

**FIRST AMENDMENT TO
JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE SANTA ROSA REGIONAL RESOURCES AUTHORITY**

THIS FIRST AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT CREATING THE SANTA ROSA REGIONAL RESOURCES AUTHORITY (which Joint Exercise of Powers Agreement is referred to herein as the “Agreement”) is made and entered into this 9 day of March, 2017, by and among ELSINORE VALLEY MUNICIPAL WATER DISTRICT, a municipal water district (Elsinore), RANCHO CALIFORNIA WATER DISTRICT, a California water district (Rancho) and WESTERN MUNICIPAL WATER DISTRICT, a municipal water district (Western).

RECITALS

WHEREAS, Elsinore, Rancho and Western entered into the Agreement on November 12, 2015 to create the Santa Rosa Regional Resources Authority (Authority); and

WHEREAS, pursuant to that certain “Restatement of and First Amendment to Memorandum of Agreement by and between Western Municipal Water District and Rancho California Water District providing for Ownership, Use and Disposition of Santa Rosa Regional Resources Authority Wastewater,” the Asset/Liability Allocation Matrix set forth in Section 5.1 of the Agreement must be amended to reflect the revisions to capacity rights, as set forth in that Memorandum of Agreement, as amended, between Western and Rancho; and

WHEREAS, Section 9 of the Agreement authorizes the amendment of the Agreement upon the unanimous approval of the Authority’s Board of Directors and the governing boards of the Authority’s Member Agencies; and

WHEREAS, the Authority’s Board of Directors and the governing bodies of the Authority’s Member Agencies have approved the amendment set forth herein by actions taken at duly noticed public meetings,

NOW, THEREFORE, for and in consideration of the mutual benefits, promises and agreements set forth herein, Elsinore, Rancho and Western amend the Agreement as follows:

I. The Asset/Liability Allocation Matrix set forth in Section 5.1 of the Agreement is amended to read as set forth below:

	Primary & Secondary	Tertiary Treatment	Trunk Sewer
Capital/Debt	Based on ultimate flow/capacity requirements	Based on ultimate recycled water amounts	Based on engineering analysis
Elsinore	40% - 2.0 MGD	40% - 2.0 MGD	43.57%
Rancho	40% - 2.0 MGD	60% - 3.0 MGD	36.61%
Western	20% - 1.0 MGD	0%	19.82%

II. Except as amended by the foregoing, all other provisions of the Agreement shall remain in full force and effect.


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

Each of the contracting public agencies which is a party hereto has caused this instrument to be executed by its respective officials, duly authorized by action taken by the legislative bodies thereof.

Dated: March 13, 2017

Elsinore Valley Municipal Water District

By: 
Harvey R. Ryan, President

By: 
Terese Quintanar, Secretary

Dated: April 13, 2017

Rancho California Water District

By: _____
President

By: _____
Secretary

Dated: _____, 2017

Western Municipal Water District

By: _____
President

By: _____
Secretary

Dated: _____, 2017

Santa Rosa Regional Resources Authority

By: _____
President

By: _____
Secretary-Treasurer

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

Each of the contracting public agencies which is a party hereto has caused this instrument to be executed by its respective officials, duly authorized by action taken by the legislative bodies thereof.

Dated: _____, 2017

Elsinore Valley Municipal Water District

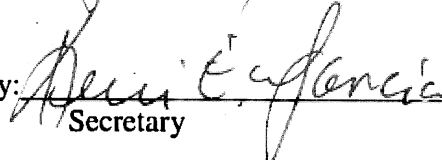
By: _____
President

By: _____
Secretary

Dated: 3-9-17, 2017

Rancho California Water District

By:  _____
President

By:  _____
Secretary

Dated: _____, 2017


Western Municipal Water District

By: _____
President

By: _____
Secretary

Dated: 3-14-17, 2017

Santa Rosa Regional Resources Authority

By:  _____
President

By:  _____
Secretary-Treasurer

II. Except as amended by the foregoing, all other provisions of the Agreement shall remain in full force and effect.

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

Each of the contracting public agencies which is a party hereto has caused this instrument to be executed by its respective officials, duly authorized by action taken by the legislative bodies thereof.

Dated: _____, 2017

Elsinore Valley Municipal Water District

By: _____
President

By: _____
Secretary-Treasurer

Dated: _____, 2017

Rancho California Water District


By: _____
President

By: _____
Secretary

Dated: _____, 2017

Western Municipal Water District

By:  _____
President

By:  _____ V.P.
Secretary-Treasurer

Dated: _____, 2017

Santa Rosa Regional Resources Authority

By: _____
President

By: _____
Secretary-Treasurer

JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE SANTA ROSA
REGIONAL RESOURCES AUTHORITY

THIS AGREEMENT is made and entered into this 12th day of November, 2015 (“Effective Date”), by and among the Elsinore Valley Municipal Water District, a Municipal Water District (Elsinore), Rancho California Water District, a California Water District (Rancho), and Western Municipal Water District of Riverside County (Western), a Municipal Water District, individually or collectively referred to herein as the “Member Agency” or “Member Agencies” respectively, for the creation of the Santa Rosa Regional Resources Authority and the ownership, operation, maintenance, and administration of the Santa Rosa Water Reclamation Facilities (Facilities).

RECITALS

WHEREAS, each of the Member Agencies is a public agency authorized and empowered to contract for the joint exercise of powers under the Section 6500 *et seq.* Government Code of the State of California; and

WHEREAS, each of the Member Agencies have the authority and power to collect, transmit, treat, and dispose or reuse wastewater and wastewater treatment byproducts, and to construct, own, operate, and maintain facilities for such purposes; and

WHEREAS, Elsinore is a Municipal Water District providing water and sewer services to portions of southern Riverside County; and

WHEREAS, Rancho is a California Water District providing water and sewer services to portions of southern Riverside County; and

WHEREAS, Western is a Municipal Water District providing water and sewer services to southern and western Riverside County; and

WHEREAS, the Member Agencies recognize the need to operate, maintain, and administer the Facilities on a cooperative basis for the collection, transmission, treatment, and disposal of wastewater, and the management of wastewater treatment byproducts; and

WHEREAS, the Member Agencies hereby enter into this Agreement to establish this Joint Powers Authority to own, operate, maintain, and administer the Facilities on a cooperative basis for the collection, transmission, treatment, and disposal of wastewater, and the management of wastewater treatment byproducts, and to supersede certain agreements by and among the Member Agencies.

NOW THEREFORE, based on the foregoing recitals, the Member Agencies agree as follows:

Section 1. PURPOSE AND POWERS.

