



RESOLUTION NO. 2023-14
RESOLUTION NO. PFA-01
ORDINANCE NO. 2023-01

AGENDA

OUR MISSION

Protect, enhance, and develop Calaveras County's water resources and watersheds to provide safe, reliable, and cost-effective services to our communities.

2021-2026 Strategic Plan, Adopted April 28, 2021, and can be viewed at this [link](#)

Regular Board Meeting
Wednesday, March 22, 2023
1:00 p.m.

[Calaveras County Water District](#)
120 Toma Court
San Andreas, California 95249

Board Chambers are open to the public and the following alternative is available to members of the public who wish to participate in the meeting virtually:

Microsoft Teams meeting

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

[+1 323-647-8603,,605388082#](#) United States,

Phone Conference ID: 605 388 082#

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at 209-754-3028. Notification in advance of the meeting will enable CCWD to make reasonable arrangements to ensure accessibility to this meeting. Any documents that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at CCWD for review by the public.

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. **ROLL CALL**

2. **PUBLIC COMMENT**

At this time, members of the public may address the Board on any non-agendized item. The public is encouraged to work through staff to place items on the agenda for Board consideration. No action can be taken on matters not listed on the agenda. Comments are limited to three minutes per person.

BOARD OF DIRECTORS

Scott Ratterman, President
Cindy Secada, Director

Russ Thomas, Vice President
Bertha Underhill, Director

Jeff Davidson, Director

3. CONSENT AGENDA

The following items are expected to be routine / non-controversial. Items will be acted upon by the Board at one time without discussion. Any Board member may request that any item be removed for later discussion.

- 3a Approval of Minutes for the Board Meeting of March 8, 2023
(Rebecca Hitchcock, Clerk to the Board)
- 3b Report on the Monthly Investment Transactions for February 2023
(Jeffrey Meyer, Director of Administrative Services)
- 3c Amendment to Upper Mokelumne River Watershed Authority (UMRWA) Joint Powers Agreement
(Michael Minkler, General Manager) **RES 2023-_____**

4. PUBLIC HEARING

- 4a Discussion/Direction regarding Execution and Delivery of Joint Community Facilities Agreements in Connection with the Bond Opportunities for Land Development (BOLD)
(Jeffrey Meyer, Director of Administrative Services)
 - Authorizing Execution and Delivery of Joint Community Facilities Agreements in Connection with the Bond Opportunities for Land Development (BOLD) Program **RES 2023-_____**
 - Approving, Authorizing, and Directing Execution of a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority **RES 2023-_____**

5. REPORTS

- 5a* General Manager's Report
(Michael Minkler)

6.* BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

7. NEXT BOARD MEETINGS

- Wednesday, April 12, 2023, 1:00 p.m., Regular Board Meeting
- Wednesday, April 26, 1:00 p.m., Regular Board Meeting

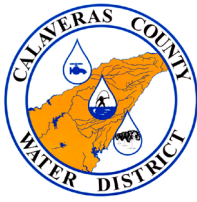
8. CLOSED SESSION

- 8a Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9. 1 potential case
- 8b Government Code § 54957.6 Agency Negotiators: General Manager Michael Minkler, HR Manager Stacey Lollar regarding Negotiations with Employee Organization SEIU Local 1021 and Management and Confidential Unit

9. REPORTABLE ACTION FROM CLOSED SESSION

10. ADJOURNMENT

*No information included in packet



CALAVERAS COUNTY WATER DISTRICT

Board of Directors

District 1 Scott Ratterman
District 2 Cindy Secada
District 3 Bertha Underhill
District 4 Russ Thomas
District 5 Jeff Davidson

Financial Services

Umpqua Bank
US Bank
Wells Fargo Bank

CCWD Committees

*Engineering Committee
*Finance Committee
*Legal Affairs Committee
*External Relations Committee

Joint Power Authorities

ACWA / JPIA
CCWD Public Financing Authority
Calaveras-Amador Mokelumne River Authority (CAMRA)
Calaveras Public Power Agency (CPPA)
Eastern San Joaquin Groundwater Authority
Tuolumne-Stanislaus Integrated Regional Water
Management Joint Powers Authority (T-Stan JPA)
Upper Mokelumne River Watershed Authority (UMRWA)

Other Regional Organizations of Note

Calaveras County Parks and Recreation
Committee
Mountain Counties Water Resources
Association (MCWRA)
Mokelumne River Association (MRA)
Tuolumne-Stanislaus Integrated Regional Water
Mgt. JPA Watershed Advisory Committee (WAC)
Eastern San Joaquin Groundwater Authority-Technical
Advisory Committee

Legal Counsel

Matthew Weber, Esq.
Downey Brand, LLP

Auditor

Richardson & Company, LLP

Membership**

Davidson / Thomas (alt. Secada)
Secada / Ratterman (alt. Underhill)
Ratterman / Davidson (alt. Thomas)
Underhill / Thomas (alt. Secada)

Ratterman (alt. Michael Minkler)
All Board Members
Ratterman / Secada (alt. Underhill)
Michael Minkler (alt. Brad Arnold)
Thomas (alt. Brad Arnold)
Secada (alt. Thomas)
Davidson (alt. Ratterman)

Thomas (alt. Ratterman)

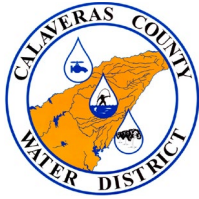
All Board Members

All Board Members
Brad Arnold (alt. Jessica Self)

Brad Arnold (alt. Kelly Gerkenmeyer)

* Standing committees, meetings of which require agendas & public notice 72 hours in advance of meeting.

** The 1st name listed is the committee chairperson.



MINUTES

CALAVERAS COUNTY WATER DISTRICT REGULAR BOARD MEETING

MARCH 8, 2023

Directors Present: Scott Ratterman, President
Russ Thomas, Vice-President
Cindy Secada, Director
Jeff Davidson, Director

Directors Absent: Bertha Underhill, Director

Staff Present: Michael Minkler, General Manager
Dave Cameron, Special Counsel
Rebecca Hitchcock, Clerk to the Board
Damon Wyckoff, Director of Operations
Jeff Meyer, Director of Administrative Services
Brad Arnold, Water Resources Manager
Stacey Lollar, Human Resources Manager
Catherine Eastburn, Accountant II
Kate Jesus, Engineering Coordinator
Pat Burkhardt, Construction and Maintenance Manager
Dylan Smith, Information Systems Technician
Kevin Williams, Senior Civil Engineer
Tiffany Burke, Administrative Technician Senior
Kelly Gerkensmeyer, Water Resources Specialist
Carol Bowen, Customer Service
Kate Darby, Customer Service

Others Present: Ralph Copeland
Lese Jensen
Don Jensen
Vicki Flaxmer
Mike Castro
Bertha Underhill

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Ratterman called the Regular Board Meeting to order at 1:00 p.m. and led the Pledge of Allegiance. Director Underhill was absent.

2. **PUBLIC COMMENT**

There was no public comment.

3. **CONSENT AGENDA**

**MOTION: Directors Secada/Thomas-Approved Consent Agenda Items:
3a, 3b, 3c, and 3d as presented**

- 3a Approval of Minutes for the Board Meeting of February 8, 2023
(Rebecca Hitchcock, Clerk to the Board)
- 3b Review Board of Directors Monthly Time Sheets for January 2023
(Rebecca Hitchcock, Clerk to the Board)
- 3c Ratify Claim Summary #612 Secretarial Fund in the Amount of \$2,798,344.68 for
February 2023
(Jeffrey Meyer, Director of Administrative Services) **RES 2023-12**
- 3d Acceptance and Transfer of Division 4 / Copperopolis / Saddle Creek Unit 7B
Subdivision, Water and Wastewater Service Facilities Improvements Project, CCWD
#01597
(Damon Wyckoff, Director of Operations) **RES 2023-13**

AYES: Directors Secada, Thomas, Davidson, and Ratterman
NOES: None
ABSTAIN: None
ABSENT: Director Underhill

4. **NEW BUSINESS**

- 4a Presentation of the Audited Financial Statements for the Fiscal Year Ending June 30,
2022, by Richardson & Company, LLP
(Jeffrey Meyer, Director of Administrative Services)

**MOTION: Directors Davidson/Secada-Received and Filed the Audited Financial
Statements for the Fiscal Year Ending June 30, 2022, by the Auditing
Firm of Richardson & Company, LLP**

DISCUSSION: Mr. Meyer presented the item and introduced Ingrid Sheipline from the auditing firm Richardson & Company. Ms. Sheipline addressed the Board giving a presentation of the District's audited financial statements for the fiscal year ending June 30, 2022. She provided a summary with highlights of the audit, which included information on the District's Balance Sheet, Water Fund, Capital Assets, Pension Liability, Sewer Fund, and Income Statements. Ms. Sheipline stated that his auditing firm gave the District "unmodified clean opinions". She explained the meaning of "unmodified clean opinions" stating that is the best finding an audit can receive. There was discussion between the Board and Ms. Sheipline regarding the audit findings.

PUBLIC COMMENT: There was no public comment.

AYES: Directors Davidson, Secada, Thomas, and Ratterman
NOES: None
ABSTAIN: None
ABSENT: Director Underhill

- 4b Discussion Regarding the Audited Financial Statements and Management Letter for the Fiscal Year Ending June 30, 2022, by Richardson & Company, LLP (Jeffrey Meyer, Director of Administrative Services)

DISCUSSION: Jeffrey Meyer presented the Management Letter which identifies areas of improvement uncovered in the audit process and the Districts response to those findings. He reviewed each of the findings and the potential corrective actions for each.

PUBLIC COMMENT: There was no public comment.

- 4c Review of the FY 2023-24 District's Five-Year Capital Improvement Program Update (Damon Wyckoff, Director of Operations)

DISCUSSION: Mr. Wyckoff presented the District's Five-Year Capital Improvement Program (CIP) update. He reviewed the critical projects that made the list and stated the cost of the District's infrastructure needs significantly exceed the annual funding sources. Therefore, securing grants and/or loans to move other critical projects forward on the list is a high priority. Director Davidson expressed concerns for the La Contenta infrastructure and capacity. There was significant discussion on this item and it was decided to have another Engineering Committee meeting to review the projects in more detail before final approval of the CIP. The Board asked for a list of projects that did not make the CIP list in addition to the projects on the CIP.

PUBLIC COMMENT: Ralph Copeland stated the District has not planned well if capacity has almost been reached in La Contenta.

Mike Castro asked what the difference is between project cost and budget.

5. OLD BUSINESS

- 5a After-Action Review of the December 2022 and January 2023 Atmospheric River Storms (Damon Wyckoff, Director of Operations)

DISCUSSION: Mr. Wyckoff presented an after action report on the December 2022 and January 2023 atmospheric river storms. He reviewed how the District performed during the storms and areas that could be improved for future storms. He was very complimentary of the dedication of Field staff during the challenging conditions.

PUBLIC COMMENT: Don Jensen reported that there is a lot of debris in Black Creek at Copper Cove that the County needs to remove.

RECESS was called at 2:40 p.m. **SESSION RESUMED** at 2:50 p.m.

6. REPORTS

- 6a Report on the February 2022 Operations and Engineering Departments (Damon Wyckoff, Director of Operations)

DISCUSSION: Mr. Wyckoff presented the February 2023 Monthly Operations and Engineering reports. He reviewed items of interest and answered questions from the Board.

PUBLIC COMMENT: There was no public comment.

6b General Manager's Report
(Michael Minkler)

DISCUSSION: Michael Minkler reported on the following items: 1) the remarkable preparedness of our crews during recent weather events; 2) the External Relations committee meeting; 3) the Valley Springs Town Hall meeting; 4) additional Town Halls scheduled in Copperopolis on March 20th and in Arnold on March 28th; 5) a meeting with Tuolumne Utilities District; 6) the CAMRA meeting with a presentation by Green Gen on their Battery Project; 7) Calaveras County has created a housing planning task force that CCWD participates in; 8) a Water Use Efficiencies standards meeting organized by the Mountain Counties group; 9) the management team offsite meeting; 10) Congressman McClintock office hours to be held in the CCWD Boardroom; 11) the District's Local Hazard Mitigation Plan update is in progress; 12) the BOLD Financing Program; 13) the Tuolumne Counties Water Agency meeting; and 14) the General Manager of UWPA, Joel Metzger was awarded the 2023 John O. Fraser Fellowship Award.

