b) To acquire (by exercise of the power of eminent domain or otherwise), hold, lease (as lessor or lessee), sell, or otherwise dispose of any real or personal property, commodity, or service including, without limitation, to buy, lease, construct, appropriate, contract for, invest in, and otherwise acquire, and to own, hold, maintain, equip, operate, manage, improve, develop, and deal in and with, and to sell, lease, exchange, transfer, convey and otherwise dispose of, real and personal property of every kind, tangible and intangible, commodities (including fuel and water) and services; provided that the power to acquire property shall not include the power of condemnation of property owned or otherwise subject to use or control by any public utility within the State of California.

(c) To make and enter into contracts with any Member or Members, or any other entity, public or private, with respect to the planning, design, ownership, location, acquisition, financing, construction, operation or disposal of the Conveyance Projects or any interest therein, and with respect to any other matters relating to the Conveyance Projects, or the financing thereof, on such terms and conditions as shall be determined by the Board of Directors.

(d) To establish or agree to establish, pursuant to any contract with respect to the Conveyance Projects, management or other committees composed of representatives of participating entities and to agree to the powers, duties, procedures and responsibilities of any such committee.

(e) To make and enter into other contracts of every kind with the Members, the United States, any state or political subdivision thereof, and any individual, firm, association, partnership, corporation or any other organization of any kind.

(f) To apply for, accept, receive and disburse state, federal or local licenses, permits, grants, loans, or other aid from any agency of the United States, the State or other public or private entities as the Finance Authority deems necessary for the full exercise of its powers.

(g) To employ full-time and part-time employees, assistants and independent contractors that may be necessary from time to time to accomplish the purpose of the Finance JPA, including interagency agreements with Members.

(h) To issue Bonds and otherwise to incur debts, liabilities or obligations provided that no such Bond, debt, liability or obligation shall constitute a debt, liability or obligation of any Member.

(i) To sue and be sued in its own name.

(j) To purchase for investment or otherwise such bonds, notes, commercial paper or other evidences of indebtedness issued by the Department of Water Resources of the State of California or any other governmental agency or entity as may be legal investments for the Finance Authority and to pledge any such indebtedness to the payment of any debts, liabilities or obligations of the Finance Authority.

(k) To apply for letters of credit or other forms of financial guarantees to secure the repayment of Bonds and enter into agreements in connection therewith.

(l) To engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of the Finance Authority.

(m) To employ and compensate counsel, including general counsel, bond counsel and disclosure counsel, as well as financial consultants, municipal advisors and other advisers, in each case as determined appropriate by the Finance Authority in the accomplishment of the purposes of the Authority, including without limitation, in connection with the issuance and sale of any Bonds.

(n) To contract for engineering, construction, architectural, accounting, environmental, land use, or other services determined necessary or convenient by the Finance Authority in connection with the accomplishment of the purposes of the Finance Authority.

(o) To take title to, and transfer, sell by installment sale or otherwise, lands, structures, real or personal property, rights, capacity interests, rights-of-way, easements, and other interests in real or personal property which the Finance Authority determines are necessary or convenient in connection with the accomplishment of the purposes of the Finance Authority.

(p) To exercise any other power permitted by the Joint Powers Act.

~~To the extent required under Government Code section 6509, in the event that the Metropolitan Water District of Southern California becomes a party to this Agreement, and upon approval of the Board, the Finance Authority shall exercise its powers in the manner and according to the methods provided under~~

~~the laws applicable to the Metropolitan Water District of Southern California. Prior to such event, to the extent required under Government Code section 6509, the Finance Authority shall exercise its powers in the manner and according to the methods provided under the laws applicable to the San Geronio Pass Water Agency. The Finance Authority shall exercise its powers in the manner and according to the methods provided under the laws applicable to The Metropolitan Water District of Southern California.~~

~~SECTION 7.~~ **SECTION 6. BONDS AND NOTES.** The Finance Authority shall also have the power to issue, sell and deliver, in accordance with the provisions of the Joint Powers Act, (1) bonds, notes or other obligations to provide funds for the acquisition, planning, design, construction and/or financing of the Conveyance Projects, including, without limitation, the financing of the purchase, lease or other acquisition by one or more Members of an interest in the Conveyance Projects; and (2) refunding bonds for the purpose of redeeming or retiring any bonds issued by the Finance Authority and any other indebtedness incurred by the Finance Authority. The terms and conditions of the issuance of any such bonds, refunding bonds or notes shall be set forth in such resolution, indenture or other instrument, shall include such security provisions and shall specify such source or sources of payment, as in accordance with law shall be determined by the Board of Directors.

~~SECTION 8.~~ **SECTION 7. LIMITATIONS AND CONTRIBUTIONS.**

(a) Bonds or notes issued by the Finance Authority under Section 56, and contracts or obligations which are entered into by the Finance Authority to carry out the purposes for which such bonds or notes are issued and which are payable in whole or in part from the proceeds of said bonds or notes, shall not constitute a debt, liability or obligation of any Member. Pursuant to Section 6508.1 of the Government Code of the State of California, as amended, no debt, liability or obligation of the Finance Authority shall be a debt, liability or obligation of any Member except as provided by Section 895.2 of the Government Code of the State of California in the case of injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement.

(b) Nothing in this Section contained shall in any way diminish the liability of any Member or other party with respect to any contract between such Member or other party and the Finance Authority.

~~SECTION 9.~~ **SECTION 8. TERMINATION OF POWERS; LIQUIDATION; DISTRIBUTION.** This Agreement shall continue in full force and effect, and the Finance Authority shall continue to possess the powers herein conferred upon it, until the expiration (pursuant to Section 4 of this Agreement) of the term of this Agreement or until the Members shall have rescinded this Agreement (pursuant to this Section 8). Rescission of this Agreement may only be accomplished by a writing or writings executed by each Member and approved by resolution of each Member's governing body. In no event shall this Agreement or the powers herein granted to the Authority be rescinded until (1) all bonds and notes of the Finance Authority and the interest thereon shall have been paid or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and notes and (2) all other obligations and liabilities of the Finance Authority shall have been met or adequately provided for.

Upon any such expiration or rescission, the Board of Directors shall liquidate the business and assets and property of the Finance Authority as expeditiously as possible, and distribute any net proceeds

to any Members in such manner in accordance with law as shall be determined by the Board of Directors.

~~SECTION 10.~~ SECTION 9. BOARD OF DIRECTORS.

(a) The Finance Authority shall be administered by a governing board (the "Board of Directors") which shall consist of one Director representing each Member. The Director representing each Member shall be a director, officer or employee of such Member. Each Director will serve in his individual capacity as a member of the Board of Directors. The Board of Directors shall have the general management of the affairs, property and business of the Authority and may adopt and modify from time to time such by-laws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The Board of Directors may exercise and shall be vested with all powers of the Finance Authority insofar as not inconsistent with law or this Agreement.

(b) The Board of Directors may adopt an annual budget for administrative expenses, which shall include all expenses not included in any financing issue or Conveyance Project Matter of the Finance Authority, on or about July 1st of each year.

(c) Directors ~~shall serve without compensation, but may receive reasonable compensation for serving as a Director, and shall~~ may be entitled to reimbursement for any expenses actually incurred in connection with serving as such, if the Board of Directors determines that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

~~SECTION 11.~~ SECTION 10. EXECUTIVE COMMITTEE AND EXECUTIVE DIRECTOR

(a) The Board of Directors shall establish an Executive Committee comprised of the President, Vice President, and Secretary of the Board of Directors, and such other members as approved by the Board, which directors shall serve at the pleasure of the Board. The Board of Directors by majority vote may appoint additional Members to the Executive Committee.

(b) The Executive Committee is delegated authority to manage the administration of the affairs, property and business of the Authority, as determined by the Board, and shall carry out such other responsibilities as are delegated to it by the Board of Directors. The Executive Committee shall study and recommend to the Board of Directors changes in procedures, plans, and programs as appropriate. Notwithstanding the foregoing, the Executive Committee shall have no authority to approve any matter that requires the unanimous vote of the Directors under Section 11(g) of this Agreement.

(c) The Executive Committee ~~may meet as it deems necessary, shall hold at least one regular meeting quarterly. The date, time and place upon which such regular meetings shall be held, shall be fixed by the Executive Committee,~~ and notice of such meetings shall be provided to each Member of the Authority.

(d) The presence of a majority of the Members of the Executive Committee shall constitute a quorum, except that less than a quorum may adjourn from time to time. An affirmative vote of ~~the majority three (3) Members~~ of the Executive Committee shall be necessary to constitute action and to transact business.

(e) The Executive Committee shall develop or cause to be developed and recommend to the Board of Directors for approval an annual budget for the Finance Authority.

(f) Recommendations of the Executive Committee to the Board of Directors shall be established upon a majority vote of the Executive Committee Members.

(g) The Board may hire an Executive Director to assist the Executive Committee and the Board in carrying out its responsibilities, and/or other duties and responsibilities as delegated by the Board of Directors. The Executive Director shall serve at the pleasure of the Board of Directors, and shall be compensated for his/her services, as determined by the Board of Directors.

~~SECTION 11~~ SECTION 11. MEETINGS OF BOARD OF DIRECTORS.

(a) **Regular Meetings.** The Board of Directors shall hold a regular meeting not less than once each calendar year. The date upon which, and the hour and place at which, each regular meeting shall be held shall be set by the Board of Directors.

(b) **Special Meetings.** Special meetings of the Board of Directors may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California, as amended.

(c) **Legal Notice.** All meetings of the Board of Directors shall be held subject to the provisions of the laws of the State of California requiring notice of meetings of public bodies to be given in the manner in such laws provided.

(d) **Minutes.** The Secretary of the Finance Authority shall cause to be kept minutes of the meetings of the Board of Directors, both regular and special, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(e) **Quorum.** Those Directors representing a majority of the votes of the Board of Directors for all non-administrative matters, as calculated under subsection (f) below, shall constitute a quorum for the transaction of business, except that, if less than a majority of votes is present at a meeting, Directors representing a majority of votes that are present may adjourn the meeting from time to time. At no time shall a quorum consist of fewer than two Directors.

(f) **Voting.** When a quorum is present at a meeting of the Board of Directors, the vote of the Directors present at such meeting shall decide any question brought before such meeting and such decision shall be deemed to be the action of the Board. Each Director shall have the number of votes equal to 1,000 multiplied by its Financial Commitment Amount. Except as provided in subsections (g) and (h) of this Section ~~1211~~ and in Section 14(c) of this Agreement, the majority of votes shall decide any question. Notwithstanding any other provision of this Agreement, all administrative matters shall be decided by a majority vote, with each Director having one vote. Administrative matters include, but are not limited to, actions such as, selecting Board Officers, selecting additional Executive Committee Members, selecting an Executive Director, setting agendas, designating meeting times and places and other general matters related to the basic functions of the Finance Authority.

