



REGULAR BOARD MEETING AGENDA
BOARD OF DIRECTORS MEETING
MALAGA COUNTY WATER DISTRICT
3580 SOUTH FRANK STREET
FRESNO, CALIFORNIA 93725
Tuesday, February 08, 2022 at 6:00PM

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a District Board Meeting, please contact the District Office at 559-485-7353 at least 48 hours prior to the meeting, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

- ❖ Please submit all written correspondence for the Board of Directors by 12:00 pm the Friday prior to the meeting. Please deliver or mail to the District Clerk.
- ❖ Public comments are limited to three (3) minutes or less per individual per item, with a fifteen (15) minute maximum per group per item and will be heard during the communication portion of the agenda.

1. Call to Order:

2. Roll Call: President Charles Garabedian, Jr.; Vice President Salvador Cerrillo; Director Irma Castaneda; Director Frank Cerrillo, Jr.; Director Carlos Tovar, Jr.

3. Certification: Certification was made that the Board Meeting Agenda was posted 72 hours in advance of the meeting.

4. Old Business:

- a. **Park Facilities Use Agreements.** As discussed at the previous board meeting, revisions have been made to three park facilities use agreements.

For review and potential action.

- b. **Resolution 02-08-2022.** Consideration and necessary action on resolution amending personnel Policy No. 2110.10 and establishing requirements for participation in the employee health insurance.

Recommended action: to approve Resolution No. 02-08-2022 as presented or amended.

Motion by: _____; **Second by:** _____

- c. **Resolution 02-08-2022A.** Consideration and necessary action on a resolution for the purpose of submitting a Planning Grant Application to the State, giving authorizing the General Manager to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Malaga County Water District Wastewater Treatment and Disposal Facilities Improvement Project.

Recommended action: to approve Resolution 02-08-2022A as presented or amended.

Motion by: _____; **Second by:** _____

- d. **Resolution 02-08-2022B.** Consideration and necessary action on a Resolution of the Board of Directors to authorize the execution and delivery of an Installment Purchase Agreement with First Foundation Bank to refinance the 2010 City National Bank Installment Sale Agreement.

Recommended action: to approve Resolution No. 02-08-2022B as presented or amended.

Motion by: _____; **Second by:** _____

5. New Business: none for this meeting.

6. Sherriff Report:

- a. Quarterly report from Elaine Montoya regarding crime activity in the community and surrounding areas. Information only.

7. Incorporation Reports:

8. Recreation Reports:

9. Engineer Reports:

- a. District Engineer Report.
- b. CDBG Engineer Report:

10. General Manager's Report:

- a. Fresno County: ARPA funding to replace Well 5A.
- b. Well 3A Update.
- c. Staff will begin preparing the Districts bi-annual water supply report to present to the board at the upcoming board meeting of February 22.

11. President's Report:

12. Vice President's Report:

13. Director's Reports:

14. Legal Counsel Report:

15. Communications:

- a. Written Communications:
- 1.
- b. Public Comment: *The Public may address the Malaga County Water District Board on item(s) of interest within the jurisdiction of the Board, not appearing on the agenda. The Board will listen to comments presented; however, in compliance with the Brown Act, the Board cannot take action on items that are not on the agenda. The public should address the Board on agenda items at the time they are addressed by the Board. All speakers are requested to wait until recognized by the Board President. All Comments will be limited to three **(3)** minutes or less per individual/group per item per meeting, with a fifteen **(15)** minutes maximum.*

16. Consent Agenda. The items listed below in the Consent Agenda are routine in nature and are usually approved by a single vote. Prior to any action by the Board of Directors, any Board member may remove an item from the consent agenda for further discussion. Items removed from the Consent Agenda may be heard immediately following approval of the Consent Agenda or set aside for discussion and action after Regular Business.

- a. Minutes of the Special Board Meeting of January 19, 2022.
- b. Minutes of the Regular Board Meeting of January 25, 2022.
- c. Financial Statements and Accounts Payable Reports.

Recommended action: To approve the Consent Agenda as presented or amended.

Motion by: _____; **Second by:** _____

17. Closed Session:

- a. Public Employment Pursuant to Government Code Section 54957
Title: General Manager

18. Adjournment:

Motion by: _____, **Second by:** _____

Certification of Posting

I, Norma Melendez, District Clerk of the Malaga County Water District, do hereby certify that the foregoing agenda for the Regular Meeting of the Board of Directors of February 08, 2022 was posted for public view on the front window of the MCWD office at 3580 S. Frank Street, Fresno Ca 93725, at 5:00P.M. On 02/04/2022.

Norma Melendez

Norma Melendez, District Clerk

item 4.a.1

RENTAL AGREEMENT BETWEEN MALAGA COUNTY WATER DISTRICT AND YOUTH AND ADULT SOCCER LEAGUE

This Agreement is entered into by and between the Malaga County Water District, hereinafter referred to as "District" and Adam Youth and Adult Soccer hereinafter referred to as "AYAS", for the rental of soccer fields at District's park effective May 6, 2021, (the "Effective Date") as follows:

Section 1. Purpose.

AYAS requires facilities to operate youth and adult soccer games and desires to rent the District's soccer fields. The "Soccer Fields" subject to this agreement are identified in attachment "A" which is attached to and incorporated into this agreement by this reference.

Section 2. Term.

The lease shall be month to month beginning on the Effective Date and may be cancelled by either party upon receipt of thirty (30) days written notice from the other party.

Section 3. Consideration.

AYAS agrees to pay the District the sum of one thousand eighty dollars (\$1,080.00) for the first month's rent, and the sum of one thousand eighty dollars (\$1,080.00) per month for rent of the facility each month thereafter, **due and payable on the 1st day of each month.** A Deposit of one hundred dollars (\$100) will be required and shall be refundable if the conditions of the term agreement are met.

Delinquent payments paid three days after the due date, shall bear a late charge of one and one-half percent (1.5%) per month or portion thereof that the payment is delinquent.

Section 4. Use of Soccer Fields.

- A. Days and Hours of Use. The AYAS may use the Soccer Fields to operate as sports and sport practice on the dates and during the times set forth in this Agreement. Hours of operation shall be **Tuesday, Wednesday, Friday 5:30pm to 10pm**, Excluding the following days/times:

- **Valentines Dance (February)**
- **Easter Program (March/April)**
- **Fiesta Day (September)**
- **Halloween Dance (October)**

- **Thanksgiving Luncheon (November)**
- **Christmas Program (December)**

Due to the nature of scheduling, date and times may vary by event. Notice of event exclusion will be given 10 days before the event. Days and hours of use may be changed by written agreement of the Parties.

B. Equipment. The AYAS agrees to provide and pay for their own telephone service, marketing and equipment including soccer goals.

C. Maintenance. The AYAS agrees to maintain cleanliness of the Facility and its surrounding area, to be free from trash and debris, and to be swept and sanitized clean daily use.

D. Staffing. The AYAS agrees that the District will not provide staff and that AYAS is responsible for providing its own staff and is responsible for the supervision and safety of all persons (club members, licensees or invitees) using the Leasehold Soccer Fields as described in the Agreement.

E. Condition of Soccer Fields. AYAS has inspected and accepts the condition of the field as is and acknowledges that the Soccer Fields are suitable and safe for the intended purpose. The District will be responsible for routine maintenance such as irrigation and mowing but will not be responsible for preparing the field for play such as marking or striping.

F. Food. AYAS agrees to not sell food or any food products.

Section 5. Nuisance or Unlawful Use.

The AYAS shall not to commit, or allow others to commit, any waste on the Soccer Fields, or nuisance, nor shall it use or allow the Soccer Fields to be used in violation of Federal, State, County and/or Laws, ordinances or regulations including the Park Rules which are attached hereto and incorporated herein by this reference as attachment "8."

The AYAS, at their sole expense, shall promptly comply with any and all laws, ordinances, rules, regulations, requirements and orders whatsoever, present or future, or national, state or local government, which may in any way apply to the use, maintenance or occupation or operations on the Soccer Fields, provided that such compliance does not prevent the above reasonable use of the Soccer Fields, and if so, this Agreement, at the option of the AYAS, shall terminate without any further liability or obligation by either party.

Section 6. Holdover and Surrender.

The AYAS shall, at the termination of this Agreement, vacate the Soccer Fields in as good

a condition as they were at the Effective Date of this Agreement, except for the reasonable use and wear thereof, acts of God, or damage by casualty beyond the control of AYAS.

Section 7. Fixtures and Improvements.

The AYAS shall not remove improvement from the Soccer Fields or any District Property during or at the expiration or other termination of this Agreement, or any extension or holdover period therefor, but may remove fixtures, equipment and other personal property placed or installed in or upon the Soccer Fields by AYAS or under its authority. Any damage resulting from removal in other than a good workmanlike manner shall be repaired by AYAS.

The AYAS agrees that, except for reasonable repairs and minor improvements, it will not allow the Soccer Fields to be altered or any facilities installed or constructed without having first obtained the written consent of the District for such proposed alteration.

The AYAS will not construct or place or permit to be constructed or placed any sign, awnings, marquees, or other structures projecting from the exterior of the Soccer Fields without District's prior written consent. The AYAS further agrees to remove signs, displays, advertisements or decorations it has placed or permitted to be placed, on the Soccer Fields; which in the District's opinion are offensive or otherwise objectionable. If the AYAS fails to remove such signs, displays, advertisements or decorations within five (5) days after having received written notice to remove the same from the District, the District may re-enter the Soccer Fields and remove them at the AYAS's expense.

Section 8. Inspection and Maintenance.

The AYAS shall keep in a good repair and maintain except as provided on Section 4(e) at the AYAS's expense the Soccer Fields including any improvement thereon.

The District reserves the right to enter and inspect the Soccer Fields at any time. The District will give AYAS notice of any condition(s) that the District determines needs repair/maintenance if the AYAS fails, neglects, or refuses to commence the repair or maintenance work required herein ten (10) days after written notice has been served by the District, or if the AYAS fails, neglects or refuses to pursue the repair or the maintenance work with reasonable diligence to completion, the District may, at its sole option, perform or cause to be performed such repair or maintenance work and add reasonable costs thereof to the installments of rent next due, as a charge, to the District. The District reserves the right to immediately cease the use of the Soccer Fields by AYAS and/or effect immediate repairs if, in its sole determination, the District determines that there is any condition present on the Soccer Fields that is an immediate danger to the health, safety or welfare of the Public.

Section 9. Indemnification.

Except to the extent of District's gross negligence or willful misconduct, and to the

fullest extent permitted by law, AYAS agrees to indemnify, hold harmless, protect, and defend District and District's employees, Board of Directors, agents, representatives, and contractors from any and all claims, causes of action, liability, losses, costs and damages, for the foreseeable or unforeseeable, arising out of or related to any act, omission, or neglect of AYAS or AYAS's agents, employees, representatives, or contractors, or arising from or related to AYAS's use of or activities on or about the property of the District including, without limitation to, any claims, liens or encumbrances related to or resulting from this Agreement. The provisions of this section shall survive the termination, cancellation, or expiration of this Agreement.

Section 10. Insurance.

AYAS, at its sole cost and expense, shall acquire and maintain in full force and effect throughout the term of this Agreement worker's compensation, employer's liability, and commercial general liability insurance. The minimum amounts of coverage corresponding to the aforesaid categories of insurance per insurable event shall be as follows:

<u>INSURANCE CATEGORY</u>	<u>MINIMUM LIMITS</u>
Worker's Compensation	Statutory
Employer's Liability Minimum Limit	\$100,000/accident for bodily injury or disease
Comprehensive General Liability	\$1,000,000 per occurrence for bodily injury \$1,000,000 per occurrence for personal injury \$1,000,000 per occurrence for property damage

Any deductibles or self-insured retentions must be declared to and approved by the General Manager of District. In the event District does not approve of a deductible amount, at the option of the District, either AYAS's insurer shall reduce or eliminate the deductible or self-insurance retentions with respect to District, it's officers, employees and agents, or AYAS shall procure a bond guaranteeing payment of losses related to investigations, claim administration and defense expenses.

Concurrently with the execution of this Agreement, AYAS shall furnish District with certificates and copies of information or declaration pages of the insurance required by the Agreement herein and, with respect to evidence of commercial general liability coverage, original endorsements as follows:

A. Precluding cancellation or reduction in coverage before expiration of thirty (30) days after District shall receive written notification of cancellation or reduction in coverage by certified mail, return-receipt requested.

B. Providing the AYAS's insurance shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability (cross-liability endorsements).

C. Naming District, its Board, officers, employees, and agents as additional insureds; and

D. Providing that AYAS's insurance shall be primary insurance relating to AYAS's services herein under this Agreement with respect to the District, its Board, officers, employees, and agents, and further providing that any insurance or self-insurance maintained by the District on behalf of the District, its Board, officers, employees and agents shall be in excess of AYAS's insurance and shall not be contributory with it.

In the event of the breach of any of the provisions of this paragraph, or in the event of any notices received which indicate any required insurance coverage will be diminished or cancelled, District, at its option, may notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend use of the District facilities by AYAS pursuant to this Agreement. Section

11. **General.**

A. Independent Contractor. AYAS is an independent contractor and not an officer, agent, servant or employee of District. AYAS is fully responsible for the acts and omissions of its officers, agents, employees, contractors, or representatives. Nothing in this Agreement shall be construed as creating a partnership or joint venture between District and AYAS. Neither AYAS nor its officers, employees, agents, contractors or representatives shall obtain a right to retirement or other benefits that accrue to District employees.

B. Property Damage. Any physical damage caused by the negligent or willful acts or omission of AYAS, its employees, contractors, agents or representatives shall be repaired or replaced promptly by AYAS, at AYAS's sole expense.

C. Choice of Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lay exclusively in the County of Fresno.

D. Amendment. This Agreement may only be amended when modified upon written agreement between the parties hereto. The parties agree to meet and confer in good faith if amendments or modifications are proposed.

E. Severability. If any of the provisions contains in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained in this Agreement.

F. Entire Agreement. This Agreement is the entire agreement between the parties, and supersedes any prior agreement, representation, negotiations, or correspondence between the parties except as expressed in this Agreement. Except as otherwise provided in this Agreement, no subsequent change or addition to this Agreement shall be binding unless in writing and signed by the parties to this Agreement.

G. Waiver. The waiver by either party of any breach or violation of any provision of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provisions. The acceptance of any monies that become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by other parties of any provision to this Agreement.

H. Joint and Several. If AYAS is constituted of more than one person or entity, the obligations imposed on each said person or entity shall be joint and several.

I. Attorney's Fees. In the event that any action is instituted by either party to enforce any right or obligation under this Agreement, the prevailing party shall be entitled to and have its fees and costs associated with such action including, but not limited to, attorney's fees and expert witness fees.

J. Transfer by AYAS. AYAS shall not, in any way, directly or indirectly, transfer or sign any right or duty under this Agreement without prior written consent of District.

K. Notice. Either party may give the other party any notice required or permitted pursuant to this Agreement follows:

To the District: Malaga County Water District
 3580 S. Frank Street
 Fresno, CA 93725
 Attn: General Manager

To AYAS: Adam Youth and Adult Soccer League
Maria Teresa Rosas Melgoza
2534 9TH Street
Fresno, CA 93725
Ph. (559) 803-5747

L. Authority. Each person signing below represents and warrants that he or she is duly authorized to sign and enter into this Agreement.

M. Execution and Counterparts. This Agreement may be executed in counterparts or by facsimile, each of which shall be an original and all of which shall constitute one and the same agreement.

