

# **NOTICE**

PANOCHÉ WATER DISTRICT  
52027 WEST ALTHEA AVENUE  
FIREBAUGH, CA 93622

TO: Board of Directors  
FROM: John Bennett, President  
RE: Regular Meeting of the Board of Directors

A regular meeting of the Board of Directors of the Panoche Water District is scheduled for 9:00 a.m., January 12, 2021, to address the items listed on the attached agenda. In accordance with Governor Newsom's Executive Orders N-25-20 and N-29-20 issued in response to the COVID-19 Pandemic, the meeting will be held by web and teleconference, and accessible to the public electronically, through the following means.

**IN ACCORDANCE WITH EXECUTIVE ORDERS N-25-20 AND N-29-20,  
DIRECTORS AND THE PUBLIC MAY CHOOSE TO PARTICIPATE FROM ANY LOCATION,  
WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT.**

**DIRECTORS AND MEMBERS OF THE PUBIC MAY CHOOSE TO PARTICIPATE  
IN THE OPEN SESSION PORTION OF THE MEETING  
FROM YOUR COMPUTER, TABLET OR SMARTPHONE  
THROUGH THE FOLLOWING MEANS:**

<https://global.gotomeeting.com/join/741887541>

**AND PLEASE DIAL**

**Conference call in number: (844) 783-6236    Passcode: 209 364 6136**

NOTE: Any member of the public may address the Board of Directors concerning any item on the Agenda before or during its consideration of that matter, as appropriate, by calling into the meeting and joining electronically via the GoToMeeting link above. The President may limit the total amount of time allocated for public comment on particular issues to 3 minutes for each individual speaker.

# **AGENDA**

**PANOCHÉ WATER DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING  
January 12, 2021 – 9:00 a.m.**

**JOIN THE OPEN SESSION MEETING FROM YOUR COMPUTER, TABLET OR SMARTPHONE  
THROUGH THE FOLLOWING MEANS:**

<https://global.gotomeeting.com/join/741887541>

**AND PLEASE DIAL**

**Conference call in number: (844) 783-6236    Passcode: 209 364 6136**

**PRESIDENT’S ANNOUNCEMENT:** Pursuant to Government Code Section 54952.3, let it be known that Board Members receive no compensation or stipend for simultaneous or serial order meetings of the Panoche Water District, Panoche Drainage District, Panoche Financing Authority, and the Panoche Resource Conservation District.

- 1. CALL TO ORDER**
- 2. REVIEW OF AGENDA:** The Board will consider corrections and/or additions to the Agenda of items requiring immediate action that came to the attention of the Board after the Agenda was posted.
- 3. ROLL CALL:** A quorum will be confirmed and the Board will consider appointment of an acting Officer(s) in the event the President, Vice-President, and/or Secretary is absent from the meeting.
- 4. POTENTIAL CONFLICTS OF INTEREST:** Any Board member who has a potential conflict of interest may now identify the Agenda Item and recuse themselves from discussing and voting on the matter. [Government Code Section 87105]
- 5. PUBLIC COMMENT:** The Board of Directors welcomes participation in Board meetings. The public may address matters under the jurisdiction of the Board that have not been posted in the Agenda. The public will be given the opportunity to address the Board on any item in the Agenda at this time or before the Board’s consideration of that item. If members of the public desire to address the Board relative to a particular Agenda item at the time it is to be considered, they should so notify the President of the Board at this time. Please note, California Law prohibits the Board from taking action on any matter during a regular meeting that is not on the posted Agenda unless the Board determines that it is an emergency or one of the other situations specified in Government Code Section 54954.2. During a special meeting, the Board may not take action on any matter that is not on the posted Agenda. The President may limit the total amount of time allocated for public comment on particular issues to 3 minutes for each individual speaker.

**6. DIVISION REPORTS:**

- A. Water Operations & Maintenance – Juan Cadena
- B. Administration – John Paul Otollo
- C. Ethics, Compliance, & Human Resources – Lorena Chagoya/German Rodriguez

*At approximately 9:30 a.m., it is anticipated President Bennett will suspend the Panoche Drainage District, the Panoche Financing Authority, and the Panoche Resource Conservation District meetings, and continue the Panoche Water District-ONLY meeting.*

*The Panoche Financing Authority meeting is expected to continue at approximately 11:00 a.m.*

*The Panoche Drainage District meeting will continue at 9:00 a.m., Wednesday, January 13<sup>th</sup>.*

*It is anticipated the Panoche Resource Conservation District meeting will resume at approximately 11:30 a.m., Wednesday, January 13<sup>th</sup>.*

**7. LOS VAQUEROS RESERVOIR EXPANSION PROJECT – Contra Costa WD Presentation (Tab 2)**

*At approximately 10:00 a.m., it is anticipated President Bennett will call a 15-minute break, then continue the Panoche Water District meeting.*

**8. CONSENT CALENDAR**

All matters listed on the Consent Calendar are considered to be routine and non-controversial and will be acted upon by a single action of the Board of Directors, unless a Board Member requests separate consideration of the item. If such a request is made, the item may be heard as an Action Item at this meeting. The Board will review and consider (Tab 3):

- Approval of DRAFT minutes from the September 08, 2020, regular meeting of the Board;
- Approval of DRAFT minutes from the September 29, 2020, special meeting of the Board;
- Acceptance of the monthly financial statements for the period ending December 31, 2020;
- Acceptance of Director's Monthly Credit Card Usage Report.

**ACTION ITEMS**

- 9. The Board to review and consider approving as to form a Continuing Disclosure Certificate, and an Installment Purchase Agreement in support of anticipated future financing for the repayment of the District's allocated costs for construction of the Central Valley Project and other activities (Williams – Tab 4);
- 10. The Board to review and consider adopting a RESOLUTION authorizing 1) the issuance of revenue bonds by the Panoche Financing Authority of a sum not to exceed \$38,000,000 in aggregate principal; 2) approving the execution and delivery of certain documents in connection therewith

and authorizing certain other matters; and 3) making findings of exemption under the California Environmental Quality Act (Azhderian/Williams – Tab 5);

11. The Board to conduct its annual review and consideration of the District’s Groundwater Conveyance Policy (Azhderian/Cadena – Tab 6);
12. The Board to review and consider approving a water user’s request to transfer CVP water out of the District, consistent with the District’s CVP Water Transfer Policy (Azhderian – handout Tab 7);
13. The Board to review and consider approving payment of bills (Otollo – Tab 8).

*At approximately 11:00 a.m., it is anticipated President Bennett will suspend the Panoche Water District meeting, and continue the Panoche Financing Authority meeting.*

*At approximately 11:30 a.m., it is anticipated President Bennett will adjourn the Panoche Financing Authority meeting and continue the Panoche Water District meeting.*

14. The Board to review and consider approving financial model to inform a new rate structure for the recovery of the District’s costs through future land-based assessments and water rates (Azhderian/Tozlian – Tab 9);

*At approximately 12:00 p.m., it is anticipated President Bennett will call a 30-minute lunch break, then continue the Panoche Water District meeting.*

15. The Board to review and consider authorizing revisions to the District’s Emergency COVID-19 Pandemic Response Policy (Azhderian/Williams – handout Tab 10);
16. The Board to review and consider authorizing execution of a Service Agreement with the Panoche Resource Conservation District to provide for its administration and operation (Azhderian – Tab 11)

#### **REPORT ITEMS**

17. **CONTROLLER’S REPORT** (Tab 12)
  - A. FY 2020-21 Budget-to-Actual Report;
  - B. Other financial matters affecting the District.
18. **REPORTS UNDER DISTRICT POLICIES**
  - A. Report(s) on Brown Act Meetings & Conferences Attended at District Expense (may be written or oral and may be joint for multiple attendees);
  - B. Board to Consider Update(s) or Approval(s) Required Under Any Other District Policies.
19. **GENERAL MANAGER’S REPORT** (Tab 13)
  - A. Water Supplies & Deliveries;

- B. Supplemental Water;
- C. Water Quality Report;
- D. Domestic Water Treatment Plant;
- E. WIIN Act Contract Conversion and CVP Capital Prepayment:
  - i. Contract execution process;
  - ii. Prepayment financing.
- F. Sustainable Groundwater Management;
- G. Staffing Update:
  - i. Electrician;
  - ii. Accounting Specialist;
  - iii. Maintenance Supervisor.
- H. Grassland Basin Authority;
- I. Other Matters Affecting the District.

*At approximately 1:00 p.m., it is anticipated President Bennett will suspend the Panoche Water District meeting and resume a JOINT meeting of the Panoche Water and Drainage Districts at 9:00 a.m., Wednesday, January 13<sup>th</sup>.*

**20. JOINT CLOSED SESSION: Conference with Legal Counsel.**

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of Cases:

- i. Stephen W. Sloan vs. Panoche Water District  
Fresno County Superior Court Case No. 18CECG00511;
- ii. Imani Percoats & Chris Bettencourt vs. Panoche Water District  
Fresno County Superior Court Case No. 18CECG01651;
- iii. Jeffrey Moore vs. Panoche Water District  
U.S. Eastern District Court Case No. 1:20-cv-00143-DAD-EPG
- iv. North Coast Rivers Alliance, et al. v. Kenneth Salazar, et al  
US District Court, E.D.Cal, Case No. 1:16-cv-00307-DAD-SKO

- B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to Litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9:

Number of Cases: Eight

**21. REPORT FROM JOINT CLOSED SESSION (GOVERNMENT CODE SECTION 54957.1)**

*At approximately 10:30 a.m., January 13<sup>th</sup>, it is anticipated President Bennett will suspend the Panoche Drainage District meeting and continue the Panoche Water District-ONLY meeting.*

**22. PANOCHÉ WATER DISTRICT-ONLY CLOSED SESSION**

**A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant Exposure to Litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9:

Number of Cases: Two

**B. CONFERENCE WITH LABOR NEGOTIATORS**

Agency Designated Representative: Ara Azhderian, General Manager

Employee Organization: International Brotherhood of Electrical Workers Local 1245

**C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: General Manager

**23. REPORT FROM PANOCHÉ WATER DISTRICT-ONLY CLOSED SESSION**

**24. REPORTS ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3)**

**25. FUTURE MEETING DATES**

A. Board to Consider Action to Set Special Meeting Date(s): *Staff requests January 26<sup>th</sup>.*

B. Next Regular Meeting Date: February 9, 2021

**26. ADJOURNMENT**

- ❖ Items on the Agenda may be taken in any order.
- ❖ Action may be taken on any item listed on the Agenda.
- ❖ Writings relating to open session: Agenda items that are distributed to members of the Board of Directors will be available for inspection at the District office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.

Americans with Disabilities Act of 1990: Under this Act, a qualifying person may request that the District provide a disability-related modification or accommodation in order to participate in any public meeting of the District. Such assistance includes alternative formats for the agendas and agenda packets used for any public meetings of the District. Requests for assistance shall be made in person, in written form, or via telephone by calling (209) 364-6136. Requests must be received at least 18 hours prior to a scheduled public meeting.



The logo for the Los Vaqueros Reservoir Expansion Project. It features the words "LOS VAQUEROS" in large, bold, blue capital letters. Below "VAQUEROS" are the words "RESERVOIR", "EXPANSION", and "PROJECT" in a smaller, green, sans-serif font. To the right of the text is a vertical graphic element consisting of four stacked, trapezoidal shapes that resemble a dam or a reservoir cross-section, colored in shades of blue and green.

# LOS VAQUEROS RESERVOIR EXPANSION PROJECT

The background of the slide is a scenic landscape. In the foreground, there are rolling green hills with a dirt road and some trees. In the middle ground, a large blue reservoir is visible, with a concrete dam structure. In the background, more rolling green hills are dotted with several white wind turbines under a clear sky.

## Agenda Item 7 Los Vaqueros Reservoir Expansion Project CCWD Presentation

January 6, 2021



# Existing Los Vaqueros Reservoir

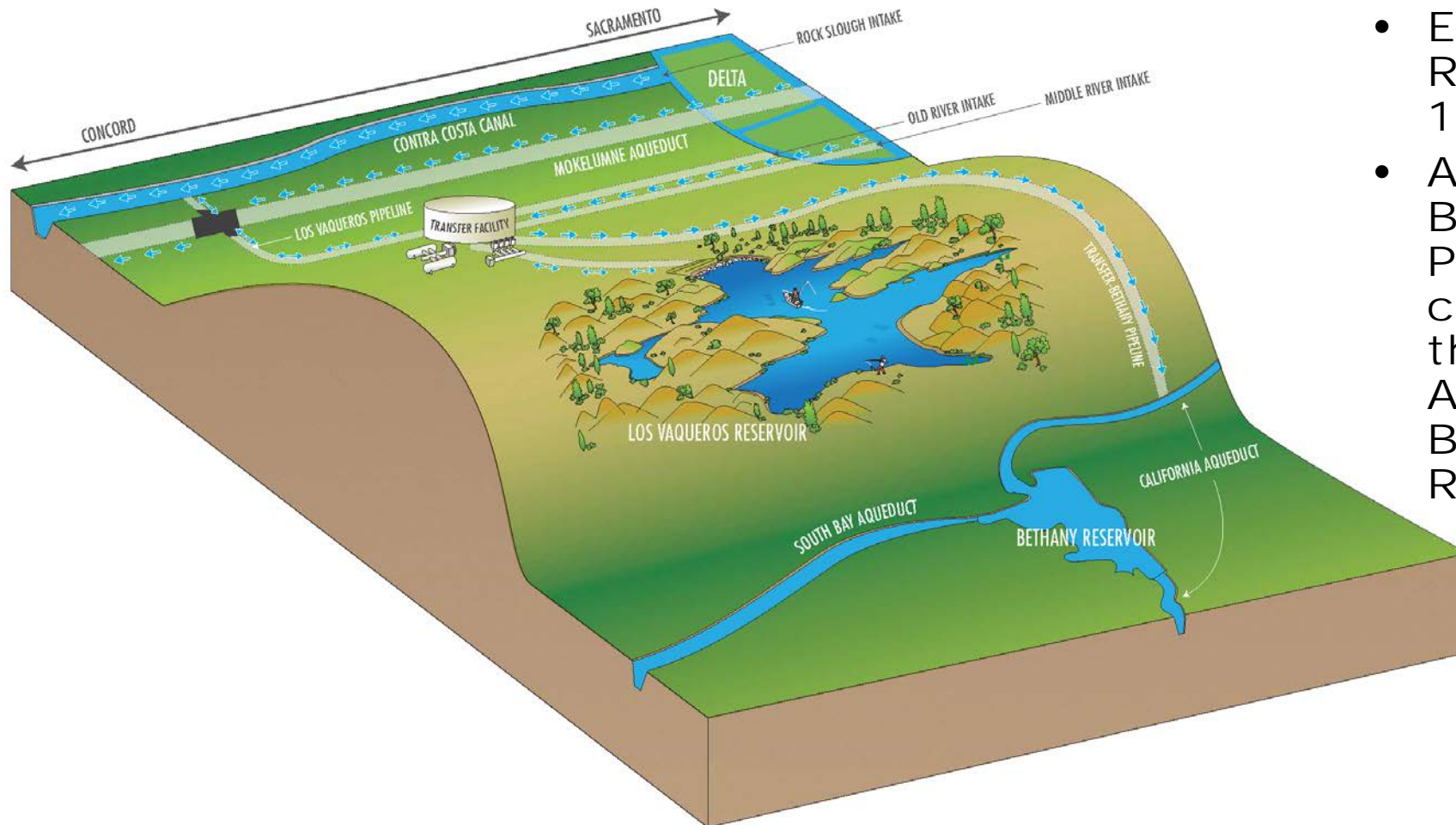


- Los Vaqueros Reservoir is an off-stream reservoir in Contra Costa County with a capacity of 160,000 acre-feet (AF)
- Contra Costa Water District (CCWD) operates Los Vaqueros Reservoir in conjunction with four Delta intakes
- Benefits:
  - Water quality improvements
  - Drought supply reliability
  - Emergency supply





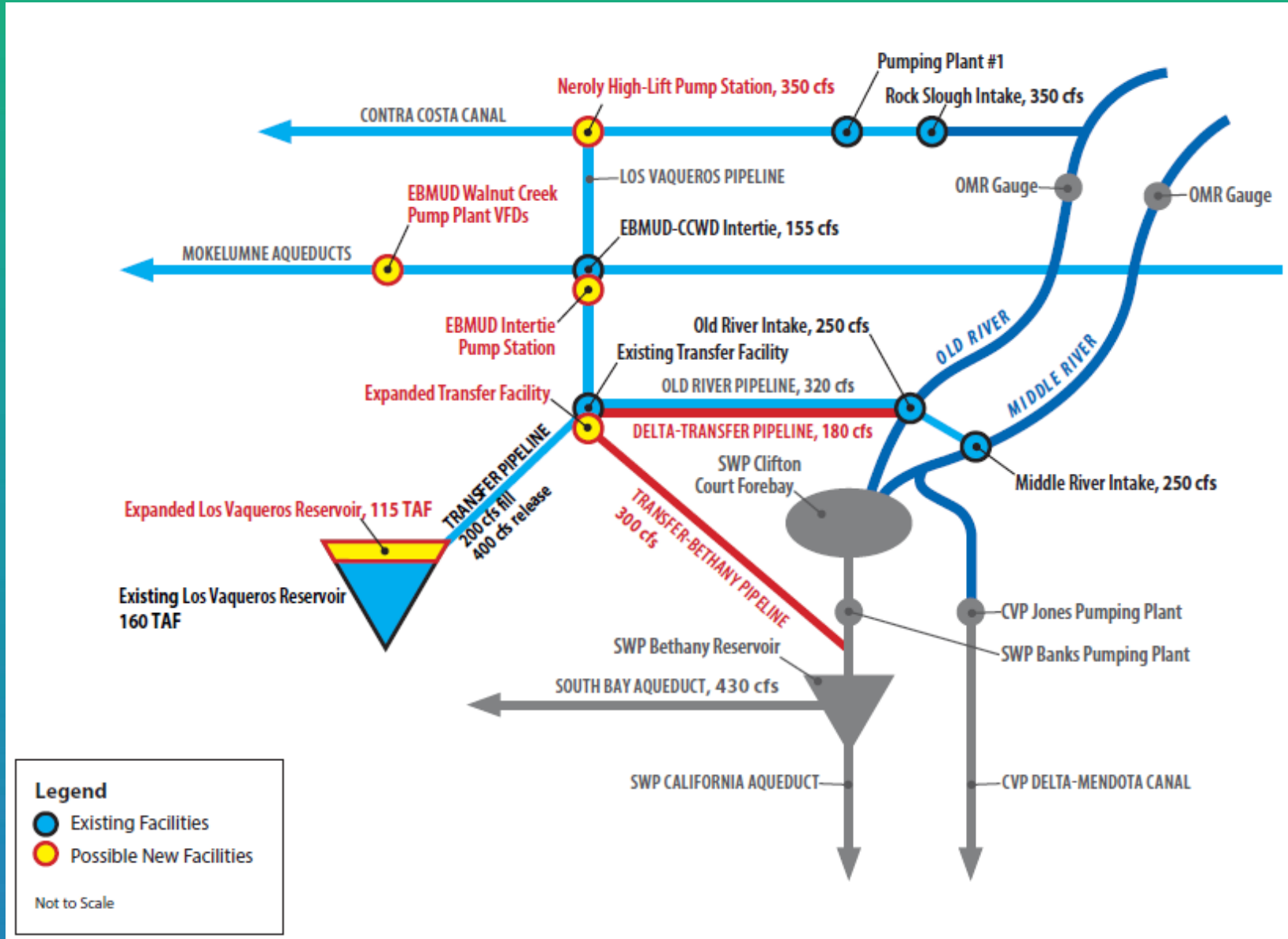
# Proposed Project



## New Facilities

- Expand Reservoir from 160 to 275 TAF
- Add Transfer-Bethany Pipeline, connecting to the California Aqueduct at Bethany Reservoir

# Proposed Facilities



# Primary Project Benefits

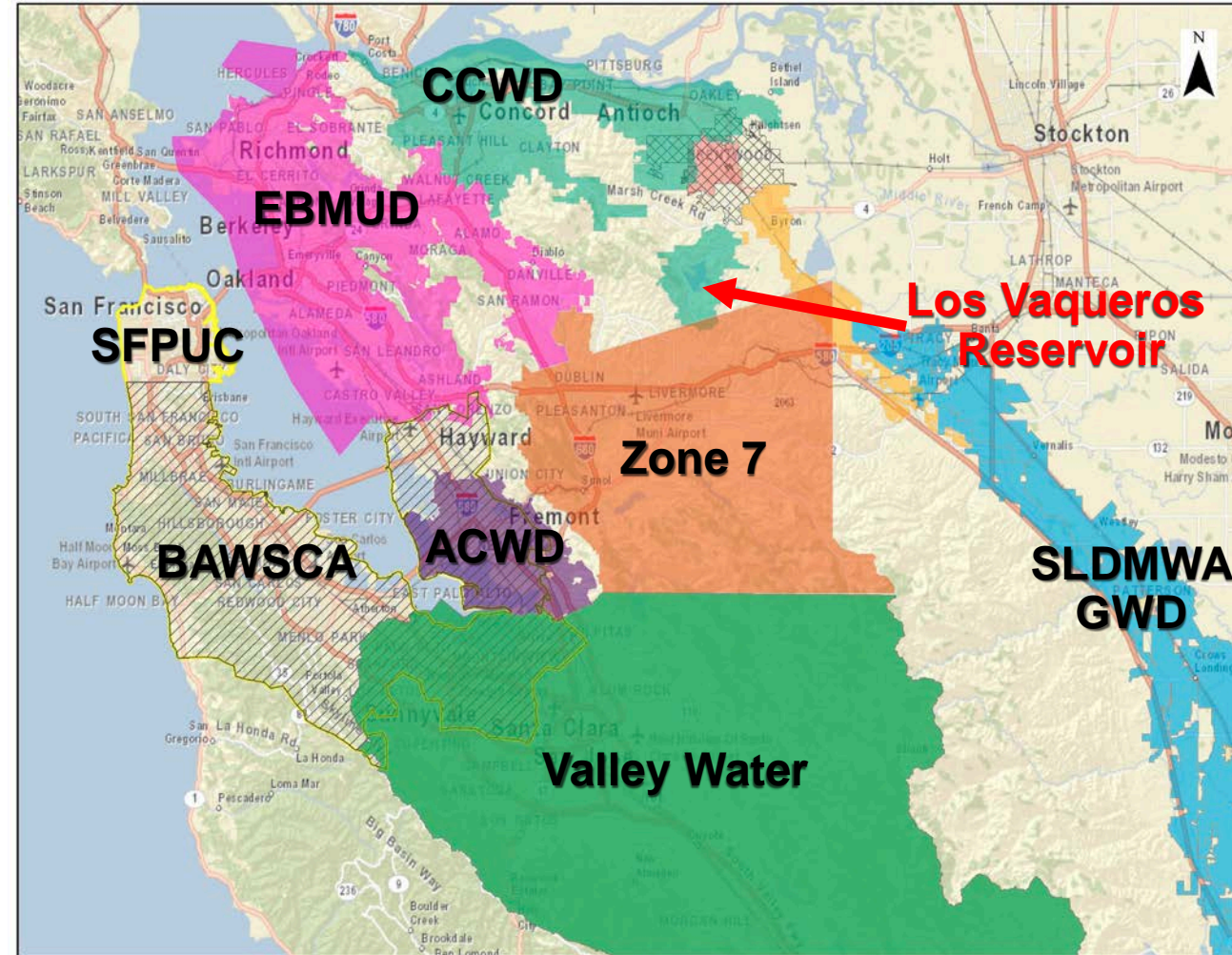
- Increased Municipal & Industrial Supply
- Agricultural Supply
- Wildlife Refuge Supply
- Central Valley Project (CVP) Operational Flexibility
- Drinking Water Quality Improvements





