



BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION AGENDA

Thursday, October 12, 2023 at 3:00 PM

66575 Second St, Desert Hot Springs, CA AND/OR Via Teleconference

NOTICE IS HEREBY GIVEN THAT THE BOARD OF DIRECTORS OF MISSION SPRINGS WATER DISTRICT WILL HOLD ITS REGULAR MEETING(S) ON THE DATE LISTED ABOVE. THE BOARD WILL MEET IN PERSON AT 66575 SECOND STREET, DESERT HOT SPRINGS.

THE PUBLIC IS PERMITTED TO ATTEND THIS MEETING IN PERSON OR VIRTUALTY USING THE ZOOM LINK BELOW.

JOIN ZOOM MEETING:

<https://us02web.zoom.us/j/8220655340?from=addon>

DIAL BY PHONE:

+1 (408) 638-0968

Meeting ID: 822 065 5340

ACTION MAY BE TAKEN ON ANY ITEM LISTED ON THIS AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ANNOUNCEMENT AND VERIFICATION OF REMOTE MEETING PARTICIPATION PURSUANT TO AB 2449 OR GC 54953(b)
4. ROLL CALL
5. RULES OF PROCEDURE
6. PUBLIC INPUT

*This is the opportunity for members of the public to address the Board on matters within the Board's jurisdiction. **Please limit comments to three (3) minutes or less.** State law prohibits the Board from discussing or taking action on any item not listed on the agenda.*

EMPLOYEE RECOGNITION

7. HUMAN RESOURCES REPORT

ACTION ITEMS**8. ACTION ON THIS ITEM WILL OCCUR ON THURSDAY 10/12/2023 DURING THE STUDY SESSION
RESOLUTION 2023-22 ~ MSWD COMPREHENSIVE ENERGY AND SUSTAINABILITY UPGRADES -
BANK OF AMERICA INSTALLMENT SALE AGREEMENT**

It is recommended to adopt Resolution 2023-22, related to the MSWD Comprehensive Energy and Sustainability Upgrades Project, Installment Sale Agreement with Bank of America.

**9. AWARD OF WELL 34 REHABILITATION PROJECT TO LEGEND PUMP AND WELL SERVICE, INC.,
AND CONTRACT AMENDMENT FOR KYLE GROUNDWATER**

It is recommended to authorize the Interim General Manager to take all necessary actions to award the Well 34 Rehabilitation project to Legend Pump and Well Services, Inc., in the amount of \$565,622 plus a 10% contingency for a total of \$622,228.20, and augment the project budget an additional \$219,000 for the cost of construction, inspection and labor compliance oversight and do all necessary to complete the project, and amend and increase the existing contract with Kyle Groundwater, Inc. in the amount of \$45,950, for a total of \$110,751.00 to provide hydrogeological services for the Well 34 Rehabilitation Project.

**10. FIRST AMENDMENT TO CONTRACT AGREEMENT WITH WALTON MOTORS & CONTROLS, INC.
FOR MOTOR REWIND/REPAIRS FOR WATER PRODUCTION WELL & BOOSTER PUMP MOTORS
FOR 2023-2024**

It is recommended to authorize the Interim General Manager to amend the contract agreement with Walton Motors & Controls, Inc., for the Motor Rewind/Repairs for Water Production Well and Booster Pump Motors for 2023-2024. The amendment would increase the contract amount by \$50,000 from \$50,000 to a not to exceed amount of \$100,000 and authorize the Interim General Manager to do all things necessary to complete the project.

DISCUSSION ITEMS**11. NANCY WRIGHT REGIONAL WATER RECLAMATION FACILITY UPDATE****12. CRITICAL SERVICES CENTER AND ADMINISTRATIVE UPDATE****13. BOARD OF DIRECTORS COMPENSATION****CONSENT AGENDA**

Consent agenda items are expected to be routine and non-controversial, to be acted upon by the Board at one time, without discussion. If a member would like an item to be handled separately, it will be removed from the Consent Agenda for separate action.

14. APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

September 14, 2023 - Study Session

September 18, 2023 - Board Meeting

15. REGISTER OF DEMANDS

The register of demands totaling \$7,417,718.70

REPORTS**16. DIRECTOR'S REPORTS****17. GENERAL MANAGER'S REPORT****COMMENTS****18. DISTRICT COUNSEL COMMENTS****19. DIRECTOR COMMENTS****CLOSED SESSION****20. PUBLIC EMPLOYEE PERFORMANCE REVIEW**

Pursuant to Govt Code 54957
Title: Interim General Manager

21. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION

pursuant to Government Code Section 54956.9(d)(1)
One Case: Case No. PSC 1600676
(Mission Springs Water District vs. Desert Water Agency)


22. REPORT ON ACTION TAKEN DURING CLOSED SESSION**23. ADJOURN**

If you need special assistance to participate in this meeting, please contact the Executive Assistant at (760) 660-4403 at least 48 working hours prior to the meeting.

ANY DISCLOSABLE PUBLIC RECORDS RELATED TO AN OPEN SESSION ITEM ON A REGULAR MEETING AGENDA AND DISTRIBUTED BY MISSION SPRINGS WATER DISTRICT TO ALL OR A MAJORITY OF THE BOARD OF DIRECTORS LESS THAN 72 HOURS PRIOR TO THAT MEETING ARE AVAILABLE FOR PUBLIC INSPECTION AT THE DISTRICT OFFICE, 66575 SECOND STREET, DESERT HOT SPRINGS, CALIFORNIA DURING NORMAL BUSINESS HOURS AND MAY ALSO BE AVAILABLE ON THE DISTRICT'S WEBSITE AT WWW.MSWD.ORG. NOTE: THE PROCEEDINGS MAY BE AUDIO AND VIDEO RECORDED.

CERTIFICATION OF POSTING

I certify that on or before October 9, 2023, a copy of the foregoing notice was posted near the regular meeting place of the Board of Directors of Mission Springs Water District at least 72 hours in advance of the meeting (Government Code Section 54954.2).



Dori Petee
Executive Assistant

AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETINGS

MEETING DATE(S): OCTOBER 12 & 16, 2023

FROM: ORIANA HOFFERT - HUMAN RESOURCES MANAGER



HUMAN RESOURCES REPORT PERSONNEL ACTIVITY FOR THE PERIOD SEPTEMBER 1-30, 2023



NEW HIRES

ANNIVERSARIES

Marion Champion	Government & Public Affairs Manager	2 Years
Kurt Kettenacker	Innovation & Technology Manager	2 Years
Danny Friend	Director of Operations	26 Years

PROMOTIONS

None

CERTIFICATIONS/EDUCATIONAL ACCOMPLISHMENTS

None

AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETINGS
MEETING DATE(S): OCTOBER 12 & 16, 2023
FROM: ARTURO CEJA – DIRECTOR OF FINANCE



FOR: ACTION **X** DIRECTION INFORMATION

RESOLUTION 2023-22
MSWD COMPREHENSIVE ENERGY AND SUSTAINABILITY UPGRADES – BANK OF AMERICA
INSTALLMENT SALE AGREEMENT

STAFF RECOMMENDATION

Adopt Resolution No. 2023-22 related to the MSWD Comprehensive Energy and Sustainability Upgrades Project’s Installment Sale Agreement with Bank of America.

SUMMARY

On June 30, 2022, MSWD staff solicited qualifications for qualified contractors to perform a design-build contract to assist MSWD in becoming more energy efficient. Staff reviewed the proposals and based on the qualifications selected ENGIE Services U.S. Inc. ENGIE prepared a request for proposals on the financing of this project. After months of negotiations, contract updates and holding a public hearing to discuss the cost of the project, ENGIE’s best and final cost offer came in at \$17,852,057.

ANALYSIS

Three financing proposals were received to support the Comprehensive Energy and Sustainability Upgrades Project. Bank of America’s proposal contained the most favorable terms for the District. The terms of the loan will be for 20 years (in line with the timing of construction and service life of the Energy and Sustainability Upgrades) the interest rate is a not to exceed fixed rate of 4.25%. The underwriting fees/closing costs are estimated to be \$35,000. Interest only payments will be made the first eighteen months during the project construction period and subsequent payments will vary monthly to match the expected savings with the proportional payment of the debt agreement. All other terms and conditions are consistent with existing District debt agreements.

FISCAL IMPACT AND STRATEGIC PLAN IMPLEMENTATION

The Installment Sale Agreement amount is \$17,852,057, with monthly interest only payments for 18 months totaling approximately \$1,138,000, and total interest paid over 20 years of \$10,262,434. Total payments due for this Installment Sale Agreement will be \$28,114,491.

FINANCIAL DATA		
Cost Associated with this action:	\$28,114,491	
Current FY cost:	\$569,034	
Future FY cost:	\$27,545,457	
Is it covered in current year budget:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Budget adjustment needed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If yes, year needed:	FY2024	
All previous contracts including dates, amounts and board approvals are attached or have been made available.		
FUNDING SOURCES		
Source of funds:	Debt	
BID/Job#	N/A	
Current BID/Job balance	\$0	
Balance remaining if approved:	\$28,114,491	

ATTACHMENTS

- Resolution No. 2023-22 *(An updated Resolution was posted on 10/11/2023)*
- Installment Sale Agreement
- Certificate on Parity Debt Draft
- Updated cashflow using the latest lease payments estimate

RESOLUTION NO. 2023-22

A RESOLUTION OF THE BOARD OF DIRECTORS OF MISSION SPRINGS WATER DISTRICT AUTHORIZING THE AUTHORIZING THE SELECTION OF A LENDER; AUTHORIZING THE PREPARATION, NEGOTIATION, EXECUTION AND DELIVERY OF AN EQUIPMENT LEASE/PURCHASE AGREEMENT TO FINANCE CERTAIN ENERGY EFFICIENCY EQUIPMENT AND IMPROVEMENTS AND REFINANCE CERTAIN CAPITAL IMPROVEMENTS; AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Mission Springs Water District (the “District”) intends to undertake certain energy efficiency projects (collectively, the “Project”).

WHEREAS, the District has solicited proposals from financial institutions to finance construction of the Project.

WHEREAS, the District desires to refinance certain capital improvements (the “Refinancing Project”) which were previously financed by: (i) the Installment Sale Agreement, dated as of December 1, 2013 (the “2013 Agreement”), by and between the District and Municipal Finance Corporation (“MFC”); (ii) the Installment Sale Agreement, dated as of November 1, 2014 (the “2014 Agreement”), by and between the District and PNC Bank, National Association (formerly Compass Bank; and (iii) the Loan Agreement #17-017, dated as of December 22, 2017 (the “2017 Agreement”), by and between the District and MFC.

WHEREAS, Banc of America Public Capital Corp (“BofA”) has offered to enter into an Installment Sale Agreement in substantially the form that is attached hereto as Exhibit B (the “Obligation”) and the District has determined that BofA’s proposal reflects the most advantageous terms to the District to accomplish the financing of the Project and the refinancing of the Refinancing Project.

BY THIS RESOLUTION, BE IT RESOLVED, DETERMINED AND ORDERED that the Board of Directors of the District hereby directs as follows:

1. The above recitations are true.
2. In accordance with Government Code § 5852.1, the District has obtained required good faith estimates relating to the Obligation, and such estimates are disclosed and set forth in Exhibit A.
3. The President, Vice President, General Manager (or Interim General Manager) and Director of Finance (collectively, the “Authorized Officers”) are each hereby authorized and directed, for and in the name of the District, to execute and deliver the Obligation in a form acceptable to the Authorized Officer executing the same in consultation with Stradling Yocca Carlson & Rauth, a Professional Corporation (the District’s Bond Counsel), and the District’s General Counsel; provided, however, that the aggregate principal amount of the payments to be made by the District under the Obligation shall not exceed \$24,500,000 and the interest rate component of the payments to be made by the District under the Obligation shall not exceed an interest rate of 4.25% (except in the case of any increase due to a late payment or a default or an event of taxability).
4. The Authorized Officers and other officers, employees and agents of the District are hereby authorized and directed, jointly and severally, to do any and all things which they may deem

necessary or advisable and to execute and deliver any and all documents which they may deem necessary and advisable in order to consummate the negotiation, execution, and delivery of the Obligation and related agreements and certificates, including but not limited an Escrow and Account Control Agreement governing the disbursement of proceeds of the Obligation, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. All actions heretofore taken by the officers, employees and agents of the District with respect to the transactions set forth above, including, but not limited to, the distribution of a request for proposals and execution of a term sheet with BofA, are hereby approved, confirmed and ratified.

5. This Resolution shall take effect from and after its date of adoption.

ADOPTED this ____ day of October 2023.

Ayes:
Noes:
Absent:
Abstain:

Russ Martin
President of Mission Springs Water District
and its Board of Directors

ATTEST:

Brian Macy
Secretary of Mission Springs Water District
and its Board of Directors

EXHIBIT A**GOVERNMENT CODE SECTION 5852.1 DISCLOSURE**

The following information consists of estimates that have been provided by Banc of America Public Capital Corp (solely in its capacity as a private lender, and not as a broker, dealer, underwriter, municipal advisor or fiduciary to the District and/or in connection with the Obligation). The following information consists of estimates based on a principal amount of the Obligation of \$21,798,987:

- (A) True Interest Cost of the Obligation: 4.25%
- (B) Finance Charge of the Obligation (Sum of all fees/charges paid to third parties): \$35,000
- (C) Net Proceeds of the Obligation to be Received (net of finance charges, reserves and capitalized interest, if any): \$21,763,987
- (D) Total Payment Amount through Maturity of the Obligation: \$33,191,281

The foregoing constitute good faith estimates only. The principal amount of the Obligation, the true interest cost of the Obligation, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the Obligation being different than the date assumed for purposes of such estimates; (b) the actual principal amount of the Obligation being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the Obligation being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of execution of the Obligation being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the District's financing plan, or a combination of such factors.

The actual execution date of the Obligation and the actual principal amount of the Obligation will be determined by the District based on a variety of factors. The actual interest rate borne by the Obligation will be determined at the time of execution thereof.

EXHIBIT B
INSTALLMENT SALE AGREEMENT

INSTALLMENT SALE AGREEMENT

by and between

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Seller

and

MISSION SPRINGS WATER DISTRICT,
as Purchaser

Dated as of October __, 2023

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INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT, dated as of October __, 2023, by and between BANC OF AMERICA PUBLIC CAPITAL CORP, a Kansas corporation, as seller (together with its successors, assigns and transferees, and as more particularly defined herein, “*Seller*”), and MISSION SPRINGS WATER DISTRICT, a county water district duly organized and existing under the Constitution and laws of the State of California, as purchaser (the “*District*”);

W I T N E S S E T H:

WHEREAS, the District desires to acquire and purchase from Seller certain Equipment (as such term is defined herein), subject to the terms and conditions hereof; and,

WHEREAS, the District is authorized under the constitution and laws of the State (as such term is defined herein) to enter into this Installment Sale Agreement for the purposes set forth herein;

WHEREAS, in connection with financing the Equipment, the District formed Assessment the District No. 12 of the Mission Springs Water District (“*AD No. 12*”), the assessments of which are used to repay the obligations of the District to finance the Equipment;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

“*Acquisition Amount*” means \$_____. The Acquisition Amount is the amount represented by the District to be sufficient, together with other funds of the District (if any) that are legally available, for the purpose of designing, acquiring and installing the Equipment.

“*Acquisition Period*” means the period ending five (5) business days prior to _____, 20__ (or such later date as may be mutually agreed upon by the Seller and the District).

“*Business Day*” means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the state in which the Seller is located are closed or are required to close or a day on which the New York Stock Exchange is closed.

“*Charges*” means fees, assessments, rates and charges prescribed by the District for the services and facilities of the System furnished by the District.

“*Collateral*” has the meaning set forth in Section 4.02.

“*Commencement Date*” means the date when the District’s obligation to pay Installment Payments commences hereunder, which shall be the date on which the Acquisition Amount is deposited with the Escrow Agent.

“*Code*” means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code herein shall be deemed to include the relevant United States Treasury Regulations proposed or in effect thereunder.

“*Combined System Parity Obligations*” means Parity Obligations that are payable (in whole or part) from Revenues of both the Water System and the Sewer System.

“*Contract Rate*” means the rate identified as such in the Payment Schedule.

“*Escrow Account*” means the fund by that name established pursuant to this Installment Sale Agreement.

“*Debt Service*” means, during any period of computation, the greater of (a) the amount of debt service for such period for all outstanding Parity Obligations and System Obligations based on the definition of Debt Service for Existing Parity Debt or in any Parity Obligation Instrument, and (b) the amount obtained for such period by totaling the following amounts: (i) the principal amount of all outstanding Parity Obligations and System Obligations payable by their terms in such period and scheduled to be paid or redeemed by operation of mandatory sinking fund installments or amortizations in such period; and (ii) the interest which would be due during such period on the aggregate principal amount of Parity Obligations and System Obligations which would be outstanding in such period if the Parity Obligations and System Obligations are paid or redeemed as scheduled; *provided* that, as to any such Parity Obligation or System Obligation bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of: (i) the then current variable interest rate borne by such Parity Obligation or System Obligation plus 1%; and (ii) if such Parity Obligation or System Obligation has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, or if such Parity Obligation or System Obligation has not been outstanding for the twelve prior months, the average rate borne by reference to an index comparable to that to be utilized in determining the interest rate for the Parity Obligation or System Obligation to be issued or executed.

“*Default*” means an event which with the passage of time or the giving of notice or both would constitute an Event of Default.

“*Disbursement Request*” means the disbursement request attached to the Escrow Agreement as Schedule 1 and made a part thereof.

“*District*” means Mission Springs Water District, a county water district duly organized and existing under the Constitution and laws of the State.

“*District Representative*” means the President, General Manager or Director of Finance of the District, or any other person authorized to act on behalf of the District under or with respect to the Installment Sale Agreement and identified as such to the Seller in writing by the General Manager.

“*Equipment*” means the equipment, fixtures and other goods and property listed in the Equipment Schedule and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to the terms of this Installment Sale Agreement. Whenever reference is made in this Installment Sale Agreement to Equipment, such reference shall be deemed to include all such replacements, repairs, restorations, modifications and improvements of or to such Equipment.

“*Equipment Costs*” means the total cost of the Equipment, including related soft costs such as freight, installation and taxes and other capitalizable costs, and other costs incurred in connection with the acquisition, installation and/or financing of the Equipment.

“*Equipment Schedule*” means the Equipment Schedule attached hereto as *Exhibit A* and made a part hereof, as such Equipment Schedule may be amended in connection with a Vendor Agreement with a Vendor approved by Seller.

“*Escrow Account*” means the account established and held by the Escrow Agent pursuant to the Escrow Agreement.

“*Escrow Agent*” means the Escrow Agent identified in the Escrow Agreement, and its successors and assigns.

“*Escrow Agreement*” means the Escrow and Account Control Agreement in form and substance acceptable to and executed by the District, Seller and the Escrow Agent, pursuant to which the Escrow Account is established and administered.

“*Event of Default*” means an event of default under this Installment Sale Agreement, as defined in Section 8.01 thereof.

“*EMMA*” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System.

“*Existing Parity Debt*” means (a) the Installment Sale Agreement dated February 1, 2001 between the Mission Springs Water District Improvement Corporation, as seller and the District, as purchaser; (b) the Installment Purchase Agreement, by and between the District and Holman Capital Corporation, dated as of June 21, 2013; (c) the Project Finance Agreement State Revolving Fund Project No C-06-4250-310 Agreement No. 12-802-550 dated June 5, 2012 between the District and the California State Water Resources Control Board; (d) the Installment Sale Agreement, dated as of December 1, 2013, by and between Municipal Finance Corporation, as seller, and the District, as purchaser; (e) the Installment Sale Agreement dated as of November 1, 2014 between Compass Bank, as seller and the District, as purchaser; (f) the Loan Agreement #17-017 dated December 22, 2017 between Municipal Finance Corporation, as seller,

and the District, as purchaser, and assigned to City National Bank; and (g) the Installment Purchase Agreement dated as of January 1, 2023 between Wells Fargo Municipal Capital Strategies, LLC and the District; as each of the foregoing has been amended or supplemented.

“*Fiscal Year*” means any period of 12 consecutive months established by the District as its fiscal year and shall initially mean the period commencing July 1 of one year and ending on June 30 of the following year.

“*Generally Accepted Accounting Principles*” or “*GAAP*” means generally accepted accounting principles in effect from time to time in the United States and applicable to public agencies in the United States.

“*Gross Revenues*” means, for any period of calculation, all gross revenues, charges, income and profits of any kind derived from the operation of the System, or received or receivable by the District from the ownership or operation of the System, determined in accordance with GAAP, including all rates, fees, and charges (including connection fees and charges) as received by the District for the services of the System, and all other income and revenue howsoever derived by the District from the ownership or operation of the System or arising from the System, including all income from the deposit or investment of any money in any of the Revenue Fund or any rate stabilization fund of the District or held on the District’s behalf, and any refundable deposits made to establish credit, and advances or contributions in aid of construction, including the proceeds of any connection charges not applied directly to the payment of the cost of improving or extending the System or of making connections thereto, and all interest, profits or other income derived from the investment of any moneys held pursuant to this Installment Sale Agreement and the proceeds of any interest subsidy paid for or for the account of the District by any governmental body or agency; *provided, however*, that Gross Revenues shall be increased by the amounts, if any, transferred during such Fiscal Year or other period from the Rate Stabilization Fund to the Revenue Fund and shall be decreased by the amount of Revenues, if any, transferred during such Fiscal Year or other period from the Revenue Fund to the Rate Stabilization Fund. Gross Revenues shall also include assessments levied in AD No. 12. Gross Revenues shall include all “Revenues”, “Gross Revenues”, “Water Revenues”, “Wastewater Revenues”, “Sewer Revenues” and similar terms as defined or described in any Parity Obligation Instrument. So long any Existing Parity Debt remains outstanding, Gross Revenues shall not include (a) the proceeds of any ad valorem property taxes levied for the purpose of paying general obligation bonds of the District, (b) the proceeds of any special assessments (other than as described herein with respect to AD No. 12) or special taxes levied on real property within any assessment district or community facilities district for the purpose of paying any special assessment or special tax bonds of the District, (c) any proceeds received on insurance resulting from casualty damage to assets of the System that are used to repair or replace the System, or (d) the proceeds of sale of this Installment Sale Agreement, Parity Obligations or other obligations issued for System purposes. Notwithstanding the foregoing, if the Existing Parity Debt is no longer outstanding, “*Gross Revenues*” shall also include, without duplication of the foregoing, all gross charges received for, and all other gross income and revenues derived by the District from, the ownership or operation of the System or otherwise arising from the System during such period, including but not limited to (a) all Charges received by the District for use of the System, (b) all receipts derived from the investment of funds held by the District, (c) transfers from (but exclusive of any transfers to) any rate stabilization

reserve accounts, (d) property tax to the extent permitted by law and (e) all moneys received by the District from other public entities whose inhabitants are served pursuant to contracts with the District; and includes, without limitation, for each Fiscal Year, all gross income and revenue received or receivable by the District from the ownership or operation of the System, determined in accordance with GAAP, including all rates, fees, and charges (including connection and capacity fees and charges) as received by the District for the services and facilities of the System, and all other income and revenue howsoever derived by the District from the ownership or operation of the System or arising from the System, including all income from the deposit or investment of any money in any of the Revenue Fund or any rate stabilization fund of the District or held on the District's behalf, and any refundable deposits made to establish credit, and advances or contributions in aid of construction.

“Improvement” means any addition, extension, improvement, equipment, machinery or other facilities to or for the System.

“Independent Certified Public Accountant” means any certified public accountant or firm of such accountants appointed and paid by the District, and who, or each of whom: (a) is in fact independent and not under domination of the District; (b) does not have any substantial identity of interest, direct or indirect, with the District; and (c) is not and no member of which is connected with the District as an officer or employee of the District, but who may be regularly retained to make annual or other audits of the books of or reports to the District.

“Independent Municipal Advisor” means any financial consultant or firm of such consultants of national reputation generally recognized to be well qualified in financial matters relating to systems similar to the System, appointed and paid by the District, and who, or each of whom: (a) is in fact independent and not under domination of the District; (b) does not have any substantial interest, direct or indirect, with the District; (c) is not connected with the District as a member of the Board of Directors, an officer or an employee thereof, but who may be regularly retained to make reports thereto; and (d) is registered as a “municipal advisor” as defined in Section 15B of the Securities and Exchange Act of 1934, as amended.

“Installment Payment” means the Installment Payments payable by the District on the Installment Payment Dates and in the amounts as specified in the Payment Schedule, consisting of a principal component and an interest component, and in all cases sufficient to repay such principal component and interest thereon at the applicable Contract Rate (or Taxable Rate if then in effect).

“Installment Payment Date” means each date on which the District is required to make an Installment Payment under this Installment Sale Agreement as specified in the Payment Schedule.

“Lien” means any lien (statutory or otherwise), security interest, mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, preference, priority or other security or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

“*Listed Event*” means, so long as the District has outstanding any System Obligation subject to SEC Rule 15c2-12, any of the events required to be reported pursuant to SEC Rule 15c2-12(b)(5).

“*Material Adverse Change*” means any change in the District’s creditworthiness that could have a reasonably foreseeable material adverse effect on (i) the financial condition or operations of the District, or (ii) the District’s ability to perform its obligations under this Installment Sale Agreement.

“*Material Event*” means any event that might cause any of the following: (a) Revenue shortfalls; (b) unscheduled draws on a reserve fund, if any, or the Revenue Fund or the Rate Stabilization Fund; (c) substitution of insurers, or their failure to perform; (d) adverse findings by the Regional Water Quality Control Board, the State Water Board or the United States Environmental Protection Agency; (e) litigation related to the Revenues, the System, or the Equipment, whether pending or anticipated; (f) any false warranty or representation made by the District relevant to this Installment Sale Agreement; (g) loss, theft, damage, or impairment to the Revenues or the System; (h) seizure of, or levy on any collateral securing this Installment Sale Agreement; (i) dissolution or cessation of operations by the District, termination of the District’s existence, insolvency of the District, or filing of a voluntary or involuntary bankruptcy petition by or on behalf of the District; and/or (j) any Material Adverse Change.

“*Maximum Annual Debt Service*” means, as of the date of calculation, the maximum amount of Debt Service for the current or any future Fiscal Year; *provided that* if any System Obligation has twenty-five percent (25%) or more of the aggregate principal amount of such System Obligation due in any one year, for purposes of determining Maximum Annual Debt Service, the principal amount of such System Obligation deemed to be payable by its term for the current or any future Fiscal Year will be derived by dividing (A) the aggregate outstanding principal of such System Obligation by (B) the number of full years in the remaining term of such System Obligation; *provided further* that if the date of calculation is within twelve (12) months of the final maturity date of such System Obligation and a binding commitment by an institutional lender or municipal underwriting firm exists to provide money to refinance the outstanding aggregate principal amount of such System Obligation then outstanding, the payment terms contained in the commitment are to be used for purposes of calculating the maximum amount of Debt Service for such System Obligation for the current and future Fiscal Years, as applicable.

“*Moody’s*” means Moody’s Investors Service, New York, New York, or its successors.

“*Net Proceeds*” means any insurance proceeds or condemnation award paid with respect to the System, if any, remaining after payment therefrom of all expenses incurred in the collection thereof.

“*Net Revenues*” means, for any Fiscal Year (or other period of computation, as the case may be), the amount of the Gross Revenues during such period, less the amount of Operation and Maintenance Expense of the System becoming payable during such period, and includes, without limitation, all Net Sewer Revenues and all Net Water Revenues.

“*Net Sewer Revenues*” means, for any Fiscal Year (or other period of computation, as the case may be), the amount of the Gross Revenues of the Sewer System during such period, less the amount of Operation and Maintenance Expense of the Sewer System becoming payable during such period.

“*Net Water Revenues*” means, for any Fiscal Year (or other period of computation, as the case may be), the amount of the Gross Revenues of the Water System during such period, less the amount of Operation and Maintenance Expense of the Water System becoming payable during such period.

“*Operation and Maintenance Expense*” means, for any period of calculation, all expenses reasonably and necessarily incurred in connection with operating, repairing, maintaining and insuring the System, determined in accordance with GAAP, including ordinary repairs, renewals and replacements, other than capital improvements, necessary to keep the System in efficient operating condition, the cost of audits required by this Installment Sale Agreement, legal fees, architect’s fees, engineering fees, properly allocated charges for insurance and generally all expenses which under general accounting practices are properly chargeable to maintenance and operation, but excluding depreciation; *provided that* the Operation and Maintenance Expense of the Water System means the foregoing definition with Water System substituted for System, plus the costs of purchasing or producing potable water and the Operation and Maintenance Expense of the Sewer System means the foregoing definition with Sewer System substituted for System.

“*Outstanding Balance*” means the amount that is shown for each Installment Payment Date under the column titled “Outstanding Balance” on the Payment Schedule.

“*Parity Interest Payment Date*” means, with respect to any Parity Obligations each date that interest is due and payable thereon as established under the applicable Parity Obligation Instrument, and continuing so long as any Parity Obligations remain outstanding.

“*Parity Principal Installment*” means, with respect to any particular Parity Principal Payment Date, an amount equal to the aggregate principal amount of Parity Obligations payable on such Parity Principal Payment Date as determined by the applicable Parity Obligation Instrument.

“*Parity Principal Payment Date*” means, with respect to any Parity Obligations, any date on which principal thereof is due and payable as established under the applicable Parity Obligation Instrument, and continuing so long as any Parity Obligations remain outstanding.

“*Parity Obligations*” means all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the District payable from and/or secured by a pledge of and Lien upon the Net Revenues (or any portion thereof) on a basis on parity with this Installment Sale Agreement, including any and all obligations issued or incurred pursuant to any Parity Obligation Instrument and all Existing Parity Debt.

“Parity Obligation Instrument” means the resolution, trust indenture or installment sale agreement or other instrument, adopted, entered into or executed and delivered by the District, and under which any Parity Obligations is issued, and includes without limitation, this Installment Sale Agreement, the Existing Parity Debt, as supplemented and amended according to the terms thereof and hereof.

“Payment Schedule” means the Schedule of Installment Payments attached hereto as *Exhibit B* and made a part hereof.

“Permitted Investments” means any investments, if and to the extent the same are at the time legal for investment of the District’s funds, including the State of California Local Agency Investment Fund and any other investments authorized by California Government Code Section 53601 or successor statute.

“Person” means any individual, corporation, company, voluntary association, partnership, joint venture, limited liability company, trust, unincorporated association or government (or any agency, instrumentality or political subdivision thereof).

“Prepayment Price” means the amount that is shown for each Installment Payment Date under the column titled “Prepayment Price” on the Payment Schedule.

“Principal Portion” means the amount that is shown for each Installment Payment Date under the column titled “Principal Portion” on the Payment Schedule.

“Qualified Engineer” means a consulting engineer of recognized skill and experience in the field of engineering matters related to the construction and maintenance of systems similar to the System who is selected by the District and who may be an employee of the District.

“Rate Stabilization Fund” means, individually and collectively, as applicable (a) with respect to the Sewer System and Sewer Revenues, the Sewer Rate Stabilization Fund and (b) with respect to the Water System and Water Revenues, the Water Rate Stabilization Fund.

“Related Documents” means this Installment Sale Agreement, the Escrow Agreement and each Vendor Agreement, each as may be amended and supplemented.

“Revenue Fund” means all enterprise funds of the District in which Gross Revenues are deposited and held in trust (also known as the Enterprise Fund or Revenue Fund under the Existing Parity Debt or any other Parity Obligation Instrument) and includes, without limitation, each of the Water Revenue Fund and the Sewer Revenue Fund.

“Revenues” means Gross Revenues and/or Net Revenues.

“SEC” means the U.S. Securities and Exchange Commission.

“Seller” means (a) the entity referred to as Seller in the first paragraph of this Installment Sale Agreement and its successors or (b) any assignee or transferee of any right, title or interest of

Seller in and to this Installment Sale Agreement pursuant to Section 7.01 hereof, including the right, title and interest of Seller in and to the Equipment, the Installment Payments and other amounts due hereunder, the Escrow Agreement and Escrow Account and other Collateral, but does not include any entity solely by reason of that entity retaining or assuming any obligation of Seller to perform hereunder.

“*Seller Representative*” means any persons authorized to act on behalf of the Seller under or with respect to this Installment Sale Agreement and identified as such to the District in writing.

“*Senior Obligations*” means bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the District payable from or secured by a pledge of and Lien upon the Net Revenues (or any portion thereof) on a basis senior to any Parity Obligations.

“*Sewer Parity Interest Payment Date*” means, with respect to any Combined System Parity Obligation and any Sewer Parity Obligation each date that interest is due and payable thereon as established under the applicable Parity Obligation Instrument, and continuing so long as such Combined System Parity Obligation or such Sewer Parity Obligation remains outstanding.

“*Sewer Parity Obligations*” means Parity Obligations that are payable (in whole or part) from Sewer Revenues but not Water Revenues.

“*Sewer Parity Principal Installment*” means, with respect to any particular Sewer Parity Principal Payment Date, an amount equal to the aggregate principal amount of Combined System Parity Obligations and Sewer Parity Obligations payable on such Sewer Parity Principal Payment Date as determined by the applicable Parity Obligation Instrument.

“*Sewer Parity Principal Payment Date*” means, with respect to any Combined System Parity Obligation and any Sewer Parity Obligation, any date on which principal thereof is due and payable as established under the applicable Parity Obligation Instrument, and continuing so long as such Combined System Parity Obligation or such Sewer Parity Obligation remains outstanding.

“*Sewer Rate Stabilization Fund*” means, with respect to the Sewer System and Sewer Revenues, the District account designated by the District as 301-1060-17407-000 – Reserved for Construction – Sewer, created and designated by action of the Board of Directors as a part of the Rate Stabilization Fund.

“*Sewer Revenues*” means any Revenues derived from the operation or ownership of the Sewer System.

“*Sewer Revenue Fund*” means all enterprise funds of the District in which Gross Revenues relating to the Sewer System are deposited and held in trust and includes without limitation the District accounts designated by the District as Sewer Revenues General Ledger 301-4080-19901-000 – Sewer Service Charge – Residential and 301-4080-19921-000 – Sewer Service Charges – Commercial, together with other current accounts into which Sewer Revenues

are deposited and any accounts created in the future and designated by action of the Board of Directors as a part of the Sewer Revenue Fund.

“*Sewer System*” means (a) all property rights, contractual rights and facilities of the District relating to wastewater, including all facilities for the collection, treatment and disposal of wastewater now owned or operated by the District and all other properties, structures or works for the treatment, collection, treatment and disposal of wastewater hereafter acquired and constructed by or for the District but excluding all property rights, contractual rights and facilities of the District relating to reclaimed or recycled water, (b) all wastewater collection, transport, treatment, storage and disposal facilities, including land and easements thereof, owned or operated by the District, and all other properties, structures or works hereafter acquired and constructed by the District and determined to be a part of the Sewer System, together with all additions, betterments, extensions or improvements to such facilities, properties, structures or works or any part thereof hereafter acquired and constructed, (c) the Sewer System as defined or described in any Parity Obligation Instrument, and (d) the system or enterprise described or defined in any Parity Obligation Instrument payable from or secured by Sewer Revenues. For the purposes of all other projects, “*Sewer System*” means all nonpoint source control or estuary enhancement facilities, including land and easements thereof, owned or operated by the District and all other properties, structures or works hereafter acquired and constructed by the District and determined to be a part of the Sewer System, together with all additions, betterments, extensions or improvements to such facilities, properties, structures or works or any part thereof hereafter acquired and constructed.

“*Special Counsel*” means Stradling Yocca Carlson & Rauth, a Professional Corporation.

“*Subordinate Obligations*” means all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the District payable from and/or secured by a pledge of and Lien upon the Net Revenues (or any portion thereof), subordinate to the pledge of Net Revenues to pay this Installment Sale Agreement and any other Parity Obligations.

“*Subordinate Obligations Instrument*” means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the District, and under which Subordinate Obligations are issued.

“*State*” means the State of California.

“*System*” means the complete water, sewer and wastewater system of the District serving the District and its inhabitants, including the Water System and the Sewer System and all improvements, extensions and additions thereto, and including all property, real, personal and mixed, of every nature now or hereafter owned by the District and used in the operations of its waterworks properties, including without limitation, the Equipment which is being sold to the District by the Seller pursuant to this Installment Sale Agreement.

“*System Obligation*” means any long-term obligation of the District payable from and/or secured by (in whole or in part) any of the Revenue Fund (or any portion thereof) or any Revenues

(or any portion thereof), including this Installment Sale Agreement and all other Parity Obligations and Subordinate Obligations.

“*Taxable Rate*” means, for each day that the interest component of Installment Payments is taxable for Federal income tax purposes, an interest rate equal to the Contract Rate plus a rate sufficient such that the total interest to be paid on any Installment Payment Date would, after such interest was reduced by the amount of any Federal, state or local income tax (including any interest, penalties or additions to tax) actually imposed thereon, equal the amount of interest otherwise due to Seller.

“*Term of this Installment Sale Agreement*” means the period from the Commencement Date until all Installment Payments and other amounts payable under this Installment Sale Agreement are paid in full.

“*Vendor*” means the manufacturer, installer or supplier of the Equipment or any other person who assists the District in designing or identifying the Equipment as well as the agents or dealers of the manufacturer, installer or supplier with whom the District arranged the District’s acquisition, installation, maintenance and/or servicing of the Equipment and includes, without limitation, ENGIE.

“*Vendor Agreement*” means any contract entered into by the District and any Vendor for the design, acquisition, construction, installation, maintenance and/or servicing of the Equipment, and includes, without limitation that certain **[certain Energy Services Contract dated as of _____, 20__ , between the District and ENGIE Services U.S. Inc. (“ENGIE”), as modified by that certain Memorandum of Understanding dated as of _____, 20__ , among the District, Seller and ENGIE]** (collectively, and as further supplemented and amended from time to time, the “*ENGIE Contract*”).

“*Water Parity Interest Payment Date*” means, with respect to any Combined System Parity Obligation and any Water Parity Obligation each date that interest is due and payable thereon as established under the applicable Parity Obligation Instrument, and continuing so long as such Combined System Parity Obligation or such Water Parity Obligation remains outstanding.

“*Water Parity Obligations*” means Parity Obligations that are payable (in whole or part) from Water Revenues but not Sewer Revenues.

“*Water Parity Principal Installment*” means, with respect to any particular Water Parity Principal Payment Date, an amount equal to the aggregate principal amount of Combined System Parity Obligations and Water Parity Obligations payable on such Water Parity Principal Payment Date as determined by the applicable Parity Obligation Instrument.

“*Water Parity Principal Payment Date*” means, with respect to any Combined System Parity Obligation and any Water Parity Obligation, any date on which principal thereof is due and payable as established under the applicable Parity Obligation Instrument, and continuing so long as such Combined System Parity Obligation or such Water Parity Obligation remains outstanding.

“*Water Rate Stabilization Fund*” means, if and when established, the District account designated by the District as the rate stabilization fund for the Water System and Water Revenues.

“*Water Revenues*” means any Revenues derived from the operation or ownership of the Water System.

“*Water Revenue Fund*” means all enterprise funds of the District in which Gross Revenues relating to the Water System are deposited and held in trust and includes without limitation the District accounts designated by the District as General Ledger 201-1000-10010-000 - Cash Restricted Water Cash and the following Water Revenue General Ledger Accounts: (i) 201-4040-18601-000 - Water Service Charge Residential, (ii) 201-4040-18621-000 - Water Service Charge Commercial, (iii) 201-4040-18622-000 - Water Service Charge Landscape & Irrigation, (iv) 201-4040-18641-000 - Water Consumption Charge Residential, (v) 201-4040-18661-000 - Water Consumption Charge Commercial and (vi) 201-4040-18662-000 - Water Consumption Charge Landscape & Irrigation, together with other current accounts into which Water Revenues are deposited and any accounts created in the future and designated by action of the Board of Directors as a part of the Water Revenue Fund.

“*Water System*” means (a) the whole and each and every part of the water supply, treatment, and delivery system owned and operated by the District, including all additions, betterments, extensions and improvements to the Water System or any part thereof hereafter acquired or constructed, (b) all properties and assets, real and personal, tangible and intangible, of the District now or hereafter existing, used or pertaining to the production, transmission, distribution and sale of water, and all additions, extensions, expansions, improvements and betterments thereto, and equipplings thereof, (c) the Water System as defined or described in any Parity Obligation Instrument, and (d) the system or enterprise described or defined in any Parity Obligation Instrument payable from or secured by Water Revenues.

“*Written Certificate*” of the District means a written certificate signed in the name of the District by a District Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02 of this Installment Sale Agreement, each such certificate shall include the statements provided for in Section 1.02 of this Installment Sale Agreement.

Section 1.02. Content of Written Certificates. Every certificate provided for in this Installment Sale Agreement with respect to compliance with any provision hereof shall include (a) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate is based; (c) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; (d) a statement of the assumptions upon which such certificate is based, and that such assumptions are reasonable; and (e) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate made or given by a District Representative may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, unless such District Representative knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District), upon a certificate or opinion of or representation by a District Representative, unless such counsel or accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same District Representative, or the same counsel or accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Installment Sale Agreement, but different officers, counsel or accountants may certify to different matters, respectively.

Section 1.03. Conditions to Seller's Performance. (a) As a prerequisite to the performance by Seller of any of its obligations under this Installment Sale Agreement, the District shall deliver to Seller, in form and substance satisfactory to Seller, the following:

- (i) An Escrow Agreement substantially in the form attached hereto as *Exhibit I*, satisfactory to Seller and executed by the District and the Escrow Agent and a copy of any existing Vendor Agreement between the District and a Vendor;
- (ii) A certified copy of a resolution, ordinance or other official action of the District's governing body, substantially in the form attached hereto as *Exhibit C-1*, authorizing the execution and delivery of this Installment Sale Agreement and the Escrow Agreement and performance by the District of its obligations under this Installment Sale Agreement and the Escrow Agreement;
- (iii) A Certificate completed and executed by the Clerk or Secretary or other comparable officer of the District, substantially in the form attached hereto as *Exhibit C-2*, completed to the satisfaction of Seller;
- (iv) Opinions of Special Counsel and general counsel to the District, which in the aggregate opine on the matters set forth in the form attached hereto as *Exhibit D* and which are otherwise satisfactory to Seller;
- (v) Evidence of insurance as required by Section 3.06 and Section 5.05 hereof;
- (vi) Evidence that all the requirements under the Existing Parity Debt and any other existing Parity Obligation Instrument and with respect to the execution and delivery of this Installment Sale Agreement and the Escrow Agreement and the District's acquisition, installation and financing of the Equipment and the transactions contemplated under this Installment Sale Agreement have been satisfied and evidence of compliance with all the additional debt tests and restrictions and other conditions precedent in the Existing

Parity Debt and any existing Parity Obligation Instrument in connection with the incurrence of debt evidenced by this Installment Sale Agreement as a Parity Obligation;

(vii) All documents, including financing statements, affidavits, notices and similar instruments which Seller deems necessary or appropriate at that time pursuant to Section 4.02 hereof;

(viii) A copy of the Form 8038-G, fully completed by Special Counsel as paid preparer and executed by the District;

(ix) In the event that the District is to be reimbursed for expenditures that it has paid more than sixty (60) days prior to the Commencement Date, evidence of the adoption of a reimbursement resolution or other official action covering the reimbursement from tax exempt proceeds of expenditures incurred not more than sixty (60) days prior to the date of such resolution;

(x) Copies of invoices (and proofs of payment of such invoices, if the District seeks reimbursement) and bills of sale (if title to Equipment has passed to the District), to the extent required by Section 3.02(b) hereof;

(xi) Wire instructions for payments to be made to Vendors and Form W-9 from each such Vendor;

(xii) For each Vendor, a certified copy of any Surety Bond satisfying the conditions set forth in Section 3.08 hereof, or, at Seller's sole discretion, such Surety Bonds may be provided after the Commencement Date, *provided however*, that if there is a Vendor Agreement in place, no "Disbursement Request" pursuant to the Escrow Agreement shall be authorized by Seller until such Surety Bonds satisfying the conditions set forth in Section 3.08 have been delivered to Seller;

(xiii) Evidence that each written agreement between the District and each Vendor provides and will provide that: (A) for and in consideration of amounts to be disbursed from the Escrow Account, that automatically and without any further act or action, ownership of and title to the Equipment (or portion thereof, as applicable) paid for by such disbursement shall vest in the District (or its assigns) immediately upon the Escrow Agent's disbursement of moneys from the Escrow Account; and (B) acknowledges the vesting of legal title in the Equipment in the District as provided in Sections 4.01 hereof.

(xiv) (A) a certificate signed by an authorized officer of the District dated the Commencement Date certifying that: (i) the representations and warranties of the District contained herein and in the other Related Documents to which the District is a party are true and correct in all material respects on and as of the Commencement Date; (ii) no Event of Default has occurred and is continuing or would result from the execution, delivery or performance of this Installment Sale Agreement or any other Related Document to which the District is a party; (iii) there has been no event or circumstance since the date of the audited annual financial statements of the District for the Fiscal Year ended June 30, 2022,

that has resulted or could be reasonably expected to result, either individually or in the aggregate, in a Material Adverse Change; (iv) the accuracy and genuineness of the names and signatures of the persons authorized to sign, on behalf of the District, the Related Documents to which the District is a party; (v) attached thereto are copies of the resolution of the governing board of the District substantially in the form attached hereto as Exhibit C-1 approving the execution and delivery of the Related Documents to which the District is a party, and the other matters contemplated hereby, that are true and complete in all material respects and in full force and effect on the Commencement Date; (vi) there is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that challenges the organization or existence of the District, the authority of its governing board or officers, the proper authorization, approval and execution of the Related Documents to which the District is a party, the ability of the District otherwise to perform its obligations under the Related Documents to which the District is a party and the transactions contemplated thereby, the title of the District, as the case may be, in the Equipment or the *pari passu* pledge of the Net Revenues granted to the Seller or its assigns or the security interest granted to the Seller or its assigns in and to the Collateral; and (vii) the correct legal name of the District for purposes of the Uniform Commercial Code in effect in the State is Mission Springs Water District; (B) a certificate signed by an authorized officer of the District dated the Commencement Date in substantially the form attached hereto as Exhibit C-2; and (C) such other closing certificates of the District in form and substance satisfactory to the Seller;

(xv) If requested by Seller, evidence that Seller's sale of the Equipment to the District under this Installment Sale Agreement does not, and will not, result in an obligation of Seller to pay any ad valorem property (whether on real or personal property) or other taxes of any kind under state, State law or federal law and, if any such taxes are so payable during the Term of this Installment Sale Agreement, that the District has expressly provided for payment of such taxes in accordance with Section 3.05 hereof; and

(xvi) Such other items reasonably required by Seller.

(b) In addition to satisfaction of the conditions set forth in subsection (a) of this Section 1.03, the performance by Seller of any of its obligations under the Related Documents shall be subject to: (i) no Material Adverse Change having occurred since the date of this Installment Sale Agreement, and (ii) no Event of Default or Default having occurred and then be continuing.

(c) Subject to satisfaction of the foregoing, Seller will deposit the Acquisition Amount with the Escrow Agent to be held and disbursed pursuant to the Escrow Agreement.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to the Seller as follows:

(a) The District is a county water district, duly organized and existing under the Constitution and laws of the State, and is empowered, among other things, to own, maintain and operate a sewer system for the disposal of wastewater and a water system for the provision of drinking water within its boundaries.

(b) The laws of the State authorize the District to enter into the Related Documents, and to enter into the transactions contemplated by and to carry out its obligations under the Related Documents.

(c) Neither the execution and delivery of this Installment Sale Agreement, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a material breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound or constitutes a default under any of the foregoing.

(d) The District has duly authorized, executed and delivered the Related Documents in accordance with the laws of the State by proper action of its governing body at a meeting duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of the Related Documents.

(e) There is no action, claim, dispute, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board, agency or body pending or, to the best knowledge of the District, threatened against or affecting the District or affecting the financial condition or operations of the District, the System, any Revenues, any Vendor Agreement and/or the Equipment or affecting the corporate existence of the District or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the entering into of any Related Document or in any way contesting or affecting the transactions contemplated hereby or the validity or enforceability of any Related Document or contesting the powers of the District or its authority to execute and deliver any Related Document, or in which a final adverse decision could (a) adversely affect the District's financial condition or its operations or impair its ability to perform its obligations under the Related Documents or the consummation of the transactions contemplated by any Related Document, (b) declare any Related Document to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the interest component of the Installment Payments from gross income for federal income tax

purposes and the exemption of such interest from California personal income taxation (all such actions, suits, proceedings, hearings or investigations being “*Material Litigation*”).

(f) The District will, at its expense, maintain its legal existence and do any further act and execute, acknowledge, deliver, file, register and record any further documents Seller may reasonably request in order to protect Seller’s security interest in the Equipment (to the extent permitted by the Parity Obligations and subject to the rights of the holders of the Parity Obligations) and the Escrow Account and Seller’s rights and benefits under the Related Documents.

(g) The District has not issued any bonds, notes or other securities, or entered into any leases, installment sale agreements or other obligations, any of which are currently outstanding and are secured in any manner by a pledge of or security interest in or payable from all or any portion of the Net Revenues, except the Existing Parity Debt.

(h) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof. None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of the District. As of the date set forth on the first page hereof, the District is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The District is able to pay its debts as they become due.

(i) The District will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a community services district under the laws of the State. the District shall at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. the District shall maintain its eligibility for funding under this Installment Sale Agreement for the term of this Installment Sale Agreement.

(j) The District has complied and will comply with such procurement and public bidding requirements as may be applicable to this Installment Sale Agreement and the Escrow Agreement. The District will comply with all procurement and public bidding requirements as may be applicable to each Vendor Agreement and the acquisition and installation by the District of the Equipment.

(k) During the Term of this Installment Sale Agreement, the Equipment will be used by the District only for the purpose of performing essential governmental or proprietary functions of the District consistent with the permissible scope of the District’s authority. The District does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last Installment Payment scheduled to be paid hereunder.

(l) The District has an immediate need for the Equipment and expects to make immediate use of the Equipment. The District’s need for the Equipment is not temporary and the District does not expect the need for any item of the Equipment to diminish during the Term of this Installment Sale Agreement.

(m) The District is the fee owner of the real estate where the Equipment is and will be located (the “*Real Property*”) and has good and marketable title thereto, and there exists no mortgage, pledge, Lien, security interest, charge or other encumbrance of any nature whatsoever on or with respect to such Real Property. In the event any Lien, encumbrance, restriction, asserted encumbrance, claim, dispute or other issue exists or arises with respect to the District’s legal title to or valid and marketable, beneficial use and enjoyment of the Real Property or impairs or adversely impacts Seller’s right, title or interest in the Equipment or any of Seller’s rights or remedies under this Installment Sale Agreement with respect to the Equipment (each of the foregoing referred to as a “*Real Property Issue*”), the District will take all steps necessary to promptly quiet, resolve and/or eliminate such Real Property Issue to the satisfaction of Seller and ensure that the District and Seller have adequate access to and use of (including beneficial use and enjoyment of) the Real Property for all purposes of the Equipment contemplated herein and the District shall ensure that its fee interest in the Real Property and Seller’s right, title or interest in the Equipment and rights or remedies under this Installment Sale Agreement with respect to the Equipment remain free and clear of Real Property Issues.

(n) No lease, rental agreement, installment purchase or sale agreement, lease-purchase agreement, payment agreement or contract for purchase or any other obligation or instrument to which the District has been a party or issued by the District at any time has been terminated by the District as a result of insufficient funds being appropriated or available in any Fiscal Year. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which the District has issued.

(o) The District represents to Seller that that it has adopted a debt policy in compliance with SB 1029 and Section 8855 of the Government Code of California *et seq.* and covenants that it shall comply with Section 8855 of the Government Code of California *et seq.* as amended (the “*CDIAC Act*”) throughout the Term of this Installment Sale Agreement, including (i) preparing, submitting and filing the report of the proposed debt issuance relating to this Installment Sale Agreement by the method required by the California Debt and Investment Advisory Commission (“*CDIAC*”), (ii) preparing, submitting and filing the report of final sale (and accompanying documents) relating to this Installment Sale Agreement by the method required by CDIAC, (iii) submitting an annual report relating to the report of final sale for this Installment Sale Agreement by the method required by CDIAC, and (iv) paying all fees charged by CDIAC or the CDIAC Act relating to this Installment Sale Agreement, including, but not limited to the fee in an amount equal to one-fortieth of one percent of the Acquisition Amount or as otherwise prescribed by the CDIAC Act.

(p) As of the date of execution and delivery of this Installment Sale Agreement, the District has not granted any Lien on the Collateral (as hereinafter defined) that would be senior in priority to the first priority Lien on the Collateral granted to Seller under Section 4.02 of this Installment Sale Agreement. As of the date of execution and delivery of this Installment Sale Agreement, the District has not granted any Lien on the Collateral that would be *pari passu* with, the first priority Lien on the Collateral granted to Seller

under Section 4.02 of this Installment Sale Agreement, except for the parity lien on Net Revenues in favor of Existing Parity Debt.

(q) Upon consideration of a voter initiative to reduce any Revenues, the District shall make a finding regarding the effect of such a reduction on the District's ability to satisfy the rate covenant set forth in Section 4.07 of this Installment Sale Agreement. The District agrees to make its findings available to the public and if such voter initiative has the potential to adversely impact the District's ability to comply with its covenants and obligations set forth in Section 4.07 hereof, the District shall use its best efforts to educate the voters and to request, if necessary, the authorization of the District's decision-maker or decision-making body to file litigation to challenge any such initiative that it finds will render it unable to satisfy the rate covenant set forth in Section 4.07 hereof and its obligation to operate and maintain the Equipment and the System for its useful life. The District shall diligently pursue and bear any and all costs related to such challenge. The District shall notify and regularly update the Seller regarding any such challenge.

(r) All financial statements and other information delivered to Seller by the District is correct as of the date thereof, present fairly the financial condition of the District; and have been prepared in accordance with GAAP. Since June 30, 2022 no Material Adverse Change has occurred in the District's financial condition that would adversely affect the District's ability to perform its obligations hereunder. Since the date(s) of such financial statements, there has been no Material Adverse Change in the financial condition of the District, nor have any material assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by the District and approved in writing by the Seller.

(s) As of the Commencement Date the only Parity Obligations outstanding relate to Existing Parity Debt and this Installment Sale Agreement. True, correct and complete copies of each Parity Obligation Instrument relating to Existing Parity Debt is attached hereto as Exhibit G. As of the Commencement Date the only Combined System Parity Obligations outstanding are: _____. As of the Commencement Date the only Sewer Parity Obligations outstanding are: _____. As of the Commencement Date the only Water Parity Obligations outstanding are: _____. As of the Commencement Date, no Subordinate Obligations or other System Obligations (besides the Existing Parity Debt and this Installment Sale Agreement), are outstanding. There exists as of the Commencement Date no Lien on Revenues other than those in favor of the Existing Parity Debt on a *pari passu* basis. The execution, delivery and performance by the District of this Installment Sale Agreement complies in all respects with the terms of all Existing Parity Debt and all additional debt tests in all Parity Obligation Instruments. All payments under this Installment Sale Agreement are secured by a pledge of Net Revenues on a *pari passu* basis with all Combined System Parity Obligations. All payments under this Installment Sale Agreement are secured by a pledge of Net Water Revenues on a *pari passu* basis with all Water Parity Obligations. All payments under this Installment Sale Agreement are secured by a pledge of Net Sewer Revenues on a *pari passu* basis with all Sewer Parity Obligations. As of the Commencement Date, no Senior Obligations or Subordinate Obligations are outstanding.

(t) The District shall punctually pay or cause to be paid the interest and principal to become due with respect to all of the Parity Obligations in strict conformity with the terms of this Installment Sale Agreement and the other Parity Obligation Instruments, and will faithfully observe and perform all of the conditions, covenants and requirements of this Installment Sale Agreement and the other Parity Obligation Instruments.

(u) Except for the grant of the security interest in the Equipment to the Seller hereunder (which is subject to the terms of the Existing Parity Debt and the rights of the holders of the Parity Obligations under the Existing Parity Debt), the District will not mortgage or otherwise encumber, pledge or place any charge upon the System or any part thereof, or upon the Net Revenues or any portion thereof, except as provided in this Installment Sale Agreement.

(v) The District will acquire, construct, or finance any Improvements to the System to be financed with the proceeds of any Parity Obligations with all practicable dispatch, and such Improvements will be made in an expeditious manner and in conformity with laws so as to complete the same as soon as reasonably feasible.

(w) The District has complied with all applicable law pertaining to the authorization of this Installment Sale Agreement and the Escrow Agreement and the financing by the District of the Equipment. The District has complied and/or will comply with all applicable law pertaining to the acquisition by the District of the Equipment and the authorization thereof.

(x) To the extent applicable, as determined by the District in its sole discretion, the District has complied with the requirements of California Government Code Section 5852.1 *et seq.* in connection with this Installment Sale Agreement and the Equipment.

(y) In connection with the District's compliance with any continuing disclosure undertakings (each, a "*Continuing Disclosure Agreement*") entered into by the District pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "*Rule*"), the District may be required to file with EMMA notice of its incurrence of its obligations under the Related Documents and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with the Related Documents, in each case including posting a full copy thereof or a description of the material terms thereof (each such posting, an "*EMMA Posting*"). Except to the extent required by applicable law, including the Rule, the District shall not file or submit or permit the filing or submission of any EMMA Posting that includes the following unredacted confidential information about the Seller or its affiliates and the Escrow Agent in any portion of such EMMA Posting: address, account information and logos of the Seller or its affiliates and the Escrow Agent; e-mail addresses, telephone numbers, fax numbers, logos, names and signatures of officers, employees and signatories of the Seller or its affiliates and the

Escrow Agent; and the form of Disbursement Request that is attached to the Escrow Agreement.

The District acknowledges and agrees that the Seller and its affiliates are not responsible for the District's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities or other laws, including but not limited to those relating to the Rule.

(z) The District agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Existing Parity Debt and each other Parity Obligation Instrument. All events of default and remedies contained in each Existing Parity Debt and each other Parity Obligation Instrument, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety (amended to also take into account this Installment Sale Agreement and all of the obligations of the District and Installment Payments and other amounts payable under this Installment Sale Agreement) all of which shall be deemed to be made for the benefit of the Seller and shall be enforceable against the District (the "*Incorporated Provisions*"). To the extent that any such Incorporated Provision permits the District or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the District or any other party, for purposes of this Installment Sale Agreement, such provision shall be complied with unless it is specifically waived by the Seller in writing in its sole and absolute discretion and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Seller which shall only be evidenced by the written approval by the Seller of the same in its sole and absolute discretion. No termination or amendment to any Incorporated Provision or release of the District made pursuant to any Existing Parity Debt or any other Parity Obligation Instrument, shall be effective to terminate or amend such Incorporated Provisions or release the District with respect thereto in each case as incorporated by reference herein without the prior written consent of the Seller in its sole and absolute discretion. The District shall continue to observe the Incorporated Provisions for the benefit of the Seller until the termination of such Parity Obligation Instrument or payment in full of the applicable Existing Parity Debt. All such Incorporated Provisions shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such Incorporated Provisions be a limitation on the express covenants contained herein.

(aa) In the event that the District shall, directly or indirectly, enter into or otherwise consent to any instrument which such instrument provides any Person with different or more restrictive covenants, different or additional events of default and/or greater rights and remedies with respect to any System Obligation or all or any portion of the Revenues or all or any portion of the System than are provided to the Seller in this Installment Sale Agreement, the District shall provide the Seller with a copy of each such instrument and such different or more restrictive covenants, different or additional events

of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Installment Sale Agreement and the Seller shall have the benefits of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies as if specifically set forth herein. The District shall promptly enter into an amendment to this Installment Sale Agreement to include different or more restrictive covenants, different or additional events of default and/or greater rights and remedies; *provided* that the Seller shall have and maintain the benefit of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies even if the District fails to provide such amendment.

Section 2.02. Representations, Covenants and Warranties of the Seller. The Seller represents, covenants and warrants to the District as follows:

(a) The Seller is a Kansas corporation, duly organized and existing under Kansas state law, and in good standing under and by virtue of the laws of the State; has all requisite corporate power and authority to enter into this Installment Sale Agreement; is possessed of full corporate power and authority to own and hold real and personal property, and to sell the same; and has duly authorized the execution and delivery of this Installment Sale Agreement.

(b) Neither the execution and delivery of this Installment Sale Agreement, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a material breach of the terms, conditions or provisions of any restriction or any agreement, instrument, regulation or law to which the Seller is now a party or by which the Seller is bound, or constitutes a default under any of the foregoing.

ARTICLE III

**DEPOSIT OF MONEYS IN ESCROW ACCOUNT;
AGREEMENT TO PURCHASE EQUIPMENT ON AN INSTALLMENT BASIS; EQUIPMENT COVENANTS**

Section 3.01. Deposit of Moneys in Escrow Account. Subject to the terms and conditions of this Installment Sale Agreement, Seller agrees to provide the Acquisition Amount to acquire and install the Equipment. The District hereby agrees to acquire and purchase all the Equipment under a Vendor Agreement with a Vendor approved by the Seller, and by depositing the Acquisition Amount in the Escrow Account Seller hereby agrees to facilitate the sale and transfer of title of the Equipment to the District from an approved Vendor, all on the terms and conditions set forth in this Installment Sale Agreement and the Escrow Agreement. All right, title, and interest in the Equipment shall immediately vest in the District upon the acquisition of the Equipment under the Vendor Agreement without further action on the part of the District or the Seller, subject to the Seller’s security interest therein. The Seller’s approval of disbursement of funds under the Escrow Agreement is contingent on the District’s compliance with the terms and conditions of this Installment Sale Agreement.

Section 3.02. Acquisition, Delivery, Installation and Acceptance of Equipment. (a) the District shall order the Equipment to be acquired and financed hereunder, cause the Equipment to be delivered and installed at the location specified in the Equipment Schedule and pay any and all delivery and installation costs and other Equipment Costs in connection therewith. the District shall conduct such inspection and testing of the Equipment as it deems necessary and appropriate in order to determine the Equipment's capability and functionality in order to accept such Equipment. When progress payments are due to the Vendor, the District shall promptly execute and deliver Disbursement Requests to the Seller and thereby accept such Equipment and evidence said acceptance with such Disbursement Request pursuant to the Escrow Agreement for the purpose of effecting disbursements from the Escrow Account to pay (or reimburse) Equipment Costs for the Equipment so acquired and installed. In connection with the execution and delivery by the District to Seller of the final Disbursement Request, the District shall deliver to Seller a "Final Acceptance Certificate" in the form attached hereto as *Exhibit E*.

(b) The District shall deliver to Seller together with each Disbursement Request copies of invoices (and proof of payment of such invoices if the District seeks reimbursement for prior expenditures) and bills of sale or other evidence of title transfer to the District relating to each item of Equipment accepted by the District as evidenced by such Disbursement Request. Once approved, Seller shall deliver such Disbursement Request to the Escrow Agent for disbursement from the Escrow Account in accordance with the Escrow Agreement.

(c) Once installed, no item of the Equipment will be moved or relocated from the location specified for it in the Equipment Schedule without Seller's prior written consent, which consent shall not be unreasonably withheld. Seller shall have the right at all reasonable times during regular business hours to enter into and upon the property where the Equipment is located for the purpose of inspecting the Equipment.

(d) Notwithstanding anything in this Installment Sale Agreement to the contrary, it is expressly understood and agreed that the Seller shall be under no liability of any kind or character whatsoever for the payment of any costs or expenses incurred by the District (whether as agent for the Seller or otherwise) for the acquisition, design, construction, improvement or installation of the Equipment and that all such costs and expenses shall be paid by the District, regardless of whether funds deposited in the Escrow Account or any other funds held for such purpose are sufficient to cover such costs and expenses.

(e) The District agrees to expeditiously proceed with and complete acquisition, installation and construction of the Equipment in accordance with each Vendor Agreement. The District will pay all Equipment Costs and costs of issuance in excess of the Acquisition Amount available therefor out of its own funds. Seller shall not have any responsibility to pay amounts for any Equipment Costs or costs of issuance with respect to the Related Documents or the Equipment that individually or collectively exceed the Acquisition Amount.

(f) So long as no Event of Default exists hereunder, neither Seller nor any entity claiming by, through or under Seller, shall interfere with the District's quiet use and enjoyment of the Equipment during the Term of this Installment Sale Agreement.

Section 3.03. Use and Maintenance of the Equipment. The District shall not install, use, operate or maintain the Equipment (or cause the Equipment to be installed, used, operated or maintained) improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated hereby. The District shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, the District agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative, or judicial body, including, without limitation, all anti-money laundering laws and regulations; *provided* that the District may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Seller, adversely affect the interest of Seller in and to the Equipment or its interest or rights hereunder.

The District agrees that it shall (a) maintain, preserve, and keep the Equipment in good repair and working order, in a condition comparable to that recommended by the manufacturer; (b) proceed promptly, at its expense, to protect its rights and exercise its remedies under any warranty then in effect with respect to the Equipment; and (c) replace or rebuild any component of the Equipment that becomes permanently unfit for normal use or inoperable during the Term of this Installment Sale Agreement (herein, the “*Inoperable Component*”) in order to keep the Equipment as a whole in good repair and working order during the Term of this Installment Sale Agreement. The District shall promptly notify Seller in writing when any component of the Equipment is reasonably expected within forty-five (45) days to become an Inoperable Component. The District shall promptly replace or rebuild the Inoperable Component with a similar component of comparable or improved make and model that has at least the equivalent value and utility of the Inoperable Component, a remaining useful life of no less than the remaining Term of this Installment Sale Agreement and such replacement or rebuilt component shall be in good operating condition. Seller shall have no responsibility to maintain, repair or make improvements or additions to the Equipment. In all cases, the District agrees to pay any costs necessary for the manufacturer to re-certify the Equipment as eligible for manufacturer’s maintenance upon the return of the Equipment to Seller as provided for in Section 8.02 of this Installment Sale Agreement.

The District shall not alter any item of Equipment or install any accessory, equipment or device on an item of Equipment if that would impair any applicable warranty, the originally intended function or the value of that Equipment. All repairs, parts, accessories, equipment and devices furnished, affixed to or installed on any Equipment, excluding temporary replacements, shall thereupon become subject to the security interest of Seller (to the extent permitted by the Existing Parity Debt and subject to the rights of the holders of the Parity Obligations).