Owner:

AYAS:

MOISES ORTIZ
MALAGA COUNTY WATER DISTRICT

Date: _____

MARIA TERESA ROSAS MELGOZA
ADAMS YOUTH AND ADULT
SOCCER LEAGUE

Date: _____

RENTAL AGREEMENT BETWEEN MALAGA COUNTY WATER DISTRICT AND ANGIE LANDIN, BUSINESS OWNER

This Agreement is entered into by and between the Malaga County Water District, hereinafter referred to as "District" and Angie Landin, Business Owner hereinafter referred to as "ALBO", for the rental of Red Caboose Facilities at District's Park effective Wednesday October 20, 2021, (the "Effective Date") as follows:

Section 1. Purpose.

ALBO requires facilities to operate Food Services for Malaga Residents/Business and desires to rent the District's Red Caboose Facilities. The "Red Caboose Facilities" subject to this agreement are identified in attachment "A" which is attached to and incorporated into this agreement by this reference.

Section 2. Term.

The lease shall be month to month beginning on the Effective Date and may be cancelled by either party upon receipt of thirty (30) days written notice from the other party.

Section 3. Consideration.

ALBO agrees to pay the district the sum of one hundred dollars (\$100) for the first month's rent, and the sum of two hundred dollars (\$200.00) per month for rent of the facility each month after three (3) months, due and payable on the last working day of each month. A Deposit of one hundred dollars (\$100) will be required and shall be refundable if the conditions of the term agreement are met. ALBO agrees to pay all Utilities (P.G. & E., Water, Sewer & Garbage).

Delinquent payments paid three days after the due date, shall bear a late charge of one and one-half percent (1.5%) per month or portion thereof that the payment is delinquent.

Section 4. Use of the Red Caboose Facilities.

- A. Days and Hours of Use. The ALBO may use the Red Caboose Facilities to operate as Food Services on the dates and during the times set forth in this Agreement. Hours of operation shall be Monday through Friday 8am to 8pm, Excluding the following days/times:

- Valentines Dance (February)
- Easter Program (March/April)
- Fiesta Day (September)

- **Halloween Dance (October)**
- **Thanksgiving Luncheon (November)**
- **Christmas Program (December)**

Due to the nature of scheduling, date and times may vary by event. Notice of event exclusion will be given 10 days before the event. Days and hours of use may be changed by written agreement of the Parties.

- B. Equipment. The ALBO agrees to provide and pay for their own telephone service, marketing, and equipment.
- C. Maintenance. The ALBO agrees to maintain cleanliness of the Facility and its surrounding area, to be free from trash and debris, and to be swept and sanitized clean daily use.
- D. Condition of the Red Caboose Facilities. ALBO has inspected and accepts the condition of the Red Caboose Facilities as is and acknowledges that the Red Caboose Facilities are suitable and safe for the intended purpose. The District will be responsible for routine maintenance (Electrical/Sink etc.).

Section 5. Nuisance or Unlawful Use.

The ALBO shall not to commit, or allow others to commit, any waste in/outer location of the Red Caboose Facilities, or nuisance, nor shall it use or allow the Red Caboose Facilities to be used in violation of Federal, State, County and/or Laws, ordinances or regulations including the Park Rules which are attached hereto and incorporated herein by this reference as attachment "B."

The ALBO, at their sole expense, shall promptly comply with any and all laws, ordinances, rules, regulations, requirements and orders whatsoever, present or future, or national, state or local government, which may in any way apply to the use, maintenance or occupation or operations at the Red Caboose Facilities, provided that such compliance does not prevent the above reasonable use of the Red Caboose Facilities, and if so, this Agreement, at the option of the ALBO, shall terminate without any further liability or obligation by either party.

Section 6. Holdover and Surrender.

The ALBO shall, at the termination of this Agreement, vacate the Red Caboose Facilities in as good a condition as they were at the Effective Date of this

Agreement, except for the reasonable use and wear thereof, acts of God, or damage by casualty beyond the control of ALBO.

Section 7. Fixtures and Improvements.

The ALBO shall not remove improvement the Red Caboose Facilities or any District Property during or at the expiration or other termination of this Agreement, or any extension or holdover period therefor, but may remove fixtures, equipment and other personal property placed or installed in or upon the Red Caboose Facilities by ALBO or under its authority. Any damage resulting from removal in other than a good workmanlike manner shall be repaired by ALBO.

The ALBO agrees that, except for reasonable repairs and minor improvements, it will not allow the Red Caboose Facilities to be altered or any facilities installed or constructed without having first obtained the written consent of the District for such proposed alteration.

The ALSO will not construct or place or permit to be constructed or placed any sign, awnings, marquees, or other structures projecting from the exterior of the Red Caboose Facilities without District's prior written consent. The ALSO further agrees to remove signs, displays, advertisements or decorations it has placed or permitted to be placed, on the Red Caboose Facilities, which in the District's opinion are offensive or otherwise objectionable. If the ALSO fails to remove such signs, displays, advertisements or decorations within five (5) days after having received written notice to remove the same from the District, the District may re-enter the Red Caboose Facilities and remove them at the ALBO's expense.

Section 8. Inspection and Maintenance.

The ALBO shall keep in a good repair and maintain except as provided on Section 4(e) at the ALBO's expense the Red Caboose Facilities including any improvement thereon.

The District reserves the right to enter and inspect the Red Caboose Facilities at any time. The District will give ALSO notice of any condition(s) that the District determines needs repair/maintenance if the ALBO fails, neglects, or refuses to commence the repair or maintenance work required herein ten (10) days after written notice has been served by the District, or if the ALSO fails, neglects or refuses to pursue the repair or the maintenance work with reasonable diligence to completion, the District may, at its sole option, perform or cause to be performed such repair or maintenance work and add reasonable costs thereof to the installments of rent next due, as a charge, to the District. The District reserves the right to immediately cease the use of the Red Caboose Facilities by ALSO and/or effect immediate repairs if, in its sole determination, the District determines that there is any condition present on the Red Caboose Facilities that is an immediate danger to the health, safety or welfare of the Public.

Section 9. **Indemnification.**

Except to the extent of District's gross negligence or willful misconduct, and to the fullest extent permitted by law, ALBO agrees to indemnify, hold harmless, protect, and defend District and District's employees, Board of Directors, agents, representatives, and contractors from any and all claims, causes of action, liability, losses, costs and damages, for the foreseeable or unforeseeable, arising out of or related to any act, omission, or neglect of ALSO or ALBO's agents, employees, representatives, or contractors, or arising from or related to ALBO's use of or activities on or about the property of the District including, without limitation to, any claims, liens or encumbrances related to or resulting from this Agreement. The provisions of this section shall survive the termination, cancellation, or expiration of this Agreement.

Section 10. **Insurance.**

ALSO, at its sole cost and expense, shall acquire and maintain in full force and effect throughout the term of this Agreement worker's compensation, employer's liability, and commercial general liability insurance. The minimum amounts of coverage corresponding to the aforesaid categories of insurance per insurable event shall be as follows:

<u>INSURANCE CATEGORY</u>	<u>MINIMUM LIMITS</u>
Worker's Compensation	Statutory
Employer's Liability Minimum	\$100,000/accident for bodily injury or disease
Limit	\$1,000,000 per occurrence for bodily injury
Comprehensive General Liability	\$1,000,000 per occurrence for personal injury \$1,000,000 per occurrence for property damage

Any deductibles or self-insured retentions must be declared to and approved by the General Manager of District. In the event District does not approve of a deductible amount, at the option of the District, either ALBO's insurer shall reduce or eliminate the deductible or self-insurance retentions with respect to District, its officers, employees, and agents, or ALBO shall procure a bond guaranteeing payment of losses related to investigations, claim administration and defense expenses.

Concurrently with the execution of this Agreement, ALBO shall furnish District with certificates and copies of information or declaration pages of the insurance required by the Agreement herein and, with respect to evidence of commercial general liability coverage, original endorsements as follows:

A. Precluding cancellation or reduction in coverage before expiration of thirty (30) days after District shall receive written notification of cancellation or reduction in coverage by certified mail, return-receipt requested.

B. Providing the ALBO's insurance shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability (cross-liability endorsements);

C. Naming District, its Board, officers, employees, and agents as additional insureds; and

D. Providing that ALBO's insurance shall be primary insurance relating to ALBO's services herein under this Agreement with respect to the District, its Board, officers, employees, and agents, and further providing that any insurance or self-- insurance maintained by the District on behalf of the District, its Board, officers, employees, and agents shall be in excess of ALBO's insurance and shall not be contributory with it.

In the event of the breach of any of the provisions of this paragraph, or in the event of any notices received which indicate any required insurance coverage will be diminished or cancelled, District, at its option, may notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend use of the District facilities by ALBO pursuant to this Agreement.

Section 11. **General.**

A. Independent Contractor. ALBO is an independent contractor and not an officer, agent, servant, or employee of District. ALBO is fully responsible for the acts and omissions of its officers, agents, employees, contractors, or representatives. Nothing in this Agreement shall be construed as creating a partnership or joint venture between District and ALBO. Neither ALBO nor its officers, employees, agents, contractors, or representatives shall obtain a right to retirement or other benefits that accrue to District employees.

B.

C. Property Damage. Any physical damage caused by the negligent or willful acts or omission of ALBO, its employees, contractors, agents or representatives shall be repaired or replaced promptly by ALBO, at ALBO's sole expense.

D. Choice of Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lay exclusively in the County of Fresno.

E. Amendment. This Agreement may only be amended when modified upon written agreement between the parties hereto. The parties agree to meet and confer in good faith if amendments or modifications are proposed.

F. Severability. If any of the provisions contains in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained in this Agreement.

G. Entire Agreement. This Agreement is the entire agreement between the parties, and supersedes any prior agreement, representation, negotiations, or correspondence between the parties except as expressed in this Agreement. Except as otherwise provided in this Agreement, no subsequent change or addition to this Agreement shall be binding unless in writing and signed by the parties to this Agreement.

H. Waiver. The waiver by either party of any breach or violation of any provision of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provisions. The acceptance of any monies that become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by other parties of any provision to this Agreement.

I. Joint and Several. If ALBO is constituted of more than one person or entity, the obligations imposed on each said person or entity shall be joint and several.

J. Attorney's Fees. In the event that any action is instituted by either party to enforce any right or obligation under this Agreement, the prevailing party shall be entitled to and have its fees and costs associated with such action including, but not limited to, attorney's fees and expert witness fees.

K. Transfer by ALBO. ALBO shall not, in any way, directly or indirectly, transfer or sign any right or duty under this Agreement without prior written consent of District.

L. Notice. Either party may give the other party any notice required or permitted pursuant to this Agreement f o l l o w s :

To the District: Malaga County Water District
3580 S. Frank
Street Fresno, CA
93725
Attn: Moises Ortiz, General Manager

To ALBO: Angie Landin, Business Owner
NEED ADDRESS
Ph. 559-301-7044

M. Authority. Each person signing below represents and warrants that he or she is duly authorized to sign and enter into this Agreement.

N. Execution and Counterparts. This Agreement may be executed in counterparts or by facsimile, each of which shall be an original and all of which shall constitute one and the same agreement.

Owner:

ALBO:

MOISES ORTIZ, GENERAL
MANAGER MALAGA COUNTY
WATER DISTRICT

ANGIE LANDIN, BUSINESS OWNER

Date Signed: _____

Date Signed: _____

**RENTAL AGREEMENT BETWEEN MALAGA COUNTY WATER DISTRICT
AND HUGO MARTINEZ, FOLKLORICO INSTRUCTOR**

This Agreement is entered into by and between the Malaga County Water District, hereinafter referred to as "District" and Hugo Martinez, Folklorico Instructor hereinafter referred to as "HMFI", for the rental of Center Facilities at District's Park effective Thursday July 1, 2021, (the "Effective Date") as follows:

Section 1. Purpose.

HMFI requires facilities to operate Folklorico Dance Services for Youth/Adults and desires to rent the District's Center Facilities. The "Center Facilities" subject to this agreement are identified in attachment "A" which is attached to and incorporated into this agreement by this reference.

Section 2. Term.

The lease shall be month to month beginning on the Effective Date and may be cancelled by either party upon receipt of thirty (30) days written notice from the other party.

Section 3. Consideration.

HMFI agrees to pay the District the sum of two hundred dollars (\$200) for the first month's rent, and the sum of eight hundred dollars (\$800.00) per month for rent of the facility each month thereafter, due and payable on the last working day of each month. A Deposit of one hundred dollars (\$100) will be required and shall be refundable if the conditions of the term agreement are met.

Delinquent payments paid three days after the due date, shall bear a late charge of one and one-half percent (1.5%) per month or portion thereof that the payment is delinquent.

Section 4. Use of Park/Center Facilities.

- A. Days and Hours of Use. The HMFI may use the Park/Center Facilities to operate as Dance practice on the dates and during the times set forth in this Agreement. Hours of operation shall be **Monday through Friday 6pm to 8pm**, Excluding the following days/times:

Valentines Dance (February)

Easter Program (March/April)

Fiesta Day (September)

Halloween Dance (October)

Thanksgiving Luncheon (November)

Christmas Program (December)

Due to the nature of scheduling, date and times may vary by event. Notice of event exclusion will be given 10 days before the event. Days and hours of use may be changed by written agreement of the Parties.

Days and hours of use may be changed by written agreement of the Parties.

- B. Equipment. The HMFI agrees to provide and pay for their own telephone service, marketing and equipment.
- C. Maintenance. The HMFI agrees to maintain cleanliness of the Facility and its surrounding area, to be free from trash and debris, and to be swept and sanitized clean daily use. HMFI may not store any equipment or personal property in the premises.
- D. Staffing. The District agrees to provide staff from 6pm to 8pm and that HMFI is responsible for providing its own staff and is responsible for the supervision and safety of all persons (club members, licensees or invitees)
- E. Condition of Park/Center Facilities. HMFI has inspected and accepts the condition of the Park/Center Facilities as is and acknowledges that the Park/Center Facilities are suitable and safe for the intended purpose. The District will be responsible for routine maintenance (Toilets/Sinks etc.).

Section 5. **Nuisance or Unlawful Use.**

The HMFI shall not to commit, or allow others to commit, any waste in/outer location of the Park/Center Facilities, or nuisance, nor shall it use or allow the Par/Center Facilities to be used in violation of Federal, State, County and/or Laws, ordinances or regulations including the Park Rules which are attached hereto and incorporated herein by this reference as attachment "B."

The HMFI, at their sole expense, shall promptly comply with any and all laws, ordinances, rules, regulations, requirements and orders whatsoever, present or future, or national, state or local government, which may in any way apply to the use, maintenance or occupation or operations at the Park/Center Facilities, provided that such compliance does not prevent the above reasonable use of the Park/Center Facilities, and if so, this Agreement, at the option of the HMFI, shall terminate without any further liability or obligation by either party.

Section 6. **Holdover and Surrender.**

The HMFI shall, at the termination of this Agreement, vacate the Park/Center Facilities in as good a condition as they were at the Effective Date of this Agreement, except for

the reasonable use and wear thereof, acts of God, or damage by casualty beyond the control of HMFI.

Section 7. Fixtures and Improvements.

The HMFI shall not remove improvement the Park/Center Facilities or any District Property during or at the expiration or other termination of this Agreement, or any extension or holdover period therefor, but may remove fixtures, equipment and other personal property placed or installed in or upon the Park/Center Facilities by HMFI or under its authority. Any damage resulting from removal in other than a good workmanlike manner shall be repaired by HMFI.

The HMFI agrees that, except for reasonable repairs and minor improvements, it will not allow the Park/Center Facilities to be altered or any facilities installed or constructed without having first obtained the written consent of the District for such proposed alteration.