1.1. Definitions. For purpose of this Agreement, the meaning of the following terms shall be as follows:

- 1.1.1 "Act" means Articles 1, 2, and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code (Section 6500 et seq.), as amended.
- 1.1.2. "Agreement" means this Joint Exercise of Powers Agreement.
- 1.1.3. "Authority" means the Santa Rosa Regional Resources Authority formed pursuant to this Agreement.
- 1.1.4. "Board" or "Board of Directors" means the governing body of the Authority as established in this Agreement.
- 1.1.5. "Budget" means each of the budgets approved in accordance with Section 3 below.
- 1.1.6. "Director" means the Director or Alternate Director representing a Member Agency of the Authority.
- 1.1.7. "Facilities" mean the Santa Rosa Water Reclamation Facility, its onsite and offsite trunk sewer and lift station facilities and any wastewater facilities financed, acquired, developed, designed, constructed, managed, operated, maintained, or replaced by the Authority, including without limitation, conduits, pipelines, pump stations, transmission facilities, buildings, and other structures utilized for the collection, transmission, treatment, and disposal of wastewater, and wastewater byproducts (not including recycled water) for any beneficial purpose including any beneficial use by Member Agencies. The Facilities are generally described and shown on Exhibit A attached to and made a part of this Agreement.
- 1.1.8. "Facilities Acquisition Agreement" means the Facilities Acquisition Agreement by and among the Authority and Rancho for the acquisition of the Facilities by the Authority from Rancho and the interim operations of the Facilities prior to the acquisition of the Facilities from Rancho.
- 1.1.9. "Fiscal Year" means July 1 through June 30 or such other period as the Board of Directors shall determine.
- 1.1.10. "Member Agency" or "Member Agencies" means each, or all, of the parties to this Agreement.

1.1.11. "Rancho Debt" means the debt generally described in the Schedule of Debt attached to this Agreement as Exhibit B which represents the Rancho Debt associated with the Facilities and constitutes the debt to be refinanced by the Authority.

1.2. Establishment of Joint Powers Public Agency and Common Powers to be Exercised. There is hereby created a joint powers public agency known as the Santa Rosa Regional Resources Authority (Authority). For the purposes of this Agreement, the Authority is a public agency separate from its Member Agencies. Each Member Agency has the power to construct, operate, maintain, administer, and manage facilities for the collection, transmission, and disposal of wastewater, the reuse of treated wastewater, and wastewater byproducts for any beneficial purpose. The purpose of this Agreement is to jointly exercise the foregoing common powers in the manner hereinafter provided solely as they relate to the wastewater flows to the Facilities from each of the Member Agencies. In connection with the foregoing, Rancho shall transfer the Facilities to the Authority. Nothing contained in this Agreement shall obligate any Member Agency to participate in projects undertaken by any other Member Agency constructed, funded, or financed prior to the date of this Agreement, except for the Facilities defined in this Agreement.

1.3. General Duties of the Authority. The Authority shall own, operate, maintain, and administer the Facilities utilizing revenues generated by the Facilities, funds contributed by the Member Agencies, and loan proceeds and grants received from the federal and state governments and other sources. The Facilities are to be transferred by Rancho to the Authority in accordance with the Facilities Acquisition Agreement. However, ownership of the Facilities shall not be transferred by Rancho to the Authority until the acquisition price has been paid to Rancho in accordance with the Facilities Acquisition Agreement. The acquisition price shall be the refinancing by the Authority of the Rancho Debt associated with the Facilities.

1.4. Powers. The Authority, by and through its Board of Directors, shall have the following powers as needed to fulfill its duties:

- 1.4.1. To own, operate, maintain, administer, and manage the Facilities, including any buildings, works, or improvements comprising part of the Facilities and located either inside or outside the boundaries of the Member Agencies, in accordance with sound operational, engineering, and accounting practices and local, state, and federal laws, and regulations;
- 1.4.2. To make and enter contracts, leases, and agreements in connection with the ownership, operations, maintenance, administration, and management of the Facilities;
- 1.4.3. To acquire by negotiation or condemnation, lease, purchase, construct, hold, manage, maintain, operate, and dispose of any buildings, property (real and personal), works, or improvements within and without the respective boundaries of the Member Agencies necessary to accomplish the purpose of this Agreement;
- 1.4.4. To contract for the services of engineers, attorneys, planners, financial consultants, construction contractors, and separate and a part therefrom, to appoint agents and representatives and to employ such other staff persons as necessary;

- 1.4.5. To issue revenue bonds or other appropriate public or private debt and incur debts, liabilities, or obligations in connection with the operation, maintenance, administration, and management of the Facilities;
- 1.4.6. To apply for, and obtain, grants or loans under any federal, state, or local programs for assistance in developing or implementing any of its projects or programs in connection with the construction, operation, maintenance, administration, and management of the Facilities;
- 1.4.7. To sue and be sued in its own name;
- 1.4.8. To acquire, hold, and dispose of such equipment as may be reasonably necessary for the operation, maintenance, administration, and management of the Facilities;
- 1.4.9. To file reports associated with the operation, maintenance, administration, and management of the Facilities;
- 1.4.10. In an emergency, to reconstruct or cause to be reconstructed such portions of the Facilities when reconstruction is immediately required to permit the Facilities to continue to function;
- 1.4.11. To maintain insurance coverage at all times with a responsible California-admitted insurer or insurers sufficient against loss or damage to the Facilities or portion thereof, insurance against public liability and property damage and pollution remediation and liability insurance, and any other insurance coverage deemed necessary;
- 1.4.12. To adopt industrial pretreatment regulations that complies with federal and state pretreatment regulations. The regulations shall include, but not necessarily be limited to, technically based local limits, shall be followed by each Member Agency, shall apply to industrial connections and groundwater cleanup sites that discharge or have the potential to discharge into the Facilities, and shall allow the Authority to take enforcement action against dischargers that violate the regulation;
- 1.4.13. To review and amend the industrial pretreatment regulations from time to time as the need arises;
- 1.4.14. To implement all requirements of the pretreatment regulations and all aspects of the Authority's service area pretreatment program, including permitting, inspection, monitoring, reporting, and enforcement activities, except that industrial pretreatment permits shall be jointly issued by the Authority and the Member Agency in whose jurisdiction the discharge is located;
- 1.4.15. To charge and bill the industrial dischargers for their respective share of the Authority's cost to implement the pretreatment regulations, including application review, permit issuance, sampling, monitoring, inspection, and enforcement costs;
- 1.4.16. To operate and maintain other facilities outside the Facilities as recommended in accordance with the Authority's operation agreements, which may include budgeting responsibilities;

- 1.4.17. To create and appoint advisory committees to serve at the pleasure of the Board;
- 1.4.18. To jointly exercise the common powers of the Member Agencies, solely as they relate to the wastewater flows to the Facilities from each of the Member Agencies, as set forth in this Section 1.4;
- 1.4.19. To adopt rules, regulations, and procedures governing the Authority and its operations;
- 1.4.20. To invest funds pursuant to Government Code Section 6509.5 or other applicable state law; and
- 1.4.21. Any power necessary or incidental to the foregoing powers in the manner and according to the procedures provided for under the law applicable to the Member Agencies to this Agreement.
- 1.4.22. Any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in this Section 1, including all powers granted to the Authority under Article 4 of the Act which are in addition to the common powers of the Member Agencies, including the power to issue bonds or otherwise incur debts, liabilities or obligations to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues or the rights thereto as security for such bonds and other indebtedness; and
- 1.4.23. Any power necessary or incidental to the foregoing powers shall be exercised in the manner and according to the procedures provided for under the California Municipal Water District Law (Water Code, Section 71000 et seq.) except as otherwise provided in the Act or by law or in this Agreement.