Section 3.04. Personal Property, No Encumbrances. The District agrees that the Equipment is deemed to be and will remain personal property, and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. The District shall not create, incur, assume or permit to exist any mortgage, pledge, Lien, security interest, charge or other encumbrance of any nature whatsoever on any of the real estate where the Equipment is or will be located or enter into any agreement to sell or assign or enter into any sale/leaseback arrangement of such real estate without the prior written consent of Seller; *provided*, that if Seller or its assigns is furnished with a waiver of interest

in the Equipment acceptable to Seller or its assigns in their respective discretion from any party taking an interest in any such real estate prior to such interest taking effect, such consent shall not be unreasonably withheld.

Section 3.05. Liens, Taxes, Other Governmental Charges and Utility Charges on Equipment. The District shall keep the Equipment free of all levies, Liens, and encumbrances except those created by this Installment Sale Agreement. The parties to this Installment Sale Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of the District and that the Equipment will therefore be exempt from all property taxes. If the lease, sale, purchase, operation, use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, the District shall pay when due all sales and other taxes, special assessments, governmental and other charges of any kind that are at any time lawfully assessed or levied against or with respect to the Equipment, the Installment Payments or any part of either thereof, or which become due during the Term of this Installment Sale Agreement, whether assessed against the District or Seller. The District shall pay all utility and other charges incurred in the operation, use and maintenance of the Equipment. The District shall pay such taxes, assessments or charges as the same may become due; *provided* that, with respect to any such taxes, assessments or charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as accrue during the Term of this Installment Sale Agreement. Seller will not claim ownership of the Equipment under this Installment Sale Agreement for the purposes of any tax credits, benefits or deductions with respect to such Equipment. The District shall pay the fee charged by the California Debt and Investment Advisory Commission with respect to this Installment Sale Agreement pursuant to Section 8856 (or any successor provision) of the California Government Code.

Section 3.06. Insurance (Equipment). The District shall during the Term of this Installment Sale Agreement, maintain or cause to be maintained (a) casualty insurance naming Seller and its assigns as loss payee and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by Seller, in an amount at least equal to the greater of (i) the then applicable Prepayment Price of the Equipment or (ii) the replacement cost of the Equipment; (b) liability insurance naming Seller and its assigns as additional insured that protects Seller from liability with limits of at least \$5,000,000 per occurrence for bodily injury and property damage coverage (such liability insurance coverage may be in a combination of primary general liability and/or excess liability umbrella coverage), and in all events under clauses (a) and (b) above issued in form and amount satisfactory to Seller and by an insurance company that is authorized to do business in the State and having a financial strength rating by A.M. Best Company of "A-" or better; and (c) worker's compensation coverage as required by the laws of the State. Notwithstanding the foregoing, the District may self-insure against the risks described in clauses (a) and/or (b) through a government pooling arrangement, self-funded loss reserves, risk retention program or other self-insurance program, in each case with Seller's prior written consent (which Seller may grant, withhold or deny in its sole discretion) and *provided* that the District has delivered to Seller such information as Seller may request with respect to the adequacy of such self-insurance to cover the risks proposed to be self-insured and otherwise in form and substance acceptable to Seller. In the event the District is permitted, at Seller's sole discretion, to self-insure as provided in this Section 3.06, the District shall provide to Seller a self-insurance letter in

substantially the form attached hereto as *Exhibit F*. The District shall furnish to Seller evidence of such insurance or self-insurance coverage throughout the Term of this Installment Sale Agreement, beginning on the date the District executes and delivers to Seller of the final Disbursement Request under the Escrow Agreement. The District shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of Seller without first giving written notice thereof to Seller at least thirty (30) days in advance of such cancellation or modification.

Section 3.07. Risk of Loss. Whether or not covered by insurance or self-insurance, the District hereby assumes all risk of loss of, or damage to and liability related to injury or damage to any persons or property arising from the Equipment from any cause whatsoever, and no such loss of or damage to or liability arising from the Equipment shall relieve the District of the obligation to make the Installment Payments or to perform any other obligation under this Installment Sale Agreement. Whether or not covered by insurance or self-insurance, the District hereby agrees to reimburse Seller (to the fullest extent permitted by applicable law, but only from legally available funds) for any and all liabilities, obligations, losses, costs, claims, taxes or damages suffered or incurred by Seller, regardless of the cause thereof and all expenses incurred in connection therewith (including, without limitation, counsel fees and expenses, and penalties connected therewith imposed on interest received) arising out of or as a result of (a) entering into this Installment Sale Agreement or any of the transactions contemplated hereby, (b) the ordering, acquisition, ownership use, operation, condition, purchase, delivery, acceptance, rejection, storage or return of any item of the Equipment, (c) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (d) the breach of any covenant of the District under or in connection with this Installment Sale Agreement or any material misrepresentation provided by the District under or in connection with this Installment Sale Agreement. The provisions of this Section 3.07 shall continue in full force and effect notwithstanding the full payment of all obligations under this Installment Sale Agreement or the termination of the Term of this Installment Sale Agreement for any reason.

Section 3.08. Surety Bonds; the District to Pursue Remedies Against Contractors and Sub-Contractors and Their Sureties. The District shall secure from each Vendor directly employed by the District in connection with the acquisition, construction, installation, improvement or equipping of the Equipment, a payment and performance bond ("*Surety Bond*") executed by a surety company authorized to do business in the State, having a financial strength rating by A.M. Best Company of "A-" or better, and otherwise satisfactory to Seller and naming Seller as a co-obligee in a sum equal to the entire amount to become payable under each Vendor Agreement. Each bond shall be conditioned on the completion of the work in accordance with the plans and specifications for the Equipment and upon payment of all claims of subcontractors and suppliers. The District shall cause the surety company to add Seller as a co-obligee on each Surety Bond, and shall deliver a certified copy of each Surety Bond to Seller promptly upon receipt thereof by the District. Any proceeds from a Surety Bond shall be applied in accordance with such Surety Bond to the payment and performance of the Vendor's obligations in accordance with the related Vendor Agreement and, if for whatever reason such proceeds are not so applied, first to amounts due Seller under this Installment Sale Agreement, and any remaining amounts shall be payable to the District.

In the event of a material default by any Vendor under any Vendor Agreement in connection with the acquisition, construction, maintenance and/or servicing of the Equipment or in the event of a material breach of warranty with respect to any material workmanship or performance guaranty with respect to the Equipment, the District will promptly proceed to exhaust its remedies against the Vendor in default. the District shall advise Seller of the steps it intends to take in connection with any such default. Any amounts received by the District in respect of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid to Seller and applied against the District's obligations hereunder.

Section 3.09. Advances. In the event the District shall fail to keep the Equipment in good repair and working order or shall fail to maintain any insurance required by Section 3.06 hereof, Seller may, but shall be under no obligation to, maintain and repair the Equipment or obtain and maintain any such insurance coverages, as the case may be, and pay the cost thereof. All amounts so advanced by Seller shall constitute additional payments owing to Seller and the District covenants and agrees to pay such amounts so advanced by Seller with interest thereon from the due date until paid at a rate equal to the Contract Rate (or the Taxable Rate if then in effect) *plus* five percent (5%) per annum or the maximum amount permitted by law, whichever is less.

Section 3.10. Damage, Destruction and Condemnation of Equipment. If, prior to the termination of the Term of this Installment Sale Agreement, (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, (i) the District and Seller will cause the Equipment Net Proceeds of any insurance claim or condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment or such part thereof and any balance of the Equipment Net Proceeds remaining after such work has been completed shall be paid to the District or (ii) the District shall exercise its option to prepay the obligations hereunder in accordance with Section 9.01(a)(ii) hereof.

If the District elects to replace any item of the Equipment (the "*Replaced Equipment*") pursuant to this Section 3.10, the replacement equipment (the "*Replacement Equipment*") shall be new or of a quality, type, utility and condition at least as good as the Replaced Equipment, shall be of equal or greater value than the Replaced Equipment and shall provide at least the same level of energy and/or operational savings expected in the aggregate from the Replaced Equipment prior to such casualty, destruction or condemnation. The District shall grant to Seller a security interest in any such Replacement Equipment (to the extent permitted by the Existing Parity Debt and subject to the rights of the holders of the Parity Obligations). The District shall represent, warrant and covenant to Seller that each item of Replacement Equipment is free and clear of all claims, Liens, security interests and encumbrances, excepting only those Liens created by or through Seller, and shall provide to Seller any and all documents as Seller may reasonably request in connection with the replacement, including, but not limited to, documentation in form and substance satisfactory to Seller evidencing Seller's security interest in the Replacement Equipment. Seller and the District hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute "Equipment" for purposes of this Installment Sale Agreement. The District shall complete the documentation of Replacement

Equipment on or before the next Installment Payment Date after the occurrence of a casualty event, or be required to exercise its option to prepay the obligations hereunder with respect to the damaged Equipment in accordance with Section 9.01(a)(ii) hereof.

For purposes of this Article III, the term “*Equipment Net Proceeds*” shall mean with respect to the Equipment the amount remaining from the gross proceeds of any insurance claim or condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys’ fees, incurred in the collection thereof.

Section 3.11. Insufficiency of Equipment Net Proceeds. If the Equipment Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 3.10, the District shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Equipment Net Proceeds, or (b) pay or cause to be paid to Seller the amount of the then applicable Prepayment Price *plus* all other amounts then owing hereunder, and, upon such payment, the Term of this Installment Sale Agreement shall terminate and Seller’s security interest in the Equipment shall terminate as provided in Section 4.01 hereof. The amount of the Equipment Net Proceeds remaining, if any, after completing such repair, restoration, modification or improvement or after paying such Prepayment Price *plus* all other amounts then owing hereunder shall be retained by the District. If the District shall make any payments pursuant to this Section 3.11, the District shall not be entitled to any reimbursement therefor from Seller nor shall the District be entitled to any diminution of the amounts payable under this Installment Sale Agreement to the extent any such amounts remain outstanding after the application of Equipment Net Proceeds.

Section 3.12. Disclaimer of Warranties. Seller makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for use of any of the Equipment, or any other warranty or representation, express or implied, with respect thereto and, as to Seller, the District’s acquisition of the Equipment shall be on an “as is” basis. In no event shall Seller be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Installment Sale Agreement, the Equipment or the existence, furnishing, functioning or the District’s use of any item, product or service provided for in this Installment Sale Agreement.

Section 3.13. Vendor Agreements; Warranties. The District covenants that it shall not in any material respect amend, modify, rescind or alter any Vendor Agreement without the prior written consent of Seller. Seller hereby irrevocably appoints the District its agent and attorney-in-fact during the Term of this Installment Sale Agreement, so long as the District shall not be in default under this Installment Sale Agreement, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Seller may have against a Vendor. The District’s sole remedy for the breach of such warranty, indemnification or representation shall be against the applicable Vendor of the Equipment, and not against Seller. Any such matter shall not have any effect whatsoever on the rights and obligations of Seller under this Installment Sale Agreement, including the right to receive full and timely Installment Payments and other payments hereunder. The District expressly acknowledges that Seller makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties relating to any of the Equipment.

ARTICLE IV

TITLE TO THE EQUIPMENT; SECURITY INTEREST AND COLLATERAL; TERM OF THE INSTALLMENT SALE AGREEMENT; INSTALLMENT PAYMENTS

Section 4.01. Title to the Equipment. During the Term of this Installment Sale Agreement, so long as the District is not in default under Article VIII hereof, all right, title and interest in and to each item of the Equipment shall be vested in the District immediately upon its acceptance of each item of Equipment, subject to the terms and conditions hereof. The Seller shall take all actions necessary to vest in the District all rights and title to the Equipment. Such title shall be held by the District in trust pending satisfaction of the payment obligations under this Installment Sale Agreement. The District shall at all times protect and defend, at its own cost and expense, its title, and Seller's security interest, in and to the Equipment (to the extent permitted by the Existing Parity Debt and subject to the rights of the holders of the Parity Obligations) and Seller's other Collateral as defined in Section 4.02 hereof, from and against all claims, Liens and legal processes of its creditors, and keep all Equipment (and such other Collateral) free and clear of all such claims, Liens and processes. The District will, at its expense, do any further act and execute, acknowledge, deliver, file, register and record any further documents the Seller may reasonably request in order to protect Seller's security interest in the Collateral. Upon the occurrence of an Event of Default, full and unencumbered legal title to the Equipment shall, subject to the limitations set forth in the last sentence of Section 4.02 hereof, at Seller's option, pass to Seller, and the District shall have no further interest therein. In addition, upon the occurrence of such an Event of Default or such termination, the District shall execute and deliver to Seller such documents as Seller may request to evidence the passage of such legal title to Seller and the termination of the District's interest therein, and upon request by Seller shall deliver possession of the Equipment to Seller in accordance with Section 8.02 of this Installment Sale Agreement, as applicable. Upon payment of all amounts due and owing hereunder by the District in accordance with Section 9.01 hereof, Seller's security interest or other interest in the Equipment shall terminate, and Seller shall execute and deliver to the District such documents as the District may reasonably request to evidence the termination of Seller's security interest in the Equipment.

Section 4.02. Security Interest and Collateral; Pledge of Net Revenues, Revenue Fund and Rate Stabilization Fund. As additional security for the payment and performance of all of the District's obligations hereunder, the District hereby irrevocably pledges and grants to Seller (a) to the extent permitted by the Existing Parity Debt, a security interest in the Equipment, together with all replacements, repairs, restorations, modifications and improvements thereof or thereto and all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment, and all substitutions, renewals, or replacements of and additions, improvements, accessions and accumulations to any and all of such Equipment, together with all the rents, issues, income, profits, proceeds and avails therefrom (subject to the rights of the holders of the Parity Obligations), (b) a first priority security interest constituting a first Lien on moneys and investments held from time to time in the Escrow Account, (c) a first priority senior Lien on and pledge of (i) the Revenue Fund, the Rate Stabilization Fund and Net Revenues to the punctual payment of the Installment Payments and all other obligations of the District hereunder on parity with the Combined System Parity Obligations, (ii) the Water Revenue Fund, the Water Rate Stabilization Fund (if and when established), and Net Water Revenues to the punctual payment of the Installment Payments and

all other obligations of the District hereunder on parity with the Water Parity Obligations, and (iii) the Sewer Revenue Fund, the Sewer Rate Stabilization Fund and Net Sewer Revenues to the punctual payment of the Installment Payments and all other obligations of the District hereunder on parity with the Sewer Parity Obligations, (d) a first priority security interest constituting a first Lien on all accounts, chattel paper, deposit accounts, documents, instruments, general intangibles and investment property (including any securities accounts and security entitlements relating thereto) evidenced by or arising out of or otherwise relating to the foregoing collateral described in clauses (b) and (c) above, as such terms are defined in Article 9 of the California Commercial Code, and (e) any and all proceeds of any and all of the foregoing, including, without limitation, insurance proceeds (collectively, the “*Collateral*”). The Net Revenues, the Revenue Fund, the Rate Stabilization Fund, the Net Water Revenues, the Water Revenue Fund, the Water Rate Stabilization Fund (if and when established), the Net Sewer Revenues, the Sewer Revenue Fund and the Sewer Rate Stabilization Fund shall be subject to the Lien of such pledge without any physical delivery thereof or further act, and the Lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the District. The District authorizes Seller to file (and the District agrees to execute, if applicable) such notices of assignment, chattel mortgages, financing statements and other documents, in form satisfactory to Seller, which Seller deems necessary or appropriate to establish and maintain Seller’s security interest in the Collateral, including, without limitation, such financing statements with respect to personal property and fixtures under Article 9 of the California Commercial Code and treating such Article 9 as applicable to entities such as the District. **Notwithstanding the foregoing or anything herein to the contrary, Seller acknowledges and agrees that its security interest in the Equipment is subject in all respects to the terms of the Existing Parity Debt and all rights of the holders of the Parity Obligations, and it shall not exercise any remedies with respect to its security interest in the Equipment if doing so would impair the operation of the System or any part thereof necessary to secure adequate Net Revenues for the payment of the interest on and principal of the Parity Obligations, or which would otherwise impair the rights of the holders of Parity Obligations with respect to the Net Revenues or the operation of the System.**

Section 4.03. Term of Installment Sale Agreement. The Term of this Installment Sale Agreement shall commence as of the Commencement Date and shall end on the date all Installment Payments and other amounts payable under this Installment Sale Agreement are paid in full.

Section 4.04. Installment Payments.

(a) *Obligation to Pay.* From and after the Commencement Date, the District shall commence making Installment Payments as indicated on the Payment Schedule. The District agrees to pay to the Seller, or any assignee of Seller designated in writing by Seller to the District, in lawful money of the United States, as the purchase price of the Equipment, the Installment Payments, consisting of components of principal and interest, on the Installment Payment Dates and in the amounts specified in the Payment Schedule. Interest on Installment Payments shall begin to accrue as of the Commencement Date. The District’s obligation to pay Installment Payments and other amounts under this Installment Sale Agreement is an unconditional obligation of the District that is payable from (i) Net Revenues of the District on a parity with all other Combined System Parity Obligations, Net Water Revenues of the District on a parity with all other

Water Parity Obligations, and Net Sewer Revenues of the District on a parity with all other Sewer Parity Obligations, and (ii) all other legally available funds of the District to pay Installment Payments and other amounts under this Installment Sale Agreement. If any date on which an Installment Payment is due is not a Business Day, then the Installment Payment shall be due on the next succeeding Business Day, and such payment on such date shall have the same force and effect as if made on the original date such payment was due. The interest component of the Installment Payments has been calculated based on the basis of a 360-day year of twelve 30-day months.

(b) *Rate on Overdue Payments.* In the event that the District should fail to make any of the payments required in this Section 4.04 on or before the due date therefor, the Installment Payment in default shall continue as an obligation of the District until the amount in default shall have been fully paid and the District agrees to pay the same with interest thereon, to the extent permitted by law, from such due date at the rate of interest equal to the lesser of twelve percent (12%) per annum or the maximum rate permitted by law, calculated on the same accrual basis applicable to the Installment Payments as set forth in Section 4.04(a). If any Installment Payment or other amount payable hereunder is not paid within ten (10) days of its due date, the District shall pay an administrative late charge of five percent (5%) of the amount not timely paid or the maximum amount permitted by law, whichever is less.

Section 4.05. Special Revenues of the District. The Net Revenues constitute a trust fund for the security and payment of principal of and interest on the Combined System Parity Obligations. The Net Water Revenues constitute a trust fund for the security and payment of principal of and interest on the Combined System Parity Obligations and the Water Parity Obligations. The Net Sewer Revenues constitute a trust fund for the security and payment of principal of and interest on the Combined System Parity Obligations and the Sewer Parity Obligations. The general fund of the District is not liable and the credit or taxing power of the District is not pledged for the payment of the principal of and interest on the Parity Obligations. The owners of the Parity Obligations shall not compel the exercise of the taxing power by the District or the forfeiture of its property. The principal of and interest on the Parity Obligations are not a debt of the District, nor a legal or equitable pledge, charge, Lien or encumbrance, upon any of its property, or upon any of its income, receipts, or revenues except the Net Revenues of the System. The parties intend that (i) for purposes of 11 U.S.C. §902(2)(A), the Revenues constitute “receipts derived from the ownership, operation, or disposition of projects or systems” of the District “that are primarily used or intended to be used primarily to provide transportation, utility, or other services, including the proceeds of borrowings to finance the projects or systems” and (ii) the pledge of the Net Revenues constitutes a pledge of “special revenues” for purposes of 11 U.S.C. §§901 *et seq.*, and that a petition filed by the District under 11 U.S.C. §§901 *et seq.*, will not operate as a stay under 11 U.S.C. §362 of the application of such Net Revenues to payment when due of the Installment Payments on each Installment Payment Date in accordance with Section 9 hereof, subject to 11 U.S.C. §928, if and to the extent applicable. The District acknowledges and agrees that it is a material inducement for the Seller to enter into this Installment Sale Agreement and make the loan to the District hereby that the treatment of the pledge of the Net Revenues is treated as a pledge of “special revenues” for purposes of 11 U.S.C. §§901 *et seq.*, and that a petition filed by the District under 11 U.S.C. §§901 *et seq.*, will not operate as a stay under 11 U.S.C. §362 of the application of such Net Revenues to payment when due of the Installment Payments on each

Installment Payment Date in accordance with this Installment Sale Agreement. The District will not take any action inconsistent with its agreement and statement of intention hereunder, and will not deny that the pledge of the Net Revenues constitutes a pledge of special revenues for purposes of 11 U.S.C. §§901 *et seq.*

The obligations of the District to make Installment Payments and to perform and observe the other covenants and agreements contained in this Installment Sale Agreement shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including without limitation any failure of the Equipment, the System, disputes with the Seller or the Vendor of any Equipment, any defects, malfunctions, breakdowns or infirmities in the Equipment or any accident, condemnation or unforeseen circumstances, or failure of any Vendor to deliver any Equipment or otherwise perform any of its obligations for whatever reason, including bankruptcy, insolvency, reorganization or any similar event with respect to any Vendor or under any Vendor Agreement, or the failure or inability (for whatever reason) of the District to receive (or delay in receipt of) all or any portion of any refundable tax credit under Section 6417 of the Internal Revenue Code of 1986, as amended by the Inflation Reduction Act of 2022 (Pub. L. No. 117-169), or any substantially similar provision of federal, state, local or foreign tax or other law (including regulations or other guidance from any taxing or other authority).

Until such time as all of the Installment Payments shall have been fully paid or prepaid, the District (a) will not suspend, abate or discontinue any payments provided for in Section 4.04 hereof, (b) will perform and observe all other agreements contained in this Installment Sale Agreement and (c) will not terminate the Term of this Installment Sale Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Equipment or the System, the taking by eminent domain of title to or temporary use of any or all of the Equipment or the System, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision thereof or any failure of the Seller to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Installment Sale Agreement.

Section 4.06. Pledge of Net Revenues. (a) Establishment of Revenue Fund and Rate Stabilization Fund. In order to secure the repayment in full of this Installment Sale Agreement and the other Parity Obligations, the District agrees and covenants that it shall establish and maintain or shall have established and maintained the Revenue Fund and the Rate Stabilization Fund. The District covenants and agrees that all Gross Revenues, when and as received, will be received and held by the District in trust under the Revenue Fund and will be deposited by the District in the Revenue Fund (which has heretofore been created and now exists in the District Treasury) and will be accounted for through and held in trust in the Revenue Fund, and the District shall only have such beneficial right or interest in any of such money as in this Installment Sale Agreement and the other Parity Obligation Instruments provided. All such Gross Revenues shall be transferred, disbursed, allocated and applied solely to the uses and purposes provided in the Parity Obligation Instruments, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

(b) *Pledge of Net Revenues, Revenue Fund and Rate Stabilization Fund.* The District has transferred, placed a charge upon, assigned and set over to the holders of the Parity Obligations that portion of the Net Revenues which is necessary to pay the principal of and interest on the Parity Obligations in any Fiscal Year and such portion of the Net Revenues has been irrevocably pledged to the punctual payment of the principal of and interest on the Parity Obligations. The Net Revenues shall not be used for any other purpose while any of the Parity Obligations remain outstanding, except that out of Net Revenues there may be apportioned and paid such sums for such purposes, as are expressly permitted by this Installment Sale Agreement and the other Parity Obligation Instruments. Said pledge shall constitute a first, direct and exclusive charge and Lien on the Net Revenues for the payment of the principal of and interest on the Parity Obligations in accordance with the terms hereof. In accordance with Section 5451 of Title 1, Chapter 5.5 of the California Government Code, the pledge of the Net Revenues, the Revenue Fund, the Rate Stabilization Fund, the Net Water Revenues, the Water Revenue Fund, the Water Rate Stabilization Fund (if and when established), the Net Sewer Revenues, the Sewer Revenue Fund and the Sewer Rate Stabilization Fund in this Installment Sale Agreement shall constitute a first and prior Lien on and security interest thereon for the payment of Installment Payments and Combined System Parity Obligations (and a first and prior Lien on and security interest in all of the Net Water Revenues for the payment of Installment Payments and Water Parity Obligations and a first and prior Lien on and security interest in all of the Net Sewer Revenues for the payment of Installment Payments and Sewer Parity Obligations), which shall immediately attach to the Net Revenues, the Revenue Fund, the Rate Stabilization Fund, the Net Water Revenues, the Water Revenue Fund, the Water Rate Stabilization Fund (if and when established), the Net Sewer Revenues, the Sewer Revenue Fund and the Sewer Rate Stabilization Fund and be effective, binding and enforceable against the District, its successors, purchasers of the System or the Net Revenues, creditors and all others asserting rights therein, to the extent set forth in this Installment Sale Agreement, irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing or further act.

(c) *Application and Purpose of the Revenue Fund.*¹ Money on deposit in the Revenue Fund shall be applied, transferred, used and withdrawn only as follows:

(i) *First*, the District shall first pay (A) from the moneys in the Water Revenue Fund, the budgeted Operation and Maintenance Expense for the Water System as such costs become due and payable and (B) from the moneys in the Sewer Revenue Fund, the budgeted Operation and Maintenance Expense for the Sewer System as such costs become due and payable.

(ii) *Second*, the (A) the District shall transfer from the Water Revenue Fund to the respective holders for the Combined System Parity Obligations and the Water Parity Obligations (or their designated trustee, if applicable) (A) on or before each Water Parity Interest Payment Date, an amount equal to the aggregate amount of interest to become due and payable on all outstanding Combined System Parity Obligations and the Water Parity Obligations on the next succeeding Water Parity Interest Payment Date, plus (B) on or

¹ If there are separate revenue funds for Water versus Sewer/Wastewater, this should

before each Water Parity Principal Payment Date an amount equal to the aggregate amount of Parity Principal Installments becoming due and payable on all outstanding Combined System Parity Obligations and the Water Parity Obligations on the next succeeding Water Parity Principal Payment Date (collectively, the “*Water Parity Debt Service*”). If there are insufficient moneys in the Water Revenue Fund to pay all Water Parity Debt Service on the Combined System Parity Obligations and the Water Parity Obligations at any time, the District shall apply funds in the Water Revenue Fund to pay Water Parity Debt Service on a *pro-rata* and *pari passu* basis.

(iii) *Third*, the (A) the District shall transfer from the Sewer Revenue Fund to the respective holders for the Combined System Parity Obligations and the Sewer Parity Obligations (or their designated trustee, if applicable) (A) on or before each Sewer Parity Interest Payment Date, an amount equal to the aggregate amount of interest to become due and payable on all outstanding Combined System Parity Obligations and the Sewer Parity Obligations on the next succeeding Sewer Parity Interest Payment Date, plus (B) on or before each Sewer Parity Principal Payment Date an amount equal to the aggregate amount of Parity Principal Installments becoming due and payable on all outstanding Combined System Parity Obligations and the Sewer Parity Obligations on the next succeeding Sewer Parity Principal Payment Date (collectively, the “*Sewer Parity Debt Service*”). If there are insufficient moneys in the Sewer Revenue Fund to pay all Sewer Parity Debt Service on the Combined System Parity Obligations and the Sewer Parity Obligations at any time, the District shall apply funds in the Sewer Revenue Fund to pay Sewer Parity Debt Service on a *pro-rata* and *pari passu* basis.

(iv) After making all payments hereinabove required to be made in each Fiscal Year, so long as no Default or Event of Default has occurred and is continuing, the District may expend in such Fiscal Year any remaining money in the Revenue Fund for any lawful purpose of the District, including payment of Subordinate Obligations on a basis subordinate in all respects to all applicable Parity Obligations.

(d) *Rate Stabilization Fund.*

(i) The District has created the Sewer Rate Stabilization Fund, which funds the District agrees and covenants to maintain and to hold separate and apart from other funds so long as any Installment Payments remain unpaid. If and when the District creates the Water Stabilization Fund, the District agrees and covenants to maintain and to hold it separate and apart from other funds so long as any Installment Payments remain unpaid. Money transferred by the District from the Revenue Fund to the respective Rate Stabilization Fund in accordance with this section shall be held in such Rate Stabilization Fund and applied in accordance with this Installment Purchase Agreement.

(ii) The District may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the related Revenue Fund for application in accordance with clause (iii) below. Amounts transferred from the Rate Stabilization Fund to the related Revenue Fund pursuant to this section during or within

270 days after a Fiscal Year may be taken into account as Revenues for purposes of the calculations in Sections 4.07 and 4.08 in such Fiscal Year.

(iii) All Revenues not required to be withdrawn pursuant to the provisions 4.06(c) above shall be used for expenditure for any lawful purpose of the District. From time to time the District may deposit in the related Rate Stabilization Fund, from remaining Net Revenues described in this subsection (d) or other available funds of the District, such amounts as the District shall determine. The District may withdraw amounts from the Rate Stabilization Fund: (i) for transfer to the related Revenue Fund for inclusion in related Revenues for any Fiscal Year; or (ii) for any other lawful use of the District. All interest or other earnings upon deposits in the Rate Stabilization Fund shall be withdrawn therefrom and accounted for as related Revenues.

(e) The District will preserve and protect the security of the Parity Obligations and the rights of the Seller and the other owners of the Parity Obligations, and will warrant and defend their rights against all claims and demands of all persons. From and after the execution and delivery of this Installment Sale Agreement, this Installment Sale Agreement shall be incontestable by the District.

Section 4.07. Rate Covenant. (a) *Covenant Regarding Net Revenues.* The District hereby covenants that it shall fix, prescribe and collect rates and charges for the System which are sufficient to yield during each Fiscal Year Net Revenues equal to one hundred twenty-five percent (125%) of Debt Service on all Parity Obligations for such Fiscal Year (including, but not limited to all amounts due under this Installment Sale Agreement during such Fiscal Year). The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this Section.

(b) *Covenant Regarding Gross Revenues.* The District shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the System during each Fiscal Year which (together with existing unencumbered cash and cash-equivalent balances which are lawfully available to the District for payment of any of the following amounts during such Fiscal Year) are at least sufficient, after making allowances for contingencies and error in the estimates, to pay the following amounts in the following order: (i) All Operation and Maintenance Expense estimated by the District to become due and payable with respect to such Fiscal Year; (ii) all Installment Payments and all principal of and interest and premium (if any) on any Parity Obligations as they become due and payable with respect to such Fiscal Year, without preference or priority; (iii) all payments coming due and payable with respect to such Fiscal Year and required for compliance with this Installment Sale Agreement and the instruments authorizing any Parity Obligations and all other System Obligations; and (iv) all payments required to meet any other obligations of the District which are charges, liens, encumbrances upon or payable from the Gross Revenues with respect to such Fiscal Year.

Section 4.08. Limitations on Future Obligations Secured by Net Revenues.

(a) *No Obligations Superior to Installment Payments.* In order to protect further the availability of the Net Revenues and the security for the Installment Payments and any Parity Obligations, the District hereby agrees that the District shall not, so long as any Parity Obligations or any Installment Payments remain unpaid and outstanding, issue, incur or allow to exist any obligations payable from any Gross Revenues or any Net Revenues (or portion thereof) superior to the Installment Payments or such Parity Obligations.

(b) *Parity Obligations.* In addition to the Existing Parity Debt and this Installment Sale Agreement, the District may, by Parity Obligation Instrument, issue Parity Obligations (including any Water Parity Obligations or Sewer Parity Obligations) to provide financing for the System, subject to satisfaction of the following specific conditions precedent to the issuance and delivery of such Parity Obligations:

(1) The District provides the Seller at least 30 days prior written notice and the District is in full compliance with all of the covenants and undertakings in connection with all debt and other obligations of the District then outstanding and payable from Revenues, including but not limited to all covenants set forth in this Installment Sale Agreement and each other Parity Obligation Instrument (including, but not limited to, covenants relating to the issuance of Parity Obligations taking into account such proposed Parity Obligations).

(2) The issuance of the Parity Obligations shall have been duly authorized including, but only to the extent required by law, at an election held pursuant to applicable law.

(3) (A) *Combined System Parity Obligations.* For the issuance of Combined System Parity Obligations, the District obtains or provides a certificate prepared by an Independent Certified Public Accountant or Independent Municipal Advisor showing that the Net Revenues for the last Fiscal Year for which audited financial statements are available (excluding connection fees and connection charges received during such Fiscal Year) shall have amounted to at least 125% of the Maximum Annual Debt Service for all Parity Obligations to be outstanding immediately after incurring such additional Parity Obligations, including Maximum Annual Debt Service which would have been payable on any Parity Obligations incurred since the end of such 12 month period, assuming that such Parity Obligations had been incurred at the beginning of such twelve month period, and Maximum Annual Debt Service which would have been payable had the proposed additional Parity Obligations being incurred been incurred at the beginning of such 12 month period. For purposes of demonstrating compliance with the foregoing, Net Revenues may be adjusted (at the option of the District) to include the Additional Revenues.

The term “Additional Revenues” means, with respect to the issuance of any Parity Obligations, an allowance for Net Revenues: (i) arising from any increase in the charges made for service from the System adopted prior to the incurring of such Parity Obligations and effective within eighteen (18) months following the date of incurring such Parity

Obligations, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of the most recent completed Fiscal Year or during any more recent twelve (12) month period selected by the District; and (ii) arising from any increase in service connections to the System prior to the incurring of such Parity Obligations, in an amount equal to the total amount by which the Net Revenues would have been increased if such connections had been in existence during the whole of the most recent completed Fiscal Year or during any more recent twelve (12) month period selected by the District.

The certificate described in this subsection (3)(A) shall not be required if: (1) the Parity Obligations being incurred are for the exclusive purpose of refunding then outstanding Parity Obligations; (2) at the time of the incurring of such Parity Obligations, a certificate of a District Representative shall be delivered showing that Debt Service on the refunding Parity Obligations will not exceed by more than 10% Debt Service on the refunded Parity Obligations in each Fiscal Year; and (3) the final maturity of the refunding Parity Obligations is not later than the final maturity of the refunded Parity Obligations.

(B) *Sewer Parity Obligations.* For the issuance of Sewer Parity Obligations, the District obtains or provides a certificate prepared by an Independent Certified Public Accountant or Independent Municipal Advisor showing that the Net Sewer Revenues for the last Fiscal Year for which audited financial statements are available (excluding connection fees and connection charges received during such Fiscal Year) shall have amounted to at least 125% of the Maximum Annual Debt Service for all Sewer Parity Obligations to be outstanding immediately after incurring such additional Sewer Parity Obligations, including Maximum Annual Debt Service which would have been payable on any Sewer Parity Obligations incurred since the end of such 12 month period, assuming that such Sewer Parity Obligations had been incurred at the beginning of such twelve month period, and Maximum Annual Debt Service for all Sewer Parity Obligations which would have been payable had the proposed additional Sewer Parity Obligations being incurred been incurred at the beginning of such 12 month period. For purposes of demonstrating compliance with the foregoing, Net Sewer Revenues may be adjusted (at the option of the District) to include the Additional Sewer Revenues.

The term “Additional Sewer Revenues” means, with respect to the issuance of any Sewer Parity Obligations, an allowance for Net Sewer Revenues: (i) arising from any increase in the charges made for service from the Sewer System adopted prior to the incurring of such Sewer Parity Obligations and effective within eighteen (18) months following the date of incurring such Sewer Parity Obligations, in an amount equal to the total amount by which the Net Sewer Revenues would have been increased if such increase in charges had been in effect during the whole of the most recent completed Fiscal Year or during any more recent twelve (12) month period selected by the District; and (ii) arising from any increase in service connections to the Sewer System prior to the incurring of such Sewer Parity Obligations, in an amount equal to the total amount by which the Net Sewer Revenues would have been increased if such connections had been in existence during the whole of the most recent completed Fiscal Year or during any more recent twelve (12) month period selected by the District.

The certificate described in this subsection (3)(B) shall not be required if: (1) the Sewer Parity Obligations being incurred are for the exclusive purpose of refunding then outstanding Sewer Parity Obligations; (2) at the time of the incurring of such Sewer Parity Obligations, a certificate of a District Representative shall be delivered showing that Debt Service on the refunding Sewer Parity Obligations will not exceed by more than 10% Debt Service on the refunded Sewer Parity Obligations in each Fiscal Year; and (3) the final maturity of the refunding Sewer Parity Obligations is not later than the final maturity of the refunded Sewer Parity Obligations.

(C) *Water Parity Obligations.* For the issuance of Water Parity Obligations, the District obtains or provides a certificate prepared by an Independent Certified Public Accountant or Independent Municipal Advisor showing that the Net Water Revenues for the last Fiscal Year for which audited financial statements are available (excluding connection fees and connection charges received during such Fiscal Year) shall have amounted to at least 125% of the Maximum Annual Debt Service for all Water Parity Obligations to be outstanding immediately after incurring such additional Water Parity Obligations, including Maximum Annual Debt Service which would have been payable on any Water Parity Obligations incurred since the end of such 12 month period, assuming that such Water Parity Obligations had been incurred at the beginning of such twelve month period, and Maximum Annual Debt Service for all Water Parity Obligations which would have been payable had the proposed additional Water Parity Obligations being incurred been incurred at the beginning of such 12 month period. For purposes of demonstrating compliance with the foregoing, Net Water Revenues may be adjusted (at the option of the District) to include the Additional Water Revenues.

The term “Additional Water Revenues” means, with respect to the issuance of any Water Parity Obligations, an allowance for Net Water Revenues: (i) arising from any increase in the charges made for service from the Water System adopted prior to the incurring of such Water Parity Obligations and effective within eighteen (18) months following the date of incurring such Water Parity Obligations, in an amount equal to the total amount by which the Net Water Revenues would have been increased if such increase in charges had been in effect during the whole of the most recent completed Fiscal Year or during any more recent twelve (12) month period selected by the District; and (ii) arising from any increase in service connections to the Water System prior to the incurring of such Water Parity Obligations, in an amount equal to the total amount by which the Net Water Revenues would have been increased if such connections had been in existence during the whole of the most recent completed Fiscal Year or during any more recent twelve (12) month period selected by the District.

The certificate described in this subsection (3)(C) shall not be required if: (1) the Water Parity Obligations being incurred are for the exclusive purpose of refunding then outstanding Water Parity Obligations; (2) at the time of the incurring of such Water Parity Obligations, a certificate of a District Representative shall be delivered showing that Debt Service on the refunding Water Parity Obligations will not exceed by more than 10% Debt Service on the refunded Water Parity Obligations in each Fiscal Year; and (3) the final

maturity of the refunding Water Parity Obligations is not later than the final maturity of the refunded Water Parity Obligations.

(4) The Parity Obligation Instrument providing for the issuance of such Parity Obligations under this provision shall provide that:

(A) The proceeds of such Parity Obligations shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the System, or otherwise for facilities, improvements or property which the District determines are of benefit to the System, or for the purpose of refunding any Parity Obligations in whole or in part, including all costs (including costs of issuing such Parity Obligations and including capitalized interest on such Parity Obligations during any period which the District deems necessary or advisable) relating thereto;

(B) Interest on such Parity Obligations shall be payable on a Parity Interest Payment Date;

(C) The principal of such Parity Obligations shall be payable on _____ 1 and/or _____ 1 in any year in which principal is payable; and

(D) Money or a surety bond may be, but shall not be required to be, deposited in a reserve account for such Parity Obligations from the proceeds of the sale of such Parity Obligations in an amount as may be determined by the District.

(5) No Default or Event of Default shall have occurred and be continuing.

(6) A Written Certificate and a certificate evidencing compliance with the foregoing requirements of this Section 4.08 signed by District Representative shall be delivered to the Seller, prior to the issuance of any Parity Obligation.

(c) *Subordinate Obligations.* Nothing herein prohibits or impairs the authority of the District to issue bonds or other obligations payable from or secured by a Lien on Net Revenues (or portion thereof) which is subordinate to the Lien established under this Installment Sale Agreement or other Parity Obligations upon such terms and in such principal amounts as the District may determine; provided, that the District may issue or incur any such Subordinate Obligations subject to the following specific conditions:

(i) The District must be in compliance with all covenants set forth in this Installment Sale Agreement and each other Parity Obligation Instrument (including, but not limited to, covenants relating to the issuance of Subordinate Obligations taking into account such proposed Subordinate Obligations) and no Default or Event of Default shall have occurred or be continuing.

(ii) The Net Revenues of the System, calculated on sound accounting principles, as shown by the books of the District for the latest Fiscal Year or any more

recent 12 month period selected by the District ending not more than 60 days prior to the adoption of the Subordinate Obligations Instrument pursuant to which such proposed Subordinate Obligations are issued, as shown by the books of the District, must at least equal 100% of Maximum Annual Debt Service, with Maximum Annual Debt Service calculated on this Installment Sale Agreement and all other Parity Obligations and all other System Obligations to be outstanding immediately subsequent to the issuance of such Subordinate Obligations which are payable from or have a Lien on Net Revenues of the System.

(iii) The Subordinate Obligations Instrument providing for the issuance of Subordinate Obligations must provide that:

(A) The proceeds of such Subordinate Obligations must be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the System, or otherwise for facilities, improvements or property which the District determines are of benefit to the System, or for the purpose of refunding any Parity Obligations and Subordinate Obligations in whole or in part, including all costs (including costs of issuing such Subordinate Obligations and including capitalized interest on such Subordinate Obligations during any period which the District deems necessary or advisable) relating thereto;

(B) Interest on such Subordinate Obligations must be payable on a Parity Interest Payment Date and no more frequently; and

(C) The principal of such Subordinate Obligations must be payable on _____ 1 and/or _____ 1 in any year in which principal is payable.

Section 4.09. Notices to Seller. (a) The District hereby agrees that it shall provide timely notice to the Seller of any and all of the following occurrences: (i) an event of default under any debt, revenue bond or obligation of the District that is outstanding as of the date hereof or that is issued by the District hereafter, (ii) any Material Litigation, or governmental proceeding having the effect of Material Litigation, is brought against or to include the District, and (iii) any Material Adverse Change in the District's financial condition.

(b) The District agrees to notify the Seller in writing within five (5) working days of the occurrence of any Material Events or Listed Events, to the extent that such information is not otherwise available on EMMA.

(c) The District agrees to notify the Seller within 10 business days of the following:

(1) Material defaults on System Obligations, other than this Installment Sale Agreement;

(2) Unscheduled draws on debt service reserves held for System Obligations, other than this Installment Sale Agreement, if any, reflecting financial difficulties;

(3) Unscheduled draws on credit enhancements on System Obligations, if any, reflecting financial difficulties;

(4) Substitution of credit or liquidity providers, if any, or their failure to perform;

(5) Any litigation pending or threatened against the District regarding its water capacity or its continued existence, circulation of a petition to challenge rates, consideration of dissolution, or disincorporation, or any other material threat to the District's Revenues;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of any tax-exempt bonds;

(7) Rating changes on outstanding System Obligations, if any; and

(8) Issuance of additional System Obligations.

Section 4.10. Liquidity Covenant. The District shall at all times maintain not less than \$500,000 in cash and cash equivalents, determined as of the end of each Fiscal Year. A certificate of compliance with the foregoing covenant shall be made by the District to the Seller within 270 days of the end of each Fiscal Year.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.01. Discharge Claims. The District covenants that in order fully to preserve and protect the priority and security of the Installment Payments, the District shall pay and discharge all lawful claims for labor, materials or supplies which, if unpaid, might become a Lien or charge upon the Revenues or any part thereof or on any funds in the hands of the District equal or superior to the Lien of the Installment Payments or which might impair the security of the Installment Payments. The District shall also pay from Net Revenues, any taxes and assessments or other governmental charges lawfully levied or assessed upon or in respect of the System or upon any part thereof or upon any of the Revenues therefrom, and duly observe and conform to all valid requirements of any governmental authority relative to any such properties. The District will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the System or any part thereof or upon any Revenues when the same shall become due. The District will duly observe and conform with all valid requirements of any

governmental authority relative to the System or any part thereof, and will comply with all requirements with respect to any state or federal grants received to assist in paying for the costs of the acquisition, construction or financing of any Improvements to the System.

Section 5.02. Operate System in Efficient and Economical Manner. The District covenants and agrees to operate or cause to be operated the System in an efficient and economical manner and to operate, maintain and preserve, or cause to be operated, maintained and preserved, the System in good repair and working order and will pay all Operation and Maintenance Expenses as they become due and payable.

Section 5.03. Against Sale. The District covenants that neither the System as a whole or substantially as a whole nor any property that is a part thereof which is essential to its proper operation or to the maintenance of the Revenues shall be mortgaged or otherwise encumbered, sold, leased, pledged or disposed of. The Revenues shall not be mortgaged, encumbered, sold, leased, pledged or disposed of or used or have any charge placed thereon except as authorized by the terms of this Installment Sale Agreement. The District further covenants that it will not enter into any agreement or transaction, including one leasing, selling or otherwise disposing of nonessential property included as part of the System, which impairs the operation of the System or any part of the System necessary to secure adequate Net Revenues (or any portion thereof) to pay all Debt Service with respect to the Installment Payments and all Parity Obligations and any other System Obligations, or which otherwise would materially impair the rights of the District with respect to the Net Revenues (or any portion thereof) or the operation of the System (or any portion thereof).

Section 5.04. Eminent Domain. If all or any part of the System shall be taken by eminent domain proceedings or conveyance in lieu thereof, the Net Proceeds realized by the District therefrom shall be deposited in a special separate segregated fund, held in trust by the District, and be applied and disbursed by the District subject to the following conditions:

(a) If such funds are sufficient to provide for the payment of the entire principal component of the Installment Payments due or to become due, together with all of the interest due or to become due thereon and prepayment premium thereon, so as to enable the District to prepay and retire the Installment Payments in accordance with Section 9.03 hereof, the District may apply such moneys to such prepayment and to the payment of such interest. Pending the application of such proceeds for such purpose, such moneys may be invested by the District at the direction of the Seller in Permitted Investments. The balance of such moneys, if any, may be retained by the District and used for any lawful purpose.

(b) If the District desires not to apply such proceeds to prepay and retire the Installment Payments, or if such proceeds are insufficient to provide the moneys required for the purpose set forth in subsection (a) of this Section 5.04, the District may send to the Seller by registered mail a written notice of the District advising the Seller of the District's intent to apply such proceeds for one of the following purposes:

(i) If such written notice sets forth the District's intent that the proceeds be applied to the cost of additions, betterments, extensions or improvements to the

System, the District shall also send to the Seller a certificate of a Qualified Engineer showing the loss in annual Revenues, if any, suffered, or to be suffered, by the District by reason of such eminent domain proceedings, together with a general description of the additions, betterments, extensions or improvements to the System then proposed to be acquired or constructed by the District from such proceeds. If, in the opinion of the District (evidenced by a Written Certificate of a District Representative), which shall be final, the additional Revenues to be derived from such additions, betterments, extensions or improvements will sufficiently offset the loss of Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired, such proceeds shall be applied as set forth in the request. The District, in reaching such determination, may rely upon the certificate of a Qualified Engineer. The District shall hold such proceeds in trust and apply them to the acquisition or construction of the additions, betterments, extensions or improvements substantially in accordance with such Qualified Engineer's certificate. Any balance of such proceeds not required by the District for the purposes aforesaid shall be deposited into a separate segregated fund for Operation and Maintenance Expenses.

(ii) If such written notice sets forth the District's intent that such proceeds be transferred into a separate segregated fund for Operation and Maintenance Expenses upon the ground that such eminent domain proceedings have had no effect, or at the most a relatively immaterial effect, upon the security of the Installment Payments, the District shall also send to the Seller a certificate of a Qualified Engineer stating that such eminent domain proceedings have not substantially impaired or affected the operation of the System or the ability of the District to meet all of its obligations hereunder with respect to the payment of the Installment Payments. Upon receipt of such written notice and such Qualified Engineer's certificate, such proceeds shall be deposited into a separate segregated fund for the Operation and Maintenance Expenses.

(c) If such proceeds are not applied to the prepayment and retirement of the Installment Payments in accordance with subsection (a) of this Section 5.04, and the District does not send to the Seller a notice pursuant to subsection (b) of this Section 5.04 within 30 days of its receipt of such proceeds, then the District shall promptly pay such proceeds to the Seller for application as provided for in Section 9.03 hereof.

Section 5.05. Insurance. The District will procure and maintain or cause to be procured and maintained, at all times while the Installment Payments shall be outstanding, insurance on the System and public liability insurance in such amounts and against such risks as are usually insurable in connection with similar systems and are usually carried by public agencies operating similar systems. The District covenants that it shall at all times maintain such insurance on the System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties. Such insurance shall be adequate in amount and as to the risks insured against, shall be maintained with responsible insurers, shall name the Seller as an additional insured and shall not terminate or expire prior to 30 days after the

Seller has been notified of such termination or expiration. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing.

Section 5.06. Reconstruction of System; Application of Insurance Proceeds. If any useful portion of the System shall be damaged or destroyed, the District shall, as expeditiously as possible, continuously and diligently pursue or cause to be pursued the reconstruction or replacement thereof, unless the District shall file with the Seller a certificate of a Qualified Engineer to the effect that such reconstruction or replacement is not in the interests of the District and the Seller. The proceeds of any insurance paid on account of such damage or destruction, other than business interruption loss insurance or public liability insurance, shall be deposited by the District in a special account, held in trust by the District, and made available for, and to the extent necessary applied to, the cost of such reconstruction or replacement, if any. Pending such application, such proceeds may be invested by the District in Permitted Investments which mature not later than such times as shall be necessary to provide moneys when needed to pay such cost of reconstruction or replacement. Any balance of such proceeds of insurance not required by the District for the purposes aforesaid shall be deposited into a separate segregated fund for Operation and Maintenance Expenses.

Section 5.07. Records and Accounts. The District covenants that it shall keep proper books of records and accounts of the System, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System, the Revenues and the Net Revenues. Said books shall at all reasonable times be subject to the inspection of the Seller or its representatives authorized in writing. The District covenants that it will cause the books and accounts of the System to be audited annually by an Independent Certified Public Accountant and will make available for inspection by the Seller at the office of the District, upon reasonable request, a copy of the report of such Independent Certified Public Accountant.

Section 5.08. Collection of Charges. The District covenants that, except to the extent that the District is required under agreements and/or contracts existing on the effective date of this Installment Sale Agreement that have been disclosed to the Seller in writing, no water, sewer or other service from the System may be furnished or rendered to the United States of America, the State, or any private corporation or person free of charge, or for consideration lower than that charged other persons for similar service, if in the reasonable determination of the District the provision of such free or discounted service would materially impair the District's ability to make Installment Payments and all Debt Service on Parity Obligations and other System Obligations. The District covenants that it shall maintain and enforce valid regulations for the payment of bills for sewer and water service.

Section 5.09. Against Competing Utility. The District will not acquire, construct, operate or maintain or permit the acquisition, construction, operation or existence of any utility or enterprise within the service area of the District that would be competitive with the System.

Section 5.10. Financial Reports. Promptly upon receipt by the District and in no event later than 270 days after the close of each Fiscal Year of the District (unless otherwise agreed in writing by the Seller), the District will furnish, or cause to be furnished, to the Seller (w) detailed certified reports of audit, based on an examination sufficiently complete, prepared by an

independent certified public accountant, covering the operations of the System for said Fiscal Year which shall be accompanied by an unqualified opinion of such independent certified public accountant. Such audit report shall include (1) a balance sheet, (2) statement of revenues, expenses and changes in fund balances for budget and actual, (3) statement of cash flows, and (4) footnotes, schedules and attachments to the financial statements, and statements of the status of each account pertaining to the System, showing the amount and source of all deposits therein, the amount and purpose of the withdrawals therefrom and the balance therein at the beginning and end of said Fiscal Year. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include a statement as to whether or not the Net Revenues for such Fiscal Year were equal to at least 1.25 times the Debt Service for such Fiscal Year calculated as provided in Section 4.07 hereof, (x) a summary statement showing the amount of Gross Revenues and the amount of all other funds collected which are required to be pledged or otherwise made available as security for payment of principal of and interest on the Parity Obligations, the disbursements from the Gross Revenues and other funds in reasonable detail, (y) a general statement of the financial and physical condition of the System and (z) a compliance certificate signed by an authorized officer of the District (i) stating that no Event of Default or Default has occurred, or if such Event of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default and (ii) demonstrating compliance with the covenants set forth in Section 4.07 hereof. The District shall also provide the Seller with the District's approved operating budget for each Fiscal Year within 30 days of the end of the District's previous Fiscal Year. Any reports required to be delivered to the Seller may be provided through EMMA. The District shall also furnish to the Seller by not later than 270 days after the close of each Fiscal Year of the District an annual report showing total assessments levied with respect to each assessment district within the District and the percentage of assessments collected. The District further agrees to provide such additional information to the Seller as Seller may from time to time reasonably request. Credit information relating to the District may be disseminated among Seller and any of its affiliates and any of their respective successors and assigns.

Section 5.11. Payment of Installment Payments. The District shall not directly or indirectly extend or assent to the extension of the Installment Payment Dates for any Installment Payments without the prior written consent of the Seller.

Section 5.12. Compliance with this Installment Sale Agreement. The District will faithfully observe and perform or cause to be faithfully observed and performed all the covenants, conditions and requirements of this Installment Sale Agreement, and will not suffer or permit any default to occur hereunder. The District will not do or permit anything to be done, or omit or refrain from doing anything, in any case when any such act done or permitted to be done, or any such omission of or refraining from action, would constitute an Event of Default hereunder.

Section 5.13. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or

hereafter acquired and enjoyed by the District, including the District’s right to exist and carry on business as a county water district, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 5.14. Private Activity Bond Limitation. The District shall assure that moneys deposited in the Escrow Account are not so used as to cause this Installment Sale Agreement to satisfy the private business test of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code. The payment of the Installment Payments or any portion thereof is not (under the terms of this Installment Sale Agreement or any underlying arrangement) directly or indirectly (x) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (y) on a present value basis, derived from payments (whether or not to the District) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. The Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit. No portion of the Acquisition Amount will be used, directly or indirectly, to make or finance loans to any person other than the District. The District has not entered into any management or other service contract with respect to the use and operation of the Equipment.

Section 5.15. Private Loan Financing Limitation. The District shall assure that proceeds of this Installment Sale Agreement are not so used as to cause this Installment Sale Agreement to satisfy the private loan financing test of Section 141(c) of the Code.

Section 5.16. Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause this Installment Sale Agreement to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

Section 5.17. Maintenance of Tax Exemption. The District shall take all actions necessary to assure the exclusion of the interest component of the Installment Payments from the gross income of the Seller under the Code. The District agrees that it will not take any action that would cause the interest component of Installment Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for Federal income tax purposes, nor will it omit to take or cause to be taken, in a timely manner, any action, which omission would cause the interest component of Installment Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for Federal income tax purposes. In connection with the foregoing, the District hereby agrees that (a) so long as any Installment Payments remain unpaid, moneys on deposit in the Escrow Account shall not be used in a manner that will cause this Installment Sale Agreement to be classified as an “arbitrage bond” within the meaning of Section 148(a) of the Code; and (b) the District shall rebate, from funds legally available for the purpose, an amount equal to excess earnings on the Escrow Account to the Federal Government if required by, and in accordance with, Section 148(f) of the Code, and make the determinations and maintain the records required by the Code.

Section 5.18. Event of Taxability. Upon the occurrence of an Event of Taxability, the interest component of Installment Payments and any charge on Installment Payments or other amounts payable based on the Contract Rate shall have accrued and be payable at the Taxable Rate

retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includible in the gross income of the owner or owners thereof for Federal income tax purposes (which retroactive date shall be the earliest date as of which the interest component of any Installment Payment is deemed includable in the gross income of the owner or owners thereof for Federal income tax purposes, which may be earlier than the date of delivery of such determination by the Internal Revenue Service), and the District will pay such additional amount as will result in the owner receiving the interest component at the Taxable Rate.

For purposes of this Section, “*Event of Taxability*” means the circumstance of the interest component of any Installment Payment paid or payable pursuant to this Installment Sale Agreement becoming includible for Federal income tax purposes in an owner’s gross income as a consequence of any act, omission or event whatsoever, including but not limited to the matters described in the immediately succeeding sentence, and regardless of whether the same was within or beyond the control of the District. An Event of Taxability shall be presumed to have occurred upon (a) the receipt by Seller or the District of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other written correspondence which legally holds that the interest component of any Installment Payment is includable in the gross income of the owner thereof; (b) the issuance of any public or private ruling of the Internal Revenue Service that the interest component of any Installment Payment is includable in the gross income of the owner thereof; or (c) receipt by Seller or the District of a written opinion of a nationally recognized firm of attorneys experienced in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, selected by Seller and acceptable to the District, to the effect that the interest component of any Installment Payment has become includable in the gross income of the owner thereof for Federal income tax purposes. For all purposes of this definition, an Event of Taxability shall be deemed to occur on the date as of which the interest component of any Installment Payment is deemed includable in the gross income of the owner thereof for Federal income tax purposes.

Section 5.19. Evidence of Filing Form 8038-G. As soon as it is available, the District shall provide to Seller evidence that it, or its paid preparer, has filed the Form 8038-G for this Installment Sale Agreement with the Internal Revenue Service by delivering to Seller proof of mailing such Form 8038-G. Notwithstanding anything to the contrary in this Installment Sale Agreement, it shall not be an Event of Default hereunder if the District does not provide to Seller evidence that it (or its paid preparer) filed the Form 8038-G for this Installment Sale Agreement with the Internal Revenue Service.

ARTICLE VI

DISCLAIMER OF WARRANTIES; ACCESS

Section 6.01. Disclaimer of Warranties. THE SELLER MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT FOR THE EQUIPMENT, THE SYSTEM OR ANY COMPONENT THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT, THE SYSTEM

OR ANY COMPONENT THEREOF. IN NO EVENT SHALL THE SELLER BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS INSTALLMENT SALE AGREEMENT FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR THE DISTRICT'S USE OF THE EQUIPMENT OR THE SYSTEM.

Section 6.02. Access to the System and Records. To the extent permitted by law, the District agrees that the Seller and any Seller Representative shall have the right at all reasonable times to enter upon and to examine and inspect the System. The District further agrees that the Seller and any Seller Representative shall have such rights of access to the System as may be reasonably necessary to cause the proper maintenance of the System in the event of failure by the District to perform its obligations hereunder. In addition, the District agrees that the Seller and any Seller Representative shall have the right at all reasonable times to inspect and examine all books, papers and records of the District pertaining to the System, to make copies thereof and to take non-privileged memoranda therefrom or with respect thereto as may be desired.

ARTICLE VII

ASSIGNMENT, SALE AND AMENDMENT

Section 7.01. Assignment by the Seller. (a) Seller's right, title and interest in and to this Installment Sale Agreement, the Installment Payments and any other amounts payable by the District hereunder, the Escrow Agreement, its security interest in the Collateral (collectively, the "Assigned Rights"), may be assigned and reassigned by Seller at any time, in whole or in part, to one or more assignees or sub-assignees without the necessity of obtaining the consent of the District; *provided*, that any such assignment, transfer or conveyance (i) shall be made only to investors each of whom certifies in writing is a "qualified institutional buyer" as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended, or an "accredited investor" as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended, and in either case is purchasing the Assigned Rights (or any interest therein) for its own account with no present intention to resell or distribute such Assigned Rights (or interest therein), subject to each investor's right at any time to dispose of the Assigned Rights (or any interest therein) as it determines to be in its best interests, (ii) shall not result in more than 35 owners of the Assigned Rights or the creation of any interest in the Assigned Rights in an aggregate principal component that is less than \$100,000 and (iii) shall not require the District to make Installment Payments, to send notices or otherwise to deal with respect to matters arising hereunder or under the Escrow Agreement with or to more than one Servicer (as such term is defined below), and any trust agreement, participation agreement or custodial agreement under which multiple ownership interests in the Assigned Rights are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, trustee, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees (herein referred to as the "Servicer") to act on their behalf with respect to the Assigned Rights, including with respect to the exercise of rights and remedies of Seller on behalf of such owners upon the occurrence of an Event of Default under this Installment Sale Agreement. Seller and the District hereby acknowledge and agree that the restrictions and limitations on transfer as provided in this

Section 7.01 shall apply to the first and subsequent assignees and sub-assignees of any of the Assigned Rights (or any interest therein).

(b) Unless to an affiliate controlling, controlled by or under common control with Seller, no assignment, transfer or conveyance permitted by this Section 7.01 shall be effective as against the District until the District shall have received a written notice of assignment that discloses the name and address of each such assignee; *provided*, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, participation interests, trust certificates or partnership interests with respect to the Installment Payments payable under this Installment Sale Agreement, it shall thereafter be sufficient that the District receives notice of the name and address of the bank, trust company or other entity that acts as the Servicer. Notices of assignment provided pursuant to this Section 7.01(b) shall contain a confirmation of compliance with the transfer requirements imposed by Section 7.01(a) hereof. During the Term of this Installment Sale Agreement, the District shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. The District shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees or Servicer last designated in such register. The District shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right the District may have against Seller or the Vendor. Assignments in part may include without limitation assignment of all of Seller's security interest in and to the Equipment and all rights in, to and under this Installment Sale Agreement related to such Equipment, and all of Seller's security interest in and to the Collateral, or all rights in, to and under the Escrow Agreement.

(c) If Seller notifies the District of its intent to assign this Installment Sale Agreement, the District agrees that it shall execute and deliver to Seller a Notice and Acknowledgement of Assignment substantially in the form of *Exhibit H* attached hereto within five (5) business days after its receipt of such request.

Section 7.02. Assignment, Sale and Disposition by the District. **None of the District's right, title, and interest in, to and under this Installment Sale Agreement or any portion of the Equipment, the Escrow Agreement, the Escrow Account or the other Collateral may be assigned, encumbered or subleased by the District for any reason, and any purported assignment, encumbrance or sublease without Seller's prior written consent shall be null and void.**

Section 7.03. Amendment of Installment Sale Agreement. Each party hereto understands and agrees that it cannot alter, modify or cancel or agree or consent to alter, modify or cancel this Installment Sale Agreement without the prior written consent of the other party hereto. Any such amendment shall be in writing.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default Defined. The following shall be “events of default” under this Installment Sale Agreement and the terms “events of default” and “default” shall mean, whenever they are used in this Installment Sale Agreement, any one or more of the following events:

(a) Failure by the District to (i) pay any Installment Payment by the Installment Payment Date or failure to make any other payment required to be paid hereunder at the time specified herein; (ii) maintain insurance required under Section 3.06 or Section 5.05 hereof, or (iii) observe and perform any covenant, condition or agreement on its part to be observed or performed under Section 2.01(m), 2.01(z), 2.01(aa), 4.02, 4.04, 4.06, 4.07, 4.08 [or 4.10] hereof;

(b) Failure by the District to observe and perform any covenant, condition or agreement contained in this Installment Sale Agreement or any Parity Obligations Instrument on its part to be observed or performed, other than as referred to in another subsection of this Section 8.01, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the District by Seller, unless Seller shall agree in writing to an extension of such time prior to its expiration; *provided* that, if the failure stated in the notice cannot be corrected within the applicable period, Seller will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected;

(c) Any material statement, representation or warranty made by the District in or pursuant to this Installment Sale Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading, or breached in any material respect on the date when made;

(d) Any default occurs (i) under any Parity Obligations Instrument or with respect to any System Obligation; or (ii) any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which the District is an obligor, if such default (A) arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by Seller or any affiliate of Seller, or (B) arises under any obligation under which there is outstanding, owing or committed an aggregated amount in excess of \$500,000.00;

(e) The District shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of the District, or of all or a substantial part of the assets of the District, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable Federal bankruptcy law, (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an

arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against the District in any bankruptcy, liquidation, readjustment, reorganization, moratorium or insolvency proceeding or (vi) the filing by the District of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the District, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property;

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for the District or of all or a substantial part of the assets of the District, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of thirty (30) consecutive days; or

(g) An event of default shall have occurred and be continuing with respect to any Parity Obligation, any Subordinate Obligation or any other System Obligation which requires or permits the immediate acceleration thereof.

Section 8.02. Remedies on Default. Whenever any event of default referred to in Section 8.01 hereof shall have occurred and be continuing, the Seller shall have the right, at its option and without any further demand or notice, to:

(a) declare all principal components of the unpaid Installment Payments, together with accrued interest thereon to be immediately due and payable, whereupon the same shall become due and payable;

(b) apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require officials of the District to charge and collect rates for services provided by the District and the System (or any portion thereof) sufficient to meet all requirements of this Installment Sale Agreement;

(c) take whatever action at law or in equity as may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Installment Sale Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Installment Sale Agreement;

(d) with or without terminating the Term of this Installment Sale Agreement, Seller may enter the premises where the Equipment is located and, subject to the limitations in the last sentence of Section 4.02 hereof, retake possession of such Equipment or require the District at the District's expense to promptly return any or all of such Equipment to the possession of Seller at such place within the United States as Seller shall specify, and sell or lease such Equipment or, for the account of the District, sublease such Equipment,

continuing to hold the District liable, but solely from legally available funds, for the difference between (i) the Installment Payments payable by the District and other amounts hereunder that are payable by the District to the end of the Term of this Installment Sale Agreement, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Seller in exercising its remedies hereunder, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of Section 4.02 of this Installment Sale Agreement. The exercise of any such remedies respecting any such Event of Default shall not relieve the District of any other liabilities hereunder or with respect to the Equipment;

(e) Seller may terminate the Escrow Agreement and apply any proceeds in the Escrow Account to the Installment Payments scheduled to be paid hereunder;

(f) Seller may take whatever action at law or in equity as may appear necessary or desirable to enforce its rights under the Escrow Agreement or as a secured party in any or all of the Equipment or the Escrow Account; and/or

(g) Seller may exercise any and all rights and remedies conferred under any Parity Obligations Instrument, including any Incorporated Provision.

In addition, the District shall be liable for, and hereby agrees to pay, all legal costs and expenses, including court costs, incurred by the Seller in the enforcement of any of the remedies listed above or any other remedy available to the Seller.

Section 8.03. Application of Funds Upon Acceleration or Event of Default. Following an Event of Default, the District shall cause all Net Revenues to be applied to the payment of the principal of and interest then due on the Parity Obligations (upon presentation of the Parity Obligations to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) as follows:

(a)(1) Unless the principal of all of the Combined System Parity Obligations and Water Parity Obligations shall have become or have been declared due and payable, Net Water Revenues shall be applied as follows:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the persons entitled thereto of the unpaid principal of any the Combined System Parity Obligations and Water Parity Obligations which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by such Parity Obligations, and, if the

amount available shall not be sufficient to pay in full all such Parity Obligations, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

(2) If the principal of all of the Combined System Parity Obligations and Water Parity Obligations shall have become or have been declared due and payable, Net Water Revenues shall be applied to the payment of the principal and interest then due and unpaid upon such Parity Obligations, with interest on the overdue principal at the rate borne by such Parity Obligations, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Combined System Parity Obligation or Water Parity Obligation over any other Combined System Parity Obligation or Water Parity Obligation, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

(b)(1) Unless the principal of all of the Combined System Parity Obligations and Sewer Parity Obligations shall have become or have been declared due and payable, Net Sewer Revenues shall be applied as follows:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the persons entitled thereto of the unpaid principal of any the Combined System Parity Obligations and Sewer Parity Obligations which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by such Parity Obligations, and, if the amount available shall not be sufficient to pay in full all such Parity Obligations, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

(2) If the principal of all of the Combined System Parity Obligations and Sewer Parity Obligations shall have become or have been declared due and payable, Net Sewer Revenues shall be applied to the payment of the principal and interest then due and unpaid upon such Parity Obligations, with interest on the overdue principal at the rate borne by such Parity Obligations, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Combined System

Parity Obligation or Sewer Parity Obligation over any other Combined System Parity Obligation or Sewer Parity Obligation, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Notwithstanding anything in any other instrument to the contrary, following an Event of Default, (x) no portion of any Net Water Revenues shall pay any amounts on any Subordinate Obligations or other System Obligations other than Combined System Parity Obligations and Water Parity Obligations until all Combined System Parity Obligations and Water Parity Obligations have been paid current and all Events of Default have been fully cured and (y) no portion of any Net Sewer Revenues shall pay any amounts on any Subordinate Obligations or other System Obligations other than Combined System Parity Obligations and Sewer Parity Obligations until all Combined System Parity Obligations and Sewer Parity Obligations have been paid current and all Events of Default have been fully cured.