(g) **Super Majority Voting Provisions.** Any of the following matters shall require a vote of not less than all of the Directors:

(i) The addition of any Public Water Agency as a new Member under Section ~~14~~5(e) of this Agreement;

(ii) The termination of this Agreement; and

(iii) Any action, the taking of which would cause the Finance Authority to breach its obligations under the contractual arrangements among the Members relating to the issuance of Bonds and the Conveyance Projects.

(h) **Other Voting Arrangements.** No provision of this Agreement shall in any way restrict the ability of the Finance Authority to make and enter into from time to time contracts providing for representation on management or other committees with respect to the Conveyance Projects and/or voting by the parties to such contracts on matters related thereto, on the terms provided therein.

~~SECTION 13~~-SECTION 12. OFFICERS.

(a) At its first meeting in each calendar year, the Board of Directors shall elect, from the Board, a President, Vice President and Secretary, and appoint or reappoint a Treasurer/Controller who may, but need not, be selected from among the Directors. In the event that the President, Vice President, Secretary or Treasurer/Controller so elected or appointed ceases (in the case of the President or the Vice President) to be a Director, resigns from such office or is otherwise unable to perform the duties of such office, the resulting vacancy shall be filled at the next regular meeting of the Board of Directors held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his absence the Vice President, shall preside at and conduct all meetings of the Board of Directors.

(b) The Treasurer/Controller is designated as the treasurer and the controller of the Finance Authority and as such (1) shall be the depository of the Finance Authority to have custody of all the money of the Finance Authority, from whatever source, (2) shall draw warrants to pay demands against the Finance Authority when the demands have been approved by the President, Vice President, or Executive Director of the Finance Authority, and (3) shall have the other powers, duties and responsibilities of such officers as specified in Section 6505.5 of the Government Code of the State of California, as amended, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed, as is provided for and authorized by Section 6558 of the Government Code of the State of California, as amended, pursuant to any resolution, indenture or other instrument providing for the issuance of bonds or notes of the Finance Authority pursuant to Section 5 of this Agreement.

(c) The President, the Vice President and (to the extent such officer's duties and responsibilities pursuant to the Joint Powers Act require) the Treasurer/Controller are designated as the public officers or persons who have charge of, handle, or have access to any property of the Finance Authority, and each such officer shall file an official bond with the Secretary of the Finance Authority in the amount of \$100,000.

(d) In addition to the powers, duties and responsibilities provided herein or by law, the President, the Vice President and the Secretary shall have such powers, duties and responsibilities as are provided in the by-laws of the Finance Authority. The Treasurer/Controller shall have such powers, duties and responsibilities as are provided herein or by law.

(e) The Board of Directors shall have the power to appoint an Executive Director, who shall have such powers, duties and responsibilities as may be provided in the by-laws of the Finance Authority and as specified in section ~~1041~~(g) of this Agreement.

(f) The Board of Directors shall have the power to appoint a General Counsel. The General Counsel will report to the Board of Directors.

(g) The Board of Directors shall have the power to appoint such other officers and employees as it may deem necessary, any of whom may be employees of a Member, and who shall have such powers, duties and responsibilities as are determined by the Board of Directors.

~~SECTION 14-~~SECTION 13. CONTRIBUTIONS; PAYMENTS; ADVANCES.

In accordance with Section 6504 of the Government Code of the State of California, as amended, the Members shall make such contributions, payments and advances to the Finance Authority as are approved from time to time by the Board of Directors, provided that only Members who vote to approve such contribution, payment and advance by a Member shall be obligated to make any such contribution, payment or advance. The Finance Authority may make such arrangements relative to the repayment or return to the Members of such contributions, payments and advances as are approved from time to time by the Board of Directors. Notwithstanding this section, any administrative action taken under section 11(f) that would require the Finance Authority to incur costs will be allocated equally amongst the Members. Costs of non-administrative matters, which include, but are not limited to, costs related to financing such as costs of bond counsel, financial advisors, underwriting costs, custodian costs, rating agency costs, and arbitrage consultant costs, shall be apportioned based on the Members' Financial Commitment Amount.

Any Member which fails to make or pay when due any required contribution, payment or advance to the Finance Authority, may have its rights under this Agreement terminated and may be excluded from participation in the Authority as provided in Section 15 of this Agreement.

~~SECTION 15-~~SECTION 14. ADDITIONAL MEMBERS. Any Public Water Agency may become a Member as follows:

(a) ~~Within five months of the effective date of this Agreement, any~~Any Public Water Agency may execute this Agreement and become a Member if the governing body of the Public Water Agency adopts a resolution (at or before the time of its execution of this Agreement) which, (1) authorizes such Public Water Agency to commit to financially supporting any Bonds issued by the Finance Authority or which expresses an intention to do so at later date, and (2) approves the execution by such Public Water Agency of this Agreement, subject to the unanimous approval requirement of the member agencies set forth above in Section 11 (g) (i).

~~(b) Except for Public Water Agencies that become Members pursuant to the provisions of subparagraph (a) above, a Public Water Agency may become a Member by filing with the Board of Directors a certified copy of a resolution of its governing body whereby the Public Water Agency (1) agrees to the provisions of this Agreement and (2) requests to become a Member.~~

~~(c) Except for Public Water Agencies that become Members pursuant to the provisions of subparagraph (a) above, if a Public Water Agency requests to be a Member under subparagraph (b), such Public Water Agency will not become a Member until its admission is approved at a regular or special meeting of the Board of Directors by unanimous vote.~~

~~(d) Upon satisfying the requirements of subparagraph (a) or the requirements of subparagraph (b) and (c), the Public Water Agency shall become a Member for all purposes of this Agreement.~~

Formatted: Normal, Right: 0.29", Space Before: 0.05 pt, Line spacing: Multiple 1.1 li, Tab stops: 1.19", Left

~~SECTION 14.~~ SECTION 15. WITHDRAWAL OR EXCLUSION OF MEMBER

(a) Any Member may withdraw from the Finance Authority upon the following conditions: (1) the Member shall have filed with the Board of Directors a certified copy of a resolution of its governing body expressing its desire to so withdraw and (2) if the Finance Authority, prior to the filing of such resolution, shall have incurred any obligation payable from contributions, payments or advances in accordance with Section 13 hereof which obligation matures after the date of such filing, the withdrawing Member shall have paid, or made arrangements satisfactory to the Board of Directors to pay, to the Finance Authority its *pro rata* portion of such obligation.

(b) Upon compliance with the conditions specified in subsection (a) of this Section 15, the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any contract between the withdrawing Member and the Finance Authority.

~~SECTION 17.~~ SECTION 16. ACCOUNTS AND REPORTS. There shall be strict accountability of all funds and reporting of all receipts and disbursements of the Finance Authority. The Finance Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of the Finance Authority securing its bonds or notes, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of the Finance Authority shall be open to inspection at all reasonable times to each Member and its representatives. The Finance Authority, within 180 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to the Members.

The Board of Directors shall cause an annual independent audit of the accounts and records of the Finance Authority to be made by a certified public accountant or public accountant, all in accordance with, and at the time or times required by law.

All the books, records, accounts and files referred to in this Section 16 shall be open to the inspection of holders of bonds or notes of the Finance Authority to the extent and in the manner provided in the resolution, indenture or other instrument providing for the issuance of such bonds or notes.

~~SECTION 18.~~ **SECTION 17. BREACH.** If default shall be made by any Member in any undertaking contained in this Agreement, such default shall not excuse such Member or any other Member from fulfilling its obligations under this Agreement and each Member shall continue to be liable for the payment of contributions, payments and advances pursuant to Section 13 hereof and the performance of all conditions herein contained. Each Member hereby declares that this Agreement is entered into for the benefit of the Finance Authority created hereby and each Member hereby grants to the Finance Authority the right to enforce by whatever lawful means the Finance Authority deems appropriate all of the obligations of each of the Members hereunder. Each and all of the remedies given to the Finance Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Finance Authority to any or all other remedies.

~~SECTION 19.~~ **SECTION 18. INDEMNITY**

(a) Indemnity by Finance Authority for Litigation Expenses of Officer, Director or Employee. To the extent permitted by law, the Board of Directors may authorize indemnification by the Finance Authority of any person who is or was a member of the Board of Directors, or an officer, employee or other agent of the Finance Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or officer employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceedings

(b) Indemnity by Finance Authority for Litigation Expenses of a Member. To the full extent permitted by law, the Board of Directors may authorize indemnification by the Finance Authority of a Member who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such entity is or was a Member of the Finance Authority against expenses, judgments, fines settlements and other amounts and reasonably incurred in connection with such proceedings. Any obligations pursuant to this Section shall be borne by the Finance Authority and shall be a charge against any unencumbered funds of the Finance Authority available for the purpose.

~~SECTION 20.~~ **SECTION 19. SEVERABILITY.** In the event that any term, covenant or condition of this Agreement or the application of such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction in the premises, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless a court holds that the provisions are not separable from all other provisions of this Agreement.

~~SECTION 21.~~ SECTION 20. SUCCESSORS AND ASSIGNS; AMENDMENTS.

This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Members. No Member may assign its rights or obligations as a Member of the Finance Authority without the consent of all other Members. The immediately preceding sentence shall not affect, in any respect, any right of assignment under any contract between any Member and the Finance Authority. Subject to any requirements of law (including Section 6573 of the Government Code of the State of California, as amended), this Agreement may be amended at any time and from time to time by a writing or writings executed by each Member and approved by resolution of each Member's governing body.

~~SECTION 22.~~ SECTION 21. NOTICES.

(a) Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

If to the Finance Authority:	c/o Executive Director 1121 L Street, Suite 1045 Sacramento, Ca 95814
If to Alameda County Water District:	c/o General Manager 43885 S. Grimmer Blvd. Fremont, CA 94538
If to Alameda County Flood Control and Water Conservation District, Zone 7	c/o General Manager 100 N. Canyons Parkway Livermore, CA 94551
If to San Geronio Pass Water Agency:	c/o General Manager 1210 Beaumont Ave Beaumont, CA 92223
<u>If to Metropolitan Water District of Southern California</u>	<u>c/o General Manager</u> <u>700 N. Alameda Street</u> <u>Los Angeles, CA 90012-2944</u>
<u>If to Antelope Valley-East Kern Water Agency</u>	<u>c/o General Manager</u> <u>6500 W. Ave N</u> <u>Palmdale, CA 93551</u>
<u>If to Coachella Valley Water District</u>	<u>c/o General Manager</u> <u>51501 Tyler Street</u> <u>Coachella, CA 92236</u>
<u>If to Mojave Water Agency</u>	<u>c/o General Manager</u> <u>13846 Conference Center Drive</u> <u>Apple Valley, CA 92307</u>

If to Desert Water Agency c/o General Manager
1200 S. Gene Autry Trail
Palm Springs, CA 92264

If to Santa Clara Valley Water c/o General Manager
District 5750 Almaden Expy
San Jose, CA 95118

If to Santa Clarita Valley Water c/o General Manager
Agency 26521 Summit Cir
Santa Clarita, CA 91350

San Bernardino Valley Municipal c/o General Manager
Water District 380 E. Vanderbilt Way
San Bernardino, CA 92408

(b) A Member may, at any time, by written notice to each other Member and the Finance Authority, designate different or additional persons or different addresses for giving of notices, demands or requests to it hereunder.