1.5. This Agreement Supersedes Previous Agreements. This Agreement is intended to, and does hereby, supersede the following agreements as of the Effective Date of this Agreement:

- 1.5.1. The "Agreement Between The Elsinore Valley Municipal Water District and Rancho California Water District concerning Treatment And Disposal Of Sewage Generated Within A Portion Of The Southern Division Of Elsinore Valley Municipal Water District Known As California Oaks," dated June 22, 1988;
- 1.5.2. The "Agreement Between Murrieta County Water District and Rancho California Water District For Receiving, Treating And Disposing Of Wastewater," dated March 1, 1989;
- 1.5.3. The "Agreement Between Elsinore Valley Municipal Water District and Rancho California Water District For The Collection, Treatment, And

Disposal Of Wastewater Generated Within The Northern California Oaks Area Of The Elsinore Valley Municipal Water District,” dated March 2, 2004;

1.5.4. The “Agreement Between Elsinore Valley Municipal Water District And Rancho California Water District For The Collection, Treatment, And Disposal Of Wastewater Generated Within The Palomar Area Of The Elsinore Valley Municipal Water District,” dated March 2, 2004;

1.5.5. The “Agreement Between Rancho California Water And Western Municipal Water District Regarding Rights And Obligations In Murrieta County Water District,” dated September 20, 2006; and

1.5.6. The letter from Rancho to Elsinore dated September 20, 2011, extending Rancho’s notice of termination from June 22, 2013 to June 22, 2016.

Section 2. ORGANIZATION.

2.1. Board of Directors. The Authority shall be governed and administered by a Board of Directors (Board). The Board shall consist of three (3) individuals (the “Primary Directors”), one each of which shall be appointed by Resolution by each Member Agency’s governing board. Each Member Agency’s governing board shall also appoint by Resolution one Alternate Director who shall serve and assume the rights and duties of the Primary Director when the Primary Director is unable to attend a Board meeting. Concurrently with the adoption of a Resolution authorizing the execution of this Agreement, each Member Agency shall designate and appoint, by resolution of its governing body, two persons to act as its Primary Director and its Alternate Director on the Board. Both the Primary Director and Alternate Director shall be an elected member of the governing board of the appointing Member Agency. Each Primary Director and Alternate Director shall hold office until their successor is selected. Primary Directors and Alternate Directors shall serve at the pleasure of the governing board of the appointing Member Agency and may be removed at any time, with or without cause, in the sole discretion of a Member Agency’s governing board.

2.2. Officers of the Board. The Board shall elect its own officers, which shall include a Chair and Vice-Chair both of whom shall be members of the Board. The Chair shall preside at all meetings of the Board, and shall exercise and perform such other powers and duties as may be assigned by the Board. The Vice-Chair shall perform the duties of the Chair in the absence or disability of the Chair, and shall have such other powers as the Board may prescribe. The officers shall hold office for a term of one year commencing on January 1st of each and every calendar year and may serve a maximum of two consecutive years before the rotation of the officer positions.

2.3. Secretary-Treasurer. The Authority’s Secretary-Treasurer shall be the Administrator’s senior financial officer (such as its chief financial officer, director of finance or finance manager as designated by the Administrator) unless the Board elects to appoint as Secretary-Treasurer another individual of its own choosing. The Secretary-Treasurer shall fulfill the duties and obligations required under Government Code, Sections 6505.5 and 6505.6.

2.4. Administrator. The Authority shall appoint, from time-to-time, when and as it deems appropriate, an Administrator for the purpose of managing the Facility, contracting for the construction, operation, and maintenance of the Facility and providing management and administrative services for the Authority. The Administrator shall serve in accordance with a written agreement with the Authority. A Member Agency may be appointed as the Administrator.

The Authority shall make such an appointment by adopting a Resolution, a copy of which shall be provided to each Member Agency. Such a Resolution or a separate Resolution shall place a limitation on the Administrator in connection with any proposed expenditures of Authority funds as the Board deems appropriate and consistent with applicable law.

2.5. General Legal Counsel and Other Officers. General Legal Counsel shall be appointed by the Board and shall serve at the pleasure of the Board. Subject to the limits of the Authority's approved budget, the Board shall also have the power to appoint and contract for the services of such other officers, consultants, advisors, and independent contractors as it may deem necessary or convenient for the business of the Authority all of whom shall serve at the pleasure of the Board.

2.6. Principal Office. The Principal Office of the Authority shall be established from time-to-time by a Resolution of the Board, a copy of which shall be provided to each Member Agency. The Authority's Principal Office shall initially be located at the Principal Office of the Administrator. The Board is hereby granted full power and authority to change, by resolution, that Principal Office from one location to another, within the collective service territories of the Member Agencies.

2.7. Powers and Limitations Thereon. All the power and authority of the Authority shall be exercised by the Board, subject, however, to the rights reserved by the Member Agencies as set forth herein; provided, however, that the Board may delegate by Resolution such powers and authority to the Administrator as the Board deems appropriate. Unless the Administrator is an employee of the Authority, the Administrator shall at all times maintain exclusive control over any employees of the Administrator assigned to perform services under the Administrator's agreement with the Authority, including, but not limited to, matters related to hiring, probationary periods, disciplinary actions, termination, benefits, performance evaluations, salary determinations, promotions and demotions, and leave accruals.

2.8. Meetings. The Board shall meet at the Principal Office of the Authority or such other place as may be designated by the Board. The time and place of regular meetings of the Board shall be determined by Resolution adopted by the Board, a copy of which shall be provided to each Member Agency. The Chair, Vice-Chair, a Board member or the Administrator may call such special meetings of the Board at such time and place as determined by the Board.

2.9. Ralph M. Brown Act. All meetings of the Board, including, without limitations, regular, adjourned regular and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code, Section 54950 et seq.).

2.10. Minutes. The Board shall cause to be kept minutes of all meetings of the Board and shall cause a copy of the minutes to be forwarded to each member of the Board and to each Member Agency.

2.11. Quorum and Vote. The majority of the Board shall constitute a quorum for the transaction of business; except that less than a quorum may adjourn from time-to-time. The affirmative vote of a majority of the Board shall be required for the approval of any action except for the budget approval process, admission of new parties or an amendment of this Agreement all of which shall be governed by the unanimous approval process in Sections 3.1, 3.2, 3.3, 3.4, 7, and 8 below, and a quorum for those matters shall be all three (3) Board members. Each Member Agency shall have one vote.

2.12. Rules. The Board may adopt rules and regulations for, among other things, its meetings, including a conflict of interest code and a purchasing procedure. The Board may, from time-to-time, review and revise these rules and regulations as needed.