The HMFI will not construct or place or permit to be constructed or placed any sign, awnings, marquees, or other structures projecting from the exterior of the Park/Center Facilities without District's prior written consent. The HMFI further agrees to remove signs, displays, advertisements or decorations it has placed or permitted to be placed, on the Park/Center Facilities; which in the District's opinion are offensive or otherwise objectionable. If the HMFI fails to remove such signs, displays, advertisements or decorations within five (5) days after having received written notice to remove the same from the District, the District may re-enter the Park/Center Facilities and remove them at the HMFI's expense.

Section 8. Inspection and Maintenance.

The HMFI shall keep in a good repair and maintain except as provided on Section 4(e) at the HMFI's expense the Park/Center Facilities including any improvement thereon.

The District reserves the right to enter and inspect the Park/Center Facilities at any time. The District will give HMFI notice of any condition(s) that the District determines needs repair/maintenance if the HMFI fails, neglects, or refuses to commence the repair or maintenance work required herein ten (10) days after written notice has been served by the District, or if the HMFI fails, neglects or refuses to pursue the repair or the maintenance work with reasonable diligence to completion, the District may, at its sole option, perform or cause to be performed such repair or maintenance work and add reasonable costs thereof to the installments of rent next due, as a charge, to the District. The District reserves the right to immediately cease the use of the Park/Center Facilities by HMFI and/or effect immediate repairs if, in its sole determination, the District determines that there is any condition present on the Park/Center Facilities that is an immediate danger to the health, safety or welfare of the Public.

Section 9. Indemnification.

Except to the extent of District's gross negligence or willful misconduct, and to the fullest extent permitted by law, HMFI agrees to indemnify, hold harmless, protect, and

defend District and District's employees, Board of Directors, agents, representatives, and contractors from any and all claims, causes of action, liability, losses, costs and damages, for the foreseeable or unforeseeable, arising out of or related to any act, omission, or neglect of HMFI or HMFI's agents, employees, representatives, or contractors, or arising from or related to HMFI's use of or activities on or about the property of the District including, without limitation to, any claims, liens or encumbrances related to or resulting from this Agreement. The provisions of this section shall survive the termination, cancellation, or expiration of this Agreement.

Section 10. **Insurance.**

HMFI, at its sole cost and expense, shall acquire and maintain in full force and effect throughout the term of this Agreement worker's compensation, employer's liability, and commercial general liability insurance. The minimum amounts of coverage corresponding to the aforesaid categories of insurance per insurable event shall be as follows:

<u>INSURANCE CATEGORY</u>	<u>MINIMUM LIMITS</u>
Worker's Compensation	Statutory
Employer's Liability Minimum	\$100,000/accident for bodily injury or disease
Limit	\$1,000,000 per occurrence for bodily injury
Comprehensive General Liability	\$1,000,000 per occurrence for personal injury \$1,000,000 per occurrence for property damage

Any deductibles or self-insured retentions must be declared to and approved by the General Manager of District. In the event District does not approve of a deductible amount, at the option of the District, either HMFI's insurer shall reduce or eliminate the deductible or self-insurance retentions with respect to District, its officers, employees and agents, or HMFI shall procure a bond guaranteeing payment of losses related to investigations, claim administration and defense expenses.

Concurrently with the execution of this Agreement, HMFI shall furnish District with certificates and copies of information or declaration pages of the insurance required by the Agreement herein and, with respect to evidence of commercial general liability coverage, original endorsements as follows:

A. Precluding cancellation or reduction in coverage before expiration of thirty (30) days after District shall receive written notification of cancellation or reduction in coverage by certified mail, return-receipt requested.

8. Providing the HMFI's insurance shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability (cross-liability endorsements);

C. Naming District, its Board, officers, employees, and agents as additional insureds; and

D. Providing that HMFI's insurance shall be primary insurance relating to HMFI's services herein under this Agreement with respect to the District, its Board, officers, employees, and agents, and further providing that any insurance or self-insurance maintained by the District on behalf of the District, its Board, officers, employees and agents shall be in excess of HMFI's insurance and shall not be contributory with it.

In the event of the breach of any of the provisions of this paragraph, or in the event of any notices received which indicate any required insurance coverage will be diminished or cancelled, District, at its option, may notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend use of the District facilities by HMFI pursuant to this Agreement. Section

11. **General.**

A. Independent Contractor. HMFI is an independent contractor and not an officer, agent, servant, or employee of District. HMFI is fully responsible for the acts and omissions of its officers, agents, employees, contractors, or representatives. Nothing in this Agreement shall be construed as creating a partnership or joint venture between District and HMFI. Neither HMFI nor its officers, employees, agents, contractors, or representatives shall obtain a right to retirement or other benefits that accrue to District employees.

B. Property Damage. Any physical damage caused by the negligent or

willful acts or omission of HMFI, its employees, contractors, agents, or representatives shall be repaired or replaced promptly by HMFI, at HMFI's sole expense.

C. Choice of Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lay exclusively in the County of Fresno.

D. Amendment. This Agreement may only be amended when modified upon written agreement between the parties hereto. The parties agree to meet and confer in good faith if amendments or modifications are proposed.

E. Severability. If any of the provisions contains in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained in this Agreement.

F. Entire Agreement. This Agreement is the entire agreement between the parties, and supersedes any prior agreement, representation, negotiations, or correspondence between the parties except as expressed in this Agreement. Except as otherwise provided in this Agreement, no subsequent change or addition to this Agreement shall be binding unless in writing and signed by the parties to this Agreement.

G. Waiver. The waiver by either party of any breach or violation of any provision of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provisions. The acceptance of any monies that become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by other parties of any provision to this Agreement.

H. Joint and Several. If HMFI is constituted of more than one person or entity, the obligations imposed on each said person or entity shall be joint and several.

I. Attorney's Fees. In the event that any action is instituted by either party to enforce any right or obligation under this Agreement, the prevailing party shall be entitled to and have its fees and costs associated with such action including, but not limited to, attorney's fees and expert witness fees.

J. Transfer by HMFI. HMFI shall not, in any way, directly or indirectly, transfer or sign any right or duty under this Agreement without prior written consent of District.

K. Notice. Either party may give the other party any notice required or permitted pursuant to this Agreement follows:

To the District: Malaga County Water District
3580 S. Frank Street
Fresno, CA 93725
Attn: General
Manager

To HMFI Hugo Martinez, Folklorico Instructor
NEED ADDRESS AND PHONE NUMBER

L. Authority. Each person signing below represents and warrants that he or she is duly authorized to sign and enter into this Agreement.

M. Execution and Counterparts. This Agreement may be executed in counterparts or by facsimile, each of which shall be an original and all of which shall constitute one and the same agreement.

Owner:

HMFI:

MOISES ORTIZ, GENERAL MANAGER
MALAGA COUNTY WATER DISTRICT

HUGO MARTINEZ
FOLKLORICO INSTRUCTOR

Date Signed: _____

Date Signed: _____

item 4.b.

RESOLUTION NO. 02-08-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MALAGA COUNTY WATER DISTRICT AMENDING PERSONNEL POLICY NO. 2110.10 AND ESTABLISHING ADDITIONAL REQUIREMENTS FOR PARTICIPATION IN THE ACCIDENT, HEALTH, HOSPITAL AND DENTAL INSURANCE COVERAGE PROVIDED BY THE DISTRICT TO EMPLOYEES

WHEREAS, the current version of Personnel Policy No. 2110.10, a copy of which is attached as Exhibit A provides, among other things, for in lieu of payments to employees for healthcare benefits who do not receive the healthcare insurance provided by District; and

WHEREAS, the practice of providing employees payments in lieu of receiving healthcare coverage for themselves and dependents who elect not to participate in the healthcare benefits plan provided by the District has caused a situation where there is minimal participation by employees in the healthcare benefits plan which renders that plan subject to termination by the insurance provider for lack of the required 60% participation rate; and

WHEREAS, to correct the lack of any significant participation by employees in the health benefits plan provided by District. District is discontinuing the practice of providing in lieu of payments to employees over a period of time.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MALAGA COUNTY WATER DISTRICT AS FOLLOWS:

1. That the foregoing recitals are true and correct.
2. The Board of Directors hereby repeals and replaces Policy No. 2110.10 entitled Medical Expense Insurance to read as the policy is reproduced in Exhibit B attached to this Resolution and incorporated by this reference.
3. Any person employed on or after February 8, 2022, or who increases his or her part-time work schedule to at or above 30 hours per week shall not receive in lieu of payments if they do not participate in the health benefits plan in the amount of the cash equivalent that the District would have otherwise incurred to enroll and maintain the employee participation in any health benefits plan.

4. Beginning December 1, 2022, employees who do enroll in District's Health Benefits Plan shall be required to pay the monetary amount that is equal to 15% of the premiums for the Health Benefits Plan for themselves, their spouse and/or dependents and employees hired or increased to 30 hours per week on or after February 8, 2022 will continue to receive the in lieu of payment, but that amount will be reduced to 75% of the cash equivalent of the amount that the District would have otherwise incurred to enroll and maintain the employee alone in the health benefits plan.

5. The Policy, No. 2110.10, has always provided that payment of premiums for the Health Benefits Plan is subject to periodic review and revision by the Board of Directors and the Board takes the foregoing action because it is necessary to the District's ability to provide Health Benefits to its employees.

* * * * *

Passed and approved by the Board of Directors of the Malaga County Water District at their meeting held on this 8th day of February, 2022, by the following vote:

AYES:

NOES:

ABSENT:

Charles Garabedian, President of the
Malaga County Water District

ATTEST:

Moises Ortiz, Secretary to the Board
of Directors of the Malaga County Water District

**AUTHORIZING RESOLUTION
RESOLUTION NO. 02-08-2022A**

WHEREAS, Malaga County Water District has determined that there are necessary improvements to the wastewater treatment and disposal facilities of the Malaga County Water District;

WHEREAS, the identified improvements are for the purpose of improving the treatment facilities to enable compliance with the requirements of the Waste Discharge Requirement Order No. R5-2020-0001 to reduce nitrogen concentration of the treated effluent, and to improve the operational facilities for resilient and effective operation, and to provide for enhanced disposal capacity;

WHEREAS, Malaga County Water District has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, Malaga County Water District intends to apply for grant funding from the California Clean Water State Revolving Fund for the Malaga County Water District Wastewater Treatment and Disposal Facilities Improvement Project;

THEREFORE, IT IS RESOLVED BY THE BOARD OF DIRECTORS OF THE MALAGA COUNTY WATER DISTRICT (the “Entity”), AS FOLLOWS:

The District Manager (the “Authorized Representative”) or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Malaga County Water District Wastewater Treatment and Disposal Facilities Improvement Project (the “Project”).

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee is designated to represent the Entity in carrying out the Entity’s responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

* * * * *

Passed and adopted by the Board of Directors of the Malaga County Water District at their meeting held on this 8th day of February 2022, by the following vote:

AYES:

NOES:

ABSENT:

Charles Garabedian, Jr., President
Malaga County Water District

ATTEST:

Moises Ortiz, General Manager
Secretary of the Board of Directors
Malaga County Water District

item 4.d.

INSTALLMENT PURCHASE AGREEMENT

by and between

MALAGA COUNTY WATER DISTRICT

and

FIRST FOUNDATION PUBLIC FINANCE

Dated as of March ____, 2022

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, made and entered into as of March ____, 2022 by and between MALAGA COUNTY WATER DISTRICT, a water district duly organized and existing under the laws of the State of California (the "District"), and FIRST FOUNDATION BANK PUBLIC FINANCE, a Delaware statutory trust and wholly owned subsidiary of First Foundation Bank (including its successors and assigns, the "Bank").

WITNESSETH:

WHEREAS, the District is making early repayment of a Purchase and Sale Agreement entered into in 2010 with City National Bank refinancing previous indebtedness used for the construction/reconstruction/repair of water and sewer facilities and to fund the construction of a public water well and make certain improvements to the District's waste water treatment facility (the "2010 Project");

WHEREAS, the Bank has agreed to assist the District in financing the acquisition of the 2010 Project for the District on the terms and conditions set forth in this Agreement;

WHEREAS, the District and the Bank have duly authorized the execution and delivery of this Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

[2010 Project]. The term "2010 Project" means the refunding of the 2010 PSA, the proceeds of which were used to refinance 2001, 2002, and 2005 loans from WestAmerica Bank (the WAB Loans). The WAB Loans were used to construct/reconstruct/repair or replace certain District water and sewer facilities. Additionally, a portion of the WAB funds were used to construct a water well and make improvements to the District's waste water treatment facility.

2010 PSA. The term "2010 PSA" means and refers to a Purchase and Sale Agreement by and between the District and WestAmerica Bank related to the 2010 Project.]

Accountant's Report. The term "Accountant's Report" means a report signed by an Independent Certified Public Accountant.

Agreement. The term "Agreement" means this Installment Purchase Agreement, dated as of March ___, 2022, by and between the District and the Bank, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Bank. The term "Bank" means First Foundation Public Finance, a Delaware statutory trust and wholly owned subsidiary of First Foundation Bank, and its successors and assigns.

Bureau. The term "Bureau" means the United States of America acting through the Bureau of Reclamation.

Business Day. The term "Business Day" means a day other than: a Saturday or Sunday or a day on which: (a) banks located in San Francisco are not required or authorized to remain closed; and (b) the New York Stock Exchange is not closed.

Closing Date. The term "Closing Date" means March ___, 2022.

Default Rate. The term "Default Rate" means, as of any date, a rate of interest equal to the interest rate then applicable to the Installment Payments, plus 3.00%.

"Determination of Taxability" means, and shall be deemed to have occurred, on the first to occur of the following:

(a) on the date when the District files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have occurred;

(b) on the date when the Bank notifies the District that it has received a written opinion from Special Counsel to the effect that an Event of Taxability has occurred, which notice shall be accompanied by a copy of such opinion of Special Counsel, unless, within 180 days after receipt by the District of such notification and copy of such opinion from the Bank, the District shall deliver to the Bank a ruling or determination letter issued to or on behalf of the District by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(c) on the date when the District is advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon any review or audit or upon any other ground whatsoever, an Event of Taxability has occurred; or

(d) on the date when the District receives notice from the Bank that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed the interest on the Installment Payments as includable in the gross income of the Bank due to the occurrence of an Event

of Taxability, provided that the Bank has provided a copy of document(s) received from the Internal Revenue Service to the District;
provided, however, that no Determination of Taxability shall occur under subparagraph (c) or subparagraph (d) above unless the District has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined;

provided further, however, that upon demand from the Bank following an event listed in subparagraphs (a), (b), (c) or (d), the District shall reimburse the Bank for any payments, including any taxes, interest, penalties or other charges that the Bank shall be obligated to make to the Internal Revenue Service as a result of the Determination of Taxability.

District. The term “District” means Malaga County Water District, a water district duly organized and existing under and by virtue of the laws of the State of California.

DWSRF Project. The term “DRSRF Project” means and refers to, collectively: California State Water Resources Control Board Project No. 1010042-014C for the installation of water meters in the District; a grant and installment and sale agreement, Agreement No. D16-02072 which includes a loan with a principle repayment amount of \$419,766.00 which pledges the Districts enterprise fund to secure repayment on parity with the 2010 Project. A copy of the DRSRF Project payment schedule is attached hereto and incorporated herein by this reference as Exhibit B.

Environmental Laws. The term “Environmental Laws” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, or rules, and all judgments, orders, decrees, permits, concessions, grants, franchises, licenses, permits, agreements or governmental restrictions relating to air, water or land pollution, wetlands, or the protection of the environment or the release of any materials into the environment, including air, water or land and those related to Hazardous Materials, air emissions and discharges to waste or public systems.