# Local Agency Partners (LAPs)

- Central Valley Project (CVP) Contractors:
  - **Contra Costa Water District**
    - City of Brentwood
  - **East Bay Municipal Utility District**
  - **San Luis & Delta-Mendota Water Authority**
    - Byron-Bethany Irrigation District
    - Del Puerto Water District
    - Panoche Water District
    - Westlands Water District
  - **Valley Water**
- State Water Project Contractors:
  - **Alameda County Water District**
  - **Valley Water**
  - **Zone 7 Water Agency**
- State, Federal, Local Wildlife Refuges:
  - **Grassland Water District**
- Regional Partners:
  - **East Bay Municipal Utility District**
  - **San Francisco Public Utilities Commission**
    - Bay Area Water Supply and Conservation Agency

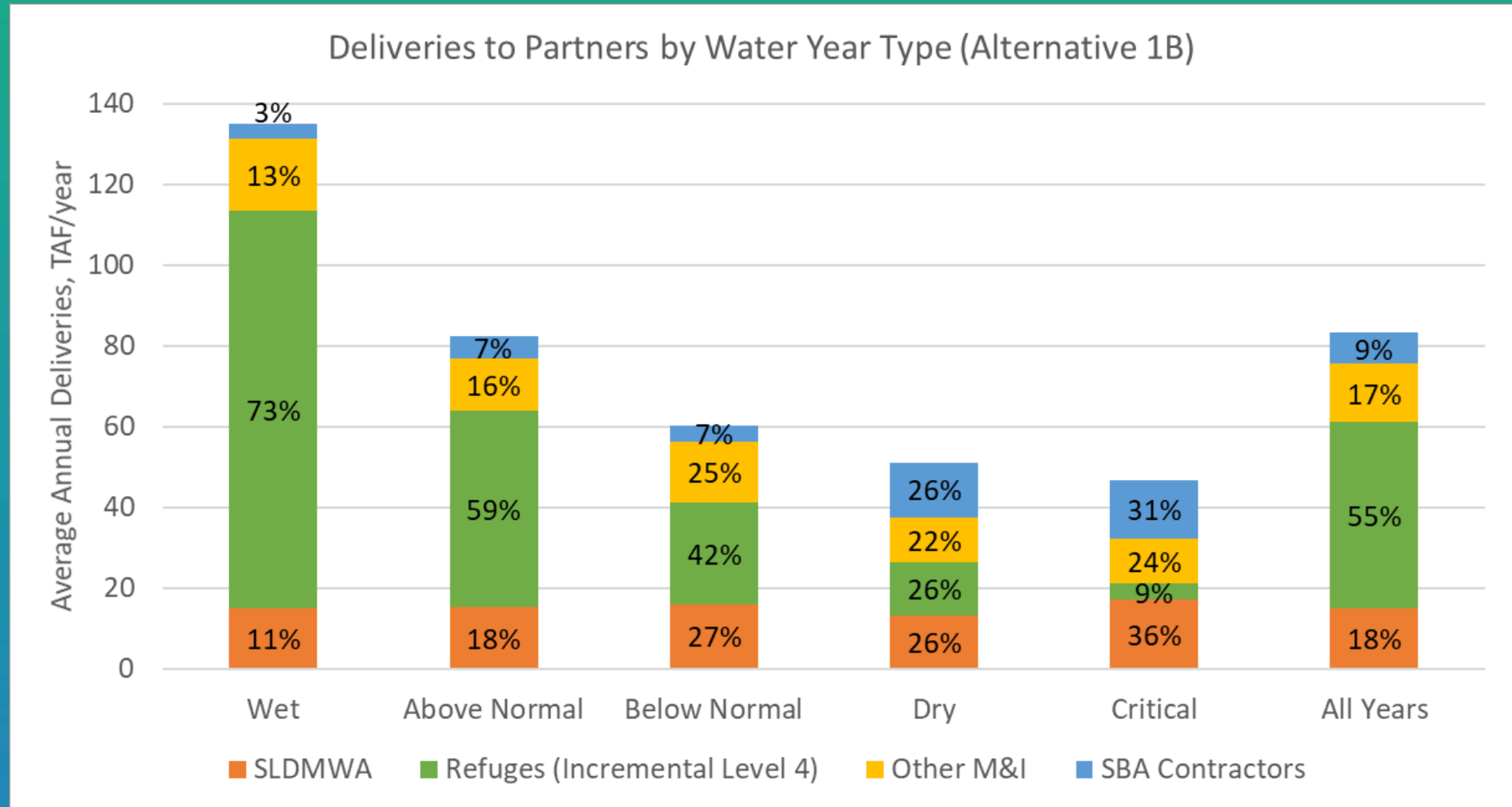


# LAP Options for Participation

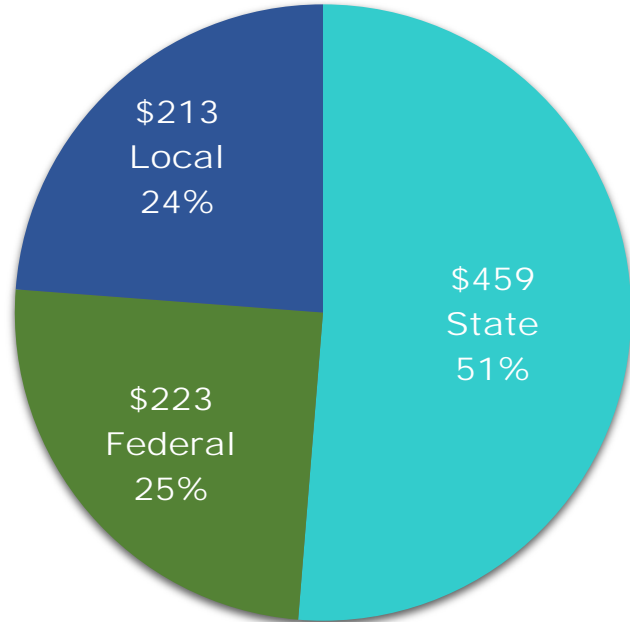
- Dedicated Storage
  - Reserved for individual agency use
- Pooled Storage
  - Unreserved for use by any LAP
- Conveyance Only
  - Utilize existing and future conveyance facilities
- LAPs are currently evaluating various scenarios of participation that best meet their needs and retain future flexibility
- Methodology and pricing under development



# Project Benefits to LAPs and Wildlife Refuges



# Preliminary Cost Allocation



- **Cost allocation shown in million dollars**
- **Cost estimates from Final Feasibility Report (August 2020)**
- **State allocation based on 2015 dollars**
  - Final State award may be increased to account for inflation
  - Dual classification (Reservoir Reoperation and CALFED Surface Storage) allows State award greater than 50% of total cost



# Preliminary LAP Costs

- Dedicated Storage
  - Approximate average of \$1,700 to 2,700/acre-foot
- Pooled Storage
  - Approximate average of \$700 to 900/acre-foot
- Conveyance Only
  - Approximate average of \$400/acre-foot
- All preliminary costs are currently being updated to reflect:
  - Reduced CCWD usage fees
  - Reduced construction cost estimates
  - Updated LAP requests and operations modeling

# Environmental Document Finalized



— BUREAU OF —  
RECLAMATION

Final – Volume 3 of 4

## **Supplement to the Final Environmental Impact Statement Final Environmental Impact Report**

Los Vaqueros Reservoir Expansion Project  
California State Clearinghouse No. 2006012037



The Estimated Lead Agency Total Cost  
Associated with Developing and Producing this  
Final Supplement to the Final EIS/EIR is \$75,000

U.S. Department of the Interior

February 2020

- Document published in February 2020
- CCWD certified document, approved Project and filed Notice of Determination in May 2020
- Tolling period concluded without any legal challenges in September 2020



# Final Feasibility Report Published 8/11/20



— BUREAU OF —  
RECLAMATION

## Final Feasibility Report

Los Vaqueros Reservoir Expansion Investigation



- Secretary of Interior determined LVE Project is feasible and recommended for implementation
- Project authorization provides for federal cost sharing up to 25%
- \$11.95 million in federal funding approved in December 2020 for pre-construction and construction activities



# Current Status on Key Activities

- Permitting, Design, and Agreement Development are Ongoing
- Change Petitions for Modifying Existing Water Rights in Development
- Other Key Agreements:
  - Service Agreement
  - Coordinated Operations Agreement
  - DWR Agreements
  - Funding Agreements

# Los Vaqueros Reservoir JPA Formation

- CCWD and Local Agency Partners (LAPs) intend to form new Joint Powers Authority (JPA)
- Target date for formation is Spring 2021
- JPA Purposes and Objectives
  - Provide governance of the Project by the LAPs and ensure all parties have a seat at the table
  - Ensure sufficient and stable funding for the Project, including administrative and support activities as required, through separate agreements
  - Ensure costs are reasonable and cost allocations are equitable and transparent, following beneficiaries pay principle
  - Ensure reliable delivery of water to the LAPs consistent with the terms of the future Service Agreements



# Los Vaqueros Reservoir JPA Formation

- JPA Role
  - Enter into contracts for administration of public benefits
  - Enter into state and federal funding agreements
  - Finance LAP share of construction
  - Coordinate LAP and wildlife refuge requests for service
  - Monitoring and reporting
- CCWD Role
  - Manage Early Funding Agreement with California Water Commission (CWC)
  - Continue to operate intakes, reservoir and LV Watershed
  - Provide additional services under contract to the JPA as required



# Near Term Schedule

- Spring 2021 JPA formation
- Fall 2021 Amend Multi-party Agreement or  
Execute Interim Funding Agreement
- Spring 2022 California Water Commission Final  
Award Hearing
- Mid 2022 Start Construction of Earliest Project  
Component (Pumping Plant No. 1)
- Late 2022 JPA issues debt for LAP cost share of  
construction (last LAP offramp in  
Service Agreement)



# Thank You!

For more information:

CCWD Project Website  
[www.ccwater.com/lvstudies](http://www.ccwater.com/lvstudies)

Reclamation Project Website  
[www.usbr.gov/mp/vaqueros/index.html](http://www.usbr.gov/mp/vaqueros/index.html)

Contact Info:

Marguerite Patil  
Assistant General Manager – Policy and External  
Affairs  
Contra Costa Water District

P.O. Box H20  
Concord, CA 94524  
(925) 688-8018  
[mpatil@ccwater.com](mailto:mpatil@ccwater.com)

**BACK**





**PANOCHÉ WATER DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
September 8, 2020, at 9:00 A.M.**

A regular meeting of the Board of Directors was held on September 8, 2020, at 9:00 a.m., in accordance with Governor Newsom’s Executive Orders N-25-20 and N-29-20 issued in response to the COVID-19 Pandemic, which allows local and state legislative bodies to hold meetings by web and teleconference, and to make meetings accessible to the public electronically. Those present at the meeting were:

Directors Present: John Bennett, President  
Sue Redfern-West, Vice-President  
Mike Stearns, Secretary  
Ross Koda, Director

Directors Absent: Michael Linneman, Director

District Staff Present: Ara Azhderian, General Manager  
John Paul Otollo, Treasurer & Controller  
Juan Cadena, Water Resources Manager  
Lorena Chagoya, Ethics & Compliance Officer

Others Present: Philip Williams, General Counsel  
Diane Rathmann, Of Counsel

**ANNOUNCEMENT PURSUANT TO GOVERNMENT CODE SECTION 54952.3**

Pursuant to the Brown Act, President Bennett announced that Directors do not receive compensation or a stipend for simultaneous or serial order meetings of Panoche Water District and Panoche Drainage District.

**CALL TO ORDER**

President Bennett called the regular meeting to order at 9:04 a.m.

**REVIEW OF AGENDA**

There were no corrections or additions to the Agenda.

**ROLL CALL**

A quorum of the Board and presence of the District’s Officers were confirmed.

**POTENTIAL CONFLICTS OF INTEREST**

No conflicts were reported.

**PUBLIC COMMENT**

There was no public comment.

**DIVISION REPORTS**

- A. Water Resources Manager, Juan Cadena updated the Board on operations and maintenance activities within the District, noting that staff is inspecting the District's facilities in preparation for the fall maintenance work. He also reported on activities at the San Joaquin River Water Quality Improvement Project, noting that Proposition 84 funded development of fields 36-4 and 17-3 was underway. He also reported on the Sustainable Groundwater Management Act activities.
- B. Controller, JP Otollo updated the Board on administrative and financial activities, noting staff was focused on producing the monthly water delivery billing, addressing account delinquencies, and catching-up on intra-District billings, which have fallen behind due to COVID related absenteeism.
- C. Ethics & Compliance Officer, Lorena Chagoya updated the Board on various risk management efforts, including continuing COVID management activities, including the completion of installation of sneeze guards and receipt of an ACWA JPIA "wellness" grant, which was used to help fund the purchase of COVID PPE and healthy snacks. Following up on her previous report of an automobile that had careened off of the public road and crashed into a District conveyance, she explained that the resultant clean-up of hazardous materials from the accident was not covered by the District's insurance. She also informed the Board of upcoming staff trainings for excavator operations, defensive driving, sexual harassment, and ethics, noting that three employees had volunteered to pursue Hazardous Materials license endorsements, and on compliance work including fleet management with the San Joaquin Valley Air Pollution Control District and updating the District's spill plan. Chagoya further reported that interviews had been scheduled for the part-time janitor position, that the District's health insurance benefit Open Enrollment period had begun, and that the District's most recent third-party safety inspection resulted in a 95% grade. Lastly, Chagoya stated there had been no activity on the District' Speak-Up whistleblower hotline during the past month.

**JOINT CLOSED SESSION**

General Counsel Williams announced that the Boards would meet jointly in closed session for a conference with legal counsel on anticipated litigation pursuant to Subdivision (a) and Paragraph (2), (3), or (4) of Subdivision (d) of Government Code Section 54956.9.

*At approximately 9:20 a.m., President Bennett called the joint closed session to order.*

*At approximately 10:20 a.m., President Bennett adjourned the joint closed session.*

**JOINT CLOSED SESSION REPORT**

General Counsel Williams reported the Boards met jointly with legal counsel in closed session and took no reportable action.

*At approximately 10:20 a.m., President Bennett called for a 10-minute recess.*

## **APPROVAL OF CONSENT CALENDAR**

The Board reviewed the Consent Calendar, which included: 1) DRAFT minutes from the May 26, 2020, special meeting of the Board; 2) the monthly financial statements for the period ending August 31, 2020; and 3) the Director's Monthly Credit Card Usage Report. On motion of Director Stearns, seconded by Director Redfern-West, the Board unanimously accepted the Consent Calendar.

The vote on the matter was as follows:

Ayes:	Bennett, Redfern-West, Stearns, Koda
Nays:	None
Abstain:	None
Absent:	Linneman

## **THE BOARD TO REVIEW AND CONSIDER REQUEST TO PRIORITIZE "DIRECT CONNECT" WATER TRANSFERS-IN**

General Manager Azhderian reported to the Board that the District had received requests to consider prioritizing the use of the District's low-cost direct connections to the Central California Irrigation District and Firebaugh Canal Water District for individual growers transferring water into the District. Azhderian explained that while there is a benefit to the District when individual growers transfer water into the District, prioritizing use of the direct connections would result in a shift of the conveyance costs from the individual growers to all other growers in the District receiving supplemental supplies through the direct connection. Azhderian recommended rather than shifting costs one way or another, the District could instead adopt a hybrid system in which use of the direct connections could be shared proportionally. After discussion, the Board requested staff prepare an analysis of the options for future consideration. The matter was then tabled and no action was taken.

## **THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION AUTHORIZING REFINANCING OF 2013 DELTA HABITAT CONSERVATION & CONVEYANCE PROGRAM ACTIVITY AGREEMENT BONDS**

General Manager Azhderian requested the Board consider adopting a Resolution authorizing the refinancing of the District's share of the debt incurred by the San Luis & Delta-Mendota Water Authority's financing of the Delta Habitat Conservation & Conveyance Program. Azhderian explained the District had been a part of the Program since its inception and that the bonds had been previously refinanced in 2013. He went on to say that the Board had two options at this time, one was to pay a lump sum amount, and the other was to participate in the refinancing, which would extend the payments out to 2042 and save the District almost \$340,000 over the life of the loan. Azhderian recommend the Board authorize the refinancing to preserve cash for the anticipated WIIN Act CVP contract conversion, supplemental water, and other potential needs. After discussion, on a motion by Director Stearns, seconded by Director Redfern-West, the Board unanimously adopted the Resolution.

The vote on the matter was as follows:

Ayes:	Bennett, Redfern-West, Stearns, Koda
Nays:	None
Abstain:	None
Absent:	Linneman

## **THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION IDENTIFYING DISTRICT REPRESENTATIVES AUTHORIZED TO EXECUTE LOCAL AGENCY INVESTMENT FUND (LAIF) TRANSACTIONS**

General Manager Azhderian requested the Board adopt the Resolution identifying the District representatives authorized to execute LAIF transactions. Azhderian explained the LAIF was requesting the information be updated and that the Resolution names himself and Treasurer and Controller John Paul Otollo as the authorized District representatives. After discussion, on a motion by Director Stearns, seconded by Director Koda, the Board unanimously adopted the Resolution.

The vote on the matter was as follows:

Ayes:	Bennett, Redfern-West, Stearns, Koda
Nays:	None
Abstain:	None
Absent:	Linneman

## **THE BOARD TO REVIEW AND CONSIDER APPROVING PAYMENT OF BILLS.**

Controller Otollo presented the Board the monthly accounts payable for review. After review, on a motion by Director Stearns, seconded by Director Redfern-West, the Board unanimously approved payment of the District's bills.

The vote on the matter was as follows:

Ayes:	Bennett, Redfern-West, Stearns, Koda
Nays:	None
Abstain:	None
Absent:	Linneman

## **CONTROLLER'S REPORT**

Controller Otollo presented the Board the FY 2020-21 Budget-to-Actual Report. Otollo also reported that the financial audit of the Water District's fiscal-year ending 2019 was underway.

## **ACTIONS AND REPORTS UNDER DISTRICT POLICES**

General Manager Azhderian briefly reported on his attendance, and that of Water Resources Manager Cadena and Drainage Specialist Mike Gonzalez, at meetings of the San Luis & Delta-Mendota Water Authority Grassland Basin Drainage Steering Committee, the Central Delta-Mendota Groundwater Sustainability Agency, and the Grassland Basin Authority. Azhderian also updated the Board on the District's COVID-19 response.

## **GENERAL MANAGER'S REPORT**

General Manager Azhderian updated the Board on the District's water supplies and deliveries. He reported that work continues on the Maricopa Orchards water transfer approvals and that the likely timing would be later in the year and the amount of water will likely be less than originally discussed. Azhderian also provided brief updates on the other items listed on the Agenda.



**REPORTS ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3)**

There was no report pursuant to Government Code Section 54954.2(a)(3).

**FUTURE MEETING DATES**

A special meeting of the Board was scheduled for September 29<sup>th</sup> at 9:00 a.m. The next regular meeting of the Board was scheduled for October 13, 2020, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 11:21 a.m.

---

JOHN BENNETT, President

---

MIKE STEARNS, Secretary

DRAFT

**PANOCHÉ WATER DISTRICT MEETING MINUTES  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
September 29, 2020, at 9:00 A.M.**

A special meeting of the Board of Directors was held on September 29, 2020, at 9:00 a.m., in accordance with Governor Newsom’s Executive Orders N-25-20 and N-29-20 issued in response to the COVID-19 Pandemic, which allows local and state legislative bodies to hold meetings by web and teleconference, and to make meetings accessible to the public electronically. Those present at the meeting were:

Directors Present:     John Bennett, President  
                              Sue Redfern-West, Vice-President  
                              Mike Stearns, Secretary  
                              Michael Linneman, Director  
                              Ross Koda, Director

Directors Absent:     None

District Staff Present:   Ara Azhderian, General Manager

Others Present:       Philip Williams, General Counsel  
                              Diane Rathmann, Of Counsel  
                              William Haesy, Special Counsel

**ANNOUNCEMENT PURSUANT TO GOVERNMENT CODE SECTION 54952.3**

Pursuant to the Brown Act, President Bennett announced that Directors do not receive compensation or a stipend for simultaneous or serial order meetings of Panoche Water District and Panoche Drainage District.

**CALL TO ORDER**

President Bennett called the regular meeting to order at 9:04 a.m.

**REVIEW OF AGENDA**

There were no corrections or additions to the Agenda.

**ROLL CALL**

A quorum of the Board and presence of the District’s Officers were confirmed.

**POTENTIAL CONFLICTS OF INTEREST**

No conflicts were reported.

**PUBLIC COMMENT**

There was no public comment.

**JOINT CLOSED SESSION**

General Counsel Williams announced that the Boards would meet jointly in closed session for a conference with legal counsel on anticipated litigation pursuant to Subdivision (a) and Paragraph (2), (3), or (4) of Subdivision (d) of Government Code Section 54956.9.

*At approximately 9:06 a.m., President Bennett called the joint closed session to order.*

*At approximately 10:22 a.m., President Bennett adjourned the joint closed session.*

**JOINT CLOSED SESSION REPORT**

General Counsel Williams reported the Boards met jointly with legal counsel in closed session and took no reportable action.

*At approximately 10:22 a.m., President Bennett called for a 10-minute recess, then proceeded with a Panoche Water District-ONLY meeting.*

**GENERAL MANAGER'S REPORT**

General Manager Azhderian updated the Board on the District's water supplies and deliveries, reported that staff had begun preparing a Financial Assistance Application for grant funding from the State Water Resources Control Board to construct a new domestic water treatment plant, and provided brief updates on the other items listed on the Agenda.

**FUTURE MEETING DATES**

The next regular meeting of the Board was scheduled for November 10, 2020, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 11:00 a.m.