Section 8.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Seller is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Seller to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.05. Prosecution and Defense of Suits. The District shall promptly, upon request of the Seller, from time to time take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the System whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose.

Section 8.06. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Sale Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 9.01. Prepayment; Payment in Full.

(a) *Prepayment.* The District shall have the option to prepay or satisfy all, but not less than all, of its obligations hereunder, at the following times and upon the following terms:

(i) *Optional Prepayment.* From and after the date specified (if any) in the Payment Schedule (the “*Prepayment Option Commencement Date*”), on the Installment Payment Dates specified in the Payment Schedule, upon not less than forty-five (45) days prior written notice, and upon payment in full of the sum of all Installment Payments then due *plus* the then applicable Prepayment Price, which shall include a prepayment premium on the unpaid Outstanding Balance as set forth in the Payment Schedule *plus* all other amounts then owing hereunder; or

(ii) *Casualty or Condemnation Prepayment.* In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment, on the day specified in the District’s notice to Seller of its exercise of the prepayment option (which shall be the earlier of the next Installment Payment Date or sixty (60) days after the casualty event) upon payment in full to Seller of (A) in the event such prepayment occurs on an Installment Payment Date, the sum of (i) all Installment Payments then due *plus* (ii) the then applicable Prepayment Price *plus* (iii) all other amounts then owing hereunder OR, (B) in the event such prepayment occurs on a date other than an Installment Payment Date, the sum of (i) the applicable Prepayment Price shown on the Payment Schedule for the Installment Payment Date immediately preceding the applicable date of such prepayment (or if the date of such prepayment occurs prior to the first Installment Payment Date, the earliest Prepayment Price shown on the Payment Schedule) *plus* (ii) accrued interest at the Contract Rate (or the Taxable Rate if then in effect) on the Outstanding Balance as of the Installment Payment Date immediately preceding the applicable date of such prepayment from such Installment Payment Date (or if the date of such prepayment occurs prior to the first Installment Payment Date, the Commencement Date) to the date of such prepayment *plus* (iii) all other amounts then owing hereunder.

(b) *Payment in Full.* Upon the expiration of the Term of this Installment Sale Agreement, and upon payment in full of all Installment Payments then due and all other amounts then owing hereunder to Seller, Seller’s security interests in and to the Equipment will be terminated and the District will own such Equipment free and clear of Seller’s security interest in such Equipment.

(c) After payment of the applicable Prepayment Price and all other amounts then owing hereunder in accordance with either Section 9.01(a)(i) or Section 9.01(a)(ii) of this Installment Sale Agreement, Seller’s security interests in and to the Equipment will be terminated and the District will own such Equipment free and clear of Seller’s security interest in such Equipment.

Section 9.02. Unexpended Proceeds Mandatory Prepayment. (a) Any funds not applied to Equipment Costs and remaining in the Escrow Account on the earliest of (i) the expiration of the Acquisition Period, (ii) the date on which the District delivers to the Seller the executed Disbursement Request to effect the final disbursement to pay (or reimburse) Equipment Costs from the Escrow Account or (iii) a termination of the Escrow Account as provided in the Escrow Agreement shall be applied by Seller on each successive Installment Payment Date thereafter to pay all or a portion of the Installment Payment due and owing in the succeeding twelve (12) months

and any remaining amounts shall be applied by Seller as prepayment to the applicable unpaid Principal Portion of Installment Payments owing hereunder in the inverse order of the Installment Payment Dates at a price of 100% of such prepaid Principal Portion plus accrued interest thereon to the prepayment date.

(b) In connection with any partial prepayment of Installment Payments, Seller shall prepare a new Payment Schedule reflecting the application of such prepayments in the inverse order of the Installment Payment Dates and deliver the same to the District, which shall be binding, absent manifest error.

Section 9.03. Extraordinary Mandatory Prepayment. (a) In the event that all or any part of the System shall be taken by eminent domain proceedings or conveyance in lieu thereof and the Net Proceeds are to be applied to the full or partial prepayment of the Installment Payments as required by Section 5.04(a) or Section 5.04(c) hereof, within 30 days after the occurrence of such event the District shall send written notice thereof to the Seller. Thereafter, the Installment Payments shall be subject to full or partial prepayment as provided below.

(b) In the case of full prepayment in accordance with Section 5.04(a) hereof, the Installment Payments shall be prepaid on the first day of the first calendar month that is at least 45 days after the occurrence of such event at the Prepayment Price as of the date of prepayment, plus any accrued but unpaid interest.

(c) In the case of partial prepayment or retirement in accordance with Section 5.04(c) hereof, all proceeds paid to the Seller shall be applied pro rata against the outstanding installments of the principal component of the Installment Payments, in inverse order of the stated Installment Payment Date with respect to the affected Equipment.

(d) Upon payment of the full prepayment price to the Seller pursuant to subsection (b) above, or provision for such payment satisfactory to it, the Seller shall surrender its originally executed copy of this Installment Sale Agreement to the District.

ARTICLE X

MISCELLANEOUS

Section 10.01. Notices. All notices, certificates or other communications hereunder shall be in writing and shall be deemed to have been properly given on the earlier of (i) when delivered in person, (ii) the third Business Day following deposit in the United States Mail, with adequate postage, and sent by registered or certified mail, with return receipt requested to the appropriate party at the address set forth below, or (iii) the first Business Day following deposit with Federal Express, Express Mail or other overnight delivery service for next day delivery, addressed to the appropriate party at the address set out below.

If to the District: Mission Springs Water District
66575 Second Street

Desert Hot Springs, California 92240
Attention: General Manager

If to the Seller: Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-031-06-05
Hunt Valley, MD 21031
Attention: Contract Administration
Fax No.: (443) 541 3057

The Seller and the District, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.02. Binding Effect. This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Seller and the District and their respective successors and assigns.

Section 10.03. Severability. In the event any provision of this Installment Sale Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.04. Amendments, Changes and Modifications. Subject to the provisions of Section 7.03 hereof, this Installment Sale Agreement may be amended or any of its terms modified with the written consent of the District and the Seller.

Section 10.05. Net Contract. This Installment Sale Agreement shall be deemed and construed to be a “net contract” and the District hereby agrees that the Installment Payments shall be an absolute net return to the Seller, free and clear of any expenses, charges or set-offs whatsoever.

Section 10.06. Further Assurances and Corrective Instruments. The Seller and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby sold or intended so to be or for carrying out the expressed intention of this Installment Sale Agreement. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Installment Sale Agreement, and for the better assuring and confirming unto the owners of the Parity Obligations the rights and benefits provided in the Parity Obligation Instruments.

Section 10.07. Execution in Counterparts. This Installment Sale Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; *provided*, that only Counterpart No. 1 of this Installment Sale Agreement shall constitute chattel paper for purposes of the applicable Uniform Commercial Code.

Section 10.08. Applicable Law; Venue Waiver of Jury Trial. This Installment Sale Agreement shall be governed by and construed in accordance with the laws of the State. The parties hereto consent and submit to the jurisdiction of the State and venue in any state or Federal court of such State for the purposes of any suit, action or other proceeding arising in connection with this Installment Sale Agreement, and each party expressly waives any objections that it may have to the venue of such courts. The parties hereto expressly waive any right to trial by jury in any action brought on or with respect to this Installment Sale Agreement. If the waiver of jury trial contained herein is unenforceable for any reason, then the parties hereto agree that the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision.

Section 10.09. Seller and District Representatives. Whenever under the provisions of this Installment Sale Agreement the approval of the Seller or the District is required, or the Seller or the District is required to take some action at the request of the other, such approval or such request shall be given for the Seller by a Seller Representative and for the District by a District Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 10.10. Captions. The captions or headings in this Installment Sale Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article or Section of this Installment Sale Agreement.

Section 10.11. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated by this Installment Sale Agreement (including in connection with any amendment, waiver or other modification hereof or of any other related document), the District acknowledges and agrees that: (a) (i) the transactions regarding this Installment Sale Agreement provided by the Seller and any affiliate thereof are arm's-length commercial transactions between the District, on the one hand, and the Seller and its affiliates, on the other hand, (ii) the District has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the District is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Installment Sale Agreement and by the other related documents; (b) (i) the Seller and its affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the District, or any other person and (ii) neither the Seller nor any of its affiliates has any obligation to the District with respect to the transactions contemplated by this Installment Sale Agreement except those obligations expressly set forth herein and in the other related documents; and (c) the Seller and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the District, and neither the Seller nor any of its affiliates has any obligation to disclose any of such interests to the District. To the fullest extent permitted by law, the District hereby waives and releases any claims that it may have against the Seller or any of its affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated by this Installment Sale Agreement.

Section 10.12. Entire Agreement. The parties agree that this Installment Sale Agreement constitutes the final and entire agreement between the parties relating to the subject matter hereof

and supersedes all conflicting terms or provisions of any prior proposals, term sheets, solicitation documents, requests for proposals, award notices, approval letters or any other agreements or understandings between the parties.

Section 10.13. Electronic Signatures. The Related Documents may be executed and delivered by facsimile signature or other electronic or digital means (including, without limitation, Adobe's Portable Document Format ("PDF")). Any such signature shall be of the same force and effect as an original signature, it being the express intent of the parties to create a valid and legally enforceable contract between them. The exchange and delivery of the Related Documents and the related signature pages via facsimile or as an attachment to electronic mail (including in PDF) shall constitute effective execution and delivery by the parties and may be used by the parties for all purposes. Notwithstanding the foregoing, at the request of either party, the parties hereto agree to exchange inked original replacement signature pages as soon thereafter as reasonably practicable.

IN WITNESS WHEREOF, the Seller has caused this Installment Sale Agreement to be executed in its name by its duly authorized officer; and the District has caused this Installment Sale Agreement to be executed in its name by its duly authorized officer, effective as of the date first written above.

BANC OF AMERICA PUBLIC CAPITAL CORP, as
Seller

By: _____
Name: _____
Title: _____

MISSION SPRINGS WATER DISTRICT

By: _____
Name: Russ Martin
Title: President of the Board of Directors

Counterpart No. _____ of _____ manually executed and serially numbered counterparts. To the extent that this Installment Sale Agreement constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security interest or ownership herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT A

EQUIPMENT SCHEDULE

Location of Equipment:

Equipment Description (Scope of Work):

EXHIBIT B

PAYMENT SCHEDULE

INSTALLMENT PAYMENT DATE	INSTALLMENT PAYMENT AMOUNT	INTEREST PORTION	PRINCIPAL PORTION	OUTSTANDING BALANCE	PREPAYMENT PRICE (including prepayment premium, if applicable)

Contract Rate. The Contract Rate is _____% per annum.

Prepayment Option Commencement Date. For purposes of Section 9.01 of the Installment Sale Agreement, the Prepayment Option Commencement Date is _____.

SELLER:

DISTRICT:

BANC OF AMERICA PUBLIC CAPITAL CORP

MISSION SPRINGS WATER DISTRICT

By: _____
Name: _____
Title: _____

By: _____
Name: Russ Martin
Title: President of the Board of Directors

EXHIBIT C-1

FORM OF AUTHORIZING RESOLUTION

See Item #3(a) in Transcript

EXHIBIT C-2

FORM OF INCUMBENCY AND AUTHORIZATION CERTIFICATE

The undersigned, the duly appointed and acting Interim General Manager of the Mission Springs Water District (“District”) certifies as follows:

A. The following listed persons are duly elected or appointed and acting officials of the District in the capacity set forth opposite their respective names below and the facsimile signatures below are true and correct as of the date hereof;

B. The President of the Board of Directors is duly authorized, on behalf of the District, to negotiate, execute, in writing or electronically, and deliver the Installment Sale Agreement dated as of October __, 2023 by and between the District and Banc of America Public Capital Corp (“Seller”), the Escrow and Account Control Agreement dated as of October __, 2023 by and among Seller, the District and Wilmington Trust, National Association, as Escrow Agent, all documents related thereto and delivered in connection therewith, and any future modification(s) or amendments thereof (collectively, the “Operative Agreements”); and.

C. The President of the Board of Directors is duly authorized, on behalf of the District, to countersign all Operative Agreements that have been signed by the Board President.

NAME OF OFFICIAL	TITLE	SIGNATURE
Russ Martin	President of the Board of Directors	_____

Dated: October __, 2023

By: _____
Name: Brian Macy
Title: Interim General Manager

(The signer of this Certificate cannot be listed above as authorized to execute the Operative Agreements.)

EXHIBIT D**FORM OF OPINION OF COUNSEL TO THE DISTRICT
(TO BE TYPED ON LETTERHEAD OF COUNSEL)****[Closing Date]**

Banc of America Public Capital Corp
 11333 McCormick Road
 Mail Code: MD5-031-06-05
 Hunt Valley, MD 21031
 Attn: Contract Administration

Re: Installment Sale Agreement,
 dated as of October __, 2023, by and between
 Banc of America Public Capital Corp, as Seller,
 and the Mission Springs Water District, as District

Ladies and Gentlemen:

As legal counsel to the Mission Springs Water District ("*District*"), I have examined (a) executed counterparts of that certain Installment Sale Agreement, dated as of October __, 2023, and Exhibits thereto by and between Banc of America Public Capital Corp ("*Seller*") and the District (the "*Agreement*"), which, among other things, provides for the sale and purchase of certain property (the "*Equipment*"), and a certain Escrow and Account Control Agreement dated as of October __, 2023 by and among Seller, the District, and Wilmington Trust, National Association as Escrow Agent (the "*Escrow Agreement*"), (b) an executed counterpart of the ordinances or resolutions of the District with respect to authorization of the transaction contemplated by the Agreement, the Escrow Agreement and documents related thereto, (c) executed counterparts of all of the Parity Obligation Instruments relating to all Existing Parity Debt (each as defined in the Agreement) and (d) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions. The Agreement, the Escrow Agreement and the documents relating thereto are herein collectively referred to as the "*Transaction Documents*".

Based on the foregoing, I am of the following opinions:

1. The District is a county water district duly organized and existing under the Constitution and laws of the State of California (the "*State*"), and is a political subdivision of the State within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and the obligations of the District under the Agreement will constitute an obligation of the District within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code.

2. The District has the requisite power and authority to purchase and acquire the Equipment and to execute and deliver the Transaction Documents and to perform its obligations under the Transaction Documents. The entering into and performance of the Transaction Documents by the District and the execution and delivery of the Agreement and the incurrence of debt thereunder complies in all respects with the limitations and restrictions set forth in all of the Parity Obligation Instruments relating to all Existing Parity Debt. The entering into and performance of the Transaction Documents by the District does not and will not contravene or violate any judgment or order or law or regulation applicable to the District (including, without limitation, the Existing Parity Deb) or violate or constitute a default under any covenant, indenture or agreement of or affecting the District or any of its property.

3. The Transaction Documents have been duly authorized, approved, executed and delivered by and on behalf of the District and the Transaction Documents are legal, valid and binding obligations of the District, enforceable against the District in accordance with their respective terms, except to the extent limited by state and federal law affecting creditor's remedies and by bankruptcy, reorganization, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights.

4. The Agreement establishes a first lien on and pledge of the Net Revenues (as such term is defined in the Agreement) and other funds pledged thereby for the security of the Installment Payments and other amounts payable under the Agreement, on a parity with the Combined System Parity Obligations and any future Combined System Parity Obligations issued in accordance with the terms of the Agreement. The Agreement establishes a first lien on and pledge of the Net Water Revenues (as such term is defined in the Agreement) and other funds pledged thereby for the security of the Installment Payments and other amounts payable under the Agreement, on a parity with the Combined System Parity Obligations and Water Parity Obligations and any future Combined System Parity Obligations and future Water Parity Obligations issued in accordance with the terms of the Agreement. The Agreement establishes a first lien on and pledge of the Net Sewer Revenues (as such term is defined in the Agreement) and other funds pledged thereby for the security of the Installment Payments and other amounts payable under the Agreement, on a parity with the Combined System Parity Obligations and Sewer Parity Obligations and any future Combined System Parity Obligations and future Sewer Parity Obligations issued in accordance with the terms of the Agreement.

5. The authorization, approval, execution and delivery of the Transaction Documents and all other proceedings of the District relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, procurement and public bidding laws and all other applicable State or Federal laws.

6. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Transaction Documents or the pledge of Net Revenues to repay Installment Payments and other amounts payable under the Agreement on a *pari passu* basis with the Existing Parity Obligations and future Parity

Obligations or the security interest of Seller or its assigns, as the case may be, in the Equipment, the Escrow Account or other Collateral thereunder.

7. The portion of Installment Payments designated as interest is excluded from gross income for Federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes; and such interest is not a specific item of tax preference for purposes of the federal alternative minimum tax.

8. The District has duly and validity adopted Resolution No. ___ on _____, 2023 (“*Resolution*”) at a meeting of the District’s Board of Directors that was duly noticed and held and at which a quorum was present and acting throughout in accordance with the law of the State of California that are applicable to the District, and such Resolution is in full force and effect and has not been modified, amended or rescinded.

All capitalized terms herein shall have the same meanings as in the Transaction Documents unless otherwise provided herein. Seller and its successors and assigns are entitled to rely on this opinion.

Sincerely,

EXHIBIT E

FORM OF FINAL ACCEPTANCE CERTIFICATE

Banc of America Public Capital Corp
11333 McCormick Road
Mail Code: MD5-031-06-05
Hunt Valley, MD 21031
Attn: Contract Administration

Re: Installment Sale Agreement,
 dated as of October __, 2023, by and between
 Banc of America Public Capital Corp, as Seller,
 and the Mission Springs Water District, as District

Ladies and Gentlemen:

In accordance with the above-referenced Installment Sale Agreement (the "*Agreement*"), the undersigned the District hereby certifies and represents to, and agrees with Seller as follows:

1. All of the Equipment has been delivered, installed, is operating in a manner consistent with the manufacturer's intended use and has been inspected and finally accepted for all purposes by the District and title thereto has transferred to the District and any security interest of Vendor therein has been released.
2. The District has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate in order to determine the Equipment's capability and functionality in order to accept such Equipment and hereby acknowledges that it accepts the Equipment for all purposes.
3. The District is currently maintaining the insurance coverage required by Section 3.06 and Section 5.05 of the Agreement.
4. The District hereby reaffirms that the representations, warranties and covenants contained in the Agreement are true and correct as of the date hereof.
5. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default exists at the date hereof.
6. No Material Adverse Change has occurred since the date of the execution and delivery of the Agreement.

Capitalized terms used, but not defined, in this Final Acceptance Certificate shall have the same meanings as when such terms are used in the Agreement.

Date: _____

DISTRICT:

MISSION SPRINGS WATER DISTRICT

By: _____

Name: _____

Title: _____

EXHIBIT F

FORM OF SELF-INSURANCE CERTIFICATE

Banc of America Public Capital Corp
11333 McCormick Road
Mail Code: MD5-031-06-05
Hunt Valley, MD 21031
Attn: Contract Administration

Re: Installment Sale Agreement,
dated as of October __, 2023, (the "Agreement")
by and between Banc of America Public Capital Corp, as Seller,
and the Mission Springs Water District, as District

In connection with the above-referenced Agreement, the Mission Springs Water District (the "District") hereby warrants and represents to Banc of America Public Capital Corp the following information. The terms capitalized herein but not defined herein shall have the meanings assigned to them in the Agreement.

1. The District is self-insured for damage or destruction to the Equipment. The dollar amount limit for property damage to the Equipment under such self-insurance program is \$_____. **[The District maintains an umbrella insurance policy for claims in excess of the District's self-insurance limits for property damage to the Equipment which policy has a dollar limit for property damage to the Equipment under such policy of \$_____.]**

2. The District is self-insured for liability for injury or death of any person or damage or loss of property arising out of or relating to the condition or operation of the Equipment. The dollar limit for such liability claims under the District's self-insurance program is \$_____. **[The District maintains an umbrella insurance policy for claims in excess of the District's self-insurance limits for liability which policy has a dollar limit for liabilities for injury and death to persons as well as damage or loss of property arising out of or relating to the condition or operation of the Equipment in the amount of \$_____.]**

[3]. The District maintains a self-insurance fund. Monies in the self-insurance fund **[are/are not]** subject to annual appropriation. The total amount maintained in the self-insurance fund to cover the District's self-insurance liabilities is \$_____. **[Amounts paid from the District's self-insurance fund are subject to a dollar per claim of \$_____.]**

[3]. The District does not maintain a self-insurance fund. The District obtains funds to pay claims for which it has self-insured from the following sources:

_____. Amounts payable for claims from such sources are limited as follows: _____

4. Attached hereto are copies of certificates of insurance with respect to policies maintained by the District.

DISTRICT:

MISSION SPRINGS WATER DISTRICT

By: _____

Name: _____

Title: _____

EXHIBIT G

EXISTING PARITY OBLIGATIONS

As of the Commencement Date, the only Existing Parity Obligations outstanding are:

	See Item # ___ in Transcript
	See Item # ___ in Transcript
	See Item # ___ in Transcript
	See Item # ___ in Transcript
	See Item # ___ in Transcript

EXHIBIT H

FORM OF NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

Dated _____

Banc of America Public Capital Corp (“Assignor”) hereby gives notice that it has assigned and sold to _____ (“Assignee”) all of the Assignor’s right, title and interest in, to and under the Installment Sale Agreement dated as of October __, 2023 (the “Agreement”), by and between the Assignor and the Mission Springs Water District (“District”), together with all exhibits, schedules, addenda and attachments related thereto, and all certifications and other documents delivered in connection therewith, all of the Assignor’s right, title and interest in Installment Payments and other amounts due under the Agreement, all of the Assignor’s right, title and interest in the Equipment (as defined in the Agreement), and all of the Assignor’s right, title and interest in, to and under the Escrow and Account Control Agreement dated as of October __, 2023 (the “Escrow Agreement”) by and among the District, the Assignor and Wilmington Trust, National Association, as Escrow Agent, together with the Escrow Account and other Collateral (collectively, the “Assigned Property”). Each capitalized term used but not defined herein has the meaning set forth in the Agreement.

1. The District hereby acknowledges the effect of the assignment of the Assigned Property and absolutely and unconditionally agrees to deliver to Assignee all Installment Payments and other amounts coming due under the Agreement in accordance with the terms thereof on and after the date of this Acknowledgment.

2. The District hereby agrees that: (i) Assignee shall have all the rights of Seller under the Agreement and all related documents, including, but not limited to, the rights to issue or receive all notices and reports, to give all consents or agreements to modifications thereto, to receive title to the Equipment in accordance with the terms of the Agreement, to declare a default and to exercise all rights and remedies thereunder in connection with the occurrence of an Event of Default; and (ii) the obligations of the District to make Installment Payments are payable from Net Revenues and the obligations of the District to perform and observe the other covenants and agreements contained in the Agreement shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense.

3. The District agrees that, as of the date of this Notice and Acknowledgment of Assignment (this “Acknowledgement”), the following information about the Agreement is true, accurate and complete:

Number of Installment Payments Remaining	_____
Amount of Each Installment Payment	\$ _____
Total Amount of Installment Payments	_____
Remaining	\$ _____
Frequency of Installment Payments	_____
Next Installment Payment Due	_____
Funds Remaining in Escrow Account	\$ _____

4. The Agreement remains in full force and effect, has not been amended, no Event of Default (or event which with the passage of time or the giving of notice or both would constitute an Event of Default) has occurred thereunder.

5. Assignor hereby acknowledges the transfer restrictions imposed by Section 7.01 of the Agreement and confirms that the assignment to Assignee has been made in accordance with the provisions of that Section.

6. Any inquiries of the District related to the Agreement and any requests for disbursements from the Escrow Account, if applicable, and all Installment Payments and other amounts coming due pursuant to the Agreement on and after the date of this Acknowledgment should be remitted to Assignee at the following address (or such other address as provided to the District in writing from time to time by Assignee):

ACKNOWLEDGED AND AGREED:

DISTRICT: MISSION SPRINGS WATER DISTRICT

By: _____
Name: _____
Title: _____

ASSIGNOR: BANC OF AMERICA PUBLIC CAPITAL CORP

By: _____
Name: _____
Title: _____

EXHIBIT I

ESCROW AND ACCOUNT CONTROL AGREEMENT

See Item #4 in Transcript

\$17,852,057
MISSION SPRINGS WATER DISTRICT
INSTALLMENT SALE AGREEMENT DATED OCTOBER 13, 2023
WITH BANC OF AMERICA PUBLIC CAPITAL CORP

CERTIFICATE OF THE MISSION SPRINGS WATER DISTRICT
REGARDING PARITY DEBT

The undersigned are the duly appointed President, General Manager, Director of Finance and Secretary of the Mission Springs Water District (the “**District**”).

This Certificate is delivered pursuant to the requirements of:

- (i) Section 5.4 of the Installment Purchase Agreement, dated as of January 1, 2023 (the “**2023 Agreement**”), by and between the District and Wells Fargo Municipal Capital Strategies, LLC;
- (ii) Section 4.7 of Loan Agreement #17-017, dated December 22, 2017 (the “**2017 Agreement**”), by and between the District and Municipal Finance Corporation (“**MFC**”);
- (iii) Section 4.08(b) of the Installment Sale Agreement, dated as of November 1, 2014 (the “**2014 Agreement**”), by and between the District and Compass Bank;
- (iv) Section 4.08(b) of the Installment Sale Agreement, dated as of December 1, 2013 (the “**December 2013 Agreement**”), by and between the District and MFC;
- (v) Section 6.2(b) of the Installment Purchase Agreement, dated as of June 1, 2013 (the “**June 2013 Agreement**”), by and between the District and Holman Capital Finance Corporation;
- (vi) Section 3.7(e) of the Project Finance Agreement (State Revolving Fund Project No. C-06-4250-310; Agreement No. 12-802-550), dated August 21, 2012 (as amended by Amendment No. 1 dated January 24, 2013, the “**2012 Agreement**”), by and between the District and the California State Water Resources Control Board (the “**SWRCB**”); and
- (vii) Section 4.10 of the Installment Sale Agreement, dated as of February 1, 2001 (the “**2001 Agreement**” and, together with the 2023 Agreement, the 2017 Agreement, the 2014 Agreement, the December 2013 Agreement, the June 2013 Agreement and the 2012 Agreement, the “**Parity Agreements**”), by and between the District and Mission Springs Water District Improvement Corporation;

in connection with the execution of the above-captioned obligation (the “**BofA Agreement**”).

The BofA Agreement constitutes a Contract under the 2023 Agreement, Parity Debt under the 2017 Agreement, the 2014 Agreement, the December 2013 Agreement, the June 2013 Agreement and the 2001 Agreement and parity debt under the 2012 Agreement. Each of the undersigned has reviewed the terms of the Parity Agreements as they relate to the delivery of this Certificate, the scheduled payments of principal of and interest on the BofA Agreement and other calculations prepared by the District and such other materials and data as they deemed necessary under the circumstances.

Capitalized terms that are used herein and not otherwise defined have the meanings that are set forth in the Parity Agreements, as applicable.

This Certificate is accompanied by: (a) the certificate of an Independent Certified Public Accountant that is referenced in Section 5.4(b) of the 2023 Agreement; (b) the certificate of an independent certified public accountant that is referenced in Section 4.7(b) of the 2017 Agreement; (c) the Accountant's Report that is referenced in Section 6.2(b)(2) of the June 2013 Agreement; and (d) the written opinion of an Independent Financial Consultant that is referenced in Section 4.10(a) of the 2001 Agreement. Such accompanying certificate, Accountant's Report and written opinion is attached hereto as Appendix B.

I hereby certify as follows:

(1) No Event of Default (as such term is defined in the 2023 Agreement) has occurred and is continuing.

(2) The Net Revenues of the Sewer System (as such terms are defined in the 2023 Agreement), as shown by the books of the District, for the period from July 1, 2022 through June 30, 2023 ("**Fiscal Year 2023**"), being a 12 consecutive calendar month period during the 18 calendar month period ending prior to the incurring of the BofA Agreement, amount to at least 125% of the Debt Service for all Bonds or Contracts (as such terms are defined in the 2023 Agreement) to be outstanding immediately after incurring the BofA Agreement, including Debt Service which would have been payable had the BofA Agreement been incurred at the beginning of such 12 month period.

(3) The District is not in default under the 2017 Agreement or the June 2013 Agreement.

(4) The Net Revenues (as such term is defined in the 2017 Agreement) of the District's water, sewer and wastewater Enterprise (as such term is defined in the 2017 Agreement), excluding connection charges, calculated in accordance with sound accounting principles, as shown by the books for the District for Fiscal Year 2023, being the latest complete Fiscal Year (as such term is defined in the 2017 Agreement) of the District, at least equal 115% of Maximum Annual Debt Service (as such term is defined in the 2017 Agreement).

(5) The District is in full compliance with all of the covenants and undertakings in connection with all debt and other obligations of the District then outstanding and payable from the Revenues or Net Revenues (as such term is defined in the 2014 Agreement) under the 2014 Agreement.

(6) The execution of the BofA Agreement has been duly authorized by a resolution of the District's Board of Directors adopted on October 5, 2023.

(7) The Net Revenues (as such term is defined in the 2014 Agreement and the December 2013 Agreement) of the water, sewer and wastewater System (as such term is defined in the 2014 Agreement and the December 2013 Agreement) for the period from July 1, 2021 through June 30, 2022 ("**Fiscal Year 2022**"), being the last Fiscal Year for which audited financial statements of the District are available (excluding connection fees and connection charges received during Fiscal Year 2022), are equal to at least 1.25 times the Maximum Annual Debt Service (as such term is defined in the 2014 Agreement and the December 2013 Agreement) on: (A) the Installment Payments (as such term is defined in the 2014 Agreement and the December 2013 Agreement) payable under the 2014 Agreement; plus (B) all Parity Debt (as such term is defined in the 2014 Agreement and the December 2013 Agreement) then outstanding; plus (C) the BofA Agreement.

(8) The BofA Agreement is being entered into only for the purpose of acquiring, constructing, improving, extending, reconstructing, maintaining or repairing the System (as such term is defined in the 2014 Agreement and the December 2013 Agreement).

(9) The District is in full compliance with all of the covenants and undertakings in connection with all debt and other obligations of the District then outstanding and payable from the Revenues or Net Revenues of the water, sewer and wastewater System (as such term is defined in the December 2013 Agreement) of the District.

(10) The Net Water Revenues (as such term is defined in the June 2013 Agreement) for Fiscal Year 2023, being the latest Fiscal Year, amount to at least 1.20 times the sum of: (A) the maximum annual debt service amount for the 2013 Installment Payments (as such term is defined in the June 2013 Agreement) becoming due and payable in the current and future Fiscal Years (as such term is defined in the June 2013 Agreement); (B) the maximum annual debt service on all currently outstanding Parity Debt (as such term is defined in the June 2013 Agreement) becoming due and payable in the current and future Fiscal Years; and (C) the maximum annual debt service on the BofA Agreement becoming due and payable in the current and future Fiscal Years, including all fees and costs incurred in the issuance of the BofA Agreement.

(11) The District's net sewer revenues are at least 1.2 times the highest year's debt service on all parity sewer obligations.

(12) As set forth in Appendix C, the Recipient is a disadvantaged community under Water Code Section 79505.5 and the District has obtained a determination from the Division of Financial Assistance of the SWRCB that it would be economically burdensome for the District to obtain nationally recognized ratings for its parity sewer obligations.

(13) The District has obtained the written consent of the United States Department of Agriculture to enter into the BofA Agreement. – [TO COME]

Dated: October 13, 2023.

MISSION SPRINGS WATER DISTRICT

By: _____
President

MISSION SPRINGS WATER DISTRICT

By: _____
General Manager

MISSION SPRINGS WATER DISTRICT

By: _____
Director of Finance

MISSION SPRINGS WATER DISTRICT

By: _____
Secretary

APPENDIX A

Calculation for Paragraphs (2) and (11)

	Fiscal Year 2023
Sewer System Revenues	\$8,525,107
Sewer System Operation and Maintenance Costs	<u>\$7,435,386</u>
Sewer System Net Revenues	\$1,089,721
Sewer System Debt Service	\$ 688,227
Coverage (125% Requirement)	_158%

Calculation for Paragraph (4)

	Fiscal Year 2023
Water, Sewer and Wastewater Enterprise Gross Revenues, Excluding Connection Charges	\$23,071,273
Water, Sewer and Wastewater Enterprise Maintenance and Operation Costs	<u>\$16,607,672</u>
Water, Sewer and Wastewater Enterprise Net Revenues	\$ 6,463,601
Maximum Annual Water, Sewer and Wastewater Enterprise Debt Service (Including Debt Service for BofA Agreement) [BOFA DEBT TO BE ADDED WHEN AMORTIZATION SCHEDULE FINALIZED]	\$ 3,159,826
Coverage (115% Requirement)	_205%

Calculation for Paragraph (7)

	Fiscal Year 2022
Water, Sewer and Wastewater System Revenues, excluding connection fees and connection charges	\$26,632,101
Water, Sewer and Wastewater System Operation and Maintenance Expense	<u>\$14,656,981</u>
Water, Sewer and Wastewater System Net Revenues	\$11,975,120
Maximum Annual Water, Sewer and Wastewater System Debt Service (Including Debt Service for BofA Agreement) [BOFA DEBT TO BE ADDED WHEN AMORTIZATION SCHEDULE FINALIZED]	\$ 3,159,826
Coverage (125% Requirement)	380%

Calculation for Paragraph (10)

	Fiscal Year 2023
Water Revenues	\$15,292,070
Water System Operation and Maintenance Costs	<u>\$13,388,303</u>
Net Water Revenues	\$ 1,903,767
Maximum Annual Water System Debt Service (Including Debt Service for BofA Agreement) [BOFA DEBT TO BE ADDED WHEN AMORTIZATION SCHEDULE FINALIZED]	\$ 1,110,652
Coverage (120% Requirement)	171%

APPENDIX B

\$17,852,057
MISSION SPRINGS WATER DISTRICT
INSTALLMENT SALE AGREEMENT DATED OCTOBER 13, 2023
WITH BANC OF AMERICA PUBLIC CAPITAL CORP

CERTIFICATE OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT
REGARDING PARITY DEBT

The undersigned is a duly authorized representative of Rogers, Anderson, Malody & Scott, LLP. We are an Independent Certified Public Accountant within the meaning of the 2023 Agreement (as such term is defined below) to the Mission Springs Water District (the “**District**”).

This Certificate is delivered pursuant to the requirements of:

- (i) Section 5.4(b) of the Installment Purchase Agreement, dated as of January 1, 2023 (the “**2023 Agreement**”), by and between the District and Wells Fargo Municipal Capital Strategies, LLC;
- (ii) Section 4.7(b) of Loan Agreement #17-017, dated December 22, 2017 (the “**2017 Agreement**”), by and between the District and Municipal Finance Corporation;
- (iii) Section 6.2(b) of the Installment Purchase Agreement, dated as of June 1, 2013 (the “**June 2013 Agreement**”), by and between the District and Holman Capital Finance Corporation; and
- (iv) Section 4.10 of the Installment Sale Agreement, dated as of February 1, 2001 (the “**2001 Agreement**” and, together with the 2023 Agreement, the 2017 Agreement and the June 2013 Agreement, the “**Parity Agreements**”), by and between the District and Mission Springs Water District Improvement Corporation in connection with the execution of the above-captioned obligation (the “**BofA Agreement**”).

The BofA Agreement constitutes a Contract under the 2023 Agreement and Parity Debt under the 2017 Agreement, the June 2013 Agreement and the 2001 Agreement. We have reviewed the terms of the Parity Agreements as they relates to our delivery of this Certificate, the scheduled payments of principal of and interest on the BofA Agreement and other calculations prepared by the District and such other materials and data as we deemed necessary under the circumstances.

Capitalized terms that are used herein and not otherwise defined have the meanings that are set forth in the Parity Agreements, as applicable.

This Certificate constitutes: (a) the certificate of an Independent Certified Public Accountant that is referenced in Section 5.4(b) of the 2023 Agreement; (b) the certificate of an independent certified public accountant that is referenced in Section 4.7(b) of the 2017 Agreement; (c) the Accountant’s Report that is referenced in Section 6.2(b)(2) of the June 2013 Agreement; and (d) the written opinion of an Independent Financial Consultant that is referenced in Section 4.10(a) of the 2001 Agreement. We hereby certify as follows:

(1) The Net Revenues of the Sewer System (as such terms are defined in the 2023 Agreement), as shown by the books of the District, for the period from July 1, 2022 through June 30, 2023 (“Fiscal Year 2023”), being a 12 consecutive calendar month period during the 18 calendar month period ending prior to the incurring of the BofA Agreement, amount to at least 125% of the Debt Service for all Bonds or Contracts (as such terms are defined in the 2023 Agreement) to be outstanding immediately after incurring the BofA Agreement, including Debt Service which would have been payable had the BofA Agreement been incurred at the beginning of such 12 month period.

(2) The Net Revenues (as such term is defined in the 2017 Agreement) of the District’s water, sewer and wastewater Enterprise (as such term is defined in the 2017 Agreement), excluding connection charges, calculated in accordance with sound accounting principles, as shown by the books for the District for Fiscal Year 2023, being the latest complete Fiscal Year (as such term is defined in the 2017 Agreement) of the District, at least equal 115% of Maximum Annual Debt Service (as such term is defined in the 2017 Agreement).

(3) The Net Water Revenues (as such term is defined in the June 2013 Agreement) for Fiscal Year 2023, being the latest Fiscal Year, amount to at least 1.20 times the sum of: (A) the maximum annual debt service amount for the 2013 Installment Payments (as such term is defined in the June 2013 Agreement) becoming due and payable in the current and future Fiscal Years (as such term is defined in the June 2013 Agreement); (B) the maximum annual debt service on all currently outstanding Parity Debt becoming due and payable in the current and future Fiscal Years; and (C) the maximum annual debt service on the BofA Agreement becoming due and payable in the current and future Fiscal Years, including all fees and costs incurred in the issuance of the BofA Agreement.

(4) Net Water Revenues (as such term is defined in the 2001 Agreement) for Fiscal Year 2023, being a twelve calendar month period in the eighteen months immediately preceding the execution of the BofA Agreement, without adjustments, equal at least 120% of the maximum annual amount of debt service with respect to the BofA Agreement.

(5) Net Water Revenues (as such term is defined in the 2001 Agreement) in each of Fiscal Years (as such term is defined in the 2001 Agreement) 2025, 2026 and 2027, without adjustments, will equal at least 120% of the maximum annual amount of debt service with respect to the BofA Agreement.

Dated: October 5, 2023

ROGERS, ANDERSON, MALODY & SCOTT, LLP

By: _____
Its: _____

SCHEDULE A

Calculation for Paragraph (1)

	Fiscal Year 2023
Sewer System Revenues	\$8,525,107
Sewer System Operation and Maintenance Costs	<u>\$7,435,386</u>
Sewer System Net Revenues	\$1,089,721
Sewer System Debt Service	\$ 688,227
Coverage (125% Requirement)	_158%

Calculation for Paragraph (2)

	Fiscal Year 2023
Water, Sewer and Wastewater Enterprise Gross Revenues, Excluding Connection Charges	\$23,071,273
Water, Sewer and Wastewater Enterprise Maintenance and Operation Costs	<u>\$16,607,672</u>
Water, Sewer and Wastewater Enterprise Net Revenues	\$ 6,463,601
Maximum Annual Water, Sewer and Wastewater Enterprise Debt Service (Including Debt Service for BofA Agreement) [BOFA DEBT TO BE ADDED WHEN AMORTIZATION SCHEDULE FINALIZED]	\$ 3,159,826
Coverage (115% Requirement)	205%

Calculation for Paragraphs (3) and (4)

	Fiscal Year 2023
Water Revenues	\$15,292,070
Water System Operation and Maintenance Costs	<u>\$13,388,303</u>
Net Water Revenues	\$ 1,903,767
Maximum Annual Water System Debt Service (Including Debt Service for BofA Agreement) [BOFA DEBT TO BE ADDED WHEN AMORTIZATION SCHEDULE FINALIZED]	\$ 1,110,652
Coverage (120% Requirement)	171%

APPENDIX C

Disadvantaged Community Documentation

Mission Springs Water District Renewable Energy Project										
Tax Exempt Lease Purchase - Option 1										
Cash Flow Analysis										
(Proposer's Name)										
ENGIE Services U.S. Program Fee										\$17,817,057
Client Cash Buydown										\$0
Financing Fees										\$35,000
Customer allocated Cost to Cover Permits										\$0
Amount to be Financed										\$17,852,057
Finance Term										19
Annual Interest Rate										4.25%
Capitalize Interest Period (mos)										18
Annual Escalation of Electricity Cost										6.00%
Annual Escalation of O&M Cost										3.00%
Year	Program Savings & Benefits					Program Costs			Lease Payment (*Proposer to input)	Project Net Benefit & Cashflow
	Electricity Savings - NEM	Electricity Savings - RES- BCT	O&M Projected Savings	Incentives (IRA benefits)	Total Program Savings	Solar O&M Cost	Total Program Costs	Net Program Benefit		
1	\$497,884	\$300,783	\$0	\$6,057,799	\$6,856,467	\$58,117	\$58,117	\$6,798,350	\$1,798,350	\$5,000,000
2	\$525,119	\$317,236	\$0	\$0	\$842,354	\$59,861	\$59,861	\$782,494	\$782,494	\$0
3	\$553,843	\$526,217	\$0	\$0	\$1,080,059	\$61,656	\$61,656	\$1,018,403	\$1,018,403	\$0
4	\$584,138	\$555,001	\$0	\$0	\$1,139,138	\$63,506	\$63,506	\$1,075,632	\$1,075,632	\$0
5	\$616,090	\$585,359	\$0	\$0	\$1,201,449	\$65,411	\$65,411	\$1,136,038	\$1,136,038	\$0
6	\$649,790	\$617,378	\$0	\$0	\$1,267,168	\$67,374	\$67,374	\$1,199,795	\$1,199,795	\$0
7	\$685,334	\$651,149	\$0	\$0	\$1,336,483	\$69,395	\$69,395	\$1,267,088	\$1,217,088	\$50,000
8	\$722,821	\$686,767	\$0	\$0	\$1,409,588	\$71,477	\$71,477	\$1,338,112	\$1,288,112	\$50,000
9	\$762,360	\$724,333	\$0	\$0	\$1,486,693	\$73,621	\$73,621	\$1,413,072	\$1,363,072	\$50,000
10	\$804,061	\$763,954	\$0	\$0	\$1,568,015	\$75,830	\$75,830	\$1,492,185	\$1,442,185	\$50,000
11	\$848,043	\$805,742	\$0	\$0	\$1,653,785	\$78,104	\$78,104	\$1,575,681	\$1,330,681	\$245,000
12	\$894,431	\$849,816	\$0	\$0	\$1,744,247	\$80,448	\$80,448	\$1,663,800	\$1,418,800	\$245,000
13	\$943,356	\$896,301	\$0	\$0	\$1,839,657	\$82,861	\$82,861	\$1,756,797	\$1,511,797	\$245,000
14	\$994,958	\$945,329	\$0	\$0	\$1,940,287	\$85,347	\$85,347	\$1,854,940	\$1,609,940	\$245,000
15	\$1,049,382	\$997,038	\$0	\$0	\$2,046,420	\$87,907	\$87,907	\$1,958,513	\$1,553,513	\$405,000
16	\$1,106,783	\$1,051,576	\$0	\$0	\$2,158,360	\$90,544	\$90,544	\$2,067,815	\$1,662,815	\$405,000
17	\$1,167,324	\$1,109,097	\$0	\$0	\$2,276,422	\$93,261	\$93,261	\$2,183,161	\$1,778,161	\$405,000
18	\$1,231,177	\$1,169,765	\$0	\$0	\$2,400,942	\$96,059	\$96,059	\$2,304,884	\$1,899,884	\$405,000
19	\$1,298,522	\$1,233,751	\$0	\$0	\$2,532,274	\$98,940	\$98,940	\$2,433,333	\$1,889,665	\$543,669
20	\$1,369,552	\$1,301,237	\$0	\$0	\$2,670,789	\$101,909	\$101,909	\$2,568,881	\$0	\$2,568,881
21	\$1,083,350	\$1,372,415	\$0	\$0	\$2,455,765	\$104,966	\$104,966	\$2,350,799	\$0	\$2,350,799
22	\$1,142,609	\$1,447,486	\$0	\$0	\$2,590,095	\$108,115	\$108,115	\$2,481,980	\$0	\$2,481,980
23	\$1,205,110	\$1,526,664	\$0	\$0	\$2,731,773	\$111,358	\$111,358	\$2,620,415	\$0	\$2,620,415
24	\$1,271,029	\$1,610,172	\$0	\$0	\$2,881,201	\$114,699	\$114,699	\$2,766,502	\$0	\$2,766,502
25	\$1,340,554	\$1,698,249	\$0	\$0	\$3,038,803	\$118,140	\$118,140	\$2,920,663	\$0	\$2,920,663
26										
27										
28										
29										
30										
Totals	\$23,347,620	\$23,742,815	\$0	\$6,057,799	\$53,148,235	\$2,118,903	\$2,118,903	\$51,029,332	\$26,976,423	\$24,052,909

AGENDA STAFF REPORT

Item 9.



MEETING NAME: REGULAR BOARD MEETING(S)

MEETING DATE(S): OCTOBER 12 & OCTOBER 16, 2023

FROM: BRIAN MACY, INTERIM GENERAL MANAGER

FOR: ACTION X DIRECTION _____ INFORMATION _____

AWARD OF WELL 34 REHABILITATION PROJECT TO LEGEND PUMP AND WELL SERVICE, INC., AND CONTRACT AMENDMENT FOR KYLE GROUNDWATER

STAFF RECOMMENDATION

Authorize the Interim General Manager to take all necessary actions to award the Well 34 Rehabilitation Project to Legend Pump and Well Services, Inc. in the amount of \$565,662, plus a 10% contingency for a total of \$622,228.20, and augment the project budget an additional \$219,000 for the cost of construction, inspection, and labor compliance oversight and do all things necessary to complete the project, and amend and increase the existing contract with Kyle Groundwater, Inc. in the amount of \$45,950, for a total of \$110,751.00 to provide hydrogeological services for the Well 34 Rehabilitation Project.

SUMMARY

On September 12, 2023 one bid was received from Legend Pump and Well Services, Inc., (Legend) in the amount of \$565,662.00 to perform well rehabilitation on Well 34. Work includes performing casing integrity surveys, chemical treatment, well redevelopment and well disinfection.

From when Well 34 was originally constructed, it has not been able to produce the production rates desired. MSWD solicited bids for the Well 34 Rehabilitation project and received one bid from Legend.

Staff also solicited a quote from Kyle Groundwater to perform hydrogeologic oversight as they are already performing hydrogeologic services for Well 35, which will ultimately be interconnected to Well 34 when both wells are rehabilitated. Both Well 34 and Well 35 are part of the Skyborne Development.

The Analysis portion of this Board Report can be found in Attachment 'A'.

FISCAL IMPACT AND STRATEGIC PLAN IMPLEMENTATION

This project is in the FY 23-24 budget, and per Amendment #3 of the Agreement between MSWD and Skyborne Ventures, staff will execute a Supplemental Deposit Request from the Developer to augment the project budget. Per Amendment #3 of the Agreement the Developer will supplement the budget adjustment of \$219,000. Project costs to MSWD are reimbursable through the Development Agreement.

ATTACHMENTS

- Attachment 'A' - Analysis
- Location Map
- Bid Summary - Legend
- Bid Analysis
- Original Development Agreement and Amendment #3 to the Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement

FINANCIAL DATA		
Cost Associated with this action:	\$680,000	
Current FY cost:	\$680,000	
Future FY cost:	-0-	
Is it covered in current year budget:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Budget adjustment needed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If yes, year needed:	FY 23-24	
All previous contracts including dates, amounts and board approvals are attached or have been made available.		
FUNDING SOURCES		
Source of funds:	Development Deposit	
BID/Job#	#11742	
Current BID/Job balance	\$461,000	
Balance remaining if approved:	\$0 ¹	

ANALYSIS

Originally, the Skyborne Development was conditioned to construct Well 34 with a minimum production capacity of 1,000 gallons per minute, but the well was not able to achieve that production rate, per the original Mission Springs Water District Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement (Agreement), dated August 30, 2006.

Subsequently, per Amendment #3 (dated November 15, 2021) to the Agreement, the Developer deposited a total of \$4,275,000 to include the Well 34 rehabilitation, Well 35 rehabilitation and 18" intertie between Well 34 and Well 35. Of this amount, \$475,000 is set aside for MSWD to rehabilitate Well 34 in the hopes to achieve the desired 1,000 gpm production level.

Secondly, at the May 15, 2023 Board meeting, a professional hydrogeologic services contract was approved for \$64,801 to Kyle Groundwater, Inc. to perform a preliminary well assessment, diagnostics, well testing and rehabilitation of Well 35 (also associated with the Skyborne Development), which will ultimately be interconnected with Well 34.


On September 24, 2023, Kyle Groundwater provided a quote to perform hydrogeologic and construction management oversight of Well 34 as it is being rehabilitated. Kyle Groundwater provided a quote in the amount of \$45,950, and staff recommends amending the original contract amount of \$64,801 (for hydrogeologic services at Well 35) by \$45,950 to include hydrogeological services, construction management and field observations during well rehabilitation, redevelopment and testing of Well 34. The amended contract amount will be \$110,751.

¹ Amendment #3 to the original Development Agreement, directs MSWD staff to prepare a 'Revised Well Work Estimate' and an additional deposit request to the developer to account for the increased costs of Well 34. These increased costs amount to \$219,000. Staff are presently coordinating this additional deposit request with the Developer and there will be no cost to MSWD.

LOCATION MAP

Item 9.



1" = 982 ft	WELL 34 REHABILITATION	09/26/2023	
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This map may represent a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

Mission Springs Water District

Bid Results for Project Construction of the Well 34 Rehabilitation Project (23-002-W TM)

Issued on 08/09/2023

Bid Due on September 12, 2023 2:00 PM (PDT)

Exported on 09/12/2023

Line Totals (Unit Price * Quantity)

Item Num	Item Code	Description	Unit of Measure
1	101	Mobilization/Demobilization	LS
2	102	Traffic Control and Safety	LS
3	103	SWPPP, Best Management Practice and NPDES Requirements	LS
4	104	Removal of Sediment and Debris from Bottom of Well	LS
5	105	Electro-Magnetic Defecto-Scope Survey	EA
6	106	Mechanical Cleaning (10 Minutes per 5' of Screen)	HR
7	107	Phase I Chemical Treatment of Well	LS
8	108	Phase II Chemical Treatment of Well	LS
9	109	Initial Redevelopment by Focused Intake Pumping (15 Minutes per 10' of Screen)	HR
10	110	Furnish, Install and Remove Test Pump including Set up, Testing and Reporting	LS
11	111	Development Test Pumping	HR
12	112	Step-Drawdown Testing	HR
13	113	Constant Rate Testing	HR
14	114	Recovery Testing	HR
15	115	Video Log Post-Rehabilitation Downhole Video Survey	EA
16	116	Pickup, Inspection, Reporting and Disposal (As Required) of Well Pumping Equipment	LS
17	117	Pumping Unit Bowl Assembly for Enclosed Line Shaft	EA
18	118	Motor Repairs	LS

19	119	Refurbish Discharge Head and Packing Box with Provisions for Water Flush Lubrication	LS
20	120	Head Nipple, Head Shaft (Type 416 Stainless Steel), and Head Parts	LS
21	121	10" by 20' Column Pipe (Epoxy Lined and Coated Steel) and Centering Spiders (Rubber)	EA
22	122	10" by 5' Column Pipe (Epoxy Lined and Coated Steel) and Centering Spiders (Rubber)	EA
23	123	1-11/16" by 20' Line Shaft (Type 416 Stainless Steel), 3" Enclosing Tube (Sch. 80 Extra Heavy Steel) and	EA
24	124	1-11/16" by 5' Line Shaft (Type 416 Stainless Steel), 3" Enclosing Tube (Sch. 80 Extra Heavy Steel) and	EA
25	125	Install water flush lubrication system including supply piping, drain piping, appurtenances, connection to	LS
26	126	8" by 10' Suction Pipe	EA
27	127	8" Strainer (Type 316 Stainless Steel)	EA
28	128	1/4" Air-Line (Stainless Steel) and Gauge Assembly	LS
29	129	1-1/4" by 10' PVC Sounding Tube (Schedule 40)	EA
30	130	Install all Well Pumping Equipment and Appurtenances	LS
31	131	Well Disinfection, Start Up, Performance Testing, and Commissioning	LS
32	132	Site Cleanup	LS

Line Totals (Line Price * Quantity)

Item Num	Item Code	Description	Unit of Measure
1	101	Mobilization/Demobilization	LS
2	102	Traffic Control and Safety	LS
3	103	SWPPP, Best Management Practice and NPDES Requirements	LS
4	104	Removal of Sediment and Debris from Bottom of Well	LS
5	105	Electro-Magnetic Defecto-Scope Survey	EA
6	106	Mechanical Cleaning (10 Minutes per 5' of Screen)	HR

7	107	Phase I Chemical Treatment of Well	LS
8	108	Phase II Chemical Treatment of Well	LS
9	109	Initial Redevelopment by Focused Intake Pumping (15 Minutes per 10' of Screen)	HR
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19	119	Refurbish Discharge Head and Packing Box with Provisions for Water Flush Lubrication	LS
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21	121	10" by 20' Column Pipe (Epoxy Lined and Coated Steel) and Centering Spiders (Rubber)	EA
22	122	10" by 5' Column Pipe (Epoxy Lined and Coated Steel) and Centering Spiders (Rubber)	EA
23	123	1-11/16" by 20' Line Shaft (Type 416 Stainless Steel), 3" Enclosing Tube (Sch. 80 Extra Heavy Steel) and	EA
24	124	1-11/16" by 5' Line Shaft (Type 416 Stainless Steel), 3" Enclosing Tube (Sch. 80 Extra Heavy Steel) and	EA
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26	126	8" by 10' Suction Pipe	EA
27	127	8" Strainer (Type 316 Stainless Steel)	EA
28	128	1/4" Air-Line (Stainless Steel) and Gauge Assembly	LS
29	129	1-1/4" by 10' PVC Sounding Tube (Schedule 40)	EA

30	130	Install all Well Pumping Equipment and Appurtenances	LS
31	131	Well Disinfection, Start Up, Performance Testing, and Commissioning	LS
32	132	Site Cleanup	LS

Quantity	Legend Pump and Well Service Inc.
1	\$45,500.00
1	\$2,200.00
1	\$3,500.00
1	\$22,100.00
1	\$8,190.00
16	\$447.00
1	\$52,250.00
1	\$60,300.00
22	\$1,195.00
1	\$26,000.00
30	\$350.00
8	\$350.00
24	\$525.00
4	\$350.00
1	\$1,300.00
1	\$1,500.00
1	\$23,610.00
1	\$10,752.00

1	\$1,100.00
1	\$2,210.00
40	\$3,465.00
2	\$1,504.00
40	\$1,345.00
2	\$675.00
1	\$3,000.00
1	\$650.00
1	\$750.00
1	\$4,166.00
81	\$64.00
1	\$14,200.00
1	\$15,200.00
1	\$4,500.00
Subtotal	\$565,662.00
Total	\$565,662.00

Quantity	Legend Pump and Well Service Inc.
1	\$45,500.00
1	\$2,200.00
1	\$3,500.00
1	\$22,100.00
1	\$8,190.00
16	\$7,152.00

1	\$52,250.00
1	\$60,300.00
22	\$26,290.00
1	\$26,000.00
30	\$10,500.00
8	\$2,800.00
24	\$12,600.00
4	\$1,400.00
1	\$1,300.00
1	\$1,500.00
1	\$23,610.00
1	\$10,752.00
1	\$1,100.00
1	\$2,210.00
40	\$138,600.00
2	\$3,008.00
40	\$53,800.00
2	\$1,350.00
1	\$3,000.00
1	\$650.00
1	\$750.00
1	\$4,166.00
81	\$5,184.00

1	\$14,200.00
1	\$15,200.00
1	\$4,500.00
Subtotal	\$565,662.00
Total	\$565,662.00



MEMORANDUM

Date: September 21, 2023 Job# E110-02

To: Eric Weck, P.E.
Engineering Manager
Mission Springs Water District

From: Steven Ledbetter, P.E.
TKE Engineering, Inc.

Subject: Well 34 Rehabilitation Project Bid Review Summary
(23-002-W TM)

TKE has completed its review of the one bid proposal submitted for the construction of the Well 34 Rehabilitation Project (Well 34 Rehab), MSWD Project No. 23-002-W TM. Below is a summary of sole bid submittal and our findings related to responsiveness and a comparison of the engineer's estimate and low bid amount.

Legend Pump and Well Service Inc. (Legend):

The bidder submitted all required bid documentation, including the Acknowledgement of Addenda form. Legend has over 12 years' experience and provided references for five similar well projects, including one with the District. In addition, the list of manufacturers provided includes Goulds, Custom Pipe, and HTC. Legend will self-perform all the work and will not be using any subcontractors. Legend holds the following contractor licenses: "C57" Well Drilling and "C-61/D-21" Machinery and Pumps. Legend, by default, submitted the lowest bid at \$565,622.00.

Based on the above, TKE finds that Legend has met the bid requirements and is deemed the lowest responsive and responsible bidder. Therefore, we recommend MSWD award the Well 34 Rehab Project to Legend.

Pre-Bid Job Walk Attendance:

The non-mandatory pre-bid job walk was hosted by the District at the Well 34 site on August 23, 2023. There was a total of five reputable well contractors in attendance at the non-mandatory meeting. As such, we were anticipating receiving more than one bid for the project. In discussion with a couple of the contractors that did not elect to submit a bid, their reason was generally related to schedule conflicts and overall workload.

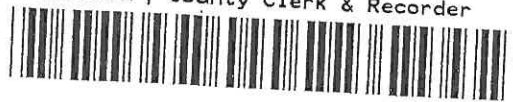
Engineer's Estimate vs. Bid Amounts:

The lowest responsive and responsible bid by Legend of \$565,662.00, is approximately 5% lower than the engineers' estimate of \$594,900.00. Overall, Legend's unit pricing for various bid items was consistent with recent public works bids and quotes the District has previously received for similar work. While a minimum of three bids is preferred to ensure competitive bidding, the total project cost is in line with both the District's and TKE's experience.

Item 9.

RECORDED AT REQUEST OF AND
WHEN RECORDED RETURN TO:

Arden Wallum, General Manager
MISSION SPRINGS WATER DISTRICT
66575 Second Street
Desert Hot Springs, CA 92240



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EXEMPT FROM FEES (GC 6103)

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MISSION SPRINGS WATER DISTRICT
PUBLIC WATER SYSTEM IMPROVEMENT AND WATER
SERVICE CONNECTION FEE CREDIT/REIMBURSEMENT AGREEMENT

THIS PUBLIC WATER SYSTEM IMPROVEMENT AND WATER SERVICE CONNECTION FEE CREDIT/REIMBURSEMENT AGREEMENT (this "Agreement") is made and entered into on the 30th day of AUGUST, 2006, by and between the MISSION SPRINGS WATER DISTRICT, a county water district and public agency of the State of California, hereinafter referred to as DISTRICT, and WESTERN PACIFIC HOUSING, INC., a Delaware corporation, hereinafter referred to as DEVELOPER. DISTRICT and DEVELOPER are hereinafter sometimes referred to individually as "Party" and collectively as the "Parties."

RECITALS

A. DEVELOPER is the owner of certain property, consisting of approximately 604 acres of undeveloped land in the City of Desert Hot Springs, Riverside County, California, as more particularly described in Exhibit "A" hereto and incorporated herein (the "Property"); and

B. DEVELOPER has presented to DISTRICT a final subdivision map for the Property, approved by the City of Desert Hot Springs (the "City") pursuant to provisions of the Subdivision Map Act of the State of California (the "Subdivision Laws"), commonly known as "Skyborne," and Tract Map No. 32030, consisting of approximately 2,041 residential units, with a density of 3.5 dwelling units per acre, together with related amenities including neighborhood parks, a public park, a school site and recreational facilities (the "Project"); and

C. Pursuant to the City approval of the Project, the DEVELOPER has obtained certain entitlements to develop the Property and the Project in the order and manner set forth therein, subject to certain conditions and environmental mitigation measures, which include DEVELOPER's obligation to ensure timely extension of public water service to the Project, including, but not limited to the construction of off-site water transmission lines, wells and reservoirs to meet the daily water service demand for the Project; and

COPY

D. The DISTRICT is a responsible agency pursuant to the California Environmental Quality Act ("CEQA") (Public Resources Code Sections 21000 et seq.) with respect to the environmental impact report certified by the City on or about November 2004 (SCH 2004051026) (the "EIR"), which analyzed various environmental issues specific to the Project. In approving this Agreement, the DISTRICT has (a) reviewed the land use entitlements approved by the City and the EIR, and (b) considered the information contained therein; and

E. The Subdivision Laws establish as a condition precedent to the approval of a final map that DEVELOPER must have either (a) completed, in compliance with City and local public agency standards, all the improvements and land development work required by the Subdivision Laws and the conditions of Project approval or, (b) have entered into a secured Improvement Agreement with City or other local agency to complete the improvements necessary for the Project within a period of time specified by the City or other local agency; and

F. DEVELOPER desires to design, install and complete the construction of the Improvements (the "Work," defined in Paragraph 2 below) in order to facilitate the timely development of the Project, and to ensure that adequate public water service is available to the Project when needed; and

G. DEVELOPER desires to enter into this Agreement, whereby DEVELOPER promises to design, install and complete, at DEVELOPER's own expense, certain off-site public water facilities (the "Improvements") required by the DISTRICT in connection with the Project, which are more fully described on Exhibit "B" hereto and incorporated herein. DEVELOPER further agrees to secure this Agreement by improvement security required by the Subdivision Laws and DISTRICT Rules and Regulations, and approved by the DISTRICT. In consideration of DEVELOPER's performance hereunder, DEVELOPER desires to receive credit for certain costs incurred in connection with the Work, in the form of a credit against the DISTRICT's water service connection fees ("Connection Fee Credit") or reimbursement; and

H. DISTRICT desires to be reimbursed for any costs and expenses incurred by DISTRICT for design, plan check, inspection and construction of the Improvements required to provide public water service to the Project; and

I. The Improvements include public water service facilities which have been master planned by the DISTRICT, and which are financed in whole or in part through the collection by the DISTRICT of Connection Fees; and

J. DEVELOPER and the DISTRICT wish to enter into this Agreement, pursuant to which DEVELOPER will prepare engineering plans for the construction of the Improvements (the "Improvement Plans," further defined in Paragraph 2 below) in conformance with DISTRICT standards, and obtain approval of the DISTRICT of the Improvement Plans prior to commencement of construction; and

K. DEVELOPER will prepare engineering plans for construction, and then construct, install and complete the Improvements at DEVELOPER's full cost and expense, in accordance with the Improvement Plans approved by the DISTRICT, subject to inspection, approval and acceptance by the DISTRICT.

L. DISTRICT has adopted a Connection Fee Study (the "Fee Study", as defined in Paragraph 2 below), which provides for the construction and financing of certain water service facilities ("Covered Improvements") necessitated by new development within the District, through the collection of Water Service Connection Fees ("Connection Fees"). The cost estimates set forth in the Fee Study will form the basis for the preliminary estimate of Connection Fee Credits or reimbursement to be provided DEVELOPER for construction of Covered Improvements pursuant to this Agreement; and

M. DEVELOPER recognizes that DISTRICT has relied on DEVELOPER's representations that it is ready, willing and able to commence and complete the construction of the Improvements in a timely and professional manner, and that DISTRICT will be damaged to the extent of the cost of installation of the Improvements by DEVELOPER's failure to perform its obligations under this Agreement, including, but not limited to, DEVELOPER's obligation to complete construction of the Improvements by the time established in this Agreement, such that DISTRICT shall be entitled to all remedies available to it pursuant to this Agreement in the event of a default by DEVELOPER; and

N. The purpose of this Agreement is to set forth the obligations of the Parties with respect to the financing and timing of design and construction of the Improvements necessary to provide public water service to the Project, and to provide a mechanism by which certain of DEVELOPER's construction costs may be credited against Connection Fees or reimbursed.

NOW, THEREFORE, in consideration of the approval of this Agreement, DEVELOPER and DISTRICT agree as follows:

1. Incorporation of Recitals. Each of the above Recitals is incorporated herein and agreed upon by the Parties.

2. Definitions. In addition to the capitalized terms defined in the Recitals, the following terms shall have the following meanings:

"Actual Cost" means the substantiated actual costs of installation and construction of the Covered Improvements, which costs shall include, and be limited to those costs actually incurred by DEVELOPER and contemplated by the Fee Study, and to the amounts set forth in the Fee Study for the Work completed by DEVELOPER pursuant to this Agreement ("Eligible Costs"), set forth in Exhibit "B" hereto. Actual Cost shall not include those costs incurred by Developer for design, plan check, inspection or construction performed by the District pursuant to this Agreement, or any additional costs incurred as a result of special arrangements or phasing of construction, including, but not limited to, mobilization, storage of materials, and the like.

"Connection Fee" means the water service connection fee established by the DISTRICT and charged to each dwelling unit or other applicable unit of development, and in effect at the time each water service connection is made to the DISTRICT's water system, in accordance with the DISTRICT's adopted rules and regulations.

"Covered Improvements" means and shall be limited to those water service (production, storage and transmission) improvements and projects described in the DISTRICT's 2005/09 5-year Capital Improvement Program Water Projects list set forth in the Appendix to the

Fee Study, which will provide Expansion Related water service to the Project, and for which Connection Fees are collected by the DISTRICT. The Covered Improvements are listed in Exhibit "B" hereto.

"Days" means calendar days, unless otherwise specified herein.