2.13. No Compensation of Board or Committee Members by the Authority. No Director shall be compensated by the Authority for attendance at meetings of the Board or at any committee created by the Board. No member of a committee created by the Board shall be compensated for attendance at any meetings of that committee. Nothing in this section is intended to prohibit a Member Agency from compensating its representatives on the Board or on a committee for attending such meetings.

Section 3. BUDGETS.

Until such time as the Facilities are conveyed from Rancho to the Authority, budgeting shall occur pursuant to the terms of the Facilities Acquisition Agreement. Thereafter, budgeting shall occur as described in this section.

3.1. General Operating Budget. At the first meeting of the Board, and annually thereafter in the month of March or other mutually agreed upon timeframe, a general operation budget (the "Operating Budget") shall be adopted by the Board. The Operating Budget shall be prepared in sufficient detail to constitute an operating outline for the purpose of establishing rates and/or contributions to be billed to and paid by the Member Agencies for each available level of service provided. The operating rates and/or contributions to be billed to and paid by each Member Agency shall be based upon current flows or Equivalent Dwelling Units (EDUs) as of the January prior to the start of the Budget year. The Operating Budget shall outline anticipated revenues and planned expenditures to be made during the ensuing Budget year by functional category such as operations and maintenance, administration, projects, programs, planning, study and any applicable contributions to operate related reserves. For the purpose of the Operating Budget, operating shall mean any financial activity related to exchange transactions, as defined by applicable generally accepted accounting principles (GAAP) associated with the principal activity of the JPA. The Operating Budget shall be adopted by unanimous approval of the Board. The rates and contributions approved by the Board shall be paid by the Member Agencies pursuant to Section 3.6 below.

3.2. Non-Operating Budget. At the first meeting of the Board, and annually thereafter in the month of March or other mutually agreed upon timeframe, a non-operating budget (the "Non-Operating Budget") shall be adopted by the Board. The Non-Operating Budget shall be prepared in sufficient detail to constitute a non-operating outline for the purpose of establishing rates and/or contributions to be billed to and paid by the Member Agencies. These rates and/or contributions shall be based upon the proportionate amount of ultimate capacity in the relevant asset type applicable to each Member Agency at the amounts set forth in the Section 5.1. table. At a minimum, the Non-Operating Budget shall outline anticipated revenues and planned expenditures for non-operating financial activities for the ensuing Budget year, inclusive of any amount necessary for servicing debt. For the purpose of the Budget, Non-Operating shall mean any financial activity related to non-exchange transactions, as defined by applicable GAAP. Examples of non-exchange transactions include investment income, contributed capital from Member Agencies for capital debt service, interest expense, and return of capital to Member Agencies. The non-operating budget shall be adopted by unanimous approval of the Board. The rates and contributions approved by the Board shall be paid by the Member Agencies pursuant to Section 3.6 below.

3.3. Capital Project Budget. At the first meeting of the Board, and annually thereafter in the month of March, or other mutually agreed upon timeframe, a capital project budget (the "Capital Project Budget") shall be adopted by the Board. The Capital Project Budget shall be prepared in sufficient detail to constitute a capital project outline to assess contributions to be paid by the Member Agencies and expenditures to be paid by the Member Agencies during the ensuing year for capital projects needed for major repair, replacement, expansion and efficiency of the Facilities. These contributions shall be based upon the proportionate amount of ultimate capacity in the relevant asset type applicable to each Member Agency at the amounts set forth in the Section 5.1 table. The Capital Project Budget shall be adopted by unanimous approval of the Board. The contributions approved by the Board shall be paid by the Member Agencies pursuant to Section 3.6 below.

3.4. Specific Project Budgets. In addition to the Operating Budgets and Non-Operating Budgets, the Board may budget at any time for the study, implementation or construction of any specific project, program or study proposed to be undertaken by the Authority for matters not deemed to be of general benefit to all Member Agencies, provided that no Member Agency shall be involved without its approval. A specific project budget and written project Agreement of the Member Agencies who consented to participation in the specific project shall be established for each specific project, which budget and agreement shall determine the respective obligations, functions, and rights of the Member Agencies involved and of the Authority. The members of the Board representing the Member Agencies who will be involved in financing and implementing the specific project shall be and constitute a "Project Committee," for purposes of administration and implementation of the specific project. No project shall be acquired or constructed by the Board without the unanimous consent of the governing boards of participating Member Agencies. Ratification of the project budget by each of the participating Member Agencies shall constitute consent for the acquisition and construction of the specific project. Notwithstanding the foregoing, no debt shall be incurred by the Authority for a specific project without the unanimous consent of the Board. Any rates and contributions approved by the Project Committee and approved by the participating Member Agencies shall be paid by the participating Member Agencies pursuant to Section 3.6 below.

Each project budget shall include, without limitation, the following:

- (a) Administrative expenses;
- (b) Studies and planning costs;
- (c) Engineering and construction costs;
- (d) The allocation of costs, including debt service costs, if any, among participating Member Agencies;
- (e) Annual maintenance and operating expenses for the project; and
- (f) A formula for allocating annual maintenance and operating expenses, if any.

3.5. Failure to Obtain Budget Approvals. In the event a budget acceptable to the Board is not obtained prior to the start of a fiscal year the Authority shall continue to operate at the level of expenditure as authorized below:

3.5.1. General Operating Budget. The general operating budget shall be at the expenditure level authorized by the last approved general operating budget increased by the Consumer Price Index ("CPI") with a minimum increase of no less than two percent (2%). The CPI shall mean the change in CPI for Urban Wage Earners and Clerical Workers for the Los Angeles County,

Orange County, and Riverside County areas for the all items category for the 12-month period ending the February prior to the beginning of the fiscal year budgeted as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or other mutually agreeable source if such a CPI is no longer available. This factor will be applied to the budget until such time as a new budget is approved by the Authority. Any shortfall in revenues will be made up from available reserves dedicated by the Board for such a purpose, and if insufficient to cover the shortfall, any available reserve funds not be designated by the Board for other purposes or otherwise legally restricted for other purposes by external parties. Reserves shall mean any available cash or investments.

- 3.5.2. Non-Operating Budget. The Non-Operating Budget represents revenue requirements to pay debt service on all bonds, loans or other indebtedness of the Authority. The Non-Operating Budget shall automatically be established at the required level necessary to meet annual debt service requirements including any revenue coverage covenants. Each Member Agency covenants to fix, prescribe, and collect rates and charges for its use of capacity in the Facilities which will yield during each fiscal year net revenues payable to the Authority sufficient for the Authority to satisfy all covenants in any indentures, loan agreements or other documents entered into by the Authority and to enter into such other agreements as are necessary for the Authority to secure financing to pay the acquisition price for the Facilities to Rancho.
- 3.5.3. Capital Project Budget. The Capital Project Budget represents revenue requirements to pay the costs associated with capital projects approved by the Authority. The capital project budget shall automatically be established at the required level necessary to implement capital projects previously approved by the Authority.
- 3.5.4. If a budget acceptable to the Board is not developed during the course of the fiscal year, then the budget in the following fiscal year shall be adopted according to the voting procedures in Section 2.11 such that unanimity shall not be required except for the Capital Project Budget which will remain at levels established by Section 3.5.3 until amended by unanimous vote of the Board.