PUBLIC COMMENT:

Ralph Copeland asked if the rate study has been mentioned in the town hall meetings.

Don Jensen stated they have let people know the upcoming town hall meeting is not about biosolids.

7. **BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS**

Director Secada would like to attend the Copperopolis town hall.

Director Thomas wanted to know the status records retention policy update.

Director Davidson had nothing to report.

Director Ratterman CPUD Is having a town hall for their Prop 218 Rate Hearing. He also stated he will miss the March 22nd meeting since he will be at an ACWA JPIA property meeting and a MCWRA meeting.

8. **NEXT BOARD MEETINGS**

- Wednesday, March 22, 2023, 1:00 p.m., Regular Board Meeting
- Wednesday, April 12, 2023, 1:00 p.m., Regular Board Meeting

9. **CLOSED SESSION**

The meeting adjourned into Closed Session at approximately 3:27 p.m. Those present were Board Members: Scott Ratterman, Cindy Secada, Russ Thomas, and Jeff Davidson; staff members Brad Arnold, Water Resources Manager, Michael Minkler, General Manage; and Dave Cameron, Special Counsel.

9a Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9. 1 potential case

10. REPORTABLE ACTION FROM CLOSED SESSION

The Board reconvened into Open Session at approximately 4:25 p.m. There was no reportable action.

11. ADJOURNMENT

With no further business, the meeting adjourned at 4:25 p.m.

Respectfully Submitted:

ATTEST:

Michael Minkler
General Manager

Rebecca Hitchcock
Clerk to the Board

DRAFT

Agenda Item

DATE: March 22, 2023

TO: Michael Minkler, General Manager

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Report on the Monthly Investment Transactions for February 28, 2023

RECOMMENDED ACTION:

For information only.

SUMMARY:

Per the District's Investment Policy, staff will report the monthly investment activity for the preceding month. During February 2023, the following investment transactions occurred:

Chandler Asset Management Activity:	General	Water CIP Loan	Sewer CIP Loan
Book Value at 01/31/2023	20,116,858.60	19,553,244.44	9,265,386.57
Security Purchases	1,062,765.75	-	-
Money Market Fund Purchases	42,048.99	61,921.19	29,341.61
Money Market Contributions		-	-
Security Sales	(1,032,599.50)		-
Money Market Fund Sales	(31,170.18)		-
Maturities	-	-	-
Principal Paydown	(20,755.79)	-	-
Money Market Fund Withdrawals	(0.11)	(2,678.49)	(1,272.93)
Amortization/Accretion	(3,301.15)	-	-
Gain/Loss on Dispositions	(17,562.40)		-
Book Value at 02/28/2023	20,116,284.21	19,612,487.14	9,293,455.25
Local Agency Investment Fund Activity:			
Balance at 01/31/2023	12,061,891.84		
Withdrawals, Operating Cash	-		
Interest	-		
Balance at 02/28/2023	12,061,891.84		

LAIF (Local Agency Investment Fund) daily interest rates are 2.77% as of February 28, 2023. The LAIF rate has remained low compared to other investment options, however the majority of available funds are being invested through Chandler Asset Management.

Attachment: Investment Activity Report for February 2023

**CALAVERAS COUNTY WATER DISTRICT
INVESTMENT ACTIVITY**

FOR THE MONTH ENDING February 28, 2023

INVESTMENT TRUSTEE/TYPE	MARKET VALUE	INVESTMENT COST			DATE INVEST	CM INTEREST AND DIVIDEND RECVD
		COST	PAR (PRINC)	CPN RATE		
Local Agency Investment Fund	12,061,891.84	12,061,891.84	12,061,891.84	2.520%	ongoing	-
Chandler Asset Management	18,781,694.11	20,116,284.21	20,126,283.89	1.490%	ongoing	(574.39)
Chandler Asset Management - Water Loan	19,680,220.54	19,680,220.54	19,680,220.54	3.830%	ongoing	59,242.70
Chandler Asset Management - Sewer Loan	9,486,954.66	9,472,144.16	9,493,508.96	4.060%	ongoing	28,068.68
Totals	60,010,761.15	61,330,540.75	61,361,905.23			86,736.99

Chandler Asset Management Activity:	General	Water CIP Loan	Sewer CIP Loan
Book Value at 01/31/2023	20,116,858.60	19,553,244.44	9,265,386.57
Security Purchases	1,062,765.75	-	-
Money Market Fund Purchases	42,048.99	61,921.19	29,341.61
Money Market Contributions		-	-
Security Sales	(1,032,599.50)		-
Money Market Fund Sales	(31,170.18)		-
Maturities	-	-	-
Principal Paydown	(20,755.79)	-	-
Money Market Fund Withdrawals	(0.11)	(2,678.49)	(1,272.93)
Amortization/Accretion	(3,301.15)	-	-
Gain/Loss on Dispositions	(17,562.40)		-
Book Value at 02/28/2023	20,116,284.21	19,612,487.14	9,293,455.25
Local Agency Investment Fund Activity:			
Balance at 01/31/2023	12,061,891.84		
Withdrawals, Operating Cash	-		
Interest	-		
Balance at 02/28/2023	12,061,891.84		

**CALAVERAS COUNTY WATER DISTRICT
CHANDLER ASSET MANAGEMENT (General)**

FOR THE MONTH ENDED February 28, 2023

INVESTMENT TRUSTEE/TYPE	MARKET VALUE	INVESTMENT COST			Dividends Earned	Interest Earned
		BOOK	PAR Value/Units	CPN RATE		
Asset Backed Security	963,652.92	1,000,650.47	1,000,697.18	0.83%		692.39
Agency Securities	2,271,000.00	2,412,281.23	2,400,000.00	0.95%		750.00
CMO	191,747.20	206,598.92	200,000.00	0.62%		445.00
Corporate Securities	4,262,907.82	4,521,173.50	4,490,000.00	1.64%		7,565.00
Money Market Fund (Cash)	65,586.71	65,586.71	65,586.71	4.06%	122.06	
Negotiable CD	-	-	-			
Supernational Securities	1,023,969.66	1,120,584.52	1,120,000.00	0.65%		
US Treasury	10,002,829.80	10,789,408.86	10,850,000.00	1.33%		11,718.75
Totals	18,781,694.11	20,116,284.21	20,126,283.89	1.30%	122.06	21,171.14

Agenda Item

DATE: March 22, 2023
TO: Board of Directors
FROM: Michael Minkler, General Manager
SUBJECT: Amendment to Upper Mokelumne River Watershed Authority (UMRWA) Joint Powers Agreement

RECOMMENDED ACTION:

Motion: _____ / _____ adopting Resolution No. 2023 - ____ approving the attached Revised Third Amended Joint Exercise of Powers Agreement creating the Upper Mokelumne River Watershed Authority, and rescinding Resolution No. 2008-43.

BACKGROUND: The Upper Mokelumne River Watershed Authority (UMRWA) was formed in 2000 with membership from various Calaveras, Amador, and Alpine County agencies along with the East Bay Municipal Water District (EBMUD). The original formation related to divestiture of PG&E facilities that was later changed to watershed projects. In February 2008, the UMRWA requested each member approve proposed amendments to the JPA that would include water supply projects as well as water supply planning. By Resolution No. 2008-43 the CCWD Board approved the recommended changes.

Since adopting the resolution in February 2008, additional amendments to the Agreement have been requested requiring Board consideration and adoption of the Revised Agreement.

STRATEGIC PLAN:

PP-01 Develop and execute a Communication Plan that supports the District's outreach to internal and external partners and reflects our shared values and mission.

PP-04 Continue to develop relationships with local, regional, state, and federal partners to manage our District's risk and leverage our assets.

PP-05 Closely monitor and engage in any relevant policy developments that affect the District.

PP-06 Continue to partner with other organizations and water agencies on grant opportunities and policy advocacy.

FINANCIAL: No additional costs.

*Attachments: UMRWA Letter
Amended Agreement
Resolution No. 2023-__ Approving the revised third amendment JPA Agreement*

RESOLUTION NO. 2023-

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CALAVERAS COUNTY WATER DISTRICT**

**APPROVING THE REVISED SECOND AMENDED JOINT EXERCISE OF POWERS
AGREEMENT CREATING THE
UPPER MOKELUMNE RIVER WATERSHED AUTHORITY**

WHEREAS, the Upper Mokelumne River Watershed Authority (UMRWA) Board of Directors requested approval by each member agency for the Third Amended Joint Exercise of Powers Agreement (JPA); and

WHEREAS, the CALAVERAS COUNTY WATER DISTRICT Board of Directors adopted Resolution No. 2008-43 on June 25, 2008, approving the Second Amended Agreement; and

WHEREAS, the Upper Mokelumne River Watershed Authority (UMRWA) Board of Directors has since finalized the JPA Agreement and is seeking approval by each member agency for the *Revised* Second Amended Joint Exercise of Powers Agreement (JPA); and

WHEREAS, the JPA amendments have been unanimously approved by the UMRWA Board of Directors.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors that the *Revised* Third Amended Joint Exercise of Powers Agreement Creating the Upper Mokelumne River Watershed Authority provided as "Exhibit 1" is hereby approved and Resolution No. 2008-43 dated June 25, 2008, is hereby rescinded.

BE IT FURTHER RESOLVED that the Board President is authorized to sign the attached *Revised* Third Amended Joint Exercise of Powers Agreement Creating the Upper Mokelumne River Watershed Authority as provided in "Exhibit 1", attached hereto and made a part of.

PASSED AND ADOPTED this 22nd day of March 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

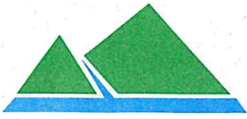
ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Scott Ratterman, President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk of the Board



Upper Mokelumne River Watershed Authority

15083 Camanche Parkway S., Valley Springs, CA 95252
Telephone: (209) 772-8340 Fax: (209) 772-8264

February 28, 2023

Michael Minkler, General Manager
120 Toma Court
San Andreas, CA 95249

Subject: Member Agency approval of the Upper Mokelumne River Watershed Authority Third Amended Joint Exercise of Powers Agreement

Dear Mr. Minkler,

Enclosed is the Third Amended Joint Exercise of Powers Agreement for the Upper Mokelumne River Watershed Authority (UMRWA). At its January meeting, the UMRWA Board of Directors endorsed this amended agreement and directed the agreement be transmitted to individual Member Agencies for approval and signatures. Member Agency approval and execution of this Third Amended JPA represents the final step in the six-month amendment process. The amended agreement as presented reflects input provided during this process by Member Agencies and Authority Counsel.

Upon execution, please return the originally signed document to Lorna Barfield, Authority Secretary, 15083 Camanche Parkway South, Valley Springs, CA 95252. We are asking that the member agencies return the executed copies at the earliest opportunity. A copy of the fully executed document will be returned to you upon receipt of executed copies from other member agencies.

Please direct any questions regarding this request to either Administrative Officer Rob Alcott (707-888-1701, robalcott@aol.com) or Authority Counsel Greg (209-223-6213, GGillott@amadorgov.org).

Sincerely,

Richard Sykes
Executive Officer

cc: Jeff Davidson
Rob Alcott
Greg Gillott

Enc.