"Deposit" means a cash deposit posted by the DEVELOPER and received by the DISTRICT as a condition of this Agreement, in an amount estimated to cover the DISTRICT's costs of administering this Agreement, including, but not limited to, costs of engineering review, construction inspection, legal fees and other costs related to DISTRICT's acquisition of public right of way necessary for construction of the Improvements, and DISTRICT administration of this Agreement.

"Dispute" means a claim, dispute or controversy, of whatever nature, arising out of, in connection with, or in relation to the interpretation, performance or breach of this Agreement.

"District Engineer" means the designated District Engineer of the DISTRICT, or his or her authorized representative, as designated by the District Engineer.

"Fee Study" means the Water and Sewer Rate and Connection Fee Study prepared by R.W. Beck, dated April 2004, and Water Connection Fee update, dated July 18, 2006, and adopted by the Board of Directors of the District on August __, 2006.

"Improvement" means any one particular work of improvement included within the Improvements set forth in Exhibit "B," including Covered Improvements, and other improvements which are required for the Project but not covered under the Fee Credit and reimbursement provisions of this Agreement.

"Improvements" are defined in Recital "G" above.

"Improvement Plans" means the final versions, as approved by the DISTRICT, of each plan, legal description, plat, specification and cost estimate prepared as part of the Improvements which are the subject of this Agreement.

"MSWD" means the Mission Springs Water District, the DISTRICT herein.

"Security" means performance, labor and materials and maintenance (warranty) bonds or other security posted prior to commencement of construction and guaranteeing completion of the Improvements and warranting the Improvements in accordance with the DISTRICT's rules and regulations.

"Work" means construction of the Improvements as defined in Recital G hereinabove.

3. Description of the Improvements. The Parties agree that the description of the "Improvements" as set forth in Exhibit "B" to this Agreement is based upon preliminary engineering plans and studies. This description is intended to roughly outline the scope of the

works and improvements to be installed and constructed in connection with this Agreement. The exact works and improvements comprising the Improvements shall be generally consistent with the District's adopted Capital Improvement Program, but may change as a result of site requirements, changes in construction standards, geologic conditions, engineering constraints, amendments to the Capital Improvement Program or DISTRICT Master Plan, or other factors. The District Engineer, in his or her reasonable discretion, may approve substitute Improvement(s) to replace some or all of the Improvement(s) set forth in Exhibit "B" to this Agreement, if such substitute Improvement(s) would provide the Project services of a similar nature to those provided by the Improvement(s) set forth in Exhibit "B" to this Agreement. The Improvement Plans, as approved by the District Engineer and DEVELOPER, shall govern the composition of the off-site Improvements to the extent they conflict with the descriptions set forth in Exhibit "B" to this Agreement.

4. Schedule of Performance. Each Party shall perform and facilitate performance of the Work in accordance with the schedule of performance attached as Exhibit "C" hereto and incorporated herein ("Schedule of Performance"). The District Engineer, in his or her sole discretion, may authorize acceptance of individual Improvements to accommodate phasing of Project development; provided, however, that production, storage and transmission needs must be complete and adequate for each phase of Project development before they are considered for acceptance. In no instance will water service be provided by the DISTRICT to the Project, or any part or phase thereof, without corresponding sewer service; nor will sewer service be provided by the DISTRICT to the Project, or any part or phase thereof, prior to the completion and acceptance of the Improvements. In no instance will completion of the 1530 transmission line be segregated from completion of any part or portion of the Project construction. The DISTRICT will not approve or accept any on-site water improvements until all related Improvements have been completed and accepted by the DISTRICT.

5. DEVELOPER's Obligations. DEVELOPER shall:

a. Upon execution of this Agreement, post with the DISTRICT the Deposit in the initial amount of Twenty Five Thousand Dollars (\$25,000.00), plus one hundred percent (100%) of the contract obligation of the DISTRICT for construction management and inspection services for the work. DEVELOPER shall post additional Deposit funds as requested by the DISTRICT from time to time, to cover additional DISTRICT expenses incurred or anticipated by the DISTRICT to be incurred to administer this Agreement. DEVELOPER shall post additional Deposit funds with the DISTRICT within ten (10) days following DEVELOPER's receipt of such request.

b. Complete and submit to the DISTRICT for review, by the time established in the Schedule of Performance, the Improvement Plans in accordance with the DISTRICT's standards and requirements, and a registered engineer's updated estimate of cost for constructing the Improvements ("Updated Cost Estimate"). The Improvement Plans and Updated Cost Estimate shall be subject to approval by the DISTRICT, which approval shall not be unreasonably withheld or delayed. DEVELOPER shall submit adequate plans for the Improvements, and make appropriate corrections as indicated by the District Engineer, subject to DISTRICT review and approval. If the DISTRICT disapproves the Improvement Plans, or any part thereof, the DEVELOPER shall re-submit the corrected plans with all required

modifications, prior to approval. The Improvement Plans and Updated Cost Estimate must be approved by the DISTRICT, all required certificates of insurance and insurance endorsements, Security, permits and environmental clearances must be on file with the DISTRICT, and the Deposit required hereinabove must be posted by Developer prior to commencement of any construction by the DEVELOPER, in order to qualify those costs for Connection Fee Credits or reimbursement as set forth in Paragraph 28 of this Agreement.

c. For any work not initiated as of the date of this Agreement, DEVELOPER shall prepare bid and contract documents and submit these documents to the DISTRICT for approval prior to bid or award of any construction contract for the Improvements. ~~DEVELOPER shall competitively bid the construction contracts and award the contract(s) for construction of~~ the Improvements to the lowest responsible bidder in accordance with Public Contract Code requirements. DEVELOPER shall submit all supporting contractor invoices and payment requests to the DISTRICT for review, prior to making any payments to contractors. DEVELOPER or its contractor will be required to certify, under penalty of perjury that the bid, contract award and wage requirements of this Agreement have been strictly met, and to certify the Actual Costs, as a condition of receiving Connection Fee Credit pursuant to this Agreement.

d. To the extent required by Labor Code Section 1720, DEVELOPER and its contractors shall pay prevailing wages for all work performed in connection with the Work, including for the construction, alteration, demolition, installation, or repair for construction of the Improvements required by this Agreement. In accordance with the provisions of Section 1773 of the Labor Code of the State of California, the DISTRICT has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to perform the work required by this Agreement from the Director of the Department of Industrial Relations. These rates are on file with the District Engineer and copies may be obtained at cost at the DISTRICT's Offices. DEVELOPER shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rate as a minimum. DEVELOPER shall comply with the provisions of Sections 1773.8, 1775, 1776, 1777.5, 1777.6 and 1813 of the Labor Code and other applicable laws and regulations with respect to the payment of prevailing wages. Pursuant to the provisions of 1775 of the Labor Code, DEVELOPER shall forfeit to the DISTRICT, as a penalty, the sum of Fifty Dollars (\$50.00) for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated prevailing rates for any work done under this Agreement, by it or by any subcontractor under it, in violation of the provisions of the Agreement or in violation of any applicable laws or regulations pertaining to the payment of prevailing wages.

e. Post insurance, insurance endorsements and certificates of insurance with the DISTRICT in the form and amounts as required by the DISTRICT, prior to commencement of construction.

f. Obtain and file all required permits, approvals and environmental clearances required for construction of the Improvements with the DISTRICT prior to commencement of construction.

g. Post all required Securities with the DISTRICT prior to commencement of construction of the Improvements.

h. Furnish the necessary materials for completion of the Improvements in conformity with the Improvement Plans and DISTRICT standards.

i. Acquire and dedicate, or pay the cost of acquisition by DISTRICT, of all right-of-way, easements and other interests in real property for construction or installation of the Improvements, free and clear of all conflicting liens and encumbrances, as set forth in Paragraph 7 hereof. The DEVELOPER's obligations with regard to acquisition by DISTRICT of off-site right-of-way, easements and other interests in real property shall be subject to a separate Agreement between DEVELOPER and DISTRICT.

j. Construct the Improvements in accordance with the approved Improvement Plans and the requirements of this Agreement, and in accordance with any other applicable DISTRICT requirements and conditions, subject to inspection and approval by the DISTRICT.

k. Submit engineering as-built drawings for all Improvements, prior to acceptance by the DISTRICT.

l. Each of the requirements of this Paragraph 5 is considered a condition precedent to the DISTRICT's obligation to provide, or DEVELOPER's right to receive, Connection Fee Credit or reimbursement pursuant to Paragraph 28 of this Agreement.

6. DISTRICT's Obligations. DISTRICT shall:

a. Review and approve, or disapprove the Improvement Plans and the Updated Cost Estimate within twenty (20) working days of receiving the same. If DISTRICT disapproves the Improvement Plans, for any reason, or the Updated Cost Estimate, it shall state the reasons for such disapproval and modifications required to secure DISTRICT's approval. Thereafter, DEVELOPER shall submit revised Improvement Plans for DISTRICT review in accordance with the provisions of this Paragraph.

b. Review and approve, or disapprove and provide the written response described below, the bid and contract documents submitted in accordance with Paragraph 5.c. above within twenty (20) working days of receiving the same. If DISTRICT disapproves the bid and contract documents, it shall state the reasons for such disapproval and modifications required to secure DISTRICT's approval. Thereafter, DEVELOPER shall submit revised bid and contract documents for DISTRICT review in accordance with the provisions of this Paragraph.

c. Review and approve, or disapprove and provide the written response described below, contractor invoices and payment requests for competitively bid contracts under this Agreement within twenty (20) working days of receiving same. If DISTRICT disapproves the contractor invoices and payment requests, it shall state the reasons for such disapproval and modifications required to secure DISTRICT's approval. Thereafter, DEVELOPER shall submit revised contractor invoices and payment requests for DISTRICT review in accordance with the provisions of this Paragraph.

d. Assist DEVELOPER with acquisition of right-of-way, easements and other interests in real property required for construction or installation of the Improvements.

e. Timely inspect Improvement(s) in accordance with Paragraph 10 of this Agreement.

f. Timely accept completed Improvement(s) in accordance with Paragraph 11.c. of this Agreement.

7. Acquisition and Dedication of Easements, Rights-of-Way or other Property Interests. If any of the Improvements contemplated by this Agreement is to be constructed or installed on land not owned by DEVELOPER, no construction or installation on that land shall be commenced before:

a. The offer of dedication to DISTRICT of appropriate right-of-way, easements, or other required interest in real property, and appropriate authorization from the property owner to allow construction or installation of the Improvements, has been received by the DISTRICT; or

b. The issuance by a court of competent jurisdiction pursuant to the State Eminent Domain Law of an order of possession for the required right-of-way, easements or other required interest in real property has been granted. DEVELOPER shall comply in all respects with the order of possession.

If, due to a delay in acquiring necessary real property interests, DEVELOPER is unable to construct Improvements or perform any other obligation of this Agreement within the timeframes required by the Schedule of Performance, DEVELOPER shall be entitled to a reasonable extension of time to complete such performance.

8. Security. DEVELOPER shall at all times guarantee DEVELOPER's performance of this Agreement by furnishing to DISTRICT, and maintaining, good and sufficient security as required by the DISTRICT on forms approved by DISTRICT for the purposes and in the amounts as follows:

a. To assure faithful performance of this Agreement in regard to said Improvements in an amount of one hundred percent (100%) of the Estimated Costs; and

b. To secure payment to any contractor, subcontractor, persons renting equipment, or furnishing labor materials for the Improvements required to be constructed or installed pursuant to this Agreement in the additional amount of fifty percent (50%) of the Estimated Costs; and

c. To guarantee or warranty the work done pursuant to this Agreement for a period of one (1) year following acceptance thereof by DISTRICT against any defective work or labor done or defective materials furnished, in the amount of one hundred percent (100%) of the Estimated Costs of the Improvements.

d. The Security required by this Agreement shall be posted prior to construction and shall be kept on file with the District Engineer. The terms of the Security documents referenced in the Recitals of this Agreement are incorporated into this Agreement by this reference. If any Security is replaced by another approved security, the replacement shall be

filed with the District Engineer and, upon filing, shall be deemed to have been made a part of and incorporated into this Agreement. Upon filing of a replacement security with the District Engineer, the former Security shall be released.

9. Alterations to Improvement Plans.

a. Any changes, alterations or additions to the approved Improvement Plans and/or specifications to the Improvements, not exceeding ten percent (10%) of the original Estimated Cost of the Improvements, which are mutually agreed upon by the DISTRICT and DEVELOPER, shall not relieve the improvement security given for faithful performance of this Agreement. In the event such changes, alterations, or additions which are mutually agreed upon by DISTRICT and DEVELOPER exceed ten percent (10%) of the original Estimated Cost of the Improvements, DEVELOPER shall provide improvement security for faithful performance as required by Paragraph 8 of this Agreement for one hundred percent (100%) of the total estimated cost of the Improvement as changed, altered, or amended, minus any completed partial releases allowed by Paragraph 11 of this Agreement.

b. The DEVELOPER shall construct the Improvements in accordance with the approved Improvement Plans. DISTRICT reserves the right to modify the standards applicable to the Project, the Improvements and this Agreement, when the Board of Directors has determined that such modifications are necessary to protect the public health, safety and welfare. If modifications are approved by the Board of Directors pursuant to this subparagraph, consideration shall be given by the Board of Directors to amending the Connection Fee, and the Connection Fee credit and reimbursement amount provided in Paragraph 28 and Exhibit B hereto, to reflect increased costs incurred by DEVELOPER related thereto.

10. Inspection. DEVELOPER shall at all times maintain proper facilities and safe access for inspection of the Improvements by DISTRICT inspectors and to the businesses or residences wherein any Work is in progress. DISTRICT shall have the right to enter any construction site at any time to inspect the Work or the progress of construction of the Improvements that are the subject of this Agreement. Upon completion of the Improvements the DEVELOPER may request a final inspection by the District Engineer, or the District Engineer's authorized representative. The DISTRICT shall cause such final inspection to take place within five (5) business days after DEVELOPER's request. If the District Engineer, or the designated representative, determines that the Improvements have not been completed in accordance with this Agreement, the District Engineer, or his/her designated representative, shall notify DEVELOPER in writing of corrections required to obtain certification of the Improvements. Thereafter, DEVELOPER shall correct noted defects and DISTRICT shall re-inspect the Improvement(s) in accordance with the procedure set forth in this Paragraph. If the District Engineer, or the designated representative, determines that the Improvements have been completed in substantial conformance with this Agreement, then the District Engineer shall certify the completion of the Improvements to the DISTRICT's Board of Directors for acceptance. DEVELOPER shall bear all reasonable costs of inspection and certification.

11. Release of Securities. Subject to acceptance of the Improvements and approval by the DISTRICT's Board of Directors, the Securities required by this Agreement shall be released as follows:

a. Security given for faithful performance of any act, obligation, work or agreement shall be released upon the final completion and acceptance of the act or work, subject to the provisions of Subparagraph b. hereof.

b. In accordance with the requirements of Government Code Section 64999.7, the District Engineer shall allow a partial release of faithful performance Security pursuant to the following procedures. No partial release of Securities for labor and materials shall be allowed.

(1) DEVELOPER shall have one opportunity to engage in the process of partial release of performance Securities as described in this Subparagraph b. between the start of work and completion and acceptance of all work on the Improvements. The process allowing for a partial release of performance security shall occur only when the cost estimate of the remaining work does not exceed twenty percent (20%) of the total original performance security.

(2) At such time that the DEVELOPER believes that the obligation to perform the work for which the performance Security was required is complete, the DEVELOPER may notify the District Engineer in writing of the completed work and shall include with such notification a written list of work completed. Upon receipt of the written notice, the District Engineer shall have ten (10) business days to review and comment or approve the completion of the required work. If District Engineer determines that the Work is constructed in substantial conformance with the approved Improvement Plans and the terms of this Agreement, the District Engineer shall find the Work to be complete. If the District Engineer does not agree that all work has been completed in accordance with the approved Improvement Plans or in accordance with this Agreement, he or she shall supply to the DEVELOPER a list of all remaining work to be completed.

(3) Within forty-five (45) days of receipt of the list of remaining work from the District Engineer, the DEVELOPER may then provide cost estimates for all remaining work for review and approval by the District Engineer. Upon receipt of the cost estimates, the District Engineer shall then have ten (10) business days to review, comment, and approve, modify, or disapprove those cost estimates.

(4) If the District Engineer approves the cost estimate, the District Engineer shall release all performance security except for performance security in an amount up to two hundred percent (200%) of the cost estimate of the remaining work. Substitute bonds or other security may be used as a replacement for the performance security, subject to the approval of the District Engineer in accordance with the standards for approval of the original bonds. If substitute bonds or other security is used as a replacement for the performance security released, the release shall not be effective unless and until the District Engineer receives and approves that form of replacement security as provided for the original security. A reduction in the performance security, authorized under this Subparagraph, is not, and shall not be deemed to be, an acceptance by the District Engineer or the DISTRICT of the Improvements, and the risk of loss or damage to the Improvements and the obligation to maintain the Improvements shall remain the sole responsibility of the DEVELOPER until all Improvements have been accepted by the DISTRICT's Board of Directors and all other required improvements have been fully completed in accordance with the approved Improvement Plans and this Agreement.

(5) The DEVELOPER shall be under the affirmative duty to continue to construct the Improvements in accordance with the Improvement Plans until all remaining items are accepted by the DISTRICT's Board of Directors.

c. Within ten (10) business days of completion, as determined by the District Engineer pursuant to Subparagraph b.(2) above, the District Engineer shall notify the DEVELOPER that he or she has determined the Improvements to be complete. The release of any remaining performance security shall be placed upon the next available regular agenda of the DISTRICT's Board of Directors for acceptance of the Improvements and approval of the release of any remaining performance security. Such acceptance shall not constitute a waiver of defects by DISTRICT. ~~As used in this Agreement the term "completion" shall mean that all items of work necessary to complete the Improvements in accordance with the Improvement Plans have been constructed to the satisfaction of the District Engineer and that no items remain on the punch list prepared by the District Engineer, or upon acceptance by the DISTRICT of a particular facility. "Completion" shall not mean partial use or beneficial use of the Improvement, unless otherwise authorized in writing by the District Engineer.~~

d. ~~Within forty-five (45) days following the expiration of the time within which claims of lien are required to be recorded pursuant to Article 3 (commencing with Section 3114) of Chapter 2 of Title 15 of Part 4 of Division 3 of the Civil Code and acceptance of the Improvements, the Security given to secure payment to the contractor, his or her subcontractors and to persons furnishing labor, materials or equipment shall be reduced to an amount equal to the total claimed by all claimants for who lien have been filed and of which notice has been given to the legislative body, plus an amount reasonably determined by the District Engineer to be required to assure the performance of any other obligations secured by the Security. (Section 3116 of the Civil Code currently provides that such liens must be recorded within (1) ninety (90) days after completion of the Improvement if no notice of completion or cessation has been recorded or (2) thirty (30) days after recordation of a notice of completion or a notice of cessation.) The balance of the security shall be released upon the settlement of all claims and obligations for which the security was given.~~

e. No security given for the guarantee or warranty of work shall be released until the expiration of the warranty period and until any claims filed during the warranty period have been settled. As provided in Paragraph 14, the warranty period shall not commence until final acceptance of all the work and Improvements by the DISTRICT's Board of Directors.

f. The DISTRICT may retain from any security released, an amount sufficient to cover costs and reasonable expenses and fees, including reasonable attorneys' fees and all costs of enforcement of any obligation under this Agreement.

g. Injury to Improvements, Public Property or Public Utility Facilities. DEVELOPER shall replace or have replaced, or repair or have repaired, as the case may be, all Improvements, public utility facilities and surveying or subdivision monuments which are destroyed or damaged as a result of DEVELOPER's performance of any Work under this Agreement. DEVELOPER shall bear the entire cost of replacing or repairing the same, whether such property is owned by the United States or any agency thereof, or the State of California, or any agency or political subdivision thereof, or by the City of Desert Hot Springs, or by the

DISTRICT, or any public or private utility corporation or by any combination of such owners. If such damage or destruction is reasonably and unavoidably caused during DEVELOPER's performance of the Work, the costs of replacement or repair shall be eligible for Connection Fee Credits. Any repair or replacement shall be to the satisfaction, and subject to the approval, of the District Engineer.

12. Permits. Subject to reimbursement pursuant to Paragraph 28, DEVELOPER shall, at DEVELOPER's expense, obtain all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices and pay all fees and taxes required by law. DISTRICT shall cooperate and provide reasonable assistance as necessary for ~~DEVELOPER to obtain necessary permits, licenses and approvals.~~ Such cooperation may include the execution of the applications, submittals or other documents as may be required by any governmental agencies for the completion of the Work.

13. Default of DEVELOPER. Subject to the notice and cure provision set forth in Paragraph 31 of this Agreement, the following shall constitute DEVELOPER defaults:

a. Default of DEVELOPER shall include: (1) DEVELOPER's failure to timely perform obligations under this Agreement pursuant to the Schedule of Performance; (2) DEVELOPER's failure to timely cure any defect in the Improvements; (3) DEVELOPER's failure to perform substantial construction activities for a period of thirty (30) days after commencement of the Work; (4) DEVELOPER's insolvency, appointment of a receiver, or the filing of any petition in bankruptcy either voluntary or involuntary which DEVELOPER fails to discharge within thirty (30) days; (5) the commencement of a foreclosure action against the Project or a portion thereof, or any conveyance in lieu or in avoidance of foreclosure; or (6) DEVELOPER's failure to perform any other material obligation under this Agreement, as may be determined by the Board of Directors of the DISTRICT, in its sole discretion.

b. The DISTRICT reserves to itself all remedies available to it at law or in equity, including the right to pursue specific performance in the event of a breach of DEVELOPER's obligations under this Agreement. The DISTRICT shall have the right, subject to this Paragraph, to draw upon or utilize the appropriate Security to mitigate DISTRICT's damages in event of default by DEVELOPER. The right of DISTRICT to draw upon or utilize the Security is additional to and not in lieu of the other remedy reserved herein. It is specifically recognized that the estimated costs and security amounts may not reflect the actual cost of construction or installation of the Improvements and, therefore, DISTRICT's damages for DEVELOPER's default shall be measured by the cost of completing the required Improvements. The sums provided by the improvement Security may be used by DISTRICT for the completion of the Improvements in accordance with the Improvement Plans and specifications contained herein.

c. In the event of DEVELOPER's default under this Agreement, DEVELOPER authorizes DISTRICT to perform such obligation twenty (20) days after mailing written notice of default to DEVELOPER and to DEVELOPER's surety, and agrees to pay the entire cost of such performance by DISTRICT.

d. DISTRICT may, but is not required to, take over the work and prosecute the same to completion, by contract or by any other method DISTRICT may deem advisable, for

the account and at the expense of DEVELOPER, and subject to the limits of the Security, DEVELOPER's Surety shall be liable to DISTRICT for any excess cost or damages occasioned DISTRICT thereby; and, in such event, DISTRICT, without liability for so doing, may take possession of, and utilize in completing the Work, such materials, appliances, plant and other property belonging to DEVELOPER as may be on the site of the Work and necessary for performance of the Work.

e. Failure of DEVELOPER to comply with the terms of this Agreement shall constitute consent to the filing by DISTRICT of a notice of violation against all the lots in the Project, and to refuse to provide water or sewer service to the Project. The remedy provided by this Subparagraph is in addition to and not in lieu of other remedies reserved herein. DEVELOPER agrees that the choice of remedy or remedies for DEVELOPER's breach shall be in the discretion of DISTRICT.

f. In the event that DEVELOPER fails to perform any obligation hereunder, DEVELOPER agrees to pay all costs and expenses incurred by DISTRICT in securing performance of such obligations, including costs of suit and reasonable attorney's fees.

g. The failure of DISTRICT to take an enforcement action with respect to a default, or to declare a breach, shall not be construed as a waiver of that default or breach or any subsequent default or breach of DEVELOPER.

14. Warranty. DEVELOPER shall guarantee or warranty the Work done and Improvements constructed pursuant to this Agreement for a period of one year after the earlier of the date of final acceptance of the Improvements by the DISTRICT. Where certain Improvements have been authorized by the DISTRICT to be constructed in phases or sections, the one (1) year warranty period shall commence after DISTRICT's acceptance of the last completed portion of each authorized phase or section of the Improvements. If within the warranty period any Improvement or part of any Improvement done, furnished, installed, constructed or caused to be done, furnished, installed or constructed by DEVELOPER fails to fulfill any of the requirements of this Agreement or the Improvement Plans, DEVELOPER shall without delay and without any cost to DISTRICT, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. Should DEVELOPER fail to act promptly or in accordance with this requirement, DEVELOPER hereby authorizes DISTRICT at DISTRICT's option; to perform the work after providing DEVELOPER notice and an opportunity to cure pursuant to Paragraph 31 of this Agreement. DEVELOPER agrees to pay the cost of such work borne by DISTRICT. Should the DISTRICT determine that any urgency requires repairs or replacements to be made before DEVELOPER can be notified, DISTRICT may, in its sole discretion, make the necessary repairs or replacement or perform the necessary work and DEVELOPER shall reimburse DISTRICT's cost of such repairs.

15. DEVELOPER Not Agent of DISTRICT. Neither DEVELOPER nor any of DEVELOPER's agents or contractors are or shall be considered to be agents of DISTRICT in connection with the performance of DEVELOPER's obligations under this Agreement.

16. Injury to Work. Until such time as the Improvements are accepted by DISTRICT, DEVELOPER shall be responsible for and bear the risk of loss to any Improvement(s)

constructed or installed and also be responsible for the care, maintenance of, and damage to such Improvements. DISTRICT shall not, nor shall any officer or employee thereof, be liable or responsible for any accident, loss or damage, regardless of cause, happening or occurring to the Improvements specified in this Agreement prior to the completion and acceptance of said Improvements, unless such accident, loss or damage is caused by the active negligence or willful misconduct of DISTRICT or its officers or employees. All such risks shall be the responsibility of and are hereby assumed by DEVELOPER.

17. Other Agreements. Nothing contained in this Agreement shall preclude DISTRICT from expending monies pursuant to Agreements concurrently or previously executed ~~between the parties, or from entering into Agreements with other developers for the~~ apportionment of costs of public water infrastructure, or other improvements, pursuant to the provisions of the DISTRICT's ordinances and regulations providing therefore, nor shall anything in this Agreement commit DISTRICT to any such apportionment.

18. DEVELOPER's Obligation to Warn Public During Construction. Until final acceptance of the Improvements, DEVELOPER shall give good and adequate warning to the public of each and every dangerous condition existent in said Improvements, or any of them, and will take all reasonable actions to protect the public from such dangerous condition.

19. Vesting of Ownership. Upon acceptance of the Improvements by DISTRICT's Board of Directors and recordation of the Notice of Completion, ownership of the Improvements constructed pursuant to this Agreement shall vest in DISTRICT.

20. Indemnity/Hold Harmless. DISTRICT or any officer or employee thereof shall not be liable for injury to persons or property occasioned by reason of the acts or omissions of DEVELOPER, its agents or employees in the performance of this Agreement, except to the extent such injuries are caused by the active negligence or willful misconduct of DISTRICT, its agents or employees. DEVELOPER further agrees to protect and hold harmless DISTRICT, its officials and employees from any and all claims, demands, causes of action, liability or loss of any sort (collectively, "Claims"), because of, or arising out of, the DISTRICT's approval of this Agreement, or any acts or omissions of DEVELOPER, its agents or employees in the performance of this Agreement, including all claims, demands, causes of action, liability, or loss because of, or arising out of, in whole or in part, the design or construction of a not yet accepted Improvement, except to the extent such Claims are caused by the active negligence or willful misconduct of DISTRICT, its agents or employees. This indemnification and agreement to hold harmless shall extend to injuries to persons and damages or taking of property resulting from the design or construction of said Improvements as provided herein, and in addition, to adjacent property owners as a consequence of the diversion of waters from the design or construction of the Improvements. Until expiration of the warranty period specified by Paragraph 14 hereof, acceptance by the DISTRICT of the Improvements shall not constitute an assumption by the DISTRICT of any responsibility for the design or construction of the Improvements pursuant to the approved Improvement Plans, regardless of any negligent action or inaction taken by the DISTRICT in approving the Improvement Plans, unless the particular Improvement design was specifically required by DISTRICT over written objection by DEVELOPER submitted to the District Engineer before approval of the particular Improvement design, which objection indicated that the particular Improvement design was dangerous or defective and suggested an

alternative safe and feasible design. After acceptance of the Improvements, the DEVELOPER shall remain obligated to eliminate any defect in design or construction, and for any dangerous condition caused by the design or construction defect; provided, however, that DEVELOPER shall not be responsible for routine maintenance following acceptance of the Improvements by the DISTRICT. It is the intent of the parties that DEVELOPER shall remain responsible for all liability for design and construction defects, and for dangerous conditions of the of the Improvements installed or Work performed by DEVELOPER pursuant to this Agreement and that DISTRICT shall not be liable for any negligence, nonfeasance, misfeasance or malfeasance in approving, reviewing or inspecting any work or construction for the term of any applicable statute of limitations. Except during construction and throughout the warranty period specified by Paragraph 14 hereof, the Improvement Security shall not be required to cover the provisions of this Paragraph.

21. Sale or Disposition of Project.

a. Except as provided herein, sale or other disposition of the Property will not relieve DEVELOPER from the obligations set forth herein. If DEVELOPER sells the Property and the Project to any other person, the DEVELOPER may request a novation of this Agreement and a substitution of Security. Upon approval of the novation and substitution of Securities, which approval shall not be unreasonably withheld, conditioned or delayed,, the DISTRICT shall authorize a release of this Agreement and a release of the Securities required by this Agreement. Nothing in the novation shall relieve the DEVELOPER of the obligations under this Agreement for the work or improvement done by DEVELOPER. DISTRICT shall have sole discretion in determining whether the sale or other disposition of any portion, phase or part of the Property or the Project shall relieve the DEVELOPER from its obligations hereunder. DEVELOPER shall reimburse the DISTRICT its cost of reviewing any request pursuant to this Paragraph, which costs may include the DISTRICT's review of the financial responsibility of DEVELOPER's proposed successor or assign. DEVELOPER shall cooperate with the DISTRICT and provide all information and documentation reasonably requested by DISTRICT in reviewing DEVELOPER's request.

b. The provisions of subdivision a shall not apply to the sale of any residential lot which has been subdivided and developed and is individually (and not in "bulk") sold to a member of the public or other ultimate user in accordance with this provision. Notwithstanding any other provisions of this Agreement, this Agreement shall terminate with respect to any lot and any such lot shall be released and no longer be subject to this Agreement without the execution or recordation of any further document, upon satisfaction of all of the following conditions:

(1) The lot has been subdivided and individually (and not in "bulk") sold to a member of the public or other ultimate user for residential purposes; and

(2) The District has authorized the connection of the residence constructed on the lot to the District's water and sewer service facilities; and

(3) A Certificate of Occupancy has been issued for the residence on the lot.

22. Assignment. This Agreement shall apply to, bind and inure to the benefit of the Parties and their respective successors and assigns.

23. Time of the Essence. Time is of the essence of this Agreement.

24. Time for Completion of Work/Extension.

a. DEVELOPER and DISTRICT shall perform their responsibilities under this Agreement in accordance with the Schedule of Performance, attached hereto as Exhibit "C" and incorporated herein.

b. In the event good cause exists as reasonably determined by the District Engineer, the time for completion of the Improvements and other performance of the Work hereunder may be extended. The extension shall be made in writing executed by the DISTRICT Engineer. Any such extension may be granted without notice to DEVELOPER's Surety and shall not affect the validity of this Agreement or release the Surety or Sureties on any security given for this Agreement. The District Engineer shall be the sole and final judge as to whether or not good cause has been shown to entitle DEVELOPER to an extension. As a condition of such extension, the District Engineer may require DEVELOPER to furnish new security guaranteeing performance of this Agreement as extended in an increased amount as necessary to compensate for any increase in construction costs as determined by the District Engineer.

25. Force Majeure. If delays occur in the performance of any obligations of DEVELOPER required by this Agreement, through events or circumstances not within the reasonable control of DEVELOPER, the DEVELOPER will not be considered to be in default of its obligations to construct the affected Improvement or perform the affected Work. DEVELOPER shall be excused for, among other things, any delays or defaults in the performance of this Agreement unavoidably caused by DISTRICT or any other governmental authority, acts of God, the elements (including storm or inclement weather), war, litigation, strikes, walkouts or any other causes beyond DEVELOPER's control. DEVELOPER shall notify the DISTRICT of a force majeure event and anticipated duration of such delay as soon as reasonably possible. In the event of a delay in completion of the Improvements which is not within the control of the DISTRICT, the DISTRICT may, in its sole discretion, determine whether to provide water and/or sewer service to any part or phase of the Project, and on what terms and conditions such service may be provided.

26. Legal Responsibilities. The DEVELOPER shall keep itself informed of all local, State and Federal Laws and regulations which in any manner affect those employed by it or in any way affect the performance of its obligations pursuant to this Agreement. The DEVELOPER shall at all times observe and comply with all such laws and regulations and shall require its contractors and subcontractors to comply with all such laws and regulations. The DISTRICT, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the DEVELOPER to comply with this Paragraph.

27. No Vesting of Rights. Performance by DEVELOPER of this Agreement shall not be construed to vest DEVELOPER's rights with respect to any change in any fee, regulation or ordinance of the DISTRICT.

28. Water Service Connection Fee Credit/Reimbursement.

a. In consideration of the DEVELOPER's performance of the terms and conditions of this Agreement as set forth hereinabove, the DISTRICT shall credit DEVELOPER with water service Connection Fee Credits for each dwelling unit or other structure within the Project which requires water service that is connected to the DISTRICT's water service system, in accordance with the DISTRICT's rules and regulations, until such time as DEVELOPER's Actual Costs of construction of the Covered Improvements have been reimbursed, or the District's obligation to provide reimbursement terminates pursuant to the terms of this Agreement, whichever occurs first.

b. If DEVELOPER has been fully reimbursed its Actual Costs of construction of the Covered Improvements prior to build-out of the project, DEVELOPER shall then be responsible for and shall pay the DISTRICT's water service Connection Fees in effect at the time of each subsequent connection within the Project to the DISTRICT's water service system, in accordance with the DISTRICT's rules and regulations then in effect.

c. If DEVELOPER's Actual Costs of construction of the Covered Improvemen(s) exceeds the total number/amount of credits available for each Covered Improvement (as set forth in Exhibit "B" hereto), the DISTRICT shall reimburse the excess Actual Costs incurred by Developer as follows:

(1) The DISTRICT shall maintain a listing of developer projects which the DISTRICT determines to benefit from the Covered Improvements, which are within the 1530 and 1630 Zones and which are located within the geographical area bounded generally by Indian Avenue on the east and north, by Highway 62 on the west, and by 10th Avenue on the south. As these projects develop, the DISTRICT shall make a minimum of thirty percent (30%) of the water service connection fees paid by those projects each year available for reimbursement to DEVELOPER pursuant to this Agreement, until DEVELOPER has been fully reimbursed its Actual Costs of construction of the Covered Improvements, subject to subparagraph (3) hereinbelow.

(2) The amount available for reimbursement to the DEVELOPER pursuant to this provision shall be calculated by the DISTRICT within one hundred and twenty (120) days of the close of its Fiscal Year, and shall be paid to the DEVELOPER by December 31st of each year.

(3) The DISTRICT's reimbursement obligation under this Agreement shall terminate ten (10) years after the DISTRICT's acceptance of the Covered Improvements, after which time DISTRICT shall have no further reimbursement obligation.

29. Determination of Actual Costs. The Actual Costs for which DEVELOPER is entitled to Water Connection Fee Credits shall be calculated based on receipts, invoices and other customary proofs of payment ("Evidence of Costs"). DEVELOPER shall keep a running record of Actual Costs incurred in constructing the Covered Improvements. Each request for final inspection of a Covered Improvement by DEVELOPER shall be accompanied by a

statement of Actual Costs incurred as of that date together with Evidence of Costs. Within thirty (30) days after acceptance of the Covered Improvement, DEVELOPER shall submit a final statement of Actual Costs together with Evidence of Costs for the Covered Improvement.

30. Notice and Cure Rights. Prior to declaring any default or exercising any remedy under this Agreement, the non-defaulting Party ("Non Defaulting Party") shall provide written notice to the other Party ("Defaulting Party") setting forth specifically the obligation which is not being performed and requesting that the Defaulting Party cure such breach within fifteen (15) days for monetary or fee credit obligations and thirty (30) days for other obligations or if, in the reasonable discretion of the DISTRICT the performance of the non-monetary/fee credit obligations cannot reasonably be cured within that time, then the Defaulting Party shall not be in default if it commences to cure the default within such time limit and diligently effects such cure thereafter. During the cure period, the DISTRICT may suspend its obligation to provide Fee Credits to DEVELOPER pursuant to this Agreement.

31. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by mail, postage prepaid and addressed as provided in this Paragraph. Notice shall be effective on the date it is delivered in person, or, if mailed, on the date of deposit in the United States Mail. Notices shall be addressed as follows unless a written change of address is filed with the DISTRICT:

Notice to DISTRICT:

General Manager
MISSION SPRINGS WATER DISTRICT
66575 Second Street
Desert Hot Springs, CA 92240

Notice to DEVELOPER:

Western Pacific Housing, Inc., dba D.R. HORTON
Attn: AMY MOORE
11870 PIERCE ST., STE. 250
RIVERSIDE, CA 92505

32. Severability. The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect unless amended or modified by the mutual consent of the parties.

33. Captions. The captions of this Agreement are for convenience and reference only and shall not define, explain, modify, limit, exemplify, or aid in the interpretation, construction or meaning of any provisions of this Agreement.

Item 9.

34. Litigation or Arbitration. In the event that suit or arbitration is brought to enforce the terms of this contract, the prevailing party shall be entitled to litigation costs and reasonable attorney's fees.

35. Entire Agreement. This Agreement constitutes the entire Agreement of the parties with respect to the subject matter. All modifications, amendments, or waivers of the terms of this Agreement must be in writing and signed by the appropriate representatives of the parties. In the case of the DISTRICT, the appropriate party shall be the General Manager of the DISTRICT.

IN-WITNESS WHEREOF, this Agreement is executed by the Parties hereto as of the date first written above.

DEVELOPER

MISSION SPRINGS WATER DISTRICT

By: [Signature]
[Signature]

Dorothy Glass
President of the Board of Directors

[Notary Required]

ATTEST:
[Signature]
Secretary to the Board of Directors

[If corporation, corporate seal and signatures of two (2) officers is required.]

Exhibit "A"

Description of the Property and the Project

LEGAL DESCRIPTION

Real property in the City of Desert Hot Springs, County of Riverside, State of California, described as follows:

TENTATIVE TRACT MAP 32030-2, BEING A SUBDIVISION OF THE FOLLOWING DESCRIBED PROPERTY:

PARCEL NO. 1

THAT PORTION OF THE NORTHWEST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHWEST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$, OF SAID SECTION; THENCE WESTERLY, ON THE SOUTH LINE OF SAID NORTHWEST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ 980.5 FEET, TO THE EAST LINE OF THAT CERTAIN 60 FOOT ROAD KNOWN AS 29 PALMS HIGHWAY; THENCE NORTH $23^{\circ} 01' 13''$ EAST ON THE NORTH LINE OF SAID SECTION 390.71 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF SAID SECTION; THENCE SOUTH $0^{\circ} 09' 30''$ EAST, ON THE EAST LINE OF THE SAID NORTHWEST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF SAID SECTION, 1380.18 FEET, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM $\frac{1}{2}$ ON ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDERLYING SAID LAND AND $\frac{1}{2}$ OF ALL OTHER MINERALS, AS RESERVED IN DEED FROM JOSEPH R. TROTTER, HUSBAND AND WIFE FILED FOR RECORD MARCH 30, 1955.

SAID PROPERTY IS ALSO SHOWN AS PARCEL 2, 3 AND 4 ON RECORD OF SURVEY ON FILE IN BOOK 27 PAGE 65 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 2

THE NORTHEAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ AND THE NORTH $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

PARCEL NO. 3

THE SOUTH $\frac{1}{2}$ OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

PARCEL NO. 4

THE NORTH $\frac{1}{2}$ OF THE NORTH $\frac{1}{2}$ OF THE SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

PARCEL NO. 5

THAT PORTION OF THE SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

BEGINNING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$; THENCE

WEST ON THE SOUTH LINE OF SAID SOUTHEAST $\frac{1}{4}$ 836 FEET; THENCE NORTH, PARALLEL WITH THE EAST LINE OF SAID SOUTHEAST $\frac{1}{4}$ 209 FEET; THENCE EAST PARALLEL WITH SOUTH LINE OF SAID SOUTHEAST $\frac{1}{4}$ TO EASTERLY LINE THEREOF; THENCE SOUTH OF THE EAST LINE OF SAID SOUTHEAST $\frac{1}{4}$ 209 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 6

PARCEL 1 OF THE WEST $\frac{1}{2}$ OF SOUTHEAST $\frac{1}{4}$ OF SECTION 28, IN TOWNSHIP 2 SOUTH OF RANGE 4 EAST OF THE SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF OF THE SURVEY OF THE SAID LAND, RETURNED TO THE GENERAL LAND OFFICE BY THE SURVEYOR GENERAL, SAID PARCEL BEING DETERMINABLE FROM THE RECORD OF SURVEY RECORDED THE 14TH DAY OF JULY 1961 IN BOOK 34 PAGE 34 RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 7

THE SOUTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

EXCEPTING THEREFROM THE EAST $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$.

ALSO EXCEPTING THEREFROM THE EAST $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SAID SECTION.

ALSO EXCEPTING THEREFROM THE SOUTHERLY 40 FEET CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED FILED FOR RECORD JULY 26, 1949 AS INSTRUMENT NO. 3081 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 8

THE EAST $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$, AND THE EAST $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

EXCEPTING THEREFROM THE SOUTHERLY 40 FEET AS CONVEYED TO THE COUNTY OF RIVERSIDE, BY DEED RECORDED JULY 26, 1949 AS INSTRUMENT NO 3081 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO 9

PARCEL 3 AND 4 OF THE WEST $\frac{1}{2}$ OF SOUTHEAST $\frac{1}{4}$ OF SECTION 28, IN TOWNSHIP 2 SOUTH OF RANGE 4 EAST OF THE SAN BERNARDINO BASE AND MERIDIAN, CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF THE SAID LAND, RETURNED TO THE GENERAL LAND OFFICE BY THE SURVEYOR GENERAL, SAID PARCEL BEING DETERMINABLE FROM THE RECORD OF SURVEY RECORDED THE 14TH DAY OF JULY 1961, IN BOOK 34 PAGE 48 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO 10

PARCEL 2 OF THE WEST $\frac{1}{2}$ OF THE SOUTHEAST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST OF THE SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND, RETURNED TO THE GENERAL LAND OFFICE BY THE SURVEYOR GENERAL, SAID PARCEL BEING DETERMINABLE FROM THE RECORD OF SURVEY RECORDED THE 14TH DAY OF JULY, 1961 IN BOOK 34 PAGE 48 RECORDS OF SURVEYS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 11

THAT PORTION OF THE EAST ½ OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 3 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 29; THENCE NORTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 1483 FEET TO THE TRUE POINT OF BEGINNING; THENCE WESTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE NORTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET TO THE EASTERLY BOUNDARY OF SAID SECTION 29; THENCE SOUTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO 12

THAT PORTION OF THE EAST ½ OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 29; THENCE NORTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 906 FEET TO THE TRUE POINT OF BEGINNING; THENCE WESTERLY AND PARALLEL THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET THENCE NORTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET TO THE EASTERLY BOUNDARY OF SAID SECTION 29; THENCE SOUTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 13

THE NORTH 165 FEET OF THE REAL PROPERTY DESCRIBED AS FOLLOWS:

THAT PORTION OF THE EAST ½ OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 29; THENCE NORTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION, A DISTANCE OF 329.0 FEET TO THE TRUE POINT OF BEGINNING; THENCE WESTERLY AND PARALLEL WITH THE SOUTH BOUNDARY OF SAID SECTION, A DISTANCE OF 528.0 FEET; THENCE NORTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION, A DISTANCE OF 577.0 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTH BOUNDARY OF SAID SECTION A DISTANCE OF 528.0 FEET; THENCE SOUTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION, A DISTANCE OF 577.0 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO 14

THAT PORTION OF THE EAST ½ OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 29; THENCE NORTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 329 FEET TO THE TRUE POINT OF

BEGINNING; THENCE WESTERLY AND PARALLEL WITH SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE NORTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE SOUTHERLY AND ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THE NORTH 165 FEET THEREOF.

PARCEL NO. 15

THAT PORTION OF THE EAST 1/2 OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 29; THENCE WESTERLY ALONG THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING WESTERLY ALONG THE SAID SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE NORTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 2640 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE SOUTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 2640 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 16

THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF; AND THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

PARCEL NO. 17

THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

PARCEL NO. 18

THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

EXCEPTING THEREFROM THE SOUTHERLY 55 FEET THEREOF, AS GRANTED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED JULY 26, 1949 AS FILE NO 3084 AND BY DEED RECORDED SEPTEMBER 19, 1962 AS FILE NO. 87713 BOTH OF OFFICIAL RECORDS OF RIVERSIDE COUNTY.

APN: 667-080-004 and 667-080-005 and 667-080-006 and 667-090-004 and 667-090-028 and 667-100-002 and 667-100-003 and 667-100-004 and 667-100-005 and 667-100-006 and 667-100-007 and 667-100-008 and 667-100-010 and 667-100-011 and 667-120-016 and 667-120-024 and 667-120-025 and 667-120-026 and 667-120-027 and 667-080-002-3 and 667-080-003-4

Exhibit "B"

DESCRIPTION OF THE OFF-SITE WATER SYSTEM IMPROVEMENTS TO BE DESIGNED AND CONSTRUCTED BY DEVELOPER (COVERED IMPROVEMENTS AND IMPROVEMENTS REQUIRED TO BE DEDICATED TO THE DISTRICT):

A. COVERED IMPROVEMENTS (SUBJECT TO CREDIT/REIMBURSEMENT)*:

- 1. 2 MG RESERVOIR (1530 Zone) (Covered Cost \$1,713,600.00)
- 2. TRANSMISSION LINE (Gateway to Indian Avenue/1530 Zone) (Covered Cost \$5,503,680.00)
- 3. 2.5 MG RESERVOIR (1630 Zone) (Covered Cost \$2,419,200.00)
- 4. TRANSMISSION LINE (from Well to Reservoir/1630 Zone) (Covered Cost \$1,043,280.00)

5A. 2,000 GPM WELL(S) (w/BOOSTER(S)) (1 or 2 wells, min. cap. 1,000 gpm per well/1630 Zone) (Covered Cost \$2,139,984.00)

*The District will, on an annual basis, review actual reasonable construction costs incurred by Developer on the Covered Improvements, and will consider adjustment of its water connection fees to reflect these costs for purposes of connection fee credit and reimbursement.

B. IMPROVEMENTS REQUIRED FOR THE PROJECT, TO BE CONSTRUCTED AND DEDICATED TO THE DISTRICT:

- 1. 2,000 GPM WELL(S) (w/BOOSTER(S)) (1 or 2 wells, min. cap. 1,000 per well/1530 Zone)
- 2. TRANSMISSION LINE (from 2nd well site to 1530 Zone connection point)
- 3. TRANSMISSION LINE (from 2nd well site to 1630 Zone connection point)

DISTRICT'S PRELIMINARY ESTIMATE OF COST ELIGIBLE FOR CONNECTION FEE CREDIT/REIMBURSEMENT, FOR CONSTRUCTION OF COVERED IMPROVEMENTS:

Twelve Million, Eight Hundred Nineteen, Seven Hundred Forth Four and no/100 Dollars (\$12,819,744.00).

District Engineer

ACTUAL CONSTRUCTION COSTS ELIGIBLE FOR CONNECTION FEE CREDIT FOR CONSTRUCTION OF COVERED IMPROVEMENTS:

_____ (\$ _____)
[To be completed upon acceptance of construction]

District Engineer Confirmation

Exhibit "C"

Schedule of Performance

<u>Action</u>	<u>Responsible Party</u>	<u>Timing</u>
1. Submit Improvement Plans	Developer	30 days after District's Board of Directors approves Agreement
2. Review and approve or disapprove Improvement Plans	District	Within 20 working days of receipt for each submission or re-submission with corrections
3. Submit bid and contract documents	Developer	Within 20 days after approval of Improvement Plans
4. Review and approve or disapprove bid and contract documents	District	Within 20 working days of receipt
5. Issue invitation for bid and contract documents	Developer	Within 20 days of approval
6. Post Security	Developer	Prior to award of construction contract
7. Construct Improvements	Developer	To be provided as contracts are awarded for individual improvements.
8. Inspect Improvements	District	Within 5 business days of call for inspection.
9. Submit as-built plans	Developer	Prior to District acceptance of the Improvements
10. Accept Improvements	District	Per Agreement

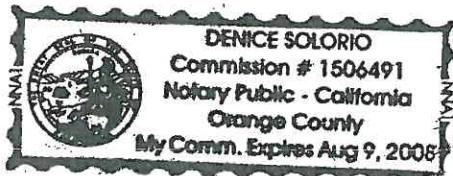


CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Orange } ss.

On August 30, 2006 before me, Denice Solorio, Notary
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Barbara Murakami and Todd Funk
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Handwritten Signature]

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____
Document Date: _____ Number of Pages: _____
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

- Signer's Name: _____
- Individual
 - Corporate Officer — Title(s): _____
 - Partner — Limited General
 - Attorney-in-Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____

Signer Is Representing: _____



**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

Mission Springs Water District
Attn: Arden Wallum, General Manager
66575 Second Street
Desert Hot Springs, CA 92240

2021-0688461

11/18/2021 04:11 PM Fee: \$ 0.00

Page 1 of 23

Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder



#046

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

THIRD AMENDMENT TO PUBLIC WATER SYSTEM IMPROVEMENT AND WATER SERVICE CONNECTION FEE CREDIT/REIMBURSEMENT AGREEMENT

This THIRD AMENDMENT TO PUBLIC WATER SYSTEM IMPROVEMENT AND WATER SERVICE CONNECTION FEE CREDIT/REIMBURSEMENT AGREEMENT (“**Third Amendment**”) is made and effective as of November 15, 2021 (the “**Effective Date**”), by and between the MISSION SPRINGS WATER DISTRICT, a county water district and public agency of the State of California (“**District**”) and SKYBORNE VENTURES, LLC, a California limited liability company (“**Developer**”). District and Developer are hereinafter sometimes referred to individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

A. District and Developer previously entered into that certain Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement dated August 30, 2006 and recorded on October 25, 2006, as Document No. 2006-0784841 in the Official Records of Riverside County (“**Original Agreement**”), as amended by that certain First Amendment to Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement dated March 27, 2007 and recorded on March 29, 2007, as Document No. 2007-0213347 in the Official Records of Riverside County (“**First Amendment**”) and as further amended by that certain Second Amendment to Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement dated March 18, 2015 and was recorded on August 22, 2016, as Document No. 2016-0358292 in the Official Records of Riverside County (“**Second Amendment**”), concerning that certain real property more particularly described in Exhibit “A” attached hereto, (the “**Property**”), which is incorporated herein by this reference. The Original Agreement, collectively with the First Amendment and Second Amendment, shall be referred to as the “**Agreement.**” Capitalized terms not otherwise defined in this Third Amendment shall have the same meaning as set forth in the Agreement.

B. District and Developer desire to amend certain terms of the Agreement on the terms and conditions set forth herein in order to allow Developer to continue developing the Project and to provide for the timely and satisfactory completion of certain Improvements which are required by the Agreement and necessary to adequate water service by District for the Project.

C. This Third Amendment concerns the completion of certain public water service improvements for the Project and the Property, and more particularly is limited to the construction of Well 35-C and the Intertie to Well 34-C, and the rehabilitation of Well 34-C, all in a manner and in accordance with the time constraints set forth herein, in order to accommodate the construction of an additional one hundred and eight (108) residential units within the Project. All other terms and conditions set forth in the Agreement not addressed herein remain in full force and effect.

D. To date, District has provided sufficient water and irrigation meters for Developer to construct up to three hundred and two (302) residential units, in accordance with Section 5.1(a) of the Second Amendment.

E. District and Developer have determined that the Property will not yield wells adequate to provide water of sufficient quantity and quality to serve the Project, and that Well 36-C will likely need to be located off-site, at a location approved by the District and paid for by developer, with appropriate transmission facilities to tie in to Well 34-C and Well 35-C.

F. The terms and conditions of the Agreement notwithstanding, Developer has failed to provide the Improvements in the time, order or manner required therein, such that Well 35-C and the Intertie to Well 34-C have not been completed, and Well 34-C must be rehabilitated in order to provide domestic water service of the quality and quantity required by the Agreement. Developer now seeks District's agreement to provide sufficient water and irrigation meters for Developer to construct an additional one hundred and eight (108) residential units within the phase of the Project known as Village 2 (Hopewell).

G. Developer recognizes that District has relied on Developer's representations that it is ready, willing and able to comply with the provisions of the Agreement and this Third Amendment, and that construction of the Improvements must proceed in a timely and professional manner for the successful development of the Project. Developer further recognizes that District will be damaged to the extent of the cost of successful installation of the Improvements by Developer's failure to timely perform its obligations under the Agreement as amended herein, and that Developer's failure to comply with the provisions of this Third Amendment will result in Developer's default and District's immediate refusal to provide further water meters or connections for water service supply to the Project until such time as the Improvements have been completed to the District's satisfaction such that water service of quality and quantity adequate to supply the Project, in the time and manner required by the Agreement and this Third Amendment.

H. Developer further recognizes that District may be unable to locate or construct Well 35-C and the Intertie as currently planned and designed, and rehabilitate Well 34-C consistent with the Agreement such that they produce water of quality and quantity satisfactory to the District and adequate to provide water service for the Project, and Developer understands and agrees that it bears the risk of that failure to the ultimate success of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the approval of this Third Amendment, Developer and District agree as follows:

1. **Incorporation of Recitals.** Each of the above Recitals is incorporated herein and agreed upon by the Parties.

2. **Improvements; Water Meters.** District is willing to alter the timing and obligations for the build out of certain Improvements and to deliver water meters to the Project, upon Developer's delivery of the Well Work Deposit described in Section 3 hereinbelow, and subject to the following terms and conditions:

a. **Well 35-C and Intertie.** Section 5.1(b) of the Second Amendment is modified such that District, rather than Developer, shall, at the sole cost and expense of Developer, design, construct, equip, complete and connect (i) Well 35-C or the Alternative Well and (ii) the Intertie, consistent with the terms of Section 5.1 (b) of the Second Amendment (the "**Well 35-C Work**"). Well 35-C or the Alternative Well shall be of a quality and capacity that complies with District standards and specifications and capable of connection to Well 34-C. The risk of District's inability to achieve such standards and specifications for Well 35-C and the Intertie, in accordance with the Agreement and Section 5.1(b) of the Second Amendment, shall be borne by Developer.

b. **Well 34-C.** District shall, at the sole cost and expense of Developer, undertake and complete all work necessary to rehabilitate Well 34-C such that Well 34-C is brought back into service and can sustain production of no less than 600 gpm (the "**Well 34-C Work**"). Well 34-C shall be of a quality and capacity that complies with District standards and specifications and capable of connection through the Intertie to Well 35-C. The risk of District's inability to achieve such standards and specifications for Well 34-C, in accordance with the Agreement and Section 5.1(b) of the Second Amendment, shall be borne by Developer.

c. **Water Meters.** District's obligation to release water and irrigation meters as described in Section 5.1(b) of the Second Amendment is modified such that upon Developer's delivery of the Well Work Deposit, District agrees that it will provide sufficient water and irrigation meters for the construction of up to one hundred and eight (108) additional residential units within the phase of the Project known as Village 2 (Hopewell).

d. **Well 36-C Design.** Upon satisfactory completion of the Well 35-C Work and Well 34-C Work, Developer's acquisition of property at a location acceptable to the District and submission of complete plans and specifications for Well 36-C (the "**Well 36-C Design**") providing for the intertie connecting Well 36-C to Well 34-C and Well 35-C, such that the Improvements will provide water of adequate quality and quantity for service thereto as required by Section 5.2 of the Second Amendment, together with faithful performance and payment bonds in amounts established by District, guaranteeing the timely completion of Well 36-C and the intertie to Wells 34-C and 35-C, all to District's satisfaction and in conformance with the District's

standards and specifications, as required by Section 5.1(b) and Section 5.1(c) of the Second Amendment, District shall provide sufficient water and irrigation meters for the construction of up to one hundred and seventy eight (178) additional residential units within the phase of the Project known as Village 3. The total number of residential units provided for under the Agreement and this Third Amendment is five hundred and eighty-eight (588).

3. **Amendment and Restatement of Agreement.** The Parties hereto agree to meet and confer, and prepare a global amendment and restatement of the Agreement, such that it accurately and concisely provides for the completion of the public water system improvements and water service connections for future development of the Project. The Parties further agree that no water meters or connections beyond those provided for in this Third Amendment will be provided by District until such time as the amendment and restatement of the Agreement has been approved.

4. **Deposit.** The Well 35-C Work and the Well 34-C Work shall be paid for by Developer as follows:

a. **Well Work Estimate.** On or before December 15, 2021, Developer shall cause to be deposited (the “**Well Work Deposit**”) with District an amount equal to the District’s preliminary estimate for the cost of the Well 35-C Work and the Well 34-C Work, attached hereto and incorporated herein as Exhibit “B” (the “**Well Work Estimate**”).

b. **Revised Well Work Estimate – Supplemental Deposit.** If at any time during design and construction thereof, the District’s estimated costs for Well 35-C Work and the Well 34-C Work exceed the Well Work Estimate, District shall deliver to Developer a statement of District’s revised estimated costs in excess of the Well Work Estimate (the “**Revised Well Work Estimate**”), together with copies of all back-up documentation therefor, and Developer shall, within thirty (30) days following Developer’s receipt thereof, cause to be deposited with District the additional amount represented by District’s Revised Well Work Estimate (the “**Supplemental Deposit**”). District may, but is not obligated to, proceed with work described in the Revised Well Work Estimate, or to continue issuing water service or construction meters, until such time as District has received the Supplemental Deposit from Developer.

c. **Reallocation of Deposited Funds.** Any portion of the Well Work Deposit and/or Supplemental Deposit which has not been expended by District after completion of the Well 34-C Work and the Well 35-C Work, shall be allocated to the acquisition of real property for relocation of the Well 36-C, the Well 36-C Design, the Well 36-C Improvements or for the design or construction of any Improvements in the 1630 Zone.

5. **Bonds.** As provided for in the Agreement, Developer is required to furnish security for its obligations under the Agreement, concerning performance of the Agreement, payment of contractors, subcontractors, and those providing labor and materials, to guaranty or warranty work and as otherwise provided in the Agreement. Pursuant to District’s agreement set forth above to construct certain Improvements, Developer’s obligation to furnish security is modified as follows:

a. **Well 35-C Bond.** As provided in Section 6.1 of the Second Amendment, Developer procured Ironshore Indemnity, Inc. Bond No. SUR60000011 as security for the construction,

completion and equipping of Well 35-C. On December 11, 2018, the Ironshore Bond was replaced by Lexon Insurance Company Bond No. 1161097. Upon release of the Well Work Deposit covering Well 35-C Work (including the Intertie) to District, District shall take all necessary actions to cause Lexon Insurance Company Bond No. 1161097 to be released.

b. 1530 Zone Improvements Bond. AIG Bond No. 997585 was released by District pursuant to Section 6.2 of the Second Amendment and was replaced with Ironshore Indemnity Bond No. SUR 60000013, dated January 16, 2015, in the amount of \$1,610,000.00. On December 11, 2018, the Ironshore Bond was replaced by Lexon Insurance Company Bond No. 1161098 in the same amount. Upon release of the Well Work Deposit covering the Well 35-C Work to District, District shall take all necessary actions to reduce the amount of Lexon Insurance Company Bond No. 1161098 by \$900,000.00 to reflect that District, and not Developer, will construct the Intertie.

6. Worsley Reservoir. The second sentence of Section 8 of the Second Amendment is modified to read as follows: “Developer shall be obligated to provide permanent power to the Worsley Reservoir, which is designated as item A1 on Exhibit “B” of the Original Agreement, prior to District allowing water connection to the first residential unit in the 1630 zone, but no later than October 31, 2025.”

7. Severability. The provisions of this Third Amendment are severable. If any portion, paragraph, sentence or clause of this Third Amendment is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect unless amended or modified by the mutual consent of the parties.

8. Headings. The headings of this Third Amendment are for convenience and reference only and shall not define, explain, modify, limit, exemplify, or aid in the interpretation, construction or meaning of any provisions of this Third Amendment.

9. Counterparts. This Third Amendment may be executed in any number of counterparts, each of which when executed and delivered shall be an original, and each such counterpart shall, when combined with all other such counterparts, constitute one agreement binding on the parties hereto.

10. Survival of Agreement. Except as expressly modified, all terms and conditions of the Agreement shall remain and apply to Developer, District, the Project and Improvements required therein. Capitalized terms not specifically defined in this Third Amendment shall have the meanings attributed to them in the Agreement.

11. Binding on Successors. This Third Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors-in-interest and assignees.

12. Recordation. This Third Amendment shall be recorded in the Official Records of Riverside County, State of California.


13. **Authority.** The signatories to this Third Amendment hereby represent and warrant that they have the authority to enter into this Third Amendment on behalf of the entities for which they sign below. Attached collectively hereto as Exhibit "C" are resolutions from Lansing Strategic Management, LLC; Strategic Land Partners, LP; JK-Riverwoods, LLC and Skyborne Ventures, LLC authorizing those individuals signing below to execute contracts on behalf of their respective entities. Exhibit "C" is incorporated herein by this reference.

14. **California Law:** This Third Amendment is entered into and is to be performed in Riverside County, California and shall be interpreted pursuant to California law. Venue in any litigation shall be in Riverside County, California.

15. **Attorneys' Fees and Costs.** In the event arbitration or suit are brought to interpret or enforce the terms of the Agreement and/or this Third Amendment, the prevailing party shall be entitled to its litigation costs and reasonable attorneys' fees. Fees and costs shall also be awarded to prevailing party in any appellate or writ proceedings.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the day and year first above written.

DISTRICT:
MISSION SPRINGS WATER DISTRICT

By: 
Name: Arden Wallum
Title: General Manager

DEVELOPER:
SKYBORNE VENTURES, LLC,
a California limited liability company

By: LANSING STRATEGIC MANAGEMENT,
LP, a California limited liability company,
Its Manager

By: STRATEGIC LAND PARTNERS, LP,
a California limited partnership,
It's Managing Member

By: JK-RIVERWOODS, LLC, a
California limited liability company,
Its General Partner

By: 
James M. Kozak
Its Sole Member

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside

On November 18, 2021 before me, Lisa Pelton, Notary Public
(here insert name and title of the officer)

personally appeared Arden Wallum

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Lisa Pelton



(Seal)

CALIFORNIA ALL-PURPOSE CERTIFICATE ACKNOWLEDGEMENT

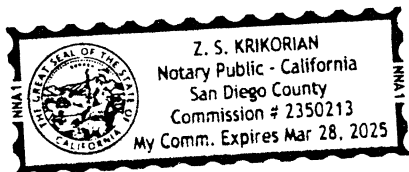
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of: California }
County of: San Diego }

On Nov. 16, 2021, before me, Z. S. KRİKORIAN, Notary Public
personally appeared JAMES M. KOZAK

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

SIGNATURE [Handwritten Signature]

PLACE NOTARY SEAL ABOVE

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of attached document

Title or type of document: _____

Document Date: _____

Number of Pages: _____

Exhibit “A”

[Description of the Property and the Project]

Exhibit "A"
[Description of the Property and the Project]

Real property in the City of Desert Hot Springs, County of Riverside, State of California, described as follows:

PARCEL 1: (APN'S: 667-240-042; 667-250-041; AND 043)

LOTS I AND T OF TRACT NO. 32030-1, AS SHOWN BY MAP ON FILE IN BOOK 404 PAGES 67 THROUGH 75 OF MAPS. RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ½ ON ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDERLYING SAID LAND AND ½ OF ALL OTHER MINERALS, AS RESERVED IN DEED FROM JOSEPH R. TROTTER, HUSBAND AND WIFE FILED FOR RECORD MARCH 30, 1955.

PARCEL 2: (APN'S: 667-270-007 THROUGH 040, 080, 082 THROUGH 085; 667-280-001 THROUGH 047, 051 THROUGH 070, 072 THROUGH 078, 086 THROUGH 091; 667-290-078, 080, 081, 084 AND 085)

LOTS 7 THROUGH 87, 119 THROUGH 138, 140 THROUGH 146, AND LOTS A AND C, E THROUGH I AND L THROUGH Y OF TRACT NO. 32030-2, AS SHOWN BY MAP ON FILE IN BOOK 404 PAGES 76 THROUGH 84 OF MAPS. RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ½ ON ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDERLYING SAID LAND AND ½ OF ALL OTHER MINERALS, AS RESERVED IN DEED FROM JOSEPH R. TROTTER, HUSBAND AND WIFE FILED FOR RECORD MARCH 30, 1955.

PARCEL 3: (APN'S: 667-300-001 THROUGH 054, 058; 667-310-001 THROUGH 084 AND 088; 667-320-001 THROUGH 026, 029 THROUGH 078, 080 THROUGH 083 AND 667-330-001 THROUGH 013, 015 THROUGH 072 AND 076)

LOTS 1 THROUGH 286 AND LETTERED LOTS "O" THROUGH "Z" AND "AA" OF TRACT NO. 32030-3 AS SHOWN ON BY MAP ON FILE IN BOOK 419 PAGES 29 THROUGH 39 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 4: (APN'S: 667-340-001 THROUGH 048 AND 051; 667-350-001 THROUGH 074 AND 078 THROUGH 080; AND 667-360-001 THROUGH 060 AND 064)

LOTS 1 THROUGH 182 AND LETTERED LOTS "H" THROUGH "S" OF TRACT NO. 32030-10, AS SHOWN BY MAP ON FILE IN BOOK 419 PAGES 40 THROUGH 47 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 5: (APN'S: 667-080-006, 667-100-029, 031 AND 038)

TENTATIVE (TRACT) MAP 32030-4, BEING A SUBDIVISION OF THE FOLLOWING DESCRIBED PROPERTY:

PARCEL NO. 1:

THE SOUTH $\frac{1}{2}$ OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

PARCEL NO. 2:

THE SOUTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

EXCEPTING THEREFROM THE EAST $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$.

ALSO EXCEPTING THEREFROM THE EAST $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SAID SECTION.