---

JOHN BENNETT, President

---

MIKE STEARNS, Secretary

**PANOCHÉ WATER DISTRICT  
TREASURER'S MONTHLY FINANCIAL REPORT  
BALANCE SHEET-CURRENT ASSETS & LIABILITIES**

DATE AS OF	December 31, 2020	November 30, 2020
<b><u>CURRENT LIABILITIES</u></b>		
ACCOUNTS PAYABLE	\$255,455	\$158,271
PREPAYMENTS/CREDIT ACCOUNTS	\$129,963	\$1,858
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$385,418</b>	<b>\$160,129</b>
<b><u>CASH AND INVESTMENT ACCOUNTS</u></b>		
O&M CHECKING	\$362,210	\$579,394
LAIF	\$4,155,116	\$4,155,116
PAYROLL CHECKING	\$22,603	\$26,202
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$4,539,929</b>	<b>\$4,760,712</b>
<b><u>ACCOUNTS RECEIVABLES</u></b>		
WATER	\$358,887	\$835,949
GROUNDWATER MANAGEMENT FEE	\$6,377	\$69,384
DELINQUENT ACCOUNT CHARGES	3,644	3,644
OTHER	\$426,718	\$426,718
PDD SJRIP CASH ADVANCE	\$32,984	\$49,440
PDD CASH ADVANCE	\$22,699	\$34,006
<b>TOTAL ACCOUNTS RECEIVABLES</b>	<b>\$851,309</b>	<b>\$1,419,141</b>
<b>TOTAL CURRENT ASSETS</b>	<b>\$5,391,238</b>	<b>\$6,179,853</b>
<b>NET CURRENT ASSETS (NET CASH POSITION)</b>	<b>\$5,005,820</b>	<b>\$6,019,724</b>



**General Ledger Detail Report  
Summary Report for Period 10 Ending 12/31/2020**




**PANOUCHE WATER DISTRICT (PWD)**

Account Number/Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
13112-000					
RABO BANK CKNG #*****8566	579,394.35	1,064,657.41	1,281,841.45	217,184.04-	362,210.31
13412-000					
RABO BANK PR#*****7895	26,201.60	205,865.05	209,463.97	3,598.92-	22,602.68
13520-000					
LOCAL AGENCY INVESTMENT FD	3,313,280.16	0.00	0.00	0.00	3,313,280.16
13521-000					
LAIF-RESTRICTED	841,836.13	0.00	0.00	0.00	841,836.13
<b>Report</b>	<b>4,760,712.24</b>	<b>1,270,522.46</b>	<b>1,491,305.42</b>	<b>220,782.96-</b>	<b>4,539,929.28</b>

RETURN SERVICE REQUESTED

PANOCHÉ WATER DISTRICT  
 O & M ACCOUNT  
 52027 W ALTHEA AVE  
 FIREBAUGH CA 93622-9401

**Managing Your Accounts**

-  Client Services 800.797.6324
-  Online [www.mechanicsbank.com](http://www.mechanicsbank.com)
-  Mobile Download Our Mobile Apps

**Summary of Accounts**

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXXX8566	\$525,149.89



A special offer from

**PAYCHEX®**

**LIMITED TIME ONLY**

Expires January 31, 2021

\$200 Off Setup Fee

Join Paychex between August 27, 2020 and January 31, 2021 and receive \$200 off the setup fee.<sup>1</sup>

Call or visit your local branch to get started today. Find a branch at [MechanicsBank.com/Locations](http://MechanicsBank.com/Locations).

1. Purchase of a new payroll package required. Terms and conditions apply. See banker for important information.

Mechanics Bank is a Member of FDIC and an Equal Housing Lender. Mechanics Bank has partnered with Paychex to provide payroll services to Mechanics Bank customers. Referred customers are under no obligation to engage with Paychex. Mechanics Bank is compensated for new accounts resulting from referrals to Paychex. The payroll processing agreement is between customer and Paychex. MKT5875/1020

**PUBLIC CHECKING-XXXXXXXXX8566**

**Account Summary**

Date	Description	Amount
12/01/2020	Beginning Balance	\$787,534.87
	22 Credit(s) This Period	\$1,046,551.29
	116 Debit(s) This Period	\$1,308,936.27
<b>12/31/2020</b>	<b>Ending Balance</b>	<b>\$525,149.89</b>




**Electronic Credits**

Date	Description	Amount
12/02/2020	Remote Deposit	\$110,796.19
12/04/2020	Remote Deposit	\$4,442.43
12/08/2020	Infinisource0706 PC Nov20 693974	\$925.42
12/08/2020	Remote Deposit	\$187,788.37
12/09/2020	Remote Deposit	\$2,678.61

RETURN SERVICE REQUESTED

PANOCHÉ WATER DISTRICT  
 PAYROLL ACCOUNT  
 52027 W ALTHEA AVE  
 FIREBAUGH CA 93622-9401

**Managing Your Accounts**

-  Client Services 800.797.6324
-  Online [www.mechanicsbank.com](http://www.mechanicsbank.com)
-  Mobile Download Our Mobile Apps

**Summary of Accounts**

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXXX7895	\$68,252.40



Call or visit your local branch to get started today. Find a branch at [MechanicsBank.com/Locations](http://MechanicsBank.com/Locations).

1. Purchase of a new payroll package required. Terms and conditions apply. See banker for important information.

Mechanics Bank is a Member of FDIC and an Equal Housing Lender. Mechanics Bank has partnered with Paychex to provide payroll services to Mechanics Bank customers. Referred customers are under no obligation to engage with Paychex. Mechanics Bank is compensated for new accounts resulting from referrals to Paychex. The payroll processing agreement is between customer and Paychex. MKT5875/1020

**PUBLIC CHECKING-XXXXXXXXX7895**

**Account Summary**

Date	Description	Amount
12/01/2020	Beginning Balance	\$138,163.32
	6 Credit(s) This Period	\$171,092.18
	104 Debit(s) This Period	\$241,003.10
<b>12/31/2020</b>	<b>Ending Balance</b>	<b>\$68,252.40</b>

**Electronic Credits**

Date	Description	Amount
12/02/2020	JE-241 TRANSFER FUNDS FOR PAYROLL	\$90,000.00
12/17/2020	JE-254 TRANSFER FUNDS FOR PAYROLL	\$50,000.00
12/21/2020	JE-262 TRANSFER FUNDS FOR PAYROLL	\$30,000.00

<b>PANOCHÉ WATER DISTRICT</b>			
<b>Account Receivable Report</b>			
<b>Fiscal Year 03/01/2020 - 02/28/2021</b>			
<b>Report Period 12/31/20 - 1/08/21</b>			
Report Date: 01/12/21			
	<b>Total</b>	<b>Water</b>	<b>Others</b>
Receivable Balance as of December 31, 2020	\$ 795,626	\$ 368,908	\$ 426,718
Billings:	\$ -	\$ -	\$ -
<b>Total Billings:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Payments received:</b>			
Payments received:	\$ 102,567	\$ 102,567	\$ -
<b>Total Payments Received:</b>	<b>\$ 102,567</b>	<b>\$ 102,567</b>	<b>\$ -</b>
<b>Receivable Balance as of January 8, 2021</b>	<b>\$ 693,059</b>	<b>\$ 266,341</b>	<b>\$ 426,718</b>
<b>Outstanding Accounts:</b>			
Total current accounts receivables	\$ 77,037	\$ 77,037	\$ -
Delinquent accounts receivables	\$ 616,022	\$ 189,304	\$ 426,718
	<b>\$ 693,059</b>	<b>\$ 266,341</b>	<b>\$ 426,718</b>
Non current receivables - Prior Years	\$ 5,366,017	\$ 1,156,641	\$ 4,209,376





<b>PANOCHÉ WATER DISTRICT</b>					
<b>AGED ACCOUNTS RECEIVABLE, BY INVOICE DATE</b>					
<b>As Of 12/31/2020</b>					
<b>Name</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>Over 90 Days</b>	<b>Total A/R</b>	
1 John S. Diedrich Farms,	14,558.00	16,566.00	-	31,124.00	
2 Linneman Ranches, Inc.,	-	2,168.00	-	2,168.00	
3 Hugh Bennett Ranch, Inc.	-	7,581.89	-	7,581.89	
4 Thiel Air-Care, Inc.	28.69	-	-	28.69	
5 Carbajal, Sylvia	20.97	-	-	20.97	
6 B & C Farms c/o Francisco & Romelia Nunez	103.47	-	-	103.47	
7 Olam West Coast, Inc.	510.42	-	-	510.42	
8 Nyman Family	-	4,855.04	-	4,855.04	
9 Green Nut, LLC	579.91	-	-	579.91	
10 Imperial Merchants USA, LLC	3,040.26	-	91,682.94	94,723.20	
11 Glenpark Building, LLC	1,099.37	-	-	1,099.37	
12 Samran, Arjun and Karun	1,019.24	3,514.00	19,578.00	24,111.24	
13 Cecilia Echeveste Survivor's Trust	5,703.93	-	-	5,703.93	
14 Correia 2015 Living Trust dated Sept.17, 2015	1,147.03	-	4,405.38	5,552.41	
15 Ortiz Jorge L.	22.01	-	-	22.01	
16 KB Family Farm	590.25	-	6,024.00	6,614.25	
17 Tristone Properties, LLC	1,168.32	-	-	1,168.32	
18 Camp 13 Drainage District	-	-	3,302.63	3,302.63	
19 Carrillo Jose A.	33.97	-	-	33.97	
	<b>\$ 29,625.84</b>	<b>\$ 34,684.93</b>	<b>\$ 124,992.95</b>	<b>\$ 189,303.72</b>	
1 Panoche Drainage District(SJRIP)	-	-	426,718.00	426,718.00	
<b>Total FY 2021</b>	<b>\$ 29,625.84</b>	<b>\$ 34,684.93</b>	<b>\$ 551,710.95</b>	<b>\$ 616,021.72</b>	
<u>Non Current</u>					
1 Dresick Farms	-	-	376,715.64	376,715.64	
2 Carbajal, Sylvia	-	-	7.86	7.86	
3 Ortiz Jorge L.	-	-	8.25	8.25	
4 B & C Farms c/o Francisco & Romelia Nunez	-	-	5,489.31	5,489.31	
5 Ravand, LLC	-	-	28,253.86	28,253.86	
6 Mancebo Farms, Jeff	-	-	62,203.05	62,203.05	
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 472,677.97</b>	<b>\$ 472,677.97</b>	Prior FY



Ross Koda

POB 10

South Dos Palos, CA 93665

koda.pwd@gmail.com

January 6, 2021

Review Period: 11/6/20 - 12/7/20

Statement and documentation made available: 1/6/21

I have reviewed the credit card documentation for the Westamerica Community VISA Account (-8512).

Included in the packet were credit card statement detail and supporting documentation for cardholders Mr. Juan Cadena and Mr. John Otello (Director of Finance).

Mr. Juan Caden's charges appear to be a valid employer related charges with complete supporting documents and explanations.

Mr. John Otello's charges appear to be a valid employer related charges with complete supporting documents and explanation.

Further Comments:

None

BACK

Sincerely,

Ross Koda



## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Panoche Water District (the “District”) in connection with the issuance of the \$\_\_\_\_\_ Panoche Financing Authority Revenue Bonds (Panoche Water District), Series 2021A (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of May 1, 2021 (the “Indenture”), by and between the Panoche Financing Authority (the “Authority”) and U.S. Bank National Association, as trustee (the “Trustee”). The District covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

“Fiscal Year” shall mean the one year period ending on the last day of February of each year.

“Holder” means a registered owner of the Bonds.

“Listed Events” shall mean any of the events listed in Sections 5(a) and 5(b) of this Disclosure Certificate.

“Official Statement” shall mean the Official Statement dated January \_\_, 2021 relating to the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

3. Provision of Annual Reports.

(a) The District shall provide not later than 270 days following the end of its Fiscal Year (commencing with the Fiscal Year ending February 28, 2021) to EMMA an Annual Report relating to the immediately preceding Fiscal Year which is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the District is unable to provide to EMMA an Annual Report by the date required in subsection (a), the District shall send to EMMA a notice in the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements for the prior Fiscal Year, which may be included in the Comprehensive Annual Financial Report of the District, prepared in accordance with accounting principles generally accepted in the United States of America as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they come available.

(b) Principal amount of the Bonds outstanding.

(c) Balance in the Reserve Fund and a statement of the reserve requirement with respect thereto.

(d) An update, for the prior Fiscal Year only, of the information in the following tables or paragraphs under caption entitled "THE DISTRICT" in the Official Statement:

If the information in section 4(d) above can be derived from the audited financial statements required to be filed in 4(a) above, failure to file separate tables under section 4(d) above shall not constitute a default hereunder. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission; provided, that if any document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board; and provided further, that the District shall clearly identify each such document so included by reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;

3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
6. tender offers;
7. defeasances;
8. ratings changes;
9. bankruptcy, insolvency, receivership or similar proceedings; and
10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;
2. modifications to the rights of Bond holders;
3. optional, unscheduled or contingent Bond redemptions;
4. release, substitution or sale of property securing repayment of the Bonds;
5. non-payment related defaults;
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a financial obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect Bond holders.

(c) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the District shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

(d) For purposes of the events identified in subparagraphs (a)(10) and (b)(8) under this Section 5, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

6. Termination of Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, or another nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. The District will provide notice of such amendment to the Municipal Securities Rulemaking Board.

8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

9. Default. In the event of a failure of the District to file an annual report under Section 4 hereof or to file a report of a significant event under Section 5 hereof, any Owners or Beneficial Owners of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to make such filing. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture or the Installment Purchase Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

No Owners or Beneficial Owners may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the District satisfactory written evidence of their



status as Owners or Beneficial Owners and a written notice of and request to cure such failure, and the District shall have refused to comply therewith within a reasonable time.

10. Dissemination Agent. The District may from time to time appoint or engage a dissemination agent to assist the District in carrying out its obligations under this Disclosure Certificate and may discharge any such dissemination agent with or without appointing a successor dissemination agent.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2021

PANOCHE WATER DISTRICT

By: \_\_\_\_\_  
Its: President of the Board of Directors



---

**INSTALLMENT PURCHASE AGREEMENT**

**by and between**

**PANOCHÉ WATER DISTRICT**

**and**

**PANOCHÉ FINANCING AUTHORITY**

**Dated as of May 1, 2021**

**Relating to**

**\$ \_\_\_\_\_**

**PANOCHÉ FINANCING AUTHORITY  
REVENUE BONDS (PANOCHÉ WATER DISTRICT), SERIES 2021A**

---

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

Section 1.01. Definitions..... 2

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations by the District ..... 10  
 Section 2.02. Representations and Warranties by the Authority ..... 10

ARTICLE III

THE 2021 PROJECT

Section 3.01. Acquisition of the 2021 Project ..... 11  
 Section 3.02. Changes to the 2021 Project ..... 11  
 Section 3.03. Purchase of 2021 Project ..... 11  
 Section 3.04. Title ..... 11  
 Section 3.05. Acquisition Fund..... 11

ARTICLE IV

INSTALLMENT PAYMENTS

Section 4.01. Purchase Price..... 12  
 Section 4.02. Series 2021A Installment Payments ..... 12

ARTICLE V

SECURITY

Section 5.01. Pledge of Proposition 218 Special Benefit Assessment and Revenues ..... 13  
 Section 5.02. Allocation of Proposition 218 Special Benefit Assessments ..... 13  
 Section 5.03. Allocation of Revenues..... 14  
 Section 5.04. Additional Contracts and Bonds – Net Revenues ..... 15  
 Section 5.05. [Additional Obligations – Proposition 218 Special Benefit Assessments ..... 16  
 Section 5.06. Investments ..... 17  
 Section 5.07. Rate Stabilization Fund..... 17

ARTICLE VI

COVENANTS OF THE DISTRICT

Section 6.01. Compliance with Installment Purchase Agreement and Ancillary  
 Agreements ..... 17  
 Section 6.02. Against Encumbrances..... 18  
 Section 6.03. Against Sale or Other Disposition of Property ..... 18  
 Section 6.04. Against Competitive Facilities..... 18

TABLE OF CONTENTS  
(continued)

	Page
Section 6.05. Tax Covenants .....	18
Section 6.06. Prompt Acquisition .....	19
Section 6.07. Maintenance and Operation of the Water System .....	19
Section 6.08. Payment of Claims .....	19
Section 6.09. Compliance with Contracts .....	20
Section 6.10. Insurance .....	20
Section 6.11. Accounting Records; Financial Statements and Other Reports .....	21
Section 6.12. Protection of Security and Rights of the Authority .....	21
Section 6.13. Payment of Taxes and Compliance with Governmental Regulations.....	21
Section 6.14. Amount of Rates and Charges .....	21
Section 6.15. Collection of Rates and Charges .....	22
Section 6.16. Eminent Domain Proceeds.....	22
Section 6.17. Further Assurances.....	22
Section 6.18. Enforcement of Contracts .....	22
Section 6.19. Covenant to Prorate Assessments and Standby Charges .....	23

ARTICLE VII

PREPAYMENT OF SERIES 2021A INSTALLMENT PAYMENTS

Section 7.01. Prepayment .....	23
Section 7.02. Method of Prepayment.....	23

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

Section 8.01. Events of Default and Acceleration of Maturities .....	24
Section 8.02. Application of Funds Upon Acceleration .....	25
Section 8.03. Other Remedies of the Authority .....	25
Section 8.04. Non-Waiver.....	25
Section 8.05. Remedies Not Exclusive .....	26

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.01. Discharge of Obligations .....	26
--	----

ARTICLE X

MISCELLANEOUS

Section 10.01. Liability Limited .....	27
Section 10.02. Benefits of Installment Purchase Agreement Limited to Parties .....	27
Section 10.03. Successor Is Deemed Included in all References to Predecessor .....	27
Section 10.04. Waiver of Personal Liability .....	27
Section 10.05. Article and Section Headings, Gender and References .....	27
Section 10.06. Partial Invalidity.....	28
Section 10.07. Assignment .....	28



TABLE OF CONTENTS

(continued)

	Page
Section 10.08. Net Contract .....	28
Section 10.09. California Law .....	28
Section 10.10. Notices .....	28
Section 10.11. Effective Date .....	29
Section 10.12. Execution in Counterparts.....	29
Section 10.13. Indemnification of Authority .....	29
Section 10.14. Amendments Permitted.....	29
Signatures .....	S-1
Exhibit A Description of the 2021 Project.....	A-1
Exhibit B Purchase Price .....	B-1
Exhibit C Form of Substitution Statement.....	C-1
Exhibit D Form of Requisition from Acquisition Fund.....	D-1

BACK

## INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, dated as of May 1, 2021, is entered into by and between PANOCHE WATER DISTRICT, a California water district that is duly organized and existing under and by virtue of the laws of the State of California (the “**District**”), and PANOCHE FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “**Authority**”).

### RECITALS

A. The District proposes to finance the acquisition of a perpetual contract for water service from the Central Valley Project, as described in Exhibit A, including the refinancing of the existing capital repayment obligation with respect thereto and making any other payments to the United States of America or any other public agencies in connection therewith (the “**2021 Project**”).

B. The Authority has agreed to assist the District in financing the 2021 Project and refinancing its existing capital repayment obligation and any other payments to the United States of America or any other public agencies in connection therewith on the terms and conditions that are set forth herein.

C. The Authority is authorized by Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including but not limited to Section 6540 *et seq.*, to finance the acquisition of property for its members and the refinancing of existing capital repayment obligation.

D. The District is authorized by Division 13 of the Water Code of the State of California, including but not limited to Sections 35401, 35406, 35600, 35850.5, 35851, 36520 and 36521 thereof, to acquire such perpetual contract for water service from the Central Valley Project and is authorized by Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, including but not limited to Section 53583, to refinance its existing capital repayment obligation and any other payments to the United States of America or any other public agencies payable with respect thereto.

E. The District and the Authority have duly authorized the execution of this Installment Purchase Agreement.

F. 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 Installment Purchase 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 Installment Purchase 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 that are defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document that is mentioned herein or therein have the meanings that are defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms that are defined herein. All capitalized terms that are used herein and not defined herein shall have the meanings that are ascribed thereto in the Indenture.

#### Accountant's Report

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

#### Acquisition Fund

The term "Acquisition Fund" means the fund by that name established pursuant to Section 3.05.

#### Authority

The term "Authority" means Panoche Financing Authority, a joint exercise of powers agency that is duly organized pursuant to the JPA Agreement and existing under and by virtue of the laws of the State of California.

#### Authorized Representative

The term "Authorized Representative" means, with respect to the District, its President, Vice President, Secretary, General Manager or any other person designated as an Authorized Representative of the District by a Certificate of the District signed by its President, Vice President, Secretary or General Manager and filed with the Trustee.

#### Bonds

The term "Bonds" means all revenue bonds or notes of the District previously or hereafter authorized, executed, issued and delivered by the District, the payments of which are payable from Net Revenues on a parity with the Series 2021A Installment Payments and which are secured by a pledge of and lien on Revenues as described in Section 5.01 hereof.

#### Bureau

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

#### Contracts

The term "Contracts" means all contracts of the District previously or hereafter authorized and executed by the District, the payments under which are payable from Net Revenues on a parity with

the Series 2021A Installment Payments and which are secured by a pledge and lien on Revenues as described in Section 5.01 hereof.

### Date of Operation

The term “Date of Operation” means, with respect to any uncompleted Parity Project, the estimated date by which such Parity Project will have been completed and, in the opinion of an engineer, will be ready for operation by or on behalf of the District.

### Debt Service

The term “Debt Service” means, for any period of calculation, the sum of:

- (1) the interest required to be paid during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized);
- (2) those portions of the principal amount of all outstanding serial Bonds maturing in such period;
- (3) those portions of the principal amount of all outstanding term Bonds required to be prepaid or paid in such period; and
- (4) those portions of the Contracts required to be made during such period, (except to the extent the interest evidenced and represented thereby is capitalized);

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Bonds or Contracts;

provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of:

- (i) the then current variable interest rate borne by such Bonds or Contracts plus 1%, and
- (ii) if such Bonds or Contracts have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, or if such Bonds or Contracts have not been outstanding for the twelve prior months, the average rate borne by reference to an index comparable to that to be utilized in determining the interest rate for the Bonds to be issued or the Contracts to be executed;

provided further that if any series or issue of such Bonds or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year, Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Bonds or Contracts were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and

provided further that, as to any such Bonds or Contracts or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or Contracts or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that if the Bonds or Contracts constitute paired obligations, the interest rate on such Bonds or Contracts shall be the resulting linked rate or the effective fixed interest rate to be paid by the District with respect to such paired obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds and Contracts for which such debt service reserve fund was established and to the extent the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

#### District

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

#### Event of Default

The term “Event of Default” means any events specified in Section 8.01.

#### Fiscal Year

The term “Fiscal Year” means the twelve month period beginning on March 1 of each year and ending on the last day of February of the following year, both dates inclusive, or any other twelve-month period hereafter selected and designated as the official fiscal year of the District.

#### General Manager

The term “General Manager” means the General Manager of the District, or any other person designated by the General Manager to act on behalf of the General Manager.

#### 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.

#### Indenture

The term “Indenture” means the Indenture of Trust, dated as of the date hereof, by and between the Trustee and the Authority, relating to the 2021A Bonds.



### Independent Certified Public Accountant

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

### Independent Municipal Consultant

The term “Independent Municipal Consultant” means a municipal advisor or firm of such municipal advisors appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; (3) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto; and (4) is registered as a “municipal advisor,” as defined in Section 15B of the Securities Exchange Act of 1934, as amended.

### Installment Payment Date

The term “Installment Payment Date” means any date on which Installment Payments are scheduled to be paid by the District under and pursuant to any Contract.