Members

Alpine County • Alpine County Water Agency • Amador County • Amador Water Agency • Calaveras County • Calaveras County Water District • Calaveras Public Utility District • East Bay Municipal Utility District • Jackson Valley Irrigation District

**THIRD AMENDED
JOINT EXERCISE OF POWERS AGREEMENT
AMENDING THE AGREEMENT CREATING THE
UPPER MOKELUMNE RIVER WATERSHED AUTHORITY**

By and Among

ALPINE COUNTY
and
ALPINE COUNTY WATER AGENCY
and
AMADOR COUNTY
and
AMADOR WATER AGENCY
and
CALAVERAS COUNTY
and
CALAVERAS COUNTY WATER DISTRICT
and
CALAVERAS PUBLIC UTILITY DISTRICT
and
EAST BAY MUNICIPAL UTILITY DISTRICT
and
JACKSON VALLEY IRRIGATION DISTRICT

Dated as of January 27, 2023

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Appendices

- A Upper Mokelumne River Watershed Map
- B Non-Exclusive List of Potential Watershed and Water Supply Projects
- C Watershed Restoration Principles and Principles of Watershed Community Involvement

THIRD AMENDED JOINT EXERCISE OF POWERS AGREEMENT AMENDING THE
AGREEMENT CREATING THE UPPER MOKELUMNE RIVER WATERSHED
AUTHORITY

This THIRD AMENDED JOINT EXERCISE OF POWERS AGREEMENT (this “Agreement”), dated as of January 27, 2023, amends and supersedes the Second Amended Joint Exercise of Powers Agreement Amending the Agreement Creating the Upper Mokelumne River Watershed Authority dated June 6, 2008, and as amended hereby, continues the existence, work and operations of the Authority. The Agreement is entered into by and among the following public entities:

Alpine County, a political subdivision of the State of California (“Alpine County”);

Alpine County Water Agency, a water agency formed pursuant to a special act of the California Legislature (“ACWA”);

Amador County, a political subdivision of the State of California (“Amador County”);

Amador Water Agency, a water agency formed pursuant to a special act of the California Legislature (“AWA”);

Calaveras County, a political subdivision of the State of California (“Calaveras County”);

Calaveras County Water District, a California water district (“CCWD”);

Calaveras Public Utility District, a California public utility district (“CPUD”);

East Bay Municipal Utility District, a California municipal utility district (“EBMUD”);
and

Jackson Valley Irrigation District, a California irrigation district (“JVID”).

Hereinafter said public entities are collectively referred to as “Member Entities” or individually as a “Member Entity.”

WITNESSETH:

WHEREAS, each of the Member Entities is a California public entity having the power to plan for, expend funds for, construct, operate, and take all other necessary actions in favor of water, forestry, ecosystem and all manner of watershed projects, benefiting the inhabitants and customers of the respective Member Entities; and

WHEREAS, each Member Entity is vitally interested in securing dependable and affordable sources of water for its inhabitants and protecting the quality of water provided thereto as well as the environment of the Upper Mokelumne River Watershed from which the Mokelumne River emanates and each Member Entity has statutory authority to, *inter alia*, plan for, acquire, construct, operate and maintain reservoirs, plants and works for the purpose of conserving, storing, selling and distributing water and desires to exercise such authority in common with other Member Entities; and

WHEREAS, the Member Entities believe that stewardship of the Upper Mokelumne River Watershed by such a joint exercise of powers authority with broadened objectives, including enhancement

of all of the following: (i) watershed environmental values, (ii) water quality protection, (iii) recreation activities, and (iv) additional water supply for all Member Entities, would serve the greatest good; and

WHEREAS, the Member Entities desire by means of this Agreement to amend the agreement establishing such a joint exercise of powers authority and to provide for the general direction of the policies of such joint exercise of powers authority;

NOW, THEREFOR, in consideration of the mutual promises, covenants, conditions, and benefits hereinafter set forth, it is agreed by and among the Member Entities hereto as follows:

ARTICLE I DEFINITIONS

Unless the context otherwise requires, the terms defined in this Article I and initially capitalized in the text shall for all purposes of this Agreement have the following meanings:

Act

The term “Act” means Chapter 5 of Division 7 of Title 1 of the Government Code of the State and all laws amendatory thereof or supplemental thereto.

Agreement

The term “Agreement” means this joint exercise of powers agreement, as it may from time to time be amended.

Alpine Entities

The term “Alpine Entities” means, collectively, Alpine County and Alpine County Water Agency.

Amador Entities

The term “Amador Entities” means, collectively, Amador County, AWA and JVID.

Associate Member

The term “Associate Member” means interested entities hereinafter admitted to the Authority as an Associate Member pursuant to Section 3.2 hereof.

Authority

The term “Authority” means the Upper Mokelumne River Watershed Authority created by the prior agreement dated August 15, 2000, as amended by the First Amended Joint Exercise of Powers Agreement dated as of April 22, 2005, and as amended by the Second Amended Joint Exercise of Powers Agreement dated as of June 6, 2008, and this Agreement.

Board

The term “Board” or “Board of Directors” means the governing body of the Authority.

Calaveras Entities

The term “Calaveras Entities” means, collectively, Calaveras County, CCWD and CPUD.

Director

The term “Director” means a member of the Board of Directors.

Mokelumne-Amador-Calaveras (MAC) Region

The MAC Region is the area recognized and approved by the California Department of Water Resources pursuant to the Regional Water Management Planning Act of 2002 (SB 1672).

Member Entity; Member Entities

The term “Member Entity” means a party to this Agreement. The term “Member Entities” means all the parties to this Agreement.

Regional Water Management Group

A group of 3 or more local agencies with statutory authority of water management recognized and approved by the California Department of Water Resources. UMRWA is the approved RWMG for the Mokelumne-Amador-Calaveras (MAC) Region.

State

The term “State” means the State of California.

Upper Mokelumne River Watershed

“Upper Mokelumne River Watershed” means the watershed located on the Mokelumne River east of Pardee Reservoir, as more fully described in the map set forth as Appendix A hereto.

Watershed Project and Water Supply Project

The terms “Watershed Project” and “Water Supply Project” mean a program of activities or a capital project or any interest therein undertaken by the Authority in the furtherance of its purpose as set forth in Article II hereof and all rights, properties and improvements necessary therefor, including, but not limited to, the programs or projects such as those listed in Appendix B hereto; provided that no such program or project shall be inconsistent with the terms of Section 11.1 (b) hereof.

ARTICLE II
PURPOSE

Section 2.1 General Purpose and Goal. This Agreement is made pursuant to the provisions of the Act relating to the joint exercise of powers common to public agencies. Each of the Member Entities possesses the common power referred to in the recitals hereof. This Agreement and the Authority established hereby shall have as goals; enhancing water supply, sustaining ecosystem health, improving wildfire fuels management, protecting water quality and the environment, and increasing the region’s resilience to climate change.

Section 2.2 Specific Purposes. This Agreement is entered into in order to exercise such common power, and the additional powers granted to the Authority under the Act, or under any other applicable law, for the purpose of effectuating the acquisition, operation and maintenance of any

Watershed Projects and/or Water Supply Projects undertaken pursuant hereto. Such purpose will be accomplished and the powers exercised in the manner herein set forth.

(a) The Authority serves as the Regional Water Management Group for the Mokelumne-Amador-Calaveras (MAC) Region as designated in 2009 by the Department of Water Resources pursuant to the Regional Water Management Planning Act of 2002. The MAC Region's Integrated Regional Water Management (IRWM) Plan was first adopted by the Authority in 2013.

Section 2.3 Additional Purposes. The Members also desire that the Authority provide services to the Members related to water and other utility-related matters such as technical and safety training, mutual aid, water project partnering, and legislative advocacy.

ARTICLE III MEMBER ENTITY INTERESTS, OPERATIONAL PRIORITIES

Section 3.1 Member Entity Interests. As signatories to the Agreement, the Member Entities expressly recognize there are both mutual and discrete Member Entity interests in the Mokelumne River and Upper Mokelumne River Watershed. The interests of the Member Entities are:

(a) Alpine Entities' interests are the protection of the Watershed in Alpine County, maintenance and enhancement of recreational uses and facilities, and construction of new facilities for increased storage on the Mokelumne, thus increasing the availability of water from the Stanislaus for consumptive uses in the Bear Valley area.

(b) Amador Entities' interests are additional consumptive water supply (10,000 afa safe yield) through, including, but not limited to, constructing new facilities, honoring existing water supply, storage and transmission agreements and other obligations, and obtaining revenues to be derived from said facilities, and working with PG&E to reach agreement that would benefit the Amador Entities and PG&E based on the improvement or enlargement of Project 137 facilities.

(c) Calaveras Entities' interests are additional consumptive water supply, recognition of the 27,000 afa water supply reservation, potential opportunities to use said 27,000 acre-feet, through, including, but not limited to, constructing new facilities, obtaining revenues to be derived from said facilities, and working with PG&E to reach agreement that would benefit the Calaveras Entities and PG&E based on the improvement or enlargement of Project 137 facilities.

(d) EBMUD's interests are ensuring project operations do not adversely affect water quality for its customers, honoring existing water supply entitlements and obligations, the opportunity to participate with Member Entities on enhanced water supply projects, obtain potential revenues to pay costs for watershed management programs and projects that enhance the quality of its source waters, and work with PG&E to reach agreement that would benefit EBMUD and PG&E.

(e) Collectively, Member Entity mutual interests are: source water quality protection, forest fuels management, forest restoration, long term ecosystem health, and climate change resilience.

Section 3.2 Associate Members. By separate agreement with the Authority, upon approval of the Board, the Authority may enter into an associate member agreement with interested entities with a significant stake in the Watershed. The Associate Members are not parties to this Agreement and shall not be entitled to representation on the Board; they shall, however, be entitled to receive advance

notice of and attend all regular and special meetings of the Board, and shall be entitled to serve on any committee established pursuant to Section 5.5(b) hereof.

Section 3.3 Member Entity Projects. The Member Entities agree that while the Authority exists and this Agreement is in effect, the Member Entities may separately or in combination with other Member Entities or any other person, firm or agency, take action to secure additional water from the Mokelumne River, for their separate interests, or undertake such other projects or programs or activities for their separate interests. The Authority and the other Member Entities, and each of them, shall have all of the rights inuring to them to oppose any such action or other projects or programs or other activities by the Member Entity or Member Entities; provided, however, that no provision of this Agreement shall act as a prohibition on a Member Entity's or Member Entities' taking of any such action or undertaking with respect to such other projects or programs or activities. The Authority hereby acknowledges that Member Entities may, independent of the Authority, take such actions or undertake such projects or programs or other activities. Any Member Entity taking such action or undertaking any such project, program or other activity shall be responsible for all costs associated with any such action or project, program or other activity. Each of the Member Entities hereby agrees to provide to the Authority and to all other Member Entities, upon commencement or initiation of any such action or project, program or other activity which could impact the Authority, notice of any such action or project, program or other activity.

Section 3.4 Watershed Projects and Water Supply Projects. Watershed Projects and Water Supply Projects include but are not limited to those listed in Appendix B hereto.

ARTICLE IV TERM

This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated by the Member Entities, but may not be terminated until such time as all bonds or other evidences of indebtedness of the Authority, and the interest thereon, shall have been paid in full or defeased in accordance with the documents related to their Issuance.

ARTICLE V THE AUTHORITY

Section 5.1 Creation of Authority. There is created pursuant to the Act an agency and public entity known as the "Upper Mokelumne River Watershed Authority." As authorized by the Act, the Authority is a public entity separate from the Member Entities and is responsible for the administration of this Agreement. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Member Entities, unless assumed in a particular case by resolution or other action of the governing body of the Member Entity to be charged.

Within thirty (30) days after the effective date of this Agreement, or any amendment hereto, the Authority will cause a notice to be prepared and filed with the office of the Secretary of State in the manner set forth in Section 6503.5 of the Act. Within seventy (70) days after the effective date of this Agreement, and within ten (10) days after any change of facts required to be stated pursuant to California Government Code Section 53051 (b), the Authority shall cause a notice to be prepared and filed with the Secretary of State, and with the County Clerk of each county in which the Authority maintains an office, in the manner set forth in California Government Code Section 53051.