3.6. Payments of Amounts Due. The payments owed for rates or contributions from each Member Agency to the Authority budget and/or project budget shall be due, payable, and delivered by the Member Agencies to the Authority within forty-five (45) days after receipt of a billing therefor from the Authority. To the extent permitted by state law, unpaid and past due contributions shall bear interest at ten percent (10%) per annum, calculated daily, from the date due to the date payment is received by the Authority.

Section 4. ACCOUNTING AND AUDITS.

- 4.1. Fiscal year. The fiscal year of the Authority shall be from July 1 to June 30.

4.2. Accounting Procedures. Full books and accounts shall be maintained for the Authority primarily in accordance with applicable GAAP and secondarily by practices established by, and consistent with, those utilized by the Controller of the State of California for similar public entities. The Authority's Secretary-Treasurer shall comply strictly with the requirements of the statute governing joint powers authorities at Government Code, Section 6500 et. seq.

4.3. Audit. An auditor shall be selected by the Board. The records and accounts of the Authority shall be audited annually by an independent certified public accountant in accordance with generally accepted auditing standards as applicable to special districts. Copies of such audit reports shall be filed as a public record with the Riverside County Auditor, the State Controller, and each Member Agency of the Authority within six (6) months of the end of the fiscal year under examination. The audit shall constitute a public record. Each Member Agency shall have the right to perform its own audit of the records and accounts of the Authority but the cost and expense of such special audit shall be born by the Member Agency seeking such audit.

Section 5. CAPACITY AND RECYCLED EFFLUENT RIGHTS

5.1. Capacity Rights in the Facilities. The permitted and design treatment capacity of the Facilities is currently five (5) million gallons per day ("MGD"). Treatment capacity rights in the Facilities shall be held for the benefit of the Member Agencies as shown in the following Asset/Liability Allocation Matrix. The Member Agencies agree that if, in the future, it is determined that the Facilities are operating at less than the permitted/designed treatment capacity of five (5) MGD, then the Member Agencies' respective capacity rights shall be adjusted pro rata to conform to their percentage capacity rights based on the assumed five (5) MGD operating capacity.

ASSET/LIABILITY ALLOCATION MATRIX

	Primary & Secondary	Tertiary Treatment	Trunk Sewer
Capital/Debt	Based on ultimate flow/capacity requirements	Based on ultimate recycled water amounts	Based on engineering analysis
Elsinore	40% - 2.0 MGD	40% - 2.0 MGD	43.57%
Rancho	40% - 2.0 MGD	52% - 2.6 MGD	36.61%
Western	20% - 1.0 MGD	8% - 0.4 MGD	19.82%

5.2. Temporary Use of Excess Capacity. A Member Agency or non-Member Agency may use the unused capacity of the other Member Agencies on a month-to-month basis as follows:

(a) The Member Agency or non-Member Agency using the excess capacity shall pay the applicable operation and maintenance expenses, as well as a fair market rental value of such excess capacity. This rental value will be determined as part of the annual budget process as described in Section 3 above and is in addition to the other rates set forth in that Section.

(b) Any excess capacity used shall be considered to be proportionally used from the current excess capacities of the other Member Agencies, and any funds received from the rental value provided in Section 5.2(a) will be used to offset any contributions required in such proportion for non-operation or capital related contributions as imposed in accordance with Sections 3.2, 3.3, 3.5.2, and 3.5.3.

(c) Any Member Agency providing excess capacity to another Member Agency or a non-Member Agency may terminate the other party's use of such excess capacity upon giving ninety (90) days prior written notice.

(d) Any proposed temporary capacity use between a Member Agency and a non-Member Agency must first be approved by the Board.

(e) The temporary use of excess capacity shall not transfer a corresponding right to control, use or derive financial benefit from the corresponding effluent stream. Permanent transfers of capacity rights are presumed to also transfer the right to control, use or derive financial benefit from a corresponding quantity of the effluent stream (as calculated in Section 5.3, below).

5.3. Effluent/Recycled Water Rights. Each Member Agency shall own and have the right to control, transfer and derive all financial benefit from the treated wastewater and recycled water produced by the Facilities in proportion to the amount of sewage delivered by each Member Agency to the Facilities for treatment, less any amount consumed during the course of the operation of the Facilities including, but not limited to, regulatory-required discharges, except as otherwise agreed upon in writing between two or more Member Agencies.

Section 6. ASSETS, DEBTS AND LIABILITIES

6.1. Debts and Liabilities.

(a) The debts, liabilities, or obligations of the Authority shall be the debts, liabilities, and obligations of the Authority alone and not of its Member Agencies. Bonds and loans entered into by the Authority, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds, and other assets pledged therefor under the applicable indenture or loan agreement and shall not constitute a charge against the general credit of the Authority. Bonds, loans or other indebtedness shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or any of its income or receipts except the property, income, and receipts pledged therefor under the applicable indenture or loan agreement. Any bonds, loans, or other indebtedness shall not constitute a debt, liability, or obligation of the State or any public agency thereof, including the Member Agencies, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State or any public agency thereof, including the Member Agencies, shall be pledged to the repayment of any bonds, loans, or other indebtedness. The Authority shall have no taxing power.

(b) No covenant or agreement contained in any Bond or Indenture shall be deemed to be a covenant or agreement of any director, officer, agent, or employee of the Authority in his or her individual capacity, and no director or officer of the Authority executing a Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance of such Bond.

(c) No bonds shall be issued and no loans or other indebtedness shall be incurred by the Authority without the unanimous consent of the Board.

6.2. Acquisition and Operation of Facilities; Ownership of Assets, Debts, and Liabilities.

(a) Prior to the conveyance of the Facilities by Rancho to the Authority, the Facilities shall be operated in accordance with the terms of this Agreement and the Facilities Acquisition Agreement. Upon the conveyance of the Facilities by Rancho to the Authority, the Facilities shall be operated in accordance with this Agreement and such other agreements as are entered into by

the Authority and the Member Agencies from time to time. Upon conveyance by Rancho, the Authority shall own all of the Facilities and shall be responsible for all debts and liabilities associated with the Facilities that are incurred by the Authority after the Effective Date of this Agreement. The land upon which the Facilities are located will not be owned by the Authority, but will be leased by the Authority from Rancho for a ninety-nine (99) year term, unless extended, at a rental rate of one dollar (\$1.00) per fiscal year payable on July 1 of each year. Each Member Agency shall execute any conveyance instruments necessary in order to accomplish a transfer of all assets, debts, and liabilities associated with the Facilities.