### Installment Payments

The term “Installment Payments” means the Installment Payments of interest and principal scheduled to be paid by the District under and pursuant to the Contracts.

### Installment Purchase Agreement

The term “Installment Purchase Agreement” means this Installment Purchase Agreement, by and between the District and the Authority, dated as of May 1, 2021, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

### JPA Agreement

The term “JPA Agreement” means the Joint Exercise of Powers Agreement, dated October 13, 2020, by and between the District and the Panoche Drainage District, pursuant to which the Authority is established, as such JPA Agreement may be amended and supplemented from time-to-time on accordance therewith.

### Law

The term “Law” means the California Water District Law of the State of California (being Division 13 of the Water Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto, including but not limited to Part 6.5 thereof, and Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

### Moody’s

The term “Moody’s” means Moody’s Investors Service, Inc., or any successor thereto.

### Net Proceeds

The term “Net Proceeds” means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys’ fees) incurred in the collection of such proceeds.

### Net Revenues

The term “Net Revenues” means, for any Fiscal Year, the Revenues for such Fiscal Year less the Operation and Maintenance Costs for such Fiscal Year.

### Operation and Maintenance Costs

The term “Operation and Maintenance Costs” means

(i) costs spent or incurred for maintenance and operation of the Water System in a Fiscal Year calculated in accordance with Generally Accepted Accounting Principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Water System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys, consultants or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than Debt Service) required to be paid by it to comply with the terms of this Agreement or any other Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds,

(ii) all costs of all water purchased, stored, banked, exchanged or otherwise acquired for delivery by the Water System (including any interim or renewed arrangement therefor),

but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, including but not limited to restatements made in subsequent periods which would not have affected the District’s statements of revenues, expenses and changes in net position, prior period adjustments and any amounts transferred to the Rate Stabilization Fund from Revenues.

### Parity Project

The term “Parity Project” means additions, betterments, extensions or improvements to the District’s Water System designated by the Board of Directors of the District as a Parity Project, the acquisition and construction of which is to be paid for by the proceeds of any Contracts or Bonds.

### Proposition 218 Special Benefit Assessment.

The term “Proposition 218 Special Benefit Assessment” means the special benefit assessment upon all assessed lands within the District in accordance with Resolution No. \_\_\_\_\_ adopted by the Board of Directors of the District on \_\_\_\_\_, 2021 after approval by the owners of at least 50% of all eligible lands within the District in accordance with Article XIID of the State Constitution. Proposition 218 Special Benefit Assessments shall not include (i) any amounts representing lump sum payments of the special benefit assessments made by land owners which are payable to the Bureau for

purposes of repaying the District's existing capital obligation with respect to the Water Contract or (ii) any portion of the special benefit assessment assessed to pay ongoing compliance costs related to the Water Contract.

#### Proposition 218 Special Benefit Assessment Fund.

The term "Proposition 218 Special Benefit Assessment Fund" means the District accounts into which Proposition 218 Special Benefit Assessments identified by the District by general ledger codes \_\_\_\_, \_\_\_\_, and \_\_\_\_ are deposited, together with other general ledger codes currently in existence into which Proposition 218 Special Benefits Assessments are deposited or created in the future by the Board of Directors into which Proposition 218 Special Benefits Assessments will be deposited as a part of the Proposition 218 Special Benefit Assessment Fund contained pursuant to Section 5.02.

#### Purchase Price

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

#### Rate Stabilization Fund

The term "Rate Stabilization Fund" means the District account identified by the District by general ledger codes \_\_\_\_\_, together with other general ledger codes created in the future and designated by the Board of Directors as a part of the Rate Stabilization Fund created pursuant to Section 5.07 hereof.

#### Refunding Obligations

The term "Refunding Obligations" means any note, bond, contract or other obligation issued or incurred by the District the proceeds of which are to be applied to the refunding of all or a portion of the Series 2021A Installment Payments pursuant to Section 5.05 hereof, and the payments of which are payable from Proposition 218 Special Benefit Assessment proceeds on a parity with the Series 2021A Installment Payments and which are secured by a pledge of and lien on Proposition 218 Special Benefit Assessment proceeds as described in Section 5.01 hereof.

#### [Reserve Requirement

The term "Reserve Requirement" means: (a) initially, \$\_\_\_\_\_; and (b) thereafter the lesser of (i) the amount set forth in clause (a) above or (ii) the maximum principal of and interest with on the 2021A Bonds due in the then current or any future Fiscal Year.]

#### Revenue Fund

The term "Revenue Fund" means the District accounts into which Revenues identified by the District by rate codes \_\_\_\_, \_\_\_\_, and \_\_\_\_ are deposited, together with other accounts currently in existence into which Revenues are deposited or created in the future by the Board of Directors into which Revenues will be deposited as a part of the Revenue Fund contained pursuant to Section 5.03.

## Revenues

The term “Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System in a Fiscal Year, determined in accordance with Generally Accepted Accounting Principles, including, without limiting the generality of the foregoing,

- (1) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the District from the sale, furnishing and supplying of water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System, plus
- (2) the proceeds of any stand-by or water availability charges, plus
- (3) all amounts, if and to the extent received by the District, of the *ad valorem* assessment tax authorized to be levied by the District upon the land value of property within the District, plus
- (4) any Revenues remaining after the payment of all other District obligations in the immediately prior Fiscal Year credited to landowners, lessees and water users in the current Fiscal Year, to the extent that such landowner, lessee or water user elects to have such credit applied to the current Fiscal Year’s water bill, plus
- (5) the earnings on and income derived from the investment of the amounts described in clauses (1), (2), (3) and (4) hereof and from amounts in the Rate Stabilization Fund, plus
- (6) any excess Proposition 218 Special Benefit Assessments transferred to the Revenue Fund in accordance with Section 5.02(b) hereof,

but excluding in all cases (i) customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, (ii) any proceeds of taxes restricted by law to be used by the District to pay obligations of the District other than Bonds or Contracts and (iii) the Proposition 218 Special Benefit Assessments, except as provided in clause (6) above, the Proposition 218 Special Benefit Assessment Fund, and the amounts on deposit therein. “Revenues” shall also include all amounts transferred from the Rate Stabilization Fund to the Revenue Fund during any Fiscal Year in accordance with Section 5.07 hereof to pay Operation and Maintenance Costs or Debt Service and shall not include any amounts transferred from the Revenue Fund to the Rate Stabilization Fund during any Fiscal Year in accordance with Section 5.03(c) hereof.

## Series 2021A Installment Payment Date

The term “Series 2021A Installment Payment Date” means August 31, 2022 and the last day of each February and the last day of each August thereafter.

## Series 2021A Installment Payments

The term “Series 2021A Installment Payments” means the Installment Payments scheduled to be paid by the District under and pursuant to the Installment Purchase Agreement.

### Treasurer

The term “Treasurer” means the Treasurer and Controller of the District or the successor thereto.

### Trustee

The term “Trustee” means U.S. Bank National Association, acting in its capacity as Trustee under and pursuant to the Indenture, and its successors and assigns.

### Water Contract

The term “Water Contract” means the water contract with the Bureau authorized by Section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. § 485, *et seq.*), as listed in the table in Exhibit A of this Installment Purchase Agreement under the column titled “Component,” and any renewal, interim renewal, replacement, amendment or supplement thereof from time-to-time in accordance with its terms.

### Water Service

The term “Water Service” means the water distribution and drainage service that is made available or provided by the Water System.

### Water System

The term “Water System” means the whole and each and every part of the water system of the District, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such water system or any part thereof hereafter acquired or constructed.

### 2021 Project

The term “2021 Project” means (i) the contract for the perpetual contractual right to purchase water described in Exhibit A hereto, including any payments to the United States of America or any other public agencies in connection therewith, and/or (ii) the additions, betterments, extensions and improvements to the District’s Water System facilities, including real property and buildings, if any, which are described as such in Exhibit A, to the extent: (a) approved pursuant to the California Environmental Quality Act; and (b) paid for with the proceeds of the 2021A Bonds, and as modified in conformance with Section 3.02 hereof.

### 2021A Bonds

The term “2021A Bonds” means the Panoche Financing Authority Revenue Bonds (Panoche Water District), Series 2021A, issued pursuant to the Indenture.



## ARTICLE II

## REPRESENTATIONS AND WARRANTIES

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

(a) The District is a California water district that is duly organized and existing under and pursuant to the laws of the State of California.

(b) The District has full legal right, power and authority to enter into this Installment Purchase Agreement, carry out its obligations hereunder and carry out and consummate all other transactions that are contemplated by this Installment Purchase Agreement, and the District has complied with the provisions of the 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 Installment Purchase 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 that is paid for the installment purchase of the 2021 Project under the terms of this Installment Purchase Agreement being included in the gross income of the Authority or its assigns for purposes of federal or State of California personal income taxation.

(e) The District has determined that it is necessary and proper for District uses and purposes within the terms of the Law that the District acquire the 2021 Project and refinance its capital repayment obligation and any other payments to the United States of America or any other public agencies in connection therewith in the manner that is provided for in this Installment Purchase Agreement in order to provide essential services and facilities to persons residing in the District.

Section 2.02. Representations and Warranties by the Authority. The Authority makes the following representations and warranties:

(a) The Authority is a joint exercise of powers agency that was created pursuant to the JPA Agreement and is in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions that are contemplated by this Installment Purchase Agreement and by proper action has duly authorized the execution and delivery and due performance of this Installment Purchase Agreement.

(b) The execution and delivery of this Installment Purchase Agreement and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Authority 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 Authority.

(c) The Authority will not take or permit any action to be taken which results in interest that is paid for the installment purchase of the 2021 Project under the terms of this Installment Purchase Agreement being included in the gross income of the Authority or its assigns for purposes of federal or State of California personal income taxation.

### ARTICLE III

#### THE 2021 PROJECT

Section 3.01. Acquisition of the 2021 Project. The Authority hereby agrees to cause the 2021 Project to be acquired by the District as its agent from the proceeds of the 2021A Bonds [and other moneys]. The District hereby agrees that it will cause the acquisition of the 2021 Project to be diligently performed after the deposit of funds into the Acquisition Fund pursuant to Section 3.05 of this Installment Purchase Agreement, subject to compliance with the California Environmental Quality Act, if required, and approval by the Board of Directors of the District, and that it will use its best efforts to cause the acquisition of the 2021 Project to be substantially completed by January 1, 2024, unforeseeable delays beyond the reasonable control of the District only excepted. It is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any cost of the 2021 Project and that all such costs and expenses shall be paid by the District.

Section 3.02. Changes to the 2021 Project. The District may substitute other components for those listed as components of the 2021 Project in Exhibit A, but only if the District first files with the Authority and the Trustee a statement of the District in the form attached as Exhibit C: (a) identifying the components to be substituted and the improvements to District facilities they replace in the 2021 Project; and (b) stating that the estimated costs of construction, acquisition or installation of the substituted components are not less than such costs for the components previously planned.

Section 3.03. Purchase of 2021 Project. In consideration for the Series 2021A Installment Payments, the Authority agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Authority, the 2021 Project at the purchase price that is specified in Section 4.01 hereof and otherwise in the manner and in accordance with the provisions of the Installment Purchase Agreement.

Section 3.04. Title. All right, title and interest in the 2021 Project shall vest in the District immediately upon acquisition thereof. Such vesting shall occur without further action by the Authority or the District, and the Authority shall, if requested by the District or if necessary to assure such automatic vesting, deliver any and all documents which are required to assure such vesting.

Section 3.05. Acquisition Fund. The District shall establish, maintain and hold in trust a separate fund designated as the "Acquisition Fund." The moneys in the Acquisition Fund shall be held by the District in trust and applied by the Treasurer of the District to the payment of the costs of acquisition of the 2021 Project and of expenses incidental thereto.

Before any payment is made from the Acquisition Fund by the Treasurer, the General Manager of the District, acting as agent of the Authority, shall cause to be filed with the Treasurer a certificate of the District in the form set forth in Exhibit D to the Installment Purchase Agreement.

Upon receipt of each such certificate, the Treasurer will pay the amount that is set forth in such certificate as directed by the terms thereof or disburse funds to the District for such payment as directed by the District in such certificate. The Treasurer need not make any such payment if it has received notice of any lien, right to lien, attachment upon or claim affecting the right to receive payment of any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

When the 2021 Project shall have been acquired in accordance with the Installment Purchase Agreement, a statement of the District stating the fact and date of such acquisition and stating that all of such costs of acquisition and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition Fund is to be maintained in the full amount of such claims until such dispute is resolved), shall be delivered to the Treasurer by the General Manager of the District. Upon the receipt of such statement, the Treasurer shall transfer any remaining balance in the Acquisition Fund which is not needed for Acquisition Fund purposes (but less the amount of any such retention, which amount shall be certified to the Treasurer by the General Manager of the District) to the Trustee for deposit in the 2021A Bond Payment Fund for payment of 2021A Bonds in accordance with the Indenture.

#### ARTICLE IV

##### INSTALLMENT PAYMENTS

###### Section 4.01. Purchase Price.

(a) The Purchase Price to be paid by the District hereunder to the Authority is the sum of the principal amount of the District's obligations hereunder 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 B.

(c) The interest to accrue on the unpaid balance of such principal amount is as specified in Section 4.02 and Exhibit B, and shall be paid by the District as and constitute interest paid on the principal amount of the District's obligations hereunder.

Section 4.02. Series 2021A Installment Payments. The District shall, subject to its rights of prepayment provided in Article VII, pay the Authority the Purchase Price in installment payments of interest and principal in the amounts and on the Series 2021A Installment Payment Dates as set forth in Exhibit B.

Each Series 2021A Installment Payment shall be paid to the Authority in lawful money of the United States of America. In the event that the District fails to make any of the payments which are 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 Series 2021A Installment Payments if paid in accordance with their terms.

The obligation of the District to make the Series 2021A 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 Series 2021A Installment Payment which is required to be made by it under this section when due, whether or not the Water 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 2021 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 Proposition 218 Special Benefit Assessment and Revenues. Proceeds of the Proposition 218 Special Benefit Assessment are hereby irrevocably pledged to the payment of the Series 2021A Installment Payments as provided herein, and such proceeds shall not be used for any other purpose while any of the Series 2021A Installment Payments remain unpaid; provided that out of the Proposition 218 Special Benefit Assessment proceeds there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge shall constitute a first lien on proceeds of the Proposition 218 Special Benefit Assessment and the Proposition 218 Special Benefit Assessment Fund for the payment of the Series 2021A Installment Payments and all other Refunding Obligations in accordance with the terms hereof.

The Revenues, and all amounts that are on deposit in the Revenue Fund (other than proceeds of the Proposition 218 Special Benefit Assessment), and any other amounts (including proceeds of the sale of the 2021A Bonds) which are held in any fund or account that is established pursuant to the Installment Purchase Agreement, are irrevocably pledged to the payment of the Series 2021A Installment Payments. While any of the Series 2021A Installment Payments remain unpaid, the Revenues (other than proceeds of the Proposition 218 Special Benefit Assessment) shall be allocated only to the purposes set forth in Section 5.03 hereof. This pledge shall constitute a parity lien on Revenues, the Revenue Fund and the other funds and accounts that are created hereunder for the payment of the Series 2021A Installment Payments and all other Contracts and Bonds in accordance with the terms hereof and of the Indenture.

Section 5.02. Allocation of Proposition 218 Special Benefit Assessment Proceeds. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Proposition 218 Special Benefit Assessment proceeds shall be received by the District in trust hereunder and shall be deposited when and as received in a special fund designated as the "Proposition 218 Special Benefit Assessment Fund," which fund is hereby established and which fund the District agrees and covenants to maintain and to hold separate and apart from other funds so long as any Series 2021A Installment Payments remain unpaid.

Moneys in the Proposition 218 Special Benefit Assessment Fund shall be applied by the District at the following times 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 hereinafter authorized in this section:

(a) 2021A Bond Payment Fund. On or before each Series 2021A Installment Payment Date, the District shall, from moneys in the Proposition 218 Special Benefit Assessment Fund, transfer to the Trustee for deposit in the 2021A Bond Payment Fund an amount that is equal to the interest and principal payable and coming due on the next succeeding Series 2021A Installment Payment Date. The District shall also, from the moneys in the Proposition 218 Special Benefit Assessment Fund, transfer to the applicable trustee for deposit in the applicable payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other Debt Service with respect to any Refunding Obligations in accordance with the provisions of the contract, bond, resolution or indenture relating to such Refunding Obligations.

Any moneys which are on deposit in the 2021A Bond Payment Fund on each Series 2021A Installment Payment Date (other than amounts required for the payment of past due principal or interest with respect to any 2021A Bonds not presented for payment) shall be credited to the payment of the Series 2021A Installment Payments due and payable on such date. No deposit need be made in the 2021A Bond Payment Fund as Series 2021A Installment Payments if the amount in the 2021A Bond Payment Fund is at least equal to the amount of the Series 2021A Installment Payment that is due and payable on the next succeeding Series 2021A Installment Payment Date.

(b) [Reserve Funds. On or before each Series 2021A Installment Payment Date, the District shall, from remaining moneys in the Proposition 218 Special Benefit Assessment Fund, thereafter, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the Trustee for deposit in the Reserve Fund and to the applicable trustee for such other reserve funds and/or accounts, if any, as may have been established in connection with Refunding Obligations other than this Installment Purchase Agreement, that sum, if any, necessary to restore the Reserve Fund or such other reserve funds and/or accounts to an amount equal to the Reserve Requirement or such other reserve requirements; provided, however, that the District may provide for the Reserve Fund by means other than cash and Permitted Investments pursuant to Section 5.07 of the Indenture.]

(c) Surplus. If (i) the 2021A Installment Payment coming due on the last day of February of a Fiscal Year has been paid and (ii) amounts on deposit in the Proposition 218 Special Benefit Assessment Fund are sufficient to make the 2021A Installment Payment coming due on the last day of August and to pay Debt Service with respect to any Refunding Obligations coming due in the following Fiscal Year, then on or after the last day of the Fiscal Year, moneys on deposit in the Proposition 218 Special Benefit Assessment Fund which are in excess of the amounts necessary to make the payments identified in (ii) of this paragraph may be applied by District to any lawful District purpose, including providing refunds to landowners who paid the Proposition 218 Special Benefit Assessments in such Fiscal Year; provided that such refunds shall not be provided in the form of a credit against the Proposition 218 Special Assessments to be paid by such landowners in any following Fiscal Year.

Section 5.03. Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Revenues shall be received by the District in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund is hereby established and which fund the District agrees and covenants to maintain and to hold separate and apart from other funds so long as the Series 2021A Installment Payments remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided in this Section 5.03.



(a) Operation and Maintenance Costs. The District shall, from the moneys in the Revenue Fund (other than proceeds of the Proposition 218 Special Benefit Assessment), pay all Operation and Maintenance Costs (including amounts which are reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as they become due and payable.

(b) 2021A Bond Payment Fund. On or before each Series 2021A Installment Payment Date, the District shall, from remaining moneys in the Revenue Fund (not including proceeds of the Proposition 218 Special Benefit Assessment), transfer to the Trustee for deposit in the 2021A Bond Payment Fund an amount that is equal to the interest and principal payable and coming due on the next succeeding Series 2021A Installment Payment Date and not satisfied by the transfer of the amounts in the Proposition 218 Special Benefit Assessment Fund pursuant to Section 5.02 hereof. The District shall also, from the moneys in the Revenue Fund, transfer to the applicable trustee for deposit in the applicable payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other Debt Service in accordance with the provisions of the Contract, Bond, resolution or indenture relating thereto.

Any moneys which are on deposit in the 2021A Bond Payment Fund on each Series 2021A Installment Payment Date (other than amounts required for the payment of past due principal or interest with respect to any 2021A Bonds not presented for payment) shall be credited to the payment of the Series 2021A Installment Payments due and payable on such date. No deposit need be made in the 2021A Bond Payment Fund as Series 2021A Installment Payments if the amount in the 2021A Bond Payment Fund is at least equal to the amount of the Series 2021A Installment Payment that is due and payable on the next succeeding Series 2021A Installment Payment Date.

(c) Reserve Funds. On or before each Series 2021A Installment Payment Date, the District shall, from remaining moneys in the Revenue Fund (not including proceeds of the Proposition 218 Special Benefit Assessment), thereafter, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the Trustee for deposit in the Reserve Fund and to the applicable trustee for such other reserve funds and/or accounts, if any, as may have been established in connection with Bonds or Contracts other than this Installment Purchase Agreement, that sum, if any, necessary to restore the Reserve Fund or such other reserve funds and/or accounts to an amount equal to the Reserve Requirement or such other reserve requirements; provided, however, that the District may provide for the Reserve Fund by means other than cash and Permitted Investments pursuant to Section 5.07 of the Indenture.

(d) Surplus. Moneys on deposit in the Revenue Fund (not including proceeds of the Proposition 218 Special Benefit Assessment) which are not necessary to make any of the payments which are required above may be expended by the District at any time for any purpose permitted by law.

Section 5.04. Additional Contracts and Bonds – Net Revenues. The District may at any time execute any Contract or issue any Bonds, as the case may be, in accordance herewith; provided:

(a) The Net Revenues for the most recent audited Fiscal Year preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by both a calculation prepared by the District and a special report prepared by an Independent Certified Public Accountant or an Independent Municipal Consultant on such calculation on file with the District, shall

have produced a sum equal to at least one hundred twenty-five percent (125%) of the Debt Service for such Fiscal Year (less, in the case of Series 2021A Installment Payments or any Refunding Obligations, the proceeds of the Proposition 218 Special Benefit Assessment applied to the payment of the Series 2021A Installment Payments and the Refunding Obligations for such Fiscal Year); and

(b) The Net Revenues for the most recent audited Fiscal Year preceding the date of the execution of such Contract or the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds, as the case may be, including adjustments to give effect as of the first day of such Fiscal Year to increases in rates and charges (including land based charges) for the Water Service approved and in effect as of the date of calculation, as evidenced by both a calculation prepared by an Authorized Representative and a special report prepared by an Independent Certified Public Account or an Independent Municipal Consultant on such calculation on file with the District, shall have produced a sum equal to at least one hundred twenty-five percent (125%) of the Debt Service for such Fiscal Year (less, in the case of Series 2021A Installment Payments or any Refunding Obligations, the proceeds of the Proposition 218 Special Benefit Assessment applied to the payment of the Series 2021A Installment Payments and the Refunding Obligations for such Fiscal Year) plus the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such Fiscal Year assuming such Contracts had been executed or Bonds had been issued at the beginning of such Fiscal Year; and

(c) The estimated Net Revenues for the then current Fiscal Year and for each Fiscal Year thereafter to and including the first complete Fiscal Year after the latest Date of Operation of any uncompleted Parity Project, as evidenced by a certificate of the General Manager of the District on file with the District, including (after giving effect to the completion of all such uncompleted Parity Projects) an allowance for estimated Net Revenues for each of such Fiscal Years arising from any increase in the income, rents, fees, rates and charges estimated to be fixed, prescribed or received for the Water Service and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate of the General Manager on file with the District, shall produce a sum equal to at least one hundred twenty-five percent (125%) of the estimated Debt Service for each of such Fiscal Years, after giving effect to the execution of all Contracts and the issuance of all Bonds estimated to be required to be executed or issued to pay the costs of completing all uncompleted Parity Projects within such Fiscal Years (less, in the case of Series 2021A Installment Payments or any Refunding Obligations, the proceeds of the Proposition 218 Special Benefit Assessment levied to pay Series 2021A Installment Payments and the Refunding Obligations for such Fiscal Years), assuming that all such Contracts and Bonds have maturities, interest rates and proportionate principal repayment provisions similar to the Contract last executed or then being executed or the Bonds last issued or then being issued for the purpose of acquiring and constructing any of such uncompleted Parity Projects.