Section 5.2 Governing Board. The Authority shall be administered by a Board of Directors, which shall consist of eight (8) Directors, each serving in his or her individual capacity as a Director of the Board. One Director shall be appointed by and designated in writing from time to time by the governing bodies of each of the Member Entities; provided, however, that the Alpine Entities shall together appoint one (1) Director. Each Member Entity may also appoint, in the same manner, one or more alternate Directors, who may act in place of its Director in the Director's absence.

Each Director (and his or her alternate) shall serve at the pleasure of the governing body by whom such Director (or his or her alternate) was appointed.

No Director shall receive any compensation from the Authority for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director if the Board determines that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

Section 5.3 Meetings of the Board.

(a) Regular Meetings. The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each calendar quarter. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board, but in any event shall be held at a location within the territory of any of the Member Entities. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956 and may be held anywhere within the territory of any of the Member Entities. Notwithstanding the foregoing, it is the expressed intention of the Authority that the principal meeting place of the Board shall be within the Upper Mokelumne River Watershed or at Pardee Center.

(b) Brown Act. All meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State [Sections 54950-54961]) or any successor legislation.

(c) Minutes. The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director and to each of the Member Entities and to each Associate Member.

(d) Quorum. Five (5) Directors shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn a meeting.

(e) Voting. At regular or special meetings of the Board, an affirmative vote of five (5) Directors shall be required for action. Each Director's vote shall count equally.

(f) Bylaws. The Board may adopt such bylaws relating to procedural matters of the Board and the Authority as are necessary for the purposes hereof.

Section 5.4 Officers; Duties; Bonds.

(a) The officers of the Authority shall be the Chairperson and Vice-Chairperson of the Board, and the Secretary, Treasurer and Controller. The Chairperson and Vice-Chairperson of the Board shall be selected by the Board. The Secretary of EBMUD, or designee, is designated Secretary.

(b) The Treasurer of EBMUD is designated as Treasurer of the Authority and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act. Subject to the applicable provisions of any trust agreement, indenture or resolution providing for a trustee or other

fiscal agent, the Treasurer is designated as the depository of the Authority to have custody of all the money of the Authority, from whatever source, and shall be responsible for the investment of funds of the Authority.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall, in accordance with Section 6505.1 of the Act, file an official bond in the amount required by EBMUD for the official bond of the Treasurer of EBMUD; provided that such bond shall not be required if the Authority does not possess or own property or funds with an aggregate value of greater than \$500.00.

(c) The officer charged with the functions of the Director of Finance for EBMUD is designated as Controller of the Authority, and, as such, shall have the powers, duties and responsibilities specified in Sections 6505 and 6505.5 of the Act. The Controller shall draw checks to pay demands against the Authority when the demands have been approved by the Authority.

(d) An attorney shall be designated by the Board as the Attorney for the Authority. The Attorney for the Authority, or the designated deputy for such Attorney, shall attend all meetings of the Board, but the Attorney's absence shall not affect the validity of any meeting.

(e) Charges of any Member Entity to be made against the Authority for the services of the Secretary, Treasurer, Controller and Attorney of the Authority shall be subject to the approval of the Board, which approval shall be obtained before the services are provided.

(f) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

(g) All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activities of officers, agents or employees of the Member Entities when performing their respective functions within the territorial limits' of their respective Member Entities, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

(h) None of the officers, agents or employees directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any Member Entity or, by reason of their employment by the Authority, to be subject to any of the requirements of any Member Entity.

(i) No Director, officer or employee of the Authority or any Member Entity shall be individually or personally liable for any claims, losses, damages, costs, injury or liability of any kind, nature or description arising from the actions of the Authority or the actions undertaken pursuant to this Agreement, and the Authority shall defend such Directors, officers or employees against any such claims, losses, damages, costs, injury and liability.

Section 5.5 Advisory Committees. Committees may from time to time be established as the Board shall find appropriate, to be composed in the manner and number as deemed appropriate by the Board.

Section 5.6 Executive Officer. An Executive Officer shall be appointed by the Board which Executive Officer shall serve at the pleasure of the Board.

ARTICLE VI
POWERS

Section 6.1 Powers. The Authority, for itself, or for the benefit of the Member Entities or together with one or more Member Entities, shall have the power to acquire, construct, operate and maintain any future Watershed Project, Water Supply Project or other project, subject to the conditions and restrictions contained in this Agreement.

The Authority is authorized in its own name to do all acts necessary or convenient to the exercise of said powers for said purposes, including but not limited to any or all of the following:

(a) To exercise jointly the common powers of its Member Entities in studying, planning and implementing water and watershed projects benefiting the inhabitants and customers of the respective Member Entities, including projects located outside the Upper Mokelumne River watershed that the Board may determine are consistent with UMRWA's goals and further its purposes and interests.

(b) To make and enter contracts.

(c) To contract for itself or for the benefit of a Member Entity or Member Entities for the services of engineers, attorneys, planners, financial consultants or other agents, and separate and apart therefrom, to employ such other persons, as it deems necessary.

(d) To acquire, construct, manage, maintain and operate any buildings, works, or improvements.

(e) To acquire, hold, lease and dispose of property.

(f) To incur debts, liabilities, or obligations subject to limitations herein set forth.

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

(h) To receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and any governmental entity.

(i) To apply for an appropriate grant or grants and/or loan or loans under any federal, state or local programs for assistance in developing any Watershed Project, Water Supply Project or other projects.

(j) To enter into arrangements for the sale of water from any Watershed Project, Water Supply Project or other projects.

(k) To obtain in its own name all necessary permits and licenses, opinions and rulings.

(l) To procure public liability and other insurance as it deems advisable to protect the Authority and each of the parties hereto and to charge the costs thereof to the operating costs of the Authority.

(m) Whenever necessary to facilitate the exercise of its powers, form and administer nonprofit corporations to do any part of what the Authority could do, or to perform any proper corporate function, and enter into agreements with such a corporation.

(n) To issue revenue bonds in accordance with the following laws:

(i) Article 2, Chapter 5, Title 1, Division 7 of the California Government Code, commencing with Section 6540.

(ii) Chapter 6, Title 5, Division 2 of the California Government Code, commencing with Section 54300.

(o) To use other financing acts, including, but not limited to, the Mello-Roos Community Facilities District Act of 1982, the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915.

(p) To exercise any of the powers set forth in Section 6588 of Article 4 (Marks-Roos Local Bond Pooling Act of 1985) of the Act.

Such powers shall be exercised subject only to such restrictions upon the manner of exercising such powers as are imposed upon a municipal utility district in the exercise of its powers.

Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Act, insofar as such additional powers may be necessary or desirable to accomplish the purposes of the Authority as set forth herein.

ARTICLE VII FINANCIAL PROVISIONS

Section 7.1 Accounts and Reports.

(a) There shall be a strict accountability of all Authority funds and report of all receipts and disbursements in compliance with the Act. The Authority shall establish and maintain such funds and accounts as may be required in good accounting practice. The books and records of the Authority shall be open to inspection at all reasonable times by the Member Entities and the Associate Members and their representatives. The Authority shall give an unaudited written report of all financial activities for each fiscal year to each Member Entity within 150 days after the close of each fiscal year.

(b) So long as required by Section 6505 of the Act, the Controller of the Authority shall either make, or contract with a certified public accountant or public accountant to make, an annual audit of the accounts and records of the Authority. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State and shall conform to generally accepted auditing standards. When such an audit of an account and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each of the Member Entities, and, if required by Section 6505 of the Act, with the County Auditor/Controller of the County of Alameda. Each such report shall be filed within 12 months of the end of the fiscal year or fiscal years under examination.

Section 7.2 Fiscal Year. Unless and until changed by resolution of the Board, the fiscal year of the Authority shall be the period from October 1 of each year through the following September 30.

Section 7.3 Budgets and Payments.

(a) Budgets. At least sixty (60) days prior to the commencement of each fiscal year, the Executive Officer shall prepare, for consideration by the Board for the ensuing fiscal year, a general budget for Authority operations and administration, including capital expenditures. The budget presented to the Board for consideration shall be presented to the Board in at least a two-step process providing for at least one preliminary review by the Board prior to presentation for approval by the Board.

(b) Expenditures for the Approved Budget. No expenditures in excess of the total budgeted in any such budget shall be made without the approval of the Board.

(c) Contributions; Payments and Advances, Use of Personnel; Equipment or Property; Exchange of Services. It is hereby agreed that, subject to approval of the Board:

(i) contributions from a Member Entity's treasury may be made for the purposes set forth in this Agreement; provided, however, that no Member Entity shall be required by the Authority to contribute funds to or undertake liability on behalf of the Authority without the consent of the Member Entity;

(ii) payments of public funds of a Member Entity may be made to defray the cost of such purposes;

(iii) a Member Entity may make advances of public funds to the Authority;

(iv) personnel, equipment or property of a Member Entity may be used in lieu of other contributions or advances, however, the Member Entities must agree in advance upon the value to be assigned the personnel, equipment, property or services, with respect to any said contributions or advances; and

(v) the Member Entities may exchange services without payment of any consideration other than such services.

Section 7.4 Payments in Lieu of Property Taxes.

(a) In the event that the property of the Authority is not subject to the imposition of property taxes pursuant to Article 13 Section 11 of the California Constitution because the property is located within the boundaries of the Authority or a Member Entity, the Authority shall make annual payments to Alpine County, Amador County and Calaveras County in lieu of property taxes for the Authority's property located in those respective counties. Said "in lieu" payments are intended to preclude the loss to the counties of tax revenue which each county would have received had the property remained owned by the transferor.

(b) The tax year in which the Authority acquires such property may be a partial tax year (the "Base Year"). The Member Entities will determine from the County Assessors and the transferor the amount of taxes paid or to be paid to each County by the transferor on the property to be acquired by the Authority for the Base Year. The Member Entities shall agree on the amounts paid or to be paid to the counties by the transferor for the Base Year. If the Base Year is less than a full tax year, and the taxes paid or to be paid to each county by the transferor on the property to be acquired by the Authority for such Base Year is less than the full tax year's tax revenue which would have been received by the counties from the transferor, the Authority shall make "in lieu" payments to the counties in the amounts necessary to equal the tax revenue which would have been received by each of the counties from the transferor in a full tax year. The sum of tax revenue from the transferor and "in lieu" payments necessary to equal the full year's tax revenue to the counties in the Base Year is the "Base Year Revenue".

(c) In each tax year thereafter, the Authority shall make "in lieu" payments to each County in an amount equal to the Base Year Revenue escalated by an amount equal to the Consumer Price Index for San Francisco-Oakland-San Jose Urban Wage Earners; provided that such escalation factor shall in no event exceed three percent (3.0%).

(d) Improvements to property acquired by the Authority within the boundaries of the Authority or a Member Entity which would, except, for their location, be taxable pursuant to said Article 13 Section 11 shall be similarly subject to "in lieu" payments to the County where the

improvements or additional property is located based on their cash value when constructed or acquired by the Authority.

ARTICLE VIII BREACH

Section 8.1 Breach. If default shall be made by a Member Entity in any covenant contained in this Agreement, such default shall not excuse any Member Entity from fulfilling its obligations under this Agreement and all Member Entities shall continue to be liable for the performance of all conditions herein contained.

Section 8.2 Resolution of Disputes. It is the intention of the Authority to establish an alternative dispute resolution process when and as deemed appropriate by the Board.

ARTICLE IX RELATIONSHIP OF AUTHORITY AND ITS MEMBER ENTITIES

Section 9.1 Separate Entity. The Authority shall be a public entity separate from the individual Member Entities. The debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the Member Entities, unless assumed in a particular case by resolution or other action of the governing body of the Member Entity to be charged. All property, equipment, supplies, funds and records of the Authority shall be owned by the Authority, except as otherwise provided in this Agreement.