(c) The Finance Authority may, at any time, by written notice to each Member, designate a different or additional person or a different address for giving of notices, demands or requests to it hereunder.

~~SECTION 23.~~ **SECTION 22. OTHER OBLIGATIONS.** The Members acknowledge that contractual arrangements outside of this Agreement, but not inconsistent to the terms of this Agreement, may be made among the Members relating to the assignment and disposition of any security or assignable interests in the Conveyance Projects and the study, planning, development, acquisition, construction, reconstruction, improvement, or betterment of the Conveyance Projects.

~~SECTION 24.~~ **SECTION 23. EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Members hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above-written.

Date

Alameda County Water District
43885 S Grimmer Blvd.
Fremont, CA 94538

Date	Alameda County Flood Control and Water Conservation District, Zone 7 100 N. Canyons Parkway Livermore, CA 94551
------	--

Date	San Geronio Pass Water Agency 1210 Beaumont Ave Beaumont, CA 92223
------	--

Date	Santa Clara Valley Water District 5750 Almaden Expressway San Jose, CA 95118
Date	Metropolitan Water District of Southern California 700 N. Alameda St. Los Angeles, CA 90012
Date	Coachella Valley Water District PO Box 1058 Coachella, CA 92236
Date	Desert Water Agency 1200 S. Gene Autry Trail Palm Springs, CA 92264
Date	Mojave Water Agency 13846 Conference Center Drive Apple Valley, CA 92307
Date	Antelope Valley-East Kern 6500 W. Avenue N Palmdale, CA 93551
Date	Santa Clarita Valley Water Agency 26521 Summit Circle Santa Clarita, CA 91350
Date	San Bernardino Valley Municipal Water District 380 E. Vanderbilt Way San Bernardino, CA 92408

DELTA CONVEYANCE FINANCE AUTHORITY

AMENDED AND RESTATED JOINT POWERS AGREEMENT

**DELTA CONVEYANCE FINANCE AUTHORITY
AMENDED AND RESTATED JOINT POWERS AGREEMENT**

Table of Contents

SECTION 1. PURPOSE	2
SECTION 2. DEFINITIONS	2
SECTION 3. PLACE OF BUSINESS	4
SECTION 4. TERM.....	4
SECTION 5. POWERS.	4
SECTION 6. BONDS AND NOTES.....	6
SECTION 7. LIMITATIONS AND CONTRIBUTIONS.	6
SECTION 8. TERMINATION OF POWERS; LIQUIDATION; DISTRIBUTION.	6
SECTION 9. BOARD OF DIRECTORS.	6
SECTION 10. EXECUTIVE COMMITTEE AND EXECUTIVE DIRECTOR.....	7
SECTION 11. MEETINGS OF BOARD OF DIRECTORS.	7
SECTION 12. OFFICERS.	8
SECTION 13. CONTRIBUTIONS; PAYMENTS; ADVANCES.	9
SECTION 14. ADDITIONAL MEMBERS.	10
SECTION 15. WITHDRAWAL OR EXCLUSION OF MEMBER.	10
SECTION 16. ACCOUNTS AND REPORTS.	10
SECTION 17. BREACH.	10
SECTION 18. INDEMNITY	11
SECTION 19. SEVERABILITY.	11
SECTION 20. SUCCESSORS AND ASSIGNS; AMENDMENTS.	11
SECTION 21. NOTICES.....	11
SECTION 22. OTHER OBLIGATIONS.....	13
SECTION 23. EXECUTION OF COUNTERPARTS.....	13

**AMENDED AND RESTATED
JOINT POWERS AGREEMENT**

DELTA CONVEYANCE FINANCE AUTHORITY

THIS amended and restated Joint Powers Agreement of the Delta Conveyance Finance Authority (“Agreement”) , is made and entered into by and among: Alameda County Water District; Alameda County Flood Control and Water Conservation District, Zone 7; San Geronio Pass Water Agency; Metropolitan Water District of Southern California; Antelope Valley-East Kern Water Agency; Coachella Valley Water District; Mojave Water Agency; Desert Water Agency; Santa Clara Valley Water District; Santa Clarita Valley Water Agency; and the San Bernardino Valley Municipal Water District. Additional Public Water Agencies may execute and become members as specified in Section 14 below.

WITNESSETH:

WHEREAS, each Member is a Public Water Agency and is empowered by law to acquire, construct, finance, maintain and operate facilities for the delivery of water for public or private use and all rights, properties and improvements necessary therefore; and

WHEREAS, each Member desires to clarify and support the purposes of an existing, separate public entity pursuant to the provisions of the Joint Powers Act for the purpose set forth herein and desires that such separate public entity have the powers provided herein in connection with such purpose;

WHEREAS, on July 3, 2018, pursuant to the Joint Powers Act, the Alameda County Water District, Alameda County Flood Control and Water Conservation District, Zone 7, and the San Geronio Pass Water Agency previously created a separate public agency, the Delta Conveyance Finance Authority (“DCFA”), for the purpose of financing some or all of costs of constructing a certain California Department of Water Resources Project to convey water through the Sacramento-San Joaquin Delta (“Delta”), which project was known as the “California WaterFix;” and

WHEREAS, the following public agencies, by resolution, joined the Delta Conveyance Authority subsequent to July 3, 2018: Metropolitan Water District of Southern California; Antelope Valley-East Kern Water Agency; Coachella Valley Water District; Mojave Water Agency; Desert Water Agency; Santa Clara Valley Water District; Santa Clarita Valley Water Agency; and the San Bernardino Valley Municipal Water District; and

WHEREAS, in February 2019, the California Department of Water Resources (“DWR”) rescinded its approvals of the California WaterFix and directed environmental review and study of alternative facilities to modernize and improve DWR’s water delivery system through the Delta; and

WHEREAS, the Members hereto wish to amend the original Joint Powers Agreement of the Delta Conveyance Finance Authority to increase flexibility and to empower the Delta Conveyance Finance Authority to take actions necessary to finance projects, following applicable environmental review, to ensure the reliability and resiliency of the State Water Project, including conveyance project facilities to convey water through the Sacramento-San Joaquin Delta.

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do hereby agree as follows:

SECTION 1. PURPOSE.

This Agreement is made pursuant to the provisions the Joint Powers Act, to create and support a separate public entity to: (1) exercise Common Powers, and (2) exercise Additional Powers; in each case as determined from time to time by the Board. It is explicitly recognized that it is intended that the Finance Authority, in exercising its powers, and to further the public's interest, will serve as an issuer of Bonds for the benefit of a Member or Members in implementing projects designed to modernize and improve the reliability and resiliency of the California Department of Water Resources' water delivery system from the Delta.

SECTION 2. DEFINITIONS.

In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified.

(a) **Additional Powers.** Such powers, in addition to the Common Powers, as are granted or otherwise available to the Finance Authority pursuant to the Joint Powers Act or any other applicable law, whether currently in force or hereafter enacted. Such powers include those provided in the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of the Joint Powers Act, including but not limited to, the power to issue and purchase debt obligations issued by, or to make loans to, the Members or other agencies or enter into various other financing arrangements as authorized under the Joint Powers Act, and to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale. To the extent not already constituting Common Powers, the Additional Powers shall include without limitation, the Powers described in Section 5 hereof.

(b) **Additional Project Amounts.** The term "Additional Project Amounts" means the amount of payments made by a Member to the California Department of Water Resources for the construction of Conveyance Projects in exchange for a right to use capacity in said Conveyance Projects ("Project Capacity Right") (other than any payments made under a State Water Contract relating to the State Water Project); provided, however, if any Member is assigned any Project Capacity Right from another Member and the assignee Member makes payments to the assignor Member for such Project Capacity Right, then the amount of such payments shall constitute the Member Support Amount of solely the assignee Member.

(c) **Bonds.** Bonds, notes and any other evidence of indebtedness issued or incurred by the Finance Authority pursuant to any applicable provision of the Joint Powers Act or any other lawful authority.

(d) **Central Valley Project.** The term "Central Valley Project" means the federal reclamation project operated by the United States Bureau of Reclamation pursuant to federal reclamation law (Act of June 17, 1902 (32 Stat. 388)) and acts amendatory or supplementary thereto.

(e) **Common Powers.** The legal powers which are common to the Members under applicable laws of the State, including but not limited to, those powers of the Members in connections with the issuance of Bonds, the expenditure of proceeds of Bonds and the borrowing and lending of money.

(f) **Conveyance Projects.** The term "Conveyance Projects" shall mean facilities and projects designed to support the conveyance and delivery of water from the Delta for public or private uses and all rights, properties and improvements necessary therefore, including fuel and energy facilities and resources, and buildings, structures, improvements and facilities appurtenant thereto or provided therefore together with land necessary therefore.

(g) DCA Agreement. The term "DCA Agreement" shall mean the Joint Powers Agreement, dated May 14, 2018, and any subsequent amendments thereto, which formed the Delta Conveyance Design and Construction Joint Powers Authority.

(h) DCA. The term "DCA" shall mean the joint exercise of powers agency formed by the DCA Agreement.

(i) Effective Date. The term "Effective Date" shall mean the last signature date this agreement is executed by a party hereto and is the date upon which this Agreement shall be in effect.

(j) Finance Authority. The term "Finance Authority" shall mean the separate public entity created by this Agreement.

(k) Financial Commitment Amount. The term "Financial Commitment Amount" shall mean, initially, one (1), and from and after the first issuance of Bonds by the Finance Authority, a fraction, the numerator of which is the total Member Support Amount of the Member selecting the applicable Director, and the denominator of which is the sum of the total principal amount of Bonds then outstanding and the aggregate amount of all Additional Project Amounts of all Members.

(l) Fiscal Year. The term "Fiscal Year" shall mean the Fiscal Year of the Finance Authority. The Fiscal Year shall be established as beginning July 1, up to and including June 30 of the subsequent year. The Board of Directors may change the Fiscal Year from time to time.

(m) JEPA. The term "JEPA" shall mean the Joint Exercise of Powers Agreement, between the Department of Water Resources, State of California and the DCA to design and construct Conveyance Projects dated October 26, 2018, and any subsequent amendments thereto.

(n) Joint Powers Act. The Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code as in effect on the effective date of this Agreement, as the same may be amended and supplemented.