Notwithstanding the foregoing, Bonds or Contracts may be issued or incurred to refund outstanding Bonds or Contracts if, at the time of the incurring of such Bonds or Contracts, a certificate of the District shall be delivered showing that Debt Service on the refunding Bonds or Contracts will not exceed by more than 10% Debt Service on the refunded Bonds or Contracts in each Fiscal Year.

Notwithstanding satisfaction of the other conditions to the execution of any Contract or the issuance of Bonds set forth in this Section 5.04, no such execution or issuance may occur if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such Event of Default shall be cured upon such execution or issuance and (ii) unless the Reserve Fund is fully funded at the Reserve Requirement.

Section 5.05. Additional Obligations – Proposition 218 Special Benefit Assessments. The District shall not issue or incur any note, bond, contract or other obligation secured by a pledge or payable from the Proposition 218 Special Benefit Assessment proceeds senior to the Series 2021A Installment Payments and may only issue or incur a note, bond, contract or other obligation secured by a pledge or payable from the Proposition 218 Special Benefit Assessment on a parity with the Series 2021A Installment Payments if such notes, bonds, contracts or other obligations are Refunding Obligations.

Section 5.06. Investments. All moneys which are held by the District in the Revenue Fund, the Proposition 218 Special Benefit Assessment Fund and the Acquisition Fund shall be invested in Permitted Investments, and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

Section 5.07. Rate Stabilization Fund. The District hereby establishes a special fund designated as the “Rate Stabilization Fund” which the District hereby agrees and covenants to continue and maintain, so long as any 2021A Bonds remain outstanding, the Rate Stabilization Fund. On the date of execution of this Installment Purchase Agreement, there is \$\_\_ million on deposit in the Rate Stabilization Fund. For avoidance of doubt, the balance on deposit in the Rate Stabilization Fund on the date of execution of this Installment Purchase Agreement comprises money received by the District prior to Fiscal Year 2021 and such amount shall not be deducted from Revenues for Fiscal Year 2021 or any prior Fiscal Year for purposes of the definition of Revenues contained herein or Sections 5.03 or 6.14 hereof. Money in the Rate Stabilization Fund shall be applied in accordance with this Installment Purchase Agreement.

All amounts on deposit in the Rate Stabilization Fund are hereby irrevocably pledged to the payment of the Bonds and Contracts as provided herein; provided that amounts on deposit in the Rate Stabilization Fund may be apportioned as expressly permitted herein and expended by the District for any lawful District purpose.

The District may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Revenue Fund for application in accordance with Section 5.03 hereof or, in the event that all or a portion of the Series 2021A Installment Payments are discharged in accordance with Section 9.01(b) or (c) hereof, transfer all or any portion of such amounts for application in accordance with said section. Amounts transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to this Section 5.07 during or within 270 days after the end of a Fiscal Year, may be taken into account as Revenues for purposes of the calculations in Sections 5.04 and 6.14 in such Fiscal Year.

## ARTICLE VI

### COVENANTS OF THE DISTRICT

Section 6.01. Compliance with Installment Purchase Agreement and Ancillary Agreements. The District will punctually pay the Series 2021A Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all of the agreements, conditions, covenants and terms contained herein which are required to be observed and performed by it, and will not terminate the Installment Purchase 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 Water System, 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 Authority to observe or perform any agreement, condition, covenant or term which is contained herein and 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 Authority 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.

The District will faithfully observe and perform all of the agreements, conditions, covenants and terms which are required to be observed and performed by it pursuant to all outstanding Contracts and Bonds as such may from time to time be executed or issued, as the case may be.

Section 6.02. Against Encumbrances. The District will not make any pledge of or place any lien on Revenues or the moneys in the Revenue Fund except as provided herein. In addition, the District may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of and lien on Revenues or any moneys in the Revenue Fund (other than proceeds of the Proposition 218 Special Benefit Assessment) as may from time to time be deposited therein (as provided in Section 5.03), provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

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 System or any part thereof which is necessary to secure adequate Revenues for the payment of the Series 2021A Installment Payments, or which would otherwise materially impair the rights of the Authority hereunder or the operation of the Water System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System, or any material or equipment which has become worn out, may be sold if such sale will not materially impair the ability of the District to pay the Series 2021A Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

Nothing herein shall restrict the ability of the District to sell any portion of the Water System if such portion is immediately repurchased by the District and if such arrangement cannot by its terms result in the purchaser of such portion of the Water System exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Water System.

Section 6.04. Against Competitive Facilities. The District will not, to the extent permitted by law, 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 system competitive with the Water System.

Section 6.05. [Tax Covenants. Notwithstanding any other provision of the Installment Purchase Agreement, absent an opinion of Bond Counsel that the exclusion from gross income of the interest on the 2021A Bonds will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code which are necessary to preserve such exclusion from gross income with respect to the 2021A Bonds and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District will take no action or refrain from taking any action, and the District will make no use of the proceeds of the 2021A Bonds or of any other moneys or property, which would cause the 2021A Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) Arbitrage. The District will make no use of the proceeds of the 2021A Bonds or of any other amounts or property, regardless of the source, and the District will not take any action or refrain from taking any action, which will cause the 2021A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) Federal Guarantee. The District will make no use of the proceeds of the 2021A Bonds, and the District will not take or omit to take any action, that would cause the 2021A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code which is necessary to preserve the exclusion of interest on the 2021A Bonds pursuant to Section 103(a) of the Code;

(e) Hedge Bonds. The District will make no use of the proceeds of the 2021A Bonds or any other amounts or property, regardless of the source, and the District will not take any action or refrain from taking any action, that would cause the 2021A Bonds 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 interest on the 2021A Bonds for federal income tax purposes; and

(f) Miscellaneous. The District will not take any action or refrain from taking any action which is inconsistent with its expectations stated in the Tax Certificate executed by the District in connection with the issuance of the 2021A Bonds and will comply with the covenants and requirements that are stated therein and incorporated by reference herein.

This section and the covenants that are set forth herein shall not be applicable to, and nothing that is contained herein shall be deemed to prevent the District from causing the Authority to issue revenue bonds or issuing bonds or executing and delivering contracts that are payable on a parity with the 2021A Bonds, the interest with respect to which has been determined to be subject to federal income taxation.]

Section 6.06. Prompt Acquisition. The District will take all necessary and appropriate steps to acquire the 2021 Project, as agent of the Authority, with all practicable dispatch and in an expeditious manner and in conformity with law so as to complete the same as soon as possible.

Section 6.07. Maintenance and Operation of the Water System. The District will maintain and preserve the Water System in good repair and working order at all times, operate the Water System in an efficient and economical manner and pay all Operation and Maintenance Costs as they become due and payable.

Section 6.08. Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or under the Indenture or on any funds in the hands of the District

pledged to pay the Series 2021A Installment Payments or the Bonds, or which might impair the security of the Series 2021A Installment Payments.

Section 6.09. Compliance with Contracts. The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, which are required to be performed by it contained in all contracts for the use of the Water System and all other contracts affecting or involving the Water System, to the extent that the District is a party thereto.

Section 6.10. Insurance.

(a) The District will procure and maintain or cause to be procured and maintained insurance on the Water System, excluding coverage for earthquake damage or destruction, with responsible insurers in such amounts and against such risks (including accident to or destruction of the Water System) as are usually covered in connection with facilities that are similar to the Water System so long as such insurance is available at reasonable rates.

In the event of any damage to or destruction of the Water 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 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 System shall be free and clear of all claims and liens.

If such Net Proceeds exceed the costs of such reconstruction, repair or replacement, then the excess Net Proceeds shall be applied in part to the prepayment of Series 2021A Installment Payments as provided in Article VII and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of Series 2021A Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts. If such Net Proceeds are sufficient to enable the District to retire the entire obligation that is evidenced hereby prior to the final due date of the Series 2021A Installment Payments as well as the entire obligations that are evidenced by Bonds and Contracts then remaining unpaid prior to their final respective due dates, the District may elect not to reconstruct, repair or replace the damaged or destroyed portion of the Water System, and thereupon such Net Proceeds shall be applied to the prepayment of Series 2021A Installment Payments as provided in Article VII and to the retirement of such Bonds and Contracts.

(b) The District will procure and maintain such other insurance which it shall deem advisable or necessary to protect its interests and the interests of the Authority, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with municipal water systems similar to the Water System.

(c) Any insurance that is required to be maintained by paragraph (a) above and, if the District determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, 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 systems similar to the Water System and is, in the opinion of an accredited actuary, actuarially sound.



All policies of insurance which are required to be maintained herein shall provide that the Authority or its assignee shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Section 6.11. 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 Water System, which records shall be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable conditions.

(b) The District will prepare and file with the Authority or its assignee, annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending February 28, 2021) 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. The Trustee shall have no obligation to review any such financial statements.

Section 6.12. Protection of Security and Rights of the Authority. The District will preserve and protect the security hereof and the rights of the Authority to the Series 2021A Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.13. 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 System, or any part thereof or upon the Revenues or Proposition 218 Special Benefit Assessments 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 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 6.14. Amount of Rates and Charges.

(a) The District shall levy and collect the Proposition 218 Special Benefit Assessment in an amount equal to the lesser of: (i) the maximum amount provided by law in each year; or (ii) the amount reasonably expected to pay the Series 2021A Installment Payments and any Refunding Obligations, including any reasonable coverage requirement to account for anticipated or unanticipated delinquencies, so long as any Series 2021A Installment Payments or Refunding Obligations remain Outstanding.

(b) To the fullest extent permitted by law, the District shall fix and prescribe, at the commencement of each Fiscal year, rates and charges (including land based charges) for the Water Service which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Revenues equal to one twenty-five hundred percent (125%) of Debt Service on Bonds and Contracts for such Fiscal Year, after taking into account any amounts transferred from the Rate Stabilization Fund to the Revenue Fund in accordance with Section 5.07 hereof, and less, in the case of Series 2021A Installment Payments or any Refunding Obligations, the proceeds of the Proposition 218 Special Benefit Assessment levied to pay Series 2021A Installment Payments and the Refunding Obligations for such Fiscal Year. The District may make adjustments from time to time in such rates and charges (including land based charges) and may make such classifications thereof as it deems

necessary, but shall not reduce the rates and charges (including land based charges) then in effect unless the Net Revenues from such reduced rates and charges (including land based charges) are reasonably expected to be sufficient to meet the requirements of this Section.

(c) For avoidance of doubt, so long as the District has complied with its obligations set forth in Section 6.14(b) above, the failure of Net Revenues to meet the threshold set forth in Section 6.14(b) above at the end of a Fiscal Year shall not constitute a default or an Event of Default so long as the District has complied with Section 6.14(b) at the commencement of the succeeding Fiscal Year.

Section 6.15. Collection of Rates and Charges. The District will have in effect at all times by-laws, rules and regulations requiring each customer to pay the rates and charges applicable to the Water Service to such customer's land and providing for the billing thereof and for a due date and a delinquency date for each bill. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the District may discontinue such service from the Water System, and such service shall not thereafter be recommenced except in accordance with District by-laws or rules, regulations and State Law governing such situations of delinquency.

Section 6.16. Eminent Domain Proceeds. If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If: (1) the District files with the Authority and the Trustee a certificate showing: (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings; (ii) a general description of the additions, betterments, extensions or improvements to the Water System that are proposed to be acquired and constructed by the District from such Net Proceeds, and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (2) the District, on the basis of such certificate filed with the Authority and the Trustee, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive), then the District shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the District for such purpose shall be deposited in the Revenue Fund.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied in part to the prepayment of Series 2021A Installment Payments as provided in Article VII and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion which the aggregate unpaid principal balance of Series 2021A Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

Section 6.17. 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 Authority of the rights and benefits provided to it herein.

Section 6.18. Enforcement of Contracts. So long as any of the 2021A Bonds are outstanding, 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 which contracts provide for water to be supplied to the District which consent, revision, amendment or other action will reduce the supply of water thereunder (except as provided therein), unless the Board of Directors of the District determines by resolution that such rescission or amendment would not materially adversely affect the ability of the District to pay Series 2021A Installment Payments.

The District hereby covenants to not issue or enter into any additional revenue bonds, notes, contracts or other evidences of indebtedness secured by a pledge of and lien on the Revenues prior to the pledge of and lien on the Revenues described in Section 5.01 hereof or payable from Net Revenues prior to the Series 2021A Installment Payments.

Section 6.19. Covenant to Prorate Assessments and Standby Charges. In the event that the District levies the Proposition 218 Special Benefit Assessment together with any other assessments, stand-by charges or other 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 Proposition 218 Special Benefit Assessment and such other assessments, stand-by charges and other charges on a pro rata basis.

## ARTICLE VII

### PREPAYMENT OF SERIES 2021A INSTALLMENT PAYMENTS

#### Section 7.01. Prepayment.

(a) The District may or shall, as the case may be, prepay from Net Proceeds as provided herein the Series 2021A Installment Payments in whole, or in part, on any date in the order of payment date as directed by the District, at a prepayment price equal to the sum of the principal amount to be prepaid plus accrued interest thereon to the date of prepayment, without premium.

(b) The District may prepay the Series 2021A Installment Payments as a whole, or in part, in the order of payment date as directed by the District, at a prepayment price equal to the principal amount of the Series 2021A Installment Payments to be prepaid, together with accrued interest thereon to the date of prepayment, as set forth in Section 4.01 of the Indenture.

(c) Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Authority).

Section 7.02. Method of Prepayment. Before making any prepayment pursuant to Section 7.01, the District shall, within five (5) days following the event permitting the exercise of such right to prepay or creating such obligation to prepay, give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be paid, which date shall be not less than sixty (60) (or such shorter number of days as is acceptable to the Trustee) days from the date that such notice is given.

## ARTICLE VIII

## EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

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

(1) if default shall be made by the District in the due and punctual payment of any Series 2021A Installment Payment or any Contract or Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise;

(2) if default shall be made by the District in the observance of any of the other covenants, agreements or conditions on its part in this Installment Purchase Agreement if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the District by the Authority; provided, however, that if in the reasonable opinion of the District the default stated in the notice can be corrected, but not within such thirty (30) day period and corrective action is instituted by the District within such thirty (30) day period and diligently pursued in good faith until the default is corrected such default shall not be an Event of Default hereunder;

(3) 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; or

(4) if payment of the principal of any Bond or with respect to any Contract is accelerated in accordance with its terms;

then and in each and every such case during the continuance of an Event of Default, the Authority shall, by notice in writing to the District, declare the entire principal amount of the unpaid Series 2021A 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. This section, however, is subject to the condition that if at any time after the entire principal amount of the unpaid Series 2021A Installment Payments and the accrued interest thereon shall have been so declared due and payable, but before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Authority an amount that is sufficient to pay the unpaid principal amount of the Series 2021A Installment Payments or the unpaid payment of any other Contract or Bond referred to in clause (1) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Series 2021A Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the Authority, and any and all other defaults known to the Authority (other than in the payment of the entire principal amount of the unpaid Series 2021A Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been

made good or cured to the satisfaction of the Authority or provision deemed by the Authority to be adequate shall have been made therefor, then and in every such case the Authority, by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

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

First, to the payment, without preference or priority, and in the event of any insufficiency of such Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Trustee and its assigns and thereafter to the Authority, as the case may be, in carrying out the provisions of this article, including reasonable compensation to their respective accountants and counsel;

Second, to the payment of the Operation and Maintenance Costs; and

Third, to the payment of the entire principal amount of the unpaid Series 2021A Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the Series 2021A Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms.

Section 8.03. Other Remedies of the Authority. The Authority 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 or her duties under the Law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Authority; 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 Authority shall have no security interest in or mortgage on the 2021 Project, the Water System or other assets of the District and no default hereunder shall result in the loss of the 2021 Project, the Water 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 Series 2021A Installment Payments to the Authority at the respective due dates or upon prepayment from the Net Revenues, the Revenue Fund and the other funds herein pledged for such payment, or shall affect or impair the right of the Authority, 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 Authority 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 Authority to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right

or remedy or 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 that is conferred upon the Authority by the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Authority, the District and the Authority shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.05. Remedies Not Exclusive. No remedy that is conferred upon or reserved to the Authority herein 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 law.

## ARTICLE IX

### DISCHARGE OF OBLIGATIONS

Section 9.01. Discharge of Obligations. When:

(a) all or any portion of the Series 2021A Installment Payments shall have become due and payable in accordance herewith or a written notice of the District to prepay all or any portion of the Series 2021A Installment Payments shall have been filed with the Trustee; and

(b) there shall have been deposited with the Trustee at or prior to the Series 2021A Installment Payment Date or dates specified for prepayment, in trust for the benefit of the Authority or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Series 2021A Installment Payments, sufficient moneys or sufficient moneys and non-callable Permitted Investments that are described in clause (A) of the definition thereof, the principal of and interest on which Permitted Investments when due will provide money that is sufficient in the opinion of an Independent Certified Public Accountant to pay all principal, prepayment premium, if any, and interest of such Series 2021A Installment Payments to their respective Series 2021A Installment Payment Dates, as the case may be; and

(c) provision shall have been made for paying all fees and expenses of the Trustee, then and in that event, the right, title and interest of the Authority herein and the obligations of the District hereunder shall, with respect to all or such portion of the Series 2021A Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Trustee and the obligation of the District to have such moneys and such Permitted Investments applied to the payment of such Series 2021A Installment Payments).

In such event, upon request of the District, the Trustee shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, and, in the event of a total discharge and satisfaction, the Trustee shall pay over to the District, after payment of all amounts due the Trustee pursuant to the Indenture, as an overpayment of Series 2021A Installment Payments, all such moneys or such Permitted Investments held by it pursuant hereto, other than such moneys and such Permitted

Investments as are required for the payment or prepayment of the Series 2021A Installment Payments, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of the Series 2021A Installment Payments and shall be applied by the Trustee to the payment of the Series 2021A Installment Payments of the District.

## ARTICLE X

### MISCELLANEOUS

Section 10.01. Liability Limited. Notwithstanding anything contained herein, but subject to the priority of payment with respect to Operation and Maintenance Costs, the District shall not be required to advance any moneys derived from any source other than the Proposition 218 Special Benefit Assessments, Revenues, the Revenue Fund and the other moneys pledged hereunder whether for the payment of the Series 2021A Installment Payments or for any of the purposes herein mentioned. Nevertheless, the District may, but shall not be required to advance for any such purpose any funds of the District which may be made available for such purpose.

The obligation of the District to make the Series 2021A Installment Payments is a special obligation of the District payable from the Proposition 218 Special Benefit Assessments and the Net Revenues 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.

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 or the Authority any right, remedy or claim under or pursuant hereto, and any agreement or covenant that is required herein to be performed by or on behalf of the District or the Authority 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 or the Authority 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 or the Authority, and all agreements and covenants which are required hereby to be performed by or on behalf of the District or the Authority 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 Series 2021A 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 the Installment Purchase 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 or the Authority 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 and the Authority hereby declare that they would have executed the Installment Purchase 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. The Installment Purchase Agreement and any rights hereunder may be assigned by the Authority, as a whole or in part, without the necessity of obtaining the prior consent of the District. In addition to the rights and remedies assigned by the Authority to the Trustee, to the extent that the Indenture and the Installment Purchase Agreement confer upon or give or grant to the Trustee any right, remedy or claim under or by reason of the Indenture or the Installment Purchase Agreement, the Trustee is hereby explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred given or granted.

Section 10.08. Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely net during the term hereof the Series 2021A Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.09. California Law. THE INSTALLMENT PURCHASE AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

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: Panoche Water District  
52027 W Althea Ave.  
Firebaugh, CA 93622  
Attention: General Manager  
Email: aazhderian@panochewd.org

If to the Authority: Panoche Financing Authority  
c/o Panoche Water District  
52027 W Althea Ave.  
Firebaugh, CA 93622  
Attention: Executive Director  
Email: aazhderian@panochewd.org

If to the Trustee: U.S. Bank National Association  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, California 90071  
Attn: Global Corporate Trust

Facsimile: (213) 615-6197

Section 10.11. Effective Date. The Installment Purchase 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 to the written satisfaction of the Authority).

Section 10.12. Execution in Counterparts. The Installment Purchase 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 Authority. The District hereby agrees to indemnify and hold harmless the Authority and its assigns and its officers and directors if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder and under the Indenture; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder or under the Indenture by the Authority.

Section 10.14. Amendments Permitted.

(a) This Installment Purchase Agreement and the rights and obligations of the Authority and the District and of the Owners of the 2021A Bonds and of the Trustee may be modified or amended at any time by a written amendment hereto executed by the Authority and the District which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the 2021A Bonds then Outstanding, exclusive of 2021A Bonds disqualified as provided in Section 11.09 of the Indenture. No such modification or amendment may: (1) extend the fixed maturity of any 2021A Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each 2021A Bond so affected; or (2) reduce the aforesaid percentage of 2021A Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Installment Purchase Agreement prior to or on a parity with the lien created by the Installment Purchase Agreement except as permitted herein, or deprive the Owners of the 2021A Bonds of the lien created by the Indenture on such Revenues and other assets except as permitted herein, without the consent of the Owners of all of the 2021A Bonds then Outstanding.

(b) This Installment Purchase Agreement and the rights and obligations of the Authority and the District and of the Owners of the 2021A Bonds may also be modified or amended at any time by a written amendment hereto executed by the Authority and the District which shall become binding upon adoption, without the consent of the Owners of any 2021A Bonds, but only to the extent permitted by law and only for any one or more of the following purposes: (1) to add to the covenants and agreements of the District contained in the Installment Purchase Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the 2021A Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the District; (2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Installment Purchase Agreement, or in regard to matters or questions arising under the Installment Purchase Agreement, as the District may deem necessary or desirable; and (3) to modify, amend or

supplement the Installment Purchase Agreement in such manner as to cause interest on the 2021A Bonds to remain excludable from gross income under the Code. No amendment without consent of the Owners may modify any of the rights or obligations of the Trustee without the written consent thereto.