Environmental Liability. The term “Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the District directly or indirectly resulting from or based upon: (1) violation of any Environmental Law; (2) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials; (3) exposure to any Hazardous Materials; (4) the release or threatened release of any Hazardous Materials into the environment; or (5) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

Event of Default. The term “Event of Default” means an event described in Section 8.01.

Event of Taxability. The term “Event of Taxability” means any action, inaction or event that has the effect of causing interest paid or payable on the Installment Payments to be includable, in whole or in part, in the gross income of the holder of the Installment Payments for federal income tax purposes.

Excess Pledged Revenues Account. The term “Excess Pledged Revenues Account” means any account by that name within the Revenue Fund established and held by the District pursuant to Section 5.02.

Fair Market Value. Fair Market Value means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security-State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Issuer and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

Federal Securities. The term "Federal Securities" means: (a) non-callable direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America; (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; and (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America.

Fiscal Year. The term "Fiscal Year" means the period beginning on July 1 of each year and ending on the following June 30, or any other twelve-month period selected and designated as the official Fiscal Year of the District.

Governmental Authority. The term "Governmental Authority" means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, District or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

Generally Accepted Accounting Principles. The term "Generally Accepted Accounting Principles" means the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

Hazardous Materials. The term "Hazardous Materials" means: (1) any petroleum or petroleum products, flammable substance, explosives, radioactive materials, hazardous waste or contaminants, toxic wastes, substances or contaminants, or any other wastes, contaminants, or pollutants; (2) asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers, or other equipment that contains dielectric fluid containing levels of polychlorinated biphenyls or radon gas; (3) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable Environmental Law; (4) any other

chemical, material or substance, exposure to which is prohibited, limited, or regulated by any governmental authority; and (5) any other chemical, material or substance which may or could pose a hazard to the environment.

Independent Certified Public Accountant. The term "Independent Certified Public Accountant" means any firm of certified public accountants appointed by the District, each of whom is independent of the District and the Bank pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Installment Payment Date. The term "Installment Payment Date" means: (a) ____ 15, 2022 and each ____ 15 and ____ 15 thereafter, or if said date is not a Business Day, then the following Business Day; or (b) any other date upon which Installment Payments become due and payable, whether by acceleration, prepayment or otherwise.

Installment Payments. The term "Installment Payments" means the installment payments of interest and principal scheduled to be paid by the District under and pursuant hereto.

Law. The term "Law" means the Government Code and the Water Code of the State of California and all laws amendatory thereof or supplemental thereto.

Manager. The term "Manager" means the Board Chairman of the District, or any other person designated by the Board of Directors to act on behalf of the District.

Material Adverse Effect. The term "Material Adverse Effect" means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District; (b) the ability of the District to carry out its business in the manner conducted as of the date of this Agreement or to meet or perform its obligations under this Agreement on a timely basis; (c) the validity or enforceability of this Agreement; or (d) the exclusion of interest with respect to the Installment Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

Material Litigation. The term "Material Litigation" means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Authority, of which the District has notice or knowledge and which, (a) if determined adversely to the District, may have a Material Adverse Effect; (b) seek to restrain or enjoin any of the transactions contemplated by this Agreement; or (c) may adversely affect (i) the exclusion of interest with respect to the Installment Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes; or (ii) the ability of the District to perform its obligations under this Agreement.

Permitted Investments. The term "Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) Any direct or indirect obligations of an agency or department of the United States of America whose obligations represent the full faith and credit of the United States of America, or which are rated A or better by S&P and Moody's.

- (c) Interest-bearing deposit accounts (including certificates of deposit) in federal or State chartered savings and loan associations or in federal or State of California banks (including the Trustee), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by S&P and Moody's; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation.
- (d) Commercial paper rated in the highest short-term rating category by S&P and Moody's.
- (e) Federal funds or bankers acceptances with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating in the highest rating category of S&P and Moody's.
- (f) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAm or AAm (such funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services).
- (g) Obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by S&P and Moody's, or (b) fully secured as to the payment of principal and interest by Federal Securities.
- (h) Obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P and Moody's.
- (i) Bonds or notes issued by any state or municipality which are rated by S&P and Moody's in one of the two highest rating categories assigned by such rating agencies.
- (j) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by S&P and Moody's at the time of initial investment, by the terms of which all amounts invested thereunder are required to be withdrawn and paid to the Trustee in the event such rating at any time falls below A.
- (k) The Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

Pledged Revenues. The term “Pledged Revenues” means the rates and charges levied and collected by the District upon all properties within the District in accordance with the Districts Ordinance Code and Schedule of Master Rates Fees Charges and Recovered Costs. These Pledged Revenues may be on parity with those revenues in the Districts enterprise fund(s) which are pledged for the repayment of the DWSRF Project.

Purchase Price. The term “Purchase Price” means the principal amount plus interest thereon owed by the District to the Bank under the terms hereof as provided in Section 4.01.

Revenue Fund. The term “Revenue Fund” means the fund or account of such name into which the District shall deposit all of the Pledged Revenues upon receipt pursuant to Section 5.02.

Special Counsel. The term “Special Counsel” means (a) _____, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Code.

Taxable Rate. The term “Taxable Rate” means ____%.

Water and Sewer System. The term “Water and Sewer System” means the whole and each and every part of the water and sewer system of the District, including facilities for irrigation service, municipal and industrial water service, any other water service and electric generation or transmission service, and including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such water and sewer or any part thereof hereafter acquired or constructed.

Written Consent of the District, Written Order of the District, Written Request of the District, Written Requisition of the District. The terms “Written Consent of the District,” “Written Order of the District,” “Written Request of the District,” and “Written Requisition of the District” mean, respectively, a written consent, order, request or requisition signed by or on behalf of the Manager.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations by the District. The District makes the following representations:

(a) The District is a County water district duly organized and existing under and pursuant to the Constitution and laws of the State of California (Water Code section 30000, et. sec.), including the Law.

(b) The District has full legal right, power and authority to enter into this Agreement and carry out its obligations hereunder, to carry out and consummate all other transactions contemplated by this Agreement, and the District has complied with the provisions of all applicable law in all matters relating to such transactions.

(c) By proper action, the District has duly authorized the execution, delivery and due performance of this Agreement.

(d) The District will not take or, to the extent within its power, permit any action to be taken, which results in the interest paid for the installment purchase of the 2010 Project under the terms of this Agreement being included in the gross income for purposes of federal or State of California income taxation.

(e) The District has determined that it is necessary and proper for District uses and purposes that the District finance the 2010 Project in the manner provided for in this Agreement.

(f) The District is empowered to levy and collect the Pledged Revenues without review or approval by any State or local government agency, and all proceedings related to the imposition of the charges that comprise the Pledged Revenues were conducted in accordance with applicable law, including all notice and public hearing provisions.

(g) The execution and delivery of this Agreement and the consummation of the transactions herein contemplated will not violate any provision of any law, order of any court or other agency of government, or any indenture, material agreement or other instrument to which the District is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the District.

(h) All approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the District to perform its obligations under this Agreement, have been obtained or made, as the case may be, and are in full force and effect.

(i) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Agreement or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement, or the financial condition, assets, properties or operations of the District.

(j) Except for the DWSRF Project described herein, the District has not issued or incurred any obligations which are currently outstanding having any priority in payment out of the Pledged Revenues over the payment of the Installment Payments.

(k) There has been no change in the assets, liabilities, financial position or results of operations of the District that might reasonably be anticipated to cause a Material Adverse Effect.

(l) The District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect.

(m) The District is not in default under the terms of any agreement or instrument to which the District is a party or by which the District is bound.

(n) The District acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the District and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or fiduciary of the District, (iii) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto, (iv) the Bank and its affiliates have financial and other interests that differ from those of the District and (v) the District has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

(o) All information, reports and other papers and data furnished by the District and its agents to the Bank were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Bank a true and accurate knowledge of the subject matter and were provided in expectation of the Bank's reliance thereon in entering into the transactions contemplated by this Agreement. No fact is known to the District which has had or, so far as the District can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Bank or in other such information, reports, papers and data or otherwise disclosed in writing to the Bank prior to the Closing Date. Any financial, budget and other projections furnished to the Bank by the District or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the District's best estimate of the District's future financial performance. No document furnished nor any representation, warranty or other written statement made to the Bank in connection with the negotiation, preparation or execution of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

(p) The District has structured fees, estimated revenues and/or taken other lawful actions necessary to ensure that the pledge of and lien on Pledged Revenues are sufficient to pay all Installment Payments when due and payable, and such moneys have been and will continue to be applied in the funds and accounts as required herein and towards payment of all Installment Payments when due and payable. Other than as disclosed in writing to the Bank, there are currently no loans, bonds or other obligations with a senior lien on the Pledged Revenues.

(q) The District and its properties: (i) have not become subject to any Environmental Liability caused by the District, nor does the District know of any basis for any Environmental Liability against the District; (ii) have not received notice to the effect that any of the District's operations are not in compliance with any of the requirements of any Environmental Laws or any applicable federal, state or local health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any Hazardous Materials into the environment; and (iii) to the best knowledge of the District, are in compliance with all Environmental Laws. The District has obtained and maintains or complies with any permit, license or other approval required under any Environmental Law, in each of clauses (i), (ii) and (iii) above, except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect on the ability of the District to receive Revenues or its ability to perform its obligations hereunder.

ARTICLE III

SALE AND PURCHASE OF THE 2010 Project

Section 3.01. Sale of the 2010 Project to Bank. In consideration for an upfront payment to be paid by the Bank on the Closing Date, for financing of the 2010 Project the District agrees to sell, and hereby sells, to the Bank and the Bank agrees to purchase, and hereby purchases from the District, the 2010 Project. On the Closing Date, the upfront payment shall be paid by the Bank according to directions given by the District to the Bank in a District Direction Letter and Receipt delivered to the Bank on or before the Closing Date.

Section 3.02. Purchase and Sale of the 2010 Project. In consideration for the Installment Payments to be paid by the District to the Bank under this agreement, the Bank agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Bank, the 2010 Project at the Purchase Price specified in Section 4.01 in the manner and in accordance with the provisions of this Agreement.

Section 3.03. Title. All right, title and interest in the 2010 Project shall vest in the District immediately. Such vesting shall occur without further action by the Bank or the District and the Bank shall, if requested by the District or if necessary to assure such automatic vesting, deliver any and all documents required to assure such vesting.

ARTICLE IV

INSTALLMENT PAYMENTS

Section 4.01. Purchase Price.

(a) The Purchase Price with respect to the 2010 Project to be paid by the District hereunder is the sum of the amounts due hereunder, including the principal amount of the District's obligations plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article VII.

(b) The principal amount of the payments to be made by the District hereunder is set forth in Exhibit A hereto.

(c) The interest to accrue on the unpaid balance of the principal amount of the payments to be made by the District hereunder is as specified in Exhibit A hereto. The interest component of the Installment Payments has been initially calculated using a per annum rate of _____% (computed on the basis of a 360-day year and 30-day months). However, (i) from and after an Event of Taxability, the interest component of the Installment Payments shall be calculated at the Taxable Rate and (ii) from and after the occurrence and during the continuance of an Event of Default, the interest component of the Installment Payments shall be calculated at the Default Rate, and in either event, Exhibit A shall be revised to reflect the same.

Section 4.02. Installment Payments. The District shall, subject to any rights of prepayment provided in Article VII, pay the Bank the Purchase Price of the 2010 Project as the Installment Payments of interest and principal in the amounts and on the Installment Payment Dates as set forth in Exhibit A hereto. Each Installment Payment shall be paid to the Bank in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this section, such payment shall continue as an obligation of the District until such amount shall have been fully paid; and the District agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the Installment Payments if paid in accordance with their terms.

Subject to Section 10.01 hereof, the obligation of the District to make the Installment Payments is absolute and unconditional, and until such time as the Purchase Price shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX), the District will not discontinue or suspend any Installment Payments required to be made by it under this section when due, whether or not the Water and Sewer System or any part thereof is operating or operable, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and whether or not the 2010 Project has been completed, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

ARTICLE V

SECURITY

Section 5.01. Pledge of the Pledged Revenues. Except for the DSWRF Project described herein, the Pledged Revenues and all amounts in the Revenue Fund are hereby irrevocably pledged to the payment of the Installment Payments as provided herein, and such proceeds shall not be used for any other purpose while any of the Installment Payments remain unpaid. This pledge shall constitute a first lien on proceeds of the Pledged Revenues for the payment of the Installment Payments in accordance with the terms hereof. In the event Pledged Revenues are at any time insufficient to pay Installment Payments when due, the District may, at its sole discretion, use other revenues of the District to pay all or a portion of such payments.

Section 5.02. Deposit and Allocation of Pledged Revenues. In order to carry out and effectuate the pledge and lien contained in Section 5.01, the District agrees and covenants that all Pledged Revenues shall be received by the District in trust for the payment of the Installment

Payments, and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund the District hereby agrees and covenants to maintain and to hold separate and apart from other funds so long as any Installment Payments remain unpaid. Within the Revenue Fund, the District Shall establish and maintain a separate account designated the "Excess Pledged Revenues Account."

All moneys in the Revenue Fund shall be applied by the District at the following times for the transfer to the following respective special funds in the following order of priority; and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes set forth in this Section.

(a) Installment Payments. Not later than each Installment Payment Date, the District shall, from the moneys in the Revenue Fund, transfer to the Bank, or its assignee, the portion of each Installment Payment due and payable on that Installment Payment Date.

(b) Excess Pledged Revenues Account. Upon accumulation of sufficient moneys in the Revenue Fund for payment of an Installment Payment next due, the District shall transfer the moneys in the Revenue Fund in excess of such Installment Payment to the Excess Pledged Revenues Account. Moneys in the Excess Pledged Revenues Account are pledged hereunder for payment of Installment Payments and shall be used only for payment or prepayment of Installment Payments or to reduce the charges that comprise the Pledged Revenues (but in no event to a level less than required by Section 6.13(a)) unless the Bank has consented in writing to use for other purposes. Moneys on deposit in the Excess Pledged Revenues Account in excess of 20 percent of the original principal amount of the Agreement will, at least annually, be transferred out of the Excess Pledged Revenues Account and used for any lawful purposes of the District, including prepayments in accordance with Article VII.

Section 5.03. No Parity Obligations. The District may not execute, issue or incur contracts, notes, bonds or other obligations of the District payable from the Pledged Revenues without the express written consent of the Bank.

Section 5.04. Investments. All moneys held by the District in the Revenue Fund shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

ARTICLE VI

REPRESENTATIONS AND COVENANTS OF THE DISTRICT

Section 6.01. Authorization and Compliance with Installment Purchase Agreement. The District has full legal right, power and authority to enter into this Agreement and carry out and consummate the transactions contemplated hereby. By all necessary official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized and approved the execution and delivery of this Agreement, and the performance by the District of all transactions on its part contemplated by this Agreement; and this Agreement will constitute legal, valid and binding obligation of the District, enforceable against the District in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights against public entities in the State of California.

All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, District or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which

would materially adversely affect the due performance by, the District of its obligations under this Agreement have been duly obtained.

The District will punctually pay the Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2010 Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Bank to observe or perform any agreement, condition, covenant or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Bank or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

It is expressly understood and agreed by and among the parties to this Agreement that, subject to Section 10.6 hereof, each of the agreements, conditions, covenants and terms contained in this Agreement is an essential and material term of the purchase of and payment for the 2010 Project by the District pursuant to, and in accordance with, and as authorized under applicable law.