(o) Member. The term "Member" shall mean (1) the Public Water Agencies that execute this Agreement on or before the date first above written; (2) a Public Water Agency which shall have met the requirements of Section 14 hereof; or (3) a successor of a Public Water Agency referred to in Section 20. The term "Member" shall, however, exclude any Public Water Agency which shall have withdrawn or been excluded from the Finance Authority pursuant to Section 15 hereof.

(p) Member Support Amount. The term "Member Support Amount" shall mean, with respect to any Member, the sum of (1) the original principal amount of Bonds that a Member has undertaken by agreement to pay by installment purchase agreement, and (2) without duplication with amounts described in clause 1 of this definition, any Additional Project Amounts of such Member.

(q) Powers. Collectively, the Common Powers and the Additional Powers.

(r) Public Water Agency. The term "Public Water Agency" shall mean (1) a public agency that has entered into an agreement with the California Department of Water Resources for water supply from the State Water Project or an agreement with the Federal Bureau of Reclamation for water supply from the Central Valley Project or (2) a member unit of Kern County Water Agency.

(s) State Water Project. The term "State Water Project" means the State Water Facilities, as defined in California Water Code section 12934(d).

SECTION 3. PLACE OF BUSINESS.

The business office of the Finance Authority shall be at 1121 L Street, Suite 1045, Sacramento, CA 95814, or at such other place as may later be designated by the Board of Directors.

SECTION 4. TERM.

This Agreement shall become effective on the Effective Date , subject to the right to rescind provided by Section 8 hereof, shall continue in full force and effect until July 2, 2068, or until such later date as all bonds and notes of the Finance Authority and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and notes.

SECTION 5. POWERS.

The Finance Authority has all Powers necessary or convenient, specified or implied, to the accomplishment of the purposes of this Agreement, subject to the restrictions set for in this Section. The enumeration of any Powers herein shall not limit the generality or scope of the Powers granted to the Authority pursuant to this Section, the definition of Common Powers, the definition of Additional Powers, or the grant of any other powers otherwise available to the Authority as a separate public entity pursuant to the Joint Powers Act or any other applicable law whether currently in force or hereafter enacted. Without limiting the generality of the Powers conferred in this Section, the Finance Authority is hereby authorized, in its own name, to do all acts necessary or convenient to the accomplishment of the purposes of this Agreement and the full exercise of the Powers conferred in this Section, including, but not limited to, any or all of the following:

(a) To finance or assist in the financing of the planning, development, acquisition, construction, improvement, management, maintenance or operation of the Conveyance Projects, or any interest therein, to act as agent, and to sell, deliver, exchange, and otherwise dispose of any interest the Authority may have or acquire in the Conveyance Projects, including without limitation, any capacity or other interest in the Conveyance Projects; and to purchase, lease or otherwise acquire and equip, maintain, operate, sell, assign, convey, lease and otherwise dispose of facilities or systems, or interests therein, together with all lands, buildings, equipment, and all other real or personal property, tangible or intangible, necessary or incidental thereto.

(b) To acquire (by exercise of the power of eminent domain or otherwise), hold, lease (as lessor or lessee), sell, or otherwise dispose of any real or personal property, commodity, or service including, without limitation, to buy, lease, construct, appropriate, contract for, invest in, and otherwise acquire, and to own, hold, maintain, equip, operate, manage, improve, develop, and deal in and with, and to sell, lease, exchange, transfer, convey and otherwise dispose of, real and personal property of every kind, tangible and intangible, commodities (including fuel and water) and services; provided that the power to acquire property shall not include the power of condemnation of property owned or otherwise subject to use or control by any public utility within the State of California.

(c) To make and enter into contracts with any Member or Members, or any other entity, public or private, with respect to the planning, design, ownership, location, acquisition, financing, construction, operation or disposal of the Conveyance Projects or any interest therein, and with respect to any other matters relating to the Conveyance Projects, or the financing thereof, on such terms and conditions as shall be determined by the Board of Directors.

(d) To establish or agree to establish, pursuant to any contract with respect to the Conveyance Projects, management or other committees composed of representatives of participating entities and to agree to the powers, duties, procedures and responsibilities of any such committee.

(e) To make and enter into other contracts of every kind with the Members, the United States, any state or political subdivision thereof, and any individual, firm, association, partnership, corporation or any other organization of any kind.

(f) To apply for, accept, receive and disburse state, federal or local licenses, permits, grants, loans, or other aid from any agency of the United States, the State or other public or private entities as the Finance Authority deems necessary for the full exercise of its powers.

(g) To employ full-time and part-time employees, assistants and independent contractors that may be necessary from time to time to accomplish the purpose of the Finance JPA, including interagency agreements with Members.

(h) To issue Bonds and otherwise to incur debts, liabilities or obligations provided that no such Bond, debt, liability or obligation shall constitute a debt, liability or obligation of any Member.

(i) To sue and be sued in its own name.

(j) To purchase for investment or otherwise such bonds, notes, commercial paper or other evidences of indebtedness issued by the Department of Water Resources of the State of California or any other governmental agency or entity as may be legal investments for the Finance Authority and to pledge any such indebtedness to the payment of any debts, liabilities or obligations of the Finance Authority.

(k) To apply for letters of credit or other forms of financial guarantees to secure the repayment of Bonds and enter into agreements in connection therewith.

(l) To engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of the Finance Authority.

(m) To employ and compensate counsel, including general counsel, bond counsel and disclosure counsel, as well as financial consultants, municipal advisors and other advisers, in each case as determined appropriate by the Finance Authority in the accomplishment of the purposes of the Authority, including without limitation, in connection with the issuance and sale of any Bonds.

(n) To contract for engineering, construction, architectural, accounting, environmental, land use, or other services determined necessary or convenient by the Finance Authority in connection with the accomplishment of the purposes of the Finance Authority.

(o) To take title to, and transfer, sell by installment sale or otherwise, lands, structures, real or personal property, rights, capacity interests, rights-of-way, easements, and other interests in real or personal property which the Finance Authority determines are necessary or convenient in connection with the accomplishment of the purposes of the Finance Authority.

(p) To exercise any other power permitted by the Joint Powers Act.

The Finance Authority shall exercise its powers in the manner and according to the methods provided under the laws applicable to The Metropolitan Water District of Southern California.

SECTION 6. BONDS AND NOTES.

The Finance Authority shall also have the power to issue, sell and deliver, in accordance with the provisions of the Joint Powers Act: (1) bonds, notes or other obligations to provide funds for the acquisition, planning, design, construction and/or financing of the Conveyance Projects, including, without limitation, the financing of the purchase, lease or other acquisition by one or more Members of an interest in the Conveyance Projects; and (2) refunding bonds for the purpose of redeeming or retiring any bonds issued by the Finance Authority and any other indebtedness incurred by the Finance Authority. The terms and conditions of the issuance of any such bonds, refunding bonds or notes shall be set forth in such resolution, indenture or other instrument, shall include such security provisions and shall specify such source or sources of payment, as in accordance with law shall be determined by the Board of Directors.

SECTION 7. LIMITATIONS AND CONTRIBUTIONS.

(a) Bonds or notes issued by the Finance Authority under Section 5, and contracts or obligations which are entered into by the Finance Authority to carry out the purposes for which such bonds or notes are issued and which are payable in whole or in part from the proceeds of said bonds or notes, shall not constitute a debt, liability or obligation of any Member. Pursuant to Section 6508.1 of the Government Code of the State of California, as amended, no debt, liability or obligation of the Finance Authority shall be a debt, liability or obligation of any Member except as provided by Section 895.2 of the Government Code of the State of California in the case of injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement.

(b) Nothing in this Section contained shall in any way diminish the liability of any Member or other party with respect to any contract between such Member or other party and the Finance Authority.

SECTION 8. TERMINATION OF POWERS; LIQUIDATION; DISTRIBUTION.

This Agreement shall continue in full force and effect, and the Finance Authority shall continue to possess the powers herein conferred upon it, until the expiration (pursuant to Section 4 of this Agreement) of the term of this Agreement or until the Members shall have rescinded this Agreement (pursuant to this Section 8). Rescission of this Agreement may only be accomplished by a writing or writings executed by each Member and approved by resolution of each Member's governing body. In no event shall this Agreement or the powers herein granted to the Authority be rescinded until (1) all bonds and notes of the Finance Authority and the interest thereon shall have been paid or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and notes and (2) all other obligations and liabilities of the Finance Authority shall have been met or adequately provided for.

Upon any such expiration or rescission, the Board of Directors shall liquidate the business and assets and property of the Finance Authority as expeditiously as possible, and distribute any net proceeds to any Members in such manner in accordance with law as shall be determined by the Board of Directors.

SECTION 9. BOARD OF DIRECTORS.

(a) The Finance Authority shall be administered by a governing board (the "Board of Directors") which shall consist of one Director representing each Member. The Director representing each Member shall be a director, officer or employee of such Member. Each Director will serve in his individual capacity as a member of the Board of Directors. The Board of Directors shall have the general management of the affairs, property and business of the Authority and may adopt and modify from time to time such by-laws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The Board of Directors may exercise and shall be vested with all powers of the Finance Authority insofar as not inconsistent with law or this Agreement.

(b) The Board of Directors may adopt an annual budget for administrative expenses, which shall include all expenses not included in any financing issue or Conveyance Project Matter of the Finance Authority, on or about July 1st of each year.

(c) Directors shall serve without compensation, but may be entitled to reimbursement for any expenses actually incurred in connection with serving as such, if the Board of Directors determines that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

SECTION 10. EXECUTIVE COMMITTEE AND EXECUTIVE DIRECTOR

(a) The Board of Directors shall establish an Executive Committee comprised of the President, Vice President, and Secretary of the Board of Directors, and such other members as approved by the Board, which directors shall serve at the pleasure of the Board. The Board of Directors by majority vote may appoint additional Members to the Executive Committee.

(b) The Executive Committee is delegated authority to manage the administration of the affairs, property and business of the Authority, as determined by the Board, and shall carry out such other responsibilities as are delegated to it by the Board of Directors. The Executive Committee shall study and recommend to the Board of Directors changes in procedures, plans, and programs as appropriate. Notwithstanding the foregoing, the Executive Committee shall have no authority to approve any matter that requires the unanimous vote of the Directors under Section 11(g) of this Agreement.

(c) The Executive Committee may meet as it deems necessary, and notice of such meetings shall be provided to each Member of the Authority.

(d) The presence of a majority of the Members of the Executive Committee shall constitute a quorum, except that less than a quorum may adjourn from time to time. An affirmative vote of the majority of the Executive Committee shall be necessary to constitute action and to transact business.

(e) The Executive Committee shall develop or cause to be developed and recommend to the Board of Directors for approval an annual budget for the Finance Authority.

(f) Recommendations of the Executive Committee to the Board of Directors shall be established upon a majority vote of the Executive Committee Members.

(g) The Board may hire an Executive Director to assist the Executive Committee and the Board in carrying out its responsibilities, and/or other duties and responsibilities as delegated by the Board of Directors. The Executive Director shall serve at the pleasure of the Board of Directors, and shall be compensated for his/her services, as determined by the Board of Directors.