(b) Upon the Effective Date of this Agreement the Authority shall be obligated to acquire the Facilities including any related Property as more specifically described in the Facilities Acquisition Agreement and to obtain financing in order to pay off and defease the Rancho Debt associated with the Facilities as generally described in the Schedule of Debt attached hereto as Exhibit B. The Member Agencies intend for the Authority to acquire the Facilities from Rancho by obtaining a State Revolving Fund loan (the "SRF Loan") or other financing to discharge Rancho's Debt on the Facilities (Acquisition Price). If requested by the Authority, Rancho agrees to submit an application for the SRF Loan and to process it with the State Water Resources Control Board (the "Control Board") in order to obtain approval for an SRF Loan to be made to the Authority. The Authority and Rancho agrees to diligently pursue approval of the SRF Loan and agrees to execute the necessary documentation to obtain, transfer or assign the SRF Loan approval to the Authority. In the event that the SRF Loan is not approved by the planned acquisition date, the Member Agencies agree that the acquisition price will be financed by revenue bonds issued by the Authority. The Member Agencies agree to cooperate in negotiating the terms of the documents required to obtain the SRF Loan or the bond documents necessary to issue the Authority bonds, including all documents necessary to ensure that the Authority will have sufficient wastewater revenues to repay the SRF Loan or the Authority bonds and operate and maintain the Wastewater Plant in accordance with the covenants in the SRF Loan documents or the bond covenants in the bond documents, as applicable. The parties acknowledge and agree that such documents will include a covenant that net revenues of the Authority exceed the debt service due in each year by a certain percentage as required by the Control Board of the underwriter and the rating agency or agencies for the Authority.

6.3. Treatment of Rancho's SWAP Obligations. In connection with certain variable rate interest debt incurred by Rancho with respect to the Facilities, Rancho entered into SWAP Agreements for hedging interest rate risk. In accordance with the terms of the SWAP Agreements, Rancho could owe the SWAP providers early termination costs or payments should the SWAP Agreements be terminated before their expiration on August 15, 2031. To reduce the cost of acquiring the Facilities, Rancho shall internally reallocate the debt connected to the Facilities rather than terminating the SWAP Agreements. In return for the reallocation, the Authority agrees to reimburse Rancho for any early termination costs or payments due under the SWAP Agreements for the debt related to the Facilities should the SWAP Agreements be terminated for reasons beyond Rancho's control or option. "SWAP Agreements" means that certain ISDA Master Agreement and related documents dated May 20, 2004 between Citibank, N.A. and Rancho and the Second Amended and Restated Confirmation dated as of March 19, 2008, evidencing a SWAP transaction in the notional amount of \$17,850,000, and that certain ISDA Master Agreement and related documents dated May 20, 2004, between UBS, AG, Rancho, and the Amended and Restated Confirmation dated as of May 27, 2008, evidencing a SWAP transaction with a notional amount of \$26,775,000.

6.4. California Public Employees Retirement System Actuarial Liability (CalPERS). The Parties acknowledge that Rancho presently has an unfunded potential actuarial liability to Cal PERS for Rancho's employees who are, or have been, assigned to the Facilities ("Rancho Employees"). Although it is understood that Rancho will bear the financial responsibility to pay

the annual employer contributions to CalPERS for the retirement benefits accrued by the Rancho Employees who will remain under the sole and exclusive control and direction of Rancho, the Parties agree that the unfunded actuarial liability is less a reflection of the cost of providing retirement benefits accrued by the Rancho Employees and more like a business cost tied to the performance of previously contributed funds to CalPERS by Rancho and certain actuarial assumptions. In light of the preceding, the Authority shall assume responsibility for and pay any remaining unfunded liability associated with Rancho Employees upon a change in Rancho as the Authority's Administrator. In the event of the dissolution of the Authority, each Member Agency shall assume responsibility for and pay its proportionate share of any remaining unfunded actuarial liability associated with Rancho Employees. The unfunded actuarial liability will be computed as of the Authority's formation date and periodically redetermined over the life of the Authority except that if Rancho is terminated as the Authority's Administrator, the unfunded actuarial liability will be calculated based on benefit accrued by Rancho Employees as of the effective date of the termination. If a Member Agency elects to withdraw from the Authority, the Member Agency shall assume liability for its proportionate share of the unfunded actuarial liability, if any, at the time of that Member Agency's withdrawal from the Authority. The unfunded actuarial liability will be determined by a mutually agreed upon neutral and qualified actuary.

Section 7. TERM AND TERMINATION.

This Agreement shall remain in effect and the Authority shall continue to fulfill its purpose and exercise its power for a period of ninety-nine (99) years from the Effective Date of this Agreement or until this Agreement is extended or terminated as provided for herein. This Agreement may be extended or terminated by written unanimous consent of the Member Agencies evidenced by copies of resolutions of the Member Agencies' governing boards.

Section 8. ADMISSION OF NEW PARTIES.

It is recognized that public agencies other than the original Member Agencies to this Agreement may wish to participate in the Authority. Additional public agencies may become members of the Authority upon such terms and conditions as unanimously approved by the Board and upon the approval of all of the governing boards of the existing Member Agencies of the Authority, evidenced by the execution of a written amendment to this Agreement signed by all of the Member Agencies including the additional public agency.

Section 9. AMENDMENTS.

This Agreement may be amended only by the unanimous approval of the Board and all of the governing boards of the Member Agencies.

Section 10. WITHDRAWAL, ASSIGNMENTS OR DISSOLUTION.

10.1. Member Agency Withdrawal. Any Member Agency shall have the ability to withdraw its membership upon serving written notice of its intention to withdrawal on all other Member Agencies at least one-hundred twenty (120) days before the end of any fiscal year. However, such withdrawal by a Member Agency shall not relieve the Member Agency of its financial obligations (including, but not limited to, capital costs, debt obligations, CalPERS unfunded liability, and any net operations and maintenance costs resulting from such withdrawal) arising under this Agreement. Such obligations shall arise upon execution of this Agreement and shall include a Member Agency's proportionate obligation to acquire the Facilities from Rancho. A withdrawing Member Agency may assign and convey its capacity rights, and related obligations to another Member Agency if approved by the unanimous vote of the Board. A Member Agency

may also assign and convey its capacity rights, and related obligations, to a third party public agency, upon unanimous approval of the Board and the approval of each Member Agency's governing boards and upon written acceptance by the third party public agency of all the terms of this Agreement and all other related agreements and resolutions of the Board as well as compliance with Section 8 of this Agreement. A withdrawing Member Agency shall have no entitlement, right, or claim to the Authority's assets arising from its decision to withdraw.

10.2. Partial Sale of Capacity Rights to Member Agency. A Member Agency may assign and sell a portion of its Facilities capacity rights to another Member Agency upon unanimous approval of the Board. Unless otherwise agreed upon by the Seller and Buyer, the selling price for the partial sale of capacity rights from a Member Agency to another Member Agency shall be equal to the selling Member Agency's incurred capital cost for the capacity, including financing costs, adjusted for inflation not to exceed the annual increase in the CPI for Urban Wage Earners and Clerical Workers for the Los Angeles County, Orange County, and Riverside County areas for all the items category for the 12-month period ending the February prior to the beginning of the Fiscal Year budgeted as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or other mutually agreeable source if such a CPI is no longer available.