Section 9.2 Principal Office. The principal office of the Authority shall be that of the General Manager of EBMUD, located at 375 11th Street, Oakland, California 94607. The Board may change said principal office from one location to another provided that the principal office shall be located within the territory comprising one of the Member Entities. Notwithstanding the foregoing, the Authority shall at all times maintain at least one satellite office within the Upper Mokelumne River Watershed or at Pardee Center.

Section 9.3 Additional Parties. Additional qualified public entities may join in this Agreement and become Member Entities upon the unanimous consent of the existing Member Entities. The terms and conditions allowing such joining shall be set forth in an amendment to this Agreement signed by all of the existing Member Entities.

Section 9.4 Termination of a Member Entity's Participation in the Authority. Any Member Entity may withdraw from this Agreement by giving written notice of its election to do so, which notice shall be given to the Board and to each of the other Member Entities; provided, however, that any Member Entity so withdrawing shall waive, forfeit, and relinquish any claim or right to any funds or other property, rights, or interests of the Authority; and provided, further, that withdrawal by a Member Entity shall not terminate, or relieve the withdrawing Member Entity from, any express contractual duty to the Authority or to another Member Entity set forth in a written contract different from this Agreement.

Section 9.5 Indemnification of Member Entities. The Authority shall, at Authority's sole cost and expense, indemnify, defend and save harmless the Member Entities, their governing board members, officers, employees and agents, from all costs, expenses (including, without limitation, attorneys' fees and costs of suit), claims, actions, proceedings, obligations, liabilities, or damages to persons or property or otherwise arising out of or in any way connected with the intentional or negligent act or omission or breach of duty or obligation of the Authority, its officers, employees, agents, Directors, contractors, subcontractors, or any officer, agent or employee thereof.

Section 9.6 Disposition of Assets. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. Upon termination of this Agreement, all property of the Authority, both real and personal, including any surplus funds of the Authority, shall be divided equally among the Member Entities.

ARTICLE X AMENDMENT OF AGREEMENT

This Agreement may be amended by a supplemental agreement executed by all parties hereto at any time.

ARTICLE XI MISCELLANEOUS

Section 11.1 Agreement Not Exclusive.

(a) This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between or among the Member Entities.

(b) EBMUD entered into an agreement with CCWD on November 26, 1958, and an agreement with Amador County on August 22, 1958 (the "1958 Agreements"). It is understood and agreed that no action taken pursuant to this Agreement shall be construed to violate the 1958 Agreements, which remain in full force and effect. The Authority, through this Agreement, shall comply with the obligations set forth in the 1958 Agreements and shall not exercise any of the rights set forth in said 1958 Agreements. Nothing herein shall be construed to constitute an assignment to the Authority of any rights reserved to Amador County and to CCWD set forth in the 1958 Agreements.

Section 11.2 Conflict of Interest Code. The Authority shall, unless otherwise exempt, adopt a Conflict of Interest Code.

Section 11.3 Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

Section 11.4 Successors; Assignment; No Third Party Beneficiaries. This Agreement shall be binding upon and shall inure to the benefit of the successors of the Member Entities. Except to the extent expressly provided herein, no Member Entity may assign any right or obligation hereunder without the consent of the other Member Entities. This Agreement is not intended to create rights or obligations for any third parties, except for Associate Members that execute an associate member agreement with the Authority.

Section 11.5 Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of a Member Entity, by resolution duly adopted by the legislative body of the Member Entity, and, in the case of the Authority, by resolution duly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 11.6 Notices. Any notice authorized or required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given: (i) if sent by mail, postage prepaid, on the

date that such mail is received, (ii) if delivered in person or by courier, on the date it is delivered, or (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form. Notices shall be sent to the following addresses or facsimile numbers, or to such changed addresses or facsimile numbers as are communicated to the Authority and the Member Entities in writing:

Alpine County/Alpine County Water Agency
Office of County Counsel
P. O. Box 248
Markleeville, CA 96120
Telephone Number: (530) 694-2281

Amador County
County Administrative Officer
810 Court Street
Jackson, CA 95642
Telephone Number: (209) 223-6472

Amador Water Agency
12800 Ridge Road
Sutter Creek, CA 95685
Telephone Number: (209) 257-5245

Calaveras County
County Administrative Officer
891 Mountain Ranch Road
San Andreas, CA 95249-9709
Telephone Number: (209) 754-6370

Calaveras County Water District
120 Toma Court
San Andreas, CA 95249
Telephone Number: (209) 754-3543

Calaveras Public Utility District
506 West St. Charles Street
San Andreas, CA 95249
Telephone Number: (209) 794-9442

East Bay Municipal Utility District
c/o Controller
P.O. Box 24055, M.S. 801
Oakland, CA 95623-1055
Telephone Number: (510) 287-0310

Jackson Valley Irrigation District
6755 Lake Amador Drive
Ione, CA 95640
Telephone Number: (209) 274-2037

Upper Mokelumne River Watershed Authority
Authority Secretary
15083 Camanche Parkway South
Valley Springs, CA 95252
Telephone Number: (209) 772-8261

Section 11.7 Counterpart or Duplicate Copies. This Agreement may be executed in one or more counterpart or duplicate copies, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ALPINE COUNTY, a political subdivision of the State of California

ALPINE COUNTY WATER AGENCY, a California utility water agency

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

AMADOR COUNTY, a political subdivision of the State of California

AMADOR WATER AGENCY, a California water agency

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

CALAVERAS COUNTY, a political subdivision of the State of California

CALAVERAS COUNTY WATER DISTRICT, a California water district

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

CALAVERAS PUBLIC UTILITY DISTRICT, a California public utilities district

EAST BAY MUNICIPAL UTILITY DISTRICT, a California municipal utility district

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

(signatures continued on following page)

JACKSON VALLEY IRRIGATION DISTRICT,
a California irrigation district

By: _____

Name: _____

Title: _____

APPENDIX A

UPPER MOKELUMNE RIVER WATERSHED MAP

APPENDIX B

NON-EXCLUSIVE LIST OF POTENTIAL WATERSHED PROJECTS AND WATER SUPPLY PROJECTS

Watershed and Water Supply Projects shall include, but not be limited to, projects or programs such as the following:

Watershed Restoration

- erosion control and prevention projects
- removal of defunct diversion structures
- remediation of point source pollution
- repair or removal of substandard forest roads
- habitat restoration for riparian-dependent wildlife species
- culvert upgrades

Watershed Assessment

- watershed management studies (silt reduction and erosion control)
- water quality monitoring
- landslide risk monitoring and mitigation
- channel dynamics investigation-sediment transport and spawning
- gravel relocation

Acquisition of Critical Watershed Lands

- fee simple purchase
- conservation easements

Public Education

- watershed education programs
- a water education center

Wildfire Fuels Management and Forest Health

- fire hazard assessment and mitigation plan
- ecologically sound fire prevention projects
- creation of strategic fire breaks

Water Conservation Projects

Recreational Activities

Water Supply Projects

- Groundwater banking/ conjunctive use projects
- Raise Lower Bear Project
- Raise Upper Bear Project

Regional Water Supply Planning

APPENDIX C

WATERSHED RESTORATION PRINCIPLES AND PRINCIPLES OF WATERSHED COMMUNITY INVOLVEMENT

PRINCIPLES OF WATERSHED RESTORATION

- a) Restoration must be consistent with watershed level assessment, analysis and evaluation; restoration includes protection of existing healthy conditions,
- b) Restoration should assure the preservation of existing healthy conditions by removing known threats and protecting from future threats,
- c) Restoration must include eliminating continuing causes of watershed degradation,
- d) Restoration should be staged, moving outward and downward generally from the top of the watershed, from core healthy or restored areas; exceptions are limited to work designed to link core healthy areas,
- e) Restoration projects should be prioritized within each watershed for effectiveness on the basis of maximum ecological benefit and on the benefits to sustainable local community economics and/or revitalization,
- f) Restoration and stewardship decisions should be based on explicit objectives and benchmarks from an approved Watershed Restoration Strategic Plan,
- g) Restoration that alters environments should give highest priority to project results that use natural processes,
- h) Progress of restoration must be effectively monitored, using explicit objectives and benchmarks, in order to evaluate ongoing restoration and stewardship efforts,
- i) Restoration plans and/or projects must not sacrifice one ecosystem for another,
- j) Restoration must be accomplished consistent with existing applicable environmental laws.

PRINCIPLES OF WATERSHED COMMUNITY INVOLVEMENT

- a) Watershed strategic, annual and project planning must be open, public and involve communities in the watershed,
- b) Community involvement must include a comprehensive and inclusive public education component,
- c) Watershed restoration and stewardship should reflect a strong component of sustainable local economics and/or revitalization of local communities implementing projects,
- d) Advisory and/or oversight committees must include members residing in the watershed,

e) Watershed groups/JPAs administering restoration projects must deposit restoration funds in institutions that actively invest in local communities and economic revitalization within the Council's jurisdiction,

f) Watershed groups must adopt restoration strategies, and plans of action, that enhance and create local job and contracting opportunities,

g) Watershed policy, restoration and stewardship plans and projects must be consistent with principles and standards established by this Act.

Agenda Item

DATE: March 22, 2023

TO: Michael Minkler, General Manager

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Authorize Execution and Delivery of Joint Community Facilities Agreements in Connection with the Bond Opportunities for Land Development (BOLD) Program; and Approving, Authorizing, and Directing Execution of a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority

RECOMMENDED ACTION:

Motion: _____ / _____ adopting Resolution No. 2023 - _____ Authorizing Execution and Delivery of Joint Community Facilities Agreements in Connection with the Bond Opportunities for Land Development (BOLD) Program.

Motion: _____ / _____ adopting Resolution No. 2023 - _____ Approving, Authorizing, and Directing Execution of a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority.

SUMMARY:

The “BOLD” program (acronym for Bond Opportunities for Land Development) is a program offered by the California Municipal Finance Authority (“CMFA”) to provide its members and other local agencies in the State a means to accommodate community facilities district (“CFD”) formation and bonding within their jurisdiction. By participating in the program, formation of the CFD, administration and bonding is handled by CMFA and the District can help facilitate new development within its boundaries, with minimal involvement by the District and District staff.

Mello-Roos Districts. The Mello-Roos Community Facilities law offers financing flexibility commonly used by cities, schools and other local agencies throughout the State to generate funds for the payment of public facilities, including development fees for facilities. Although each new CFD would be located within the District’s jurisdiction, involvement of the District is flexible and can be minimal. The Program offers developers the opportunity to finance public infrastructure, as well as impact fees associated with new development through tax-exempt bonds payable from special taxes levied by the CFD on property within the CFD, a typical financing method for new home developments in California.

CMFA Joint Powers Authority. CMFA is a State-wide joint powers authority (“JPA”) whose members are numerous public entities throughout California. CMFA has the same powers as its members and can issue municipal bonds on behalf of a member after the member jurisdiction holds a public hearing on the proposed issuance. Participation is at no cost to members. In addition, typically lower borrowing and administration costs and providing an alternate means for bond issuances, CMFA shares a portion of its bond issuance fee directly with the member it issues on behalf of and all District expenses incurred in connection with a CFD, if any, can be reimbursed.

CMFA Financing Team. The Program is facilitated through bond professionals chosen by CMFA with specialized expertise in CFD bond issuance and sales – bond counsel, underwriter and other advisors provided as needed, all ranked among the top firms in the field.

District Participation Generally. Bonds are issued through CMFA, with no involvement of the District needed other than approving the use of the program and, prior to actual issuance of bonds, entering into an agreement to acquire the public facilities or fees to be paid for with the bond proceeds. CMFA authorizes and issues the bonds in their name and awards their sale to the bond underwriter (Piper Sandler & Co.) per the underwriter’s credit requirements; CMFA’s financing team provides the bond documentation and the Official Statement through its counsel, Jones Hall.

The District is not liable to repay the bonds issued by CMFA or the special taxes imposed on the participating properties and has no contractual relationship with bond owners or the bond trustee.