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

PANOCHE WATER DISTRICT

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

PANOCHE FINANCING AUTHORITY

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

**EXHIBIT A**

**DESCRIPTION OF THE 2021 PROJECT**

<i>Component</i>	<i>Estimated Capital Cost</i>
<ul style="list-style-type: none"><li>The perpetual contractual right to purchase water in accordance with the following contract:[ Contract No. XX-XX-XXX-XXX-XXX between the United States and Panoche Water District Providing for Project Water Service San Luis Unit and Delta Division and Facilities Repayment</li></ul>	\$

**EXHIBIT B**

**PURCHASE PRICE**

1. The principal amount of payments to be made by the District hereunder is \$\_\_\_\_\_.
2. The Series 2021A Installment Payments of principal and interest are payable in the amounts and on the Series 2021A Installment Payment Dates as follows:

[TO BE INSERTED BY BOND COUNSEL AFTER SALE OF THE BONDS]

<i>Installment Payment Dates</i>	<i>Amount Attributable to Principal</i>	<i>Amount Attributable to Interest</i>	<i>Total</i>
--------------------------------------	---	--	--------------

<i>Installment Payment Dates</i>	<i>Amount Attributable to Principal</i>	<i>Amount Attributable to Interest</i>	<i>Total</i>
--------------------------------------	---	--	--------------



**EXHIBIT C**

**FORM OF SUBSTITUTION STATEMENT**

Panoche Financing Authority  
c/o Panoche Water District  
1015 6th Street  
Los Banos, California 93635  
Attention: Executive Director

U.S. Bank National Association  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, California 90071  
Attn: Global Corporate Trust Services  
Reference: \_\_\_\_\_

The undersigned General Manager of the Panoche Water District (the “District”) hereby states pursuant to Section 3.02 of the Installment Purchase Agreement, dated as of May 1, 2021, by and between Panoche Financing Authority and the District (the “Installment Purchase Agreement”) that each component of the 2021 Project (as such term is defined in the Installment Purchase Agreement) described in the first column of Exhibit A attached hereto, with an estimated cost set forth in the second column of Exhibit A, will be replaced by the corresponding improvement described in the third column of Exhibit A with an estimated cost set forth in the fourth column of Exhibit A.

Dated: \_\_\_\_\_, 20\_\_

---

General Manager

EXHIBIT A

<i>Components of 2021 Project to be Replaced</i>	<i>Cost of Each Components of 2021 Project to be Replaced</i>	<i>Improvements to be Substituted</i>	<i>Cost of Each Improvement to be Substituted</i>
--	---	---	---

**EXHIBIT D**

**FORM OF REQUISITION FROM ACQUISITION FUND**

\$ \_\_\_\_\_  
PANOCHE FINANCING AUTHORITY  
REVENUE BONDS (PANOCHE WATER DISTRICT), SERIES 2021A

REQUISITION NO. \_ FOR  
DISBURSEMENT FROM ACQUISITION FUND

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting General Manager of the Panoche Water District, a California water district that is organized and existing under the Constitution and laws of the State of California (the “District”), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.06 of that certain Installment Purchase Agreement, dated as of May 1, 2021 (the “Installment Purchase Agreement”), by and between the Panoche Financing Authority and the District, the undersigned hereby requests the Treasurer to disburse on this date the following amounts from the Acquisition Fund established under the Installment Purchase Agreement relating to the above-captioned obligations, to the payees designated on the attached Exhibit A;

(iii) that each obligation mentioned herein has been incurred by the District and is a proper charge against the Acquisition Fund;

(iv) that any compliance activities required under the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code), prior to the expenditure of such amount for the purpose set forth on the attached Exhibit A have been completed and are final; and

(v) that there has not been filed with or served upon the District notice of any lien, right to lien or attachment upon any of the moneys payable to any of the payees named on the attached Exhibit A, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

Dated: \_\_\_\_\_, 20\_\_

PANOCHE WATER DISTRICT

By: \_\_\_\_\_  
General Manager

EXHIBIT A  
ACQUISITION FUND DISBURSEMENTS

<i>Item Number</i>	<i>Payee Name and Address</i>	<i>Purpose of Obligation</i>	<i>Amount</i>
------------------------	-------------------------------	------------------------------	---------------

## **PANOCHÉ WATER DISTRICT RESOLUTION NO. 774-20**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PANOCHÉ WATER DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$38,000,000 AGGREGATE PRINCIPAL AMOUNT OF REVENUE BONDS BY PANOCHÉ FINANCING AUTHORITY AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND AUTHORIZING CERTAIN OTHER MATTERS**

---

WHEREAS, the Panoche Water District (the "District"), a California water district duly organized and existing under and pursuant to the Constitution and laws of the State of California, proposes to acquire a perpetual contract for water service from the Central Valley Project and refinancing the capital obligation thereunder and any other payments to the United States of America or any other public agencies in connection therewith as described in the Installment Purchase Agreement referenced below;

WHEREAS, the District is a member of the Panoche Financing Authority (the "Authority") and is requesting that the Authority issue one or more series of revenue bonds (the "Bonds"), on behalf of the District to finance the acquisition of such perpetual contract right and to refinance the capital obligation thereunder and any other payments to the United States of America or any other public agencies in connection therewith all in accordance with an Indenture of Trust to be entered into by the Authority and U.S. Bank National Association, as trustee;

WHEREAS, the District has reviewed the provisions of the California Environmental Quality Act ("CEQA") and has considered whether any direct or indirect physical change to the environment will result from the issuance of the bonds and execution of the documents connected therewith, and has considered whether these activities, taken together or separately, may possibly have a significant effect on the environment; and

WHEREAS, in order to secure the Bonds, the District will enter into an Installment Purchase Agreement with the Authority (the "Installment Purchase Agreement") pursuant to which the District will make payments to the Authority from Net Revenues (as defined therein);

**NOW, THEREFORE, the Board of Directors of the Panoche Water District hereby finds, determines, declares and resolves as follows:**

SECTION 1. The Installment Purchase Agreement referred to above, in substantially the form attached hereto as Exhibit A, is hereby approved. The President or Vice President of the District or the General Manager or the written designee of any of such officers (each an "Authorized Officer") is each singly authorized and directed to execute and deliver the Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel") and approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

SECTION 2. The Board hereby determines that authorizing the issuance of the bonds in question and executing the documents connected therewith does not constitute a project or projects under CEQA because: the proposed actions represent administrative activities of the Water District that will not result in direct or indirect physical changes in the environment (Section 15378(b)(5) of the CEQA Guidelines); and it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, and thus the proposed action is not subject to CEQA (Section 15061(b)(3) of the CEQA Guidelines).

SECTION 3. The Continuing Disclosure Certificate, in substantially the form attached hereto as Exhibit B, is hereby approved. Each Authorized Officer is hereby singly authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

SECTION 4. The preparation, sale and delivery by the Authority of one or more series of tax-exempt or taxable Bonds in an aggregate principal amount not to exceed \$38,000,000 is hereby approved (except that such amount may be increased with the approval of the General Manager to provide for original issue discount to the extent that such original issue discount will result in a lower interest rate or yield to maturity with respect to the Bonds).

SECTION 5. The Purchase Contract to be entered into with an underwriter of the Bonds to be selected by the District, in substantially the form attached hereto as Exhibit C, is hereby approved. The General Manager or the written designee thereof is hereby authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be approved by the General Manager, or such designee, said execution being conclusive evidence of such approval; provided however, that in no event shall the aggregate principal amount of the Bonds exceed \$38,000,000, shall the true interest cost of the Bonds exceed 5.00% nor shall the underwriting discount (exclusive of original issue discount) exceed 0.80% of the par amount of the Bonds.

SECTION 6. The Board of Directors of the Panoche Water District (the "Board") hereby authorizes each Authorized Officer, acting singly, to select a municipal bond insurer to insure payments of principal of and interest on all or a portion of the Bonds so long as the Authorized Officer determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity with respect to the Bonds. Bond Counsel is hereby directed to make all changes to the Installment Purchase Agreement, the Purchase Contract, the Continuing Disclosure Certificate and other related documents as are necessary to comply with the reasonable requirements of the municipal bond insurer.

SECTION 7. The Board hereby authorizes each Authorized Officer, acting singly, to select a municipal bond insurer to provide a reserve fund surety bond to be deposited into the reserve fund for the Bonds, so long as the Authorized Officer determines that obtaining the reserve fund surety will be cost effective to the District. Any Authorized Officer is hereby authorized to execute and deliver any customary agreement with the municipal bond insurer providing the reserve fund surety bond. Bond Counsel is hereby directed to make all changes to the Installment Purchase Agreement, the Purchase Contract, the Continuing Disclosure Certificate and other related documents as are necessary to comply with the reasonable requirements of the municipal bond insurer.

SECTION 8. The Board acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in Exhibit D to this resolution and are available to the public at the meeting at which this resolution is approved.

SECTION 9. Any Authorized Officer, acting singly, is each hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Installment Purchase Agreement, the Purchase Contract and the Continuing Disclosure Certificate.

SECTION 10. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Installment Purchase Agreement unless the context otherwise clearly requires.

SECTION 11. This resolution shall take effect immediately.

Adopted at a regular meeting of the Board of Directors at Firebaugh, California, this 12<sup>th</sup> day of January, 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

**DRAFT**

\_\_\_\_\_  
JOHN BENNETT, President

ATTEST:

\_\_\_\_\_  
MIKE STEARNS, Secretary



EXHIBIT A  
INSTALLMENT PURCHASE AGREEMENT

DRAFT

EXHIBIT B

CONTINUING DISCLOSURE CERTIFICATE

DRAFT

EXHIBIT C

PURCHASE CONTRACT

DRAFT

## EXHIBIT D

## GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds and the Installment Purchase Agreement in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the District by Fieldman, Rolapp & Associates, Inc., the District's municipal advisor in connection with the issuance of the Bonds (the "Municipal Advisor").

**Principal Amount.** The Municipal Advisor has informed the District that, based on the District's financing plan and current market conditions, its good faith estimate of the aggregate amount of the Installment Purchase Agreement is \$32,400,000.

**True Interest Cost of the Installment Purchase Agreement.** The Municipal Advisor has informed the District that based on the expected interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the Installment Purchase Agreement, 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 3.76%.

**Finance Charge of the Installment Purchase Agreement.** The Municipal Advisor has informed the District that, assuming that the Installment Purchase Agreement is executed, their good faith estimate of the finance charge for 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 \$607,300.

**Amount of Proceeds to be Received.** The Municipal Advisor has informed the District that based on estimated interest rates prevailing at the time of preparation of such estimate, their 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, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Agreement, is \$30,000,000.

**Total Payment Amount.** The Municipal Advisor has informed the District that based on interest rates prevailing at the time of preparation of such estimate, their 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 for the Installment Purchase Agreement, as described above, paid with the proceeds of the Installment Purchase Agreement, calculated to the final maturity of the Installment Purchase Agreement, is \$54,116,927, which excludes any reserves funded with proceeds of the Installment Purchase Agreement (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only as of January 6, 2021, and are based on information provided in the draft Installment Purchase Agreement at the time of preparation of such estimates and have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by the resolution. The actual principal amount of the Installment Purchase Agreement, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the entering into the Installment Purchase Agreement being different than the

date assumed for purposes of such estimates, (b) the actual principal amount of Installment Purchase Agreement executed by the District being different from the Principal Amount, (c) the actual amortization of the payments under the Installment Purchase Agreement being different than the amortization assumed for purposes of such estimates, (d) the actual interest rates at the time of execution of the Installment Purchase Agreement being different than those estimated for purposes of such estimates, (e) other market conditions, (f) alterations in the District's financing plan, or (g) a combination of such factors. The actual date of execution of the Installment Purchase Agreement and the actual principal amount of the Installment Purchase Agreement will be determined by the District based on the timing of the need for proceeds of the Installment Purchase Agreement and other factors. Factors such as the final loan repayment schedule, any changes to the interest rate on the Installment Purchase Agreement and timing of the execution of the Installment Purchase Agreement may be affected by factors beyond the control of the District or the Municipal Advisor.

BACK

DRAFT

# Groundwater Conveyance Policy

Board Adopted – April 14, 2020

Reviewed January 12, 2021

## District's Objectives

The District's Central Valley Project contract supply is chronically deficient and supplemental surface water supplies can be prohibitively costly and unreliable. This Groundwater Conveyance Policy (Policy) seeks to address these challenges by balancing the benefits of producing groundwater and utilizing District facilities to convey that groundwater, with the need to ensure water quality is protected, and ~~to ensure~~ that the costs associated with the implementation of this Policy are appropriately allocated and recovered.

## Scope

This Policy applies to all landowners or water users wishing to use the District's facilities to convey groundwater. All wells affected by this Policy are subject to the Sustainable Groundwater Management Act. Landowners or water users (Requester) wishing to use the District's facilities must request to do so beforehand and agree to abide by this Policy and applicable law. Prior to use of the District's facilities, a Requester and the District will meet to inspect the Requester's well and appurtenances, review the District's policy, and to schedule a water quality test and meter calibration. The District may require modification of a Requester's facilities to address metering, safety and/or maintenance concerns prior to testing for water quality.

If a Requester qualifies to use the District's facilities to convey groundwater, the Requester will be required to sign a ~~prerequisite~~ Groundwater Conveyance License Agreement authorizing the manner, method, limitations, ~~and terms~~, and provisions for the District's control and regulation of the use of its and the Requester's facilities.

## Policy

It is the Policy of the District to allow use of District facilities to convey groundwater developed by the District and Requesters for use within the District, provided:

- 1) WATER QUALITY: The District will sample water quality once at each well-head to determine pump-in eligibility and priority, and will further test, at least daily for salinity, and as appropriate for boron, at multiple monitoring sites throughout the District's to ensure adequate water quality for all water users on an ongoing basis. The District assumes no responsibility for the bacterial quality of water delivered or any other constituent. This water is not intended for human consumption. The District will strive to operate in a manner that enhances the opportunity to produce groundwater by balancing water users demands, water quality, and well production by blending with surface water supplies, if available.

All Requesters must be able to meet the following water quality standards:

- a) Well Head:

- i. Salinity: ≤1,500 total dissolved solids (tds).

ii. Boron: [THE CURRENT POLICY HAS NO WELLHEAD LIMITATION]

- b) When the District's Central Valley Project contract allocation is >25%, blended water quality in the District's facilities shall not exceed:
  - i. Salinity:  $\leq 800$  tds at the first turnout downstream of a well discharge location;
  - ii. Boron:  $\leq 5$  ppm at the first turnout downstream of a well discharge location.
- c) When the District's Central Valley Project contract allocation is  $\leq 25\%$ , blended water quality in the District's facilities shall not exceed:
  - i. Salinity:  $\leq 1,000$  tds at the first turnout downstream of a well discharge location;
  - ii. Boron:  $\leq 1.0$  ppm at the first turnout downstream of a well discharge location.
- d) When the District's Central Valley Project contract allocation is  $\leq 10\%$ , blended water quality in the District's facilities shall not exceed:
  - i. Salinity:  $\leq 1,200$  tds at the first turnout downstream of a well discharge location;
  - ii. Boron:  $\leq 1.2$  ppm at the first turnout downstream of a well discharge location.

If these water quality standards are not met, then the District may require a Requester to terminate use of the District's facilities based upon the water quality priority established below in Section 3(b).

2) GROUNDWATER SUPPLY:

- a) District's Wells: The District may elect to develop groundwater from its wells to supplement water supply to meet in-District demands. Groundwater developed by the District will be allocated to all District water users on a pro-rata acreage basis.
  - b) Requester's well(s): Those that qualify may use the District's conveyance facilities to convey groundwater to meet their crop demands in the then current water contract year (March through February). A Requester may develop groundwater at a rate greater than its instantaneous demand, providing pre-approval by the District, but may not develop more groundwater than a Requester can use in any given water contract year. Those using the District's conveyance facilities will be subject to a 10% loss factor. Groundwater cannot be pumped for transfer out of the District, groundwater substitution, or to reschedule. Requesters may develop groundwater for sale to the District and/or other District water users to help meet in-District crop demands in the then current water contract year. Groundwater purchased by the District will be at terms and a price approved by the Board of Directors.
- 3) PRIORITY: Groundwater can only be pumped when authorized by the District. The District will consider if it has sufficient demand and capacity to assimilate the groundwater and meet blended well water quality standards, location specific conveyance capacity and/or water quality constraints, and any other factors that may adversely impact District operations. The District will prioritize usage of its surface water supplies.

- a) Beneficiary:
  - i. Groundwater developed by the District for all water users, allocated on a pro-rata

acreage basis;

- ii. Groundwater developed by a Requester from well(s) within the District for sale to the District for delivery to all water users, allocated on a pro-rata acreage basis;
- iii. Groundwater developed by a Requester from well(s) within the District for delivery to the Requester's land within the District;
- iv. Groundwater developed by a Requester from well(s) within the District for delivery to another District water user;
- v. Requester's well(s) outside the District for delivery to the Requester's land within the District.

- b) Quality: If blended water quality standards are exceeded, the District shall require wells of the poorest water quality to terminate discharge into the District facilities, and the District will progress in order from worst to best until blended water quality standards are met. If water quality is the same among operating wells, then the priorities established under Section 3(a) will apply. The District retains the right to make a final determination as to what wells may operate.

- 4) LICENSE: If a Requester qualifies to use the District's facilities to convey groundwater, the Requester will be required to sign a ~~prerequisite~~ Groundwater Conveyance License Agreement authorizing the manner, method, limitations, and terms and provisions for the District's control and regulation of the use of its and the Requester's facilities. The License Agreement will, among other things, grant permission to District personnel to access and operate the Requester's well, and indemnify the District.

5) COSTS:

- a) District Wells: All costs associated with the operation, maintenance, and capital replacement of the District's wells will be paid by the District and recovered from all water users at a per acre-foot rate. District developed groundwater will be allocated and billed on a monthly basis.
- b) District Operations & Maintenance (O&M): All metered water deliveries through a water user's turnout, regardless of water source, will pay the District's annual O&M fee; except for groundwater utilizing a nominal portion of the District's facilities with no District pumping for which the District will apply an administration fee;
- c) Requester's Operations & Maintenance: All costs associated with the operation, maintenance, and/or replacement of the Requester's well will be paid by the Requester.
- d) Monitoring: Well-head water quality testing and meter calibration costs will be paid by the Requester. Daily water quality monitoring will be paid by the Requester if delivery of the groundwater is to the Requester or another water user within the District. All other Daily water quality monitoring costs will be paid by the District and recovered as part of



the District's annual O&M rate.

**Review**

The District's Board of Directors will review and consider this Policy at least annually, and more frequently if circumstances warrant. District staff will provide the Board a report on groundwater development and water quality on a monthly basis.

BACK

REVIEW

# PANOCHÉ WATER DISTRICT

52027 WEST ALTHEA AVE, FIREBAUGH, CA 93622  
TELEPHONE (209) 364-6136 • FAX (209) 364-6122



---

---

## JANUARY 12, 2021, REGULAR BOARD MEETING MEMORANDUM

---

---

**TO:** BOARD OF DIRECTORS

**FROM:** ARA AZHDERIAN, GENERAL MANAGER

**SUBJECT:** AGENDA ITEM 12  
REQUEST FOR TRANSFER-OUT

**DATE:** JANUARY 11, 2020

**CC:** JUAN CADENA, WATER RESOURCES MANAGER

---

**BACKGROUND:** On January 6, the District received a request from A-Bar Ag Enterprises requesting to transfer 100 acre-feet from their account in Panoche to San Luis Water District for pre-irrigation. A-Bar has transferred 557 acre-feet into the District this contract water -year, which is delivered at the District's lower Supplemental O&M rate of \$98 per acre-foot. A-Bar is requesting the regular Base Supply O&M charge of \$119 per acre-foot that is applied to transfers-out of CVP water be waived because District facilities will not be used to facilitate the transfer and in consideration of the O&M they have paid to deliver the supplemental water they transferred into the District.

**DISCUSSION:** The District's CVP Water Transfer Policy prohibits the transfer-out of water when the District's total water supply is insufficient to meet water users historic water supply demands, except in the case of hardship and with the approval of the Board. The District's current water supply deficit is estimated to be 3,700 acre-feet; however, the transfer-out, if approved, will not exacerbate the District's overall balance as A-Bar will adjust their irrigation plans relative to supply. The Policy also provides that the District's O&M rate be applied because a significant portion of the District's operations costs are fixed and, if the O&M cost is not collected when water is transferred-out, then the cost to deliver the remaining balance of water increases. The one other transfer-out approved this year also transferred more water into the District than they transferred out and paid the relevant District O&M charges on all of the water delivered, including the transfer-out.

**RECOMMENDATION:** Approve the transfer-out of 100 acre-feet of A-Bar's 2020 CVP supply and apply the District's O&M charge consistent with the Policy.