SECTION 11. MEETINGS OF BOARD OF DIRECTORS.

(a) **Regular Meetings.** The Board of Directors shall hold a regular meeting not less than once each calendar year. The date upon which, and the hour and place at which, each regular meeting shall be held shall be set by the Board of Directors.

(b) **Special Meetings.** Special meetings of the Board of Directors may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California, as amended.

(c) **Legal Notice.** All meetings of the Board of Directors shall be held subject to the provisions of the laws of the State of California requiring notice of meetings of public bodies to be given in the manner in such laws provided.

(d) **Minutes.** The Secretary of the Finance Authority shall cause to be kept minutes of the meetings of the Board of Directors, both regular and special, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(e) **Quorum.** Those Directors representing a majority of the votes of the Board of Directors for all non-administrative matters, as calculated under subsection (f) below, shall constitute a quorum for the transaction of business, except that, if less than a majority of votes is present at a meeting, Directors representing a majority of votes that are present may adjourn the meeting from time to time. At no time shall a quorum consist of fewer than two Directors.

(f) **Voting.** When a quorum is present at a meeting of the Board of Directors, the vote of the Directors present at such meeting shall decide any question brought before such meeting and such decision shall be deemed to be the action of the Board. Each Director shall have the number of votes equal to 1,000 multiplied by its Financial Commitment Amount. Except as provided in subsections (g) and (h) of this Section 11 and in Section 14(c) of this Agreement, the majority of votes shall decide any question. Notwithstanding any other provision of this Agreement, all administrative matters shall be decided by a majority vote, with each Director having one vote. Administrative matters include, but are not limited to, actions such as, selecting Board Officers, selecting additional Executive Committee Members, selecting an Executive Director, setting agendas, designating meeting times and places and other general matters related to the basic functions of the Finance Authority.

(g) **Super Majority Voting Provisions.** Any of the following matters shall require a vote of not less than all of the Directors:

(i) The addition of any Public Water Agency as a new Member under Section 14 of this Agreement;

(ii) The termination of this Agreement; and

(iii) Any action, the taking of which would cause the Finance Authority to breach its obligations under the contractual arrangements among the Members relating to the issuance of Bonds and the Conveyance Projects.

(h) **Other Voting Arrangements.** No provision of this Agreement shall in any way restrict the ability of the Finance Authority to make and enter into from time to time contracts providing for representation on management or other committees with respect to the Conveyance Projects and/or voting by the parties to such contracts on matters related thereto, on the terms provided therein.

SECTION 12. OFFICERS.

(a) At its first meeting in each calendar year, the Board of Directors shall elect, from the Board, a President, Vice President and Secretary, and appoint or reappoint a Treasurer/Controller who may, but need not, be selected from among the Directors. In the event that the President, Vice President, Secretary or Treasurer/Controller so elected or appointed ceases (in the case of the President or the Vice President) to be a Director, resigns from such office or is otherwise unable to perform the duties of such office, the resulting vacancy shall be filled at the next regular meeting of the Board of Directors held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his absence the Vice President, shall preside at and conduct all meetings of the Board of Directors.

(b) The Treasurer/Controller is designated as the treasurer and the controller of the Finance Authority and as such (1) shall be the depository of the Finance Authority to have custody of all the money of the Finance Authority, from whatever source, (2) shall draw warrants to pay demands against the Finance Authority when the demands have been approved by the President, Vice President, or Executive Director of the Finance Authority, and (3) shall have the other powers, duties and responsibilities of such officers as specified in Section 6505.5 of the Government Code of the State of California, as amended, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed, as is provided for and authorized by Section 6558 of the Government Code of the State of California, as amended, pursuant to any resolution, indenture or other instrument providing for the issuance of bonds or notes of the Finance Authority pursuant to Section 5 of this Agreement.

(c) The President, the Vice President and (to the extent such officer's duties and responsibilities pursuant to the Joint Powers Act require) the Treasurer/Controller are designated as the public officers or persons who have charge of, handle, or have access to any property of the Finance Authority, and each such officer shall file an official bond with the Secretary of the Finance Authority in the amount of \$100,000.

(d) In addition to the powers, duties and responsibilities provided herein or by law, the President, the Vice President and the Secretary shall have such powers, duties and responsibilities as are provided in the by-laws of the Finance Authority. The Treasurer/Controller shall have such powers, duties and responsibilities as are provided herein or by law.

(e) The Board of Directors shall have the power to appoint an Executive Director, who shall have such powers, duties and responsibilities as may be provided in the by-laws of the Finance Authority and as specified in section 10(g) of this Agreement.

(f) The Board of Directors shall have the power to appoint a General Counsel. The General Counsel will report to the Board of Directors.

(g) The Board of Directors shall have the power to appoint such other officers and employees as it may deem necessary, any of whom may be employees of a Member, and who shall have such powers, duties and responsibilities as are determined by the Board of Directors.

SECTION 13. CONTRIBUTIONS; PAYMENTS; ADVANCES.

In accordance with Section 6504 of the Government Code of the State of California, as amended, the Members shall make such contributions, payments and advances to the Finance Authority as are approved from time to time by the Board of Directors, provided that only Members who vote to approve such contribution, payment and advance by a Member shall be obligated to make any such contribution, payment or advance. The Finance Authority may make such arrangements relative to the repayment or return to the Members of such contributions, payments and advances as are approved from time to time by the Board of Directors. Notwithstanding this section, any administrative action taken under section 11(f) that would require the Finance Authority to incur costs will be allocated equally amongst the Members. Costs of non-administrative matters, which include, but are not limited to, costs related to financing such as costs of bond counsel, financial advisors, underwriting costs, custodian costs, rating agency costs, and arbitrage consultant costs, shall be apportioned based on the Members' Financial Commitment Amount.

Any Member which fails to make or pay when due any required contribution, payment or advance to the Finance Authority, may have its rights under this Agreement terminated and may be excluded from participation in the Authority as provided in Section 15 of this Agreement.

SECTION 14. ADDITIONAL MEMBERS.

Any Public Water Agency may become a Member as follows:

Any Public Water Agency may execute this Agreement and become a Member if the governing body of the Public Water Agency adopts a resolution (at or before the time of its execution of this Agreement) which, (1) authorizes such Public Water Agency to commit to financially supporting any Bonds issued by the Finance Authority or which expresses an intention to do so at later date, and (2) approves the execution by such Public Water Agency of this Agreement, subject to the unanimous approval requirement of the member agencies set forth above in Section 11 (g) (i).

SECTION 15. WITHDRAWAL OR EXCLUSION OF MEMBER.

(a) Any Member may withdraw from the Finance Authority upon the following conditions: (1) the Member shall have filed with the Board of Directors a certified copy of a resolution of its governing body expressing its desire to so withdraw and (2) if the Finance Authority, prior to the filing of such resolution, shall have incurred any obligation payable from contributions, payments or advances in accordance with Section 13 hereof which obligation matures after the date of such filing, the withdrawing Member shall have paid, or made arrangements satisfactory to the Board of Directors to pay, to the Finance Authority its pro rata portion of such obligation.

(b) Upon compliance with the conditions specified in subsection (a) of this Section 15, the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any contract between the withdrawing Member and the Finance Authority.

SECTION 16. ACCOUNTS AND REPORTS.

There shall be strict accountability of all funds and reporting of all receipts and disbursements of the Finance Authority. The Finance Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of the Finance Authority securing its bonds or notes, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of the Finance Authority shall be open to inspection at all reasonable times to each Member and its representatives. The Finance Authority, within 180 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to the Members.

The Board of Directors shall cause an annual independent audit of the accounts and records of the Finance Authority to be made by a certified public accountant or public accountant, all in accordance with, and at the time or times required by law.

All the books, records, accounts and files referred to in this Section 16 shall be open to the inspection of holders of bonds or notes of the Finance Authority to the extent and in the manner provided in the resolution, indenture or other instrument providing for the issuance of such bonds or notes.

SECTION 17. BREACH.

If default shall be made by any Member in any undertaking contained in this Agreement, such default shall not excuse such Member or any other Member from fulfilling its obligations under this Agreement and each Member shall continue to be liable for the payment of contributions, payments and advances pursuant to Section 13 hereof and the performance of all conditions herein contained. Each Member hereby declares that this Agreement is entered into for the benefit of the Finance Authority created

hereby and each Member hereby grants to the Finance Authority the right to enforce by whatever lawful means the Finance Authority deems appropriate all of the obligations of each of the Members hereunder. Each and all of the remedies given to the Finance Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Finance Authority to any or all other remedies.

SECTION 18. INDEMNITY

(a) Indemnity by Finance Authority for Litigation Expenses of Officer, Director or Employee. To the extent permitted by law, the Board of Directors may authorize indemnification by the Finance Authority of any person who is or was a member of the Board of Directors, or an officer, employee or other agent of the Finance Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or officer employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceedings

(b) Indemnity by Finance Authority for Litigation Expenses of a Member. To the full extent permitted by law, the Board of Directors may authorize indemnification by the Finance Authority of a Member who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such entity is or was a Member of the Finance Authority against expenses, judgments, fines settlements and other amounts and reasonably incurred in connection with such proceedings. Any obligations pursuant to this Section shall be borne by the Finance Authority and shall be a charge against any unencumbered funds of the Finance Authority available for the purpose.

SECTION 19. SEVERABILITY.

In the event that any term, covenant or condition of this Agreement or the application of such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction in the premises, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless a court holds that the provisions are not separable from all other provisions of this Agreement.

SECTION 20. SUCCESSORS AND ASSIGNS; AMENDMENTS.

This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Members. No Member may assign its rights or obligations as a Member of the Finance Authority without the consent of all other Members. The immediately preceding sentence shall not affect, in any respect, any right of assignment under any contract between any Member and the Finance Authority. Subject to any requirements of law (including Section 6573 of the Government Code of the State of California, as amended), this Agreement may be amended at any time and from time to time by a writing or writings executed by each Member and approved by resolution of each Member's governing body.

SECTION 21. NOTICES.