Section 6.02. Against Encumbrances. The District will not make any pledge of or place any lien on the Pledged Revenues except as provided in Section 5.01. The District may at any time, or from time to time, incur evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of or lien on revenues of the District that do not constitute Pledged Revenues.

Section 6.03. Against Sale or Other Disposition of Property. The District will not enter into any agreement or lease which materially impairs the operation of the Water and Sewer System or any part thereof necessary to secure adequate Pledged Revenues for the payment of the Installment Payments, or which would otherwise impair the rights of the Bank (or its assignee) hereunder or the operation of the Water and Sewer System.

Section 6.04. Against Competitive Facilities. To the extent permitted by law, the District covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any water or sewer system competitive with the Water and Sewer System.

Section 6.05. Tax Covenants. Notwithstanding any other provision of this Agreement, absent an opinion of Special Counsel that the exclusion from gross income of the interest component of the Installment Payments will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenant, without limiting the generality of the foregoing, as follows:

(a) Private Activity Bond Limitation. The District will assure that the proceeds of the Bonds are not so used as to cause the Agreement to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) Arbitrage. The District will make no use of any proceeds of this Agreement or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the Installment Payments to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(c) Rebate Requirement. The District will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Agreement.

(d) Federal Guarantee. The District will make no use of any proceeds of this Agreement or take or omit to take any action that would cause the Installment Payments to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(e) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirements of Section 149(e) of the Code.

(f) Maintenance of Tax-Exemption. The District will take all actions necessary to assure the exclusion of interest on the Installment Payments from the gross income of the Owners of the Agreement to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of execution of the Agreement.

(g) Record Retention. The District will retain its records of all accounting and monitoring it carries out with respect to the Agreement for at least 3 years after the Agreement matures or is redeemed (whichever is earlier); however, if the Agreement is redeemed and refunded, the District will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Agreement.

(h) Hedge Bonds. The District will make no use of any proceeds of this Agreement or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Installment Payments to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of the interest component of the Installment Payments for federal income tax purposes.

(i) Investments. Except as otherwise provided in the following sentence, the District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Agreement (within the meaning of section 148 of the Code) will be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Excess Pledged Revenues Fund will be valued at their present value (within the meaning of section 148 of the Code).

(j) Miscellaneous. The District will take no action, or omit to take any action, inconsistent with the expectations stated in any tax certificate executed in connection with the Installment Payments and will comply with the covenants and requirements stated therein and incorporated by reference herein.

Section 6.06. Maintenance and Operation of the Water and Sewer System. The District will maintain and preserve the Water and Sewer System in good repair and working order at all times and will operate the Water and Sewer System in an efficient and economical manner and will pay all operation and maintenance costs as they become due and payable.

Section 6.07. Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies in order to properly maintain the Water and Sewer System.

Section 6.08. Compliance with Contracts. The District will neither take nor omit to take any action under any contract, including but not limited to the 2010 PSA, if the effect of such act or failure to act would in any manner materially adversely impair the ability of the District to pay Installment Payments; and the District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all other contracts affecting or involving the Water and Sewer System, including but not limited to the 2010 PSA, to the extent that the District is a party thereto.

Section 6.09. Insurance.

(a) The District will procure and maintain or cause to be procured and maintained insurance on the Water and Sewer System with responsible insurers in such amounts and against such risks (including damage to or destruction of the Water and Sewer System) as are usually covered in connection with water and sewer systems similar to the Water and Sewer System so long as such insurance is available from reputable insurance companies. In the event of any damage to or destruction of the Water and Sewer System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Water and Sewer System. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Water and Sewer System shall be free and clear of all claims and liens.

(b) Any insurance required to be maintained by paragraph (a) above may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with water and sewer systems similar to the Water and Sewer System and is, in the opinion of an accredited actuary, actuarially sound.

Section 6.10. Accounting Records, Financial Statements and Other Reports.

(a) The District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the District, which records shall be available for inspection by the Bank at reasonable hours and under reasonable conditions.

(b) The District will provide the Bank with copies of its annual budget within 30 days of its adoption, including details of the Pledged Revenues adopted to be levied for such annual budget year and the estimated amount of such Pledged Revenues to be collected budgeted at a minimum of 115% of the Installment Payments for such Fiscal Year.

(c) The District will prepare and file with the Bank annually within 270 days after the close of each Fiscal Year, audited financial statements of the District for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with an Accountant's Report thereon.

(d) The District shall provide the Bank the following notices:

(i) The District shall immediately notify the Bank by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Agreement, together with a detailed statement by the Manager of the steps being taken by the District to cure the effect of such Event of Default.

(ii) The District shall promptly notify the Bank in writing of any investigation, inquiry or similar proceeding by any Governmental Authority with respect to any matter that relates to or could materially adversely impact the Pledged Revenues, the Revenue Fund or monies deposited therein.

(iii) The District shall promptly notify the Bank in writing in the event of any termination or cancellation of any insurance policy which the District is required to maintain, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the District property in excess of an aggregate of \$100,000.

(f) The District shall provide the Bank such additional information as the Bank may reasonably request in writing, within a reasonable period of time after the receipt of such written request by the District.

Section 6.11. Protection of Security and Rights of the Bank. The District will preserve and protect the security hereof and the rights of the Bank to the Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.12. Payment of Taxes and Compliance with Governmental Regulations. The District will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Water and Sewer System or any part thereof or upon the Pledged Revenues when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water and Sewer System or any part thereof, but the District shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.13. Levy and Collection of Pledged Revenues.

(a) To the fullest extent permitted by law, for each Fiscal Year, the District shall fix, prescribe and levy the Pledged Revenues in an amount that is equal to 115% of the Installment Payments for such Fiscal Year.

(b) The District may make adjustments from time to time in its rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Pledged Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this section.

Section 6.14. Collection of Rates and Charges; Foreclosure.

(a) The District will have in effect at all times by-laws, rules and regulations requiring each customer to pay the Pledged Revenues and all other rates and charges applicable to the Water and Sewer System, and providing for the billing thereof and for a due date and a delinquency date for each bill.

(b) To the fullest extent permitted by law, the District shall enforce the collection of delinquencies with respect to the Pledged Revenues, including by initiating any foreclosure actions or other remedies available to the District.

Section 6.15. Covenant to Prorate Pledged Revenues and Other Rates and Charges. In the event that the District levies and collects the Pledged Revenues and other rates and charges on a single invoice, and the District receives only partial payment with respect to such invoice, the

District shall allocate such partial payment among the Pledged Revenues and such other rates and charges on a pro rata basis.

Section 6.16. Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Bank of the rights and benefits provided to it herein.

Section 6.17. Enforcement of Contracts. The District will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into, including but not limited to the 2010 PSA, if such rescission or amendment would result in a default by the District in the payment of Installment Payments.

Section 6.18. Observance of Laws and Regulations. To the extent necessary to assure its performance hereunder, the District will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the District, respectively, including its right to exist and carry on its business, to the end that such contracts, rights and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 6.19. Compliance with Contracts. The District shall comply with the terms, covenants and provisions, express or implied, of all contracts for the use of the 2010 Project by the District, and all other contracts and agreements affecting or involving the 2010 Project to the extent that the District is a party thereto.

Section 6.20. No Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government District, public board or body, pending and notice of which has been served upon and received by the District or threatened against the District, affecting the existence of the District or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of this Agreement or the collection of the Pledged Revenues or contesting or affecting, as to the District, the validity or enforceability of this Agreement, or contesting the exclusion from gross income of interest on the Installment Payments for federal income tax purposes, or contesting the powers of the District, or in any way contesting or challenging the consummation of the transactions contemplated hereby, or which might result in a material adverse change in the financial condition of the District or which might materially adversely affect the Pledged Revenues of the District; nor is there any known basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the authorization, execution, delivery or performance by the District of this Agreement.

Section 6.21. No Material Breaches. The District is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture) or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of this Agreement, and compliance with the provisions on the District's part contained therein, will not in any material respect conflict with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note,

resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such constitutional provision, law, regulation or instrument.

Section 6.22. No Other Indebtedness Payable from Pledged Revenues. Except for the DWSRF Project described herein, as of the time of acceptance hereof and as of the Closing Date, the District does not and will not have outstanding any indebtedness which indebtedness is secured by a lien on the Pledged Revenues.

Section 6.23. Prosecution and Defense of Suits. The District shall promptly, upon request of the Bank (or its assignee), from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Water and Sewer System or any part thereof, whether now existing or hereafter developing, shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Bank (or its assignee) harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

Section 6.24. Small Issuer Exemption from Bank Nondeductibility Restriction. The District hereby designates the Agreement for purposes of paragraph (3) of section 265(b) of the Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Code, except qualified 501(c)(3) bonds as defined in section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the Agreement, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2020.

Section 6.25. Bankruptcy. The District agrees to voluntarily apply all Pledged Revenues to pay Installment Payments when due in the case of any bankruptcy proceeding undertaken pursuant to Chapter 9 of Title 11 of the United States Code.

ARTICLE VII

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 7.01. Prepayment. The District may prepay some or all of the principal component of the Installment Payments, on any date, at a prepayment price equal to the principal amount of the Installment Payments to be prepaid plus accrued interest thereon to the date of prepayment, plus the premium shown in the following table:

Prepayment Period	Prepayment Premium
Any date through March __, 2023	3%
From __ March __ 2023 through March 2024 ____,	2%
From March __ 2024 through March __, 2025	1%
After March __, 2025	0%

Section 7.02. Notice of Prepayment. Before making any prepayment pursuant to Section 7.01, the District shall give written notice to the Bank specifying the amount to be prepaid and the

date on which the Installment Payments will be paid, which date shall be not less than 10 days from the date such notice is given.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE BANK

Section 8.01. Events of Default and Acceleration of Installment Payments. If one or more of the following Events of Default shall happen:

(a) if default shall be made by the District in the due and punctual payment of any Installment Payment when and as the same shall become due and payable;

(b) if default shall be made by the District in the performance of any of the other agreements or covenants required herein to be performed by it, and such default shall have continued for a period of 30 days after the District shall have been given notice in writing of such default by the Bank;

(c) if the District shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property;

(d) if payment of the principal of any Parity Obligations is accelerated in accordance with its terms; or

(e) if any representation, warranty or certification of the District shall have been false when made;

(f) the dissolution, termination of existence, insolvency or business failure of the District;

(g) the occurrence of any event that has a Material Adverse Effect; and

(h) if any court of competent jurisdiction with jurisdiction to rule on the validity of any provision of this Agreement shall find or rule that this Agreement is not valid or not binding on the District;

then and in each and every such case during the continuance of such Event of Default specified above, the Default Rate shall be applicable and the Bank may, by notice in writing to the District, declare the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding.

Section 8.02. Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 8.01, all Pledged Revenues thereafter received shall be applied in the following order of priority:

First, to the payment of the fees, costs and expenses of the Bank, if any, including reasonable compensation to its accountants and legal counsel;

Second, to the payment of the entire principal amount of the unpaid Installment Payments and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the Installment Payments, if paid in accordance with their respective terms.

Section 8.03. Other Remedies of the Bank. The Bank shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any director, officer or employee thereof, and to compel the District or any such director, officer or employee to perform and carry out its or his duties under the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Bank; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its directors, officers and employees to account as the trustee of an express trust.

Notwithstanding anything contained herein, the Bank shall not have a security interest in or mortgage on the 2010 Project, the Water and Sewer System or other assets of the District, and no default hereunder shall result in the loss of the 2010 Project, the Water and Sewer System or other assets of the District.

Section 8.04. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Bank at the respective due dates or upon prepayment from the Pledged Revenues and the other amounts herein pledged for such payment, or shall affect or impair the right of the Bank, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Bank shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Bank to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Bank by applicable law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Bank.

Section 8.05. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bank is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other applicable law. If any remedial action is discontinued or abandoned, the Bank shall be restored to its former position.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.01. Security Deposit. Notwithstanding any other provision of this Agreement, the District may on any date secure the payment of the Installment Payments, in whole or in part, by irrevocably depositing with the Bank or other fiduciary an amount of cash which, together with other available amounts, is either (a) sufficient to pay all such Installment Payments, including the

principal and interest components thereof, when due under Section 4.01, or (b) invested in whole or in part in cash or Federal Securities in such amount as will, in the opinion of an Independent Certified Public Accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due under Section 4.01.

If a security deposit is posted under this Section 9.01 for the payment of all remaining Installment Payments, all obligations of the District hereunder, and the pledge of Pledged Revenues and all other security provided by this Agreement for said obligations, shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all Installment Payments from such security deposit. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of such Installment Payments in accordance with the provisions hereof.

ARTICLE X

MISCELLANEOUS

Section 10.01. Liability of District Limited. The obligation of the District to make the Installment Payments is a special obligation of the District payable solely from the Pledged Revenues and amounts on deposit in the Revenue Fund, and does not constitute a debt of the District or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction. Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Pledged Revenues and amounts in the Revenue Fund for the payment of amounts due hereunder or for the performance of any agreements or covenants required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

Section 10.02. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District and the Bank any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District shall be for the sole and exclusive benefit of the other party.

Section 10.03. Successor Is Deemed Included in all References to Predecessor. Whenever either the District is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District, and all agreements and covenants required hereby to be performed by or on behalf of the District shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.04. Waiver of Personal Liability. No director, officer or employee of the District shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.05. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby", "herein,"

“hereof,” “hereto,” “herewith” and other words of similar import refer to this Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.06. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District hereby declares that it would have executed this Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.07. Assignment. This Agreement and any rights hereunder may be assigned by the Bank, as a whole or in part, without the necessity of obtaining the prior consent of the District.

Section 10.08. Net Contract. This Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely net during the term hereof the Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.09. Governing Law; Waiver of Jury Trial; Waiver of Special Damages; Sovereign Immunity.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINE; PROVIDED THAT THE DUTIES AND OBLIGATIONS OF THE DISTRICT UNDER THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES.

(b) THE DISTRICT AND THE BANK (BY THEIR ACCEPTANCE HEREOF) HEREBY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) BETWEEN THE DISTRICT AND THE BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE BANK TO PROVIDE THE FINANCING EVIDENCED BY THIS AGREEMENT. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, THE DISTRICT AND THE BANK HEREBY CONSENT TO THE ADJUDICATION OF ANY AND ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ANY AND ALL ISSUES IN SUCH REFERENCE WHETHER FACT OR LAW. THE DISTRICT AND THE BANK REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL OF

ITS CHOICE ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

(c) THE DISTRICT WAIVES, TO THE EXTENT NOT PROHIBITED BY LAW, ANY RIGHT THE UNDERSIGNED MAY HAVE TO CLAIM OR RECOVER FROM THE BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

THE BANK HEREBY RECOGNIZES THAT THE PROCEDURAL REQUIREMENTS AND REMEDIES APPLICABLE TO COMMENCING AN ACTION AGAINST THE DISTRICT DIFFER FROM REQUIREMENTS APPLICABLE TO NONGOVERNMENTAL ENTITIES.

Section 10.10. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the District: Malaga County Water District
3580 S. Frank Street
Fresno, CA 93725
Attention: General Manager

If to the Bank: First Foundation Public Finance
2233 Douglas Blvd., Suite 300
Roseville, CA 95661
Attention: Trevor Mael, VP, Director of Public Finance

Section 10.11. Effective Date. This Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made in accordance with Section 9.01).