Upon issuance of the bonds, proceeds are a funding source for direct payment of impact or mitigation fees or to otherwise reimburse developer costs for public facilities associated with new development. Once the bond issuance occurs, bond proceeds are available to be disbursed pursuant to the Joint Community Facilities Agreement between CMFA and the District for each project, the form of which is attached to the Resolution. The proceeds are held by a bond trustee or fiscal agent and are not directly paid to the developer but are available as directed by the District for use on public capital improvements to be owned by the District.

LGI Homes. LGI Homes is planning to build 156 single family residences in the Jenny Lind and La Contenta service areas. The District will provide both water and wastewater services, and LGI desires to utilize the BOLD program to finance the District’s water and wastewater capacity fees and infrastructure. LGI Homes plans to develop the project in one phase. Development is slated to begin in April 2024 with home construction starting in April 2025.

Copper Valley Town Square, LLC. Copper Valley Town Square, LLC (“CVTS”) is required to extend the wastewater transmission line from the Town Square to the CCWD wastewater facility located on Little John Road or alternatively to another wastewater transmission line that flows to the facility. This wastewater transmission line extension

was required as part of the Town Square Final Map, but never completed by Castle & Cooke, the previous developer because the sewer volume was not sufficient. CVTS is currently finalizing the engineering plans to make improvements to the existing infrastructure in the Copper Town Square, design and location of the wastewater transmission pipeline, and related infrastructure improvements (“the wastewater transmission project”) that will connect the Copper Town Square’s wastewater system to the District’s wastewater treatment facility. CVTS is completing engineering and architectural plans to construct 48 townhomes and related commercial facilities allowed under the existing Final Map. The District will provide both water and wastewater services, and CVTS desires to utilize the BOLD program to finance the Copper Town Square infrastructure improvements, the wastewater transmission line project, and the District’s water and wastewater capacity fees required to provide for the construction of 48 townhomes and related commercial facilities,

CVTS plans to develop the project in several phases. Construction of the wastewater transmission project is estimated to take approximately 18 months and is slated to begin in November 2023. Townhome construction is expected to commence in the fall of 2023 and will be constructed in two phases. Currently the wastewater from the Town Square is trucked daily to the CCWD wastewater facility and will continued to be trucked until the transmission line is completed.

Staff Recommendation. The Mello-Roos Law requires each local agency receiving bond proceeds or special tax proceeds form a CFD to enter into a “joint community facilities agreement” with the agency forming the CFD, which in this case is CMFA. Staff recommends that the District apply for membership in CMFA and adopts a resolution expressing the District’s intent to allow participation in the BOLD Program and entrance into the required agreements from time-to-time in the future.

FINANCIAL CONSIDERATIONS:

None. Formation and administration of each CFD formed through the BOLD Program to help finance certain costs of development in the District is the responsibility of the CMFA, not the District. There is no liability to the District from being a member of CMFA. Furthermore, as a member of CMFA the District has the ability to obtain some portion of CMFA’s bond issuer fees.

Attachments:

- Resolution No. 2023- Authorizing Execution and Delivery of Joint Community Facilities Agreements in Connection with the Bond Opportunities for Land Development (BOLD) Program*
- Resolution No. 2023- Approving, Authorizing, and Directing Execution of a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority.*
- CMFA BOLD PROGRAM Joint Community Facilities Agreement*
- CMFA Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority*
- CMFA CFD Policies and Procedures*
- Public Hearing Notice*

RESOLUTION NO. 2023-

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF JOINT
COMMUNITY FACILITIES AGREEMENTS IN CONNECTION WITH THE BOND
OPPORTUNITIES FOR LAND DEVELOPMENT (BOLD) PROGRAM**

WHEREAS, the California Municipal Finance Authority (the “CMFA”) is a joint exercise of powers authority, the members of which include numerous cities, counties and other local agencies in the State of California (the “State”); and

WHEREAS, the CMFA has established the Bond Opportunities for Land Development Program (the “BOLD Program”) to allow the financing through the levy of special taxes under the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”) of certain public facilities and development impact fees that finance public facilities (together, the “Improvements”) to be owned by local agencies in the State; and

WHEREAS, the Act provides that a community facilities district (a “CFD”) may finance facilities to be owned or operated by a public agency other than the agency that created the CFD, or services to be provided by a public agency other than the agency that created the CFD, or any combination, pursuant to a joint community facilities agreement; and

WHEREAS, the Calaveras County Water District (the “District”) may be eligible to receive certain development impact fees from development within CFDs within the boundaries or service area of the District; and

WHEREAS, the District is not a member of CMFA but desires to enter into a joint community facilities agreement with CMFA in connection with the use by developers of the BOLD Program within the boundaries or service area of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of CALAVERAS COUNTY WATER DISTRICT as follows:

Section 1. The Board of Directors hereby approves the execution and delivery of one or more joint community facilities agreements, substantially in the form presented to the Board of Directors and attached hereto as Exhibit A (“JCFA”), with such other changes as the General Manager, Director of Administrative Services, or a designee of the foregoing (each, an “Authorized Officer”) may deem appropriate or necessary in connection with the formation of one or more CFDs by CMFA as part of future financings. Each Authorized Officer is authorized and directed to execute and deliver one or more JCFA’s on behalf of the District as necessary or appropriate in connection with the foregoing, and the Board of Directors finds and declares that entrance into each such agreement will be beneficial to residents within the District. Each Authorized Officer is hereby further authorized and delegated the ability to approve applications submitted by developers to the BOLD Program and evidence the District’s official intent to reimburse

itself for capital projects from tax-exempt bond proceeds issued by CMFA in connection with the BOLD Program.

Section 2. This Resolution shall take effect immediately upon its adoption. The Clerk of the Board is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the CMFA.

PASSED AND ADOPTED this 22nd day of March 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Scott Ratterman, President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

RESOLUTION NO. 2023-

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALAVERAS COUNTY WATER DISTRICT**

**RESOLUTION APPROVING, AUTHORIZING, AND DIRECTING
EXECUTION OF JOINT EXERCISE OF JOINT POWERS AGREEMENT
RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), certain public agencies (the "Members") have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement") in order to form the California Municipal Finance Authority (the "Authority"), for the purpose of promoting economic, cultural and community development and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and; and

WHEREAS, the Calaveras County Water District (the "District"), has determined that it is in the public interest and for the public benefit that the District become a Member of the Authority in order to facilitate the promotion of economic, cultural and community development activities in the District, including the financing of projects therefor by the Authority; and

WHEREAS, there is now before this Board of Directors the form of the Agreement; and

WHEREAS, the Calaveras County Water District (the "District") may be eligible to receive certain development impact fees from development within CFDs within the boundaries or service area of the District; and

WHEREAS, the Agreement has been filed with the District, and the members of the Board of Directors of the District, with the assistance of its staff, have reviewed said document.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of CALAVERAS COUNTY WATER DISTRICT as follows:

Section 1. The Agreement is hereby approved and the General Manager is hereby authorized and directed to execute said document, and the District Secretary is hereby authorized and directed to attest thereto.

Section 2. The General Manager is hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

Section 3. The Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the Authority in care of its counsel:

Ronald E. Lee, Esq.
Jones Hall, APLC
475 Sansome Street, Suite 1700
San Francisco, CA 94111

Section 4. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 22nd day of March 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CALAVERAS COUNTY WATER DISTRICT

Scott Ratterman, President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

CMFA BOLD PROGRAM

Joint Community Facilities Agreement

This Joint Community Facilities Agreement (this “Agreement”), dated to be effective as of April 1, 2022, by and between the CALIFORNIA MUNICIPAL FINANCE AUTHORITY, a joint exercise of powers authority duly organized and existing under the Constitution and laws of the state of California (the “CMFA”), and CALAVERAS COUNTY WATER DISTRICT, a special district duly organized and existing under the Constitution and laws of the state of California (the “District,” and together with CMFA, the “Parties”).

WITNESSETH:

WHEREAS, CMFA has conducted, or intends to conduct, proceedings under the Mello-Roos Community Facilities Act of 1982 (California Government Code section 53311 et seq.) (the “Act”) to form community facilities districts (each, a “CFD”) to finance certain public facilities and development impact fees used for public facilities authorized to be financed under the Act (together, the “CFD Improvements”) as part of its Bond Opportunities for Land Development (“BOLD”) program;

WHEREAS, the CFD Improvements have or will be described in the resolution of formation for each CFD, including the impact fees payable to the District for public facilities that are set forth on Exhibit A hereto (the “District Improvements”);

WHEREAS, CMFA intends to utilize the proceeds of sale of special tax bonds of the CFDs (the “Bonds”) to finance some or all of the CFD Improvements, including the District Improvements;

WHEREAS, under Section 53316.2 of the Act, CMFA may form a CFD to, among other things, finance the District Improvements, provided CMFA and the District enter into a joint community facilities agreement such as this Agreement; and

WHEREAS, the District is willing to cooperate with CMFA in accomplishing the financing of the District Improvements, and to confer upon the CMFA full power to provide financing for the District Improvements in the event that proceeds of special taxes and/or bonds in the CFD become available and are utilized for such purpose;

WHEREAS, this Agreement is made under the authority of Section 53316.2 of the Act; and

WHEREAS, in consideration for the mutual undertakings of the Parties stated herein, the Parties agree as follows:

AGREEMENT:

1. Administration of CFD and Issuance of Bonds by CMFA. CMFA shall administer each CFD, including employing and paying all consultants, annually levying the special tax and

paying and administering the Bonds, and complying with all state and federal requirements appertaining to the proceedings establishing the CFD and issuing and using the proceeds of the Bonds, including the requirements of the United States Internal Revenue Code of 1986, as amended (the "Code").

2. Agreement to Hold and Disburse Available Amounts. CMFA shall hold or cause to be held the special tax and/or Bond proceeds available for the payment of District Improvements ("Available Amounts"). Available Amounts shall be disbursed only in accordance with Section 3 of this Agreement.

3. Disbursements. Available Amounts shall be disbursed pursuant to written requisitions of the District, in substantially the form attached hereto as Exhibit B and executed by the General Manager, Director of Administrative Services, or a designee of the foregoing (each, an "Authorized Officer"). CMFA and its designees, including any trustee or fiscal agent holding Available Amounts, may conclusively rely on such requisitions for purposes of making such disbursements. All disbursements of Available Amounts to the District shall be made by wire transfer of immediately available funds or by check payable to the District's bank account number at a bank located within the United States on file with CMFA as part of the BOLD program, unless another method of payment is requested in writing by the District.

4. Use of Available Amounts for Public Capital Improvements. The District shall utilize Available Amounts for public capital improvements to be owned by the District. The public capital improvements to be constructed using Available Amounts will be set forth in requisitions submitted by the District in accordance with Section 3 above.

5. Amendments. This Agreement may be amended by a writing signed by the Parties, including to update Exhibit A to reflect additional or different impact fees and public facilities to be financed through the BOLD program.

6. Term of this Agreement. This Agreement shall be in full force and effect from this date to and including its termination by mutual written agreement of the parties hereto. CMFA agrees to terminate this agreement upon request of the District upon delivery to CMFA of an opinion Bond Counsel to the effect that the termination of this Agreement will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

7. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

[Signatures on Following Page]

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their authorized representatives as of the effective date stated above.