(a) Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

If to the Finance Authority:	c/o Executive Director
	1121 L Street, Suite 1045
	Sacramento, Ca 95814

If to Alameda County Water District:	c/o General Manager 43885 S. Grimmer Blvd. Fremont, CA 94538
If to Alameda County Flood Control and Water Conservation District, Zone 7	c/o General Manager 100 N. Canyons Parkway Livermore, CA 94551
If to San Geronio Pass Water Agency:	c/o General Manager 1210 Beaumont Ave Beaumont, CA 92223
If to Metropolitan Water District of Southern California	c/o General Manager 700 N. Alameda Street Los Angeles, CA 90012-2944
If to Antelope Valley-East Kern Water Agency	c/o General Manager 6500 W. Ave N Palmdale, CA 93551
If to Coachella Valley Water District	c/o General Manager 51501 Tyler Street Coachella, CA 92236
If to Mojave Water Agency	c/o General Manager 13846 Conference Center Drive Apple Valley, CA 92307
If to Desert Water Agency	c/o General Manager 1200 S. Gene Autry Trail Palm Springs, CA 92264
If to Santa Clara Valley Water District	c/o General Manager 5750 Almaden Expy San Jose, CA 95118
If to Santa Clarita Valley Water Agency	c/o General Manager 26521 Summit Cir Santa Clarita, CA 91350
San Bernardino Valley Municipal Water District	c/o General Manager 380 E. Vanderbilt Way San Bernardino, CA 92408

(b) A Member may, at any time, by written notice to each other Member and the Finance Authority, designate different or additional persons or different addresses for giving of notices, demands or requests to it hereunder.

(c) The Finance Authority may, at any time, by written notice to each Member, designate a different or additional person or a different address for giving of notices, demands or requests to it hereunder.

SECTION 22. OTHER OBLIGATIONS.

The Members acknowledge that contractual arrangements outside of this Agreement, but not inconsistent to the terms of this Agreement, may be made among the Members relating to the assignment and disposition of any security or assignable interests in the Conveyance Projects and the study, planning, development, acquisition, construction, reconstruction, improvement, or betterment of the Conveyance Projects.

SECTION 23. EXECUTION OF COUNTERPARTS.

This Agreement may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Members hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year written.

_____ Date	_____ Alameda County Water District 43885 S Grimmer Blvd. Fremont, CA 94538
---------------	--

_____ Date	_____ Alameda County Flood Control and Water Conservation District, Zone 7 1 00 N. Canyons Parkway Livermore, CA 94551
---------------	--

_____ Date	_____ San Geronio Pass Water Agency 1210 Beaumont Ave. Beaumont, CA 92223
---------------	--

_____ Date	_____ Santa Clara Valley Water District 5750 Almaden Expressway San Jose, CA 95118
---------------	---

_____ Date	_____ Metropolitan Water District of Southern California 700 N. Alameda St. Los Angeles, CA 90012
---------------	--

Date	Coachella Valley Water District PO Box 1058 Coachella, CA 92236
Date	Desert Water Agency 1200 S. Gene Autry Trail Palm Springs, CA 92264
Date	Mojave Water Agency 13846 Conference Center Drive Apple Valley, CA 92307
Date	Antelope Valley-East Kern 6500 W. Avenue N Palmdale, CA 93551
Date	Santa Clarita Valley Water Agency 26521 Summit Circle Santa Clarita, CA 91350
Date	San Bernardino Valley Municipal Water District 380 E. Vanderbilt Way San Bernardino, CA 92408

MEMORANDUM

TO: Board of Directors

FROM: Legal Counsel

RE: Consideration And Possible Action To Award A Contract To Roberts Consulting Group For Executive Recruitment Services For The Position Of General Manager

DATE: March 2, 2020

Summary:

The Ad Hoc Committee – General Manager (“Committee”) was formed in order to initiate the process for recruiting a new General Manager to take over in July of 2020. On December 2, 2019, the Board took action to issue a Request for Proposals (“RFP”) for executive recruitment services for the position of General Manager. The Board conducted interviews on February 24, 2020 with certain firms that responded to the RFP and now wishes to consider the award of a contract to Roberts Consulting Group Inc.

Recommendation:

It is recommended that the Board award a contract for executive recruitment services, for the position of General Manager, to Roberts Consulting Group for a total fixed fee of \$27,000. The contract will be in the form of the Agency’s standard professional services agreement.

Detailed Report:

Based on the proposals submitted, the Committee identified a short list of qualified proposers to be interviewed. The Board then interviewed the short-listed proposers. Based upon the proposals and interviews, the Board directed legal counsel to work toward reaching an agreement on the terms and conditions for a potential contract with Roberts Consulting Group Inc. The scope of work includes assisting the Board in locating, interviewing and evaluating potential candidates for the position of General Manager.

Fiscal Impact:

The fee schedule for services to be rendered by Roberts Consulting Group Inc. is in the amount of a fixed fee of \$27,000, which includes expenses.

SAN GORGONIO PASS WATER AGENCY PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of March 2, 2020 by and between the San Gorgonio Pass Water Agency, a public agency organized and operating under the laws of the State of California with its principal place of business at 1210 Beaumont Avenue, Beaumont, CA 92223 ("Agency"), and Roberts Consulting Group, Inc., a California S-Corporation, with its principal place of business at 69930 Highway 111, Suite 201D, Rancho Mirage, CA 92270 (hereinafter referred to as "Consultant"). Agency and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. Agency is a public agency of the State of California and is in need of professional services for the following project: executive recruitment services to identify and hire a general manager (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for Agency to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the Agency with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, the Agency shall pay for such services in accordance with the following Schedule of Charges: Consultant will submit 3 equal invoices for fees, due and payable within 30 days with the first billing upon submission of the draft Recruitment Brochure, the second at the deadline for receipt of resumes, and the third upon presentation of Consultant's report on the day of interviews (or 90 days from the start of the recruitment, whichever comes first).

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$27,000. This amount is to cover all printing and related costs, and the Agency will not pay any additional fees for printing expenses.

3. Additional Work.

If changes in the work seem merited by Consultant or the Agency, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the Agency by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the Agency and executed by both Parties before

performance of such services, or the Agency will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by Agency.

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon award of this Agreement. Consultant shall complete the services required hereunder within the time for performance as set forth in Exhibit "A."

6. Delays in Performance.

a. Neither Agency nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the Agency, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Agency, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of Agency. No employee or agent of Consultant shall become an employee of Agency. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from Agency as herein provided.

11. Insurance. Consultant shall not commence work for the Agency until it has provided evidence satisfactory to the Agency it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the Agency.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Contractors Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one

insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give Agency, its officials, officers, employees, agents and Agency designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Agency, and provided that such deductibles shall not apply to the Agency as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Agency.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) Subject to written approval by the Agency, the automobile liability program may utilize deductibles.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the Agency and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The

policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 combined single limit
Employer's Liability	\$1,000,000 per accident or disease
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the Agency evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the Agency at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Agency at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any

insurance, self-insurance or other coverage maintained by the Agency or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of the Agency, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Agency, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the Agency and shall not preclude the Agency from taking such other actions available to the Agency under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the Agency, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Agency, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Agency has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Agency will be promptly reimbursed by Consultant or Agency will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Agency may cancel this Agreement.

(iii) The Agency may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the Agency nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Agency that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Agency as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, Agency may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of Agency's choosing), indemnify and hold the Agency, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the Agency, its officials, officers, employees, agents, or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the Agency, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions,

which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant-caused delay and shall not be compensable by the Agency. Consultant shall defend, indemnify and hold the Agency, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Reserved.

16. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Riverside, State of California.

17. Termination or Abandonment

a. Agency has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, Agency shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. Agency shall pay Consultant the

reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by Agency and Consultant of the portion of such task completed but not paid prior to said termination. Agency shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to Agency only in the event of substantial failure by Agency to perform in accordance with the terms of this Agreement through no fault of Consultant.

18. Reserved

19. Organization

Consultant shall assign Valerie Roberts and Norman Roberts as Project Managers. The Project Managers shall not be removed from the Project or reassigned without the prior written consent of the Agency.

20. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

21. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

AGENCY:

San Gorgonio Pass Water Agency
c/o Jeff Ferre, Best Best & Krieger LLP
3390 University Avenue, 5th floor
Riverside CA 92501

CONSULTANT:

Roberts Consulting Group Inc.
PO Box 1127
Rancho Mirage, CA 92270
Attn: Valerie Roberts, President

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Agency and the Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of Agency and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of Agency. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specifically specified in writing.

28. Time of Essence

Time is of the essence for each and every provision of this Agreement.

29. Agency's Right to Employ Other Consultants

Agency reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting

from the award or making of this Agreement. For breach or violation of this warranty, Agency shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of Agency, during the term of his or her service with Agency, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN SAN GORGONIO PASS WATER AGENCY
AND ROBERTS CONSULTING GROUP INC.**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

SAN GORGONIO PASS WATER
AGENCY

ROBERTS CONSULTING GROUP

By: _____
Ron Duncan
President of the Board

By: _____
Its: _____

Printed Name: _____

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN SAN GORGONIO PASS WATER AGENCY
AND ROBERTS CONSULTING GROUP INC.**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

SAN GORGONIO PASS WATER
AGENCY

ROBERTS CONSULTING GROUP

By: _____
Ron Duncan
President of the Board

By: Valerie Roberts
Its: PRESIDENT
Printed Name: VALERIE ROBERTS

EXHIBIT A

Scope of Services

(Copy of the Roberts Consulting Group proposal, dated February 5, 2020)

EXECUTIVE SUMMARY

This proposal provides you with background information about our firm and our consultants, some of the attributes that we believe differentiate us from others in the industry, the successful process we would recommend to conduct this recruitment, the client's role (we work in partnership with our client), the proposed timing to conduct a thorough recruitment, our fees, and exceptions to your proposed terms.

Our consultants have extensive, recent and unequalled experience recruiting chief executives and senior level executives for water/wastewater agencies in California. We recently recruited the Executive Director of the Association of California Water Agencies (ACWA), and are well connected within the State. In addition, we recently recruited Jennifer Pierre as General Manager of the State Water Contractors, and we have recruited chief executives and other senior level executives for six of their member agencies. We are also located nearby in Riverside County, so we are very familiar with your area.

Legal Name and Address: Roberts Consulting Group Inc.
PO Box 1127
Rancho Mirage, CA 92270

California S-Corporation (not a subsidiary of another company)

Office Address: 69930 Highway 111, Suite 201D
Rancho Mirage, CA 92270
(Please use PO Box address for all correspondence.)

Proposal Contact and
Lead Staff Person: Valerie Roberts, President
PO Box 1127
Rancho Mirage, CA 92270
Telephone: (424) 522-2251

We have received no addenda to this RFP.

WHY ROBERTS CONSULTING GROUP?

The primary objective of ROBERTS CONSULTING GROUP, INC. is to provide our clients with unsurpassed excellence in executive recruitment. Accepting only a limited number of recruitments, we are able to provide senior level, hands on service of the highest quality. From ascertaining our client's needs, to identifying and recruiting qualified candidates, and extensively verifying background information, the work is conducted by senior level consultants with numerous years of experience and judgment. We are also skilled in assisting with the negotiation of final offers, increasing the likelihood of successfully hiring the desired candidate.

Our consultants have been responsible for recruiting thousands of chief executives and senior level executives for public agencies throughout the United States. We have assisted our clients in finding highly talented individuals with a commitment to serving the public, and our placements

are some of the best and brightest in their fields. These individuals play a critical role in how services are provided to the public and how local government, special district and not-for-profit organization resources are utilized, and we take great pride in working with our clients to find the best possible fit.