Section 10.12. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 10.13. Indemnification of Bank. The District shall, to the maximum extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Bank and its directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of entering into this Agreement, the operation and use of the Water and Sewer System and each portion thereof or any accident in connection with the operation, use, condition or possession of the Water and Sewer System or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the District or the Bank; any claim arising out of any Environmental Law or regulation; any claim for patent, trademark or copyright infringement; and any claim arising out of strict liability in tort; except to the extent arising from Bank's gross negligence or willful misconduct. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of the Installment Payments.

Section 10.14. Amendments Permitted. This Agreement and the rights and obligations of the District may be modified or amended at any time by an amendment hereto which shall become binding only with the prior written consent of the Bank.

Section 10.15. Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Agreement and, unless otherwise specifically provided in this Agreement, no interest shall accrue for the period from and after such nominal date.

Section 10.16. OFAC; Patriot Act.

(a) Bank shall obtain, verify and record information that identifies the District, which information includes the name and address of the District and other information that will allow the Bank to identify the District in accordance with the Patriot Act. The District hereby agrees that it shall promptly provide such information upon request by the Bank.

(b) The District shall: (i) ensure that it is not and shall not be listed on the Specially Designated Nationals and Blocked Person list or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the US Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the District or from otherwise conducting business with the District; and (ii) to ensure that the proceeds received hereunder shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their officers thereunto duly authorized as of the day and year first written above.

[Signatures on next page]

MALAGA COUNTY WATER DISTRICT

By: _____
Moises Ortiz
General Manager of
Malaga County Water District

FIRST FOUNDATION PUBLIC FINANCE

By: _____
Trevor Mael
Director of Public Finance

EXHIBIT A

PURCHASE PRICE AND PAYMENT SCHEDULE

1. The principal amount of payments to be made by the District hereunder is \$____. The annual interest rate is ____% assuming no Default Rate or Taxable Rate is applicable, as provided in this Agreement.

2. The installment payments of principal and interest are payable in the amounts and on the Installment Payment Dates as follows:

Installment Payment Date	Principal Component	Interest Component	Total
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California DWSRF Payment Schedule

Project No. 1010042-014C - Malaga County Water District
 Agreement: D1602072 - based on Actual Disbursements

EXHIBIT B

Principal is paid over: **30 Years**

Interest rate: **0.00000%**

Malaga County Water District Water Meters

Ref Num	Due Date	Date Received	Principal Payment	Interest Rate%	Interest Payment	Total P and I Payment	Total Payment	Ending Balance	CPI Interest
1	7/1/2017		0.00	0.000	0.00	0.00	0.00	0.00	0.00
2	1/1/2018		0.00	0.000	0.00	0.00	0.00	0.00	0.00
3	7/1/2018		0.00	0.000	0.00	0.00	0.00	0.00	0.00
4	1/1/2019		0.00	0.000	0.00	0.00	0.00	0.00	0.00
5	7/1/2019		0.00	0.000	0.00	0.00	0.00	0.00	0.00
6	1/1/2020	1/13/2020	6,427.02	0.000	0.00	6,427.02	6,427.02	396,989.98	0.00
7	7/1/2020		7,005.75	0.000	0.00	7,005.75	7,005.75	406,333.23	0.00
8	1/1/2021		7,005.75	0.000	0.00	7,005.75	7,005.75	399,327.48	0.00
9	7/1/2021		7,005.75	0.000	0.00	7,005.75	7,005.75	392,321.73	0.00
10	1/1/2022		7,005.75	0.000	0.00	7,005.75	7,005.75	385,315.98	0.00
11	7/1/2022		7,005.75	0.000	0.00	7,005.75	7,005.75	378,310.23	0.00
12	1/1/2023		7,005.75	0.000	0.00	7,005.75	7,005.75	371,304.48	0.00
13	7/1/2023		7,005.75	0.000	0.00	7,005.75	7,005.75	364,298.73	0.00
14	1/1/2024		7,005.75	0.000	0.00	7,005.75	7,005.75	357,292.98	0.00
15	7/1/2024		7,005.75	0.000	0.00	7,005.75	7,005.75	350,287.23	0.00
16	1/1/2025		7,005.75	0.000	0.00	7,005.75	7,005.75	343,281.48	0.00
17	7/1/2025		7,005.75	0.000	0.00	7,005.75	7,005.75	336,275.73	0.00
18	1/1/2026		7,005.75	0.000	0.00	7,005.75	7,005.75	329,269.98	0.00
19	7/1/2026		7,005.75	0.000	0.00	7,005.75	7,005.75	322,264.23	0.00
20	1/1/2027		7,005.75	0.000	0.00	7,005.75	7,005.75	315,258.48	0.00
21	7/1/2027		7,005.75	0.000	0.00	7,005.75	7,005.75	308,252.73	0.00
22	1/1/2028		7,005.75	0.000	0.00	7,005.75	7,005.75	301,246.98	0.00
23	7/1/2028		7,005.75	0.000	0.00	7,005.75	7,005.75	294,241.23	0.00
24	1/1/2029		7,005.75	0.000	0.00	7,005.75	7,005.75	287,235.48	0.00
25	7/1/2029		7,005.75	0.000	0.00	7,005.75	7,005.75	280,229.73	0.00
26	1/1/2030		7,005.75	0.000	0.00	7,005.75	7,005.75	273,223.98	0.00
27	7/1/2030		7,005.75	0.000	0.00	7,005.75	7,005.75	266,218.23	0.00
28	1/1/2031		7,005.75	0.000	0.00	7,005.75	7,005.75	259,212.48	0.00
29	7/1/2031		7,005.75	0.000	0.00	7,005.75	7,005.75	252,206.73	0.00
30	1/1/2032		7,005.75	0.000	0.00	7,005.75	7,005.75	245,200.98	0.00
31	7/1/2032		7,005.75	0.000	0.00	7,005.75	7,005.75	238,195.23	0.00
32	1/1/2033		7,005.75	0.000	0.00	7,005.75	7,005.75	231,189.48	0.00
33	7/1/2033		7,005.75	0.000	0.00	7,005.75	7,005.75	224,183.73	0.00
34	1/1/2034		7,005.75	0.000	0.00	7,005.75	7,005.75	217,177.98	0.00
35	7/1/2034		7,005.75	0.000	0.00	7,005.75	7,005.75	210,172.23	0.00

California DWSRF Payment Schedule

Principal is paid over: 30 Years
Interest rate: 0.00000%

Project No. 1010042-014C - Malaga County Water District
Agreement: D1602072 - based on Actual Disbursements

EXHIBIT B

Malaga County Water District Water Meters

Ref Num	Due Date	Date Received	Principal Payment	Interest Rate%	Interest Payment	Total P and I Payment	Total Payment	Ending Balance	CPI Interest
36	1/1/2035		7,005.75	0.000	0.00	7,005.75	7,005.75	203,166.48	0.00
37	7/1/2035		7,005.75	0.000	0.00	7,005.75	7,005.75	196,160.73	0.00
38	1/1/2036		7,005.75	0.000	0.00	7,005.75	7,005.75	189,154.98	0.00
39	7/1/2036		7,005.75	0.000	0.00	7,005.75	7,005.75	182,149.23	0.00
40	1/1/2037		7,005.75	0.000	0.00	7,005.75	7,005.75	175,143.48	0.00
41	7/1/2037		7,005.75	0.000	0.00	7,005.75	7,005.75	168,137.73	0.00
42	1/1/2038		7,005.75	0.000	0.00	7,005.75	7,005.75	161,131.98	0.00
43	7/1/2038		7,005.75	0.000	0.00	7,005.75	7,005.75	154,126.23	0.00
44	1/1/2039		7,005.75	0.000	0.00	7,005.75	7,005.75	147,120.48	0.00
45	7/1/2039		7,005.75	0.000	0.00	7,005.75	7,005.75	140,114.73	0.00
46	1/1/2040		7,005.75	0.000	0.00	7,005.75	7,005.75	133,108.98	0.00
47	7/1/2040		7,005.75	0.000	0.00	7,005.75	7,005.75	126,103.23	0.00
48	1/1/2041		7,005.75	0.000	0.00	7,005.75	7,005.75	119,097.48	0.00
49	7/1/2041		7,005.75	0.000	0.00	7,005.75	7,005.75	112,091.73	0.00
50	1/1/2042		7,005.75	0.000	0.00	7,005.75	7,005.75	105,085.98	0.00
51	7/1/2042		7,005.75	0.000	0.00	7,005.75	7,005.75	98,080.23	0.00
52	1/1/2043		7,005.75	0.000	0.00	7,005.75	7,005.75	91,074.48	0.00
53	7/1/2043		7,005.75	0.000	0.00	7,005.75	7,005.75	84,068.73	0.00
54	1/1/2044		7,005.75	0.000	0.00	7,005.75	7,005.75	77,062.98	0.00
55	7/1/2044		7,005.75	0.000	0.00	7,005.75	7,005.75	70,057.23	0.00
56	1/1/2045		7,005.75	0.000	0.00	7,005.75	7,005.75	63,051.48	0.00
57	7/1/2045		7,005.75	0.000	0.00	7,005.75	7,005.75	56,045.73	0.00
58	1/1/2046		7,005.75	0.000	0.00	7,005.75	7,005.75	49,039.98	0.00
59	7/1/2046		7,005.75	0.000	0.00	7,005.75	7,005.75	42,034.23	0.00
60	1/1/2047		7,005.75	0.000	0.00	7,005.75	7,005.75	35,028.48	0.00
61	7/1/2047		7,005.75	0.000	0.00	7,005.75	7,005.75	28,022.73	0.00
62	1/1/2048		7,005.75	0.000	0.00	7,005.75	7,005.75	21,016.98	0.00
63	7/1/2048		7,005.75	0.000	0.00	7,005.75	7,005.75	14,011.23	0.00
64	1/1/2049		7,005.75	0.000	0.00	7,005.75	7,005.75	7,005.48	0.00
65	7/1/2049		7,005.48	0.000	0.00	7,005.48	7,005.48	0.00	0.00
			419,766.00		0.00	419,766.00	419,766.00		0.00

RESOLUTION NO. 02-08-2022B

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MALAGA COUNTY WATER DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$__925,000 TO REFINANCE CERTAIN IMPROVEMENTS TO THE WATER AND SEWER SYSTEM, APPROVING A TERM SHEET AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AGREEMENT AND RELATED DOCUMENTS ON BEHALF OF THE DISTRICT

WHEREAS, the Malaga County Water District (the “District”) owns and operates facilities and property for the treatment of waste water and distribution of potable water within the service area of the District (the “Water and Sewer System”); and

WHEREAS, in 2010, the District refinanced three outstanding loans used for the construction or repair/replacement of water and sewer facilities and borrowed additional funds to construct a water well and make improvements to the District’s waste water treatment facility (the “2010 Project”). The Board has determined to refinance the 2010 Project, which will lower the interest rate but not extend the financing resulting in interest savings for the District. The District has requested that First Foundation Public Finance (“First Foundation”) provide funds for the refunding of the 2010 Project, and to sell the project to the District on an installment basis pursuant to an Installment Purchase Agreement (the “Installment Purchase Agreement”) by and between the District and First Foundation; and

WHEREAS, the District has previously approved, by Resolution No. 07-24-2018, a Debt Issuance and Management Policy which complies with Government Code Section 8855, and the Installment Purchase Agreement will be in compliance with said policy; and

WHEREAS, Section 5852.1 of the California Government Code requires that the Board of Directors (the “Board”) of the District obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the execution and delivery of the Installment Purchase Agreement, good faith estimates of (a) the true interest cost of the Installment Purchase Agreement, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Agreement, (c) the amount of proceeds of the Installment Purchase Agreement expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Agreement, and (d) the sum total of all debt service payments on the Installment Purchase Agreement calculated to the final maturity of the Installment Purchase Agreement, plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Agreement; and

WHEREAS, in compliance with Section 5852.1 of the California Government Code, the Board has obtained from Brandis Tallman, a division of Oppenheimer & Co. Inc. the District’s

placement agent, the required good faith estimates and such estimates have been included in the staff report prepared for this Resolution, and such information has been disclosed and made public.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Malaga County Water District as follows:

1. That the foregoing recitals are true and correct and incorporated herein by this reference as though fully set forth at this point.
2. The Board of Directors hereby approves the execution of the Installment Purchase Agreement providing for the payment of installment payments in the aggregate principal amount of not to exceed \$_925,000(the "Installment Payments") for the purpose of providing refunding of the 2010 Project. The Board hereby approves the Installment Purchase Agreement in substantially the form as attached hereto and incorporated herein by this reference as Attachment A.
3. The General Manager is hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Installment Purchase Agreement in substantially the form as Attachment A, with such non-material changes therein as the General Manager deems necessary.
4. The General Manager is authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which the General Manager might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this resolution any officer of the District is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.
5. The Board of Directors hereby approves term sheet of First Foundation (the "Term Sheet") in substantially the form as attached hereto and incorporated herein by this reference as Attachment B.

Passed and adopted by the Board of Directors of the Malaga County Water District at their meeting held on this 8th day of February 2022, by the following vote:

AYES:

NOES:

ABSENT:

Charles Garabedian, Jr., President
Malaga County Water District

ATTEST:

Moises Ortiz, General Manager
Secretary of the Board of Directors
Malaga County Water District

Malaga County Water District

Staff Report

Meeting Date: February 8, 2022

Agenda Item No: 4d

Resolution No: 2-08-2022B

Subject:

Consideration and necessary action on a Resolution of the Board of Directors to authorize the execution and delivery of an Installment Purchase Agreement with First Foundation Bank to refinance the 2010 City National Bank Installment Sale Agreement.

Summary

The purpose of this Installment Purchase Agreement with First Foundation Bank is to refinance the District's 2010 Installment Sale Agreement with City National Bank in order to generate debt service savings. Under this financing mechanism, the District pledges its rates and charges to pay installment payments to First Foundation Bank in exchange for the payoff of the 2010 City National Bank Installment Sale Agreement. The interest rate on the City National Bank Installment Sale Agreement is 4.85%. The interest rate on the First Foundation Bank Installment Purchase Agreement is 2.0%.

The remaining balance on the 2010 Installment Sale Agreement is \$814,048. The final maturity is 2030. The differential in interest rates on the refinancing will generate \$31,756 in cash flow savings over the remaining life of the obligation. The financing term on the Installment Purchase Agreement with First Foundation Bank will remain the same as the 2010 City National Bank Installment Sale Agreement term.

The good faith estimate of the costs of refinancing are as follows:

The following information was obtained from the District's Placement Agent, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Installment Purchase Agreement:

1. *True Interest Cost of the Installment Payments.* The true interest cost of the Installment Payments, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Installment Purchase

Agreement, is [2.000191]% with respect to the Installment Payments.

2. *Finance Charge of the Installment Purchase Agreement.* A good faith estimate of the District's finance charge of the Installment Purchase Agreement, which means the sum of all fees and charges paid to third parties (or costs associated with the Installment Purchase Agreement), is \$[40,000.]

3. *Amount of Proceeds to be received by the District.* A good faith estimate of the amount of proceeds expected to be received by the District for sale of the Installment Purchase Agreement less the finance charge of the Installment Purchase Agreement described in paragraph 2 above is \$[851,000.]

4. *Total Payment Amount.* A good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Installment Purchase Agreement plus the finance charge of the Installment Purchase Agreement described in paragraph 2 above not paid with the proceeds of the Installment Purchase Agreement, calculated to the final maturity of the Installment Purchase Agreement is \$[971,278.]

The approval of the Resolution will authorize the President to sign the Installment Purchase Agreement in a form substantially the same as the agreement attached to the Resolution and will authorize District staff to prepare and execute any and all necessary documents in order to perform the agreements.