ALSO EXCEPTING THEREFROM THE SOUTHERLY 40 FEET CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED FILED FOR RECORD JULY 26, 1949 AS INSTRUMENT NO. 3081 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT 32030-1 AS SHOWN ON FILE IN BOOK 404 PAGES 67 THROUGH 75 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 3:

THE EAST $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$, AND THE EAST $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

EXCEPTING THEREFROM THE SOUTHERLY 40 FEET AS CONVEYED TO THE COUNTY OF RIVERSIDE, BY DEED RECORDED JULY 26, 1949 AS INSTRUMENT NO. 3081 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT 32030-1 AS SHOWN ON FILE IN BOOK 404 PAGES 67 THROUGH 75 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT 32030-3 AS SHOWN ON FILE IN BOOK 419 PAGES 29 THROUGH 39 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 6: (APN'S: 667-100-029, 031 AND 038; 667-120-051, 052, 025 THROUGH 027)

TENTATIVE (TRACT) MAP 32030-5, BEING A SUBDIVISION OF THE FOLLOWING DESCRIBED PROPERTY:

PARCEL NO. 1

THE SOUTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

EXCEPTING THEREFROM THE EAST $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$.

ALSO EXCEPTING THEREFROM THE EAST $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SAID SECTION.

ALSO EXCEPTING THEREFROM THE SOUTHERLY 40 FEET CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED FILED FOR RECORD JULY 26, 1949 AS INSTRUMENT NO. 3081 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT 32030-1 AS SHOWN ON FILE IN BOOK 404, PAGES 67 THROUGH 75, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 2:

THE EAST $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$, AND THE EAST $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

EXCEPTING THEREFROM THE SOUTHERLY 40 FEET AS CONVEYED TO THE COUNTY OF RIVERSIDE, BY DEED RECORDED JULY 26, 1949 AS INSTRUMENT NO. 3081 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT 32030-1 AS SHOWN ON FILE IN BOOK 404, PAGES 67 THROUGH 75, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT 32030-3 AS SHOWN ON FILE IN BOOK 419, PAGES 29 THROUGH 39, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 3:

THAT PORTION OF THE EAST ½ OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 29; THENCE NORTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 906 FEET TO THE TRUE POINT OF BEGINNING; THENCE WESTERLY AND PARALLEL THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET THENCE NORTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET TO THE EASTERLY BOUNDARY OF SAID SECTION 29; THENCE SOUTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 4:

THE NORTH 165 FEET OF THE REAL PROPERTY DESCRIBED AS FOLLOWS:

THAT PORTION OF THE EAST ½ OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 29; THENCE NORTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION, A DISTANCE OF 329.0 FEET TO THE TRUE POINT OF BEGINNING; THENCE WESTERLY AND PARALLEL WITH THE SOUTH BOUNDARY OF SAID SECTION, A DISTANCE OF 528.0 FEET; THENCE NORTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION, A DISTANCE OF 577.0 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTH BOUNDARY OF SAID SECTION A DISTANCE OF 528.0 FEET; THENCE SOUTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION, A DISTANCE OF 577.0 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 5:

THAT PORTION OF THE EAST ½ OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 29; THENCE NORTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 329 FEET TO THE TRUE POINT OF BEGINNING; THENCE WESTERLY AND PARALLEL WITH SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE NORTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE SOUTHERLY AND ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THE NORTH 165 FEET THEREOF.

PARCEL NO. 6:

THAT PORTION OF THE EAST ½ OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 29; THENCE WESTERLY ALONG THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING WESTERLY ALONG THE SAID SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE NORTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 2640 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE SOUTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 2640 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 7: (APN'S: 667-080-006; 667-100-029, 031 AND 038; 667-120-051, 052 AND 024)

TENTATIVE (TRACT) MAP 32030-6, BEING A SUBDIVISION OF THE FOLLOWING DESCRIBED PROPERTY:

PARCEL NO. 1:

THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

PARCEL NO. 2:

THE SOUTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

EXCEPTING THEREFROM THE EAST $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$.

ALSO EXCEPTING THEREFROM THE EAST $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SAID SECTION.

ALSO EXCEPTING THEREFROM THE SOUTHERLY 40 FEET CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED FILED FOR RECORD JULY 26, 1949 AS INSTRUMENT NO. 3081 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT 32030-1 AS SHOWN ON FILE IN BOOK 404 PAGES 67 THROUGH 75 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 3:

THE EAST $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$, AND THE EAST $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

EXCEPTING THEREFROM THE SOUTHERLY 40 FEET AS CONVEYED TO THE COUNTY OF RIVERSIDE, BY DEED RECORDED JULY 26, 1949 AS INSTRUMENT NO. 3081 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT 32030-1 AS SHOWN ON FILE IN BOOK 404 PAGES 67 THROUGH 75 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT 32030-3 AS SHOWN ON FILE IN BOOK 419 PAGES 29 THROUGH 39 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 4:

THAT PORTION OF THE EAST $\frac{1}{2}$ OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 3 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 29; THENCE NORTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE

OF 1483 FEET TO THE TRUE POINT OF BEGINNING; THENCE WESTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE NORTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET; THENCE EASTERLY LAND PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET TO THE EASTERLY BOUNDARY OF SAID SECTION 29; THENCE SOUTHERLY ALONG THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 577 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 5:

THAT PORTION OF THE EAST ½ OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 29; THENCE WESTERLY ALONG THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING WESTERLY ALONG THE SAID SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE NORTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 2640 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 528 FEET; THENCE SOUTHERLY AND PARALLEL WITH THE EASTERLY BOUNDARY OF SAID SECTION 29, A DISTANCE OF 2640 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 8: (APN'S: 667-080-002 THROUGH 004 AND 006)

TENTATIVE (TRACT) MAP 32030-7, BEING A SUBDIVISION OF THE FOLLOWING DESCRIBED PROPERTY:

PARCEL NO. 1

THAT PORTION OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHWEST ¼ OF THE NORTHWEST ¼, OF SAID SECTION; THENCE WESTERLY, ON THE SOUTH LINE OF SAID NORTHWEST ¼ OF THE NORTHWEST ¼ 980.5 FEET, TO THE EAST LINE OF THAT CERTAIN 60 FOOT ROAD KNOWN AS 29 PALMS HIGHWAY; THENCE NORTH 23° 01' 13" EAST ON THE EASTERLY LINE OF SAID HIGHWAY, 1498.40 FEET TO THE NORTH

LINE OF SAID SECTION; THENCE EASTERLY, ON THE NORTH LINE OF SAID SECTION 390.71 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SAID SECTION; THENCE SOUTH 0° 09' 30" EAST, ON THE EAST LINE OF THE SAID NORTHWEST ¼ OF THE NORTHWEST ¼ OF SAID SECTION, 1380.18 FEET, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ONE HALF OF ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDERLYING SAID LAND AND ½ OF ALL OTHER MINERALS, AS RESERVED IN DEED FROM JOSEPH R. TROTTER, HUSBAND AND WIFE FILED FOR RECORD MARCH 30, 1955 AS BOOK 1715 PAGE 572 OF OFFICIAL RECORDS OF SAID COUNTY.

SAID PROPERTY IS ALSO SHOWN AS PARCEL 2, 3 AND 4 ON RECORD OF SURVEY ON FILE IN BOOK 27 PAGE 65 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 2

THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

PARCEL 9: (APN'S: 667-080-006 AND 007)

TENTATIVE (TRACT) MAP 32030-8, BEING A SUBDIVISION OF THE FOLLOWING DESCRIBED PROPERTY:

PARCEL NO. 1

THE NORTHEAST ¼ OF THE NORTHWEST ¼ AND THE NORTH ½ OF THE NORTHEAST ¼ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT 32030-10 AS SHOWN ON FILE IN BOOK 419 PAGES 40 THROUGH 47 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 2:

THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

PARCEL 10: (APN'S: 667-080-002 THROUGH 004, 006 AND 007)

TENTATIVE (TRACT) MAP 32030-9, BEING A SUBDIVISION OF THE FOLLOWING DESCRIBED PROPERTY:

PARCEL NO. 1

THAT PORTION OF THE NORTHWEST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHWEST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$, OF SAID SECTION; THENCE WESTERLY, ON THE SOUTH LINE OF SAID NORTHWEST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ 980.5 FEET, TO THE EAST LINE OF THAT CERTAIN 60 FOOT ROAD KNOWN AS 29 PALMS HIGHWAY; THENCE NORTH $23^{\circ} 01' 13''$ EAST ON THE EASTERLY LINE OF SAID HIGHWAY, 1498.40 FEET TO THE NORTH LINE OF SAID SECTION; THENCE EASTERLY, ON THE NORTH LINE OF SAID SECTION 390.71 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF SAID SECTION; THENCE SOUTH $0^{\circ} 09' 30''$ EAST, ON THE EAST LINE OF THE SAID NORTHWEST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ OF SAID SECTION, 1380.18 FEET, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ONE HALF OF ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDERLYING SAID LAND AND $\frac{1}{2}$ OF ALL OTHER MINERALS, AS RESERVED IN DEED FROM JOSEPH R. TROTTER, HUSBAND AND WIFE FILED FOR RECORD MARCH 30, 1955 AS BOOK 1715 PAGE 572 OF OFFICIAL RECORDS OF SAID COUNTY.

SAID PROPERTY IS ALSO SHOWN AS PARCEL 2, 3 AND 4 ON RECORD OF SURVEY ON FILE IN BOOK 27 PAGE 65 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 2

THE NORTHEAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$ AND THE NORTH $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT 32030-10 AS SHOWN ON FILE IN BOOK 419 PAGES 40 THROUGH 47 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL NO. 3

THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT PLAT THEREOF.

PARCEL 11: (APN'S: 667-300-055-0, 667-300-056-1, 667-300-057-2, 667-310-085-8, 677-310-086-9, 677-310-087-0, 677-320-027-7, 677-320-028-8, 677-320-079-4, 667-330-014-6, 667-330-073-9, 667-330-074-0 AND 667-330-075-1)

LETTERED LOTS A, B, C, F, G, H, I, J, K, L, M AND N OF TRACT NO. 32030-3 AS SHOWN ON BY MAP ON FILE IN BOOK 419 PAGES 29 THROUGH 39 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 12: (APN'S: 667-340-049-9, 667-340-350-9, 667-350-075-3, 667-350-076-4, 667-360-061-1, 667-360-062-2 AND 667-360-063-3)

LETTERED LOTS A THROUGH F OF TRACT NO. 32030-10, AS SHOWN BY MAP ON FILE IN BOOK 419 PAGES 40 THROUGH 47 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

Exhibit "B"

WELL WORK ESTIMATE

<u>Description of Work</u>	<u>Deposit Amount</u>
Well 34-C Rehabilitation	\$ 475,000.00
Well 35-C Completion	2,700,000.00
18-inch Intertie Line	1,100,000.00
	<u>Total Deposit</u>
	<u>\$4,275,000.00</u>

Exhibit “C”

[Developer Resolutions of Authority]

RESOLUTION OF MANAGING MEMBER
OF
SKYBORNE VENTURES, LLC

WHEREAS, James M. Kozak is the sole member of JK-Riverwoods, LLC, a California limited liability company, which is the General Partner of Strategic Land Partners, LP, a California limited partnership, which is the Managing Member of Lansing Strategic Management, LLC, a California limited liability company, which is the sole Manager of Skyborne Ventures, LLC, a California limited liability company ("Skyborne");

WHEREAS, Skyborne is the owner of that certain residential housing development in Desert Hot Springs, California, which is being developed pursuant to a specific plan for Tract Map 32030 (the "Project");

WHEREAS, Skyborne is the successor-in-interest of Western Pacific Housing, Inc., with respect to that certain Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement with Mission Springs Water District ("District") dated August 30, 2006, as amended by that certain First Amendment to Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement dated March 27, 2007, and as further amended by that certain Second Amendment Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement dated March 18, 2015 (collectively, the "Agreement");

WHEREAS, the Agreement further provides for certain fee credits and reimbursements on behalf of the "Developer" under the Agreement in connection with building certain infrastructure;

WHEREAS, Skyborne has completed negotiations with the District on a Third Amendment to Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement (the "Third Amendment"); and

WHEREAS, the Third Amendment will allow Skyborne to move forward with the next phase of the Project and carry out its business purpose, which will benefit Skyborne;

NOW THEREFORE, BE IT RESOLVED that the Third Amendment is hereby approved and adopted by Skyborne and James M. Kozak has the authority to execute the Third Amendment on behalf of Skyborne and take all action required thereby.

[signature page follows]

The foregoing resolutions are duly adopted by the Manager of Skyborne as of November 12, 2021, pursuant to the authority granted to the Manager under the governing documents.

**SKYBORNE VENTURES, LLC,
a California limited liability company**

By: LANSING STRATEGIC MANAGEMENT,
LP, a California limited liability company,
Its Manager

By: STRATEGIC LAND PARTNERS, LP,
a California limited partnership,
Its Managing Member

By: JK-RIVERWOODS, LLC, a
California limited liability company,
Its General Partner

By: 
James M. Kozak
Its Sole Member

AGENDA STAFF REPORT



MEETING NAME: REGULAR BOARD MEETINGS

MEETING DATE(S): OCTOBER 12 & 16, 2023

FROM: DANNY FRIEND, DIRECTOR OF OPERATIONS

FOR: ACTION X DIRECTION INFORMATION

FIRST AMENDMENT TO CONTRACT AGREEMENT WITH WALTON MOTORS & CONTROLS, INC. FOR MOTOR REWIND/REPAIRS FOR WATER PRODUCTION WELL & BOOSTER PUMP MOTORS FOR 2023-2024

STAFF RECOMMENDATION

Authorize the Interim General Manager to amend the contract agreement with Walton Motors & Controls, Inc. for the Motor Rewind/Repairs for Water Production Well and Booster Pump Motors for 2023-2024. The amendment would increase the contract amount by \$50,000 from \$50,000 to a not to exceed amount of \$100,000 and authorize the Interim General Manager to do all things necessary to complete the project.

SUMMARY

The District contracted with Walton Motors & Controls, Inc. (Walton) in August 2023 for well and booster station motor testing and repair services. Unexpected motor failures at Well 24 and the Valley View Booster Station have depleted the contract budget, leaving approximately \$6,570 for the remainder of the contract term. The attached contract describes the scope of work for all services.

ANALYSIS

Amendment No. 1 increases the contract amount by \$50,000 (new contract total: \$100,000) and enables staff to use Walton for any future motor repair services as needed. Staff does not have any motor repair work planned, nor anticipate any repairs for the remaining 2023-2024 contract term; however, requests the amendment to prepare for any unforeseen emergencies.

FISCAL IMPACT AND STRATEGIC PLAN IMPLEMENTATION

All work authorized under this contract is funded by various cost centers in the FY 2023-2024 operating budget approved by the Board.

ATTACHMENTS

- Contract Amendment No. 1
- Original 2023-2024 Contract (a similar contract was issued in FY 2022-2023)

FINANCIAL DATA		
Cost Associated with this action:	\$100,000.00	
Current FY cost:	\$50,000.00	
Future FY cost:	\$0.00	
Is it covered in current year budget:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Budget adjustment needed:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If yes, year needed:	N/A	
All previous contracts including dates, amounts and board approvals are attached or have been made available.		
FUNDING SOURCES		
Source of funds:	201/206	
BID/Job#	857/853	
Current BID/Job balance	\$319,610.00	
Balance remaining if approved:	\$269,610.00	

**AMENDMENT TO
Agreement for Professional Services
Mission Springs Water District
66575 Second Street
Desert Hot Springs, CA 92240
Telephone 760-329-6448 – FAX 760-329-2482**

TO: **Walton Motors & Controls, Inc.** DATE: _____
1843 Floradale Avenue
South El Monte, CA 91733 PROJECT DIR#: N/A

FIRST AMENDMENT TO CONTRACT AGREEMENT

1. This amendment (the "Amendment") is hereby made by Mission Springs Water District and **Walton Motors & Controls, Inc.**, parties to an agreement for **Motor Rewind/Repairs for Water Production Well and Booster Pump Motors 2023-2024** (the "Agreement"), dated August 1, 2023.
2. In exchange for the promises herein and other good and valuable consideration, the sufficiency of which both parties acknowledged, it is mutually agreed by and between the undersigned contracting parties that the Agreement is amended as follows:

This Amendment will increase the amount of the Contract Agreement from a Not to Exceed amount of \$50,000.00 to a Not to Exceed amount of \$100,000.00.

3. Except as set forth in this Amendment, the Agreement is unchanged and shall continue in full force and effect in accordance with its terms. If there is conflict between this Amendment and the Agreement the terms of this amendment will prevail.

Instructions: Sign and return via email. Upon acceptance by Mission Springs Water District, an executed copy will be returned to you for your records. Insert the names of your authorized representative(s) below.

Accepted:

Consultant:

Mission Springs Water District

Walton Motors & Controls, Inc.
(Business Name)

By: _____
Brain Macy

By: _____
Ray A. Garcia

Title Interim General Manager

Title President

Other authorized representative(s):

Other authorized representative(s):

Danny Friend
Director of Operations

Chad Finch
Water Production Supervisor

Agreement for Professional Services
Mission Springs Water District
66575 Second Street
Desert Hot Springs, CA 92240
Telephone 760-329-6448 – FAX 760-329-2482

For your protection, make sure that you read and understand all provisions before signing. The terms on pages 2 - 5 are incorporated in this document and will constitute a part of the agreement between the parties when signed.

TO **Walton Motors & Controls Inc.** DATE August 1, 2023
1843 Floradale Avenue
South El Monte, CA 91733-3686

TITLE: **Motor Rewind/Repairs for Water Production Well and Booster Pump
Motors 2023-2024**

The undersigned Consultant agrees to furnish the following:

All Work/Services per the attached Exhibit A – Scope of Work and in accordance with Exhibit B – Fee Schedule 2023-2024 as provided by Walton Motors & Controls Inc., and per Exhibit C – Term, Early Termination & Notice

Contract price \$: Not to Exceed \$50,000.00

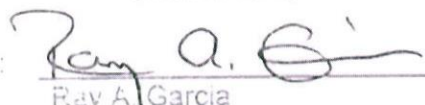
Term: Eleven (11) months from the effective Agreement DATE above

Instructions: Sign and return via email. Upon acceptance by Mission Springs Water District, a copy will be signed by its authorized representative(s) and promptly returned to you. Insert the names of your authorized representative(s) below.

Accepted: _____
Mission Springs Water District

Consultant: _____
Walton Motors & Controls Inc.
(Business Name)

By:  _____
Danny Friend
Title Director of Operations

By:  _____
Ray A. Garcia
Title President

Other authorized representative(s):

Chad Finch
Water Production Supervisor

Amanda Lucas
Administrative Assistant, Operations

Other authorized representative(s):

Consultant agrees with the Mission Springs Water District that:

- a. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant will immediately defend, indemnify and hold harmless Mission Springs Water District, its directors, officers, employees, and authorized volunteers against any and all liability from all claims and demands of all persons that arise out of, pertain to, or relate to the Consultant's negligence, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the work under this agreement. Consultant shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of Consultant's performance or non-performance of the work hereunder and shall not tender such claims to Mission Springs Water District nor to its directors, officers, employees, or authorized volunteers, for defense or indemnity.
- b. Other than in the performance of professional services, to the fullest extent permitted by law, Consultant will immediately defend, indemnify and hold harmless Mission Springs Water District, its directors, officers, employees and authorized volunteers from all claims and demands of all persons arising out the performance of the work or furnishing of materials, including but not limited to, claims by the Consultant or Consultant's employees for damages to persons or property except for the sole negligence or willful misconduct or active negligence of Mission Springs Water District, its directors, officers, employees, or authorized volunteers.
- c. By his/her signature hereunder, 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 that Consultant will comply with such provisions before commencing the performance of the professional services under this agreement. Consultant and sub-consultants will keep workers' compensation insurance for their employees in effect during all work covered by this agreement.
- d. Consultant will file with Mission Springs Water District, before beginning professional services, a certificate of insurance satisfactory to Mission Springs Water District evidencing professional liability coverage of not less than \$1,000,000 per claim and \$2,000,000 annual aggregate, that coverage shall not be cancelled except with notice to Mission Springs Water District. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalent, or as otherwise approved by Mission Springs Water District. The retroactive date (if any) is to be no later than the effective date of this agreement. Consultant shall maintain such coverage continuously for a period of at least five (5) years after the completion of the contract work. Consultant shall purchase a five-year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement. In the event that the Consultant employs other consultants (sub-consultants) as part of the work covered by this agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.
- e. Consultant will file with Mission Springs Water District, before beginning professional services, certificates of insurance (Acord Form 25 or equivalent) satisfactory to Mission Springs Water District evidencing

Coverage – Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

- 1. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01)
- 2. Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto)

Limit – The consultant shall maintain limits no less than the following

General liability - coverage of not less than two million (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater for bodily injury, personal injury, and property damage, (\$4,000,000 general and products-completed operations aggregate (if used)).

\$3,000,000 General Aggregate is accepted by MSWD.

ACCEPTED BY



MSWD

 Pres.

Walton Motor Controls Inc

1. Auto liability - One million dollars \$1,000,000 for bodily injury and property damage each accident limit.
2. Workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable).

Required Provisions –

- The general liability coverage shall give Mission Springs Water District, its directors, officers, employees (collectively the District), and authorized volunteers insured status (via ISO endorsement at least as broad as CG 2010 1185 or **both** CG 20 10 plus CG 20 37 if a later edition is used) specifically naming the Mission Springs Water District, its directors, officers, employees, or authorized volunteers; or using the language that states "as required by written contract."
 - The general liability coverage is to state or be endorsed (with as broad as ISO endorsement CG 20 01 04 13) to state "such insurance shall be primary and any insurance, self-insurance or other coverage maintained by Mission Springs Water District, its directors, officers, employees, or authorized volunteers shall not contribute to it".
 - Workers Compensation Insurance – As required by the State of California, with Statutory Limits and Employer's Liability Insurance of no less than \$1,000,000 per accident for bodily injury or disease. **Waiver of Subrogation:** The insurer(s) named above agree to waive all rights of subrogation against the Mission Springs Water District, its elected or appointed officers, officials, agents, authorized volunteers, and employees for losses paid under the terms of this policy which arise from work performed by the named insured for the Mission Springs Water District; but this provision applies regardless of whether or not the Mission Springs Water District has received a waiver of subrogation from the insurer.
 - Consultant shall require and verify that all sub-contractors maintain insurance meeting all requirements stated herein, and Consultant shall ensure that Mission Springs Water District its directors, officers, employees, and authorized volunteers are an additional insured on Commercial General Liability Coverage.
 - Coverage is to be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalent, or as otherwise approved by Mission Springs Water District.
 - The coverage shall contain no special limitations on the scope of protection afforded to Mission Springs Water District, its directors, officers, employees, or authorized volunteers.
 - In the event that the Consultant employs other consultants (sub-consultants) as part of the work covered by this agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.
- f. If any of the required coverages expire during the term of this agreement, the Consultant shall deliver the renewal certificate(s) to Mission Springs Water District at least ten (10) days prior to the expiration date.
- g. Consultant shall not accept direction or orders from any person other than the General Manager or the person(s) whose name(s) is (are) inserted on Page 1 as "other Authorized Representative(s)."
- h. Payment, unless otherwise specified on Page 1, is to be within thirty (30) days after acceptance by Mission Springs Water District.
- i. Professional permits required by governmental authorities will be obtained at Consultant's expense, and Consultant will comply with applicable local, state and federal regulations and statutes including but not limited to Cal/OSHA requirements.

- j. Any change in the scope of the professional services to be done, method of performance, nature of materials or price thereof, or to any other matter materially affecting the performance or nature of the professional services will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing by a supplemental agreement executed by Mission Springs Water District. Consultant's "Authorized Representative(s)" has (have) the authority to execute such written change for Consultant.
- k. Unless otherwise agreed upon in writing, all reports, documents, or other written material, including any documents, images, photographs, video files, or other media created or developed by Consultant as part of the services required hereunder ("Written Products") shall be considered to be "works made for hire", and all Written Products and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and all other proprietary rights, shall be and remain the property of Mission Springs Water District without restriction or limitation upon their use, duplication or dissemination by Mission Springs Water District, except as otherwise provided herein. Consultant shall not obtain or attempt to obtain copyright protection as to any of the Written Products.
- l. Consultant hereby assigns to Mission Springs Water District all ownership and any and all intellectual property rights to the Written Products that are not otherwise vested in Mission Springs Water District pursuant to section above.
- m. Consultant shall not disclose, publish, or authorize others to disclose or publish, design data, drawings, specifications, reports, or other information pertaining to the projects assigned to the Consultant by the Mission Springs Water District or other information to which the Consultant has had access during the term of this Agreement without the prior written approval of an Authorized Representative during the term of this Agreement. Consultant's covenant under this section shall survive the termination of this Agreement.
- n. Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by the Mission Springs Water District or the Authorized Representative. The Consultant shall maintain adequate records on services provided in sufficient detail to permit an evaluation of service. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. At all times during regular business hours, Consultant shall provide access to such books and records to the Authorized Representative or his or her designees and shall give the Authorized Representative or his or her designees the right to examine and audit such books and records and to make transcripts as necessary, and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement.
- o. This Agreement is personal to the Consultant. Any attempt to assign or subcontract any right or obligation hereunder by the Consultant shall be void unless approved in writing in advance by the Authorized Representative. Consultant's services pursuant to this Agreement shall be provided by the representative or directly under the supervision of the representative and Consultant shall not assign another to supervise the Consultant's performance of this Agreement without the prior written approval of the Mission Springs Water District, by and through the Authorized Representative.
- p. Consultant shall not maintain, commit, or permit the maintenance or commission of any nuisance in connection with the performance of services under this Agreement.
- q. Consultant agrees to be familiar with and comply with all applicable federal, state, and local conflict of Interest laws, including, but not limited to, the Political Reform Act (California Government Code Sections 81000, et seq.) and California Government Code Section 1090. During the term of this Agreement, Consultant shall retain the right to perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the prior written approval of the Authorized Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict-of-interest statute.

- r. A waiver by the Mission Springs Water District of any breach of any term, covenant, or condition contained in this Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement whether of the same or different character.
- s. The Consultant shall commence, carry on, and complete all required tasks with all practicable dispatch, in a sound, economical, and efficient manner in accordance with all applicable laws and generally accepted industry standards.
- t. No Third-Party Beneficiaries. The Mission Springs Water District shall not be obligated or liable under this Agreement to any party other than the Consultant.
- u. In no event shall the making by the Mission Springs Water District of any payment to the Consultant constitute or be construed as a waiver by the Mission Springs Water District of any breach of covenant, or any default which may then exist, on the part of the Consultant, and the making of any such payment by the Mission Springs Water District while any such breach or default shall exist shall in no way impair or prejudice any right or remedy available to the Mission Springs Water District with regard to such breach or default.
- v. If any legal action is necessary to enforce any provision of this Agreement or for damages by reason of an alleged breach of any provisions of this Agreement, the prevailing Party shall be entitled to receive from the losing Party all costs and expenses in such amount as the courts may determine to be reasonable. In awarding the cost of litigation, the court shall not be bound by any court fee schedule, but shall, if it is in the interest of justice to do so, award the full amount of costs, expenses, and attorneys' and experts' fees paid or incurred in good faith.
- w. In the performance of the work required by this Agreement, Consultant shall abide by and conform with and to any and all applicable laws of the United States and the State of California, and with the local County and Municipal Code, ordinances, regulations and policies.
- x. If any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portions or provisions shall not be affected by such holding.
- y. The terms of this Agreement shall be interpreted according to the laws of the State of California. Should litigation occur, venue shall be the Superior Court of Riverside County, California.
- z. This Agreement represents the entire Agreement between the Mission Springs Water District and Consultant with respect to the subject matter hereto and supersedes all prior oral or written negotiations, representations, or agreements. No verbal agreement or implied covenant shall be held to vary the provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties to this Agreement and any subsequent successors and assigns. In the event of any inconsistency between the provisions of this Agreement and Consultant's proposal or Quote, and Exhibits hereto, the provisions of this Agreement shall control.
- aa. Precedence of Exhibits. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.
- bb. Consultant will act hereunder as an independent contractor. This agreement shall not and is not intended to constitute Consultant as an agent, servant, or employee of the Mission Springs Water District and shall not and is not intended to create the relationship of partnership, joint venture or association between the Mission Springs Water District and Consultant.
- cc. Each of the signatories herein hereby represents that he or she has the authority to execute the Agreement on behalf of his or her contracting party.

EXHIBIT A

SCOPE OF WORK

Motor Rewind/Repairs for Water Production Well and Booster Pump Motors 2023-2024

- A. **General:** Contractor to provide general repair services as needed, on a time and materials basis to the Mission Springs Water District (District), and as directed by authorized District staff. Contractor shall provide all supervision, labor, insurance, materials, tools, machinery, equipment, appliances, fixtures, devices, and services necessary to complete the specified work. May include coordination of work with other trades to prevent conflicts without impeding job progress. A current City of Desert Hot Springs business license is required to complete work.
- B. **Services:** Work includes, but is not limited to, the following systems, equipment, and services:
- Testing (megohmmeter readings must be taken before and after servicing), inspection, and dismantling
 - Cleaning all parts and reinspection after disassembly
 - Rebuilding/refurbishing/reconditioning of A/C motors; work may include:
 - Steam cleaning
 - Stator rewinding
 - Dip and bake (double dip and bake stator with epoxy resin coating)
 - Check balance
 - Check shaft straightness
 - Laser alignment if available
 - All rain caps, screens, springs, lubrication fittings, box covers, etc. received with the motor shall be cleaned and reassembled
 - Furnish and install any necessary parts and materials as needed
 - Furnish and install new oil level sight glass
 - Furnish and install new oil fill plug
 - Replacement of all gaskets
 - Reassembling of A/C motors
 - Adjust thrust per manufacturer's specification
 - Furnish oil for test and drain after test; proper oil levels shall be marked on the sight glasses
 - Full voltage testing, and paint
 - All repair charges shall be approved by the District prior to start of repair work and work shall be in accordance with specifications. Upon approaching 70% of the cost of a new motor, the District should be advised by the vendor. At that time, the District will decide to repair or replace the motor.
 - In general, motors shall be picked up by the contractor within 24 hours of notification by the District. For non-emergency situations, the repaired motor shall be returned within seven (7) calendar days. For emergency situations, the repaired motor shall be returned within two (2) calendar days.

Walton Motors & Controls Inc.

1843 Floradale Avenue, South El Monte, CA 91733 Phone: 626.442.4610 Fax: 626.444.3561

August 21, 2023

Chad Finch
Mission Springs Water District
66575 Second Street
Desert Hot Springs, CA 92240

RE: Shop Labor/Fee Schedule

Chad,

Our Shop rates are listed below, we do not have a rate schedule for stator rewinds as it varies from manufacturer, HP, RPM and frame size.

- Mechanical labor rate: \$110.00 per hour
- Mechanical labor rate for wastewater submersible pump units: \$130.00 per hour
- Machine shop labor rate: \$120.00 per hour
- Steam clean dip and bake of stator: 35% of rewind
- Material Mark Up: +25 % of cost

We hope this information is helpful. If additional information is required, please feel free to contact us at any time.

Best regards,

Ray A Garcia

Ray A. Garcia
President

EXHIBIT C

Term, Early Termination & Notice

Motor Rewind/Repairs for Water Production Well and Booster Pump Motors 2023-2024

A. Term of Agreement

This professional services agreement shall be effective upon approval by the parties thereof and shall expire upon (11) eleven months from the effective Agreement DATE therein. This contract also terminates and replaces any previous agreements between the Mission Springs Water District and Walton Motors & Controls Inc. for Motor Rewind/Repairs for Water Production Well and Booster Pump Motors for 2023-2024 in force prior to the effective date of this agreement.

B. Early Termination of Agreement

This agreement may be terminated at any time upon a thirty (30) day written notice from either party, and without fault or claim for damages by either party.

C. Notice

All correspondence and Notices will be sent to the following addresses as noted below for Mission Springs Water District and Walton Motors & Controls Inc.

OWNER

Attn: Chad Finch
Mission Springs Water District
66575 Second Street
Desert Hot Springs, CA 92240

CONSULTANT

Attn: Ray A. Garcia
Walton Motors & Controls Inc.
1843 Floradale Avenue
South El Monte, CA 91733



BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION MINUTES

Thursday, September 14, 2023 at 3:00 PM

66575 Second St, Desert Hot Springs, CA AND/OR Via Teleconference

CALL TO ORDER

President Martin called the meeting to order at 3:00 PM

ROLL CALL

BOARD MEMBERS PRESENT: President Russ Martin, Vice President Ivan Sewell, Director Robert Griffith
Director Amber Duff, Director Ted Mayrhofen

STAFF MEMBERS PRESENT: Brian Macy, Marion Champion, Arturo Ceja, Kurt Kettenacker, Oriana Hoffert, April Scott, Nancy Mezquita, Danny Friend, Dori Petee, Amanda Lucas, Eric Weck

PUBLIC INPUT

No public input

EMPLOYEE RECOGNITION

HUMAN RESOURCES REPORT

The Board and staff acknowledged retiring employee Nancy Mezquita. All other employees will be acknowledged on Monday.

ACTION ITEMS

PUBLIC HEARING ~ RESOLUTION 2023-21 ~ ENERGY SERVICE CONTRACT WITH ENGIE SERVICES U.S.

It is recommended to adopt Resolution 2023-21, Energy Services Contract with ENGIE Services U.S., to design, build and perform operations and maintenance services on the Comprehensive Energy and Sustainability Upgrades project.

Danny Friend and Arturo Ceja made a presentation to the Board on the ENGIE Energy Efficiency Project – Due Diligence/Peer Review. Mr. Friend noted the process and purpose of this project is what was addressed. The Due Diligence process included legal review by SBEMP, Engineering Review by Kenwood Energy and a Financial Review by Stradling Law (Bond Counsel). There are four distinct parts of the review: cost of the project, the ENGIE contract, project timing and financing. Mr. Friend pointed out that staff is still negotiating several points in the ENGIE Contract; cost, change order language, ownership of contract documents and plans and construction materials and specifications.

Mr. Ceja continued with the financial portion of the presentation. Key points/milestones he noted; the Board is not approving any financing today, just the ENGIE Energy Services Contract. Project timing/Key Milestones; Inflation Reduction Act, Bank of America Loan and the Net Energy Metering, project must be completed by March of 2026. Bank of America provided the best interest rate. Rate lock ends on October 13, 2023. Staff is still waiting for the final terms of the loan from BofA.

Ashu Jain of ENGIE Services U.S. presented last. He addressed the cost of the contract noting our project is far more complex than most. Additionally, he noted that since September of 2021, there has

been a 21% cost increase in construction costs. At this time, ENGIE has reduced the cost of the project by half a million dollars, which is the best they can do. According to the Inflation Reduction Act, if construction is not started in 2023, we will lose 10%.

Ashu and staff fielded questions from the Board.

AWARD OF CONTRACT AGREEMENT FOR THE SUPPLEMENTAL ENVIROMENTAL PROJECT TO R.E. CHAFFEE CONSTRUCTION, INC.

It is recommended to authorize the Interim General Manager to execute a contract agreement to complete the Supplemental Environmental Project in the amount of \$390,877 plus a 10% contingency for a total of \$429,964.70, to R.E. Chaffee Construction, Inc., and augment the project budget an additional \$250,000 for the cost of construction, and inspection and authorize the Interim General Manager to do all things necessary to complete the project.

On July 18, 2023, MSWD started the advertising period for the Supplemental Environmental Project to connect 21 properties to MSWD sewers as required by the settlement of an enforcement action with the Colorado River Basin Water Board. On August 17, 2023, three bids were received from Legacy Craft Construction, R.E. Chaffee Construction and Tri-Star Contracting II, Inc. Upon receipt, staff analyzed the bids, submittals, and the contractor's licenses of each of the bidders. The bid analysis revealed that the apparent lowest bidder at \$351,965.00, Legacy Craft Construction was deemed non-responsive as their bid did not include all the necessary information. The second bidder, RE Chaffee Construction, Inc. is licensed as a Class 'A' contractor and capable of performing the necessary work. Staff recommends awarding the SEP Project to RE Chaffee Construction, Inc. in the bid amount of \$390,877.00 plus a 10% contingency for a total of \$429,964.70.

DISCUSSION ITEMS

NANCY WRIGHT REGIONAL WATER RECLAMATION FACILITY UPDATE

Steve Ledbetter of TKE gave a construction update.

CRITICAL SERVICES CENTER AND ADMINISTRATION BUILDING UPDATE

No update at this time.

DEVELOPER/CONTRACTOR HANDBOOK & GUIDELINES FOR DESIGN AND CONSTRUCTION OF WATER AND SEWER FACILITIES UPDATE

Eric Weck presented to the Board. He noted the purpose of this handbook is to set guidelines for design and construction of water and sewer facilities. This document was last updated in September of 2012. As changes are made, they will come back to the Board for review.

CONSENT AGENDA

Consent agenda items are expected to be routine and non-controversial, to be acted upon by the Board at one time, without discussion. If a member would like an item to be handled separately, it will be removed from the Consent Agenda for separate action.

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

August 9, 2023 - Special Meeting Workshop
August 17, 2023 - Study Session
August 23, 2023 - Board Meeting
August 23, 2023 - Special Meeting

REGISTER OF DEMANDS

The register of demands totaling \$2,368,916.31

REPORTS

DIRECTOR'S REPORTS

All reports will be given on Monday.

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

- A. Finance Report
- B. Public Affairs Report

Arturo Ceja gave the financial report for the period ending June 30, 2023.

Marion Champion presented a Public Affairs update.

COMMENTS

DISTRICT COUNSEL COMMENTS

General Counsel announced that the DWA case is fully briefed, and they now wait for a court date from the Court of Appeals. He detailed work done by his office for MSWD. All other items will be discussed in closed session on Monday.

DIRECTOR COMMENTS

President Martin noted he was contacted by Urban Water Institute Board of Directors to sit on their Board as a member agency.

ADJOURN

With no further business, President Martin adjourned the meeting at 5:02 PM

Respectfully,

Dori Petee
Executive Assistant



BOARD OF DIRECTORS REGULAR MEETING MINUTES

Monday, September 18, 2023 at 3:00 PM

66575 Second St, Desert Hot Springs, CA AND/OR Via Teleconference

CALL TO ORDER

President Martin called the meeting to order at 3:00 PM

ROLL CALL

BOARD MEMBERS PRESENT: President Russ Martin, Vice President Ivan Sewell, Director Robert Griffith
Director Amber Duff, Director Ted Mayrhofen

STAFF MEMBERS PRESENT: Brian Macy, Marion Champion, Dori Petee, Danny Friend, Arturo Ceja,
Amanda Lucas, April Scott, Eric Weck, Lee Boyer, Jeff Nutter, Oriana Hoffert

PLEDGE OF ALLEGIANCE

Led by Vice President Sewell

RULES OF PROCEDURE

Rules of Procedure were read by General Counsel, John Pinkney.

All noticed meetings are conducted using Rosenberg’s Rules of Order as a procedural guideline. Directors should refrain from responding directly to public comments at meetings of the Board. The Board President will refer matters raised during public comment to the General Manager for follow-up when appropriate. Occasionally, a prompt response may be offered when an obvious answer resolution is available provided this is done in compliance with the Brown Act. Directors should refrain from debating or making decisions in response to public comments. The President of the Board presides at all meetings and decides all points of order and procedure during meetings. The President is responsible for maintenance and decorum at all Board meetings. No person shall be allowed to speak who is not first been recognized by the President. All questions and remarks should be addressed to the President as the presiding officer. No member of the Board should speak more than once about any one subject until every other member on the Board wishing to speak on the subject shall have been given the opportunity to speak. No Board member shall interfere with the orderly progress of a Board meeting. In order to ensure the orderly progress of Board meetings the Board President regulates the amount of time to be dedicated to a particular agenda item.”

PUBLIC INPUT

No public input

EMPLOYEE RECOGNITION

HUMAN RESOURCES REPORT

The Board acknowledged employees from July & August

ANNIVERSARIES

Jacob Mosqueda	Wastewater Treatment Plant Operator I	1 Year
Rachel Pust	Accounting Manager	1 Year
Joe Hernandez	Field Service Representative II/Backflow Specialist	16 Years

Greg Chapman	Wastewater Treatment Plant Operator II	17 Years
Lee Boyer	Chief Plant Operator	23 Years

CERTIFICATIONS/EDUCATIONAL ACCOMPLISHMENTS

Chad Finch (Water Production Supervisor)	Cross Connection Control Specialist certification
Fernando Ruelas (Field Operations Technician I)	Water Distribution Grade 2 (D-2) certification

ACTION ITEMS**PUBLIC HEARING ~ RESOLUTION 2023-21 ~ ENERGY SERVICE CONTRACT WITH ENGIE SERVICES U.S.**

It is recommended to adopt Resolution 2023-21, Energy Services Contract with ENGIE Services U.S., to design, build and perform operations and maintenance services on the Comprehensive Energy and Sustainability Upgrades project.

President Martin opened the Public Hearing; Secretary gave notice of Public Hearing publishing.

Ashu Jain of ENGIE Services U.S. impressed to the Board, why MSWD should work with his organization and why we need to act swiftly. He noted that ENGIE has provided their services to date at no cost, because they believe in the importance of the project.

Mr. Macy noted there were four distinct parts to the review of this project: peer review, legal review, engineering review and finance review. Staff is still reviewing the following: project cost and contract. There are still a lot of unknowns related to this project and because of this staff is recommending that the Board not move forward at this time.

President Martin closed the Public Hearing. Board continued with questions and Board discussion.

Motion to continue Regular Meeting to October 5, 2023**Motion made by Director Griffith, Seconded by Director Mayrhofen.**

Voting Yea: President Martin, Vice President Sewell, Director Griffith, Director Duff, Director Mayrhofen

AWARD OF CONTRACT AGREEMENT FOR THE SUPPLEMENTAL ENVIROMENTAL PROJECT TO R.E. CHAFFEE CONSTRUCTION, INC.

The Board authorized the Interim General Manager to execute a contract agreement to complete the Supplemental Environmental Project in the amount of \$390,877 plus a 10% contingency for a total of \$429,964.70, to R.E. Chaffee Construction, Inc., and augment the project budget an additional \$250,000 for the cost of construction, and inspection and authorize the Interim General Manager to do all things necessary to complete the project.

Eric Weck noted that construction should start at the end of November beginning of December.

Motion made by Director Griffith, Seconded by Director Mayrhofen.

Voting Yea: President Martin, Vice President Sewell, Director Griffith, Director Duff, Director Mayrhofen

DISCUSSION ITEMS

NANCY WRIGHT REGIONAL WATER RECLAMATION FACILITY UPDATE

Nothing further to add

CRITICAL SERVICES CENTER AND ADMINISTRATION BUILDING UPDATE

Nothing further to add

DEVELOPER/CONTRACTOR HANDBOOK & GUIDELINES FOR DESIGN AND CONSTRUCTION OF WATER AND SEWER FACILITIES UPDATE

Nothing further to add

CONSENT AGENDA

Motion made by Vice President Sewell, Seconded by Director Griffith.

Voting Yea: President Martin, Vice President Sewell, Director Griffith, Director Duff, Director Mayrhofen

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

- August 9, 2023 - Special Meeting Workshop
- August 17, 2023 - Study Session
- August 23, 2023 - Board Meeting
- August 23, 2023 - Special Meeting

REGISTER OF DEMANDS

The register of demands totaling \$2,368,916.31

REPORTS

DIRECTOR'S REPORTS

Director Duff reported she attended the following events: 8/8 & 8/29 DHS Planning Commission, 8/28 - 8/31 CSDA Conference

Director Griffith reported he attended the following events: 8/1 DWA Board Meeting, 8/8 CVWD Board Meeting, 8/15 DWA Board Meeting, 8/28 - 8/31 CSDA Conference

Director Mayrhofen reported he attended the following event: 8/16 DVBA Bowling Bash

Vice President Sewell reported he attended the following event: 8/28 - 8/31 CSDA Conference

President Martin reported he attended the following events: 8/3 DVBA Legislative Meeting, 8/9 DHS City Council Meeting, 8/14 DVBA Board Meeting, 8/16 DVBA Bowling Bash, 8/28 - 8/31 CSDA Conference.

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

- A. Finance Report
- B. Public Affairs Report

Nothing further to add

COMMENTS

DISTRICT COUNSEL COMMENTS

General Counsel announced closed session.

DIRECTOR COMMENTS

Vice President Sewell thanked everyone involved with the Blood Drive and encouraged all Board Members to share the event the next time around.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL INITIATION OF LITIGATION

pursuant to Government Code Section 54956.9(d)(4)
Two potential cases.

PUBLIC EMPLOYEE PERFORMANCE REVIEW

Pursuant to Govt Code 54957
Title: Interim General Manager

REPORT ON ACTION TAKEN DURING CLOSED SESSION

The Board met in closed session in the above referenced items, there was no reportable action on either item.

ADJOURN

With no further business, President Martin adjourned the meeting at 4:21 PM

Respectfully,

Dori Petee
Executive Assistant

CHECK NUMBER	CHECK DATE	PAID TO VENDOR	DISBURSEMENT DESCRIPTION	INVOICE			
				AMOUNT	OPERATING	CAPITAL	TOTAL
1001397	09-07-23	J.F. SHEA CONSTRUCTION, INC.	CONSTRUCTION PROGRESS PAYMENT #16	2,759,424.23	0.00	2,759,424.23	2,759,424.23
1001544	09-28-23	J.F. SHEA CONSTRUCTION, INC.	CONSTRUCTION PROGRESS PAYMENT #17	1,673,186.12	0.00	1,673,186.12	1,673,186.12
1001538	09-28-23	DOWNING CONSTRUCTION, INC.	PROGRESS PAYMENT #6	653,149.34	0.00	653,149.34	653,149.34
1001393	09-07-23	DOWNING CONSTRUCTION, INC.	PROGRESS PAYMENT #5	412,314.72	0.00	412,314.72	412,314.72
99104433	09-22-23	WELLS FARGO BANK	AUTO DEP PPE 09.15.23	152,601.16	152,601.16		152,601.16
1001444	09-14-23	XYLEM DEWATERING SOLUTIONS INC	POTABLE WATER BOOSTER PUMP	148,226.35	0.00	148,226.35	148,226.35
99104263	09-11-23	J.F. SHEA CONSTRUCTION, INC.	RETENTION WIRE FOR PP #16	145,232.85	0.00	145,232.85	145,232.85
99104435	09-21-23	CITY NATIONAL BANK	CURRENT PAYABLE PRINCIPAL AND INTEREST	145,000.00	145,000.00		145,000.00
99104248	09-08-23	WELLS FARGO BANK	AUTO DEP PPE 09.01.2023	138,178.30	138,178.30		138,178.30
1001382	09-07-23	AECOM TECHNICAL SERVICES INC.	MSWD CONSTRUCTION SERVICES APR-JUL.2023	104,263.39	0.00	104,263.39	104,263.39
99104199	09-02-23	BBVA COMPASS	LOAN CURRENT PRINCIPLE + INTEREST	97,613.07	97,613.07		97,613.07
1001419	09-14-23	ACWA-JPIA HEALTH BENEFITS AUTH.	OCT. 2023 PREPAID INS.	94,445.89	94,445.89		94,445.89
99104436	09-22-23	EFTPS-IRS PAYROLL TAX REMITTANCE	FED TAX DEP PPE 09.15.23	69,037.46	69,037.46		69,037.46
99104250	09-08-23	EFTPS-IRS PAYROLL TAX REMITTANCE	FED TAX DEP PPE 09.01.23	56,765.53	56,765.53		56,765.53
1001499	09-21-23	CITY OF DESERT HOT SPRINGS	CITY ENCROACHMENT PERMITS	848.73	50,796.55		50,796.55
			BLANKET ENCROACHMENT PERMIT	2,000.00			
			JULY 2023 UU TAX	47,947.82			
99104479	09-29-23	WELLS FARGO - WELLSONE	AUGUST 2023 CC PAYMENT	50,190.79	50,190.79		50,190.79
99104535	09-01-23	WELLS FARGO BANK	AUGUST 2023 LOC INTEREST EXP.	49,875.00	49,875.00		49,875.00
1001535	09-28-23	CORE & MAIN LP	BACKFLOW DEVICE/FLOAT LEVER/AIR RELEASE VALVE	7,871.43	46,217.05		46,217.05
			BR NIPPLE/FULL CIRCLE	3,814.10			
			BALL STOP CORP MUELLER	1,311.15			
			FLG BOLT/NUT SET	75.43			
			BACKFLOW DEVICE	4,701.86			
			FLG BOLT/NUT SET/A.M. STOP MUEL	3,536.57			
			R P BACKFLOW DEVICE	1,422.30			
			2" ARI AIR VAC - PRODUCTION	985.52			
			1" COPPER TUBING	5,134.29			
			1" COPPER TUBING	5,134.29			
			STRAIGHT COUPLING	2,478.29			
			CTS BALL CORPSTOP MUEL	2,845.25			
			A.M. BALL STOP MUEL	3,447.79			
			HYMAX FLEX COUPL.	3,458.78			
99104200	09-01-23	CITY NATIONAL BANK	INSTALLMENT AGREEMENT PRINCIPLE + INTEREST	45,922.74	45,922.74		45,922.74
99104361	09-14-23	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	PERS PPE 09.01.23	35,594.16	35,594.16		35,594.16
99104481	09-28-23	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	PERS PPE 09.15.2023	35,446.33	35,446.33		35,446.33
1001428	09-14-23	FERGUSON WATERWORKS #1083	GRAY POLYMER METER BOX	23,501.57	23,501.57		23,501.57
99104264	09-11-23	DOWNING CONSTRUCTION, INC.	RETENTION FOR PP #5	21,700.78	0.00	21,700.78	21,700.78
1001540	09-28-23	ENTERPRISE FM TRUST	SEPT. 2023 MONTHLY FLEET LEASE	19,458.18	19,458.18		19,458.18
1001409	09-07-23	SLOVAK BARON EMPEY MURPHY & PINKNEY LLP	LEGAL SERVICES	17,310.32	17,310.32		17,310.32
1001394	09-07-23	ECOLOGY AUTO PARTS	CREDIT ADJUSTMENT FOR INVOICE 0001130-IN	-3.29	16,028.62		16,028.62
			SLUDGE HAULING	1,438.16			
			SLUDGE HAULING	5,428.98			
			SLUDGE HAULING	4,309.87			
			SLUDGE HAULING	1,903.98			
			SLUDGE HAULING	2,950.92			
1001431	09-14-23	HI-DESERT AIR INC.	ADMIN BUILDING - A/C UNIT INSTALLATION	14,995.00	14,995.00		14,995.00
1001434	09-14-23	L.O. LYNCH QUALITY WELLS & PUMPS, INC.	WELL 22 REHAB - FINAL PROGRESS PAYMENT	14,950.00	0.00	14,950.00	14,950.00
99104434	09-22-23	STATE OF CA EDD	STATE TAX PPE 09.15.23	14,220.21	14,220.21		14,220.21
99104251	09-08-23	LINCOLN NATIONAL LIFE INS CO	DEF COMP PPE 09.01.2023	13,700.23	13,700.23		13,700.23
99104441	09-22-23	LINCOLN NATIONAL LIFE INS CO	DEF COMP PPE 09.15.23	12,657.75	12,657.75		12,657.75
1001406	09-07-23	RAY LOPEZ ASSOCIATES	INSPECTIONS	4,200.00	12,250.00		12,250.00

CHECK NUMBER	CHECK DATE	PAID TO VENDOR	DISBURSEMENT DESCRIPTION	INVOICE			
				AMOUNT	OPERATING	CAPITAL	TOTAL
			INSPECTIONS	8,050.00			
99104249	09-08-23	STATE OF CA EDD	STATE TAX PPE 09.01.23	11,453.78	11,453.78		11,453.78
1001505	09-21-23	DSH ENTERPRISES, LLC	ENGINEERING - RELEASE OF DEPOSIT - DSH ENTERPRISES	9,484.30	9,484.30		9,484.30
1001442	09-14-23	SOUTHERN CALIFORNIA EDISON COMPANY	ELECTRIC BILL AUG. 2023	9,110.84	9,110.84		9,110.84
1001549	09-28-23	URBAN HABITAT	PALM TRIMMING/BUSH REMOVAL @ HWWTP	9,063.79	9,063.79		9,063.79
1001413	09-07-23	UMETECH, INC.	AUG. 2023 IT SUPPORT	8,677.85	8,677.85		8,677.85
1001407	09-07-23	ROGERS,ANDERSON,MALODY & SCOTT, LLP.	PROGRESS BILLING FY 22/23	8,500.00	8,500.00		8,500.00
1001506	09-21-23	ECOLOGY AUTO PARTS	SLUDGE HAULING	3,930.46	8,239.76		8,239.76
			SLUDGE HAULING	4,309.30			
1001385	09-07-23	AQUATIC INFORMATICS INC.	LINKOFOG SUBSCRIPTION + REMOTE INSPECTOR SUB.	8,005.00	8,005.00		8,005.00
1001527	09-21-23	URBAN HABITAT	LARGE TREE REMOVAL @ WELL 25	1,350.00	7,775.00		7,775.00
			MONTHLY LANDSCAPE MAINTENANCE - 08/2023	6,425.00			
1001510	09-21-23	GREEN DAY VILLAGE DHS LLC	ENGINEERING - RELEASE OF DEPOSIT	7,580.42	7,580.42		7,580.42
1001401	09-07-23	MANPOWER US INC.	STAFFING SERVICES - FIELD STAFF	1,670.40	7,370.28		7,370.28
			STAFFING SERVICES - WWTP OIT	1,600.00			
			STAFFING SERVICES - GM REPORT/GRANTS	2,544.75			
			STAFFING SERVICES - GM REPORT/GRANTS	1,555.13			
1001495	09-21-23	BECK OIL, INC.	UNLEADED GASOLINE	7,279.97	7,279.97		7,279.97
99104439	09-06-23	PAYNEARME MT, INC.	AUG. 2023 PAYNEARME FEES	7,099.80	7,099.80		7,099.80
1001414	09-07-23	URBAN HABITAT	LANDSCAPING	6,075.00	6,075.00		6,075.00
1001390	09-07-23	CORE & MAIN LP	COPPER TUBING	5,770.01	5,801.57		5,801.57
			STRAIGHT ADAPT MUEL	31.56			
1001512	09-21-23	MANPOWER US INC.	STAFFING SERVICES - WWTP OIT	1,280.00	5,639.95		5,639.95
			STAFFING SERVICES - METER READER TEMP	1,336.32			
			STAFFING SERVICE - WWTP OIT	1,280.00			
			STAFFING SERVICES - GM REPORT/GRANTS	1,743.63			
1001392	09-07-23	CYPRESS DENTAL ADMINISTRATORS	AUG. 2023 PREPAID INS.	5,308.71	5,308.71		5,308.71
1001424	09-14-23	CYPRESS DENTAL ADMINISTRATORS	OCT. 2023 DENTAL PREPAID	5,015.44	5,015.44		5,015.44
1001509	09-21-23	GALLERY SKYBORNE PARTNER'S LLC	ENGINEERING - RELEASE OF DEPOSIT - GALLERY	5,001.74	5,001.74		5,001.74
			SKYBORNE				
1001514	09-21-23	OMAR HERMOSILLO	ENGINEERING - RELEASE OF DEPOSIT - OMAR HERMOSILLO	4,986.25	4,986.25		4,986.25
1001523	09-21-23	TYSON RANCH 420, LLC	ENGINEERING - RELEASE OF DEPOSIT - TYSON RANCH	4,790.73	4,790.73		4,790.73
1001433	09-14-23	INFOSEND INC	MONTHLY BILLING SERVICES	4,430.06	4,430.06		4,430.06
1001517	09-21-23	PARKHOUSE TIRE, INC	TRAILER UNIT 395 - REPAIRS	977.22	4,271.91		4,271.91
			DUMP TRUCK UNIT #389 - REPAIRS	2,271.05			
			TRAILER UNIT #395 - REPAIRS	1,023.64			
1001490	09-21-23	AMP PARK, LLC	ENGINEERING - RELEASE OF DEPOSIT - AMP PARK	4,237.74	4,237.74		4,237.74
99104480	09-22-23	PAYMENTUS CORPORATION	AUG. 2023 PAYMENTUS CC FEES	4,118.55	4,118.55		4,118.55
1001503	09-21-23	DHS SAN JACINTO, LLC	ENGINEERING - RELEASE OF DEPOSIT - DHS SAN JACINTO	4,031.85	4,031.85		4,031.85
1001387	09-07-23	CARPI & CLAY. INC	FEDERAL ADVOCACY - AUG. 2023	4,000.00	4,000.00		4,000.00
1001422	09-14-23	BECK OIL, INC.	DIESEL FUEL	3,973.79	3,973.79		3,973.79
1001443	09-14-23	THE LINCOLN NATL. LIFE INS. CO.	OCT. 2023 PREPAID INS.	3,930.37	3,930.37		3,930.37
1001539	09-28-23	ENGINEERING RESOURCES OF	CONSULTANT SERVICES & GENERAL ENG.	3,836.15	0.00	3,836.15	3,836.15
1001440	09-14-23	ROBERT G MODRICH	AUG. 2023 UNIDATA MAINTENANCE	3,816.00	3,816.00		3,816.00
1001493	09-21-23	BABCOCK LABORATORIES, INC.	TOTAL NITROGEN PACKAGE	143.91	3,690.47		3,690.47
			E.COLI/TOTAL COL. TESTING - HORTON	375.15			
			E.COLI/TOTAL COL. TESTING - RWRF #1	250.10			
			TESTING/SAMPLING FOR GUIDE	365.04			
			TOTAL N PACKAGE - RWRF GROUNDWATER #1	846.98			
			TOTAL N PACKAGE - HORTON CLAR. EFF.	238.28			
			TOTAL N PACKAGE - DESERT CREST EFF.	200.54			
			TOTAL N PACKAGE - HORTON GROUNDWATER	1,270.47			

CHECK NUMBER	CHECK DATE	PAID TO VENDOR	DISBURSEMENT DESCRIPTION	INVOICE			TOTAL
				AMOUNT	OPERATING	CAPITAL	
1001391	09-07-23	CS-AMSCO	BACKFLOW DEVICES	3,436.08	3,436.08		3,436.08
99104252	09-11-23	AFLAC	AUGUST 2023 AFLAC DEDUCTIONS	3,115.74	3,115.74		3,115.74
1001416	09-07-23	VESTED SOLUTIONS	JULY 2023 JANITORIAL & DISINFECTING SERVICES	3,103.72	3,103.72		3,103.72
1001383	09-07-23	AIR & HOSE SOURCE INC.	HYDRANT ADAPTER W/SCREEN	897.19	3,063.92		3,063.92
			REPLACEMENT HOSE FOR VAC TRAILERS	2,166.73			
1001545	09-28-23	MANPOWER US INC.	STAFFING SERVICES - FIELD SERVICE TEMP	1,336.32	2,985.70		2,985.70
			STAFFING SERVICES - GM REPORT/GRANT	1,649.38			
1001551	09-28-23	WATERLINE TECHNOLOGIES INC.	11 DRUMS REFILLED	2,690.52	2,690.52		2,690.52
1001432	09-14-23	HUNTER JOHNSEN, INC.	CV WATER COUNTS CONSULTING	2,497.77	2,497.77		2,497.77
1001529	09-21-23	WATERMARKE HOMES, LLC	ENGINEERING - RELEASE OF DEPOSIT - WATERMARKE HOMES	2,286.24	2,286.24		2,286.24
1001500	09-21-23	CLINICAL LABORATORY OF SAN BERNARDINO	BOD TRESTING H+DC	595.00	2,069.00		2,069.00
			LAB SREVICES FOR SAMPLES	1,474.00			
1001532	09-21-23	WELLS FARGO - WELLSONE		2,035.67	2,035.67		2,035.67
1001546	09-28-23	MCMASTER-CARR	BRASS UNION/BRASS ELL/Y-STRAINER	1,820.21	1,820.21		1,820.21
1001497	09-21-23	CALIFORNIA FORWARD	SPONSORSHIP - ANNUAL CVEP SUMMIT	1,395.00	1,395.00		1,395.00
1001521	09-21-23	STEMMER DEVELOPMENT	ENGINEERING - RELEASE OF DEPOSIT - STEMMER DEVELOPMENT	1,341.73	1,341.73		1,341.73
1001425	09-14-23	DESERT VALLEY DISPOSAL, INC.	TRASH SERVICES - ADMIN BLDG	544.89	1,338.79		1,338.79
			TRASH SERVICES - CORP YARD	793.90			
1001536	09-28-23	DANGELO COMPANY	R P BACKFLOW DEVICE	1,338.49	1,338.49		1,338.49
1001386	09-07-23	BABCOCK LABORATORIES, INC.	TOTAL N TESTING - RWRF GROUNDWATER #1	846.98	1,323.54		1,323.54
			TOTAL N TESTING - HWWTP	238.28			
			TOTAL N TESTING - HORTON CLAR. EFFLUENT	238.28			
1001507	09-21-23	ELVIS ARANDA	ENGINEERING - RELEASE OF DEPOSIT - ELVIS ARANDA	1,242.62	1,242.62		1,242.62
1001494	09-21-23	BDP INDUSTRIES, INC.	REPLACEMENT PARTS - BELT PRESS	1,210.83	1,210.83		1,210.83
1001436	09-14-23	O'REILLY AUTOMOTIVE INC.	UNIT 402 - PIN & CLIP BALL MOUNT	67.86	1,175.48		1,175.48
			UNIT 412- REPLACEMENT FILTERS & OIL	71.73			
			UNIT 389 - REPLACEMENT OIL FILTER/OIL	53.36			
			UNIT 388 - REPLACEMENT OIL FILTER/OIL	47.28			
			UNIT 420 - REPLACEMENT BATTERY	163.36			
			UNIT 365 - R134A COOLANT	24.62			
			RESTOCK GALLON CARWASH SOAP - CORP YARD	13.99			
			RESTOCK MP GREASE - CORP YARD	144.17			
			UNIT 367 - ANTIFREEZE	68.92			
			UNIT 367 - V-BELT 9412	7.32			
			UNIT 418 - REPLACEMENT MINI BULBS	18.59			
			INFLATOR GAUGE - CORP YARD	21.71			
			UNIT 435 - PARTS	38.76			
			UNIT 389 - BREAKER ANTIFREEZE	164.88			
			UNIT 427 - FILTERS/OIL	107.70			
			UNIT 418 - OIL FILTER/OIL	54.67			
			UNIT 418 - OIL FILTER/OIL	44.79			
			UNIT 435 - REPAIRS	61.77			
1001548	09-28-23	PARKHOUSE TIRE, INC	UNIT 424 - JOHN DEERE - REPLACEMENT TIRES	1,154.07	1,154.07		1,154.07
1001396	09-07-23	HI-DESERT AIR INC.	SERVICE CALL/AC REPAIRS	1,137.44	1,137.44		1,137.44
1001543	09-28-23	HOME DEPOT CREDIT SERVICES	HOME DEPOT CC - AUG. 2023	1,106.63	1,106.63		1,106.63
1001412	09-07-23	TOPS N BARRICADES, INC	LED SAFETY MINI LIGHT BARS - MSWD VEHICLES	1,063.58	1,063.58		1,063.58
1001515	09-21-23	PALM SPRINGS MOTORS INC	UNIT 402 - WIRING ASSY	194.27	1,047.42		1,047.42
			UNIT 389 - BOLTS	52.20			
			UNIT 402 - WIRE HARNETS	55.36			
			UNIT 389 - EXHAUST PARTS	745.59			

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1001498	09-21-23	CASAMAR GROUP, LLC	LABOR COMPLIANCE AUG. 2023 URBAN HABITAT	297.54	1,023.61		1,023.61
			LABOR COMPLIANCE - L.O. LYNCH	468.95			
			LABOR COMPLIANCE - AUG.2023 - B81 PAVING	257.12			
PR090823	09-08-23	EMPLOYEES		992.21	992.21		992.21
1001476	09-14-23	MICHAEL PINS	ACCOUNT REFUND 12600 AVE SERENA	990.78	990.78		990.78
1001513	09-21-23	NNNDG 13 LLC	ENGINEERING - RELEASE OF DEPOSIT - NNNDG 13 LLC	975.39	975.39		975.39
1001421	09-14-23	BABCOCK LABORATORIES, INC.	CANNDESCENT LAB TESTING	365.04	968.36		968.36
			CABOT ROAD CULTIVATION TESTING	365.04			
			TOTAL N TESTING HWWTP	238.28			
1001435	09-14-23	MANPOWER US INC.	STAFFING SERVICES - GM REPORT/GRANTS	942.50	942.50		942.50
1001518	09-21-23	PARK WEST MHP, LLC	ENGINEERING - RELEASE OF DEPOSIT - PARK WEST	925.16	925.16		925.16
1001522	09-21-23	THE LAMAR COMPANIES	BILLBOARD/PORTAL PROGRAM	925.00	925.00		925.00
1001501	09-21-23	DESERT TIRE AND AUTO REPAIR	UNIT 412 - REPLACEMENT TIRES	912.75	912.75		912.75
1001547	09-28-23	NAPA AUTO PARTS	TWO REPLACEMENT BATTERIES - C&M	786.98	786.98		786.98
1001526	09-21-23	UNDERGROUND SERVICE ALERT	UNDERGROUND SERVICE ALERT	764.25	764.25		764.25
1001552	09-28-23	WESTERN WATER WORKS	FLEX COUPLING ROMAC	763.30	763.30		763.30
1001491	09-21-23	ANSAFONE CONTACT CENTERS	ANSAFONE ANSWERING SERVICE	669.16	669.16		669.16
1001502	09-21-23	DHS LOT 11 HOLDINGS LLC	ENGINEERING - RELEASE OF DEPOSIT - DHS LOT	661.17	661.17		661.17
1001470	09-14-23	LUNAR MARIA OPERATIONS	ACCOUNT REFUND OCOTILLO BLVD BETWEEN PIERSON & 1ST.	654.28	654.28		654.28
1001388	09-07-23	CASEY DOLAN	DIGITAL AD MGMT SEPT. 2023	650.00	650.00		650.00
1001408	09-07-23	RUSS MARTIN	R.MARTIN - MILEAGE REIMB.	637.97	637.97		637.97
1001453	09-14-23	COFFMAN SPECIALTIES, INC.	ACCOUNT REFUND 55860 HAUGEN-LEMAN WAY	636.24	636.24		636.24
1001381	09-07-23	ADT COMMERCIAL LLC	ADMIN/CORP YARD SECURITY ALARM	618.18	618.18		618.18
1001480	09-14-23	REPUBLIC PAVEMENT MAINTENANCE	ACCOUNT REFUND GRANADA AVE & WEST DR	615.71	615.71		615.71
1001477	09-14-23	NINYO & MOORE	ACCOUNT REFUND 20TH AVE	606.63	606.63		606.63
1001460	09-14-23	JOHN J PAVLOFF	ACCOUNT REFUND 17364 N INDIAN CYN DR	586.64	586.64		586.64
1001492	09-21-23	ARAMARK UNIFORM SERVICES, LLC	UNIFORM SERVICES 08.16.23	372.25	560.40		560.40
			UNIFORM SERVICES 08.09.23	285.89			
			UNIFORM SERVICES 08.23.23	1,482.29			
			UNIFORM SERVICES 08.30.23	361.03			
			UNIFORM SERVICES 07.19.23	116.43			
			UNIFORM SERVICES CREDIT 08.21.23	-2,057.49			
1001437	09-14-23	PARKERS BUILDING SUPPLY	REPLACEMENT LIGHT BALLAST - ACCT. TRAILER	34.47	534.10		534.10
			REPLACEMENT LIGHT BALLAST - ACCT. TRAILER	34.47			
			PARTS FOR ANNEX BATHROOM	113.08			
			REPAIR PARTS FOR ADMIN TRASH ENCLOSURE	15.70			
			REPAIR PARTS FOR ADMIN TRASH ENCLOSURE	124.56			
			10 BAGS QUICKCRETE - CORP YARD	53.76			
			TOILET PAPER WALL MOUNT - STORES BATHROOM	56.01			
			STORAGE TOTE - SHOP MAINTENANCE	48.47			
			REPAIR PART BEARING STORES - SWAMP COOLER	30.15			
			FLAG POLE REPAIR - ADMIN BLDG.	10.74			
			REPAIR PARTS - ACCT. TRAILER	12.69			
1001550	09-28-23	USA BLUEBOOK	5 PIECE SOCKET SET - PRODUCTION	213.37	501.75		501.75
			ONE HANDED WRENCH - C&M	288.38			
1001384	09-07-23	ALEX ACEVEDO	TRISTATE REIMB. - A. ACEVEDO	494.46	494.46		494.46
1001405	09-07-23	PROFORMA	RESTOCK INVENTORY ISSUE FORMS - PURCHASING	490.14	490.14		490.14
1001395	09-07-23	GREG CHAPMAN, JR	TRISTATE REIMB. - G. CHAPMAN	480.12	480.12		480.12
1001519	09-21-23	PROFORMA	ADJUSTMENT FORM ORDER	477.47	477.47		477.47
1001398	09-07-23	JACOB MOSQUEDA	TRISTATE REIMB. - J. MOSQUEDA	459.09	459.09		459.09
1001530	09-21-23	WEST COAST SAND AND GRAVEL INC.	26 TONS BASE MATERIAL - CORP YARD	453.96	453.96		453.96