We have extensive, recent and unequalled experience recruiting chief executives and senior level executives for water/wastewater agencies in California. We recruited Jennifer Pierre as General Manager of the State Water Contractors, and our consultants recruited chief executives and other senior level executives for the following State Water Contractors: Metropolitan Water District of Southern California, San Bernardino Valley Municipal Water District, Santa Clarita Valley Water Agency, Mojave Water Agency, Coachella Valley Water District, and Santa Clara Valley Water District.

Our most recent recruitments include: the General Manager for the San Bernardino Valley Municipal Water District, the Executive Director for the California Water Association, the Executive Director for the Regional Water Authority and Sacramento Groundwater Authority, the General Manager for James Irrigation District, the Executive Director for the Association of California Water Agencies (ACWA), the Executive Director for San Luis & Delta-Mendota Water Authority, the General Manager for Inland Empire Utilities Agency, the General Manager for Casitas Municipal Water District, the General Manager for Sweetwater Springs Water District, the Chief Operating Officer for Kern Delta Water District, the Water Engineering Manager for the Anaheim Public Utilities Department, and the General Counsel for the State Water Contractors. Previously, we conducted recruitments for: General Managers for Camrosa Water District, Castaic Lake Water Agency (plus four other senior level executives), Central Basin Municipal Water District, Eastern Municipal Water District, Inland Empire Utilities Agency, Irvine Ranch Water District, Marin Municipal Water District, Mojave Water Agency, Moulton Niguel Water District, Sonoma County Water Agency, State Water Contractors, and West Basin Municipal Water District; the President/Chief Executive Officer for the Metropolitan Water District of Southern California; the Chief Executive Officer for Chino Basin Watermaster; the Deputy General Manager for the Long Beach Water Department; the Assistant General Manager for the Water Replenishment District of Southern California; and the Engineering Manager for the Inland Empire Utilities Agency.

Through prior firms, our consultants managed/conducted senior level recruitments for the following organizations (almost all of which included General Manager/chief executive recruitments): Camrosa Water District; Castaic Lake Water Agency; Coachella Valley Water District; District of Columbia Water and Sewer Authority; East Bay Municipal Utility District; Eastern Municipal Water District; Inland Empire Utilities Agency; Irvine Ranch Water District; Las Virgenes Municipal Water District; Metropolitan Water District of Southern California; Miami-Dade County, FL (Water and Sewer Department); Mojave Water Agency; Sacramento Municipal Utility District; San Antonio Water System (TX); South Florida Water Management District; Washington Suburban Sanitary District (MD); Water Replenishment District of Southern California; American Water Works Association; California Urban Water Agencies; California Urban Water Conservation Council; Cambria Community Services District; Metropolitan Sewer District (OH); Contra Costa Water District; Dominguez Services Corporation; City of Fresno (Public Utilities); Little Blue Valley Sewer District (MO); Livermore-Amador Valley Water Management Agency; Monte Vista Water District; Monterey

County Water Resources Agency; Monterey Peninsula Water Management District; Morris County Municipal Utilities Authority (NJ); Padre Dam Municipal Water District; Rainbow Water District; Ramona Municipal Water District; City of Richmond, VA (Director of Public Utilities); Sacramento Municipal Utility District; Southwest Florida Water Management District; Tucson Water Department (AZ); Valencia Water Company; Valley of the Moon Water District; and Ventura Regional Sanitation District.

Finally, we are headquartered nearby in Riverside County, and have conducted numerous recruitments in the County. For example, our consultants have conducted chief executive and senior level recruitments for: the County of Riverside; the cities of Riverside, Banning, Desert Hot Springs, Eastvale, Hemet, Moreno Valley, Norco, Palm Desert, Palm Springs, Perris, Redlands, and San Jacinto; Agua Caliente Tribal Council; Eastern Municipal Water District; Keep Riverside Ahead; Palm Springs Desert Resorts Convention and Visitors Authority; Riverside County Transportation Commission; and Western Riverside County Regional Conservation Authority.

We believe the primary advantages in utilizing our firm, and what may differentiate us from others, include:

- ***Experience*** – Norm Roberts pioneered the field of public sector recruiting and has managed/conducted more executive recruitments in this area than anyone else in the business. He was a leader in setting professional standards for the industry and, while our thoroughness and commitment to excellence have never changed, our approaches have evolved with the times.
- ***Focused*** – Accepting only a limited number of recruitments, we are able to provide senior level, hands on service of the highest quality. From ascertaining our client's needs, to identifying and recruiting qualified candidates, and extensively verifying background information, the work is conducted by senior level consultants with numerous years of experience and judgment.
- ***Clients*** – Our consultants have worked for organizations of all sizes, both urban and rural, and in virtually every state in the nation, including the District of Columbia. And, we have conducted recruitments in all functional areas within the public sector. A substantial number of our clients have hired us multiple times over a span of many years (including one California county which hired us over 40 separate times). While at the present time our clients are limited to California, we are capable of conducting local/regional, statewide or nationwide recruitments.
- ***Partnership*** – We work in conjunction with our clients to help find the right candidates. It is very much a team effort. We work closely with boards/councils, chief executives, department heads and human resources executives to ensure a successful outcome. And, we communicate regularly with our clients and candidates throughout the process.
- ***Industry Relations*** – Because of both the breadth and depth of our experience, we have garnered a network of relationships with industry leaders. We are discreet, but thorough, in sourcing potential candidates and verifying credentials.

- **Proactive** – We do not want to overlook candidates who are not actively seeking a new position and may not be looking at advertisements, or who come from non-traditional sources. We have a database of many individuals who may be a good fit, but we also do new research for every recruitment we undertake to ensure that we are targeting those people who will best meet our client’s needs. Not only do we send brochures with letters inviting potential candidates to apply, we follow up by telephone to encourage their interest and to make sure they have a clear understanding of the opportunity. We believe that there is no substitute for personal contact.
- **Confidentiality** – Many of the best qualified candidates are reluctant to apply for a potential new opportunity due to concerns about confidentiality. We place great emphasis on this with our clients, and do everything within our ability to keep candidate names confidential, where allowed by law.
- **Diversity** – Since the beginning, our consultants have had a commitment to diversity in recruiting. Norm Roberts placed the first person of color as City Manager of a large city, and has continued to recruit and place well-qualified candidates in all areas of the public sector.
- **Thorough Evaluations** – We do not ask for a blanket list of references from candidates. We are very specific in asking for reference names to ensure that we get a complete picture about a candidate’s background. It is also important to know how and what to ask, and our consultants have numerous years of experience in this area. Our background checks are very thorough, including a review of news articles, degree/certification verifications and credit/criminal/civil litigation/motor vehicle record checks.
- **Fit** – There is no one “right” candidate for any position. Our job is to identify candidates who best match what our client is looking for, and who are available or will consider a career change at this particular point in time. It is our mission to find someone who is a good match with the culture of the organization.
- **Results** – Whether it is delivering on time with candidates that meet the specifications identified in the Recruitment Brochure, conducting background checks that are accurate and thorough, or assisting with critical negotiations to hire the person desired, our consultants are relentless in ensuring results. Our placement and retention rates are among the highest in the industry, if not *the* highest.
- **Timing** – A typical recruitment takes approximately 90 days from the first meeting with a client until the date our client interviews leading candidates. We work with our client in setting a schedule and meeting deadlines.
- **Pricing** – We work on a fixed fee basis, including our firm’s expenses. Our clients know exactly how much to budget and there are no conflicts of interest in assisting with compensation negotiations.

As mentioned above, our retention rates are among the highest in the industry. For example, we just recruited a City Manager for a large City in California, replacing the prior City Manager that Norm Roberts recruited 27 years ago. Examples of long-term tenures of our placements in the water industry include:

- Chino Basin Watermaster – General Manager – Peter Kavounas – 8.5 years (still there)

- Eastern Municipal Water District – General Manager – Paul Jones – 9.5 years (still there)
- Long Beach Water Department – Deputy General Manager, Operations (hired as the Water Process/Quality Engineer) – Robert Cheng – 16 years (has left)
- Mojave Water Agency – General Manager – Kirby Brill – 16 years (retired); we then recruited Tom McCarthy as General Manager – almost 3 years
- Moulton Niguel Water District – General Manager – Joone Lopez – 8.5 years (still there)
- Santa Clarita Valley Water Agency (formerly Castaic Lake Water Agency) – General Manager – Dan Masnada – 13 years (retired); we then recruited Matt Stone as General Manager – over 5 years

STATEMENT OF WORK

Our objective is to find the best qualified candidates for our clients. While notices in professional journals may be helpful, many of the best candidates must be sought out and their interest encouraged. Our familiarity with your area, knowledge of the field, and our relationships with professional organizations (e.g., we recruited the Executive Director for the Association of California Water Agencies) make us well qualified to assist you.

Our clients have found that we are able to: 1) build consensus among those involved in the hiring process; 2) develop the appropriate specifications for a position; 3) encourage the interest of top-level people who would otherwise be reluctant to respond to an advertisement; 4) preserve the confidentiality of inquiries, consistent with State public disclosure and open meeting laws; 5) save a considerable amount of time for client staff in developing and responding to candidates; and 6) independently and objectively assess the qualifications and suitability of candidates for the particular position for which we are recruiting.

Valerie Roberts and Norm Roberts will be the consultants on this assignment and both will attend all meetings. Our background information can be found in Exhibit A and references can be found in Exhibit B.

If selected to conduct this recruitment, we will do the following:

Information Gathering and Analysis

We will meet with Members of the Board of Directors and/or the Ad Hoc Recruitment Committee and other appropriate individuals to obtain views of the position and expectations regarding desirable training, experience and personal characteristics of candidates. This will include developing a comprehensive profile of the ideal candidate, and recommending revisions to the General Manager job description, if desired. We will also gather/review relevant information about the Agency and the position.

After summarizing our findings, we will submit a draft Recruitment Brochure with the desired qualifications and characteristics for your approval. The Recruitment Brochure that will be sent to potential candidates will include information about the Agency, the job and the criteria established by you. A sample Recruitment Brochure can be found in Exhibit C.

Candidate Recruitment/Outreach

Once you have approved the Recruitment Brochure, we will proactively seek out individuals with superior qualifications and invite and encourage their interest. Announcements will be placed on-line and in professional journals. However, we will rely heavily on our own experience, research and contacts.

We will not discriminate against any applicant for employment on the basis of race, religion, creed, age, color, marital status, sex, sexual preference, disabilities, medical condition, veteran status or national origin. Approximately fifty percent of the placements made by our firm have been minority, female and/or disabled candidates.

Initial Screening

We will review, acknowledge and evaluate all resumes received. Initial screening will be based upon criteria contained in the Recruitment Brochure, information contained in the resumes submitted to us, and our knowledge of the people and organizations in which they work. Telephone screening will be conducted with the most promising candidates to gain a better understanding of their backgrounds.