10.3. Partial Sale of Capacity Rights to a Non-Member Agency. A Member Agency may also assign and sell a portion of its Facilities capacity rights to a third party public agency upon the unanimous approval of the Board and the approval of each Member Agency's governing boards and upon written acceptance by the third party public agency of the terms of this Agreement and all related agreements and resolutions of the Board as well as compliance with Section 8 of this Agreement.

10.4. Dissolution. The Authority may be dissolved at any time prior to the expiration of the term by unanimous vote of the Board and approval of the Member Agencies' governing boards. However, the Authority shall not be dissolved until all debts and liabilities of the Authority have been eliminated. Upon dissolution of the Authority, each Member Agency shall receive its proportionate share of any remaining assets after all Authority liabilities and obligations have been paid or settled based on each Member's Agency's respective capacity ownership at the time of dissolution. The distribution of remaining assets may be made "in kind" or assets may be sold and the proceeds thereof distributed to the Member Agencies. The distribution of any remaining assets will occur within a reasonable time after dissolution. No former Member Agency which previously withdrew from the Authority shall be entitled to a distribution upon dissolution.

Section 11. DISPUTE RESOLUTION.

If a dispute arises as to the construction, interpretation or implementation of any portion of this Agreement or any matters that arise in connection with this Agreement, the issues of dispute or matter requiring resolution shall be submitted to non-binding mediation by an independent, neutral mediator agreed to by the Member Agencies. If no such agreement is reached as to the independent, neutral mediator, then the mediator shall be chosen by the Administrator.

Section 12. INDEMNIFICATION.

The Member Agencies, their employees, agents, and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs, or any other cost arising out of or in any way related to the Authority. Accordingly, the provisions of this indemnity are intended by the Parties to be interpreted and construed to provide the fullest protection possible under the law to the Member Agencies.

Therefore, to the fullest extent permitted by law, the Authority shall defend, indemnify, and hold harmless the Member Agencies and their employees, agents, and officials from any liability, claims, suits, actions, arbitration, proceedings, administrative proceedings, regulatory proceedings, losses, expenses, or costs of any kind, whether actual, alleged, or threatened. actual attorney fees incurred by Member Agencies, court costs, interest, defense costs, (including expert witness fees) and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole, or in part, to the activities of the Authority.

Section 13. MISCELLANEOUS.

13.1. Section Headings. The section headings of this Agreement are for convenience only and are not to be construed as modifying or governing the language in each section.

13.2. Consent Or Approval Shall Not Be Unreasonably Withheld. Whenever in this Agreement any consent for approval is required, such consent or approval shall not be unreasonably withheld.

13.3. Applicable Laws. This Agreement is made under the laws of the State of California and is to be construed consistent with those laws.

13.4. Assignment and Succession. The Member Agencies shall not assign any rights or obligations under this Agreement without the written consent of all the Member Agencies. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties to this Agreement.

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

IN WITNESS WHEREOF, each party hereto has pursuant to resolution duly passed and adopted by their respective governing bodies as indicated below caused this Agreement to be executed.