BACK



PANOCHÉ WATER DISTRICT				
ACCOUNTS PAYABLE LIST				
PAYMENTS RUN FROM 12/9/2020 TO 1/12/2021				
MECHANICS O & M CHECKING # 8566				
DATE	CHECK NUMBER	NAME	CHECK AMOUNT	MEMO
12/9/2020	38981	XIO, INC.	\$ 2,119.08	SUBMERSIBLE WATER LEVEL MGMT SENSOR - DOMESTIC WATER TREATMENT PLANT
12/9/2020	38982	E.M. THARP, INC. DBA GOLDEN STATE PETERBILT	\$ 129,537.97	2021 PETERBILT TRUCK
12/17/2020	38983	ASSOCIATION OF CALIFORNIA WATER AGENCIES	\$ 23,240.00	2021 ANNUAL DUES
12/17/2020	38984	ACWA/JPIA/CB&T HEALTH BENEFITS	\$ 49,875.44	JANUARY 2021 INSURANCE HEALTH \$ 46,468.95, DENTAL \$ 2,836.13, VISION \$ 464.00 & LIFE \$ 106.36
12/17/2020	38985	AMAZON/SNYCH	\$ 1,766.33	OFFICE, DISTRICT & SJRIP SUPPLIES
12/17/2020	38986	APPL, INC.	\$ 24.00	GBP SAMPLES
12/17/2020	38987	ASBURY ENVIRONMENTAL	\$ 140.00	USED OIL & FILTER PICKUP
12/17/2020	38988	BAKER MANOCK & JENSEN	\$ 838.50	NOV 2020 LEGAL SERVICES
12/17/2020	38989	BOB'S TIRE	\$ 21.72	REPAIR # 05B
12/17/2020	38990	BRYANT L. JOLLEY	\$ 3,450.00	AUDIT PREP YE 2/29/20
12/17/2020	38991	CALIFORNIA FARM	\$ 5,719.35	ASSOCIATION DUES 2020
12/17/2020	38992	CENTRAL VALLEY PROJECT	\$ 5,436.36	ASSOCIATION DUES 2020
12/17/2020	38993	CHRIS CARLUCCI	\$ 78.78	MILEAGE REIMBURSEMENT
12/17/2020	38994	LIGHTHOUSE DOCUMENT TECHNOLOGIES, INC.	\$ 226.50	NOV 2020 LEGAL CONSULTANT
12/17/2020	38995	DOWLING/AARON INCORPORATED	\$ 180.00	OCT 2020 LEGAL SERVICES
12/17/2020	38996	ELECTRIC DRIVES	\$ 432.11	REPAIRS @ STATION 6E
12/17/2020	38997	FAMILY FARM ALLIANCE	\$ 5,719.35	ASSOCIATION DUES 2020
12/17/2020	38998	FEDERAL EXPRESS	\$ 153.12	SHIPPING FEES GBP WATER SAMPLES
12/17/2020	38999	FENTON & KELLER	\$ 3,987.20	NOV 2020 LEGAL SERVICES
12/17/2020	39000	CORELOGIC INFORMATION SYSTEMS	\$ 465.50	APN RESEARCH
12/17/2020	39001	GIBSON, DUNN & CRUTCHER LLP	\$ 941.00	NOV 2020 LEGAL SERVICES
12/17/2020	39002	GILTON SOLID WASTE MANAGEMENT	\$ 405.22	WASTE MANAGEMENT
12/17/2020	39003	INTRADO ENTERPRISE COLLABORATION, INC.	\$ 323.16	CONFERENCE CALLS
12/17/2020	39004	LAW OFFICES OF WILLIAM C. HAHESEY	\$ 12,040.00	NOV 2020 LEGAL SERVICES
12/17/2020	39005	LINNEMAN LAW, LLP	\$ 52,285.25	JUNE, JULY, AUGUST, SEPTEMBER & OCTOBER 2020 LEGAL SERVICES
12/17/2020	39006	MCCORMICK BARSTOW LLP	\$ 1,878.00	OCT & NOV 2020 LEGAL SERVICES
12/17/2020	39007	MCGUIRE BOTTLED WATER	\$ 301.35	DRINKING WATER
12/17/2020	39008	MOORE TWINING	\$ 815.00	DOMESTIC WATER PLANT - WATER SAMPLES
12/17/2020	39009	N & S TRACTOR	\$ 6,733.35	REPAIR # 114, # 70B, # 70, PTO IMPELLER & LESS: CORE RETURN
12/17/2020	39010	NUTRIEN AG SOLUTIONS, INC.	\$ 15,261.99	30 GALS ULTRA PRO, 40 GALS CAPSTONE, 20 GALS LIBERATE LECITECH, 11,980 LBS KTS LIQ, 1,114
12/17/2020	39011	OFFICE CITY	\$ 541.80	PRINTER PAPER, COVERALLS & FIRST AID KITS
12/17/2020	39012	PACIFIC GAS & ELECTRIC	\$ 66,097.85	ELECTRICAL POWER
12/17/2020	39013	PURCHASE POWER	\$ 320.99	REFILL POSTAGE
12/17/2020	39014	PRICE PAIGE & COMPANY	\$ 1,675.00	COMPLETE AUDIT YE 2/28/19
12/17/2020	39015	PPIC	\$ 500.00	PUBLIC POLICY INSTITUTE ASSOCIATION DUES
12/17/2020	39016	SANTOS FORD	\$ 992.78	SERVICE # 13B
12/17/2020	39017	SAVEMART SUPERMARKETS	\$ 897.76	OFFICE SNACKS
12/17/2020	39018	SCCE	\$ 325.00	ETHICS & COMPLIANCE MEMBERSHIP DUES
12/17/2020	39019	THE SAQUI LAW GROUP	\$ 11,288.50	OCT 2020 LEGAL SERVICES
12/17/2020	39020	STATE WATER RESOURCES CTRL BOARD	\$ 55.00	D MILLER DISTRIBUTION LICENSE RENEWAL - DOMESTIC TREATMENT PLANT
12/17/2020	39021	TECHNO-FLO	\$ 110.54	METER PARTS
12/17/2020	39022	TOSHIBA FINANCIAL SERVICES	\$ 274.26	COPIER LEASE
12/17/2020	39023	WALPOLE & CO.	\$ 2,193.75	SAGE COMPUTER SUPPORT
12/17/2020	39024	WATER EDUCATION FOUNDATION	\$ 1,000.00	ASSOCIATION DUES 2020
12/17/2020	39025	WATER RECLAMATION	\$ 12.40	PARTS FOR # 12B
12/17/2020	39026	WESTAIR GASES & EQUIPMENT	\$ 248.00	OXYGEN & ACETYLENE FOR SHOP
12/17/2020	39027	WESTSIDE WATER	\$ 2,906.04	WEEKLY CHECK DOMESTIC WATER TREATMENT PLANT FOR MONTH & REPAIRS
12/17/2020	39028	ZOOM IMAGING SOLUTIONS	\$ 389.89	COPIER MAINTENANCE CONTRACT

DATE	CHECK NUMBER	NAME	CHECK AMOUNT	MEMO
12/17/2020	39029	LIEBERT CASSIDY WHITMORE	\$ 3,800.00	OCT 2020 LEGAL SERVICES
12/18/2020	39030	BRYCE ROSE MOBILE EQUIPMENT REPAIR	\$ 1,330.00	REPAIRS # SJ40
12/18/2020	39031	HCL MACHINE WORKS INC.	\$ 25.81	PARTS FOR # SJ40
12/18/2020	39032	NAPA AUTO PARTS	\$ 340.92	PARTS FOR # SJ40
12/18/2020	39033	VERIZON WIRELESS	\$ 1,544.07	CELL PHONE SERVICE
12/18/2020	39034	VERIZON WIRELESS	\$ 532.18	GPS FOR VEHICLES
12/18/2020	39035	VERIZON WIRELESS	\$ 51.67	CELL PHONE SERVICE
12/18/2020	39036	WELTY WEAVER & CURRIE	\$ 11,836.17	NOV 2020 LEGAL SERVICES
12/31/2020	39037	CSDA MEMBER SERVICES	\$ 7,805.00	CALIF SPECIAL DISTRICT MEMBERSHIP DUES 2021
12/31/2020	39038	FRESNO COUNTY CLERK'S OFFICE	\$ 50.00	NOTICE OF EXEMPTION
12/31/2020	39039	MERCED COUNTY CLERK	\$ 50.00	NOTICE OF EXEMPTION
12/31/2020	39040	SOUTH DAKOTA AGRICULTURAL LABORATORIES	\$ 520.50	WATER SAMPLES - TFC WELLS # 2, 4, 5 & GBP
12/31/2020	39041	WATER RECLAMATION	\$ 33,190.56	CHECK ELECTRICAL STATION #2, REPAIRS LINNEMAN LIFT PUMP #1, PLUMBING INSTALL FOR BACKFLOW DEVICE DOMESTIC TREATMENT PLANT, PULL, INSPECT & REBUILD PUMP 6E PUMP # 4
1/7/2021	39042	MERCY SPRINGS WATER DISTRICT	\$ 24,447.93	REIMBURSEMENT FOR YUBA WATER
1/12/2021	39043	AG & INDUSTRIAL SUPPLY	\$ 414.99	TYVEK COVERALLS
1/12/2021	39044	ALL AMERICAN PLUMBING	\$ 818.50	REPAIR RESTROOM AT O & M SHOP & HOUSE #5
1/12/2021	39045	ASBURY ENVIRONMENTAL SERVICE	\$ 160.00	USED OIL PICKUP
1/12/2021	39046	BOB'S TIRE	\$ 215.27	REPAIR # 12 & #4B
1/12/2021	39047	CENTRAL VALLEY SOFTWARE	\$ 3,000.00	STORM ANNUAL AGREEMENT 2021
1/12/2021	39048	CLARK PEST CONTROLL	\$ 435.00	PEST CONTROL OFFICE & DISTRICT HOUSES
1/12/2021	39049	CPU TREND	\$ 4,594.20	IT SERVICES
1/12/2021	39050	DEPARTMENT OF PUBLIC HEALTH	\$ 516.00	PERMIT FOR AUTO/REPAIR SHOP
1/12/2021	39051	FEDERAL EXPRESS	\$ 848.20	POSTAGE FOR SAMPLES SLD/GBP
1/12/2021	39052	FIREBAUGH CANAL WATER DISTRICT	\$ 157,764.00	400 AF @ \$ 394.41 WELL WATER
1/12/2021	39053	FRESNO COUNTY TAX COLLECTOR	\$ 521.05	PROPERTY TAX ON HOUSE # 2 & 4
1/12/2021	39054	FRESNO WIRE ROPE & RIGGING	\$ 396.47	CABLE FOR # SJ40
1/12/2021	39055	FRONTIER COMMUNICATION	\$ 564.85	PHONE SERVICE
1/12/2021	39056	GILTON SOLID WASTE MANAGEMENT	\$ 405.22	WASTE MANAGEMENT
1/12/2021	39057	GUTHRIE PETROLEUM	\$ 4,317.01	GAS HOSE FOR PUMP, 55 GALS PUMP OIL & 1.235 GALS UNLEADED @ \$ 2.78
1/12/2021	39058	HCL MACHINE WORKS INC.	\$ 7,136.25	TRASH RACKS FOR CONTOUR CANAL, GALVANIZE PARTS FOR CATWALK & CHAINS & BINDERS FOR PWD#32
1/12/2021	39059	HOFFMAN SECURITY	\$ 341.40	OFFICE/SHOP SECURITY
1/12/2021	39060	HOLT OF CALIFORNIA	\$ 976.67	REPAIR # 75B & # SJ33
1/12/2021	39061	INTRADO ENTERPRISE COLLABORATION, INC.	\$ 215.17	CONFERENCE CALLS
1/12/2021	39062	IRRIGATION DESIGN	\$ 751.05	PIPE FOR TURNOUT SUN PACIFIC
1/12/2021	39063	MANUEL'S TIRE SERVICE	\$ 1,144.72	TIRES FOR # 12C
1/12/2021	39064	NAPA AUTO PARTS	\$ 211.98	PART FOR # SJ40
1/12/2021	39065	OFFICE CITY	\$ 551.95	FIRST AID EYEWASH & FIRST AID KIT
1/12/2021	39066	PACIFIC GAS & ELECTRIC	\$ 26,653.03	ELECTRICAL POWER
1/12/2021	39067	PITNEY BOWES	\$ 489.85	POSTAGE METER CONTRACT
1/12/2021	39068	PURCHASE POWER	\$ 367.96	POSTAGE REFILL
1/12/2021	39069	SORENSEN'S TRUE VALUE	\$ 58.68	BATTERIES FOR METERS
1/12/2021	39070	STREAMLINE	\$ 50.00	MONTHLY CHG FOR WEBSITE MAINTENANCE - PANOCHE FINANCING CORPORATION
1/12/2021	39071	SWRCB ACCOUNTING OFFICE	\$ 303.60	PERMIT FOR COMMUNITY WATER SYSTEM
1/12/2021	39072	TECHNO-FLO	\$ 2,793.79	FLOW METER PARTS
1/12/2021	39073	THARP'S FARM SUPPLY	\$ 349.05	SUPPLIES
1/12/2021	39074	TOSHIBA FINANCIAL SERVICES	\$ 274.26	COPIER CONTRACT
1/12/2021	39075	TIREHUB, LLC	\$ 396.55	TIRES FOR # 07B
1/12/2021	39076	UNWIRED BROADBAND, INC	\$ 549.99	INTERNET SERVICE
1/12/2021	39077	VERIZON WIRELESS	\$ 2,255.24	CELL PHONE & GPS SERVICE
1/12/2021	39078	WALPOLE & CO.	\$ 87.50	COMPUTER SUPPORT
1/12/2021	39079	WATERMAN INDUSTRIES	\$ 290.24	PARTS FOR TURNOUT 101
1/12/2021	39080	WATER RECLAMATION	\$ 1,578.30	REPAIR GATE @ 10E2
1/12/2021	39081	WELLS FARGO VENDOR FIN SERVICES	\$ 719.52	COPIER LEASE (2 MONTHS)
1/12/2021	39082	ZOOM IMAGING SOLUTIONS	\$ 442.17	MAINTENANCE CONTRACT FOR COPIERS
1/12/2021	39083	XIO, INC.	\$ 74.00	CLOUD BASED MONITORING - DOMESTIC WATER TREATMENT PLANT
1/12/2021	39084	YONKERS & JOHNSON	\$ 94.61	GREASE FOR # 25
1/12/2021	39085	YOUNG'S AIR CONDITIONING	\$ 334.00	REPAIRS FOR HOUSE #6
1/12/2021	39086	ALEX AUTO & SMOG	\$ 184.41	PART FOR # 47
12/17/2020	JE-254	TRANSFER FUNDS FOR PAYROLL	\$ 50,000.00	PAYROLL DATED 12/18/2020
12/21/2020	JE-262	TRANSFER FUNDS FOR PAYROLL	\$ 30,000.00	PAYROLL DATED 12/21/2020
1/4/2021	JE-269	TRANSFER FUNDS FOR PAYROLL	\$ 90,000.00	PAYROLL DATED 1/5/2021
12/9/2020	W00670	SLDM WATER AUTHORITY	\$ 29,541.85	NOV 2020 SLC SLDMWA CONVEYANCE COSTS
12/9/2020	W00671	US BUREAU OF RECLAMATION	\$ 273.94	NOV 2020 RESTORATION WATER COSTS FOR SLC & DMC
12/31/2020	W00672	WESTAMERICA VISA	\$ 1,126.08	GAS TANK & PUMP FOR # 16B, WEB CAM FOR TRAINING, FUEL FOR # 12C, ICE FOR GBP SAMPLES, SHIPPING, DISTRICT EMAILS & SJRIP MONTHLY PHONE CHARGES
12/10/2020	W00673	PAI SERVICES	\$ 192.05	OCTOBER 2020 SAGE TIME
		<b>TOTAL</b>	<b>\$ 925,530.62</b>	

		<b>MECHANICS PAYROLL CHECKING # 7895</b>		<b>CHECK</b>	
		<b>CHECK</b>		<b>AMOUNT</b>	
<b>DATE</b>	<b>NUMBER</b>	<b>NAME</b>			<b>MEMO</b>
12/17/2020	PR-1367	NET PAYROLL	\$	56,737.96	PAYROLL DATED 12/18/2020
12/18/2020	2784	FRANCHISE TAX BOARD	\$	556.46	WAGE GARNISHMENT
12/18/2020	JE-255	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$	3,486.61	STATE PAYROLL TAXES
12/18/2020	JE-256	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$	10.97	STATE PAYROLL TAXES
12/18/2020	JE-257	UNITED STATES TREASURY	\$	20,020.77	FEDERAL PAYROLL TAXES
12/18/2020	JE-258	UNITED STATES TREASURY	\$	167.94	FEDERAL PAYROLL TAXES
12/18/2020	JE-259	JOHN HANCOCK	\$	9,592.48	401K RETIREMENT
12/18/2020	JE-260	JOHN HANCOCK	\$	73.33	401K RETIREMENT
12/18/2020	JE-261	STATE DISBURSEMENT	\$	285.00	WAGE GARNISHMENT
12/18/2020	PR-1368	NET PAYROLL	\$	448.40	PAYROLL DATED 12/18/2020
12/18/2020	PR-1369	NET PAYROLL	\$	192.22	PAYROLL DATED 12/18/2020
12/18/2020	PR-1370	NET PAYROLL	\$	300.00	PAYROLL DATED 12/18/2020
12/21/2020	PR-1371	NET PAYROLL	\$	13,500.00	PAYROLL DATED 12/21/2020
12/21/2020	PR-1372	NET PAYROLL	\$	300.00	PAYROLL DATED 12/21/2020
12/23/2020	JE-24	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$	216.03	STATE PAYROLL TAXES
12/23/2020	JE-265	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$	22.22	STATE PAYROLL TAXES
12/23/2020	JE-266	UNITED STATES TREASURY	\$	2,588.01	FEDERAL PAYROLL TAXES
12/23/2020	JE-267	UNITED STATES TREASURY	\$	58.62	FEDERAL PAYROLL TAXES
12/23/2020	JE-268	JOHN HANCOCK	\$	1,047.10	401K RETIREMENT
1/4/2021	PR-1373	NET PAYROLL	\$	56,064.91	PAYROLL DATED 1/5/2021
1/5/2021	2862	FRANCHISE TAX BOARD	\$	551.39	WAGE GARNISHMENT
1/5/2021	2863	PRINCIPAL LIFE INSURANCE	\$	1,407.92	EMPLOYEE PAID LIFE, CRITICAL CARE & LONG TERM CARE INSURANCE
1/5/2021	JE-270	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$	7,623.72	STATE PAYROLL TAXES
1/5/2021	JE-271	UNITED STATES TREASURY	\$	21,271.79	FEDERAL PAYROLL TAXES
1/5/2021	JE-272	JOHN HANCOCK	\$	9,680.34	401K RETIREMENT
		<b>TOTAL</b>	\$	<b>206,204.19</b>	
		<b>GRAND TOTAL</b>	\$	<b>1,131,734.81</b>	

BACK



# Emergency COVID-19 Pandemic Response Policy

Board Adopted – March 24, 2020; Revised June 9, 2020

Reviewed January 12, 2021

## **District Objectives**

Through this Emergency COVID-19 Pandemic Response Policy (the “COVID-19 Policy”), the Panoche Water District (the “District”) seeks to protect District employees, their families, and our community, reduce the spread of the COVID-19 coronavirus through social contact, and to ensure the continuity of business operations and essential services provided by the District to agricultural with as little disruption as is reasonable given the circumstances. The District’s efforts will be guided by and in accordance with applicable federal, state and local laws. The District will continue to monitor information and advice on this important issue and modify or supplement this Policy as necessary. This January revision updates the District’s existing COVID-19 Policy to comply with changes in applicable law and update the District procedures.

## **Scope**

This Policy applies to all District employees and shall remain in effect until explicitly repealed or amended by a subsequent and formally adopted policy and resolution, as may be appropriate.

## **Preventing the Spread of COVID-19 in the Workplace**

All employees shall cooperate in taking steps to reduce the transmission of COVID-19 in the workplace. By all reports, and in accordance with the Centers for Disease Control and Prevention (“CDC”) guidance, the best strategy for reducing the transmission of COVID-19 include: frequent hand washing with warm, soapy water, covering mouths with tissues whenever you sneeze or cough, and discarding tissues used when sneezing or coughing. District employees shall, to the extent practicable, maintain at least six feet of space between them. District employees shall not congregate in groups larger than 10, shall communicate as much as is reasonable over phone and email, shall use and touch only their own workspace and equipment where appropriate, and shall report any health or hygiene concern directly and immediately to their supervisor, the Human Resources Generalist, or the Ethics & Compliance Officer. The District encourages all employees to wash their hands frequently, use hand sanitizers, and use cloth face coverings when moving through shared workspaces where a minimum physical distance of six feet cannot be maintained. Hand sanitizers and cloth face coverings are provided by the District.

## **Supplementing Policies:**

The District’s Board of Directors adopted the initial COVID-19 Policy on March 24, 2020, and adopted supplemental policies on June 9, 2020, that provided specific administrative protocols and procedures regarding COVID-19. The COVID-19 Policy, as revised, se supplementing policies applies to all District employees and shall remain in effect until repealed or amended by the Board of Directors. This January 12, 2021, revision repeals certain supplemental policies that were related to the Families First Coronavirus Response Act, which expired on December 31, 2020, and replaces others with a new COVID-



19 Prevention Program. As of January 1, 2021, the Administrative Policy 1.2 and all references in District's COVID-19 Policy to the Families First Coronavirus Response Act are repealed and are no longer in effect.

- ~~1.1 — Administrative Policy and Protocols for Cleaning and Disinfecting the Workplace~~
- ~~1.2 — Administrative Policy and Protocols for Employee Leave and Compensation Under the Families First Coronavirus Response Act~~
- ~~1.3 — Administrative Policy and Protocols for Social Distancing and Individual Responsibility in the Workplace~~
- ~~1.4 — Administrative Policy and Protocols for the Accommodation of Employees Who are at High-Risk of Severe Illness From COVID-19~~
- ~~1.5 — Administrative Policy and Protocols for Testing Panoche Water District Employees for COVID-19~~

### **COVID-19 Prevention Program**

On January 12, 2021, the District's Board of Directors adopted a new COVID-19 Prevention Program consistent with the existing COVID-19 Policy and the California Division of Occupational Safety and Health mandates. District employees will receive training on the new program as soon as practicable. A copy of the new COVID-19 Prevention Program will be provided to each employee immediately and copies will be available in the lobby of the District's office as well as on the District's web site. Employees are encouraged to consult with the District's Human Resources Generalist and Ethics & Compliance Officer regarding any questions or comments they may have about the new program.

### **Reporting Exposure**

~~Any employee who is exposed to COVID-19, exhibits symptoms described below, or is quarantined is required to immediately notify his or her supervisor or the Human Resources Generalist.~~

### **Staying Home When Ill**

~~During this pandemic, it is critical that employees do not report to work while they are ill and/or experiencing symptoms of COVID-19. Symptoms of COVID-19 include cough, fever, or shortness of breath. Any employee who is sick or has any of these symptoms should check with a health care professional as needed. As of the adoption of this Policy, the Centers for Disease Control and Prevention recommend that people with influenza-like illness remain at home until at least 24 hours after they are free of fever (100 degrees F or 37.8 degrees C) or signs of a fever without the use of fever-reducing medications. District employees who report to work with flu-like symptoms will be sent home in accordance with these health guidelines.~~

### **Continuity of Business Operations**

~~— The District, as a provider of water and irrigation services to agriculture, is deemed an Essential Business and falls within Critical Infrastructure Sectors for Water and Wastewater Systems and for Food and Agriculture. The District's employees play an essential role in ensuring the reliable and consistent delivery of District services. To ensure continuity of business operations, the General Manager may identify positions in the District he deems critical to the ability of the District to provide its services to ensure adequate staffing. If critical positions have been identified, he shall provide a list of those positions~~

~~to the Board for review. The General Manager shall work to ensure those positions are and remain reliably filled so long as this Policy remains in effect. If he elects, he may develop tiers, prioritizing positions which are most critical and therefore will remain filled until District operational needs change.~~

~~———— The District Manager shall have significant discretion to exercise his authority to ensure critical positions remain filled by the highest quality and best trained employees available for work. Those employees serving in positions deemed critical to the ability of the District to provide essential water services shall continue to report to work in accordance with this Policy. The District's normal attendance and leave policies described in the Employee's Handbook will remain in place. In the event of a conflict of terms between this Policy and the District's normal attendance and leave policies, the terms of this Policy shall control while this Policy remains in effect. As long as this Policy remains in effect, the availability of all critical staff who are not impacted by the pandemic will be essential to maintaining District operations. Extended work hours may be utilized to ensure operational capability is maintained.~~

### Employee Furloughs

~~———— In furtherance of this Policy, health and safety guidelines, and/or compliance with state and federal law and COVID-19 related directives, the General Manager may furlough, lay-off, or terminate employees. The District Manager shall have significant discretion as to the timing, duration, and periodicity of any furloughs or reduction(s) in the workforce of the District. While furloughed, the District shall continue to provide furloughed employees with normal pay and benefits.~~

~~———— The General Manager shall oversee collection of information regarding District employee attendance, health, and the provision of District services and shall provide that report as necessary to the Board of Directors. The District will treat any medical information received or voluntarily disclosed by an employee as a confidential medical report. Any disclosure of medical information will only be communicated to supervisors, managers, first aid and safety personnel who need to know, government officials as required by law, and to Board members only if necessary.~~

~~———— In the absence of the ability of a majority of the Board to act, the General Manager shall have broad discretion to implement, amend, suspend, abrogate, or otherwise effect this Policy to achieve the Objectives listed above.~~

### Compliance

~~Each employee will be presented a copy of this revised COVID-19 Policy and the COVID-19 Prevention Program.~~ Any concerns about this Policy should be directed to the Human Resources Generalist or Ethics & Compliance Officer. Any violations of the ~~COVID-19 Policy above policy~~ may result in employee disciplinary action subject to the District's disciplinary procedures.