Interim Reporting

Upon completion of our initial screening, we will assemble and submit a report of the leading candidates. This report will include summary resumes, supplemental information, and the original resumes of those candidates we believe to be best qualified for the position.

Supplemental information on a candidate typically includes: the size of the organization for which the person works, reporting relationships, budget responsibility, the number of people supervised, related experience and reasons for interest in the position. Any other specific information will be dictated by the criteria set forth in the Recruitment Brochure.

The purpose of our interim report is to allow our client an opportunity to review the candidates prior to the conclusion of the search, and it allows us to receive feedback on the caliber of the candidates recruited. In this way, you will not be surprised by the candidates, as you will have seen their qualifications prior to the final interviews. Of course, we are flexible and may consider other individuals as final candidates who are subsequently identified and were not included in the interim report.

Candidate Assessment

We will interview (either in person or via video-conference) those candidates whose qualifications most closely match the criteria established by you. We will examine their qualifications and achievements in view of the selection criteria. Additionally, we will verify degrees and certifications, and gather news articles via the internet.

As part of our process in evaluating external candidates, we make telephone reference checks. In conducting these references, it is our practice to speak directly with individuals who are, or have been, in a position to evaluate the candidate's performance on the job. These references and our evaluations provide you with a frank, objective appraisal of the candidates. Following interviews by the Agency, we will conduct references for the top candidate and conduct credit/criminal/civil litigation/motor vehicle record checks through an outside service (with the change in State law, criminal record checks will not be done until after a conditional offer of employment is extended).

Client Interviewing

We will assist you in scheduling final candidates for interview with your organization. In addition, we will prepare a brief written report for those candidates most nearly meeting your specifications, and will provide you with interviewing/selection tips, suggested interview questions, and rating forms for your use. Candidates will not be ranked, for we believe it will then be a matter of chemistry between you and the candidates. We will conduct a "briefing session" immediately preceding your interviews to make sure that the process flows smoothly, and will assist you in a "debriefing" immediately following the interviews. Once we finalize references on the top candidate, we will provide you with a detailed, supplemental written report.

Additional Consultant Assistance

Our efforts do not conclude with the presentation of the final report. We are committed to you until a successful placement is made. Services that are routinely provided include:

- Arranging the schedule of interviews and the associated logistics for final candidates.
- Advising on starting salary, fringe benefits, relocation trends and employment packages.
- Acting as a liaison between client and candidate in discussing offers and counter offers.
- Conducting a final round of reference checking with current employers (if not previously done for reasons of confidentiality).
- Notifying unsuccessful candidates, who were not recommended for interview, of the decision.

THE CLIENT'S ROLE

We work in partnership with our clients in conducting a search. While we may identify and recommend qualified candidates, it is the client who must make the decision about which candidate(s) to hire. In order to ensure that the best candidates are available from which to choose, our clients should be willing to do the following:

- Clearly inform us about matters relevant to the search that you wish to keep confidential (e.g., personnel issues and other privileged information).
- Supply us with the names of people you have previously interviewed/considered for this position.

- Forward to us copies of the resumes you receive, to avoid duplication of effort.
- Provide feedback regarding the information and recommendations provided by us.
- Promptly decide upon and follow up in scheduling interviews with the most promising candidates.
- Assist in providing information to candidates that will enable them to make their career decisions.

By doing the above, we will maximize the likelihood of mutual success.

Finally, please be reminded that the United States Immigration Reform and Control Act of 1986 requires that all employers verify an employee's eligibility to work in the United States. Since we cannot serve as your agent in this matter, your hiring process should include this verification procedure.

PROPOSED TIME SCHEDULE

The following is a typical schedule to conduct a thorough recruitment. However, we would be pleased to discuss modifications to this to meet your needs:

Weeks 1 to 4.	Meet with Members of the Board of Directors and/or the Ad Hoc Recruitment Committee and other appropriate individuals to gather background information. Develop and obtain approval for the Recruitment Brochure. Develop a list of potential candidates to target. Prepare and place advertisements.
Weeks 5 to 9	Proactive recruitment—solicit, receive and acknowledge resumes. Evaluate resumes and gather supplemental information. Conduct preliminary telephone interviews with leading candidates.
Week 10	Submit interim report and meet with you to review leading candidates.
Weeks 11 and 12	Verify degrees and certifications, gather news articles via the internet, and interview the best qualified candidates.
Week 13	Submit report on final candidates and initiate the interview process with you.
Following Interviews	Finalize references, conduct credit/criminal/civil litigation/motor vehicle record checks, and assist with negotiations.

FEES AND EXPENSES

We propose a total fixed fee of \$27,000 for this recruitment, which includes our firm's expenses. (Note: We work on a fixed fee basis and, as such, do not have hourly rates.) Our budget provides for the following three meetings with the client: 1) to develop the Recruitment Brochure; 2) to present the Interim Report; and 3) to attend interviews of final candidates. Please note that our budget does not include reimbursement of candidates who travel to be interviewed by you.

Unless you notify us to the contrary, we will assume that you will handle these reimbursements directly. We will submit three equal invoices for fees, due and payable within 30 days. Our first billing will be upon submission of the draft Recruitment Brochure, the second at the deadline for receipt of resumes, and the third upon presentation of our report on the day of interviews (or 90 days from the start of the recruitment, whichever comes first).

Though we are committed to working with you until a placement is made, our fees are not contingent upon our success in placing a candidate with your organization. However, if the selected candidate (if recommended by us for hire, and other than an internal candidate) should be terminated within one year from the date of hire, we will redo the search for no additional professional fee. We would, however, expect to be reimbursed for any expenses that might be incurred.

You may discontinue this assignment at any time by written notification. In the unlikely event that this occurs, you will be billed for fees based upon the time elapsed from the commencement of the assignment to the date of cancellation. If a cancellation occurs within the first 30 days of the assignment, following either verbal or written authorization to proceed, one-third of the professional fee will be due. If a cancellation occurs thereafter, the fee beyond the first one-third will be prorated based upon the number of calendar days which have elapsed. If a cancellation occurs after 90 days, all professional fees will be due in full.

Our ability to carry out the work required is heavily dependent on our past experience in providing similar services to others, and we expect to continue such work in the future. We will, however, preserve the confidential nature of any information received from you or developed during the work in accordance with our established professional standards.

We assure you that we will devote our best efforts to carrying out the work required. The results obtained, our recommendations and any written material we provide will be our best judgment based on the information available to us and our liability, if any, shall not be greater than the amount paid to us for the services rendered.

STATEMENT OF EXCEPTIONS

Please note the following exceptions to your proposed terms:

1) Billing will be tied to milestones as outlined in this proposal, rather than on a monthly basis as indicated in your sample Professional Services Agreement. This would not be a time and materials agreement.

2) Our automobile insurance is through our personal policy (USAA), including an umbrella policy. While we can provide proof of insurance, we cannot add the Agency as an additional insured. The vast majority of our clients are public agencies, and this has never been an issue.

3) Section 18 of your Agreement states that all notes shall become the property of the Agency. This is something we have never provided to a client, particularly with regard to reference notes. When we speak with references, we let them know that their comments will be included with those of other references, and specific comments will not be attributed to any individual. We will, however, maintain those notes for the period requested.

Finally, as a point of clarification, we conduct references on the selected candidate following interviews by the Board of Directors (not before). Many of the best candidates are currently employed and are not willing to risk their positions by having us contact references early in the process.

EXHIBIT A

OUR CONSULTANTS

VALERIE ROBERTS

Valerie Roberts is President of Roberts Consulting Group and has over 30 years of executive recruitment experience. She has extensive experience in all aspects of recruiting, and has managed/conducted approximately 750 chief executive and senior level recruitments in all areas within the public sector. Ms. Roberts co-founded ROBERTS CONSULTING GROUP, INC. in 2003 to provide executive recruitment services to public agencies. Previously, she was co-founder and Executive Vice President of Norman Roberts & Associates, Inc., then the largest executive search firm in the U.S. specializing in nationwide public sector recruitment. The firm was acquired by a Fortune 1000 company, and she continued with them for several years.

Ms. Roberts started her career in international banking, and then worked for Theodore Barry & Associates and Management Systems Consulting Corporation, specializing in management development, strategic planning and organizational development. She worked for Korn/Ferry International, doing executive recruiting in the areas of financial services, the public sector and within the general practice. She also held the position of Assistant to the President of the Arden Group, a holding company with interests in supermarkets and telecommunications.

Ms. Roberts received a Bachelor of Arts degree from Colorado Women's College (now a part of the University of Denver), where she was valedictorian and graduated summa cum laude. She earned a Master of Business Administration degree from the University of California, Los Angeles.

NORMAN ROBERTS

Norm Roberts pioneered the field of public sector recruitment over 35 years ago. During his career, he has managed/conducted more than 3,000 chief executive and senior level recruitments.

Mr. Roberts started his career as a staff assistant to the City of Los Angeles' Board of Public Works, served as an Assistant City Administrator for a newly incorporated city, and then became a senior member of the Executive Director's staff of a \$60 million federally funded program. He was a senior consultant with Peat, Marwick, Mitchell & Co., during which time he managed major consulting engagements for public agencies. He was also a consultant with Arthur D. Little, Inc., where he conducted general consulting assignments and recruited executives for local governments and associations.

Mr. Roberts was a Senior Vice President with Korn/Ferry International, and was founder and manager of the firm's national public sector, not-for-profit, education and health care executive search practices. Among the many placements made by Mr. Roberts was the President of the Los Angeles Olympic Organizing Committee, Peter Ueberroth.

For eleven years, he was co-founder and President of Norman Roberts & Associates, Inc., then the largest executive search firm in the U.S. specializing in nationwide public sector recruitment. The firm was acquired by a Fortune 1000 company, and he continued with them until co-

founding ROBERTS CONSULTING GROUP, INC. in 2003 to provide executive recruitment services to public agencies.

Mr. Roberts received a Bachelor of Arts degree in Political Science from the University of California, Los Angeles, and a Master's degree in Public Administration from the University of Southern California.

In the book *The Career Makers*, which profiled the top 150 executive recruiters in the nation, Mr. Roberts was ranked as *the* leading recruiter for both Government Agencies/Municipalities and Engineering. He was among the top ten for Transportation, MIS/Computer Operations, and Women/Handicapped/Minorities, as well as being named a leader in several other areas, including Associations/Societies/Non-Profit Organizations, Health Services/Hospitals, Universities/Colleges/Schools, Public Relations/Government Affairs, Legal, Law/Accounting/Consulting Firms, Construction and Retail.

Mr. Roberts is a Past President of both the Los Angeles and San Francisco chapters of the American Society for Public Administration, and has been involved with numerous other public sector and recruitment organizations. He also served on the Board of Children's Institute International and is a Past President. Mr. Roberts has authored numerous articles and spoken before national organizations on the subject of recruitment issues.