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1001400	09-07-23	LORENZO JESSE SOTO	TRISTATE REIMB. - L.SOTO	431.17	431.17		431.17
1001525	09-21-23	UNCLE D'S SMOKEHOUSE BBQ & GRILL	DEPOSIT FOR EE'S POTLUCK 2023	421.36	421.36		421.36
1001402	09-07-23	MARK VERMEER	TRISTATE REIMB. - M. VERMEER	420.03	420.03		420.03
1001423	09-14-23	BRINKS INCORPORATED	MONTHLY SERVICE FEES	81.78	379.66		379.66
			MONTHLY FEE SERVICES	297.88			
1001448	09-14-23	ARMANDO CERA PEREZ	ACCOUNT REFUND 66623 MISSION LAKES BLVD	346.07	346.07		346.07
1001474	09-14-23	MARTIN MURILLO	ACCOUNT REFUND 65793 14TH ST	312.18	312.18		312.18
1001516	09-21-23	PALM SPRINGS PEST CONTROL, INC.	PEST CONTROL - ANNEX	65.00	300.00		300.00
			PEST CONTROL - ANNEX BAIT BOX	40.00			
			PEST CONTROL - ADMIN	90.00			
			PEST CONTROL - CORP YARD BAIT BOXES	60.00			
			PEST CONTROL - CORP YARD	45.00			
1001533	09-28-23	ADAM WAGNER	BOOT REIMB. - A. WAGNER	300.00	300.00		300.00
1001439	09-14-23	PROFORMA	DOOR HANGERS	289.00	289.00		289.00
1001415	09-07-23	USA BLUEBOOK	GRUNDFOS CONNECTION KIT - PRODUCTION	262.80	262.80		262.80
1001466	09-14-23	LEVON KATERJIAN	ACCOUNT REFUND 69303 GOLDENWEST DR	260.85	260.85		260.85
1001403	09-07-23	MCMASTER-CARR	CLOSE BRASS NIPPLE	251.72	251.72		251.72
1001508	09-21-23	FORSHOCK	SCADA SERVER MONITORING - 08/2023	220.00	220.00		220.00
1001447	09-14-23	AMERICAN ASPHALT SOUTH, INC.	ACCOUNT REFUND CARLOS ST	214.36	214.36		214.36
1001430	09-14-23	HECTOR VASQUEZ	HECTOR VASQUEZ	200.00	200.00		200.00
1001441	09-14-23	SHEREESA CAMPOS	TOILET REBATE - CAMPOS	200.00	200.00		200.00
1001496	09-21-23	BIG TEX TRAILER WORLD INC.	TRAILER UNIT 394 - 10K JACK	193.94	193.94		193.94
1001486	09-14-23	WILLIAM & MARGARET WALSH	ACCOUNT REFUND 16200 AVE MONTEFLORA	186.61	186.61		186.61
1001410	09-07-23	THE UPS STORE #5062	BUSINESS CARDS - C&M	185.29	185.29		185.29
1001478	09-14-23	PAMELA NORRIS	ACCOUNT REFUND 66155 CAHUILLA AVE	183.16	183.16		183.16
1001528	09-21-23	VALLEY LOCK & SAFE	REPAIRS @ WWTP	175.00	175.00		175.00
1001511	09-21-23	JEFFREY R NUTTER	J.NUTTER - BOOT REIMB.	172.40	172.40		172.40
1001531	09-21-23	XEROX CORPORATION	XEROX LEASE - ENGINEERING - SEPT.2023	172.39	172.39		172.39
1001418	09-07-23	WIENHOFF DRUG TESTING	DOT PROGRAM ENROLLMENT - F.RUELAS	170.00	170.00		170.00
1001489	09-14-23	ZOLTAN SZOCS	ACCOUNT REFUND 12794 CENTURIAN ST	169.94	169.94		169.94
1001420	09-14-23	AMANDA LUCAS	NOTARY REIMB. - A.LUCAS	155.86	155.86		155.86
1001429	09-14-23	FRANCHISE TAX BOARD	GARNISHMENT PAYMENT #1	150.00	150.00		150.00
1001541	09-28-23	FRANCHISE TAX BOARD	GARNISHMENT PPE 09.15.23 - 2ND PYMT	150.00	150.00		150.00
99104253	09-11-23	RIVERSIDE COUNTY DCSS - MAIN OFFICE	MONTHLY IWO - PPE 09.01.2023	141.00	141.00		141.00
1001482	09-14-23	ROBIN IRVINE	ACCOUNT REFUND 64215 OLYMPIC MOUNTAIN AVE	135.55	135.55		135.55
1001462	09-14-23	JOSE MEJIA	ACCOUNT REFUND 66386 GRANADA AVE	130.00	130.00		130.00
1001534	09-28-23	CASAMAR GROUP, LLC	LABOR COMPLIANCE - TRI-STAR CONTRACTING	128.56	0.00	128.56	128.56
1001426	09-14-23	DORI M PETEE	D. PETEE - MILEAGE REIMB.	84.49	124.49		124.49
			D. PETEE - NOTARY TESTING FEE REIMB.	40.00			
1001380	09-07-23	ADRIAN VERDUGO PEREA	TRISTATE REIMB. - A. PEREA	122.03	122.03		122.03
1001450	09-14-23	BRIAN SALTARELLI	ACCOUNT REFUND 66141 AVE BARONA	116.59	116.59		116.59
1001504	09-21-23	DIAMOND CHEVROLET BUICK GMC	UNIT 435 - FLOOR MATS	102.36	102.36		102.36
1001461	09-14-23	JOSEPH A. VAUGHAN	ACCOUNT REFUND 66970 DESERT VIEW AVE	97.64	97.64		97.64
1001454	09-14-23	DAVID LAMB	ACCOUNT REFUND 19021 NEWHALL ST	91.33	91.33		91.33
1001389	09-07-23	CHAD FINCH	TRISTATE REIMB. - C. FINCH	84.25	84.25		84.25
1001455	09-14-23	EDWARD DONNELL DAVIS	ACCOUNT REFUND 66310 S AGUA DULCE DR	82.00	82.00		82.00
1001459	09-14-23	JADE ADAMS	ACCOUNT REFUND 66357 3RD ST	82.00	82.00		82.00
1001475	09-14-23	MICHAEL MCGARRY	ACCOUNT REFUND 9361 OAKMOUNT BLVD	82.00	82.00		82.00
99104482	09-28-23	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	PERS MOSQUEDA RETRO ADJ. 09.15.23	79.97	79.97		79.97
1001399	09-07-23	JOSEPH MCELDRONE	TRISTATE REIMB. - J. MCELDRONE	79.86	79.86		79.86
1001458	09-14-23	GRISELDA GUEVARA	ACCOUNT REFUND 13785 HERMANO WAY	78.83	78.83		78.83
1001465	09-14-23	KEVIN CARMIN	ACCOUNT REFUND 66711 YUCCA DR	76.56	76.56		76.56

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1001417	09-07-23	WESTAIR GASES & EQUIPMENT, INC.	REFILL CO2 TANK - PRODUCTION	72.96	72.96		72.96
1001446	09-14-23	AMANDA PEREYRA	ACCOUNT REFUND 9690 PUESTA DEL SOL	72.04	72.04		72.04
1001445	09-14-23	ALICE VEGA NIEBLAS	ACCOUNT REFUND 64950 14TH ST	71.05	71.05		71.05
1001524	09-21-23	UMETECH, INC.	MSWD.ORG DOMAIN RENEWAL	69.51	69.51		69.51
1001411	09-07-23	TIMOTHY OWENS	TRISTATE REIMB. - T. OWENS	69.05	69.05		69.05
1001481	09-14-23	ROBERT BRYANT	ACCOUNT REFUND 8731 CLUBHOUSE BLVD	66.11	66.11		66.11
1001483	09-14-23	SHANTE MARIE RODRIGUEZ	ACCOUNT REFUND 66191 7TH ST	61.87	61.87		61.87
1001479	09-14-23	PAMYLA LAUN	ACCOUNT REFUND 9124 CALLE DE VECINOS	61.09	61.09		61.09
1001467	09-14-23	LEVON PETROSYAN	ACCOUNT REFUND 11710 POMELO DR	60.55	60.55		60.55
1001471	09-14-23	LYNN LAMOTTE	ACCOUNT REFUND 15580 AVE RAMADA	60.06	60.06		60.06
1001488	09-14-23	YANA ZILBERMAN	ACCOUNT REFUND 66753 HACIENDA AVE	54.94	54.94		54.94
1001449	09-14-23	AUSTIN SUMBALEN	ACCOUNT REFUND 66980 SAN RAFAEL DR	54.77	54.77		54.77
1001456	09-14-23	ESIQUEL A HERNANDEZ	ACCOUNT REFUND 66635 ACOMA AVE	53.78	53.78		53.78
1001542	09-28-23	GRAINGER	RESTOCK POCKET SCREWDRIVERS - FIELD STAFF	52.80	52.80		52.80
1001484	09-14-23	STEVEN ZAIN CURTIS	ACCOUNT REFUND 65935 BUENA VISTA AVE	50.76	50.76		50.76
1001468	09-14-23	LUIS ROCHA	ACCOUNT REFUND 66846 CAHUILLA AVE	49.35	49.35		49.35
1001427	09-14-23	FEDEX	WF OVERNIGHT CHARGES	48.69	48.69		48.69
1001469	09-14-23	LUIS MADRID	ACCOUNT REFUND 66014 AVE CADENA	46.00	46.00		46.00
1001463	09-14-23	JUAN J GARCIA	ACCOUNT REFUND 68650 PANORAMA DR	45.00	45.00		45.00
1001452	09-14-23	CHRISTOPHER PARSONS	ACCOUNT REFUND 64027 ALPINE ST	40.49	40.49		40.49
1001473	09-14-23	MARQUIS MOODY	ACCOUNT REFUND 9735 HOYLAKE RD	39.02	39.02		39.02
1001404	09-07-23	PLANIT REPROGRAPHICS	SCANNED PRINTS OF APPROVED PLANS	35.00	35.00		35.00
1001485	09-14-23	TIFFANY AREVALO	ACCOUNT REFUND 64051 BAYLOR MOUNTAINS CT	32.60	32.60		32.60
1001464	09-14-23	JUAN A GONZALEZ HERNANDEZ	ACCOUNT REFUND 66107 BUENA VISTA AVE	31.43	31.43		31.43
1001537	09-28-23	DESERT ELECTRIC SUPPLY	REPAIR PARTS - PRODUCTION	27.76	27.76		27.76
1001451	09-14-23	CARON MITCHELL	ACCOUNT REFUND 66969 3RD ST	24.62	24.62		24.62
1001520	09-21-23	ROBERT GRIFFITH	AUGUST MILEAGE REIMBURSEMENT	23.14	23.14		23.14
1001438	09-14-23	PLANIT REPROGRAPHICS	BOND PRINTS - TO GM	22.93	0.00	22.93	22.93
1001487	09-14-23	XMAN HOME REMODELING	ACCOUNT REFUND 66054 1ST ST	18.63	18.63		18.63
1001457	09-14-23	FGH INVESTMENTS, LLC	ACCOUNT REFUND 16051 VIA QUEDO	4.54	4.54		4.54
1001472	09-14-23	MARIA AGUILAR	ACCOUNT REFUND 66310 GRANADA AVE	0.64	0.64		0.64
99104440	09-12-23	SOUTHERN CALIFORNIA EDISON COMPANY	SEPT. 2023 ACCT. 3084 CREDIT/NO BALANCE	0.00	0.00		0.00
PR092223	09-22-23	EMPLOYEES		0.00	0.00		0.00
			CURRENT CHECK TOTAL	7,417,718.7	1,481,283.2	5,936,435.4	7,417,718.7
TOTAL				7,417,718.70	1,481,283.28	5,936,435.42	7,417,718.70
198 records listed							

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1001380	09-07-23	ADRIAN VERDUGO PEREA	TRISTATE REIMB. - A. PEREA	122.03	122.03		122.03
1001381	09-07-23	ADT COMMERCIAL LLC	ADMIN/CORP YARD SECURITY ALARM	618.18	618.18		618.18
1001382	09-07-23	AECOM TECHNICAL SERVICES INC.	MSWD CONSTRUCTION SERVICES APR-JUL.2023	104,263.39	0.00	104,263.39	104,263.39
1001383	09-07-23	AIR & HOSE SOURCE INC.	HYDRANT ADAPTER W/SCREEN	897.19	3,063.92		3,063.92
			REPLACEMENT HOSE FOR VAC TRAILERS	2,166.73			
1001384	09-07-23	ALEX ACEVEDO	TRISTATE REIMB. - A. ACEVEDO	494.46	494.46		494.46
1001385	09-07-23	AQUATIC INFORMATICS INC.	LINKFOG SUBSCRIPTION + REMOTE INSPECTOR SUB.	8,005.00	8,005.00		8,005.00
1001386	09-07-23	BABCOCK LABORATORIES, INC.	TOTAL N TESTING - RWRF GROUNDWATER #1	846.98	1,323.54		1,323.54
			TOTAL N TESTING - HWWTP	238.28			
			TOTAL N TESTING - HORTON CLAR. EFFLUENT	238.28			
1001387	09-07-23	CARPI & CLAY. INC	FEDERAL ADVOCACY - AUG. 2023	4,000.00	4,000.00		4,000.00
1001388	09-07-23	CASEY DOLAN	DIGITAL AD MGMT SEPT. 2023	650.00	650.00		650.00
1001389	09-07-23	CHAD FINCH	TRISTATE REIMB. - C. FINCH	84.25	84.25		84.25
1001390	09-07-23	CORE & MAIN LP	COPPER TUBING	5,770.01	5,801.57		5,801.57
			STRAIGHT ADAPT MUEL	31.56			
1001391	09-07-23	CS-AMSCO	BACKFLOW DEVICES	3,436.08	3,436.08		3,436.08
1001392	09-07-23	CYPRESS DENTAL ADMINISTRATORS	AUG. 2023 PREPAID INS.	5,308.71	5,308.71		5,308.71
1001393	09-07-23	DOWNING CONSTRUCTION, INC.	PROGRESS PAYMENT #5	412,314.72	0.00	412,314.72	412,314.72
1001394	09-07-23	ECOLOGY AUTO PARTS	CREDIT ADJUSTMENT FOR INVOICE 0001130-IN	-3.29	16,028.62		16,028.62
			SLUDGE HAULING	1,438.16			
			SLUDGE HAULING	5,428.98			
			SLUDGE HAULING	4,309.87			
			SLUDGE HAULING	1,903.98			
			SLUDGE HAULING	2,950.92			
1001395	09-07-23	GREG CHAPMAN, JR	TRISTATE REIMB. - G. CHAPMAN	480.12	480.12		480.12
1001396	09-07-23	HI-DESERT AIR INC.	SERVICE CALL/AC REPAIRS	1,137.44	1,137.44		1,137.44
1001397	09-07-23	J.F. SHEA CONSTRUCTION, INC.	CONSTRUCTION PROGRESS PAYMENT #16	2,759,424.23	0.00	2,759,424.23	2,759,424.23
1001398	09-07-23	JACOB MOSQUEDA	TRISTATE REIMB. - J. MOSQUEDA	459.09	459.09		459.09
1001399	09-07-23	JOSEPH MCELRONE	TRISTATE REIMB. - J. MCELRONE	79.86	79.86		79.86
1001400	09-07-23	LORENZO JESSE SOTO	TRISTATE REIMB. - L.SOTO	431.17	431.17		431.17
1001401	09-07-23	MANPOWER US INC.	STAFFING SERVICES - FIELD STAFF	1,670.40	7,370.28		7,370.28
			STAFFING SERVICES - WWTP OIT	1,600.00			
			STAFFING SERVICES - GM REPORT/GRANTS	2,544.75			
			STAFFING SERVICES - GM REPORT/GRANTS	1,555.13			
1001402	09-07-23	MARK VERMEER	TRISTATE REIMB. - M. VERMEER	420.03	420.03		420.03
1001403	09-07-23	MCMASER-CARR	CLOSE BRASS NIPPLE	251.72	251.72		251.72
1001404	09-07-23	PLANIT REPROGRAPHICS	SCANNED PRINTS OF APPROVED PLANS	35.00	35.00		35.00
1001405	09-07-23	PROFORMA	RESTOCK INVENTORY ISSUE FORMS - PURCHASING	490.14	490.14		490.14
1001406	09-07-23	RAY LOPEZ ASSOCIATES	INSPECTIONS	4,200.00	12,250.00		12,250.00
			INSPECTIONS	8,050.00			
1001407	09-07-23	ROGERS,ANDERSON,MALODY & SCOTT, LLP.	PROGRESS BILLING FY 22/23	8,500.00	8,500.00		8,500.00
1001408	09-07-23	RUSS MARTIN	R.MARTIN - MILEAGE REIMB.	637.97	637.97		637.97
1001409	09-07-23	SLOVAK BARON EMPEY MURPHY & PINKNEY LLP	LEGAL SERVICES	17,310.32	17,310.32		17,310.32
1001410	09-07-23	THE UPS STORE #5062	BUSINESS CARDS - C&M	185.29	185.29		185.29
1001411	09-07-23	TIMOTHY OWENS	TRISTATE REIMB. - T. OWENS	69.05	69.05		69.05
1001412	09-07-23	TOPS N BARRICADES, INC	LED SAFETY MINI LIGHT BARS - MSWD VEHICLES	1,063.58	1,063.58		1,063.58
1001413	09-07-23	UMETECH, INC.	AUG. 2023 IT SUPPORT	8,677.85	8,677.85		8,677.85
1001414	09-07-23	URBAN HABITAT	LANDSCAPING	6,075.00	6,075.00		6,075.00
1001415	09-07-23	USA BLUEBOOK	GRUNDFOS CONNECTION KIT - PRODUCTION	262.80	262.80		262.80
1001416	09-07-23	VESTED SOLUTIONS	JULY 2023 JANITORIAL & DISINFECTING SERVICES	3,103.72	3,103.72		3,103.72
1001417	09-07-23	WESTAIR GASES & EQUIPMENT, INC.	REFILL CO2 TANK - PRODUCTION	72.96	72.96		72.96
1001418	09-07-23	WIENHOFF DRUG TESTING	DOT PROGRAM ENROLLMENT - F.RUELAS	170.00	170.00		170.00

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1001419	09-14-23	ACWA-JPIA HEALTH BENEFITS AUTH.	OCT. 2023 PREPAID INS.	94,445.89	94,445.89		94,445.89
1001420	09-14-23	AMANDA LUCAS	NOTARY REIMB. - A.LUCAS	155.86	155.86		155.86
1001421	09-14-23	BABCOCK LABORATORIES, INC.	CANNDESCENT LAB TESTING	365.04	968.36		968.36
			CABOT ROAD CULTIVATION TESTING	365.04			
			TOTAL N TESTING HWWTP	238.28			
1001422	09-14-23	BECK OIL, INC.	DIESEL FUEL	3,973.79	3,973.79		3,973.79
1001423	09-14-23	BRINKS INCORPORATED	MONTHLY SERVICE FEES	81.78	379.66		379.66
			MONTHLY FEE SERVICES	297.88			
1001424	09-14-23	CYPRESS DENTAL ADMINISTRATORS	OCT. 2023 DENTAL PREPAID	5,015.44	5,015.44		5,015.44
1001425	09-14-23	DESERT VALLEY DISPOSAL, INC.	TRASH SERVICES - ADMIN BLDG	544.89	1,338.79		1,338.79
			TRASH SERVICES - CORP YARD	793.90			
1001426	09-14-23	DORI M PETEE	D. PETEE - MILEAGE REIMB.	84.49	124.49		124.49
			D. PETEE - NOTARY TESTING FEE REIMB.	40.00			
1001427	09-14-23	FEDEX	WF OVERNIGHT CHARGES	48.69	48.69		48.69
1001428	09-14-23	FERGUSON WATERWORKS #1083	GRAY POLYMER METER BOX	23,501.57	23,501.57		23,501.57
1001429	09-14-23	FRANCHISE TAX BOARD	GARNISHMENT PAYMENT #1	150.00	150.00		150.00
1001430	09-14-23	HECTOR VASQUEZ	HECTOR VASQUEZ	200.00	200.00		200.00
1001431	09-14-23	HI-DESERT AIR INC.	ADMIN BUILDING - A/C UNIT INSTALLATION	14,995.00	14,995.00		14,995.00
1001432	09-14-23	HUNTER JOHNSEN, INC.	CV WATER COUNTS CONSULTING	2,497.77	2,497.77		2,497.77
1001433	09-14-23	INFOSEND INC	MONTHLY BILLING SERVICES	4,430.06	4,430.06		4,430.06
1001434	09-14-23	L.O. LYNCH QUALITY WELLS & PUMPS, INC.	WELL 22 REHAB - FINAL PROGRESS PAYMENT	14,950.00	0.00	14,950.00	14,950.00
1001435	09-14-23	MANPOWER US INC.	STAFFING SERVICES - GM REPORT/GRANTS	942.50	942.50		942.50
1001436	09-14-23	O'REILLY AUTOMOTIVE INC.	UNIT 402 - PIN & CLIP BALL MOUNT	67.86	1,175.48		1,175.48
			UNIT 412- REPLACEMENT FILTERS & OIL	71.73			
			UNIT 389 - REPLACEMENT OIL FILTER/OIL	53.36			
			UNIT 388 - REPLACEMENT OIL FILTER/OIL	47.28			
			UNIT 420 - REPLACEMENT BATTERY	163.36			
			UNIT 365 - R134A COOLANT	24.62			
			RESTOCK GALLON CARWASH SOAP - CORP YARD	13.99			
			RESTOCK MP GREASE - CORP YARD	144.17			
			UNIT 367 - ANTIFREEZE	68.92			
			UNIT 367 - V-BELT 9412	7.32			
			UNIT 418 - REPLACEMENT MINI BULBS	18.59			
			INFLATOR GAUGE - CORP YARD	21.71			
			UNIT 435 - PARTS	38.76			
			UNIT 389 - BREAKER ANTIFREEZE	164.88			
			UNIT 427 - FILTERS/OIL	107.70			
			UNIT 418 - OIL FILTER/OIL	54.67			
			UNIT 418 - OIL FILTER/OIL	44.79			
			UNIT 435 - REPAIRS	61.77			
1001437	09-14-23	PARKERS BUILDING SUPPLY	REPLACEMENT LIGHT BALLAST - ACCT. TRAILER	34.47	534.10		534.10
			REPLACEMENT LIGHT BALLAST - ACCT. TRAILER	34.47			
			PARTS FOR ANNEX BATHROOM	113.08			
			REPAIR PARTS FOR ADMIN TRASH ENCLOSURE	15.70			
			REPAIR PARTS FOR ADMIN TRASH ENCLOSURE	124.56			
			10 BAGS QUICKCRETE - CORP YARD	53.76			
			TOILET PAPER WALL MOUNT - STORES BATHROOM	56.01			
			STORAGE TOTE - SHOP MAINTENANCE	48.47			
			REPAIR PART BEARING STORES - SWAMP COOLER	30.15			
			FLAG POLE REPAIR - ADMIN BLDG.	10.74			
			REPAIR PARTS - ACCT. TRAILER	12.69			
1001438	09-14-23	PLANIT REPROGRAPHICS	BOND PRINTS - TO GM	22.93	0.00	22.93	22.93

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				AMOUNT	OPERATING	CAPITAL	
1001439	09-14-23	PROFORMA	DOOR HANGERS	289.00	289.00		289.00
1001440	09-14-23	ROBERT G MODRICH	AUG. 2023 UNIDATA MAINTENANCE	3,816.00	3,816.00		3,816.00
1001441	09-14-23	SHEREESA CAMPOS	TOILET REBATE - CAMPOS	200.00	200.00		200.00
1001442	09-14-23	SOUTHERN CALIFORNIA EDISON COMPANY	ELECTRIC BILL AUG. 2023	9,110.84	9,110.84		9,110.84
1001443	09-14-23	THE LINCOLN NATL. LIFE INS. CO.	OCT. 2023 PREPAID INS.	3,930.37	3,930.37		3,930.37
1001444	09-14-23	XYLEM DEWATERING SOLUTIONS INC	POTABLE WATER BOOSTER PUMP	148,226.35	0.00	148,226.35	148,226.35
1001445	09-14-23	ALICE VEGA NIEBLAS	ACCOUNT REFUND 64950 14TH ST	71.05	71.05		71.05
1001446	09-14-23	AMANDA PEREYRA	ACCOUNT REFUND 9690 PUESTA DEL SOL	72.04	72.04		72.04
1001447	09-14-23	AMERICAN ASPHALT SOUTH, INC.	ACCOUNT REFUND CARLOS ST	214.36	214.36		214.36
1001448	09-14-23	ARMANDO CERA PEREZ	ACCOUNT REFUND 66623 MISSION LAKES BLVD	346.07	346.07		346.07
1001449	09-14-23	AUSTIN SUMBALEN	ACCOUNT REFUND 66980 SAN RAFAEL DR	54.77	54.77		54.77
1001450	09-14-23	BRIAN SALTARELLI	ACCOUNT REFUND 66141 AVE BARONA	116.59	116.59		116.59
1001451	09-14-23	CARON MITCHELL	ACCOUNT REFUND 66969 3RD ST	24.62	24.62		24.62
1001452	09-14-23	CHRISTOPHER PARSONS	ACCOUNT REFUND 64027 ALPINE ST	40.49	40.49		40.49
1001453	09-14-23	COFFMAN SPECIALTIES, INC.	ACCOUNT REFUND 55860 HAUGEN-LEMAN WAY	636.24	636.24		636.24
1001454	09-14-23	DAVID LAMB	ACCOUNT REFUND 19021 NEWHALL ST	91.33	91.33		91.33
1001455	09-14-23	EDWARD DONNELL DAVIS	ACCOUNT REFUND 66310 S AGUA DULCE DR	82.00	82.00		82.00
1001456	09-14-23	ESISQUEL A HERNANDEZ	ACCOUNT REFUND 66635 ACOMA AVE	53.78	53.78		53.78
1001457	09-14-23	FGH INVESTMENTS, LLC	ACCOUNT REFUND 16051 VIA QUEDO	4.54	4.54		4.54
1001458	09-14-23	GRISelda GUEVARA	ACCOUNT REFUND 13785 HERMANO WAY	78.83	78.83		78.83
1001459	09-14-23	JADE ADAMS	ACCOUNT REFUND 66357 3RD ST	82.00	82.00		82.00
1001460	09-14-23	JOHN J PAVLOFF	ACCOUNT REFUND 17364 N INDIAN CYN DR	586.64	586.64		586.64
1001461	09-14-23	JOSEPH A. VAUGHAN	ACCOUNT REFUND 66970 DESERT VIEW AVE	97.64	97.64		97.64
1001462	09-14-23	JOSE MEJIA	ACCOUNT REFUND 66386 GRANADA AVE	130.00	130.00		130.00
1001463	09-14-23	JUAN J GARCIA	ACCOUNT REFUND 68650 PANORAMA DR	45.00	45.00		45.00
1001464	09-14-23	JUAN A GONZALEZ HERNANDEZ	ACCOUNT REFUND 66107 BUENA VISTA AVE	31.43	31.43		31.43
1001465	09-14-23	KEVIN CARMIN	ACCOUNT REFUND 66711 YUCCA DR	76.56	76.56		76.56
1001466	09-14-23	LEVON KATERJIAN	ACCOUNT REFUND 69303 GOLDENWEST DR	260.85	260.85		260.85
1001467	09-14-23	LEVON PETROSYAN	ACCOUNT REFUND 11710 POMELO DR	60.55	60.55		60.55
1001468	09-14-23	LUIS ROCHA	ACCOUNT REFUND 66846 CAHUILLA AVE	49.35	49.35		49.35
1001469	09-14-23	LUIS MADRID	ACCOUNT REFUND 66014 AVE CADENA	46.00	46.00		46.00
1001470	09-14-23	LUNAR MARIA OPERATIONS	ACCOUNT REFUND OCOTILLO BLVD BETWEEN PIERSON & 1ST.	654.28	654.28		654.28
1001471	09-14-23	LYNN LAMOTTE	ACCOUNT REFUND 15580 AVE RAMADA	60.06	60.06		60.06
1001472	09-14-23	MARIA AGUILAR	ACCOUNT REFUND 66310 GRANADA AVE	0.64	0.64		0.64
1001473	09-14-23	MARQUIS MOODY	ACCOUNT REFUND 9735 HOYLAKE RD	39.02	39.02		39.02
1001474	09-14-23	MARTIN MURILLO	ACCOUNT REFUND 65793 14TH ST	312.18	312.18		312.18
1001475	09-14-23	MICHAEL MCGARRY	ACCOUNT REFUND 9361 OAKMOUNT BLVD	82.00	82.00		82.00
1001476	09-14-23	MICHAEL PINS	ACCOUNT REFUND 12600 AVE SERENA	990.78	990.78		990.78
1001477	09-14-23	NINYO & MOORE	ACCOUNT REFUND 20TH AVE	606.63	606.63		606.63
1001478	09-14-23	PAMELA NORRIS	ACCOUNT REFUND 66155 CAHUILLA AVE	183.16	183.16		183.16
1001479	09-14-23	PAMYLA LAUN	ACCOUNT REFUND 9124 CALLE DE VECINOS	61.09	61.09		61.09
1001480	09-14-23	REPUBLIC PAVEMENT MAINTENANCE	ACCOUNT REFUND GRANADA AVE & WEST DR	615.71	615.71		615.71
1001481	09-14-23	ROBERT BRYANT	ACCOUNT REFUND 8731 CLUBHOUSE BLVD	66.11	66.11		66.11
1001482	09-14-23	ROBIN IRVINE	ACCOUNT REFUND 64215 OLYMPIC MOUNTAIN AVE	135.55	135.55		135.55
1001483	09-14-23	SHANTE MARIE RODRIGUEZ	ACCOUNT REFUND 66191 7TH ST	61.87	61.87		61.87
1001484	09-14-23	STEVEN ZAIN CURTIS	ACCOUNT REFUND 65935 BUENA VISTA AVE	50.76	50.76		50.76
1001485	09-14-23	TIFFANY AREVALO	ACCOUNT REFUND 64051 BAYLOR MOUNTAINS CT	32.60	32.60		32.60
1001486	09-14-23	WILLIAM & MARGARET WALSH	ACCOUNT REFUND 16200 AVE MONTEFLORA	186.61	186.61		186.61
1001487	09-14-23	XMAN HOME REMODELING	ACCOUNT REFUND 66054 1ST ST	18.63	18.63		18.63
1001488	09-14-23	YANA ZILBERMAN	ACCOUNT REFUND 66753 HACIENDA AVE	54.94	54.94		54.94
1001489	09-14-23	ZOLTAN SZOCS	ACCOUNT REFUND 12794 CENTURIAN ST	169.94	169.94		169.94

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				AMOUNT	OPERATING	CAPITAL	
1001490	09-21-23	AMP PARK, LLC	ENGINEERING - RELEASE OF DEPOSIT - AMP PARK	4,237.74	4,237.74		4,237.74
1001491	09-21-23	ANSAFONE CONTACT CENTERS	ANSAFONE ANSWERING SERVICE	669.16	669.16		669.16
1001492	09-21-23	ARAMARK UNIFORM SERVICES, LLC	UNIFORM SERVICES 08.16.23	372.25	560.40		560.40
			UNIFORM SERVICES 08.09.23	285.89			
			UNIFORM SERVICES 08.23.23	1,482.29			
			UNIFORM SERVICES 08.30.23	361.03			
			UNIFORM SERVICES 07.19.23	116.43			
			UNIFORM SERVICES CREDIT 08.21.23	-2,057.49			
1001493	09-21-23	BABCOCK LABORATORIES, INC.	TOTAL NITROGEN PACKAGE	143.91	3,690.47		3,690.47
			E.COLI/TOTAL COL. TESTING - HORTON	375.15			
			E.COLI/TOTAL COL. TESTING - RWRP #1	250.10			
			TESTING/SAMPLING FOR GUIDE	365.04			
			TOTAL N PACKAGE - RWRP GROUNDWATER #1	846.98			
			TOTAL N PACKAGE - HORTON CLAR. EFF.	238.28			
			TOTAL N PACKAGE - DESERT CREST EFF.	200.54			
			TOTAL N PACKAGE - HORTON GROUNDWATER	1,270.47			
1001494	09-21-23	BDP INDUSTRIES, INC.	REPLACEMENT PARTS - BELT PRESS	1,210.83	1,210.83		1,210.83
1001495	09-21-23	BECK OIL, INC.	UNLEADED GASOLINE	7,279.97	7,279.97		7,279.97
1001496	09-21-23	BIG TEX TRAILER WORLD INC.	TRAILER UNIT 394 - 10K JACK	193.94	193.94		193.94
1001497	09-21-23	CALIFORNIA FORWARD	SPONSORSHIP - ANNUAL CVEP SUMMIT	1,395.00	1,395.00		1,395.00
1001498	09-21-23	CASAMAR GROUP, LLC	LABOR COMPLIANCE AUG. 2023 URBAN HABITAT	297.54	1,023.61		1,023.61
			LABOR COMPLIANCE - L.O. LYNCH	468.95			
			LABOR COMPLIANCE - AUG.2023 - B81 PAVING	257.12			
1001499	09-21-23	CITY OF DESERT HOT SPRINGS	CITY ENCROACHMENT PERMITS	848.73	50,796.55		50,796.55
			BLANKET ENCROACHMENT PERMIT	2,000.00			
			JULY 2023 UU TAX	47,947.82			
1001500	09-21-23	CLINICAL LABORATORY OF SAN BERNARDINO	BOD TRESTING H+DC	595.00	2,069.00		2,069.00
			LAB SREVICES FOR SAMPLES	1,474.00			
1001501	09-21-23	DESERT TIRE AND AUTO REPAIR	UNIT 412 - REPLACEMENT TIRES	912.75	912.75		912.75
1001502	09-21-23	DHS LOT 11 HOLDINGS LLC	ENGINEERING - RELEASE OF DEPOSIT - DHS LOT	661.17	661.17		661.17
1001503	09-21-23	DHS SAN JACINTO, LLC	ENGINEERING - RELEASE OF DEPOSIT - DHS SAN JACINTO	4,031.85	4,031.85		4,031.85
1001504	09-21-23	DIAMOND CHEVROLET BUICK GMC	UNIT 435 - FLOOR MATS	102.36	102.36		102.36
1001505	09-21-23	DSH ENTERPRISES, LLC	ENGINEERING - RELEASE OF DEPOSIT - DSH ENTERPRISES	9,484.30	9,484.30		9,484.30
1001506	09-21-23	ECOLOGY AUTO PARTS	SLUDGE HAULING	3,930.46	8,239.76		8,239.76
			SLUDGE HAULING	4,309.30			
1001507	09-21-23	ELVIS ARANDA	ENGINEERING - RELEASE OF DEPOSIT - ELVIS ARANDA	1,242.62	1,242.62		1,242.62
1001508	09-21-23	FORSHOCK	SCADA SERVER MONITORING - 08/2023	220.00	220.00		220.00
1001509	09-21-23	GALLERY SKYBORNE PARTNER'S LLC	ENGINEERING - RELEASE OF DEPOSIT - GALLERY	5,001.74	5,001.74		5,001.74
			SKYBORNE				
1001510	09-21-23	GREEN DAY VILLAGE DHS LLC	ENGINEERING - RELEASE OF DEPOSIT	7,580.42	7,580.42		7,580.42
1001511	09-21-23	JEFFREY R NUTTER	J.NUTTER - BOOT REIMB.	172.40	172.40		172.40
1001512	09-21-23	MANPOWER US INC.	STAFFING SERVICES - WWTP OIT	1,280.00	5,639.95		5,639.95
			STAFFING SERVICES - METER READER TEMP	1,336.32			
			STAFFING SERVICE - WWTP OIT	1,280.00			
			STAFFING SERVICES - GM REPORT/GRANTS	1,743.63			
1001513	09-21-23	NNNDG 13 LLC	ENGINEERING - RELEASE OF DEPOSIT - NNNDG 13 LLC	975.39	975.39		975.39
1001514	09-21-23	OMAR HERMOSILLO	ENGINEERING - RELEASE OF DEPOSIT - OMAR HERMOSILLO	4,986.25	4,986.25		4,986.25
1001515	09-21-23	PALM SPRINGS MOTORS INC	UNIT 402 - WIRING ASSY	194.27	1,047.42		1,047.42
			UNIT 389 - BOLTS	52.20			
			UNIT 402 - WIRE HARNETS	55.36			
			UNIT 389 - EXHAUST PARTS	745.59			
1001516	09-21-23	PALM SPRINGS PEST CONTROL, INC.	PEST CONTROL - ANNEX	65.00	300.00		300.00

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			PEST CONTROL - ANNEX BAIT BOX	40.00			
			PEST CONTROL - ADMIN	90.00			
			PEST CONTROL - CORP YARD BAIT BOXES	60.00			
			PEST CONTROL - CORP YARD	45.00			
1001517	09-21-23	PARKHOUSE TIRE, INC	TRAILER UNIT 395 - REPAIRS	977.22	4,271.91		4,271.91
			DUMP TRUCK UNIT #389 - REPAIRS	2,271.05			
			TRAILER UNIT #395 - REPAIRS	1,023.64			
1001518	09-21-23	PARK WEST MHP, LLC	ENGINEERING - RELEASE OF DEPOSIT - PARK WEST	925.16	925.16		925.16
1001519	09-21-23	PROFORMA	ADJUSTMENT FORM ORDER	477.47	477.47		477.47
1001520	09-21-23	ROBERT GRIFFITH	AUGUST MILEAGE REIMBURSEMENT	23.14	23.14		23.14
1001521	09-21-23	STEMMER DEVELOPMENT	ENGINEERING - RELEASE OF DEPOSIT - STEMMER DEVELOPMENT	1,341.73	1,341.73		1,341.73
1001522	09-21-23	THE LAMAR COMPANIES	BILLBOARD/PORTAL PROGRAM	925.00	925.00		925.00
1001523	09-21-23	TYSON RANCH 420, LLC	ENGINEERING - RELEASE OF DEPOSIT - TYSON RANCH	4,790.73	4,790.73		4,790.73
1001524	09-21-23	UMETECH, INC.	MSWD.ORG DOMAIN RENEWAL	69.51	69.51		69.51
1001525	09-21-23	UNCLE D'S SMOKEHOUSE BBQ & GRILL	DEPOSIT FOR EE'S POTLUCK 2023	421.36	421.36		421.36
1001526	09-21-23	UNDERGROUND SERVICE ALERT	UNDERGROUND SERVICE ALERT	764.25	764.25		764.25
1001527	09-21-23	URBAN HABITAT	LARGE TREE REMOVAL @ WELL 25	1,350.00	7,775.00		7,775.00
			MONTHLY LANDSCAPE MAINTENANCE - 08/2023	6,425.00			
1001528	09-21-23	VALLEY LOCK & SAFE	REPAIRS @ WWTP	175.00	175.00		175.00
1001529	09-21-23	WATERMARKE HOMES, LLC	ENGINEERING - RELEASE OF DEPOSIT - WATERMARKE HOMES	2,286.24	2,286.24		2,286.24
1001530	09-21-23	WEST COAST SAND AND GRAVEL INC.	26 TONS BASE MATERIAL - CORP YARD	453.96	453.96		453.96
1001531	09-21-23	XEROX CORPORATION	XEROX LEASE - ENGINEERING - SEPT.2023	172.39	172.39		172.39
1001532	09-21-23	WELLS FARGO - WELLSONE		2,035.67	2,035.67		2,035.67
1001533	09-28-23	ADAM WAGNER	BOOT REIMB. - A. WAGNER	300.00	300.00		300.00
1001534	09-28-23	CASAMAR GROUP, LLC	LABOR COMPLIANCE - TRI-STAR CONTRACTING	128.56	0.00	128.56	128.56
1001535	09-28-23	CORE & MAIN LP	BACKFLOW DEVICE/FLOAT LEVER/AIR RELEASE VALVE	7,871.43	46,217.05		46,217.05
			BR NIPPLE/FULL CIRCLE	3,814.10			
			BALL STOP CORP MUELLER	1,311.15			
			FLG BOLT/NUT SET	75.43			
			BACKFLOW DEVICE	4,701.86			
			FLG BOLT/NUT SET/A.M. STOP MUEL	3,536.57			
			R P BACKFLOW DEVICE	1,422.30			
			2" ARI AIR VAC - PRODUCTION	985.52			
			1" COPPER TUBING	5,134.29			
			1" COPPER TUBING	5,134.29			
			STRAIGHT COUPLING	2,478.29			
			CTS BALL CORPSTOP MUEL	2,845.25			
			A.M. BALL STOP MUEL	3,447.79			
			HYMAX FLEX COUPL.	3,458.78			
1001536	09-28-23	DANGELO COMPANY	R P BACKFLOW DEVICE	1,338.49	1,338.49		1,338.49
1001537	09-28-23	DESERT ELECTRIC SUPPLY	REPAIR PARTS - PRODUCTION	27.76	27.76		27.76
1001538	09-28-23	DOWNING CONSTRUCTION, INC.	PROGRESS PAYMENT #6	653,149.34	0.00	653,149.34	653,149.34
1001539	09-28-23	ENGINEERING RESOURCES OF	CONSULTANT SERVICES & GENERAL ENG.	3,836.15	0.00	3,836.15	3,836.15
1001540	09-28-23	ENTERPRISE FM TRUST	SEPT. 2023 MONTHLY FLEET LEASE	19,458.18	19,458.18		19,458.18
1001541	09-28-23	FRANCHISE TAX BOARD	GARNISHMENT PPE 09.15.23 - 2ND PYMT	150.00	150.00		150.00
1001542	09-28-23	GRAINGER	RESTOCK POCKET SCREWDRIVERS - FIELD STAFF	52.80	52.80		52.80
1001543	09-28-23	HOME DEPOT CREDIT SERVICES	HOME DEPOT CC - AUG. 2023	1,106.63	1,106.63		1,106.63
1001544	09-28-23	J.F. SHEA CONSTRUCTION, INC.	CONSTRUCTION PROGRESS PAYMENT #17	1,673,186.12	0.00	1,673,186.12	1,673,186.12
1001545	09-28-23	MANPOWER US INC.	STAFFING SERVICES - FIELD SERVICE TEMP	1,336.32	2,985.70		2,985.70
			STAFFING SERVICES - GM REPORT/GRANT	1,649.38			

CHECK NUMBER	CHECK DATE	PAID TO VENDOR	DISBURSEMENT DESCRIPTION	INVOICE			TOTAL
				AMOUNT	OPERATING	CAPITAL	
1001546	09-28-23	MCMASTER-CARR	BRASS UNION/BRASS ELL/Y-STRAINER	1,820.21	1,820.21		1,820.21
1001547	09-28-23	NAPA AUTO PARTS	TWO REPLACEMENT BATTERIES - C&M	786.98	786.98		786.98
1001548	09-28-23	PARKHOUSE TIRE, INC	UNIT 424 - JOHN DEERE - REPLACEMENT TIRES	1,154.07	1,154.07		1,154.07
1001549	09-28-23	URBAN HABITAT	PALM TRIMMING/BUSH REMOVAL @ HWWTP	9,063.79	9,063.79		9,063.79
1001550	09-28-23	USA BLUEBOOK	5 PIECE SOCKET SET - PRODUCTION	213.37	501.75		501.75
			ONE HANDED WRENCH - C&M	288.38			
1001551	09-28-23	WATERLINE TECHNOLOGIES INC.	11 DRUMS REFILLED	2,690.52	2,690.52		2,690.52
1001552	09-28-23	WESTERN WATER WORKS	FLEX COUPLING ROMAC	763.30	763.30		763.30
99104199	09-02-23	BBVA COMPASS	LOAN CURRENT PRINCIPLE + INTEREST	97,613.07	97,613.07		97,613.07
99104200	09-01-23	CITY NATIONAL BANK	INSTALLMENT AGREEMENT PRINCIPLE + INTEREST	45,922.74	45,922.74		45,922.74
99104248	09-08-23	WELLS FARGO BANK	AUTO DEP PPE 09.01.2023	138,178.30	138,178.30		138,178.30
99104249	09-08-23	STATE OF CA EDD	STATE TAX PPE 09.01.23	11,453.78	11,453.78		11,453.78
99104250	09-08-23	EFTPS-IRS PAYROLL TAX REMITTANCE	FED TAX DEP PPE 09.01.23	56,765.53	56,765.53		56,765.53
99104251	09-08-23	LINCOLN NATIONAL LIFE INS CO	DEF COMP PPE 09.01.2023	13,700.23	13,700.23		13,700.23
99104252	09-11-23	AFLAC	AUGUST 2023 AFLAC DEDUCTIONS	3,115.74	3,115.74		3,115.74
99104253	09-11-23	RIVERSIDE COUNTY DCSS - MAIN OFFICE	MONTHLY IWO - PPE 09.01.2023	141.00	141.00		141.00
99104263	09-11-23	J.F. SHEA CONSTRUCTION, INC.	RETENTION WIRE FOR PP #16	145,232.85	0.00	145,232.85	145,232.85
99104264	09-11-23	DOWNING CONSTRUCTION, INC.	RETENTION FOR PP #5	21,700.78	0.00	21,700.78	21,700.78
99104361	09-14-23	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	PERS PPE 09.01.23	35,594.16	35,594.16		35,594.16
99104433	09-22-23	WELLS FARGO BANK	AUTO DEP PPE 09.15.23	152,601.16	152,601.16		152,601.16
99104434	09-22-23	STATE OF CA EDD	STATE TAX PPE 09.15.23	14,220.21	14,220.21		14,220.21
99104435	09-21-23	CITY NATIONAL BANK	CURRENT PAYABLE PRINCIPAL AND INTEREST	145,000.00	145,000.00		145,000.00
99104436	09-22-23	EFTPS-IRS PAYROLL TAX REMITTANCE	FED TAX DEP PPE 09.15.23	69,037.46	69,037.46		69,037.46
99104439	09-06-23	PAYNEARME MT, INC.	AUG. 2023 PAYNEARME FEES	7,099.80	7,099.80		7,099.80
99104440	09-12-23	SOUTHERN CALIFORNIA EDISON COMPANY	SEPT. 2023 ACCT. 3084 CREDIT/NO BALANCE	0.00	0.00		0.00
99104441	09-22-23	LINCOLN NATIONAL LIFE INS CO	DEF COMP PPE 09.15.23	12,657.75	12,657.75		12,657.75
99104479	09-29-23	WELLS FARGO - WELLSONE	AUGUST 2023 CC PAYMENT	50,190.79	50,190.79		50,190.79
99104480	09-22-23	PAYMENTUS CORPORATION	AUG. 2023 PAYMENTUS CC FEES	4,118.55	4,118.55		4,118.55
99104481	09-28-23	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	PERS PPE 09.15.2023	35,446.33	35,446.33		35,446.33
99104482	09-28-23	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	PERS MOSQUEDA RETRO ADJ. 09.15.23	79.97	79.97		79.97
99104535	09-01-23	WELLS FARGO BANK	AUGUST 2023 LOC INTEREST EXP.	49,875.00	49,875.00		49,875.00
PR090823	09-08-23	EMPLOYEES		992.21	992.21		992.21
PR092223	09-22-23	EMPLOYEES		0.00	0.00		0.00
			CURRENT CHECK TOTAL	7,417,718.7	1,481,283.2	5,936,435.4	7,417,718.7
TOTAL				7,417,718.70	1,481,283.28	5,936,435.42	7,417,718.70
198 records listed							

AGENDA REPORT

REGULAR BOARD MEETING OCTOBER 12 & 16, 2023

DIRECTOR REPORTS

DIRECTOR REPORTS

(Per GC 53232.3(d) brief reports on meetings attended for which a daily stipend was claimed)

Date	Event	Attendees
9/5/2023	DHS CITY COUNCIL MEETING	MARTIN
9/5/2023	DWA BOARD MEETING	GRIFFITH
9/6/2023	GCVCC ALL VALLEY MAYORS LUNCHEON	SEWELL
9/7/2023	DVBA LEGISLATIVE MEETING	MARTIN
9/11/2023	DVBA BOARD MEETING	MARTIN
9/12/2023	CVWD BOARD MEETING	GRIFFITH
9/12/2023	DHS PLANNING COMMISSION MEETING	DUFF
9/13/2023	DVBA GENERAL MEMBERSHIP LUNCHEON	MARTIN, DUFF, SEWELL, MAYRHOFEN
9/19/2023	DWA BOARD MEETING	GRIFFITH
9/19/2023	DHS CITY COUNCIL MEETING	MARTIN
9/21/2023	RIVERSIDE OVERSIGHT BOARD MEETING	MARTIN
9/26/2023	CVWD BOARD MEETING	GRIFFITH
9/26/2023	RIVERSIDE COUNTY BOARD OF SUPERVISORS MEETING	MARTIN
9/27/2023	SAN GORGONIO PASS REGIONAL WATER ALLIANCE MEETING	DUFF

(OTHER) MEETINGS ATTENDED *(*no daily stipend was claimed)*

Date	Event	Attendees
9/6/2023	GCVCC ALL VALLEY MAYORS LUNCHEON	MARTIN, MAYRHOFEN
9/14/2023	CVAG ~ CVCC & ENERGY SUSTAINABILITY COMMITTEE MEETINGS	MARTIN
9/17/2023	CITY OF DHS 60 TH ANNIVERSARY CELEBRATION	MARTIN, DUFF
9/25/2023	CABOT'S MUSEUM BOARD MEETING	MARTIN
9/27/2023	DHS PLANNING COMMISSION WATER 101	DUFF
9/27/2023	TRIBAL WATER AUTHORITY MEETING	MARTIN



General Manager's Report October 2023

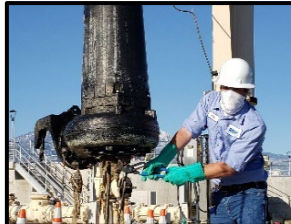


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ADMINISTRATION

Customer Service

Customer Experience Enhancement Program

The Customer Service Department is proud to announce the Customer Experience Enhancement Program. This program will provide phone screening and on-the-spot feedback/coaching with a Customer Service representative. Also, the Customer Service team will host “Coffee Talk Wednesdays” providing mini-training and discussions. Weekly training topics include:

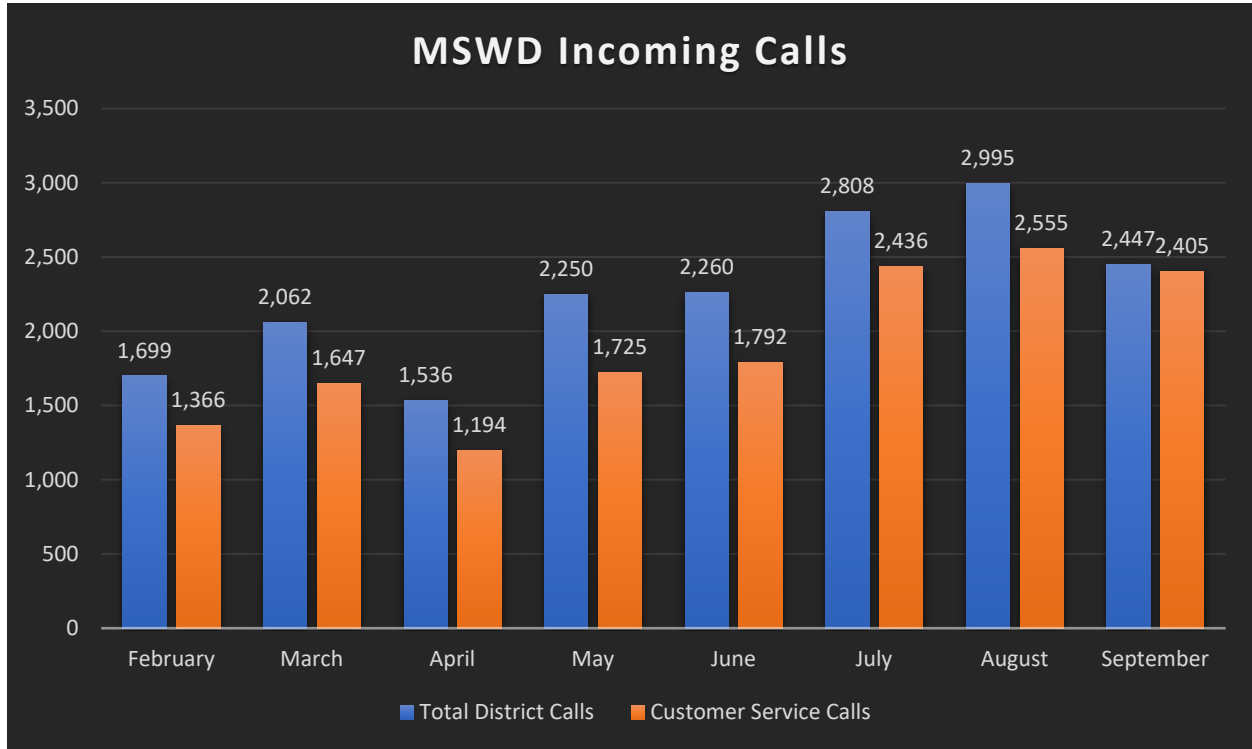


- What does Customer Service mean to You?
- Greeting Customers: the importance of and how to
- Diffusing an Interaction: what can we do to find a solution
- Tone of Your Voice: you can hear a smile through the phone
- Importance of customer inquiry follow-up
- Active Listening: verbal and non-verbal
- Customer Experience versus Customer Service
- Going the Extra Mile: inform, assist, and impress



Calls into the Customer Service Department

The District has seen an increase in the number of calls in the last five months. The chart below represents total MSWD incoming calls and those received by the Customer Service staff.

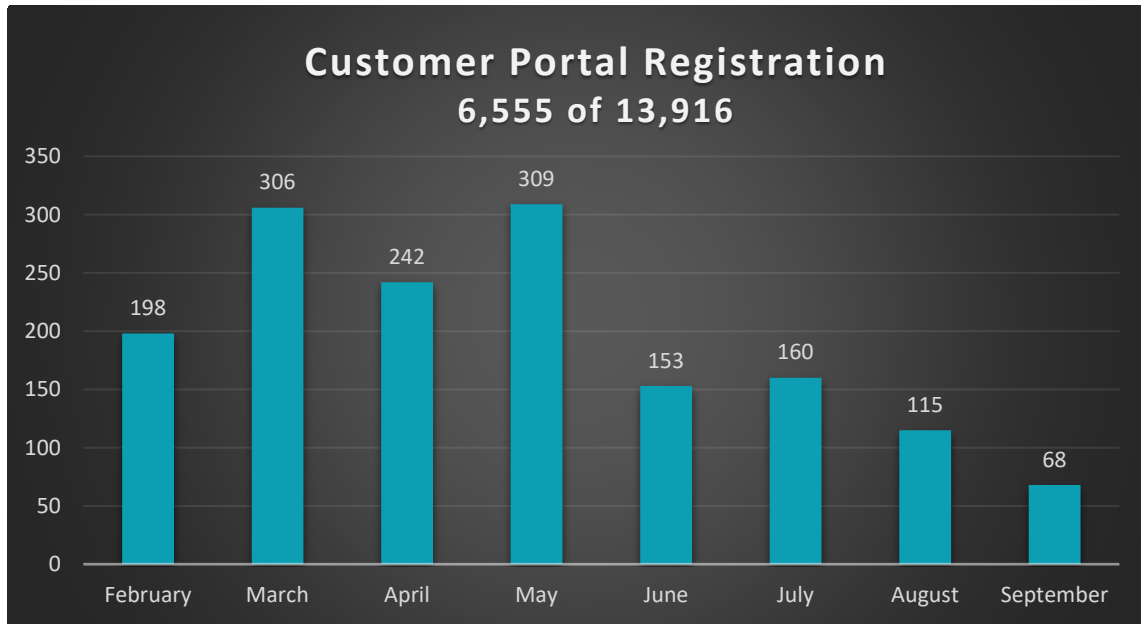


Most calls are related to payment plans, bill assistance information, demand/lien release requests, new property start/stop service, and account balance requests. The table below provides a summary of the number of calls by category received by the Customer Service staff.

Customer Request	Total for September 2023	Monthly Avg. for FY 2024	Total for FY 2024
Water Waste	0	1.67	5
High Bill Calls / Service Line Leaks	15	10.00	30
No Water	10	8.67	26
Disconnections by Request & Non-Pay	105	136.00	408
Reconnections by Request & Non-Pay	82	84.33	253
Service Transfers	104	102.67	308
High/Low Pressure	6	6.00	18
Water Quality	4	3.33	10
Other / Miscellaneous	116	101.33	304

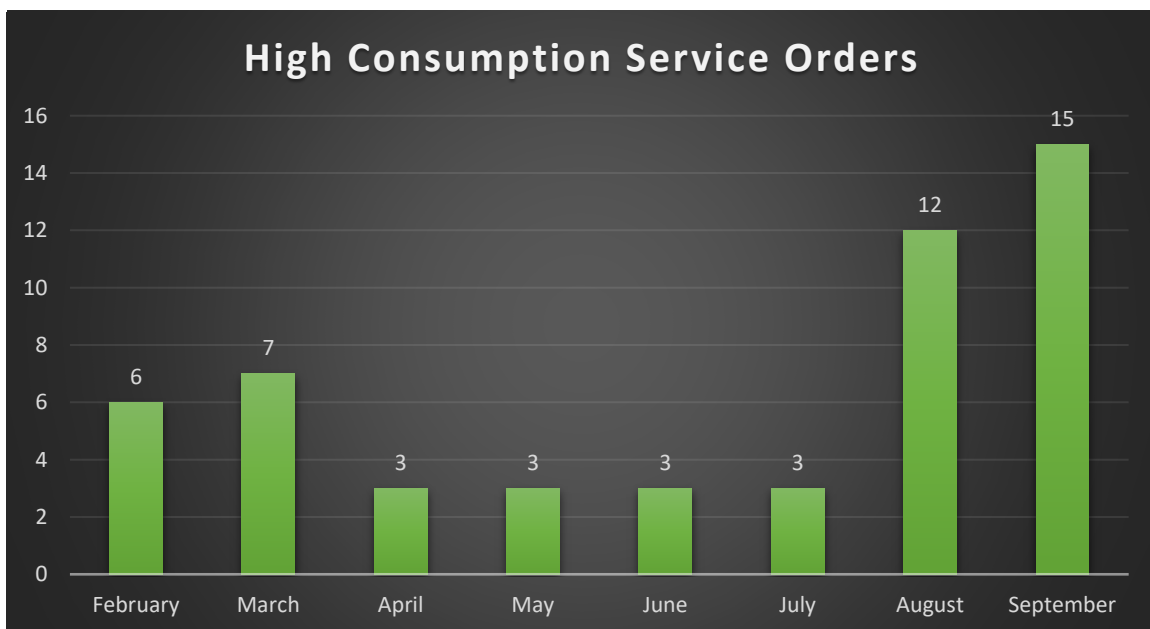
Customer Portal

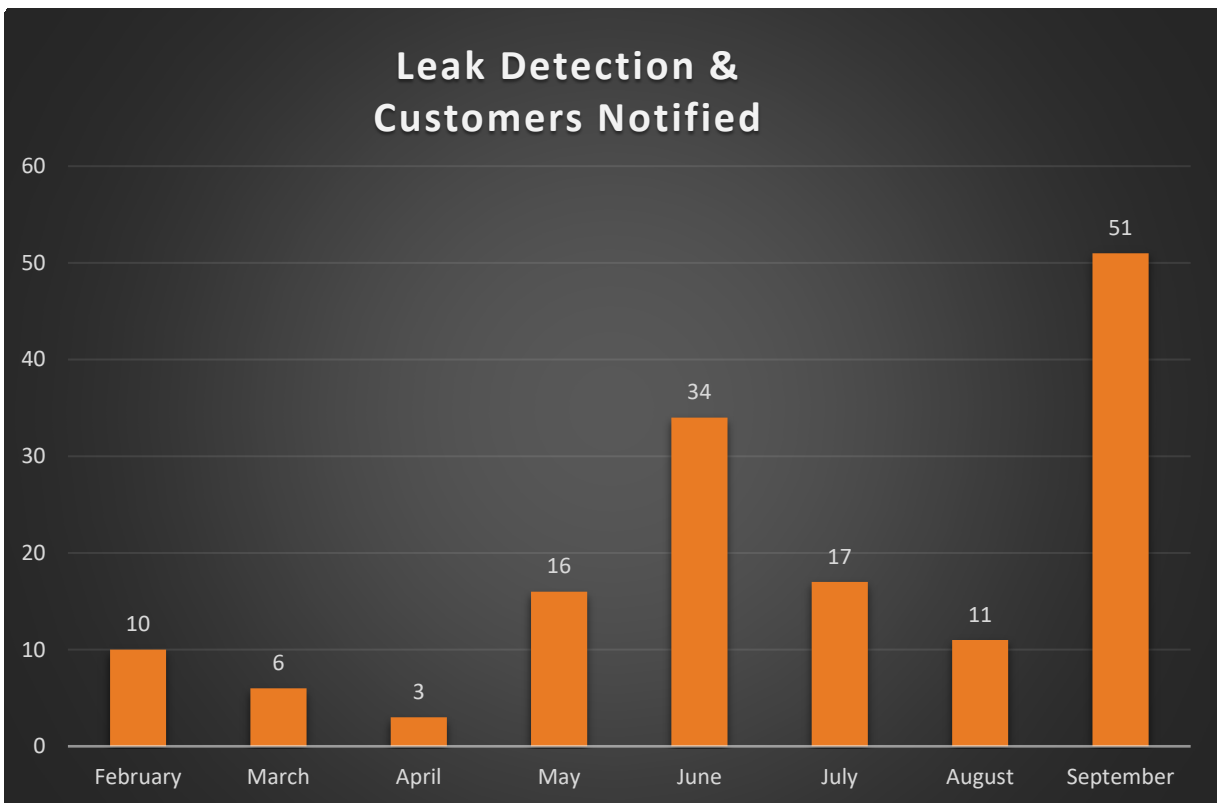
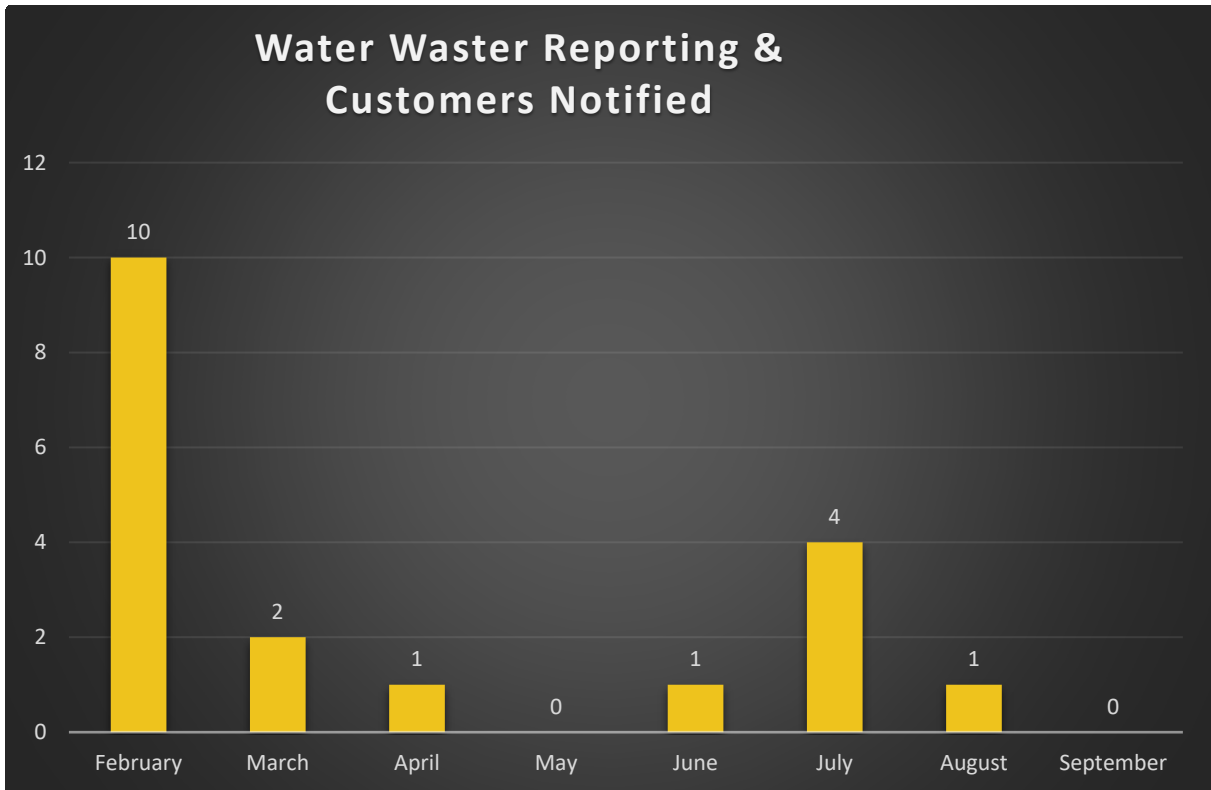
The District has implemented an AMI infrastructure and Neptune 360 portal. All customers are encouraged to sign up for the Customer Portal to access bills and leak alerts. Since launching the portal, customer adoption has reached 47%, or 6,555 customers registered so far.