CMFA:

CALIFORNIA MUNICIPAL
FINANCE AUTHORITY

DISTRICT:

CALAVERAS COUNTY WATER DISTRICT

By: _____
Authorized Signatory

By: _____
Name:
Title:

EXHIBIT A

DESCRIPTION OF DISTRICT FEES/IMPROVEMENTS

- Public improvements authorized by the Mello-Roos Act to be owned or operated by the District, including any public improvements financed through impact fees

EXHIBIT B

DISBURSEMENT REQUEST FORM

To:

California Municipal Finance Authority
2111 Palomar Airport Road, Suite 320
Carlsbad, California 92011

Re: BOLD Program - Request for Disbursement of Bond Proceeds

The undersigned, a duly authorized officer of the Calaveras County Water District (the "District") hereby requests a disbursement of "Available Amounts" from the account(s) set forth below, and certifies that the amounts listed below have been or will be spent by the District for listed public capital improvements as of the date indicated below or within 5 days thereafter:

Account(s)	Amount(s)
[example, CMFA CFD No. 20__ - __, Special Tax Bonds, Series 20__ Project Fund]	\$

Total:

Wiring Instructions: _____

The undersigned hereby additionally certifies as follows:

1. These funds have been or will be used to acquire and/or construct capital improvements, and this disbursement is not being made for the purpose of reinvestment.
2. None of the expenditures for which payment is requested have been reimbursed previously from other sources of funds.
3. If the total amount above is greater than the "Available Amounts" held by CMFA for the District, CMFA is authorized to amend the amount requested to be equal to the amount of such funds.
4. The amounts being disbursed pursuant to this request are being used to finance or refinance certain public infrastructure and facilities (the "Improvements"). The District will own, and for the entire useful life of such Improvements reasonably expects to own, all of such Improvements. The Improvements consist of the following:

[Describe the improvements]

5. To the extent any of such Improvements are sold to an entity that is not a state or local government agency, the District will seek the advice and approval of bond counsel to CMFA for the BOLD program prior to any such sale. The District will not allow any of such Improvements to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public). All of such Improvements will be used in the performance of essential governmental functions of the District or another state or local government agency. The average expected useful life of such Improvements is at least ____ years. The representations and covenants contained in this paragraph are intended to support the conclusion that the interest paid on the bonds issued to finance the Improvements is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

Dated: _____

Signature: _____

Print Name: _____

**JOINT EXERCISE OF POWERS AGREEMENT
RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

THIS AGREEMENT, dated as of January 1, 2004, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the “Members” and those parties initially executing this Agreement are referred to as the “Initial Members”):

WITNESSETH

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the “Joint Exercise of Powers Act”), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a “public agency” as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means, including through making grants, loans or providing other financial assistance to governmental and nonprofit organizations; and

WHEREAS, each Member is also empowered by law to acquire and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, as specified in this Agreement and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute bonds, notes, commercial paper or any other evidences of indebtedness, including leases or installment sale agreements or certificates of participation therein (herein “Bonds”), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue Bonds pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects of any nature, including, but not limited to, capital or working capital projects, insurance, liability or retirement programs or facilitating Members use of existing or new financial instruments and mechanisms; and

WHEREAS, it is further the intention of the Members that the projects undertaken will result in significant public benefits to the inhabitants of the jurisdictions of the Members; and

WHEREAS, by this Agreement, each Member desires to create and establish the “California Municipal Finance Authority” for the purposes set forth herein and to exercise the powers provided herein;

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

Section 1. Purpose.

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of Bonds for any purpose or activity permitted under the Joint Exercise of Powers Act or any other applicable law. Such purpose will be accomplished and said power exercised in the manner hereinafter set forth.

Section 2. Term.

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Bonds issued or caused to be issued by the Authority (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement or other instrument pursuant to which such Bonds are issued, or unless a successor to the Authority assumes all of the Authority’s debts, liabilities and obligations.

Section 3. Authority.

A. CREATION AND POWERS OF AUTHORITY.

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the “California Municipal Finance Authority” (the “Authority”), and said Authority shall be a public entity separate and apart from the Members. Its

debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members.

B. BOARD.

The Authority shall be administered by the Board of Directors (the “Board,” or the “Directors” and each a “Director”) of the California Foundation for Stronger Communities, a nonprofit public benefit corporation organized under the laws of the State of California (the “Foundation”), with each such Director serving in his or her individual capacity as a Director of the Board. The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein. The number of Directors, the appointment of Directors, alternates and successors, their respective terms of office, and all other provisions relating to the qualification and office of the Directors shall be as provided in the Articles and Bylaws of the Foundation, or by resolution of the Board adopted in accordance with the Bylaws of the Foundation.

All references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director.

Directors may receive reasonable compensation for serving as such, and shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

The Foundation may be removed as administering agent hereunder and replaced at any time by amendment of this Agreement approved as provided in Section 16; provided that a successor administering agent of this Agreement has been appointed and accepted its duties and responsibilities under this Agreement.

C. OFFICERS; DUTIES; OFFICIAL BONDS.

The officers of the Authority shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Authority from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Authority (the “Treasurer”) pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an “Indenture”) providing for a trustee or other fiscal agent, and except as may otherwise be

specified by resolution of the Board, the Treasurer is designated as the depository of the Authority to have custody of all money of the Authority, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Authority and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Authority.

D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors constituting a quorum, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Authority may adopt, from time to time, by resolution of the Board such rules and regulations for the conduct of its meetings and affairs as may be required.

Section 4. Powers.

The Authority shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for any purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Authority is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operation of, or maintain and operate, any buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to make grants, loans or provide other financial assistance to governmental and nonprofit organizations (e.g., the Members or the Foundation) to accomplish any of its purposes; and generally to do any and all things necessary or convenient to accomplish its purposes.

Without limiting the generality of the foregoing, the Authority may issue or cause to be issued Bonds, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law; provided, however, the Authority shall not issue Bonds with respect to any project located in the jurisdiction of one or more Members unless the governing body of any such Member, or its duly authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Such approval may be evidenced by resolution, certificate, order, report or such other means of written approval of such project as may be selected by the Member (or its authorized representative) whose approval is required. No such approval shall be required in

connection with Bonds that refund Bonds previously issued by the Authority and approved by the governing board of a Member.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California general law city could exercise such powers and perform such duties. The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

Section 5. Fiscal Year.

For the purposes of this Agreement, the term “Fiscal Year” shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2004.

Section 6. Disposition of Assets.

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

Section 7. Bonds.

From time to time the Authority shall issue Bonds, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing shall be used by the Authority. The expenses of the Board shall be paid from the proceeds of the Bonds or any other unencumbered funds of the Authority available for such purpose.

Section 8. Bonds Only Limited and Special Obligations of Authority.

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Authority. The Bonds shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds except from revenues and other funds pledged therefor. Neither the Members nor the Authority shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Authority shall be pledged to the payment of the

principal of, premium, if any, or interest on the Bonds nor shall the Members or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Authority in his or her individual capacity and neither the Board of the Authority nor any Director or officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

Section 9. Accounts and Reports.

All funds of the Authority shall be strictly accounted for. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Authority may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Authority. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Members which report shall describe the amount of money held by the Treasurer for the Authority, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

Section 10. Funds.

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

Section 11. Notices.

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided, however, that to the extent permitted by law, the Authority may, provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

Section 12. Additional Members/Withdrawal of Members.

Qualifying public agencies may be added as parties to this Agreement and become Members upon: (1) the filing by such public agency with the Authority of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that no such withdrawal shall result in the dissolution of the Authority so long as any Bonds remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

Section 13. Indemnification.

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Director or an officer, employee of other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Authority, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 14. Contributions and Advances.

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Authority and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though any Member may do so. The Members understand and agree that a portion of the funds of the Authority that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and nonprofit organizations (e.g., the Foundation) to accomplish any of the governmental unit's or nonprofit organization's purposes.

Section 15. Immunities.

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Authority while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

Section 16. Amendments.

Except as provided in Section 12 above, this Agreement shall not be amended, modified, or altered, unless the negative consent of each of the Members is obtained. To obtain the negative consent of each of the Members, the following negative consent procedure shall be followed: (a) the Authority shall provide each Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Authority shall provide each Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

Section 17. Effectiveness.

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Initial Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Initial Member approving this Agreement and the execution and delivery hereof.

Section 18. Partial Invalidity.

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Section 19. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

Section 20. Miscellaneous.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the _____ has caused this Agreement to be executed and attested by its duly authorized representatives as of the ___ day of _____, 20__.

Member:

[NAME OF MEMBER]

By _____

Name:

Title:

ATTEST:

___ Clerk

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

POLICIES AND PROCEDURES FOR COMMUNITY FACILITIES DISTRICTS

I. GENERAL.

The purpose of these Policies and Procedures (the "Policies") is to provide guidance and conditions for the conduct by the Authority of proceedings and the issuance of bonds for the establishment and financings by community facilities districts (each a "CFD") under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act") as amended. The Policies are intended to be general in nature and the specific details will depend on the nature of each particular financing. The Policies are intended to comply with Section 53312.7 (a) of the Act. The Policies are subject to amendment and deviation by the Authority at any time.

II. TYPES OF PROJECTS-PRIORITIES.

A. New Development. Except as otherwise provided, any facilities allowed under the Act can be financed, with a preference for those public improvements that benefit not only the particular new development, but also the member of the Authority in whose jurisdiction such new development is located will be considered for financing. Such improvements include water, sanitary and storm sewer and related facilities, roads and interchanges, bridges, major collector or "spine" streets, including related landscaping and lighting. The acquisition of rights-of-way, lands and easements for public improvements for new development are eligible to be financed as are fees of cities, school districts, special districts or any other public entity.

B. Existing Development. The restrictions above shall not apply if the Board determines that the public necessity of any member of the Authority requires the improvements. Such improvements include the installation, construction, replacement or renovation of domestic water, sanitary sewer and storm drainage systems, pedestrian walkways, paths and/or overcrossings and the improvement of streets to correct unsafe conditions. Priority will be given for improvements required for public health and safety, such as sanitary sewer, safe drinking water and storm drainage facilities.

C. Combined. Projects containing both new and existing development will separately apply the above to each type, with priority given to projects affecting existing development.

D. School Facilities. School facilities are eligible to be financed under appropriate joint community facilities agreements created between the Authority and the school district.

III. APPLICATION FOR FINANCING.

A. Filing. Any person seeking to use land-secured financing (an "Applicant") must submit the Authority's form of application, to be followed upon preliminary acceptance by the required deposit.

B. Deposit. The costs of processing an application and, if approved the proceedings for land-secured financings shall be borne by the Applicant unless otherwise waived as provided

herein. Upon determination that the project is eligible for CFD financing the applicant may be required to deposit the estimated costs of CFD formation. The following is applicable to Deposits:

1. The amount of the Deposit or any waiver thereof may be determined by the Executive Director. No further action shall be taken on the Application unless and until the Deposit is made.

2. The Deposit shall be sufficient to cover Authority costs, including the costs of non-contingent outside consultants retained for the financing, recordings, filings, duplication, mailing and messenger costs.

3. The Deposit shall be increased upon demand of the Authority if at any time the Authority determines that the amount remaining is not sufficient, upon submission of a written request setting forth the reasons for the increase and the amount thereof. Without satisfactory assurance that the increased amount will be paid, the Authority will not undertake further processing unless and until the additional amount is paid.

4. The Deposit and any additional amounts shall be held by the Authority, separate from all other funds of the Authority and used only for the costs of formation of the District and/or related financing. The Authority shall not be required to invest the trust account or to assure any rate of return if funds in the account are invested. Any interest earnings on the account shall be retained in the account and be used for the costs of the financing. Any unused balance remaining in the account shall be returned to the applicant. The use of the Deposit and/or establishment of the account shall in no way be construed as requiring the Authority to issue land-secured indebtedness or to provide reimbursement from the proceeds thereof for expended portions of the Deposit. Reimbursement of the Deposit may be made to the Applicant from proceeds of bonds issued for the CFD.

C Financing Team. The Authority shall select all consultants to be retained by the Authority for the financing, including, but not limited to, appraiser, bond counsel, bond paying agent, fiscal agent or trustee, disclosure counsel, financial advisor, special tax consultant and underwriter. Providers of letters of credit, surety bonds or other credit enhancements, if required, are also subject to Authority approval. The Authority shall designate one Authority official as the contact person for contacts with the members of the financing team.

D. Processing the Application. Upon filing the Application, the Authority and the financing team will review the Application and notify the Applicant of preliminary approval status or if additional information is needed for preliminary approval. If it is complete and acceptable for participation in the program, Applicant will be notified in writing, detailing what changes or other requirements, if any, must be made and/or met for the Authority to continue to formation of the CFD, including any increases in the Deposit for additional work required to process the Application. Before commencing any formation proceedings, subsequent reviews may be held with the Applicant, Authority and Financing Team representatives to cover any final conditions, including Economic Viability Review (below).