Recommendation

Staff is recommending that the Board approve Resolution No. 2-08-2022B approving the form of the Installment Purchase Agreement and authorizing the President to execute the agreement on behalf of the District and authorizing the President, General Manager, District Counsel, Office Manager or other persons to prepare and execute any and all other documents related to the performance of the Installment Purchase Agreement.

By Neal E. Costanzo, General Counsel

1989 Cal. Legis. Serv. 580 (West)

CALIFORNIA LEGISLATIVE SERVICE 1989-90
REGULAR SESSION (1989 Laws)

Additions are indicated by <<+ UPPERCASE +>>
Deletions by <<- *** ->>

CHAPTER 580
A.B.No. 2523
MALAGA COUNTY WATER DISTRICT—GROUNDWATER MANAGEMENT ACTIVITIES

AN ACT to add Article 9.7 (commencing with Section 31144.7) to Chapter 1 of Part 5 of Division 12 of the Water Code, relating to county water districts.

[Approved by Governor September 20, 1989.]

[Filed with Secretary of State September 21, 1989.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2523, Costa. Malaga County Water District.

(1) Under existing law, county water districts are not generally authorized to undertake groundwater management activities and to levy groundwater extraction charges.

This bill would authorize the Malaga County Water District in Fresno County to undertake specified groundwater management activities and, for that purpose, to levy and collect groundwater extraction charges in accordance with prescribed procedures and requirements. The bill would require the district to prepare a biennial report on district water supplies and to conduct specified hearings, thereby imposing a state-mandated local program.

The bill would also authorize the Malaga County Water District to carry on technical investigations, as specified, and to regulate the discharge of pollutants into the district's facilities, as prescribed, and to exercise specified related powers.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

CA WATER Prec. § 31144.7

SECTION 1. Article 9.7 (commencing with Section 31144.7) is added to Chapter 1 of Part 5 of Division 12 of the Water Code, to read:

Article 9.7. Malaga County Water District

CA WATER § 31144.7

31144.7. In addition to the other powers provided by law, the Malaga County Water District, Fresno County, shall, within the boundaries of the district, have all of the following powers and shall promptly and effectively exercise those powers that are appropriate for improving water quality and supply, reducing the use of water, and preventing nuisance, pollution, waste, and contamination of water:

(a) To carry on technical and other investigations, examinations, or tests, of all kinds, make measurements, collect data, and make analyses, studies, and inspections pertaining to the water supply, use of water, water quality, nuisance, pollution, waste, and contamination of water, both within and without the district, including, but not limited to, those activities related to use of public, combined, or private septic and septic tank disposal systems.

(b) To regulate, prohibit, or control the discharge of pollutants, waste, or any other material into the district's facilities by requiring dischargers to obtain a permit from the district prior to any discharge and by prohibiting the discharge of pollutants or other material which does or may cause a nuisance into the district's facilities without first obtaining a permit from the district, but if a federal permit has been issued for the discharge, a permit may be issued by the district at no fee to the discharger; to require a fee to be collected prior to the issuance of a discharge permit, if the amount of the fee does not exceed the cost of issuing the permit; to require all permitholders to indemnify the district from any and all damages, penalties, or other expenses imposed on or required of the district by state or federal agencies due to any discharge by the permitholders into district facilities.

(c) To establish compliance with any federal, state, or local law, regulation, order, or rule relating to water pollution or the discharge of pollutants, waste, or any other material into the district's facilities. For this purpose, any authorized representative of the district, upon presentation of his or her credentials or, if necessary under the circumstances, after obtaining an inspection warrant pursuant to Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure, has the right of entry to any premises on which a water pollution, waste, or contamination source is located for the purpose of inspecting the source, including securing samples of discharges therefrom, or any records required to be maintained in connection therewith by federal, state, or local law, regulation, order, or rule.

CA WATER § 31144.71

31144.71. (a) For the common benefit of the district and for the purpose of managing the groundwater basin and managing, replenishing, regulating, and protecting the groundwater supplies within the district, the Malaga County Water District may exercise any of the following powers:

(1) Provide for the conjunctive use of groundwater and surface water resources within the district.

(2) Store water in underground water basins or reservoirs within or outside of the district.

(3) Exchange water.

(4) Distribute water to persons in exchange for ceasing or reducing groundwater extractions.

(5) Transport, reclaim, purify, treat, inject, extract, or otherwise manage and control water for the beneficial use of persons or property within the district and to improve and protect the quality of groundwater supplies within the district.

(b) The district may, pursuant to Sections 31020 and 31021, enter into an agreement or agreements with other public agencies for the purpose of participating in basinwide groundwater management activities.

CA WATER § 31144.72

31144.72. In addition to the other powers provided by law, the Malaga County Water District may levy and collect fees or charges in the manner provided for in this division for activities undertaken pursuant to Section 31144.71.

CA WATER § 31144.73

31144.73. The district shall biennially prepare a written report on the district's activities in the protection and augmentation of the water supplies of the district. The report shall include, among other information the board may order, a financial analysis of the district's water utility system; information as to the present and future water requirements of the district, the water supply available to the district, and future capital improvement and maintenance and operating requirements; a method of financing those requirements; a recommendation as to whether or not a groundwater charge should be levied in any zone

or zones of the district during the ensuing water year and, if any groundwater charge is recommended, a proposal of a rate per acre-foot for all water other than agricultural water for the zone or zones.

CA WATER § 31144.74

31144.74. As used in connection with the groundwater charge authorized by this article, the following words shall have the following meanings:

- (a) "District" means the Malaga County Water District.
- (b) "Person," "owner," or "operator" means federal, state, or local agencies, private corporations, firms, or partnerships, and individuals or groups of individuals, whether legally organized or not. "Owner" or "operator" also means the person to whom a water-producing facility is assessed by the county assessor, or, if not separately assessed, the person who owns the land upon which a water-producing facility is located.
- (c) "Groundwater" means nonsaline water beneath the natural surface of the ground, whether or not flowing through known and definite channels. "Nonsaline water" means water which has less than 1,000 parts of chlorides to 1,000,000 parts of water, both quantities measured by weight.
- (d) "Production" or "producing" means the extraction or extracting of groundwater, by pumping or any other method, from shafts, tunnels, wells (including, but not limited to, abandoned oil wells), excavations or other sources of groundwater, for domestic, municipal, irrigation, industrial, or other beneficial use, but does not mean or include the extraction of groundwater produced in the construction or reconstruction of a well, or water incidentally produced in a bona fide mining or excavation operation or water incidentally produced in the bona fide construction of a tunnel, unless the groundwater so extracted shall be used or sold by the producer for domestic, municipal, irrigation, industrial, or other beneficial use.
- (e) "Water-producing facility" means any device or method, mechanical or otherwise, for the production of water from the groundwater supplies within the district or a zone thereof.
- (f) "Water production statement" means the certified statement filed by the owner or operator of a water-producing facility with the district of the production of groundwater from the facility in a specified period.
- (g) "Water year" means July 1 of one calendar year to June 30 of the following calendar year.
- (h) "Agricultural water" means water primarily used in the commercial production of agricultural crops or livestock.

CA WATER § 31144.75

31144.75. On the second Tuesday in February of each even-numbered year, the report shall be delivered to the clerk of the district board in writing. The clerk shall publish, pursuant to Section 6061 of the Government Code, a notice of the receipt of the report and of the public hearing to be held on the second Tuesday in March in a newspaper of general circulation printed and published within the district, at least 10 days prior to the date at which the public hearing regarding the report shall be held. The notice, among other information which the district may provide therein, shall contain an invitation to all operators of water-producing facilities within the district, or any person interested in the district's activities in the protection and augmentation of the water supplies of the district, to call at the offices of the district to examine the report. A public hearing shall be held on the second Tuesday of March of each even-numbered year in the chambers of the board, at which time any operator of a water-producing facility in the district, or any person interested in the district's activities in the protection and augmentation of the water supplies of the district, may in person, or by representative, appear and submit evidence concerning the subject of the report.

CA WATER § 31144.76

31144.76. (a) Prior to the end of the water year in which the hearing is held, and based upon the findings and determinations at the hearing, the board shall determine whether or not a groundwater charge should be levied in any zone or zones. If the board determines that a groundwater charge should be levied, the board shall levy, assess, and affix the charge or charges against all persons operating water-producing facilities within that zone or zones during the ensuing water year. The charge shall be computed at a fixed and uniform rate per acre-foot for all water other than agricultural water. The rates shall be established each year in accordance with a budget for that year and shall be at a fixed and uniform rate for all water other than agricultural water.

(b) Any groundwater charge levied pursuant to this article shall be in addition to any general tax or assessment levied within the district or any zone or zones thereof.

(c) Clerical errors occurring or appearing in the name of any person or in the description of the water-producing facility where the production of water therefrom is otherwise properly charged, or in the making or extension of any charge upon the

records which do not affect the substantial rights of the assessee or assessees, shall not invalidate the groundwater charge.

CA WATER § 31144.77

31144.77. (a) After the establishment of a zone in which a groundwater charge may be levied, each owner or operator of a water-producing facility within the zone, until such time as the water-producing facility has been permanently abandoned, shall file with the district, on or before the 30th day following the end of collection periods established by the board, a water production statement setting forth the total production in acre-feet of water for the preceding collection period, a general description or number locating each water-producing facility, the method or basis of the computation of that water production, and the amount of the groundwater charge based on that computation. The collection periods may be established at not greater than a year or less than six months. If no water has been produced from the water-producing facility during a preceding collection period, this statement shall be filed, setting forth that no water has been produced during that period. The statement shall be verified by a written declaration that it is made under the penalties of perjury. The groundwater charge is payable to the district on or before the last date upon which the water production statements shall be filed, and is computed by multiplying the production in acre-feet of water for each classification as disclosed in the statement by the groundwater charge for each classification of water. At the time any water-producing facility has been permanently abandoned, the operator shall give written notice of the abandonment to the district. If any operator of a water-producing facility fails to pay the groundwater charge when due, the district shall charge interest at the rate of 1 percent each month on the delinquent amount of the groundwater charge.

(b) If any owner or operator of a water-producing facility fails to register each water-producing facility, or fails to file the water production statements as required by this article, the district shall, in addition to charging interest as provided, assess a penalty charge against that owner or operator in subdivision (a), an amount of 10 percent of the amount found by the district to be due. The board may adopt regulations to provide that in excusable or justifiable circumstances the penalty may be reduced or waived.

(c) When a water-measuring device is permanently attached to a water-producing facility, the record or production as disclosed by that water-measuring device shall be presumed to be accurate and shall be used as the basis for computing the water production of that water-producing facility in completing the water production statement, unless it can be shown that the water-measuring device is not measuring accurately.

(d) When a water-measuring device is not permanently attached to a water-producing facility, the board may establish a method or methods to be used in computing the amount of water produced from the water-producing facility. The methods may be based upon any, or any combination, of the following criteria:

- (1) The minimum charge sufficient to cover administrative costs of collection.
- (2) The size of the water-producing facility discharge opening.
- (3) The area served by the water-producing facility.
- (4) The number of persons served by the water-producing facility.
- (5) The use of land served by the water-producing facility.
- (6) Any other criteria which may be used to determine with reasonable accuracy the amount of water produced from the water-producing facility.

(e) The district may levy an annual charge upon a water-producing facility for which no production has been recorded but which has not been permanently abandoned, except that this charge shall not exceed the annual cost to the district of maintaining and administering the registration of that facility.

CA WATER § 31144.78

31144.78. Upon good cause shown, an amended statement of water production may be filed or a correction of the records may be made at any time within six months of filing the water production statement. If pursuant to Section 31144.79, the owner or operator has been notified of a determination by the district that the production of water from the water-producing facility is in excess of that disclosed by the sworn statement covering the water-producing facility, and that owner or operator fails to protest the determination in the manner and in the time set forth in Section 31144.79, the owner or operator shall be precluded from later filing an amended water production statement for that period for the water-producing facility.

CA WATER § 31144.79

31144.79. (a) If the district has probable cause to believe that the production of water from any water-producing facility is in excess of that disclosed by the sworn statements covering the water-producing facility, or if no statements are filed covering

any water-producing facility, the district may cause an investigation and report to be made concerning the production of water from each such water-producing facility. The district may fix the amount of water production from any such water-producing facility at an amount not to exceed the maximum production capacity of the water-producing facility.

(b) After the determination has been made by the district, a written notice thereof shall be mailed to the person operating the water-producing facility at the address shown by the district's records. The determination made by the district shall be conclusive on all persons having an interest in the water-producing facility, and the groundwater charge, interest, and penalties thereon, shall be paid forthwith, unless that person files with the board within 15 days after the mailing of the notice, a written protest setting forth the ground or grounds for protesting the amount of production so fixed. Upon the filing of that protest, the board shall hold a hearing at which time the total amount of the water production and the groundwater charge thereon shall be determined, which shall be conclusive if based upon substantial evidence. If the water production statement was filed and the amount disclosed thereon was paid within the time required under this article, and the board finds that the failure to report the amount of water actually produced resulted from excusable or justifiable circumstances, the board may waive the charge of interest on the amount found to be due. A notice of the hearing shall be mailed to the protestant at least 10 days before the date fixed for the hearing. Notice of the determination by the board shall be mailed to each protestant, who shall have 30 days from the date of mailing to pay the groundwater charge, interest, or penalties provided under this article.

(c) Notice as required in this section shall be given by deposit thereof in any postal facility regularly maintained by the government of the United States in a sealed envelope with postage paid, addressed to the person on whom it is served at the name and address disclosed by the records of the district. This service is complete at the time of deposit.

SEC. 2. The Legislature hereby finds and declares that special circumstances exist within the Malaga County Water District because of the unique water quality and groundwater problems within the district and the absence of any other public agency willing or able to address these problems. The Legislature finds and declares that a general act cannot be made applicable to this unique situation and that it is, therefore, necessary to enact this special act relating to the Malaga County Water District.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CA LEGIS (1989) 580



**SPECIAL BOARD MEETING MINUTES
RECREATION WORKSHOP
BOARD OF DIRECTORS MEETING
MALAGA COUNTY WATER DISTRICT
3580 SOUTH FRANK STREET
FRESNO, CALIFORNIA 93725
Wednesday, January 19, 2022 at 6:00PM**

**item
16.a.**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a District Board Meeting, please contact the District Office at 559-485-7353 at least 48 hours prior to the meeting, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

- ❖ Public comments are limited to three (3) minutes or less per individual per item, with a fifteen (15) minute maximum per group per item and will be heard during the communication portion of the agenda.

1. Call to Order: 6:06PM

2. Roll Call: President Charles Garabedian, Jr.; Vice President Salvador Cerrillo; Director Irma Castaneda; Director Frank Cerrillo, Jr.; Director Carlos Tovar, Jr.

3. Certification: Certification was made that the Board Meeting Agenda was posted 24 hours in advance of the meeting.

4. Old Business:

- a. **Workshop.** To discuss recreation plans and expectations for 2022.

For discussion and potential action.

Discussion was held. Nothing to report.

- b. **Sitelogiq.** SitelogIQ will provide a proposal and Facility Solution agreement for the implementation of facility improvements, energy conservation, energy generation, and/or energy management services.

Recommended action: to review Sitelogiq agreement and approve agreement as presented or amended.

Motion by Vice President Cerrillo, Second by Director Tovar, Jr. and by a 5-0 vote to approve the SitelogIQ agreement as amended.

5. New Business: *None for this meeting.*

6. Communications:

- a. Written Communications:
- b. Public Comment:

7. Closed Session: 7:28PM

- a. Pending Litigation (Gov't Code Section 54956.9) Malaga v CVRWCQB Fresno County Case No 16CECG03036. **Nothing to report.**

8. Adjournment:

Motion by Vice President Cerrillo, Second by Director Cerrillo, Jr. and by a 5-0 vote to adjourn the meeting at 8:13PM.