Elsinore Valley Municipal Water District

By: Phil Williams
President

By: Lucy Gini
Secretary-Treasurer

Approved by
Board of Directors
By Resolution No. 15-11-02

Dated: 11/12/15

Dated: 11/12/15

Rancho California Water District

By: John E. Hoagland
President

By: Kevin J. Garcia
Secretary-Treasurer

Approved by
Board of Directors
By Resolution No. 2015-11-3

Dated: 11/12/2015

Dated: 11/12/15

Western Municipal Water District of
Riverside County

By: Donald D. Walker
President

By: J. P. G.
Secretary-Treasurer

Approved by
Board of Directors
By Resolution No. 2927

Dated: 11/16/2015

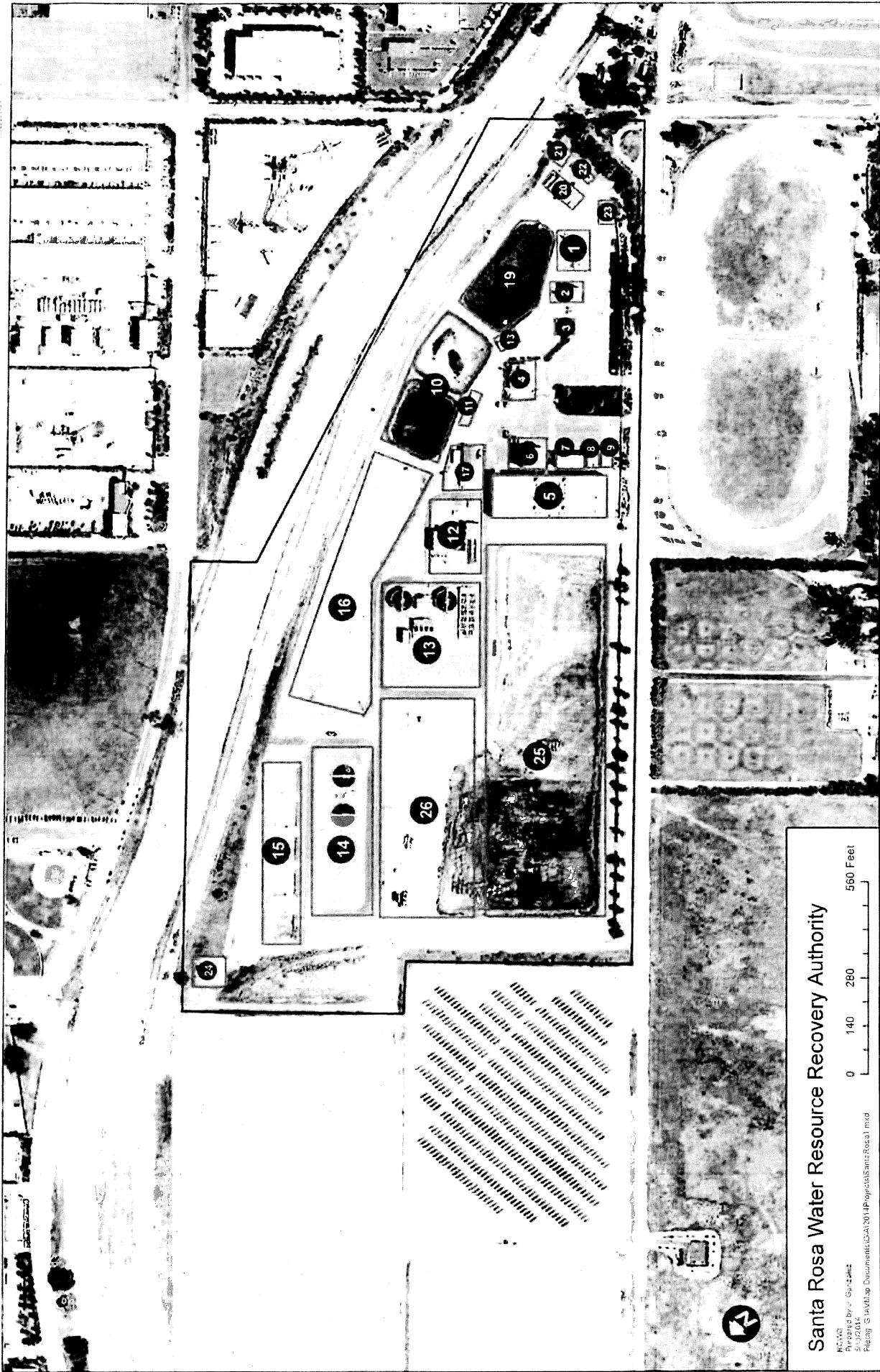
Dated: 11/16/2015

**FACILITIES PER SECTION 1.1.7 OF THE
JOINT EXERCISE OF POWERS AGREEMENT**

<u>Map Location</u>	<u>Facility/Asset Description</u>
<i>Primary/Secondary Treatment Facilities</i>	
1	Headworks
2	Grit Chamber
3	Headworks Emergency Generator
4	Operations Building
5	SBR Basins/Aerobic Digester
6	Solids Dewatering Building
7	SBR Blower Building
8	Electrical Building
9	Solar Electrical Facility
16	Percolation Basin (non-compliant water pond)
17	SRWRF Maintenance & Collection System Building
25	Future Primary/Secondary Treatment Facility Area
<i>Tertiary Treatment Facilities</i>	
10	Equalization Basins
11	AWT Pump Station
12	AWT Facilities (Chemical Room, Chlorine Room, Operations Room & Emergency Generator)
13	AWT Facilities (Rapid Mix, Flocculation, Clarifiers, Filters & Chlorination Basin)
14	Filter Backwash Basins
15	Sludge Drying Beds (vector truck disposal area)
18	Recycled Water Splitter Box
19	Recycled Water Forebay
<i>Other Non-identified Facilities</i>	
	Asphalt Concrete Paving
	Drainage (Curb & Gutter, Swales, Culverts)
	Perimeter Walls & Fencing
	Landscaping (Plant, Rock, DG & Dirt)
	Monitoring Wells
	Trunk Sewer Pipelines & Manholes
<i>RCWD Facilities Not Being Acquired by JPA</i>	
20	Elm Street Recycled Water Pump Station Nos. 1 & 2
21	Well No. 135
22	Recycled Water Distribution System Disinfection Facility
23	Recycled Water System Algae Filters
24	Well No. 145
26	Future IPR Facility Area (Reserved for RCWD's Future Use)

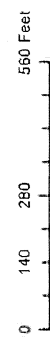
Exhibit "A"

(And Attached Map of Reclamation Facility)



1. Aeration Basin
 2. Clarifier
 3. Sludge Thickener
 4. Sludge Dewatering
 5. Sludge Storage
 6. Sludge Disposal
 7. Sludge Handling
 8. Sludge Transport
 9. Sludge Disposal
 10. Aeration Basin
 11. Clarifier
 12. Sludge Thickener
 13. Sludge Dewatering
 14. Sludge Storage
 15. Sludge Disposal
 16. Sludge Handling
 17. Sludge Transport
 18. Sludge Disposal
 19. Aeration Basin
 20. Clarifier
 21. Sludge Thickener
 22. Sludge Dewatering
 23. Sludge Storage
 24. Sludge Disposal
 25. Sludge Handling
 26. Sludge Transport

Santa Rosa Water Resource Recovery Authority



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 Prepared by: G...
 2/1/2014
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**EXHIBIT B
SCHEDULE OF DEBT**

Exhibit "B" - Debt Schedule
*Values as of June 30th, 2015**

On Sewer Division Books	Principal	Unamortized Discount/(Premium)	Total Debt	Reserve Cash in Trust	Net Debt
2002A	(4,112,974)	(187,648)	(4,300,622)	437,163	(3,863,459)
2008A	(42,617,705)	(626,672)	(43,244,377)	3,546,519	(39,697,857)
2008B	(13,973,518)		(13,973,518)	991,750	(12,981,768)
2010A	(910,768)	4,803	(905,965)		(905,965)
Total	(61,614,964)	(809,517)	(62,424,481)	4,975,432	(57,449,050)

Tertiary Debt on Water Divisions Books	Principal	Unamortized Discount/(Premium)	Total Debt	Reserve Cash in Trust	Net Debt
2002A	(237,214)	(10,822)	(248,037)	25,213	(222,824)
2005C	(3,606,090)	(168,672)	(3,774,762)		(3,774,762)
2008A	(3,359,840)	(221,425)	(3,581,265)	1,625,191	(1,956,073)
Total	(7,203,143)	(400,920)	(7,604,064)	1,650,405	(5,953,659)

Total Sewer/Tertiary Debt	Principal	Unamortized Discount/(Premium)	Total Debt	Reserve Cash in Trust	Net Debt
2002A	(4,350,188)	(198,470)	(4,548,659)	462,376	(4,086,283)
2005C	(3,606,090)	(168,672)	(3,774,762)		(3,774,762)
2008A	(45,977,544)	(848,097)	(46,825,641)	5,171,711	(41,653,931)
2008B	(13,973,518)		(13,973,518)	991,750	(12,981,768)
2010A	(910,768)	4,803	(905,965)		(905,965)
Total	(68,818,108)	(1,210,437)	(70,028,545)	6,625,836	(63,402,708)

Asset % of Outstanding Capital Debt

SRRRA - Debt for Assets to be Acquired	Asset %	Total Debt	Reserve Cash in Trust	Net Debt
Primary & Secondary Treatment	49%	\$ (34,291,563)	\$ 3,244,538	\$ (31,047,025)
Tertiary Treatment	8%	\$ (5,718,915)	\$ 541,102	\$ (5,177,813)
Collection System	34%	\$ (24,154,172)	\$ 2,285,377	\$ (21,868,795)
Total SRRRA Debt		\$ (64,164,650)	\$ 6,071,017	\$ (58,093,633)
RCWD - Debt for Retained Assets				
Temecula Valley Disposal Line-Rancho Only	3%	\$ (2,326,519)	\$ 220,126	\$ (2,106,392)
Land	5%	\$ (3,537,376)	\$ 334,693	\$ (3,202,683)
Total RCWD Debt		\$ (5,863,895)	\$ 554,820	\$ (5,309,075)
Total SRRRA & RCWD Debt	100%	\$ (70,028,545)	\$ 6,625,836	\$ (63,402,708)

Per Agency - Net Debt for Assets to be Acquired	%	RCWD	%	EVMWD	%	WMWD	Total
Primary & Secondary Treatment	40.0%	\$ 12,418,809.87	40.0%	\$ 12,418,809.87	20.0%	\$ 6,209,404.94	\$ 31,047,024.68
Tertiary Treatment	52.0%	\$ 2,692,462.90	40.0%	\$ 2,071,125.31	8.0%	\$ 414,225.06	\$ 5,177,813.26
Collection System	36.6%	\$ 8,006,166.02	43.6%	\$ 9,528,234.19	19.8%	\$ 4,334,395.26	\$ 21,868,795.48
Total		\$ 23,117,438.79		\$ 24,018,169.37		\$ 10,958,025.26	\$ 58,093,633.42

*For reference only. Values will be updated at time of asset acquisition