IV. ECONOMIC VIABILITY REVIEW-CREDIT QUALITY

A. General. To help assure the appropriateness of the project for CFD financing and to avoid, to the extent possible, possible bond defaults, as part of the Application process the Authority, working with its financial advisor and the designated underwriter, will review each proposal on its own merits and on its own facts and circumstances for economic viability and the criteria for evaluating the credit quality of the financing.

B. Required Information. The Authority typically will (unless clearly unnecessary under the circumstances) require each of the following as a condition of processing an Application:

1. *Title Evidence*. A CLTA or ALTA lender's title insurance policy or preliminary title evidence showing the vesting of title to the land that will secure the financing and showing the interests of any lenders, creditors, etc., as well as any easements, rights of way or other encumbrances that may impact the value of the land. The title evidence will also be used to verify ownership for any owner's petition for the financing. The Applicant will upon request supply copies of any documents related to the title evidence as requested by the Authority.

2. *Financial Information*. Any Applicant or other owner of property within the proposed financing Authority who will be responsible for a percentage, as determined on a case by case basis, of annual debt service on bonds, or any other Applicant when so requested, shall submit such financial information as requested by the financing team as part of the necessary financing due diligence. Updated financial information may be required as a part of bond sale activities.

3. *Experience and Equity Participation*. The Authority will take into account the degree of the Applicant's (or other major owner's) development experience and equity contribution as of the time of Application and any possible increases through the anticipated date of bond sale.

4. *Administrative Approvals*. The Applicant shall furnish information as to the completeness of the approval process, including, but not limited to environmental clearances, land use planning approvals, rights to capacity or ability to use water, sewer and storm drainage facilities, availability of special permits (Army Corps of Engineers, California Fish and Game, Cal-Trans, Division of Dam Safety, etc.). Failure or inability to obtain any approval deemed necessary by the financing team may cause delay or suspension of the Application or proceedings, including any bond sale activities.

5. *Value of Land*. An appraisal will in most instances be needed to verify that the value of the land that will secure the bond issue is at least four times the amount of bonds to be sold and any overlapping special assessment and/or community facilities bonded debt on the property as of the anticipated date of sale of the bonds under the Application. Alternatively, evidence may consist of the full cash value as shown on the most current *ad valorem* assessment roll for the property, if relevant and sufficient as determined by the financing team.

C. Sufficiency of Revenues. In determining whether the financing which is the subject of the Application is viable, the Applicant must demonstrate that the annual amount of debt service is reasonable for the type of property use in its final, developed state. For commercial or industrial

property, comparable numbers for similar uses shall be provided. For residential property, the maximum annual debt service for the expected financing, together with all other charges collected or to be collected on the annual tax bill for each developed parcel shall not exceed two percent (2%) of such parcel's expected assessed value. Based on these criteria, bond issues and, hence, financings, shall be sized accordingly. Apart from this basic rule, the following shall also apply:

1. *Administrative Expenses.* Anticipated annual revenues to be collected on the tax roll shall take into account the Authority's estimates of annual administrative costs, including, as appropriate, costs of CFD administration, continuing disclosure, arbitrage and rebate calculation, preparation and up-dates of debt collection schedules and special tax computations.

2. *Residential Properties.* For residential properties only, the following special considerations apply:

a. Debt service (including administrative expenses) shall be level or may increase as provided for in the Rate and Method throughout the life of a bond issue, as determined appropriate by the financing team.

b. Special taxes for the CFD may escalate not more than two percent (2%) per year.

c. Prepayments of special taxes shall be allowed provided computation and processing is at the expense of the prepaying owner.

V. AUTHORITY PROCEEDINGS.

A. Petition. For new development projects, a petition meeting the requirements of the applicable authorizing law may be required in addition to the Application. The Applicant is urged to obtain unanimous waivers of election waiting periods as permitted by the Act. The Applicant must specify in the Application any reasonably expected impediments to obtaining petitions, including from co-owners and/or lenders of record (where required). Waiver of the petition may be determined by the Executive Director. For existing development, petitions are preferred, but may be waived, depending on the nature of the project and degree of public importance.

B. Representatives. The Authority and the Applicant shall each designate a representative for each financing district proceedings. The representatives shall be responsible for coordinating the activities of their respective interests and shall be the spokespersons for each such interest. The purpose of this requirement is to avoid duplication of effort and misunderstandings from failure to communicate effectively. In the case of the Authority, it allows the Authority's consultants to report to a single official who will, in turn, communicate with the Authority and, in turn, its Board as needed.

C. Time Schedule. The final schedule of events for any proceeding shall be determined by the Authority, in consultation with its financing team and the Applicant. Any changes will require approval by the appropriate Authority official. Time schedules will (unless specific exceptions are allowed) observe established Board meeting schedules and agenda deadlines. To the extent possible, bond financings will be scheduled to allow debt service to be placed on the tax rolls, however capitalized interest may be permitted.

VI. FINANCING TERMS

A. Limited Obligation. Unless specifically found to be required for a particular kind of financing, bonds issued for land secured financings shall be limited obligations, payable solely from special taxes of the CFD or other identified sources other than revenues of the Authority and do not require the use of any Authority revenues to replenish any reserves or to bid at any foreclosure sale.

B. Debt Service. Debt service shall be structured to avoid any large increases to residential owners in any single year, either by using substantially level debt service throughout the life of the bond issue or providing for up to 2% annual increases. Unless determined to be specifically required, debt service shall not exceed thirty (30 years) from the date of bond issuance.

C. Denominations. Bond denominations, registration, book-entry qualification, CDIAC submissions and other bond features shall conform to industry norms and standards at the time of issuance. For bonds secured by special taxes any other policies of the Authority requiring greater than \$5000 denominations shall not be applicable due to the unique collection and security features of the special taxes securing the bonds.

D. Bond Redemption. Maximum redemption premiums shall not exceed three percent (3%). Call provisions shall not exceed ten years unless circumstances warrant as determined by the Authority, and no provision shall be made to unduly restrict the ability of the Authority to refund any bond issue with a final maturity greater than ten years. Provision may be made to allow redemption of bonds with prepayments. Provision shall be made to allow the Authority to purchase bonds on the open market at par plus accrued interest, in lieu of redemption of bonds.

E. Reserve Funds. A reserve fund shall be required (unless specifically exempted upon approval of the financing team) for every land-secured financing. The reserve fund will be sized by the Authority with the advice of the financing team, and, for tax-exempt financings, will not exceed maximums prescribed by applicable federal tax law. Reserve fund earnings beyond maximum reserve fund size should be used to credit debt service and may be used to pay applicable rebate obligations under federal tax law.

F. Capitalized Interest. The Authority, with the advice of the financing team, will determine, on a case by case basis, the amount of capitalized interest for a particular financing. The amount of such interest will be determined based on factors such as the length of the construction period, the earliest date upon which tax roll collection may commence and the amount such interest will add to the total amount of the financing, taking into account the restrictions on value to lien expressed herein and the ability of the owner(s) to defray the debt service.

G. Foreclosure Covenants. Every land-secured bond issuance document shall provide for the judicial foreclosure of delinquent payments of special taxes. Such covenants may vary with particular financings, but shall at the minimum provide for the institution of foreclosure on an accelerated basis rather than at the end of the 5 year period applicable to property taxes generally. The ability to commence foreclosure shall be without further Board action and subsequent to notification to the property owner of the delinquency. Any costs advanced by the Authority to collect special taxes, including any actions taken related to foreclosure, shall be reimbursed by the CFD.

H. Discounts. Original issue discount will be allowed only if the Authority determines that it results in a lower true interest cost and will not adversely affect the ability to construct the public improvements.

VII. DISCLOSURES

A. General. Any initial disclosure and any continuing disclosures mandated by applicable law shall apply to each CFD. The terms of such disclosures shall be determined by the financing team based on applicable industry standards on a case-by-case basis.

B. Forms. The Authority may prescribe specific forms to be used for disclosures.

C. Market Absorption. The Authority may require the use of market absorption studies as part of the disclosure due diligence.

VIII. APPRAISALS

A. General. Appraisals undertaken to establish value-to-lien ratios for land-secured financings can be complex, requiring the appraiser to interpret the significance of various financial and demographic data. The process of arriving at an appraised value may be summarized as follows:

- Statement of appraisal problem.
- Required data and sources of data.
- Gathering, recording and verification of data.
- Determination of "highest and best use."
- Estimation of land value.
- Estimation of improvement value by relevant approach:
 - sales comparison,
 - cost (or replacement value), or
 - income capitalization.
- Reconciliation of results to concluded value.
- Report of value with statement of limitations, conditions, and assumptions.

B. The Appraiser. Because an appraisal essentially is an appraiser's opinion of value, the Authority requires that the appraiser be qualified to render this opinion. The appraiser will be credentialed by the State of California Office of Real Estate Appraisers or be a member of the Appraisal Institute (MAI) or have similar training, experience and qualifications. The appraiser will be an independent contractor retained by the Authority rather than a land owner/developer. All appraisals will be conducted in accordance with appraisal standards and guidelines found in the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards for Land Secured Financing published by the California Debt and Investment Advisory Commission (2004).

C. Valuation. The date of the value estimate should clearly be identified in the appraisal report. The period between the date of the appraisal and the financing should be no more than three (3) months, or appropriately updated, to accurately represent land values to prospective investors.

IX. PERFORMING THE WORK

A. General. Facilities being financed may be provided by either the construction of them by a developer or other person and acquired (“Acquisition”) or by public contract let by the Authority or member public agency (“Construction”) or, in appropriate cases, both.

B. Acquisition. Acquisition will be permitted for improvements or facilities to be constructed entirely upon land owned or controlled by the Applicant and then dedicated or sold to the Authority member public agency, or as otherwise approved by the member public agency. Preference is for “turn-key” projects that do not require advances as work progresses, however progress payments will be allowed as permitted and provided in a joint community facilities agreement with the Authority and its member public agency. Any work performed by Acquisition must be done under prevailing wage contracts and the Applicant shall be responsible for such compliance. In Acquisition projects, the Authority will allow for construction overhead, management and related costs on a case by case basis.

C. Impact and Other Public Entity Fees. Financing of fees of any member public agency or of any public entity contracting with the Authority in a joint community facilities agreement will be allowed provided the facilities financed with the fees are allowed under the Act and appropriate for bond financing. The usually applicable public bidding rules of the participating member Authority shall apply and any financing time schedule shall take into account a suitable period for the preparation of plans and specifications, bidding and notices thereof and bid opening. Mandatory bid hold periods shall take into account any applicable cash payment or comparable financing preparation periods.

X. INTERPRETATION AND WAIVER

If a Program CFD or Program financing does not strictly comply with these Goals and Policies, but the Executive Director does not reasonably expect such noncompliance to have a material adverse effect on the interests of the Authority, its bondholders, the special taxpayers in the applicable CFD and/or the applicable member public agency, the Executive Director may waive any such noncompliance, which waiver shall be evidenced in writing or by the subsequent issuance of Bonds for such CFD, and which evidence shall be conclusive and final as to such waiver. For purposes of the preceding sentence, a reasonable expectation by the Executive Director may be established by his or her good faith belief after receiving the advice and counsel of the Authority’s Financial Advisor, issuer’s counsel, bond counsel and any other interested parties with whom the Executive Director seeks to consult in his or her discretion.

After making any such interpretation or waiver, the Executive Director shall report such interpretation or waiver to the Board and may recommend any formal amendments to these Goals and Policies as may be necessary or convenient. The Board of Directors may adopt any such proposed amendment or may adopt any other amendments on its own initiative; provided that Board agrees not to overturn any interpretations or waivers made by the Executive Director pursuant to this paragraph on a retroactive basis.