Certification of Posting

I, Norma Melendez, District Clerk of the Malaga County Water District, do hereby certify that the foregoing minutes for the Special Board Meeting of the Board of Directors of January 19, 2022, was posted for public view on the front window of the MCWD office at 3580 S. Frank Street, Fresno Ca 93725, on 02/09/2022.

Norma Melendez

Norma Melendez, District Clerk



REGULAR BOARD MEETING MINUTES
BOARD OF DIRECTORS MEETING
MALAGA COUNTY WATER DISTRICT
3580 SOUTH FRANK STREET
FRESNO, CALIFORNIA 93725
Tuesday, January 25, 2022 at 6:00PM

item 16.b.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a District Board Meeting, please contact the District Office at 559-485-7353 at least 48 hours prior to the meeting, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

- ❖ Please submit all written correspondence for the Board of Directors by 12:00 pm the Friday prior to the meeting. Please deliver or mail to the District Clerk.
- ❖ Public comments are limited to three (3) minutes or less per individual per item, with a fifteen (15) minute maximum per group per item and will be heard during the communication portion of the agenda.

1. Call to Order: 6:04PM

2. Roll Call: President Charles Garabedian, Jr.; Vice President Salvador Cerrillo; Director Irma Castaneda; Director Frank Cerrillo, Jr.; Director Carlos Tovar, Jr.

3. Certification: Certification was made that the Board Meeting Agenda was posted 72 hours in advance of the meeting.

4. Consent Agenda. The items listed below in the Consent Agenda are routine in nature and are usually approved by a single vote. Prior to any action by the Board of Directors, any Board member may remove an item from the consent agenda for further discussion. Items removed from the Consent Agenda may be heard immediately following approval of the Consent Agenda or set aside for discussion and action after Regular Business.

a. Minutes of the Regular Board Meeting of January 13, 2022.

Recommended action: To approve the Consent Agenda as presented or amended.

Motion by Vice President Cerrillo; Second by Director Castaneda and by a 5-0 vote to approve the consent agenda as presented.

5. Old Business:

a. **FY 2021-22 Mid-Year Budget Review.**

For review and discussion.

The board was concerned about the negative balance in solid waste. The General Manager will review the agreement with IWS regarding the annual increase.

b. **Residential Outstanding Balances.** A review of the outstanding balances for residential accounts.

For review and discussion.

After accounts get paid-off, the board members request an additional account review.

- c. **Rental Agreements.** A review of rental agreements of park facilities.

For review and discussion.

The board reviewed the rental agreements for the Red Caboose, Folklorico, and the soccer field. Revisions will be made to each agreement.

Maria Teresa Rosas from the ADAMS Youth Soccer league (soccer field agreement) spoke about the sales of snacks during her use of the soccer field.

- 6. New Business:** none for this meeting.

7. Incorporation Reports:

President Garabedian, Jr. briefly spoke via e-mail to Brian Pacheco regarding incorporation. Pacheco replied that he is happy to help Malaga. The President also reported that the District will be able to service areas inside and outside the sphere of influence who can potentially help Malaga reach a neutrality agreement with Fresno County.

8. Recreation Reports:

Recreation center is now open for basketball for kids and adults. Recreation committee meeting has been scheduled for February 1st. Rec bingo will be held February 2nd.

The GM reached out to Alex Morelos to bring baseball and softball games and tournaments to the park.

9. Engineer Reports:

- a. District Engineer Report. None for this meeting.
- b. CDBG Engineer Report: none for this meeting.

10. General Manager's Report:

- a. Refinance outstanding long-term debt. Information only.
- b. **Restroom project: May cost \$60,000 to add concrete around the new bathrooms. This cost includes prevailing wage.**
- c. **Will have a meeting with Sitellogiq on 1/26/2022.**
- d. **Will have a meeting with Leland and Michael Taylor for potential conditional will-serve letter.**

11. President's Report:

President Garabedian, Jr. reports a three-man race for the board of supervisors.

12. Vice President's Report:

Vice President Cerrillo informs fellow board members that the Form 700 notices have been e-mailed. He also states that at the next board meeting he wants to focus on sports for kids.

13. Director's Reports:

Director Cerrillo, Jr. suggest sending out a notice to the community regarding stray dogs and to include contact information for animal control.

14. Legal Counsel Report:

Reserved for closed session.

15. Communications:

a. Written Communications: **none for this meeting.**

b. Public Comment: *The Public may address the Malaga County Water District Board on item(s) of interest within the jurisdiction of the Board, not appearing on the agenda. The Board will listen to comments presented; however, in compliance with the Brown Act, the Board cannot take action on items that are not on the agenda. The public should address the Board on agenda items at the time they are addressed by the Board. All speakers are requested to wait until recognized by the Board President. All Comments will be limited to three **(3)** minutes or less per individual/group per item per meeting, with a fifteen **(15)** minutes maximum.*

16. Closed Session: 7:53PM

- a. Public Employment Pursuant to Government Code Section 54957.
- b. Pending Litigation (Gov't Code Section 54956.9) Malaga v CVRWCQB Fresno County Case No 16CECG03036.

Nothing to report, both items.

17. Adjournment:

Motion by Vice President Cerrillo, Second by Director Castaneda and by a 5-0 vote to adjourn the meeting at 9:03PM.

Certification of Posting

I, Norma Melendez, District Clerk of the Malaga County Water District, do hereby certify that the foregoing minutes for the Regular Meeting of the Board of Directors of January 25, 2022, was posted for public view on the front window of the MCWD office at 3580 S. Frank Street, Fresno Ca 93725, on 02/09/2022.

Norma Melendez

Norma Melendez, District Clerk

MALAGA COUNTY WATER DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
JANUARY-2022
FINAL

Wells Fargo Bank - Checking

Beginning Balance-December 31, 2021:	\$	518,985.18
Cash Receipts-Jan-22:		184,016.65
Bank Interest-Jan-22		3.68
Bank Fees-Jan-22:		(40.00)
Credit Card Fees-Jan-22:		(10,140.00)
Credit Card Charges-Jan-22:		(291.57)
Disbursements-Jan-21:		(302,331.92)
Ending Balance-January 31, 2022	\$	390,202.02

County of Fresno

Maintenance Fund:

Beginning Balance-December 31, 2021:	\$	198,866.11
Property Taxes-Jan-22	\$	1,474.76
Interest-Jan-22	\$	74.03
Ending Balance-January 31, 2022	\$	200,414.90

LAIF Account:

Beginning Balance-December 31, 2021:	\$	503,188.80
Qtrly Interest-Ending 12/31/21	\$	289.68
Ending Balance-January 31, 2022	\$	503,478.48

Self-Help Credit Union

Beginning Balance-December 31, 2021:	\$	51,855.82
Interest-Dec-21	\$	8.81
Ending Balance-January 31, 2022	\$	51,864.63

Zions Bank

Beginning Balance-December 31, 2021:	\$	540,859.00
Interest-N/A		-
Ending Balance-January 31, 2022	\$	540,859.00

Total Cash In Bank Accounts-January 31, 2022

\$ 1,686,819.03

****All bank accounts are subject to change when bank statements come in.

Malaga County Water District
Check Distribution January-2022

ITEM #16C

Num	Name	Memo	Amount
Ach Pmt	Employment Development Department	CA Withholding	-1,728.12
Ach Pmt	Employment Development Department	Disability Withholding	-422.82
43157	A T & T Mobility	November-2021 Mobile Phone Service	-452.17
43158	Anthony Anaya	VOID: Reimb: Spray Paint for Park & Rec.	0.00
43159	Anthony Anaya	VOID: Reimb: Christmas Lights for Park	0.00
43160	Comcast	December-2021-Internet Service	-291.05
43161	Dearborn Life Insurance Co.	January-2022 Premium	-406.91
43162	P G & E	November-2021 Utilities	-100.78
43163	P G & E	December-2021 Utilities	-32,568.66
43164	Rod's Lawn Service	December-2021 Park Lawn Service	-2,160.00
Direct Deposit	QuickBooks Payroll Service	Created by Payroll Service on 01/12/2022	-29,346.52
EFT Pmt	Internal Revenue Service	EFT Federal Payment	-10,126.18
Ach Pmt	Employment Development Department	CA/SUI Withholdings	-2,689.91
Ach Pmt	Employment Development Department	Disability Withholding	-451.73
43165	Richard Mason	Touch Up Paint District Office	-150.00
43166	AFLAC	Employee Withholding	-49.32
43167	Noble Credit Union	Employee Withholding	-100.00
43168	Valley First Credit Union	Employee Withholding	-250.00
43169	State Water Resources Control Board	WWTF Grade 1 Exam	-120.00
43170-43171	Employee Payroll	(1st) Payroll	-2,241.06
43172	Ability Answering/Paging Services	January-2022 Service	-77.50
43173	ACWA/JPIA	February 2022 Premium	-2,069.69
43174	Alert-O-Lite	Maintenance Supplies	-419.13
43175	Allied Rodent Control	December-2021 WWTF Rodent Control	-350.00
43176	Badger Meter	December 2021 Online Meter Service	-447.67
43177	Business Journal	CDBG #19451 Fire Hydrant Project-Public Notice	-2,175.00
43178	Carmen Armenta	Field Rental Deposit Refund	-32.50
43179	Cecilia Cerrillo Crawley	Side Room Rental Refund	-250.00
43180	Clark Pest Control	December-2021 Service-WWTF	-129.00
43181	Home Depot	Dcember-2021 Maintenance Supplies	-662.36
43182	Clark Pest Control	December-2021 Service-Water Shop	-65.00
43183	Clark Pest Control	December-2021 Service-District Office/Center	-129.00
43184	Connexus Industries Inc.	WWTF Maint. Supplies	-449.19
43185	Costanzo & Associates	November-2021 Profesional Service	-18,715.43
43186	County of Fresno	Road Encroachment-WWTF	-352.00
43187	Culligan	December 2021 Service-Water Shop	-10.00
43188	Culligan	December 2021 Service-District Office	-25.70
43189	Culligan	December 2021 Service-WWTF	-17.85
43190	Fed Ex	WWTF Shipping Fees	-70.95
43191	Fresno Pipe & Supply, Inc.	Repairs/Maintenance Park	-52.99
43192	Goodyear Commercial Tire	Repair/Maint Pretreatment Trk	-616.41
43193	Gordon Saito & Co., CPA's LLP	December-2021 Accountig Service	-1,312.50
43194	Home Depot	December-2021 Maintenance Supplies	-2,550.30
43195	Industrial Waste & Salvage	November-2021 Solid Waste Business	-37,060.48
43196	Industrial Waste & Salvage	December-2021 Dumping Fees	-501.27
43197	Industrial Waste & Salvage	December 2021 Solid Waste Residential	-6,405.52
43198	Industrial Waste & Salvage	December -2021 Dumping Fees-WWTF	-300.07
43199	Integrity Networks	January 2022 WWTF-Internet	-275.95
43200	Jorgensen & Co.	Fire Extinguisher Service-Water Shop	-62.00
43201	Lupe's Auto Repair	WWTF Trk Oil Change	-70.34
43202	Michael Cerrillo	Rental/Deposit Cancelled	-585.00
43203	Mid Valley Distributors	Clarifier #1 Repairs/Maintenance/WWTF	-85.45
43204	Moore Twining Associates,Inc	December-2021 Testing	-2,889.00
43205	PC Solutions	District Office Computer Repairs	-130.00
43206	PC Solutions	January-2022 Service Maintenance	-1,678.75
43207	Proactive Environmental Products LLC	Tubing for WWTF Repairs/Maintenance	-239.60
43208	Provost & Pritchard	November-2021 Professional Service	-19,647.30

Malaga County Water District
Check Distribution January-2022

ITEM #16C

Num	Name	Memo	Amount
43209	Quadient Finance USA, Inc.	November-2021 Postage Refill	-300.00
43210	Quadient Finance USA, Inc.	December-2021 Postage Refill	-300.00
43211	Quadient Leasing USA, Inc.	Feb22- May22 Copier Lease	-508.75
43212	Quinn Rental Services	Boom Lift Park/WWTF Repair/Maint	-4,418.06
43213	Robert V. Jensen Inc.	December-2021 District Fuel	-1,570.84
43214	Sequoia Pumping Inc.	Repair Lift Station	-350.00
43215	SJVAPCD	22/23 Annual Permit-Well	-290.00
43216	Streamline	January-2022 Website Service	-200.00
43217	SWRCB Accounting Office	Water System Annual Fees 21/22	-1,382.00
43218	UniFirst Corporation	December-2021 Uniforms/Supplies	-1,084.04
43219	United HealthCare	February 2022 Premium	-13,493.28
43220	USA Bluebook	WWTF Materials	-691.09
43221	Valley Iron	Repairs/Maintenance WWTF	-32.40
43222	Wilbur-Ellis Company	WWTF Repair/Maint	-1,870.05
43223	Winsupply	Waater Shop/meter Supplies	-731.03
43224	Zee Medical Services	December-2021 Medical Supplies	-180.56
43225	Richard Mason	Center Maintenance	-600.00
43226	Charles Garabedian Jr.	January-2022 Mtgs (4) @\$143.50	-574.00
43227	Charles Garabedian Jr.	In Lieu Benefits 02/22 Plus Retro 01/22	-2,959.54
43228	Carlos Tovar Jr.	January-2022 Mtgs (3) @\$143.50	-430.50
43229	Frank Cerrillo Jr.	January-2022 Mtgs (3) @\$100	-300.00
43230	Frank Cerrillo Jr.	In Lieu of Benefits 02/2022 Minus Retro 01/2022	-1,980.83
43231	Irma Castaneda	January-2022 Mtgs (3) @\$143.50	-343.60
43232	Irma Castaneda	In Lieu Benefits 02/2022 Plus Retro 01/2022	-2,851.03
43233	Salvador Cerrillo	January -2022 Mtgs (3) @\$100	-300.00
43234	Salvador Cerrillo	In Lieu Benefits 02/2022 Minus Retro 01/2022	-2,415.33
Direct Deposit	QuickBooks Payroll Service	Created by Payroll Service on 01/26/2022	-30,407.70
EFT Pmt	Internal Revenue Service	EFT Federal Payment	-10,715.82
Ach Pmt	Employment Development Department	4th Qtr Payroll Taxes	-263.40
43235	Richard Mason	Paint Recreation Center Senior Room	-300.00
43236	A T & T	January-2022 Service-District Office	-816.14
43237	A T & T	January-2022 Service-Recreation Center	-482.50
43238	A T & T Mobility	December-2021 Mobile Phone Service	-451.45
43239	Citi Cards	Dec-2021-Staff Gift Cards/Costco Annual Membership	-4,102.65
43240	Citi Cards	Dec21-Jan22 Payroll Updates/TurnerSecurityCtr/PizzaRecCommittee	-380.24
43241	Dearborn Life Insurance Co.	February-2022 Premium	-406.91
43242	Leaf	January-2022 Copier Service	-371.63
43243	Malaga County Water District	Petty Cash Replenish-Missed October-2021	-20.00
43244	Malaga County Water District	Petty Cash Replenish- December-2021	-171.70
43245	TPX Communications	WWTF Phone Service January-2022	-571.53
43246	AFLAC	Employee Withholding	-49.32
43247	Noble Credit Union	Employee Withholding	-100.00
43248	Valley First Credit Union	Employee Withholding	-250.00
43249-43250	Employee Payroll	(2nd) Payroll	-1,950.88
TOTAL:			-276,534.93