Monitoring of Customer Accounts

The District continues to leverage the new AMI infrastructure and Neptune 360 portal to investigate high consumption, identify water wasters, and detect leaks. The following charts represent the monitoring results for 13,916 customer accounts by the Customer Service staff.





Customer Bill Assistance Programs

The District continues to facilitate bill assistance programs for the benefit of its customers.

- The United Way Customer Bill Assistance Program continues to be utilized by those customers who need assistance for one billing period annually, paying \$100 per approved customer.
- Riverside County’s Low Income Household Water Assistance Program (LIHWAP) Care Program provides customers with a one-time payment towards their water and/or sewer bill up to \$2,000. The U.S. Department of Health and Human Services has permitted the extension of the LIHWAP program through March 31, 2024. Staff will immediately work with Local Service Providers to extend the program through December 31, 2023, and then evaluate further extension of the program.
- Beginning March 13, 2023, LIHWAP will now be able to assist customers even if their account does not have an arrearage. When a customer is not past due on their bill, they will receive a base payment ranging between \$200 - \$371. The amount the customer receives will depend on their household size and income.



The table below summarizes the results of the customer bill assistance programs administered by the Customer Service staff.

Assistance Program	Customers Assisted in September 2024	Total Assistance in September 2024	Total Assistance in FY 2024
United Way of the Desert	1	\$100.00	\$1,900.00
LIHWAP / CAP Riverside	11	\$3,345.82	\$36,216.09
MSWD Payment Plans Last Month	Previous Month Remaining to be Billed	MSWD Current Customer Payment Plans	Current Balance Remaining to be Billed
108	\$42,737.13	107	\$44,202.42



Delinquency Service Disconnections

Staff continued to reach out to customers with delinquent accounts to provide information for assistance and repayment options to avoid disconnection. The table below summarizes the activities of Customer Service staff regarding delinquent accounts.

Fiscal Year	Auto-Dialer Calls to Customers	Door Hangers to Property	Customer Contact to Make Payment Plan	Service Disconnections
2023 – 2024 (Year to Date)	1,462	224	257	144
2022 – 2023	5,107	759	1,171	656
2021 – 2022 (3/24/2022 – 6/30/2022 COVID Moratorium Ended)	1,937	494	378	286
2020 – 2021 (COVID Moratorium)	0	0	0	0
2019 – 2020 (7/1/2019 – 3/9/2020 COVID Moratorium Started)	7,182	1,760	814	667

Customer Bill Pay Options

MSWD Customer Service continues to provide customers with multiple options for bill payment.

- Payment Portal on MSWD.org/Customer Connect.
- Customers can pay at 7-11 in Desert Hot Springs, Palm Springs, Cathedral City, and Yucca Valley; CVS or Walmart in Palm Springs; and Family Dollar in Yucca Valley. Customers must have their bills present.
- Customers can drop payments (check or money order) in the drop box or pay in the lobby.
- Customers can call in and pay through the IVR system, or with Customer Service Representative assistance.
- Pay Near Me is promoting inclusive payment options including: Cash App Pay (New), PayPal, Google Pay, Apple Pay, and the QR code on the back of the bill. Customers can pay directly from their smartphone.



Cash App Pay

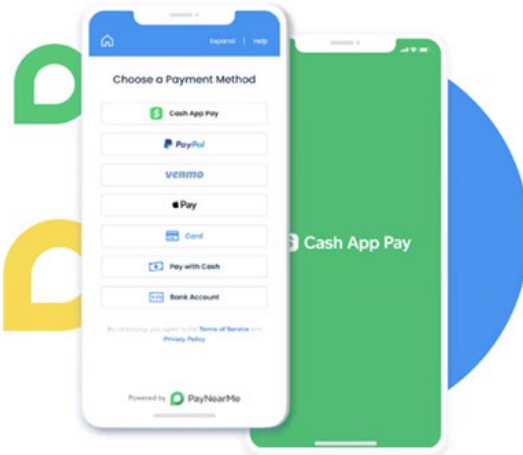
Pay Near Me is excited to announce that Cash App Pay is available as a payment option for billers. According to Pay Near Me research, 1 in 5 consumers say Cash App Pay is an important or very important option for bill pay. Now, Pay Near Me clients can offer even more convenient options for payments.


Cash App Pay entered the market with their peer-to-peer money transfer service years ago and has since amassed 53 million monthly transacting activities as of March 2023. In 2021, the financial services app made it possible for merchants within the Square network to accept consumer payments via Cash App Pay. And recently, they welcomed merchants outside of the Square network, including Pay Near Me clients, to also reap the benefits of Cash App Pay.

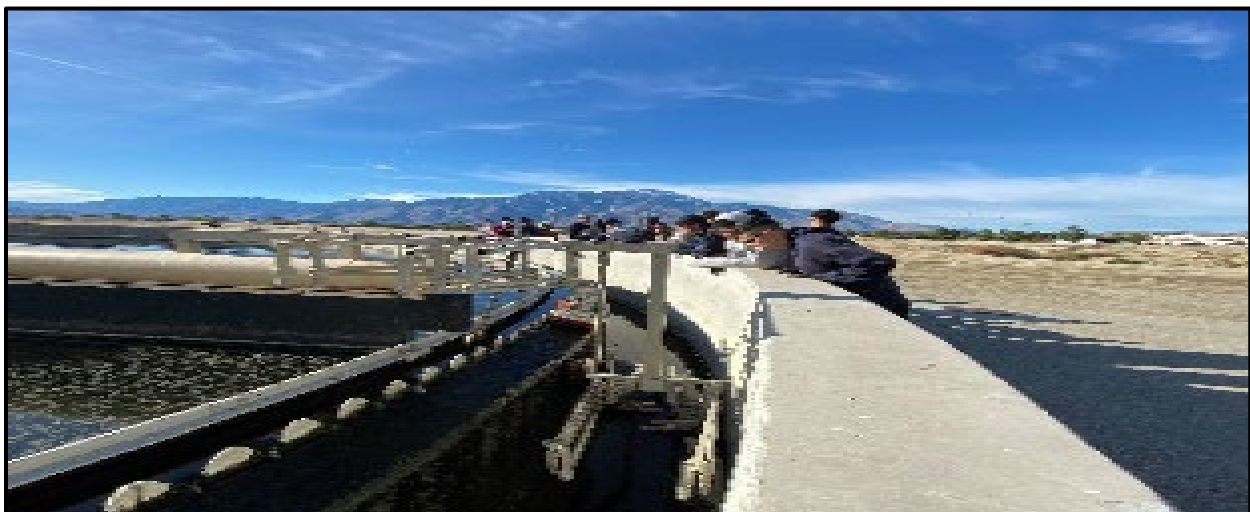
Cash App Pay

Accept payments from the mobile wallets your customers use daily.

- Offer a convenient, online payment option for your underbanked customers.
- More than two-thirds of Cash App's monthly transacting actives are Millennial or Gen Z customers
- Supports one-time, future-dated payments and recurring payments.
- Pay with stored balances
- Mobile-first customer experience



 PayNearMe



Finance and Accounting Department

The Finance and Accounting Department continues to work with its vendors to complete the yearly and necessary tasks to meet State and Federal reporting requirements and the strategic goals established by the MSWD Board of Directors. Below are project highlights and summaries for September 2023.

Current Work Priorities

The Accounting Department continues to support other departments as needed.

Human Resources

- Processed final pay and certification pay changes.

Information Technology

- Continue to evaluate the migration from Unidata to another ERP system.
- Coordinated the catalog of software used by the District for GASB 96 reporting.

Customer Service

- Provided several corrections to customer service for customer accounts.
- Continued to work with Customer Service to submit changes to the Fiscal Year 2023-2024 Sewer Fees tax roll APN errors and Standby Charge removal.

Engineering and Construction and Maintenance

- One new reimbursable job was requested by Engineering
 - 13500 Little Morongo – water, sewer, and landscape improvements review for marijuana cultivation building.
- Three new reimbursable jobs were requested by Construction & Maintenance.
 - 13381 Mountain Top Service Line Hit – damage to service line by contractor.
 - 13365 Mountain Top Service Line Hit – damage to service line by contractor.
 - Northwest Corner Hacienda & Quinta Hit Air Vac – damage from vehicle collision.

Budget

There were no budget transfers for Fiscal Year 2023-2024.

Audit

Accounting staff began to close the year and prepare year-end schedules for the upcoming FY 2023 audit.

Payroll

The Payroll Department continues to work with other departments to ensure timecards are prepared accurately.

Cash

Total cash receipts for the month of September 2023 amounted to \$1,351,991. The receipts mainly consisted of water and sewer customer account payments.

Cash disbursements for the month of September 2023 amounted to \$7,417,719 with the largest payments going to:

- JF Shea Construction - \$4,577,843
- Downing Construction - \$1,087,165
- Net Payroll - \$290,779
- City National Bank - \$190,923
- Xylem Dewatering Solutions - \$148,226
- EFTPS-IRS Federal Tax Remittance - \$125,803
- AECOM Technical Services - \$104,263



Innovation and Technology Department

The Innovation and Technology (IT) Department continues to work with staff and vendors to achieve technological enhancement and meet innovation goals established by the MSWD Board of Directors. Below are project highlights and summaries for September 2023.

Department Updates

A Request for Qualifications (RFQ) for IT support services was released on September 21, 2023.

The IT Manager attended the annual Municipal Information Systems Association of California (MISAC) conference in Rancho Mirage from September 25-26, 2023, and returned with actionable information that can be used to improve the District's systems.

Technology Improvements

Endpoint malware protection was upgraded over the month of September 2023 to a more full-featured system that will also reduce IT expenses.

The District has experienced periodic issues with the network connection between the Horton Wastewater Treatment Plant and the Corporate Yard. IT has installed equipment to enable the remote restoration of the connection when/if the issue returns while options are explored for a better long-term solution that will improve all performance and resiliency.

IT is preparing for the onboarding of new staff through the order/setup of new computers and moving of staff to new offices where they will be closer to their departments or work more efficiently.

MSWD continues its push toward paperless operations with the expansion of Laserfiche forms which staff are currently using for managing budgets and submitting overtime. Additional forms are in development along with continuous improvements in current forms.

Cybersecurity improvements continue to be made to improve District security.

Desktop computers and laptop upgrades continue as needed.

On-Going Cyber Security Training

IT continues the monthly anti-phishing training scenarios with staff and Board members. Staff has been diligent in reporting suspicious emails or contacting the IT Manager for review of suspicious emails before acting.

Cyber Security News Roundup

The IT Department tracks trends in cyber security to note new opportunities for security and new concerns to defend against. The news below is a brief selection of news intended for informational purposes and provides no insight to the District's cyber security controls.

- 38-terabytes of private data of Microsoft employees, including passwords, was exposed to the Internet due to a system misconfiguration that was discovered and mitigated in June 2023, illustrating the importance of caution and professional expertise in cloud-based configurations. No customer data was exposed. ([Cyber Security Hub](#))
- Microsoft Bing Chat is unintentionally displaying phishing ads to users of the service. In some cases, as part of Bing's AI response, ads are included in the links, some of which are phishing ads that direct users to sites offering malware, illustrating the importance of users paying close attention to anything they click. ([MalwareBytes Labs](#))
- The City of Dallas, Texas approved an \$8.5 million budget to support the restoration of its systems from the May 2023 ransomware attack. ([SecurityWeek](#))
- MGM Resorts was hacked in early September 2023 when a hacking group used a social engineering tactic to claim to call their helpdesk and claim to be a "locked out user". Upon gaining access to the system with the user account, they were able to deploy ransomware and claimed to have taken control of the Okta authentication server and Azure tenant. This illustrates the importance of positive identity confirmation before granting account access to locked out users. ([SPECOPS](#))



Purchasing Department

Staff continues to source sanitization supplies to ensure wipes, hand sanitizer, and disinfectants are available to all District buildings and vehicles for the safety of the staff.

Price increases and supply chain issues continue to surface within our industry. Specifically, PVC pipe and fittings, ductile iron pipe and service brass fittings, restraints, hydrants, and valves, as well as many other products, are experiencing significant shortages that could lead to extended lead times. Along with these supply chain problems, pricing continues to escalate. These problems exist with both domestic and import materials. Staff will continue to monitor the situation and perform due diligence in getting all the material that is needed to maintain the water systems.

Total inventory purchases were \$89,225.46, and the total issued for use by field crews totaled \$41,897.98 for September 2023.



ENGINEERING AND OPERATIONS

Engineering Department

Below is a list of Capital Projects and status updates for September 2023.

Well 42 Project

Construction is still on hold due to revisions to the pumping and electrical equipment. The contractor is in the process of procuring the well motor and pump assembly and is coordinating a submittal for the MCC equipment from the manufacturer. Construction will likely be on-hold for several more weeks while the equipment submittals are processed and the equipment is ordered, fabricated, and delivered to the site for construction and installation.

AD-18 – GQPP Sewer Project Areas “H” & “I”

Staff has been unable to reach an agreement with the property owner at the south end of Hildago Street for an easement needed to complete the proposed sewer pipe alignment. As such, Staff is evaluating other options, including a small lift station to avoid the parcel.

Well 22 Rehabilitation

Staff has received the final project plans and specifications for the well site improvements. Staff is preparing the final bid package and anticipates putting the project out to bid in the coming weeks. Following completion of the bidding process, bids will be evaluated and the lowest responsible and responsive bid will be brought to the Board for award.

Water and Wastewater System Comprehensive Master Plan Updates

Staff has completed review of the draft water and sewer master plans. In addition, staff is reviewing and adjusting the flow model with demand and calibration data. Engineering and Operations staff are evaluating the breadth and depth of the proposed water CIP.

AD-18 – GQPP Sewer Project Area “D3-1”

Staff has submitted revised amendment documents to DWR for approval. Following approval, staff anticipates completing the design and CEQA updates to the existing documents, followed by bidding and construction.

AD-18 – GQPP Sewer Project Areas “A” & “G”

The design consultant, Genterra, continued progress on the 90% construction plans and specifications. Staff anticipates receiving the 90% design package in October 2023 for plan check review.

Backup Generators for Well Sites 27-32 and 37 Projects

Staff received the contract extension from the consultant extending the contract term for one year. Staff has the plans signed and ready for bidding. Staff will review the specifications and prepare the contract documents for bidding purposes to solicit construction bids.

Supplemental Environmental Project

The project was awarded by the Board in September 2023. Staff is completing the contract/agreement with the contractor and will begin the pre-construction work immediately thereafter.

Well 34 Rehabilitation

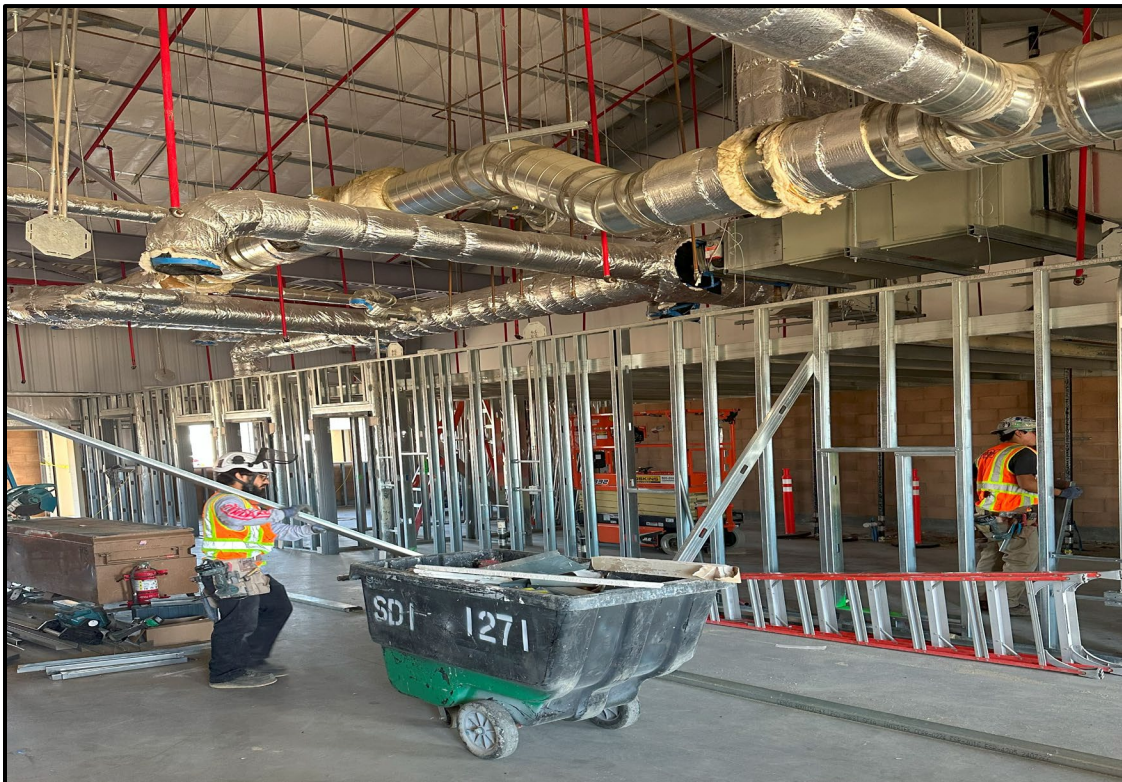
The bid opening was completed on September 12, 2023 at 2:00pm. Staff received one bid for the project. Staff has completed their bid evaluation and plans to bring the lowest responsible and responsive bid to the Board for award on October 2023.

Regional Water Reclamation Facility

The Project Team continued processing submittals and responding to RFIs submitted by JF Shea Construction.

JF Shea Construction continued construction on the Regional Water Reclamation Facility (RWRF). Through the month of September 2023, JF Shea Construction:

- Continued outfitting the operations building including insulation, conduits, fire suppression system, cable trays, air ducting, etc.
- Continued equipping the Headworks area and SBR and AST tanks with ALP piping, decanter equipment, fine and course air bubble diffusers, bar screens, grit removal chambers, valves, etc., including coating the interior tanks.
- Began excavation of the infiltration ponds.





The Project Team continued the process of contacting property owners to acquire right-of-way along 20th Avenue to construct the third required monitoring well, to be constructed at a later date. Staff continues to coordinate with the property owner to negotiate purchase of the required right-of-way in accordance with the appraisal report.

The Project Team continued to coordinate with the State Water Resources Control Board (SWRCB) on the SRF/Grant funding agreement and reimbursement requests.

- Staff completed the draft Reimbursement Request No. 2 and plans to submit to the SWRCB in early October 2023.
- Staff continues to check in with the SWRCB regarding approval of the Conveyance Line FBA.

RWRF Conveyance Line

The Project Team continued processing submittals and responding to RFIs submitted by Downing Construction, Inc. Downing Construction continued constructing the force main along Dillon Road and has completed the portion between Little Morongo Road and Atlantic Avenue. Staff continues to coordinate with SCE to resolve the easement issue along Little Morongo Road south of 18th Avenue.

Area M2 Sewer Collection System (AD-15)

Staff has completed checking the draft design package and will be returning it to the design consultant, AECOM, to finalize in the coming weeks. The Project Team is working with the design consultant to incorporate water service replacements throughout the project area.

RWRF Roadway Design (19th Avenue, Little Morongo Road, and 20th Avenue)

The design consultant, TKE Engineering, completed additional alternatives regarding the roadway layouts per the City of Desert Hot Springs' request. Staff intends to review with the City in the coming weeks and, following final geometric layout approvals, initiate the 60% design.

Operations & Maintenance

Construction & Maintenance

Water Line Locations

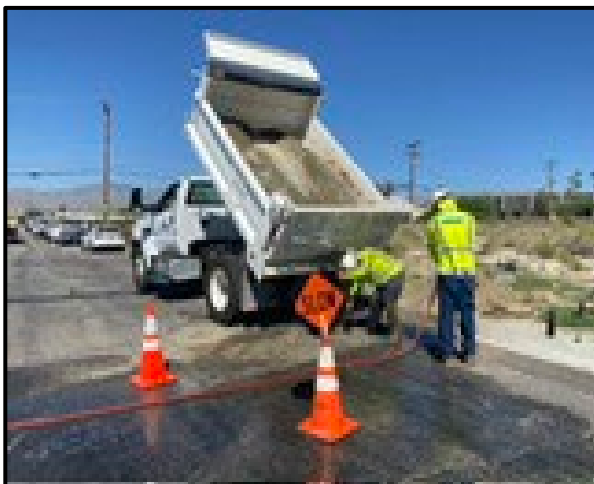
Staff completed approximately 499 water line location requests using iPads and the GeoViewer Mobile app to streamline and manage line locations.



Water System Repairs/Replacement

Staff continued to repair and replace components of the water distribution system keeping it in optimum working order and properly functioning without any interruption. Below is a summary of the repairs and replacements completed in September 2023.

- 34 water service lines were replaced with copper.
- 12 service line leaks were repaired.
- Six mainline leaks were repaired.
- Zero hit fire hydrants were repaired.



Water System Maintenance

Staff continued to implement preventative maintenance and inspection programs keeping the water distribution system in optimum working order and properly functioning without any interruption. Below is a summary of the maintenance completed in September 2023.

- 88 ground valves were exercised.
- 46 fire hydrants were flushed, maintained, and painted.
- One air-release valve was inspected and/or rebuilt.
- Zero blow-offs were flushed.



Street/Asphalt Repair (City/County)

The District's contractor, B-81, continued efforts to finalize permanent asphalt repairs from leaks and scheduled work throughout the District. After all pending repairs are completed, repair work will be dispersed quarterly.

CMMS Workorder Program

A total of 81 work orders were processed in September 2023 using the CMMS program.

New Water Meter Service Installation

Staff installed 20 new water service lines in September 2023.

Fire Flow Testing

Staff continued performing field fire flow tests for the Engineering Department. Nine fire flow tests were conducted in August 2023.

Fleet and Facility Maintenance

Janitorial Services

All District buildings continue to be cleaned and disinfected weekly, Tuesday through Friday, by our janitorial company. Routine disinfection is completed four times per week and routine janitorial services are completed twice a week (Wednesday and Friday). August 2023 was for our previous janitorial services contractor, Eternal Love dba Vested Solutions). On September 6, 2023, the new janitorial services company, Executive Facilities Services, Inc. started services.

Building Maintenance

Staff completed the following building maintenance during the month of September 2023:

- Repaired leaking irrigation at Terrace, Quail, Two Bunch, and Well 27/31 sites periodically throughout the month.
- Replumbed irrigation at Woodridge Tank to inside the east fence line.
- Installed spring hinge on the stores bathroom door.
- Replaced screens in conference room, production office and room windows.
- Installed lid and refurbished air hose reel enclosure at gas pumps in the Corporate Yard.
- Filled in several voids on south fence line at the Corporate Yard.
- Performed weed abatement at the Corporate Yard in breezeway and around scrap containers.
- Removed wall-mount AC units on Corporate Yard stores and shop offices and patched holes in outer walls and office drywall.
- Replaced leaking float valve on #5 swamp cooler in the shop.
- Inspected tire machine for high pressure air leak and discovered broken internal piece.
- Replaced rope on the flagpole at the Administration Building.
- Cut abandoned alarm pole on west side of covered parking at Corporate Yard.

Standby Generator Monthly Maintenance Program

This testing ensures the generators are in good working order and ready to be used when needed. There were no generator issues in September 2023, however, the 230KW Cummins portable generator remains out of service.

Fleet Maintenance/Repairs

- Unit 408 had battery replaced under warranty and was taken into Palm Springs Motors for troubleshooting of battery drain issue. Determined no issues per Ford diagnostics.
- Unit 400 had a tire plug on the left front tire.
- Unit 425 had all zerk fittings greased.
- Units 420 and 414 had windshield wipers replaced.
- Unit 399 had the fuel filter replaced.
- Unit 398 had the left front tire plugged by Desert Tire.
- Unit 385 had a failed high pressure water line replaced.
- Unit 414 had a missing lug nut replaced on the right rear tire.
- Unit 367 had a bad fuel pump relay replaced.
- Unit 434 had a damaged front bumper realigned.
- Units 409, 410, and 412 had interrupter switches installed for spotlights.
- Unit 345 had the right rear tire replaced due to wear.
- Unit 435 had the front license plate installed and rear suspension noise inspected.
- Unit 406 had a brake noise inspection and strobe light switch replaced.

- Unit 324 had a left rear hub seal replaced.
- Unit 402 had a rear brake noise inspection done.
- Unit 404 had a damaged transmission pan inspected and parts ordered.

Wastewater Collections

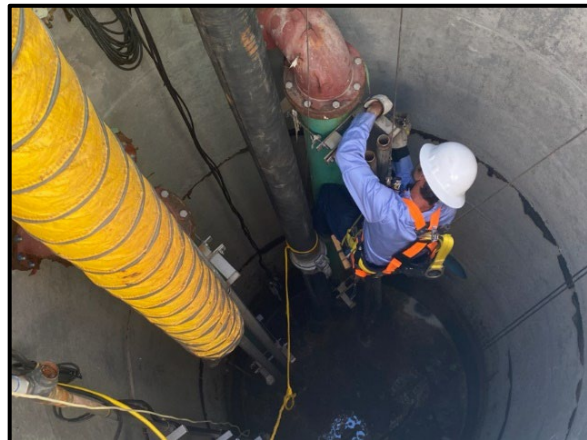
Sanitary Sewer Overflows (SSOs)

There were no Sanitary Sewer Overflows (SSOs) in the collection system during September 2023.

Dos Palmas Lift Station

Operators conducted daily site visits at the Dos Palmas Lift Station checking for proper pump operation, ensuring the SCADA system is working properly, and checking site security. Pump 1 is still inoperable, so the Xylem bypass pump is still set up as a backup if pump 2 fails.

Staff completed a confined space entry to replace one of the lower guide rail brackets for pump 2. Due to the vibrations of the pumps, the weld on the brackets can fail.



Sewer Line Locations

Staff completed 497 sewer line location requests using iPads and the GeoViewer mobile application to streamline and manage line locations.

Sewer Line/Collections Maintenance

- There were no inspections using CCTV in September 2023.
- Staff cleaned approximately 3.97 miles of sewer mainline in September 2023.
- The CCTV truck was taken back to Florida to Ques' main headquarters for a warranty issue on September 6, 2023. The work has been completed and the truck is being transferred back to California. The GapVax was taken to the Cummins Dealership in Bloomington for a DEF header issue on September 11, 2023. The truck was repaired and returned to normal operation on September 25, 2023.

Wastewater Treatment

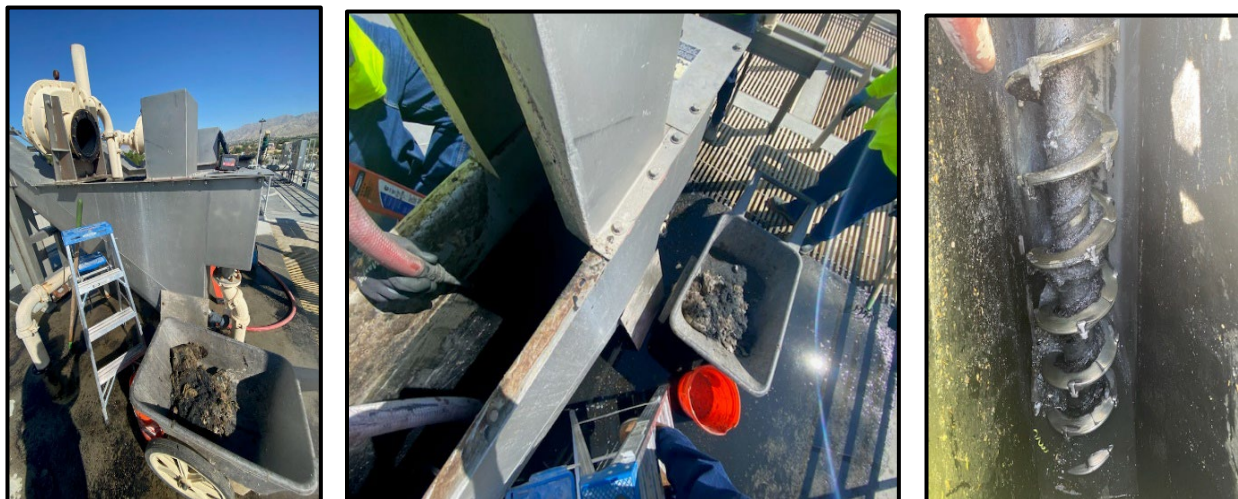
Plant Maintenance

Staff spent a combined 382.5-man hours performing routine plant maintenance, equipment maintenance, and plant operations at the Horton and Desert Crest Wastewater Treatment Plants (WWTPs). Also, during this timeframe staff spent 126.1-man hours operating the sludge belt filter press, including filling and removing 13 trailers of sludge from the Horton and Desert Crest WWTPs.

Staff inspected the 4 Vaughan Chopper pumps in the Horton WWTP influent wet well. These pumps have been in service since April 22, 2022, and have not clogged once. All the pumps appear to be in good shape and in proper working order. Before these influent pumps were installed, staff pulled the influent pumps every two days to unclog.



Staff inspected the south grit classifier at the Horton WWTP, which had a clogging issue preventing it from discharging grit into the grit bin. Staff pulled out a decent size rag out of the classifier. Staff is working on getting replacement augers for both the north and south grit classifier. These augers are original and have been in service for over 20 years.



Staff replaced the upper and lower doctor blades for the belt press. These blades clean off the sludge of the belts into the auger for disposal.



Sampling and Laboratory

Staff collected 46 samples and spent 69-man hours performing laboratory duties and analysis for process control and regulatory reporting purposes. Both wastewater treatment plants are producing an effluent that meets the District's permit discharge requirement. Staff continues to sample for a nitrogen study that the Horton WWTP is currently going through. This will be the last month for the nitrogen study and staff will go back to normal monthly/quarterly sampling.

Staff continued to perform monthly groundwater sampling and sound water levels at the groundwater monitoring wells for the Wright RWRP.

Pond Maintenance

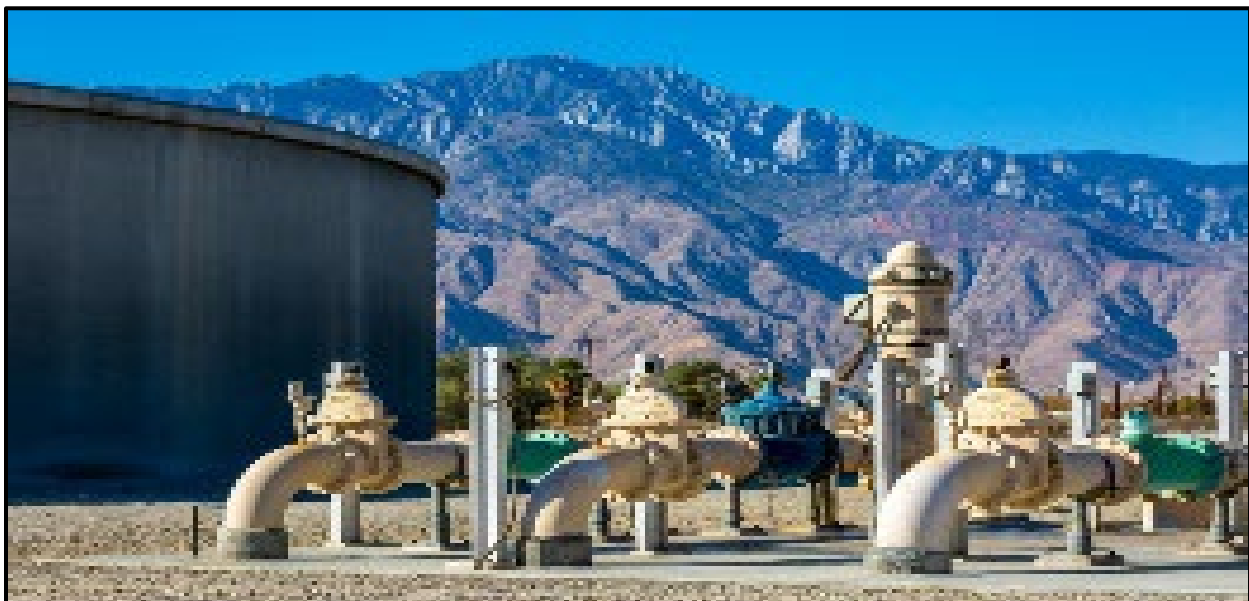
Staff cleaned and rehabilitated Ponds 1, 2, 3, 4, 6, 7, and 8 in September 2023.



Weekly Wastewater Training

Staff continues to conduct a weekly department “Wastewater Training” program. These training courses are intended to provide all operators with consistent knowledge and a better understanding of processes, including operating equipment in a more proficient manner. This training also aids in keeping operators safe when completing maintenance. This month’s training included:

- Sludge Truck Dead Battery
- Sludge Truck Battery Disconnecting Switch
- SCADA/VNC Trouble Shooting
- Laboratory Analyst Responsibilities



Through continued development in the Desert Hot Springs area, and at the request of new consumers, sanitary services are always being added to the collection system. Below is a summary of new sanitary service connections by month.

New Sanitary Service Connections to Collection System

	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19
July	4	4	18	8	7	9
August	12	26	20	4	1	8
September	17	20	20	5	2	12
October		13	36	9	4	8
November		8	29	50	10	9
December		8	12	9	3	3
January		35	14	21	7	1
February		4	7	23	5	1
March		24	17	48	1	0
April		16	7	18	3	3
May		9	16	17	11	3
June		4	2	21	7	3
Annual	33	171	198	233	61	60

Additional sanitary service connection information is provided in Appendix A.

The following table shows the average daily flow and peak daily flow for the Horton and Desert Crest WWTPs.

Monthly Wastewater Flows

WASTEWATER FLOW MGD				
2023/24	HORTON PLANT		DESERT CREST	
	Avg. Daily Flow	Peak 24 hr. Flow	Avg. Daily Flow	Peak 24 hr. Flow
July	1.922043	2.149212	0.050983	0.071200
August	1.929369	2.592078	0.047453	0.067540
September	2.037218	2.182773	0.046081	0.055570
October				
November				
December				
January				
February				
March				
April				
May				
June				

Additional wastewater flow information is provided in Appendix A.

Water Production

Water Pumped/Produced

During the month of September 2023, the District's three public water systems produced the following quantity of water:

- MSWD (CA3310008) – 716.42 Acre Feet (233.44 MG)
- Palm Springs Crest (CA3310081) – 13.48 Acre Feet (4.39 MG)
- West Palm Springs Village (CA3310078) – 7.84 Acre Feet (2.55 MG)

Water Sampling/Testing

- Staff collected 50 routine samples in Desert Hot Springs, four routine samples in ID-E, seven well samples in Desert Hot Springs, and four well samples in ID-E.
- Staff also collected 16 general physical samples in Desert Hot Springs and two general physical samples in ID-E.
- The monthly uranium sampling at Well 26A was completed on September 11, 2023.
- The MSWD Monthly Coliform Monitoring Report for September 2023 was sent to the SWRCB on October 4, 2023.
- Well 26 received a failing bacteriological test on September 19, 2023, and the well was turned off. Two sets of resamples were collected on September 20 and 27, 2023, and both sets received passing results. The well was put into service on September 28, 2023.



Chlorination System Updates

- Staff continued to conduct routine chlorine pump maintenance and inspections at all well sites, making necessary adjustments to all chlorine pumps and/or their related equipment, ensuring proper operation and repairing/rebuilding as needed. All chlorinators were functioning properly in September 2023, with only typical preventative maintenance required for these pumps.

- Staff began cleaning all chlorinators two times per month with a vinegar-based solution to reduce chlorinator issues. All of the chlorine pumps were cleaned during September 2023.
- During the month of September 2023, a total of 1,989 gallons of chlorine (12.5% solution strength) was used to disinfect the distribution system and the production facilities. (Reflects usage in the MSWD and ID-E systems)
- During the month of September 2023, the Production staff checked and documented the chlorine residuals at all the wells that are in-use a total of 212 times. The average chlorine residual of these 212 readings was 1.03 ppm. (Reflects data in the MSWD and ID-E systems)
- During the month of September 2023, the Production staff checked and documented the chlorine residuals throughout the distribution system a total of 86 times. The average chlorine residual of these 86 readings was 0.88 ppm. (Reflects data in the MSWD and ID-E systems)



Well Soundings

Staff continued to sound the groundwater levels for 13 production wells and nine monitoring wells.



Production Facility Updates

Staff continued to oversee all water production sites making necessary adjustments. Staff routinely climb reservoirs and conduct monthly overflow maintenance as needed. Staff also conduct reservoir roof inspections using a drone.

- Well 22 Rehabilitation – The contractor, L.O. Lynch, gave a target completion date by the end of August 2023.
 - Both the mechanical and chemical rehabilitation methods were completed.
 - Test pumping was performed during the first couple of weeks in May 2023. The test pumping provided the important information regarding the possible yield capacity of this well. A maximum flow rate of approximately 1,290 gpm was achieved with a drawdown rate of less than 10 feet. The test pump and motor was pulled during the last week of May 2023.
 - A larger pump and motor was installed during the first week of June 2023. A maximum flow rate of approximately 1,500 gpm was achieved, which was less than expected. The constant rate test pumping was performed during the week of June 19, 2023. The test pump equipment was pulled from the well during the week of June 26, 2023.
 - The final step is disinfection and outfitting the well with the permanent pump and motor. The downhole equipment has been ordered and there is a minimum 2 month lead time on the pump. The final design flow was determined to be 1,600 gpm.
 - As of September 29, 2023, the downhole pumping equipment is still on order. The work is anticipated to be completed in October 2023.
- Gateway Fire Pump Monthly Testing – Staff performed the monthly fire pump testing on September 13, 2023. All systems functioned properly. Water loss data was captured and entered into the water loss tracking worksheet.
- Well 24 Motor – Well 24 was put back into service on September 1, 2023. After noticing some unusual sound and vibration issues, the well was turned off for a period of approximately one week. On September 25, 2023, Southwest Pump shimmed, plumbed, and leveled the pump assembly. While this helped solve some of the vibration and noise issues, it didn't eliminate it. The well was put back into service on September 25, 2023. Staff will continue to monitor the condition of this pump and/or motor.
- IXP Treatment Plant (Well 26A) – The IXP Treatment Plant filter bags were replaced on September 28, 2023. During the replacement, staff reported that there appears to be an increase in sand production at this well. Staff will continue to monitor and report as necessary.
- Valley View & Overhill Booster Water Cooling Lines – Due to repetitive repairs to the water cooling lines on the Overhill and Valley View Boosters, the Production staff replaced all the lines with stainless steel tubing and fittings on September 27, 2023.

- Valley View Booster Motors – The motor oil was replaced for both boosters on September 27, 2023.
- Well 29 Header Painting – The headworks piping at Well 29 was painted on September 21, 2023. Additionally, the concrete pedestals for the well and the MCC were re-painted as well.



- Well 29 Production Meter – Staff replaced the production meter on September 26, 2023. The meter that was removed will be sent to McCrometer for recalibration.



- Well 26 Flow Meter – The flow meter at Well 26 is now connected to SCADA and is properly communicating the flow rate. This was disconnected a few months back due to some low voltage ground loop issues. This was resolved with the installation of an optical ground loop isolator. This device was installed by staff.
- Terrace Booster 4 – The booster pump gave us some problems this month. The motor saver keeps tripping and provides a fault code for a ground fault trip. The motor has been checked with our insulation tester, and the motor checks out ok. Staff is still working on finding the cause of this repetitive tripping.
- Real-Time Well Depth, Sonar Based, Sounder – Staff witnessed a demonstration of a sonar based real-time well depth measurement device at Well 29 on September 20, 2023. Staff was impressed by this technology and will consider installing these on each of our wells. This would provide real-time water level information that is data-logged into our SCADA system.
- Well 29 Chlorine Room – Staff made great progress towards the completion of the new chlorination room at Well 29 this month. We estimate the project to be 75% complete now and 100% completion should be reached before the end of October 2023. Once completed, the chlorination process will be completely automated.

On-Call Electrical Maintenance & Repair Services

After receiving proposals solicited in July 2023, staff issued annual on-call contracts to three electrical contractors, Leed Electric, M. Brey Electric, and McDonald Electric in the amount of \$50K each. In general, the scope of services includes, but not be limited to, the installation and/or repair of circuit breakers, variable frequency drives, installing/programming PLC, high voltage electrical work in motor control panels, well, pump, and motor repair services. The contractor will furnish labor, equipment, and materials to provide electrical maintenance services related to MSWD's water production wells, wastewater treatment plants, wastewater pump station, and other District facilities.

Well 33 Solar Site

The system is now generating power as designed.



Through continued development in the Desert Hot Springs area and at the request of new customers, water services are always being added. Below is a summary of new water services added each month.

New Service Connections to the Water System

	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19
July	5	6	18	7	4	5
August	14	28	19	6	10	5
September	19	22	23	18	2	14
October		16	33	13	3	21
November		10	27	10	16	4
December		9	9	2	17	3
January		26	14	15	6	3
February		14	8	13	8	5
March		29	19	16	2	3
April		24	6	11	1	3
May		16	19	15	12	5
June		5	1	24	11	2
Annual	38	205	196	150	92	73
Avg./ Mo.	3.17	17.08	16.33	12.50	7.67	6.08

Additional water service connection information is provided in Appendix A.

As expected, the new water services increase the amount of water needed to be pumped; however, the weather and water conservation continue to be the primary factor in MSWD water production. The following table summarizes the MSWD water production for each month.

Monthly Water Production

	FY	Variance		FY	FY	FY	FY
	2023/24	from prior year		2022/23	2021/22	2020/21	2019/20
	AF	AF	%	AF	AF	AF	AF
July	789.99	38.20	5.08%	751.79	796.57	857.77	853.23
August	737.74	-112.45	-13.23%	850.19	839.93	885.31	795.18
September	675.06	-40.97	-5.72%	716.03	738.65	784.80	757.08
October		-	0.00%	691.98	665.18	755.84	709.39
November		-	0.00%	599.39	679.85	690.13	619.87
December		-	0.00%	554.27	565.48	588.32	537.23
January		-	0.00%	530.39	580.28	537.96	553.20
February		-	0.00%	490.41	527.34	495.61	520.85
March		-	0.00%	500.37	601.44	625.80	557.73
April		-	0.00%	552.34	624.07	649.34	573.02
May		-	0.00%	726.25	745.36	723.62	698.99
June		-	0.00%	682.09	730.02	761.63	806.02
TOTAL	2,202.79	-115.22	-4.97%	7,645.50	8,094.17	8,356.13	7,981.79

Additional water production information is provided in Appendix A.

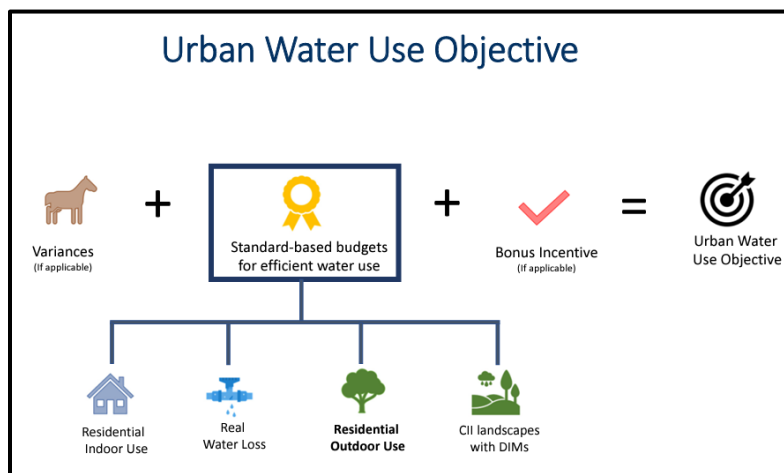
Water Resources

Below is a list of water resources related actives for September 2023:

Integrated Regional Water Management Planning

The Coachella Valley Regional Water Management Group (CVRWMG) met to discuss on-going grant funded projects and upcoming grant opportunities. The CVRWMG implements the Integrated Regional Water Management (IRWM) Plan for the Coachella Valley IRWM Region.

The CVRWMG agencies began discussing the proposed State Water Board regulatory framework for making water conservation a California way of life. This includes a new Water Use Efficiency Objective annual reporting. The first annual report is due on January 1, 2024.



Mission Creek Subbasin Sustainable Groundwater Management Act Compliance

The 2022 Alternative Plan Update for the Mission Creek Subbasin is still with the California Department of Water Resources (DWR) for review, however, DWR doesn’t anticipate completing reviews of alternative plans until 2024.

San Gorgonio Pass Subbasin Sustainable Groundwater Management Act Compliance

DWR is currently reviewing the 2022 Groundwater Sustainability Plan for the San Gorgonio Pass Subbasin.

Indio Subbasin Sustainable Groundwater Management Act Compliance

The 2022 Alternative Plan Update for the Indio Subbasin is still with the DWR for review, however, DWR doesn’t anticipate completing reviews of alternative plans until 2024.

Salt and Nutrient Management Planning

Staff attended the monthly Steering Committee meeting on September 27, 2023, for the Coachella Valley Salt and Nutrient Management Plan (CV SNMP) Update.

PUBLIC AFFAIRS

Below is a list of Public Affairs activities:

Past and Upcoming Sponsorships / Events

MSWD Blood Drive: September 13, 2023

MSWD hosted the LifeStream bloodmobile again on September 13, 2023, to honor the lives of our fallen 9/11 heroes. We had a great turnout with 19 life-saving donations.



City of Desert Hot Springs 60th Anniversary Event: September 17, 2023, 2:00-8:00pm

MSWD joined others in the community to celebrate the City of Desert Hot Springs's 60th



Anniversary at a special event held at Mission Springs Park on Sunday, August 16, 2023. MSWD provided a resource booth offering information about programs and services, featuring our award-winning water. We also sponsored a special jump house shaped into a corn maze.



CVEP Economic Report: October 11, 2023, 8:00am



MSWD is a proud table sponsor of the 19th Annual CVEP Economic Report and Breakfast. The event will include the annual economic report and will showcase our region's business strategies and goals to mobilize a long-term sustainable effort to elevate the economy of the Coachella Valley.

GCVCC Desert Hot Springs Mixer: October 25, 2023, 5:30pm

Local officials and business leaders from throughout the Coachella Valley will join together for a spooktacular event at Cabots Pueblo Museum. MSWD is sponsoring a water table and is participating on the planning committee.



Project WET Educator Workshop: Saturday, November 4, 2023

MSWD is partnering with the Coachella Valley Water District to present a Project WET. The program is designed to give educators tools and hands-on activities to share our water message and deliver California's history/social science standards through an environmental lens. All activities are tied to Common Core and the Next Generation Science Standards (NGSS). This workshop is ideal for K-12 formal and informal educators interested in cross-curriculum water education lessons.

Desert Hot Springs State of the City: November 16, 2023, 11:30am

MSWD is proud to be a sponsor of the DHS Ste of the City presentation, being brought to us by the Greater Coachella Valley Chamber of Commerce. Members of the public, local officials and the business community will join together to learn about what is taking place in our fine city.

Water 101, Let's Talk Water: August – December 2023

MSWD is launching a new fall series of our popular Water 101: Let's Talk Water community workshops. The monthly courses will be at the new Desert Hot Springs Library from 6:00 – 7:00pm to discuss our water and wastewater systems, finances, and planning functions. The first session was held on September 28, 2023, and featured information about our water quality, testing, and system. Following is a complete list of dates:



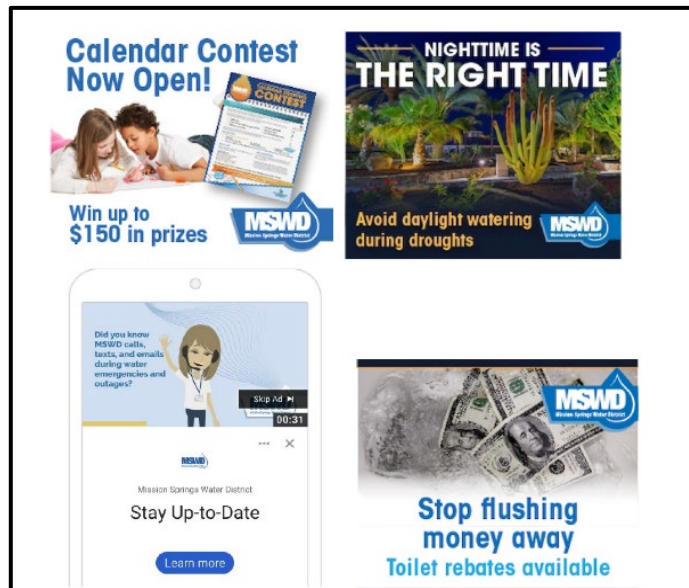
- October 26, 2023
- November 9, 2023
- December 21, 2023 (rescheduled from August 24, 2023)

If any other events occur throughout the month, they will be communicated either from the Public Affairs team or Dori Petee.

Public & Media Outreach

Recent News Releases & Media Outreach

The Public Affairs team engaged with the media and promoted several positive MSWD accomplishments and provided a statement about the impact Senator Diane Feinstein had on our District and community. These releases were individually picked up by various media publications, including the El Informador (Spanish publication), KESQ-TV, ACWA Newsletter and the Uken Report. These items were also posted on social media and shared throughout the community. Copies of each release are available on our website.



- September 8, 2023: MSWD Director Russ Martin Elected to Riverside County-Wide Oversight Board
- September 15, 2023: MSWD Directors Griffith and Duff Recognized for Leadership Skills
- September 21, 2023: MSWD Receives Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA)
- September 29, 2023: MSWD Issues Statement Regarding the Passing of Senator Diane Feinstein

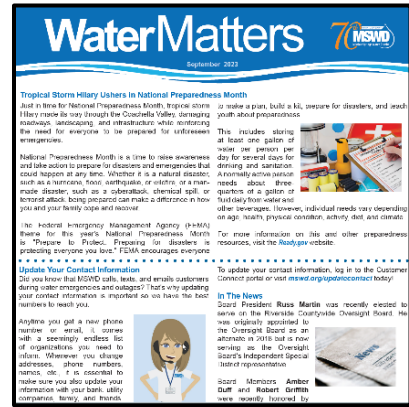
MSWD Community Calendar Drawing Contest: Due Date Extended

MSWD is again holding a calendar drawing contest, soliciting local students' artwork illustrating water conservation and groundwater protection. K-12 students throughout the District are being encouraged to participate. The Public Affairs team is promoting the contest through our local schools, social media, parent e-blasts, and our August 2023 customer newsletter. Twelve winners will receive an Amazon gift card and have their artwork showcased in the District's 2024 community calendar. The deadline for submission was October 3, 2023; however, due to community requests, the deadline has been extended to October 11, 2023. More information and a copy of the entry form are available on the District's website at www.mswd.org/drawingcontest.



Customer Newsletter

Our September 2023 Water Matters newsletter featured information about Tropical Storm Hilary, the need to update your contact information, and recent MSWD news. A copy of the newsletter is included in Appendix C.



Legislative Update

Federal: Continuing Resolution and Newsom Appointment

Congress passed a Continuing Resolution (CR) at the 11th hour to avert a federal government shutdown. The CR keeps the federal government open and funded at current levels through November 17, 2023. The CR also includes an extension of the National Flood Insurance Program through November 17, 2023, funding for the Federal Emergency Management Agency (FEMA) for disaster relief, and a three-month extension of the Federal Aviation Administration (FAA) authorization. Congress will now have seven more weeks to try and find a path forward on the Fiscal Year (FY) 2024 appropriations bills. In October 2023, both the House and the Senate are expected to work to continue to move their respective FY 2024 appropriations bills.

On Friday, September 29, 2023, the news broke that Senator Dianne Feinstein passed away at the age of 90. California Governor Gavin Newsom has the responsibility of appointing someone to fill the remainder of Feinstein’s term. Newsom announced that he intends to appoint Laphonza Butler, the current President of EMILY’s List. Butler was sworn into the Senate on October 4, 2023.

Additional Federal Updates are located in Appendix B.

California: Conservation a Way of Life, Proposed SWRCB Rulemaking

As was discussed in last month’s report, the State Water Resources Control Board (SWRCB) held a public workshop to discuss the Conservation as a Way of Life Rulemaking Framework. Director Robert Griffith and Interim General Manager Bian Macy attended the workshop and Director Griffith provided comments during the public comment period. Under the proposed rulemaking, MSWD would be forced to institute programs and rate structure that would support the following water conservation:

- 19% by 2025
- 40% by 2030
- 42% by 2035


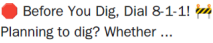

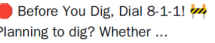

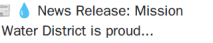

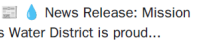


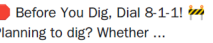

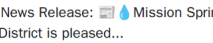

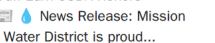

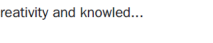
While MSWD supports the State’s water efficiency efforts, we do not believe the targets are reasonable, or even feasible, for our customers. We will be following up with written comments as well.

MSWD Digital Advertising

The District featured three Google and Facebook/Instagram ads promoting various MSWD programs. The campaigns garnered more than 191,952 impressions and 549 link clicks. Our Facebook ads garnered more than 116,477 impressions and 385 link clicks. A full report is included in Appendix C

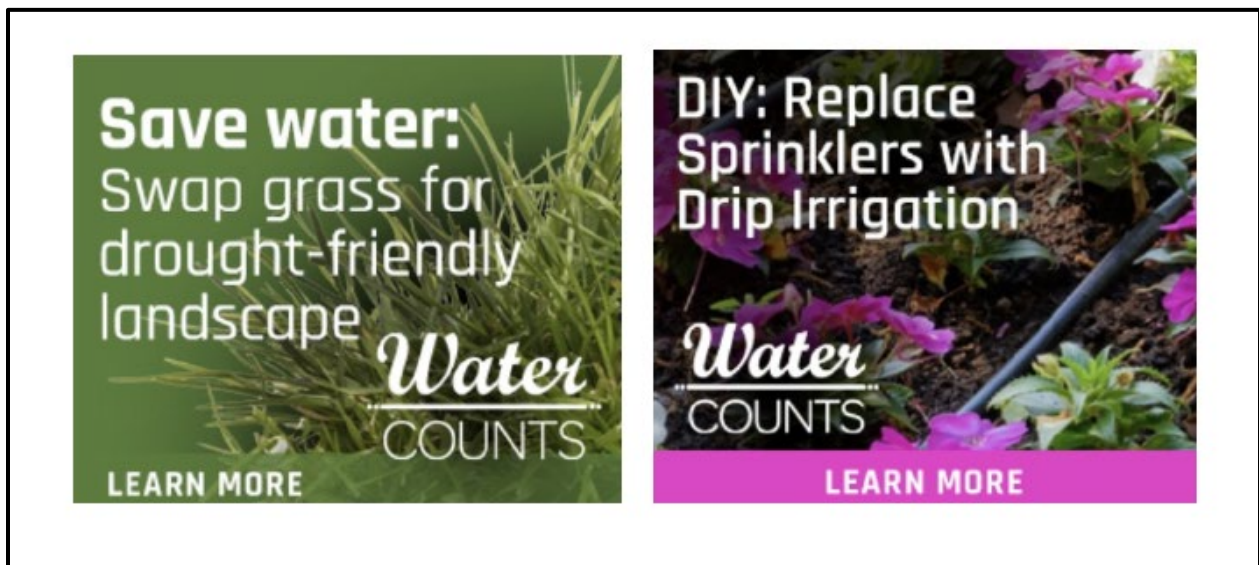
Social Media

A copy of the September 2023 social media report can be found in Appendix C. This report highlights activities and posts on the District's social media platforms. Some of our most engaging posts included, Worker Wednesday, CSDA Leadership Awards, and the GFOA award.

3 Most Engaging Posts	3 Highest Reach Posts	3 Most Shared Posts
 Worker Wed: 8-1-1  Before You Dig, Dial 8-1-1! Planning to dig? Whether ... 17.62%	 Worker Wed: 8-1-1  Before You Dig, Dial 8-1-1! Planning to dig? Whether ... 579	 News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors  News Release: Mission Springs Water District is proud... 6
 News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors  News Release: Mission Springs Water District is proud... 16.28%	 Join MSWD as we celebrate the City of DHS! Mission Spring... 294	 Worker Wed: 8-1-1  Before You Dig, Dial 8-1-1! Planning to dig? Whether ... 3
 MSWD Receives Distinguished Budget Presentation Award  News Release: Mission Springs Water District is pleased... 13.85%	 News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors  News Release: Mission Springs Water District is proud... 258	 Calendar Contest  Time is running out to share your creativity and knowled... 2

CV Water Counts

There were close to 2,900 clicks to the CV Water Counts website during September 2023, with more than 3,800 pageviews. The most popular pages were the Conservation Tips page, the Landscaping Tip of the Month, and the Rebates page, along with the Home page. Google and YouTube ads were the top drivers of traffic, followed by organic searches and the email blast. A full report is in Appendix C.



Rebates & Conservation

The Public Affairs team continued to promote rebates and conservation throughout our service territory during September 2023.

Toilet Rebates

There were three new toilet rebate applications received in September 2023, totaling \$600.

Turf Rebates

There was one new turf rebate application received in September 2023, which upon completion will be paid \$3,000.

Conservation Kits

There were no new requests for Conservation Kits in September 2023.

Bottle Water Tracking Report

Due to the storm in August 2023, the District has not donated any water in September 2023 since the inventory is currently low.





APPENDIX A – Wastewater and Water Production Tables

WASTEWATER REPORT

SEWER CONNECTION SUMMARY													
	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
July	4	4	18	8	7	9	51	2	1	139	2	0	0
August	12	26	20	4	1	8	53	2	4	214	4	0	2
September	17	20	20	5	2	12	8	11	2	90	2	1	0
October		13	36	9	4	8	12	4	21	65	8	2	1
November		8	29	50	10	9	7	7	1	52	18	7	3
December		8	12	9	3	3	64	1	0	86	22	11	2
January		35	14	21	7	1	16	8	3	27	3	11	1
February		4	7	23	5	1	42	0	3	5	46	6	1
March		24	17	48	1	0	23	5	0	31	16	2	1
April		16	7	18	3	3	15	30	0	8	95	14	3
May		9	16	17	11	3	20	45	7	13	98	3	2
June		4	2	21	7	3	6	70	4	4	72	2	0
Annual	33	171	198	233	61	60	317	185	46	734	386	59	16

Connections to Sewer Collection System:
 As of June 30, 2023 8,836
 Plus YTD 33
Total Sewer Connections = 8,869

WASTEWATER FLOW MGD				
2023/24	HORTON PLANT		DESERT CREST	
	Avg. Daily Flow	Peak 24 hr. Flow	Avg. Daily Flow	Peak 24 hr. Flow
July	1.922043	2.149212	0.050983	0.071200
August	1.929369	2.592078	0.047453	0.067540
September	2.037218	2.182773	0.046081	0.055570
October				
November				
December				
January				
February				
March				
April				
May				
June				

WASTEWATER FLOW MGD				
2022/23	HORTON PLANT		DESERT CREST	
	Avg. Daily Flow	Peak 24 hr. Flow	Avg. Daily Flow	Peak 24 hr. Flow
July	1.980020	2.086591	0.038856	0.045610
August	2.007484	2.156507	0.043378	0.051750
September	2.085598	2.243680	0.042339	0.047130
October	1.980283	2.266199	0.045616	0.052230
November	1.966075	2.124845	0.045861	0.050330
December	1.963779	2.145901	0.041817	0.050300
January	1.954007	2.142796	0.043181	0.048220
February	1.917610	2.093768	0.041724	0.056170
March	1.977725	2.134190	0.042863	0.047530
April	2.047194	2.217048	0.037373	0.047160
May	1.977976	2.188987	0.040162	0.059330
June	1.938862	2.058816	0.049741	0.067470

WATER REPORT

WATER CONNECTION SUMMARY													
	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
July	5	6	18	7	4	5	7	2	0	0	1	0	0
August	14	28	19	6	10	5	3	2	2	0	1	0	0
September	19	22	23	18	2	14	4	13	3	0	2	2	0
October		16	33	13	3	21	8	3	20	0	5	1	1
November		10	27	10	16	4	0	7	3	0	1	0	1
December		9	9	2	17	3	3	2	0	0	2	0	0
January		26	14	15	6	3	20	1	1	2	2	0	0
February		14	8	13	8	5	11	1	0	1	0	1	0
March		29	19	16	2	3	6	5	0	12	0	0	4
April		24	6	11	1	3	7	11	2	7	0	1	4
May		16	19	15	12	5	11	9	8	2	0	1	2
June		5	1	24	11	2	8	2	10	1	0	0	0
Annual	38	205	196	150	92	73	88	58	49	25	14	6	12
Avg./ Mo.	3.17	17.08	16.33	12.50	7.67	6.08	7.33	4.83	4.08	2.08	1.17	0.50	1.00

Connections to Water System:
 As of June 30, 2023 13,542
 Plus YTD 38
Total Water Connections = 13,580

WATER PRODUCTION SUMMARY													
	FY 2023/24	Variance from prior year		FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20	FY 2018/19	FY 2017/18	FY 2016/17	FY 2015/16	FY 2014/15	FY 2013/14
	AF	AF	%	AF	AF	AF	AF	AF	AF	AF	AF	AF	AF
July	789.99	38.20	5.08%	751.79	796.57	857.77	853.23	857.20	835.87	714.50	659.11	859.00	942.82
August	737.74	-112.45	-13.23%	850.19	839.93	885.31	795.18	806.47	829.93	808.54	706.62	730.71	828.60
September	675.06	-40.97	-5.72%	716.03	738.65	784.80	757.08	689.47	712.40	679.54	657.37	800.67	813.20
October		-	0.00%	691.98	665.18	755.84	709.39	709.81	733.86	678.33	575.86	716.30	716.09
November		-	0.00%	599.39	679.85	690.13	619.87	631.75	642.41	601.89	582.22	533.69	557.05
December		-	0.00%	554.27	565.48	588.32	537.23	502.16	584.24	520.63	503.10	590.83	633.09
January		-	0.00%	530.39	580.28	537.96	553.20	570.20	599.52	465.10	431.38	526.86	582.86
February		-	0.00%	490.41	527.34	495.61	520.85	415.49	512.79	453.39	483.92	506.49	522.87
March		-	0.00%	500.37	601.44	625.80	557.73	490.92	536.09	549.50	514.05	614.94	603.89
April		-	0.00%	552.34	624.07	649.34	573.02	635.08	644.06	540.56	502.36	622.58	664.05
May		-	0.00%	726.25	745.36	723.62	698.99	598.36	697.15	731.81	601.83	590.28	708.18
June		-	0.00%	682.09	730.02	761.63	806.02	710.39	688.74	732.68	685.93	706.34	812.96
TOTAL	2,202.79	-115.22	-4.97%	7,645.50	8,094.17	8,356.13	7,981.79	7,617.30	8,017.06	7,476.47	6,903.75	7,798.69	8,385.66

APPENDIX B – Federal Update from Carpi & Clay

Mission Springs Water District Federal Update

October 2, 2023

Congress Passes Continuing Resolution to Avert Shutdown

Over the weekend, Congress passed a Continuing Resolution (CR) at the 11th hour to avert a federal government shutdown. The CR keeps the federal government over and funded at current levels through November 17th. The CR also includes an extension of the National Flood Insurance Program through November 17th, funding for the Federal Emergency Management Agency (FEMA) for disaster relief, and a three-month extension of the Federal Aviation Administration (FAA) authorization. Congress will now have seven more weeks to try and find a path forward on the Fiscal Year (FY) 2024 appropriations bills. In October, both the House and the Senate are expected to work to continue to move their respective FY24 appropriations bills.

Governor Newsom Announces Senate Appointment

On Friday, the news broke that Senator Dianne Feinstein passed away at the age of 90. California Governor Gavin Newsom has the responsibility of appointing someone to fill the remainder of Feinstein's term. Newsom announced that he intends to appoint Laphonza Butler, the current President of EMILY's List. Butler will be sworn into the Senate on Wednesday, October 4th.

EPA and Corps Publish Update to WOTUS Rule

The Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Corps) released an update to the Water of the United States (WOTUS) rule. The U.S. Supreme Court decision in May in the *Sackett v. EPA* case required the Corps and EPA to amend the rule to address language regarding wetlands protections. In the updated rule, the definition for wetlands that are regulated under WOTUS are only those wetlands with relatively permanent surface water connections to larger waterways. Additionally, EPA and the Corps did not put the amended rule out for public comment, citing the "good cause" exception of the *Administrative Procedure Act* as the agencies claim the rule was being amended to comply with the Supreme Court ruling. The updated rule was published in the *Federal Register* on September 8th, effective immediately, and more information can be found [HERE](#).

Sens. Feinstein & Padilla Introduce Rural Clean Drinking Water Bill

California Senators Dianne Feinstein (D) and Alex Padilla (D) introduced the *Clean Drinking Water for Rural Communities Act* ([S. 2697](#)). The bill would raise the eligibility for Department of Agriculture (USDA) water and wastewater programs from 10,000 residents

to 20,000 residents for programs that assist communities in complying with state and federal drinking water standards. The legislation was referred to the Senate Committee on Agriculture, Nutrition, and Forestry.

Rep. Harder Introduces Water Resources Bill

Representative Josh Harder (D-CA) introduced the *Securing Access for the central Valley and Enhancing (SAVE) Water Resources Act* ([H.R. 5483](#)). The legislation would provide \$250 million in funding for water storage programs, \$750 million for water surface and groundwater storage, water reclamation and reuse, and WaterSMART program projects, and would create a loan-interest loan program for local water infrastructure projects. The bill was referred to the House Committee on Natural Resources.

Federal Funding Opportunities & Announcements

EPA Announces Availability of \$7.5 Billion in WIFIA Funding. EPA announced the availability of \$7.5 billion in Water Infrastructure Finance and Innovation Act (WIFIA) program funding. The program provides low-interest loans for drinking water, wastewater, and stormwater infrastructure projects. LOIs are due October 25th. More information can be found [HERE](#).

EPA Awards \$105 Million in SWIFR Grants. EPA awarded \$105 million for 80 projects through the Solid Waste Infrastructure for Recycling (SWIFR) Grant Program. The program supports projects that improve post-consumer materials management and infrastructure, support improvements for local waste recycling infrastructure, and technical assistance for local waste management systems. The list of awardees can be found [HERE](#).

EPA Publishes \$20 Million Innovative Water Infrastructure Workforce Development NOFO. EPA published a \$20 million NOFO for the Innovative Water Infrastructure Workforce Development Grant program. This grant program supports collaboration among federal, state, and local governments and institutions of higher education, apprentice programs, labor organizations, high schools, and other community-based organizations to develop the water sector workforce. Applications are due November 17th. More information can be found [HERE](#).

EPA Releases \$19 Million Drinking Water System Infrastructure Resilience and Sustainability Program NOFO. EPA released a \$19 million NOFO for the Drinking Water System Infrastructure Resilience and Sustainability Program. The program will provide funding to support projects in underserved, small, and disadvantaged communities that improve drinking water facility resilience to natural hazards. Applications are due November 6th. More information can be found [HERE](#).

EPA Releases \$3.6 Million Environmental Education Local Grant NOFO. EPA released a \$3.6 million in NOFOs by EPA Region for the 2023 Environmental Education Local Grant Program. Each of the ten EPA Regions has \$360,000 in funding available to support projects in all EPA regions that design, demonstrate, and/or disseminate

environmental education practices, methods, or techniques. Applications are due November 8th. Application information for all Regions can be found [HERE](#).

Reclamation Announces \$239 Million Title XVI Water Recycling NOFO. Reclamation published a \$239 million NOFO for the Title XVI Water Recycling program for funding to support water reclamation and reuse projects. Applications are accepted on a rolling basis, with the first deadline on December 7th and the second deadline on September 30th, 2024. More information can be found [HERE](#).

Reclamation Announces \$28.97 Million for WaterSMART Recycling and Desalination Projects. Reclamation announced \$28.97 million in appropriated funding to support 31 WaterSMART Program recycling and desalination projects in six western states. The list of projects can be found [HERE](#).

Reclamation Announces \$25 Million Small Surface Storage NOFO. Reclamation published a \$25 million NOFO for the Small Surface Storage Program. This program funds projects with a water storage capacity between 200 and 30,000 acre-feet that increase surface water or groundwater storage. Applications are due November 30th. More information can be found [HERE](#).

Federal Agency Personnel/Regulatory Announcements

EPA Issues Final CWA Section 401 Water Quality Certification Improvement Rule. EPA published its final Clean Water Act (CWA) Section 401 Water Quality Certification Improvement Rule. The rule streamlines and enhances certification review and provides regulatory certainty for federally permitted projects. More information can be found [HERE](#).

EPA Releases Cancer Prevention Website. EPA announced a new cancer prevention website for Administration activities aimed to help prevent cancer by reducing exposure to carcinogens. The new site can be found [HERE](#).

EPA Publishes Final PFAS Reporting and Recordkeeping Requirements Rule. EPA published a final rule regarding reporting and recordkeeping under the Toxic Substances Control Act (TSCA) for per- and polyfluoroalkyl substances (PFAS). The rule requires any person that manufactures or imports or has manufactured or imported PFAS or PFAS-containing articles since January 1, 2011, to electronically report information regarding PFAS uses, production volumes, disposal, exposures, and hazards. The rule is expected to be published in the *Federal Register* shortly with an effective date of 30 days after publication. Data is due to EPA 18 months after the effective date of the rule. More information can be found [HERE](#).

FEMA Publishes RFI on Management and Administration of Preparedness Grants. FEMA released a Request for Information (RFI) seeking stakeholder feedback on its management and administration of preparedness grant programs. FEMA is seeking suggestions on streamlining the application and customer service processes, program accessibility, and equity. Comments are due November 7th. More information can be found [HERE](#).

FEMA Designates 483 Community Disaster Resilience Zones. FEMA announced that 483 census tracts nationwide are designated as Community Disaster Resilience Zones as directed by the *Community Disaster Resilience Zones Act of 2022* (P.L. 117-255). Designated zones have priority access to federal funding for resilience and mitigation projects. FEMA considered natural hazard risk from a national and state level and considered specific concerns for coastal, inland, urban, suburban, and rural communities when determining designations. An interactive map of the designated census tracts and more information can be found [HERE](#).

FEMA and FCC Announce Test of Nationwide Emergency Alert System. FEMA and the Federal Communications Commission (FCC) scheduled a test of the Nationwide Emergency Alert System for October 4th at 2:20 pm ET. Cell towers will broadcast the signal for approximately 30 minutes to all phones within range. More information can be found [HERE](#).

NOAA Releases August 2023 Climate Assessment Report. NOAA released a report titled “Assessing the U.S. Climate in August 2023” that details a total of 23 separate billion-dollar weather and climate events in the first eight months of 2023. The report can be found [HERE](#).

##



APPENDIX C – Public Affairs Information



CVWC Digital Marketing Report

Website, Social, and Marketing Performance

September, 2023

by Hunter | Johnsen

Google Ads Campaigns

 DISPLAY AD IMPRESSIONS
CV WATER COUNTS

143,997

 SEARCH AD IMPRESSIONS
CV WATER COUNTS

1,649

 VIDEO IMPRESSIONS
CV WATER COUNTS

82,074

 CLICKS
CV WATER COUNTS

2,077

 CTR
CV WATER COUNTS

0.91%

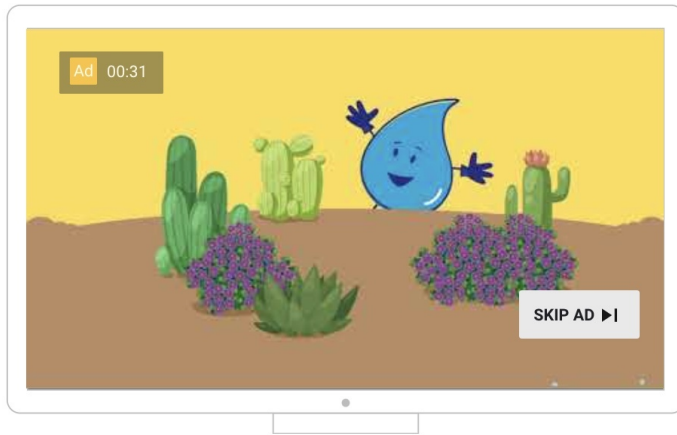
 GOOGLE PROGRAMMATIC DISPLAY AD CAMPAIGN PERFORMANCE
CV WATER COUNTS

Campaign	Clicks	Impr.
CV Water Counts September 2023	930	82,152
Swap Grass	514	46,272
DIY: Replace Sprinklers with Drip Irrigation	416	35,880
CV Water Counts September 2023 SPANISH	744	61,845
Swap Grass (Spanish)	567	44,575
DIY: Replace Sprinklers with Drip Irrigation	177	17,270
	1,674	143,997



 GOOGLE YOUTUBE VIDEO AD CAMPAIGN PERFORMANCE
CV WATER COUNTS

Account name	Impr.	Engagements	Video views	Clicks
CV Water Counts	82,074	32,635	15,233	220
CWC Water Saving Tips YouTube Spanish Sept. 2023	34,635	15,590	9,374	71
CWC Water Saving Tips English YouTube Sept. 2023	47,439	17,045	5,859	149
	82,074	32,635	15,233	220



GOOGLE ADS PAID SEARCH CAMPAIGN PERFORMANCE

CV WATER COUNTS

Campaign	Clicks	Impr.
CVWC Search Campaigns	183	1,649
	183	1,649


KEYWORDS PERFORMANCE

CV WATER COUNTS

Account name	Clicks	Impr.	CTR
CV Water Counts	155	1,037	14.95%
water rebate program	65	288	22.57%
water agency	39	348	11.21%
water service	19	141	13.48%
grass removal rebate	15	80	18.75%
water company	9	125	7.2%
washing machine rebate	3	28	10.71%
save water	2	14	14.29%
toilet rebate	2	10	20%
the water company	1	1	100%
ways to conserve water	0	2	0%
	155	1,040	14.9%

Facebook Ad Campaigns

FACEBOOK AD PERFORMANCE HUNTER JOHNSEN

Ad preview	Link Clicks	Impr.	Reach	Frequency	Page engagement
 <p>CVWC - Swap Grass - Sept. 2023 www.instagram.com We're in a drought. We all need to reduce our water use by 15 percent. Convert your front or back yard to drought-friendly landscaping and save on average 230 gallons per day. For more water-saving tips, visit CVWaterCounts.com/conservation-tips. #WaterWiseWednesday</p>	514	75,569	22,520	3.36	519
	514	75,569	22,520	3.36	519

Website Information

USERS
CV WATER - CV WATER COUNTS - GA4

1,854

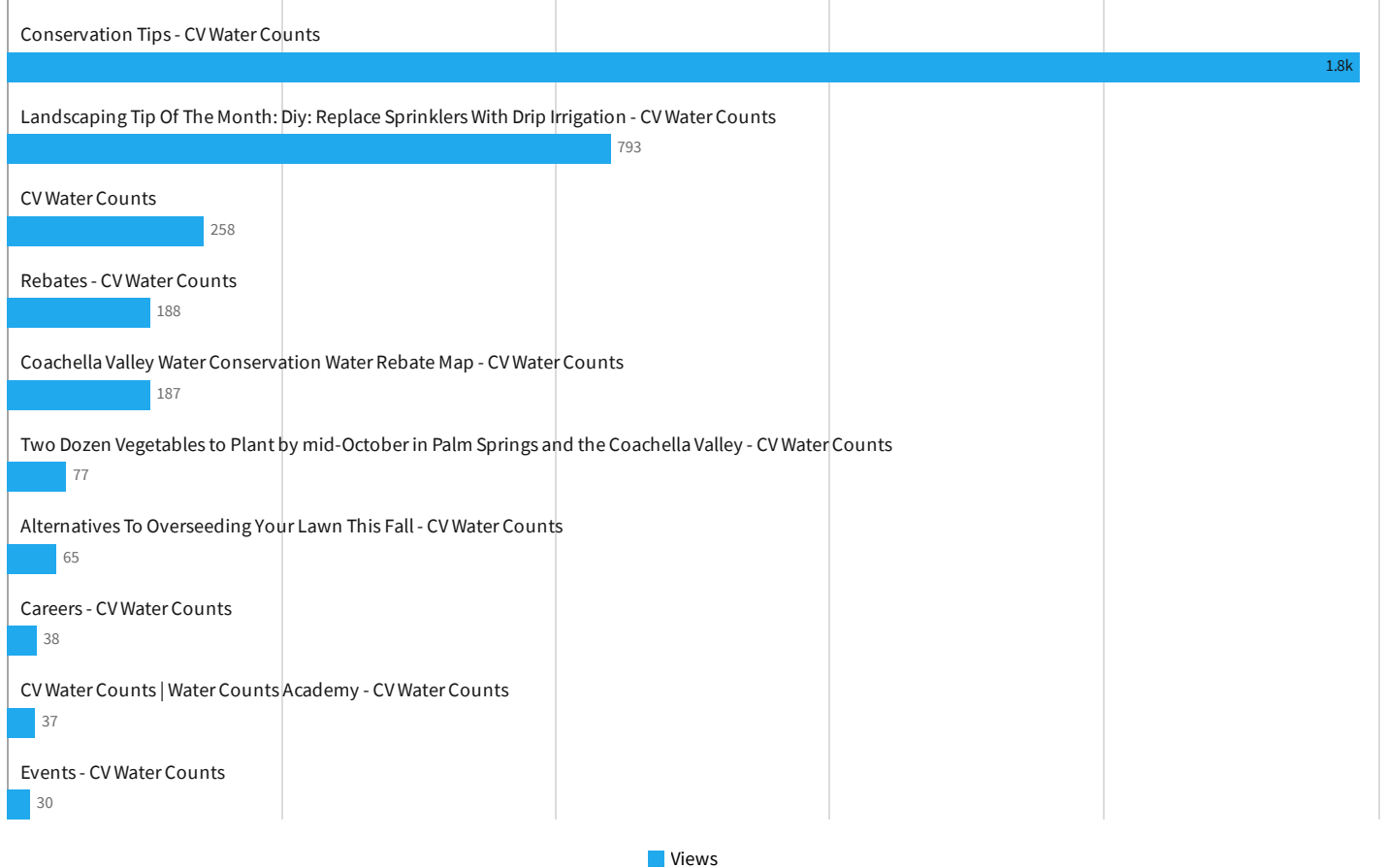
SESSIONS
CV WATER - CV WATER COUNTS - GA4

2,887

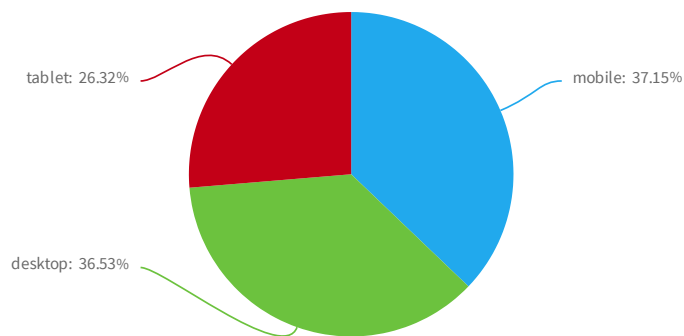
PAGEVIEWS
CV WATER - CV WATER COUNTS - GA4

3,854

VIEWS BY PAGE TITLE AND SCREEN CLASS
CV WATER - CV WATER COUNTS - GA4



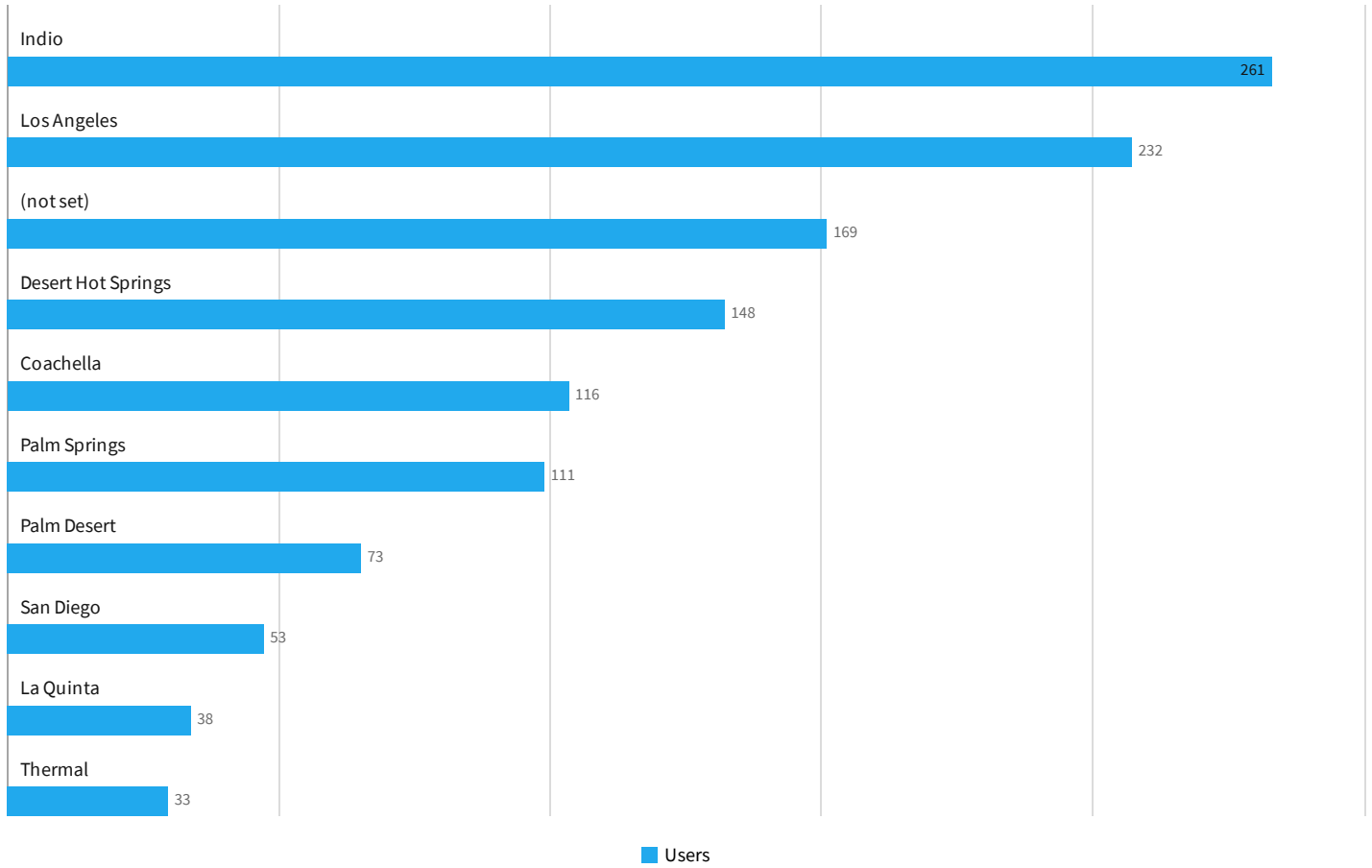
ENGAGED SESSIONS BY DEVICE CATEGORY
CV WATER - CV WATER COUNTS - GA4



Item 17.

USERS BY CITY

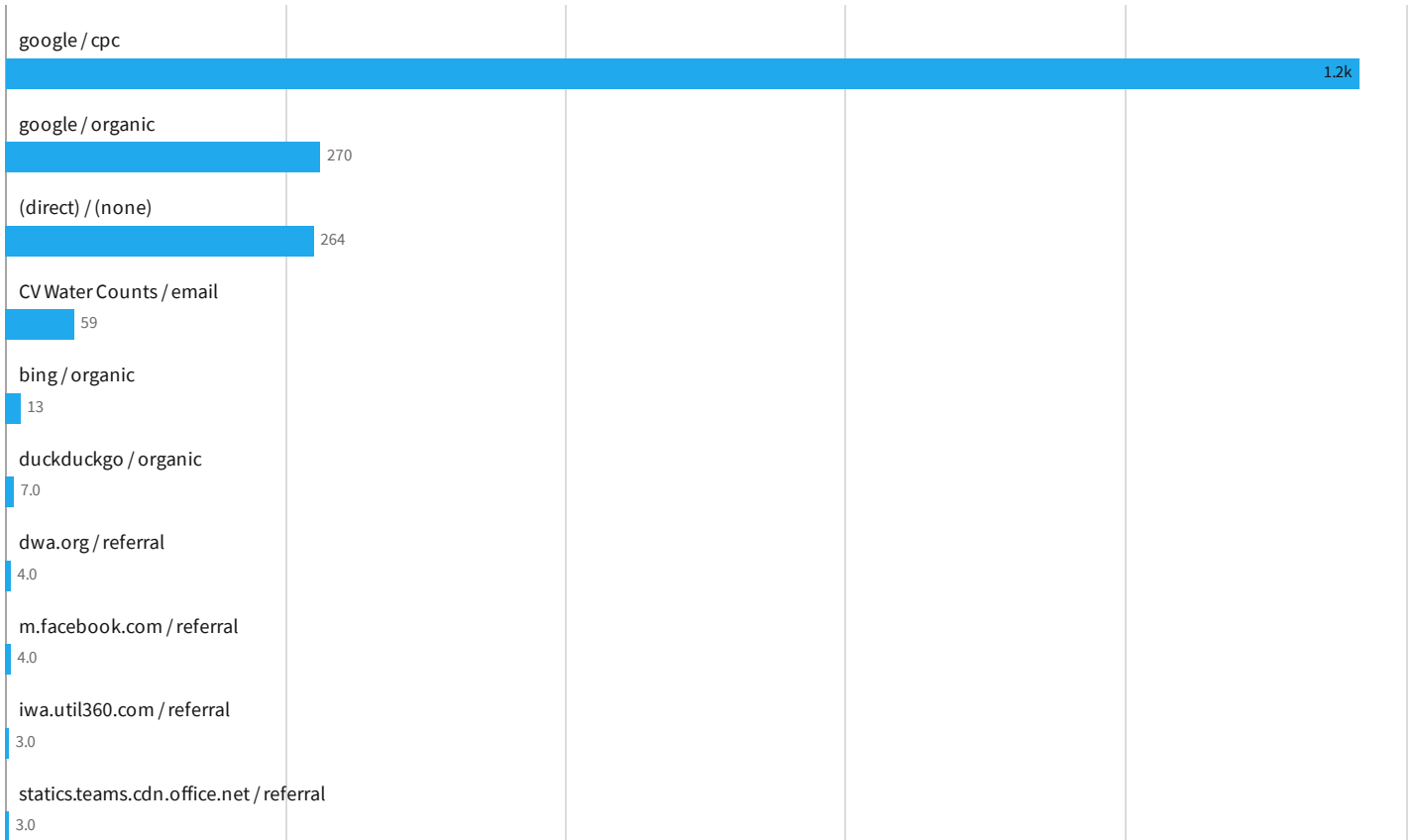
CV WATER - CV WATER COUNTS - GA4



Item 17.

NEW USER ACQUISITION

CV WATER - CV WATER COUNTS - GA4



■ New users

MONTH PERFORMANCE

PAST 6 MONTHS: CV WATER - CV WATER COUNTS - GA4

Month	New users	Engaged sessions	Engagement rate	Sessions per User	Average engagement time	Conv.
September 2023	1,806	814	28.2%	1.56	16s	198
August 2023	1,711	611	24.6%	1.43	17s	5
July 2023	1,965	632	25.2%	1.28	15s	0
June 2023	19	4	19.0%	1.17	15s	0
May 2023	0	0	0.0%	0	0s	0
April 2023	0	0	0.0%	0	0s	0
	5,501	2,065	25.8%	1.46	16s	203

Organic Search

TOP KEYWORDS CVWATERCOUNTS.COM/

Query	Impr.	Clicks	CTR	Avg. position
lake cahuilla	1,132	0	0%	10.89
water pledge	978	0	0%	7.09
lantana ground cover	429	0	0%	2.91
cv water	314	0	0%	5.76
myoma water	198	0	0%	3.65
spotlight cv	187	0	0%	47.49
chaparral sage	174	0	0%	4.93
water professionals appreciation week 2023	147	7	4.76%	1.83
indian fig	133	0	0%	54.11
indio water authority	114	0	0%	11.74
	3,806	7	0.18%	15.04

TOP PAGES CVWATERCOUNTS.COM/

Page	Impr.	Clicks	CTR	Avg. position
https://cvwatercounts.com/lake-cahuilla-recreation-and-reliability/	1,894	6	0.32%	12.03
https://cvwatercounts.com/plant-of-the-month-trailing-lantana-lantana-montevicensis/	1,602	8	0.5%	18.51
https://cvwatercounts.com/save-water-pledge/	1,448	2	0.14%	6.41
https://cvwatercounts.com/eco-friendly-car-washes-in-the-coachella-valley/	709	1	0.14%	50.44
https://cvwatercounts.com/	601	12	2%	9.39
https://cvwatercounts.com/plant-of-the-month-prickly-pear-cactus-opuntia/	517	0	0%	16.91
https://cvwatercounts.com/rebates/	512	5	0.98%	21.07
https://cvwatercounts.com/plant-of-the-month-desert-carpet-acacia-redolens/	476	4	0.84%	10.12
https://cvwatercounts.com/plant-of-the-month-cleveland-sage-chaparral-sage-salvia-clevelandii/	458	3	0.66%	9.19
https://cvwatercounts.com/two-dozens-vegetables-to-plant-by-mid-october-in-palm-springs-and-the-coachella-valley/	456	56	12.28%	13.73
	8,673	97	1.12%	16.78

Facebook Information

f IMPRESSIONS
CV WATER COUNTS

76,572

f REACH
CV WATER COUNTS

23,130

f NEW PAGE LIKES
CV WATER COUNTS

2

f ENGAGED USERS
CV WATER COUNTS

510





f PAGE VIEWS
CV WATER COUNTS

143







f LIFETIME PAGE LIKES
CV WATER COUNTS

3,998







f POSTS
CV WATER COUNTS

Post	Created at	Post reach	Engaged users	Post engagement rate	Likes	Comments
 <p>MDMWC is a small mut...</p>	September 29, 2023	43	4	9%	4	1
	September 29, 2023	21	1	5%	2	0
 <p>While fertilizers promo...</p>	September 28, 2023	43	0	0%	2	0
 <p>Overhead sprayers are ...</p>	September 25, 2023	68	2	3%	2	0
		856	55	6%	53	1


Item 17.

Post	Created at	Post reach	Engaged users	Post engagement rate	Likes	Comments
 <p>If you or someone you...</p>	September 21, 2023	85	2	2%	2	0
 <p>Leave lower branches ...</p>	September 21, 2023	57	5	9%	5	0
 <p>Date palms are native ...</p>	September 18, 2023	79	7	9%	7	0
 <p>Did you know that all ...</p>	September 18, 2023	37	3	8%	2	0
 <p>Use the garbage dispo...</p>	September 14, 2023	31	2	6%	2	0
 <p>Test your toilet for lea...</p>	September 12, 2023	81	6	7%	4	0
		856	55	6%	53	1

Item 17.

Post	Created at	Post reach	Engaged users	Post engagement rate	Likes	Comments
 <p>Do you know who you...</p>	September 10, 2023	89	10	11%	5	0
 <p>If you have a grass law...</p>	September 8, 2023	64	5	8%	4	0
 <p>Convert your front or ...</p>	September 7, 2023	25	3	12%	3	0
 <p>Happy Labor Day!</p>	September 5, 2023	39	3	8%	3	0
 <p>September is National ...</p>	September 5, 2023	16	2	13%	2	0
 <p>CV Water Counts upda...</p>	September 1, 2023	56	0	0%	2	0
		856	55	6%	53	1

Item 17.

Post	Created at	Post reach	Engaged users	Post engagement rate	Likes	Comments
 <p>Save water: Swap grass for drought-friendly landscape</p> <p>CV Water Counts upda...</p>	September 1, 2023	22	0	0%	2	0
		856	55	6%	53	1

Instagram Information

 **IMPRESSIONS**
CV WATER COUNTS


382

 **LIKES**
CV WATER COUNTS

5

 **FOLLOWERS (LIFETIME)**
CV WATER COUNTS

233

 **MEDIA PERFORMANCE**
CV WATER COUNTS

Media	Impr.	Engagement	Reach	Saved	Video views
 Test your toilet for lea...	0	0	23	0	29
	0	0	23	0	29

Twitter Information

Twitter analytics are currently limited (see below)



We're working on improvements to analytics.twitter.com. In the meantime, you may see some metrics are missing. You can access your Tweet Analytics and download reports [here](#). You can try the new version of account analytics beta [here](#).

28 day summary with change over previous period



E-Blast Information

📧 CAMPAIGN PERFORMANCE CV WATER COUNTS

Campaign	Send Time	Emails Sent	Total Opens	Open Rate	Industry Open Rate	Total Clicks	Click Rate	Industry Click Rate	Hard Bounces	Unsubscribe Count
CV Water Counts September 2023	Wednesday, September 6, 2023 5:00 PM	566	642	57.6%	17.41%	143	9.54%	0.85%	2	0
		566	642	57.6%	17.41%	143	9.54%	0.85%	2	0



MSWD Digital Marketing & Website Report


Website, Social, and Marketing Performance

September, 2023

Casey Dolan

Casey Dolan Consulting

Google Ads Campaigns

 IMPRESSIONS
MSWD

191,952

 CLICKS
MSWD

549

 CTR
MSWD

0.29%

 GOOGLE ADS CAMPAIGN PERFORMANCE
MSWD

Ad group	Impr.	Clicks	CTR
Update Contact Info	24,599	379	1.54%
MSWD Calendar Contest	74,149	71	0.1%
MSWD Toilet Rebates	47,471	52	0.11%
MSWD Overseeding	33,899	31	0.09%
MSWD Night Watering	11,834	16	0.14%
	191,952	549	0.29%

Item 17.

Calendar Contest Now Open!



Win up to **\$150 in prizes**




NIGHTTIME IS THE RIGHT TIME



Avoid daylight watering during droughts




Did you know MSWD calls, texts, and emails during water emergencies and outages?



Skip Ad ▶

Mission Springs Water District

00:31



Mission Springs Water District

Stay Up-to-Date

[Learn more](#)



MSWD
Mission Springs Water District

Stop flushing money away

Toilet rebates available

SKIP OVERSEEDING

SAVE WATER & MONEY



Facebook Ad Campaigns

Includes ad campaign information for all campaigns, excluding anniversary event

AD GROUP PERFORMANCE

MSWD

Ad	Link Clicks	Impr.	Reach	Page Likes
MSWD Calendar Contest - Sept 2023	185	23,378	7,168	0
MSWD Skip Overseeding Sept 2023	100	12,041	4,615	0
MSWD Toilet Rebate Sep 2023	47	62,406	11,907	0
MSWD Update Contact Info Video Sept 2023	36	16,801	10,593	0
MSWD Night Watering - Sept 2023	17	1,851	1,286	0
	385	116,477	27,531	0

Item 17.

MSWD Mission Springs Water District Sponsored

Did you know MSWD calls, texts, and emails customers during water emergencies and outages? That's why it's important ...See more

mswd.org
Update Your Contact Information [Learn more](#)

Like Comment Share

MSWD Mission Springs Water District Sponsored

Our Calendar Contest is now open!

Twelve winners will have their ...See more

Calendar Contest Now Open!

Win up to **\$150 in prizes** **MSWD** Mission Springs Water District

mswd.org
MSWD Calendar Contest Now Open! [Learn more](#)

Like Comment Share

MSWD Mission Springs Water District Sponsored

You can save over 8,000 gallons of water for every 1,000 square feet of grass if you skip overseeding this year! That's ...See more

mswd.org
Skip Overseeding & Save Money [Learn more](#)

Like Comment Share

MSWD Mission Springs Water District Sponsored

MSWD's Toilet Rebate Program is designed to assist homeowners who want to replace old toilets with newer, more efficient ...See more

mswd.org
MSWD - Rebates Available [Learn more](#)
Mission Springs Water Di...

Like Comment Share

Item 17.

 **Mission Springs Water District** X ⋮
Sponsored · 🌐

During the day, water evaporates faster than plants and grass can absorb it. Help conserve water during the drought by [...See more](#)



NIGHTTIME IS THE RIGHT TIME

Avoid daylight watering during droughts



mswd.org
Avoid Daylight Watering
Nighttime is the Right Tim... [Learn more](#)

Website Information

Note: New Google Analytics GA4 tracking enabled on 7/10, with information below from 7/10-7/31.

USERS

WWW.MSWD.ORG - HTTP://WWW.MSWD.O...

5,515

VIEWS

WWW.MSWD.ORG - HTTP://WWW.MSWD.O...

19,908

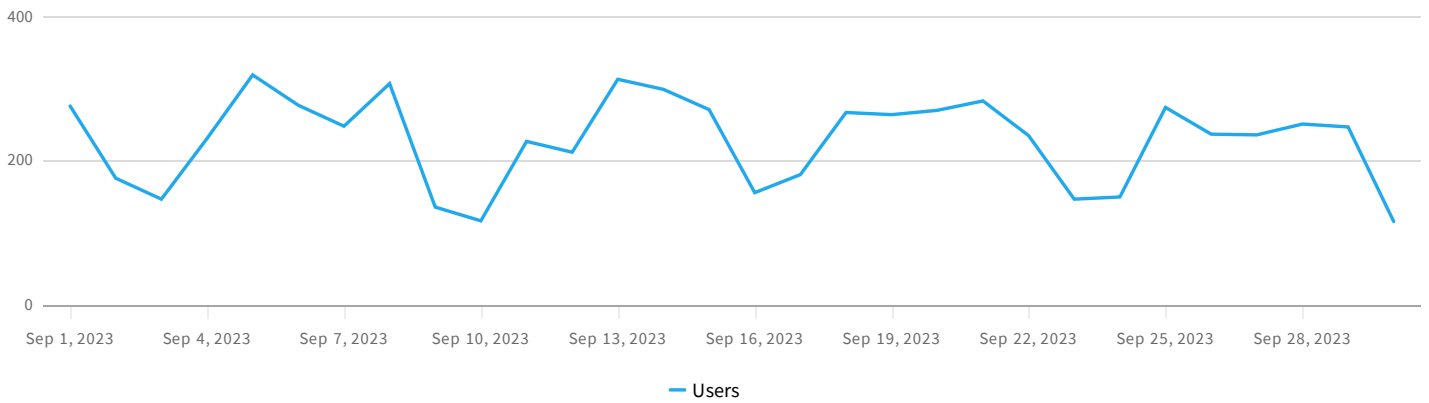
ENGAGED SESSIONS

WWW.MSWD.ORG - HTTP://WWW.MSWD.O...

5,711

USERS BY DAY

WWW.MSWD.ORG - HTTP://WWW.MSWD.ORG - GA4

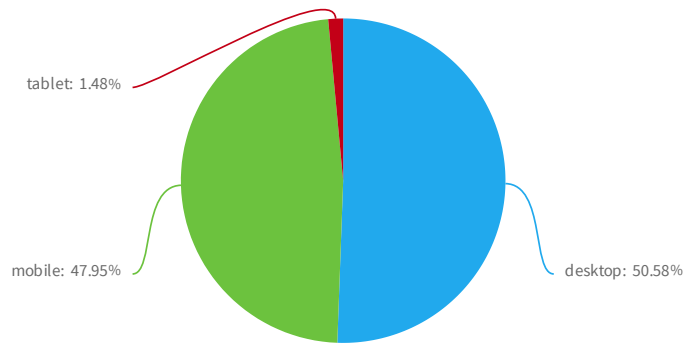


PAGE TITLE PERFORMANCE

WWW.MSWD.ORG - HTTP://WWW.MSWD.ORG - GA4

Page Title	Views	Views Per User	Users	Engaged sessions	Sessions per User	Average engagement time
Mission Springs Water District Home Page Mission Springs Water District CA	5,176	1.62	3,175	4,018	1.41	17s
New Customer Portal Mission Springs Water District CA	4,250	1.61	2,620	1,802	1.47	15s
Job Opportunities Mission Springs Water District CA	868	2.4	360	307	1.47	27s
Bill Pay Options Mission Springs Water District CA	734	1.38	525	456	1.23	22s
Careers Mission Springs Water District CA	432	1.63	263	247	1.41	20s
Application for Water Service Mission Springs Water District CA	424	2.26	188	163	1.62	4m 18s
Start/Stop Water Service Mission Springs Water District CA	368	1.51	243	168	1.24	25s
MSWD 70th Anniversary Celebration Mission Springs Water District CA	302	1.3	221	49	1.28	6s
Upcoming Meetings Mission Springs Water District CA	260	2.34	110	137	2.06	24s
Search Mission Springs Water District CA	214	1.88	113	74	1.16	42s
	19,908	3.49	5,515	5,711	1.56	1m 8s

ENGAGED SESSIONS BY DEVICE CATEGORY
 WWW.MSWD.ORG - HTTP://WWW.MSWD.ORG - GA4

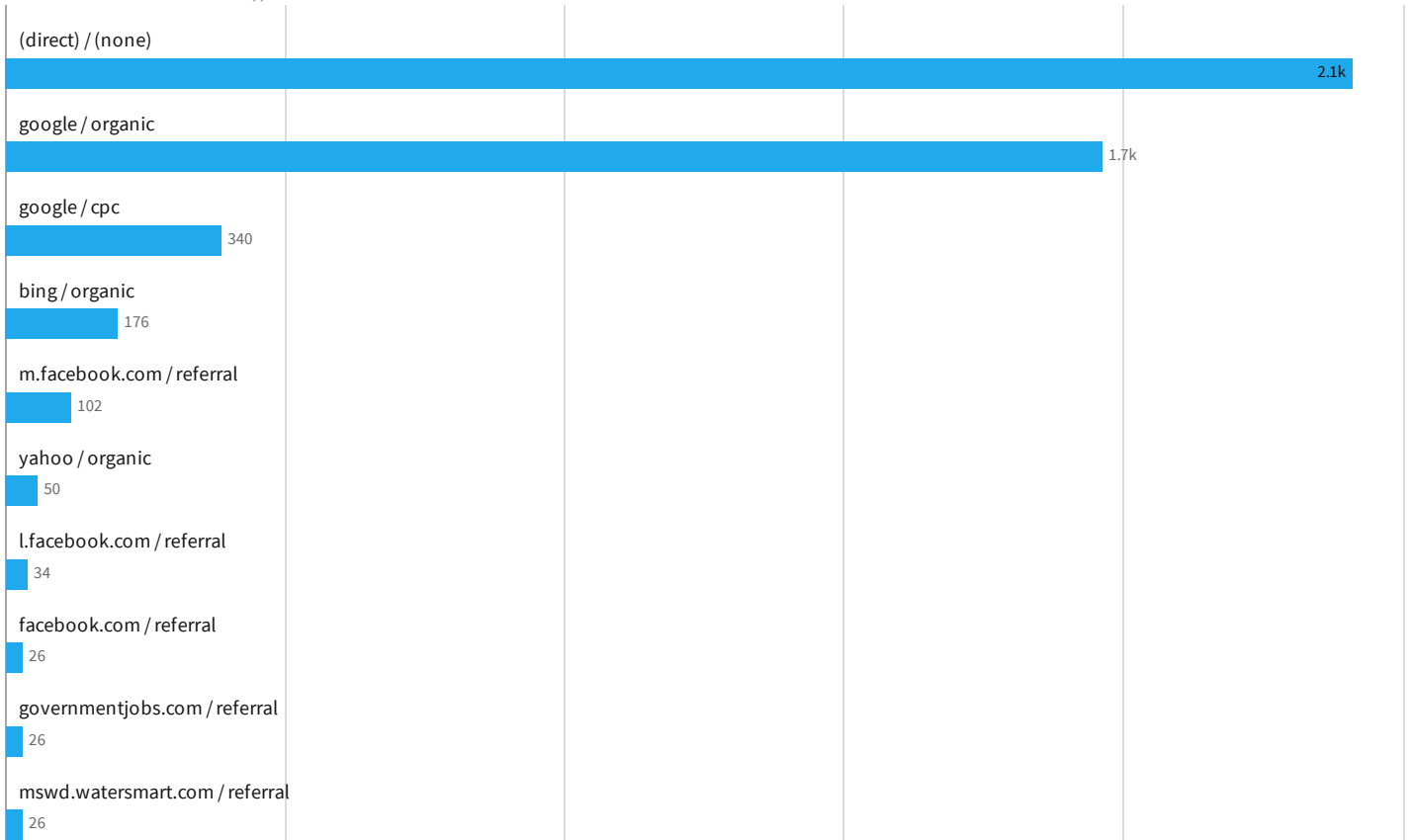


USERS BY CITY
 WWW.MSWD.ORG - HTTP://WWW.MSWD.ORG - GA4

City	Users
Desert Hot Springs	1,263
Los Angeles	873
(not set)	631
Indio	226
San Diego	218
Palm Springs	148
La Quinta	132
Palm Desert	85
Ashburn	72
Las Vegas	63
	5,515

NEW USER ACQUISITION

WWW.MSWD.ORG - HTTP://WWW.MSWD.ORG - GA4



■ New users

Facebook Account Overview (September 1 - 30, 2023)

<p>Posts Published</p> <p>15</p> <p>-6 -28.6%</p>	<p>Total Likes</p> <p>1,226</p> <p>-2 -0.2%</p>	<p>New Likes</p> <p>3</p> <p>+1 50.0%</p>	<p>Unlikes</p> <p>4</p> <p>+1 33.3%</p>	<p>Engaged People</p> <p>879</p> <p>+79 9.9%</p>
<p>Total Reach</p> <p>58,520</p> <p>+6,358 12.2%</p>	<p>Organic Reach</p> <p>3,375</p> <p>-1,967 -36.8%</p>	<p>Paid Reach</p> <p>55,569</p> <p>+8,210 17.3%</p>	<p>Impressions</p> <p>89,803</p> <p>-4,262 -4.5%</p>	<p>Video Views</p> <p>2,348</p> <p>+2,072 750.7%</p>

3 Most Engaging Posts

- 

Worker Wed: 8-1-1
 🚧 Before You Dig, Dial 8-1-1! 🚧 Planning to dig? Whether ... 17.62%
- 


News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors 16.28%

🔹 News Release: Mission Springs Water District is proud...
- 


MSWD Receives Distinguished Budget Presentation Award 13.85%


News Release: 🔹 Mission Springs Water District is pleased...

3 Highest Reach Posts

- 

Worker Wed: 8-1-1 579

🚧 Before You Dig, Dial 8-1-1! 🚧 Planning to dig? Whether ...
- 


Join MSWD as we celebrate the City of DHS! Mission Spring... 294
- 

News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors 258


🔹 News Release: Mission Springs Water District is proud...

3 Most Shared Posts


Item 17.

- 

News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors 6

🔹 News Release: Mission Springs Water District is proud...
- 


Worker Wed: 8-1-1 3

🚧 Before You Dig, Dial 8-1-1! 🚧 Planning to dig? Whether ...
- 


Calendar Contest 2

🔹 Time is running out to share your creativity and knowled...


3 Least Engaging Posts

- 

Grandparents Day 3.03%

🔹 🎉 It's National Grandparents Day! 🧓🧓 Let's honor our gr...
- 


Calendar Contest 4.1%

🔹 Time is running out to share your creativity and knowled...
- 


Indigenous Peoples Day 4.26%

Today, we honor and celebrate the rich cultural heritage,...


3 Lowest Reach Posts

- 

Indigenous Peoples Day 47

Today, we honor and celebrate the rich cultural heritage,...
- 


Calendar Contest 52

🔹 📖 Small changes in water habits can add up to significan...
- 


National Prep Month 65

🔹 Get Ready! September is National Preparedness Month! 📢 ...


3 Least Shared Posts

- 

Worker Wed - tight space 0

🧑‍🔧 🔹 Infrastructure repairs can be complex, and when it c...
- 

First Day of Autumn 0

On this first day of autumn, let's celebrate the beauty o...
- 

Indigenous Peoples Day 0

Today, we honor and celebrate the rich cultural heritage,...

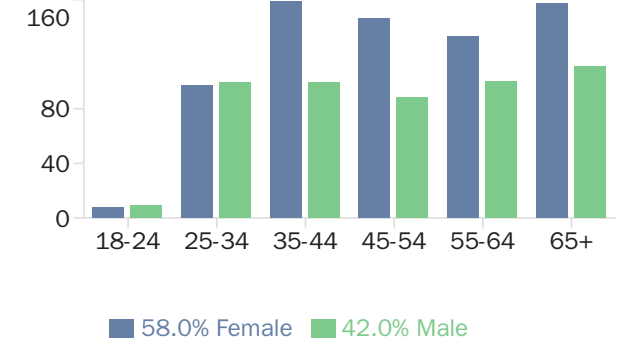
Likes By Country

1. United States of America (1,195 likes)
2. Mexico (14 likes)
3. France (4 likes)
4. Canada (4 likes)
5. Sierra Leone (1 like)

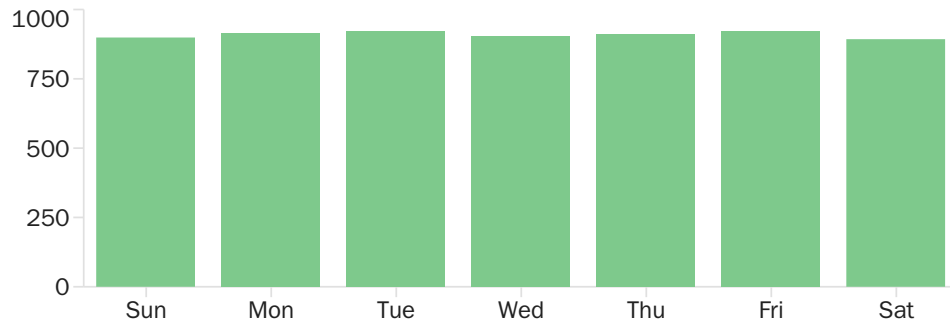
Likes By City

1. Desert Hot Springs, CA (563 likes)
2. Indio, CA (67 likes)
3. Palm Springs, CA (57 likes)
4. Cathedral City, CA (48 likes)
5. La Quinta, CA (48 likes)

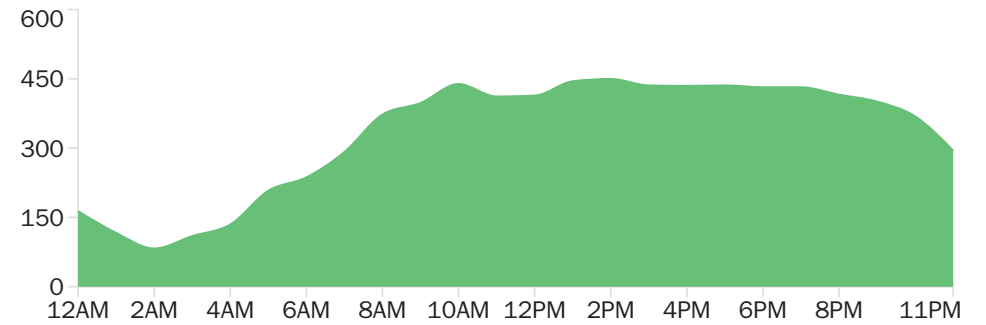
Likes by age & gender



Days your fans are online















Hours fans are online














Facebook Post Metrics (September 1 - 30, 2023)





Item 17.









Date	Format	Post	Labels	Reach	Engaged Users	Engagement Rate	Reactions	Comments	Shares	Clicks	Video Views
September 27, 2023 2:51 PM PDT	 Image	 <p>Worker Wed - tight space 👷💧 Infrastructure repairs can be complex, and when it comes to tight or confined spaces, the challenge can multiply. But fear not, #TeamMSWD is on the job. #onthejob #repairs #WorkerWed</p>		189	19	10.05%	8	0	0	13	0
September 23, 2023 2:47 PM PDT	 Image	 <p>First Day of Autumn On this first day of autumn, let's celebrate the beauty of the season and recognize that water is the lifeblood of our world. By appreciating its role in sustaining life and the environment, we can...</p>		89	11	12.36%	6	1	0	6	0





Date	Format	Post	Labels	Reach	Engaged Users	Engagement Rate	Reactions	Comments	Shares	Clicks	Item 17.
September 22, 2023 2:44 PM PDT	 Image	 <p>Indigenous Peoples Day Today, we honor and celebrate the rich cultural heritage, resilience, and contributions of Indigenous peoples around the world. This Indigenous Peoples Day, let's reflect on the profound importance...</p>	Customer Service	47	2	4.26%	2	0	0	0	0
September 21, 2023 4:57 PM PDT	 Image	 <p>MSWD Receives Distinguished Budget Presentation Award News Release:   Mission Springs Water District is pleased to announce that the Government Finance Officers Association has presented the District with a Distinguished Budget Presentation Award for ...</p>	News Releases	130	18	13.85%	14	1	1	23	0

Date	Format	Post	Labels	Reach	Engaged Users	Engagement Rate	Reactions	Comments	Shares	Clicks	Item 17.
September 18, 2023 1:44 PM PDT	 Image	 <p>Calendar Contest 💧 Time is running out to share your creativity and knowledge and be entered to win \$150! Entrees for the MSWD Water Conservation & Groundwater Protection Calendar Drawing Contest are DUE Tuesday, ...</p>	Event	195	8	4.1%	7	0	2	3	0
September 17, 2023 1:58 PM PDT	 Image	 <p>Join MSWD as we celebrate the City of DHS! Mission Springs Park, now through 8 pm.</p>		294	33	11.22%	12	0	1	25	0
September 16, 2023 3:45 PM PDT	 Image	 <p>Calendar Contest 💧💙 Small changes in water habits can add up to significant savings. If every MSWD customer spent one less minute in the shower, it would save 100,000 gallons of water each day! Just ask Madison R. ...</p>	Conservation/Reba...	52	3	5.77%	2	0	0	1	0

Date	Format	Post	Labels	Reach	Engaged Users	Engagement Rate	Reactions	Comments	Shares	Clicks	Item 17.
September 15, 2023 2:26 PM PDT	 Image	 <p>News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors</p>  News Release: Mission Springs Water District is proud to acknowledge the accomplishments of Board Members Robert Griffith and Amber Duff, who were recently honored by the California Special Dis...	News Releases	258	42	16.28%	31	3	6	24	0
September 13, 2023 3:40 PM PDT	 Image	 <p>Worker Wed: 8-1-1 Before You Dig, Dial 8-1-1! 🚧</p> <p>Planning to dig? Whether you're planting a tree, installing a fence, or doing any excavation work, remember to call 8-1-1 before you start! It's the law and the smar...</p>	Worker Wed	579	102	17.62%	9	0	3	103	0

Date	Format	Post	Labels	Reach	Engaged Users	Engagement Rate	Reactions	Comments	Shares	Clicks	Item 17.
September 12, 2023 3:43 PM PDT	 Image	 <p>National Prep Month 📢 Get Ready! September is National Preparedness Month! 📢 As we all learned last month, its always good to be prepared. 🌀🔥 🌊 🔦 This month, let's focus on: 1 Emergency Plans: Create and discuss a ...</p>	Customer Service	65	5	7.69%	5	0	0	0	0
September 11, 2023 3:33 PM PDT	 Image	 <p>Blood Drive 📢 Join us Wed. as we commemorate 9/11 with a meaningful act of kindness! Sign up now for the MSWD LifeStream Blood Drive on September 13th and help save lives. Let's turn a day of tragedy into a da...</p>	Event	127	7	5.51%	5	0	1	2	0

Date	Format	Post	Labels	Reach	Engaged Users	Engagement Rate	Reactions	Comments	Shares	Clicks	Item 17.
September 10, 2023 3:27 PM PDT	 Image	 <p>Grandparents Day   It's National Grandparents Day!   Let's honor our grandparents by celebrating a precious resource they've always cherished – water. By understanding the value of groundwater protection and wat...</p>	Event	66	2	3.03%	3	0	0	0	0
September 08, 2023 11:33 AM PDT	 Image	 <p>News Release: Martin Election News Release: Mission Springs Water District is proud to announce Board President Russ Martin's election to the Riverside Countywide Oversight Board. Martin, who has served on the MSWD Board of D...</p>	News Releases	118	8	6.78%	6	0	0	3	0


Date	Format	Post	Labels	Reach	Engaged Users	Engagement Rate	Reactions	Comments	Shares	Clicks	Item 17.
September 04, 2023 8:41 AM PDT	 Image	 Labor Day ❤️💧 Happy Labor Day! To honor all our employees, the MSWD offices will be closed today. Of course, you can always reach us 24/7 during emergencies by calling 760.329.6448 (even on holidays)! #MSWD #...	Customer Service	160	10	6.25%	9	0	1	5	0
September 01, 2023 11:54 AM PDT	 Image	 US Open 🎾🌊 Sit back, relax, and watch the US Open competition heat up! And while you enjoy the thrilling matches, don't forget to hydrate with a refreshing glass of H2O. 💧❤️	Customer Service	131	8	6.11%	9	0	0	0	0
Total				2,500	278		128	5	15	208	0
Average				166.7	18.5	11.12%	8.5	0.3	1.0	13.9	0.0

Twitter Account Overview (September 1 - 30, 2023)


Item 17.

Tweets Published	Total Likes	Total Retweets	Total Followers	Following
5	1	0	97	99
-9 -64.3%			+1 1.0%	


3 Most Retweeted Posts

- 

Labor Day
 ❤️💧 Happy Labor Day! To honor all our employees, the MSWD offices will be closed today. Of course, you can always rea... ..

0
- 


News Release: Martin Election
 News Release: Mission Springs Water District is proud to announce Board President Russ Martin's election to the Riv... ..

0
- 


Blood Drive
 🩸 Join us as we commemorate 9/11 with a meaningful act of kindness! Sign up now for the MSWD LifeStream Blood Drive... ..

0


3 Most Liked Posts

- 

Blood Drive
 🩸 Join us as we commemorate 9/11 with a meaningful act of kindness! Sign up now for the MSWD LifeStream Blood Drive... ..

1
- 

Labor Day
 ❤️💧 Happy Labor Day! To honor all our employees, the MSWD offices will be closed today. Of course, you can always rea... ..

0
- 

News Release: Martin Election
 News Release: Mission Springs Water District is proud to announce Board President Russ Martin's election to the Riv... ..

0

3 Least Retweeted Posts



MSWD Receives Distinguished Budget Presentation Award
News Release: 💧 MSWD is pleased to announce that the GFOA has presented the District with a Distinguished Budget Pr...

0

...



News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors
💧 News Release: MSWD is proud to acknowledge the accomplishments of Board Members Robert Griffith and Amber Duff,...

0



Blood Drive
🩸 Join us as we commemorate 9/11 with a meaningful act of kindness! Sign up now for the MSWD LifeStream Blood Drive...

0

...

3 Least Liked Posts

Item 17.



MSWD Receives Distinguished Budget Presentation Award
News Release: 💧 MSWD is pleased to announce that the GFOA has presented the District with a Distinguished Budget Pr...

0

...



News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors
💧 News Release: MSWD is proud to acknowledge the accomplishments of Board Members Robert Griffith and Amber Duff,...













0









News Release: Martin Election
News Release: Mission Springs Water District is proud to announce Board President Russ Martin's election to the Riv...

0

Twitter Post Metrics (September 1 - 30, 2023)

Date	Format	Post	Labels	Retweets	Likes
September 21, 2023 4:57 PM PDT	 Link	 <p>MSWD Receives Distinguished Budget Presentation Award News Release:  MSWD is pleased to announce that the GFOA has presented the District with a Distinguished Budget Pr...</p> <p>https://t.co/8wRq6OQ0yg</p>		0	0
September 15, 2023 2:26 PM PDT	 Link	 <p>News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors News Release:  MSWD is proud to acknowledge the accomplishments of Board Members Robert Griffith and Amber Duff,...</p> <p>https://t.co/eNvq2fpuNd</p>		0	0
September 11, 2023 3:33 PM PDT	 Link	 <p>Blood Drive  Join us as we commemorate 9/11 with a meaningful act of kindness! Sign up now for the MSWD LifeStream Blood Drive...</p> <p>https://t.co/dynxyHWppG</p>		0	1


Date	Format	Post	Labels	Retweets	Item 17.
September 08, 2023 11:33 AM PDT	 Link	 <p>News Release: Martin Election News Release: Mission Springs Water District is proud to announce Board President Russ Martin's election to the Riv... https://t.co/qUUeAon7xr</p>		0	0
September 04, 2023 8:41 AM PDT	 Link	 <p>Labor Day ❤️💧 Happy Labor Day! To honor all our employees, the MSWD offices will be closed today. Of course, you can always rea... https://t.co/QDiTTjf6ec</p>		0	0
Total				0	1
Average				0.0	0.2


Instagram Account Overview (September 1 - 30, 2023)



Item 17.



Posts Published	Total Followers	New Followers	Impressions	Reach	Profile Views
14	300	8	38,243	29,674	63
-6 -30.0%	+7 2.4%	-13 -61.9%	+29,665 345.8%	+23,401 373.0%	-34 -35.1%

3 Most Liked Posts


- 




News Release: Martin Election
 News Release: Mission Springs Water District is proud to announce Board President Russ Martin's election to the River... 11
- 




MSWD Receives Distinguished Budget Presentation Award
 News Release:  Mission Springs Water District is pleased to announce that the Government Finance Officers Associatio... 9
- 

Worker Wed: 8-1-1
 Before You Dig, Dial 8-1-1!  Planning to dig? Whether you're planting a tree, installing a fence, or doing any exc... 8

3 Most Commented Posts

- 

US Open
  Sit back, relax, and watch the US Open competition heat up! And while you enjoy the thrilling matches, don't forge... 0
- 

Labor Day
  Happy Labor Day! To honor all our employees, the MSWD offices will be closed today. Of course, you can always reach... 0
- 

News Release: Martin Election
 News Release: Mission Springs Water District is proud to announce Board President Russ Martin's election to the River... 0

3 Least Liked Posts



Blood Drive

🩸 Join us Wed. as we commemorate 9/11 with a meaningful act of kindness! Sign up now for the MSWD LifeStream Blood

1

Dr...



Indigenous Peoples Day

Today, we honor and celebrate the rich cultural heritage, resilience, and contributions of Indigenous peoples around ...

2



Calendar Contest

💧 Time is running out to share your creativity and knowledge and be entered to win \$150!

3

Entrees for the MSWD Water ...

3 Least Commented Posts

Item 17.



Worker Wed - tight space

👷💧 Infrastructure repairs can be complex, and when it comes to tight or confined spaces, the challenge can multiply...

0



First Day of Autumn

On this first day of autumn, let's celebrate the beauty of the season and recognize that water is the lifeblood of ou...

0



Indigenous Peoples Day

Today, we honor and celebrate the rich cultural heritage, resilience, and contributions of Indigenous peoples around ...

0




Instagram Story Metrics (September 1 - 30, 2023)








Date	Story	Labels	Exits	Impressions	Reach	Replies	Taps Forward	Taps Back
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No stories found within the selected date range.




Instagram Post Metrics (September 1 - 30, 2023)







Item 17.

Date	Format	Post	Labels	Likes	Comments	Impressions	Reach	Engagements	Engagement Rate	Saves	Video Views
September 27, 2023 2:51 PM PDT	Image	 <p>Worker Wed - tight space 🧑‍🔧💧 Infrastructure repairs can be complex, and when it comes to tight or confined spaces, the challenge can multiply. But fear not, #TeamMSWD is on the job. #onthejob #repairs #WorkerWed</p>	Worker Wed	8	0	37	34	8	23.53%	0	
September 23, 2023 2:47 PM PDT	Image	 <p>First Day of Autumn On this first day of autumn, let's celebrate the beauty of the season and recognize that water is the lifeblood of our world. By appreciating its role in sustaining life and the environment, we can...</p>	Customer Service	5	0	33	29	5	17.24%	0	
September 22, 2023 2:44 PM PDT	Image	 <p>Indigenous Peoples Day Today, we honor and celebrate the rich cultural heritage, resilience, and contributions of Indigenous peoples around the world. This Indigenous Peoples Day, let's reflect on the profound importance...</p>	Customer Service	2	0	22	19	2	10.53%	0	

Date	Format	Post	Labels	Likes	Comments	Impressions	Reach	Engagements	Engagement Rate	Saves	Item 17.
September 21, 2023 4:58 PM PDT	Image	 <p>MSWD Receives Distinguished Budget Presentation Award News Release:  Mission Springs Water District is pleased to announce that the Government Finance Officers Association has presented the District with a Distinguished Budget Presentation Award for ...</p>	News Releases	9	0	53	44	9	20.45%	0	
September 18, 2023 1:44 PM PDT	Image	 <p>Calendar Contest  Time is running out to share your creativity and knowledge and be entered to win \$150! Entrees for the MSWD Water Conservation & Groundwater Protection Calendar Drawing Contest are DUE Tuesday, ...</p>	Event	3	0	32	26	3	11.54%	0	
September 16, 2023 3:45 PM PDT	Image	 <p>Calendar Contest   Small changes in water habits can add up to significant savings. If every MSWD customer spent one less minute in the shower, it would save 100,000 gallons of water each day! Just ask Madison R. ...</p>	Conservation/Reba...	3	0	29	23	3	13.04%	0	

Date	Format	Post	Labels	Likes	Comments	Impressions	Reach	Engagements	Engagement Rate	Saves	Item 17.
September 15, 2023 2:26 PM PDT	Image	 <p>News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors</p>  <p>News Release: Mission Springs Water District is proud to acknowledge the accomplishments of Board Members Robert Griffith and Amber Duff, who were recently honored by the California Special Dis...</p>	News Releases	6	0	46	40	6	15.0%	0	
September 13, 2023 3:40 PM PDT	Image	 <p>Worker Wed: 8-1-1 Before You Dig, Dial 8-1-1! Planning to dig? Whether you're planting a tree, installing a fence, or doing any excavation work, remember to call 8-1-1 before you start! It's the law and the smar...</p>	Worker Wed	8	0	53	45	8	17.78%	0	
September 12, 2023 3:43 PM PDT	Image	 <p>National Prep Month Get Ready! September is National Preparedness Month! As we all learned last month, its always good to be prepared. This month, let's focus on: 1 Emergency Plans: Create and discuss a ...</p>	Customer Service	4	0	27	26	4	15.38%	0	

Date	Format	Post	Labels	Likes	Comments	Impressions	Reach	Engagements	Engagement Rate	Saves	Item 17.
September 11, 2023 3:33 PM PDT	Image	 <p>Blood Drive 🩸 Join us Wed. as we commemorate 9/11 with a meaningful act of kindness! Sign up now for the MSWD LifeStream Blood Drive on September 13th and help save lives. Let's turn a day of tragedy into a da...</p>	Event	1	0	25	25	1	4.0%	0	
September 10, 2023 3:27 PM PDT	Image	 <p>Grandparents Day 💧👴👵 It's National Grandparents Day! 🧓👵 Let's honor our grandparents by celebrating a precious resource they've always cherished – water. By understanding the value of groundwater protection and wat...</p>	Event	4	0	29	25	4	16.0%	0	
September 08, 2023 11:33 AM PDT	Image	 <p>News Release: Martin Election News Release: Mission Springs Water District is proud to announce Board President Russ Martin's election to the Riverside Countywide Oversight Board. Martin, who has served on the MSWD Board of D...</p>	News Releases	11	0	74	62	11	17.74%	0	


Date	Format	Post	Labels	Likes	Comments	Impressions	Reach	Engagements	Engagement Rate	Saves	Item 17.
September 04, 2023 8:41 AM PDT	 Image	 Labor Day 💙💧 Happy Labor Day! To honor all our employees, the MSWD offices will be closed today. Of course, you can always reach us 24/7 during emergencies by calling 760.329.6448 (even on holidays)! #MSWD #...	 Customer Service	4	0	31	27	4	14.81%	0	
September 01, 2023 11:54 AM PDT	 Image	 US Open 🎾🌊 Sit back, relax, and watch the US Open competition heat up! And while you enjoy the thrilling matches, don't forget to hydrate with a refreshing glass of H2O. 💧💙	 Customer Service	3	0	42	34	3	8.82%	0	
Total				71	0	533	459	71		0	
Average				5.1	0.0	38.1	32.8	5.1	15.47%	0.0	


LinkedIn Account Overview (September 1 - 30, 2023)



Item 17.


<p>Posts Published</p> <p>4</p> <p>-2 -33.3%</p>	<p>Likes</p> <p>23</p> <p>-9 -28.1%</p>	<p>Views</p> <p>21</p> <p>-33 -61.1%</p>	<p>Followers</p> <p>258</p> <p>+5 2.0%</p>
<p>Comments</p> <p>0</p>	<p>Impressions</p> <p>493</p> <p>+45 10.0%</p>	<p>Clicks</p> <p>11</p> <p>+1 10.0%</p>	<p>Engagement Rate</p> <p>8.24%</p> <p>-0.0 -5.3%</p>

3 Most Engaging Posts


- 


News Release: Martin Election
 News Release: Mission Springs Water District is proud to announce Board President Russ Martin's election to the River... 9.74%
- 



MSWD Receives Distinguished Budget Presentation Award
 News Release:  Mission Springs Water District is pleased to announce that the Government Finance Officers Associatio... 7.95%
- 


News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors
 News Release: Mission Springs Water District is proud to acknowledge the accomplishments of Board Members Robert ... 7.41%

3 Most Shared Posts




- 

News Release: Martin Election
 News Release: Mission Springs Water District is proud to announce Board President Russ Martin's election to the River... 0
- 

Blood Drive
 Join us Wed. as we commemorate 9/11 with a meaningful act of kindness! Sign up now for the MSWD LifeStream Blood Dr... 0
- 




News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors
 News Release: Mission Springs Water District is proud to acknowledge the accomplishments of Board Members Robert ... 0

3 Least Engaging Posts







	<p>Blood Drive 🩸 Join us Wed. as we commemorate 9/11 with a meaningful act of kindness! Sign up now for the MSWD LifeStream Blood Dr...</p>	3.13%
	<p>News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors 💧 News Release: Mission Springs Water District is proud to acknowledge the accomplishments of Board Members Robert ...</p>	7.41%
	<p>MSWD Receives Distinguished Budget Presentation Award News Release: 🌊 Mission Springs Water District is pleased to announce that the Government Finance Officers Associatio...</p>	7.95%





3 Least Shared Posts

Item 17.

	<p>MSWD Receives Distinguished Budget Presentation Award News Release: 💧 Mission Springs Water District is pleased to announce that the Government Finance Officers Associatio...</p>	0
	<p>News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors 💧 News Release: Mission Springs Water District is proud to acknowledge the accomplishments of Board Members Robert ...</p>	0
	<p>Blood Drive 🩸 Join us Wed. as we commemorate 9/11 with a meaningful act of kindness! Sign up now for the MSWD LifeStream Blood Dr...</p>	0

LinkedIn Post Metrics (September 1 - 30, 2023)

Date	Format	Post	Labels	Shares	Clicks	Engagement Rate	Reactions	Impressions	Comments
September 21, 2023 4:58 PM PDT	 Image	 <p>MSWD Receives Distinguished Budget Presentation Award News Release:  Mission Springs Water District is pleased to announce that the Government Finance Officers Association has awarded the District a Distinguished Budget Presentation Award for its 202...</p>	<p>News Releases</p>	0	0	7.95%	7	88	0
September 15, 2023 2:26 PM PDT	 Image	 <p>News Release: Dir. Griffith and Dir. Duff Earn CSDA Honors News Release:  Mission Springs Water District is proud to acknowledge the accomplishments of Board Members Robert Griffith and Amber Duff, who were recently honored by the California Special Dis...</p>	<p>News Releases</p>	0	1	7.41%	3	54	0

Date	Format	Post	Labels	Shares	Clicks	Engagement Rate	Reactions	Impressions	Item 17.
September 11, 2023 3:33 PM PDT	 Image	 <p>Blood Drive Join us Wed. as we commemorate 9/11 with a meaningful act of kindness! Sign up now for the MSWD LifeStream Blood Drive on September 13th and help save lives. Let's turn a day of tragedy into a da...</p>	Event	0	0	3.13%	1	32	0
September 08, 2023 11:33 AM PDT	 Image	 <p>News Release: Martin Election News Release: Mission Springs Water District is proud to announce Board President Russ Martin's election to the Riverside Countywide Oversight Board. Martin, who has served on the MSWD Board of D...</p>	News Releases	0	3	9.74%	8	113	0
Total				0	4		19	287	0
Average				0.0	1.0	7.06%	4.8	71.8	0.0