### Employee's Acknowledgement of this Emergency COVID-19 Pandemic Response Policy:

---

Signature



COMPANY	DATE	MANUAL	SUBJECT
<b>Panoche Water &amp; Drainage District</b>	December, 2020	IIPP	<b>CORONAVIRUS / COVID-19 PREVENTION PROGRAM</b>

This CPP (Covid-19 Prevention Program) is designed to control exposures to the SARS-CoV-2 virus that may occur in our workplace. This Covid-19 Prevention Program is intended to meet the requirements of the California Emergency Regulation 3205 and also is based on CDC (Center for Disease Control), California DPH (Department of Public Health), Cal/OSHA industry guidance documents and other guidance issued from the state of California or the US Federal Government.

This program is applicable to all places of employment unless no contact and no potential infection of/with other employees occurs while performing work. The Program is a living document and as such, will need to be adjusted for new findings and facts for each specific location. Ex: Review/update as part of annual IIPP review, or as Local Health Departments make specific requirements or recommendations, and assessments identify infection hazards not addressed in the current program.

### **Authority Responsibility Communication (c)1.**

German Rodriguez and/or Lorena Chagoya has overall authority and responsibility for implementing the provisions of this CPP in our workplace. In addition, all managers and supervisors are responsible for implementing and maintaining the CPP in their assigned work areas and for ensuring employees receive answers to questions about the program in a language they understand.

- All employees are responsible for using safe work practices, following all directives, policies and procedures, and assisting in maintaining a safe work environment.
- Reporting symptoms and Covid-19 hazards is required of all employees. If employees report symptoms, then they will not be penalized and the information will be treated as a confidential medical report and used only for permitted purposes such as management of COVID-19 risk, contact tracing, medical leave and workers compensation claim processing, and workplace accommodation.
- Employees with health concerns which make them more susceptible to Covid-19 infection may be protected by adjusting their work to minimize their exposure to potential infection by Covid-19.
- Employees will have access to testing when required by this program during outbreaks or close contact/potential exposure at no cost to the employee. See District Supplemental Policy 1.5 Administrative Policy and Protocols for Testing Panoche Water District Employees for COVID-19.
- Employees and other people who visit the workplace will be notified of these policies and procedures.
- Covid-19 hazards include notice of COVID-19 exposure depending on situation – including other employers who work at the site.

**Panoche Water & Drainage District's** goal is to ensure that we have effective two-way communication with our employees, in a form they can readily understand. Employees should report COVID-19 symptoms and possible hazards to the supervisor first; then to German Rodriguez and/or Lorena Chagoya if they do not receive an answer from their supervisor. Our communication includes the following information:

- That employees are required to report symptoms and hazards without fear of reprisal.
- Our procedures or policies for accommodating employees with medical or other conditions that put them at increased risk of severe COVID-19 illness.
- Where testing is not required, how employees can access COVID-19 testing

- In the event we are required to provide testing because of a workplace exposure or outbreak, we will communicate the plan for providing testing and inform affected employees of the reason for the testing and the possible consequences of a positive test. See District Supplemental Policy 1.5 Administrative Policy and Protocols for Screening and Testing Panoche Water District Employees for COVID-19.
- Information about COVID-19 hazards employees (including other employers and individuals in contact with our workplace) may be exposed to, what is being done to control those hazards, and our COVID-19 policies and procedures.

## Identification and Evaluation of COVID-19 Hazards (c)2.

Panoche Water & Drainage District will implement the following in our workplace:

A Covid-19 Hazard Assessment will be documented, performed, and updated as needed. Employees and authorized representatives may be involved in the hazard assessment process. A workplace exposure can occur due to any contact with an infected person, or by cross contact with the virus from any object that has been contaminated. Common areas and commonly touched surfaces will be evaluated.

Screening will be performed in accordance with the District's Supplemental Policy 1.5, Administrative Policy and Protocols for Screening and Testing Panoche Water District Employees for COVID-19 before any person accesses the workplace including self-screening at home prior to coming to work. Screening procedures include-

- Screening prior work beginning each day. Panoche Water & Drainage District advises that all employees self-monitor for temperature or symptoms prior to arrival at work. Anyone with a fever of 100.4°F or greater (or reported feelings of feverishness), respiratory symptoms, or other Covid-19 symptoms in the prior 24 hours should not come to work.
- Screening will include each employee completing a screening questionnaire at the beginning of the employee's shift at the work site each workday. Screening can also include observation of employee symptoms and information received by the District concerning employee's potential exposure to COVID-19, symptoms, or related information.
- All persons, regardless of symptoms or negative COVID-19 test results, will be considered potentially infectious. In identifying and evaluating COVID-19 hazards, particular attention will be paid to areas where people may congregate or come in contact with one another, regardless of whether employees are performing an assigned work task or not. For example: meetings, entrances, bathrooms, hallways, aisles, walkways, break or eating areas, cool-down areas, and waiting areas.
- Evaluation of potential workplace exposure will be to all persons at the workplace or who may enter the workplace, including coworkers, employees of other entities, members of the public, customers, or clients, and independent contractors. We will consider how employees and other persons enter, leave, and travel through the workplace, in addition to addressing fixed work locations.
- The air at indoor locations will be reviewed to maximize outdoor air and filtration depending on the ventilation system.
- We evaluate the need for PPE including respiratory protection and gloves, goggles, and face shields and provide such PPE as needed. We provide and ensure use of eye protection and respiratory protection in accordance with section 5144 when employees are exposed to procedures that may aerosolize potentially infectious material such as saliva or respiratory tract fluids.
- State provided industry guidance documents and orders along with LHD will be reviewed as applicable to the specific work location.
- Evaluation of Covid-19 controls will be performed, and improvements made as needed based hazard correction procedure, physical distancing needs, and other engineering controls. Periodic inspections will be performed to identify practices, conditions, and procedures to ensure compliance with this program.
-

### **Investigating and Responding to Cases (c)3.**

Investigate all interactions and areas where a Covid-19 positive case could have infected another worker including non-work common areas and document who and locations of potential exposure/close contact. Those who had potential exposure/close contact must be notified in one business day and offered testing during work hours while protecting the identity of the case. Investigation will document day and time of symptoms, when tested positive and when case was present at work and where exposure could have occurred and been reduced. The Covid-19 positive case status including testing and symptom timing and on-set will be monitored by German Rodriguez and/or Lorena Chagoya.

Confidentiality of cases and records shall be maintained unless required by a government entity or by written consent of the case.

### **Correction of Covid-19 Hazards (c)4.**

Correction of hazards identified will be done as soon as possible based on the exposure potential based on evaluations conducted as detailed in this CPP.

### **Training and Instruction (c)5.**

Employee training will include Covid-19 Policies and procedures, Benefits, how it spreads, physical distancing, face coverings including how to use, how virus can travel more than 6 feet in the air, handwashing and hand sanitizer, symptoms and when not to come to work. Additionally, employees may be trained on -

- Preventing the spread of COVID-19, and which underlying conditions could make someone more susceptible to contracting the virus.
- Not coming to work if you are experiencing symptoms of COVID-19. If you have any of these symptoms inform your supervisor.
- Don't come to work if diagnosed with COVID-19 and not yet released from isolation, or had contact with someone who has been diagnosed with COVID-19 and is still in isolation.
- Returning to work after a COVID-19 diagnosis when return to work conditions have been met.
- Covering coughs and sneezes with a tissue.
- Washing hands often with soap and water for at least 20 seconds.
- Using at least a 60% ethanol-based hand sanitizer if soap and water are not available, or in addition to handwashing.
- Disinfecting frequently touched surfaces and objects.
- Disinfecting shared equipment and tools.
- Physical distancing, both at work and outside of work.

- Seeking medical attention if symptoms are severe, including chest pain or pressure, confusion, bluish lips or face.
- Information is provided on employer or government sponsored leave benefits the employee may be entitled to receive that would make it financially easier to stay at home. See additional information on government programs supporting sick leave and worker's compensation for COVID-19, including employee's sick leave rights under the Families First Coronavirus Response Act, and employee's rights to workers' compensation benefits and presumption of the work relatedness of COVID-19 pursuant to the Governor's Executive order N-62-20.
- Proper use of masks and face coverings, including:
  - Must cover nose and mouth
  - Hands should be washed or sanitized before and after using or adjusting.
  - Avoid touching eyes, nose and mouth.
  - Will not be shared
  - Should be washed or discarded after each work day.
  - Circumstances where they are required by CDPH and the employer's policies.

## Control of COVID-19 Hazards

### Physical Distancing (c)6.

**Panoche Water & Drainage District** will implement measures to physically separate people by at least six feet where possible, by

- Where feasible, in-person meetings will be replaced with other means of communication, including but not limited to telephone calls, e-mails, or videoconferences. Non-essential meetings should be canceled or postponed. Staff meetings normally held in meeting rooms or shop settings should take place outside when physical distancing is not practicable in the usual space.
- Using measures such as physical partitions or visual cues (e.g., floor marking, colored tape, or signs to indicate where workers should stand).
- Minimizing exposure between workers where physical distancing cannot be maintained, using barriers such as Plexiglass.
- Limiting the number of workers at the workplace at one time. This may include scheduling (e.g., staggering start/end times), establishing alternating days for onsite reporting, returning to the office workspace in phases, or continue with a work from home schedule when feasible.
- Adjusting safety meetings to ensure physical distancing and use smaller individual safety meetings at the workplace to maintain physical distance.
- Establishing directional hallways and passageways for foot traffic, if possible, to eliminate workers from passing by one another.
- Staggering employee breaks, in compliance with wage and hour regulations, to maintain physical distancing protocols.
- Providing individual water bottles instead of water containers and cups unless they are no touch or a procedure for disinfection is in place.
- Designating drop-off locations to receive deliveries away from high traffic areas.
- Discontinuing nonessential travel and encouraging distance meetings via phone and internet.
- Reminding workers to avoid handshakes and similar greetings that break physical distance.
- Dedicating staff to direct guests to meeting rooms upon entry to office space rather than congregating in lobbies.
- See the District's Supplemental Policy 1.3 Administrative Policy and Protocols for Social



## Face Coverings (c)7.

**Panoche Water & Drainage District** provides clean, undamaged face coverings and ensure they are properly worn by employees over the nose and mouth when indoors, and when outdoors and less than six feet away from another person, including non-employees, and where required by orders from the California Department of Public Health (CDPH) or local health department

While wearing cloth face coverings is a public health measure intended to reduce the spread of COVID-19 in communities, it may not be practical for workers to wear a single cloth face covering for the full duration of a work shift (e.g., eight or more hours) during work operations if they become wet, soiled, or otherwise visibly contaminated during the work shift. If cloth face coverings are worn in these operations Panoche Water & Drainage District will provide readily available clean cloth face coverings (or disposable facemask options) for workers to use when the coverings become wet, soiled, or otherwise visibly contaminated.

The District's Supplemental Policy 1.3 Administrative Policy and Protocols for Social Distancing and Individual Responsibility in the Workplace requires the use of cloth face coverings in the workplace. Cloth face coverings must:

- Fit over the nose and mouth and fit snugly but comfortably against the side of the face;
- Be secured with ties or ear loops;
- Include multiple layers of fabric;
- Allow for breathing without restriction (and are not worn by anyone with trouble breathing);
- Be put on and removed by the wearer without help;
- Not lead to heat-related illness or other safety risk;
- Be laundered using the warmest appropriate water setting and machine dried daily after the shift, without damage or change to shape (a clean cloth face covering should be used each day);
- Not be used if they become wet or contaminated;
- Be replaced with clean replacements, provided by the District, as needed;
- Not be shared among workers unless the face coverings are adequately laundered between uses;
- Be handled as little as possible to prevent transferring infectious materials to the cloth; and
- Not be worn with or instead of respiratory protection when respirators are needed.

The following are exceptions to the use of face coverings in our workplace:

- When an employee is alone in a room.
- While eating and drinking at the workplace, provided employees are at least six feet apart and outside air supply to the area, if indoors, has been maximized to the extent possible.
- Employees wearing respiratory protection in accordance with CCR Title 8 section 5144 or other safety orders.
- Employees who cannot wear face coverings due to a medical or mental health condition or disability, or who are hearing-impaired or communicating with a hearing-impaired person. Alternatives will be considered on a case-by-case basis. See the District's Supplemental Policy 1.4, Administrative Policy and Protocols for the Accommodation of Employees Who are at High-Risk.
- Specific tasks that cannot feasibly be performed with a face covering, where employees will be kept at least six feet apart.

Any employee not wearing a face covering, face shield with a drape or other effective alternative, or respiratory protection, for any reason, shall be at least six feet apart from all other persons unless the unmasked employee is tested at least twice weekly for COVID-19.



## **Engineering Controls, Administrative Controls and PPE (c)8. See the District's Supplemental Policy 1.1, Administrative Policy and Protocols for Cleaning and Disinfecting the Workplace**

The District implements measures for situations where we cannot maintain at least six feet between individuals, including the use of barriers. We maximize, to the extent feasible, the quantity of outside air for our buildings with mechanical or natural ventilation systems by increasing filtration efficiency to the highest level compatible with the existing ventilation system when possible taking into consideration when circumstances where the amount of outside air needs to be minimized due to other hazards, such as heat, cold and wildfire smoke.

### **Hand washing and sanitizing**

In order to implement effective hand washing and sanitizing procedures, Panoche Water & Drainage District will:

- Provide adequate handwashing facilities.
- Encourage and allow time for employee handwashing.
- Provide employees with an effective hand sanitizer, and prohibit hand sanitizers that contain methanol (i.e., methyl alcohol).
- Encourage/train employees to wash their hands for at least 20 seconds each time.
- Handwashing areas will be evaluated for physical distancing. Handwashing procedures will be evaluated to ensure there is time to properly wash hands for at least 20 seconds.

Panoche Water & Drainage District implements the following cleaning and disinfection measures for frequently touched surfaces:

- Perform thorough cleaning in high traffic areas.
- Frequently disinfect commonly used surfaces.
- Cleaning and sanitizing shared equipment between each use.
- Cleaning touchable surfaces between shifts or between users, whichever is more frequent.
- Ensuring District vehicles, vehicle cabs and equipment are cleaned before and after use and employees are provided hand sanitizer and effective disinfectant, such as disposable wipes, for each District vehicle. employees must disinfect frequently touched surfaces and objects within the District's vehicle before and after use of the vehicle, if that vehicle is shared, or at the beginning and end of each shift, if no one else uses the vehicle during the employee's shift. These surfaces and objects include, but are not limited to, door handles, seatbelts, seats, steering wheels, and window buttons
- Avoid sharing phones, other work tools and equipment wherever possible.
- Ensuring that sanitary facilities stay operational and are stocked at all times.
- Cleaning restrooms frequently.
- Using products approved for use against COVID-19 on the EPA-approved list and follow product instructions and Cal/OSHA requirements.
- Employees using cleaners or disinfectants should wear gloves as required by the product label.
- Providing time for workers to implement cleaning practices before, during, and after shifts.
- Disposing of all cleaning material and non-reusable PPE in compliance with CDC recommendations to prevent further spread of COVID-19.

### **Shared tools, equipment and personal protective equipment (PPE)**

- PPE must not be shared, e.g., gloves, goggles and face shields.
- Items that employees come in regular physical contact with, such as phones, headsets, desks, keyboards, writing materials, instruments and tools must also not be shared, to the extent feasible. Where there must be sharing, the items will be disinfected between uses. Employees are expected to routinely disinfect surfaces and objects with which they interact. Employees should utilize effective disinfectants, such as disposable wipes, provided by the District to disinfect the surfaces and objects they come in contact with that may be touched by other employees or members of the public.
- Sharing of vehicles will be minimized to the extent feasible, and high-touch points (for example, steering wheel, door handles, seatbelt buckles, armrests, shifter, etc.) will be disinfected by the employee between users.
- When a COVID-19 positive individual has been in the workplace the areas where exposure could occur will be thoroughly cleaned by personnel trained in how to protect themselves from infection and in the safe use of the disinfection chemicals.

## Reporting Recordkeeping and Access (c)9.

The District will

- Report information about COVID-19 cases at our workplace to the local health department whenever required by law, and provide any related information requested by the local health department.
- Report immediately to Cal/OSHA any COVID-19-related serious illnesses or death.
- Maintain records of the steps taken to implement our written COVID-19 Prevention Program (CPP).
- The CPP will be available to employees, authorized employee representatives, and to representatives of Cal/OSHA.
- Document and keep a record of and track all Covid-19 cases. The information will be made available to employees, authorized employee representatives, or as otherwise required by law, with personal identifying information removed.
- Maintain the confidentiality of private medical information.

## Exclusion of Covid-19 Cases (c)10.

- Cases are excluded from the workplace until return-to-work requirements are met.
- The District will exclude employees with COVID-19 exposure from the workplace for 10 days after the last known COVID-19 exposure to a COVID-19 case.
- The District will continue and maintain an employee's earnings, seniority, and all other employee rights and benefits whenever we have demonstrated that the COVID-19 exposure is work related.
- We will provide employees who are excluded from the workplace with information on available benefits.
- If the local health department has not excluded an employee, the employee can be reassigned to work where they will have no contact with others until they satisfy the return-to-work criteria.

## Covid-19 Return to Work Criteria (c)11.

Employees who test positive for COVID-19 and have COVID-19 symptoms will not return to work until all the following have occurred:

- At least 24 hours have passed since a fever of 100.4 or higher has resolved without the use of fever-reducing medications. COVID-19 symptoms have improved. At least 10 days have passed since COVID-19 symptoms first appeared.

- COVID-19 individuals who tested positive but never developed COVID-19 symptoms will not return to work until a minimum of 10 days have passed since the date of specimen collection of their first positive COVID-19 test.
- A negative COVID-19 test will not be required for an employee to return to work.
- If an order to isolate or quarantine an employee is issued by a local or state health official, the employee will not return to work until the period of isolation or quarantine is completed or the order is lifted. If no period was specified, then the period will be 10 days from the time the order to isolate was effective, or 14 days from the time the order to quarantine was effective.

Cal/OSHA may allow employees to return to work when requested and specific conditions are met.

### 3205.1 Outbreaks

This section of CPP will stay in effect until there are no new COVID-19 cases detected in our workplace for a 14-day period.

An outbreak occurs when there are three or more case in a 14-day period in one location.

- Testing will be provided to employees at no cost and during normal work hours to all employees except for employees who were not present during the period of an outbreak identified by a local health department or the relevant 14-day period.
- Workers will be tested immediately and then again one week later.
- Negative tests result of employees with COVID-19 exposure will not impact the duration of any quarantine period required by, or orders issued by, the local health department.
- This testing protocol remains in effect until there are no new cases for 2 weeks.
- Cal/OSHA can require additional testing using "Issuance of Order to take Special Action".
- Exclusion, investigation and hazard correction must be performed/reviewed during an outbreak.
- New hazards, uncorrected hazards, leave policies, employees remaining or coming to/at work when sick, COVID-19 testing policies, inside air quality, and physical distancing will all be reviewed immediately and every 30 days or as needed until outbreak stops.
- Changes will be made to address identified hazards.
- Immediately, but no longer than 48 hours after learning of three or more COVID-19 cases in our workplace, we will contact the local health department for guidance on preventing the further spread of COVID-19 within the workplace.

### 3205.2 Major Outbreaks

This section of the CPP will stay in effect until there are no new COVID-19 cases detected in our workplace for a 14-day period.

A major outbreak occurs when there are 20 or more COVID-19 positive cases in a 30-day period in one location.

- Testing will be provided to employees at no cost and during normal work hours to all employees in the workplace or any who were in an area where the outbreak occurred.
- Workers will be tested two times per week. We will ensure COVID-19 cases and employees with COVID-19 exposure are excluded from the workplace in accordance with our CPP **Exclusion of COVID-19 Cases and Return to Work Criteria**, and any relevant local health department orders.
- Cal/OSHA can require additional testing in specific circumstances.
- Exclusion, investigation and hazard correction must be performed/reviewed during an outbreak.
- New hazards, uncorrected hazards, leave policies, employees remaining or coming to/at work when sick, COVID-19 testing policies, inside air quality including MERV 13 filtration and portable will

HEPA filtration will be utilized if possible, and physical distancing will all be reviewed immediately and every 30 days or as needed until outbreak stops.

- Consideration to closing operations until hazard is corrected will be evaluated.
- Respiratory protection under regulation 5144 will be considered.
- Changes will be made to address identified hazards.
- We will notify the local health department within 2 days of an outbreak. All relevant information will be provided to the local health department. Cal/OSHA may require other control measures using "Issuance of Order to take Special Action".

### **3205.3 Employer Provided Housing**

Employer-provided housing is any housing that is arranged for or provided by an employer.

Employer provided housing will meet the requirements for physical distancing and control, face coverings, cleaning and disinfecting, screening, and isolation of COVID-19 cases and persons with COVID-19 exposure. The requirements do not apply to:

- Occupants such as family members who maintained a household together prior to residing in employer provided housing but only when no other persons outside the household are present.
- Housing provided for the purpose of emergency response

Households together prior to residing in employer provided housing shall be provided COVID-19 testing when there is a COVID-19 exposure, someone has symptoms, or recommended by the LHD.

### **Assignment of housing units**

We will ensure that shared housing unit assignments are prioritized in the following order:

- Residents who usually maintain a household together outside of work, such as family members, will be housed in the same housing unit without other persons.
- Residents who work in the same crew or work together at the same worksite will be housed in the same housing unit without other persons.
- Employees who do not usually maintain a common household, work crew, or worksite will be housed in the same housing unit only when no other housing alternatives are possible.

### **Physical distancing and controls**

We will ensure:

- The premises are of sufficient size and layout to permit at least six feet of physical distancing between residents in housing units, common areas, and other areas of the premises.
- Beds are spaced at least six feet apart in all directions and positioned to maximize the distance between sleepers' heads. For beds positioned next to each other, i.e., side by side, the beds will be arranged so that the head of one bed is next to the foot of the next bed. For beds positioned across from each other, i.e., end to end, the beds will be arranged so that the foot of one bed is closest to the foot of the next bed. Bunk beds will not be used.
- Maximization of the quantity and supply of outdoor air and increase filtration efficiency to the highest level compatible with the existing ventilation system in housing units.

### **Face coverings**

We will provide face coverings to all residents and provide information to residents on when they should be used in accordance with state or local health officer orders or guidance.

### **Cleaning and disinfection**

We will ensure that:

- Housing units, kitchens, bathrooms, and common areas are effectively cleaned and disinfected at least once a day to prevent the spread of COVID-19. Cleaning and disinfecting shall be done in a manner that protects the privacy of residents.
- Unwashed dishes, drinking glasses, cups, eating utensils, and similar items are not shared.

### **Screening**

We will encourage residents to report COVID-19 symptoms to **[enter name of individual, position, or office]**.

### **COVID-19 testing**

We will establish, implement, and maintain effective policies and procedures for COVID-19 testing of occupants who had a COVID-19 exposure, who have COVID-19 symptoms, or as recommended by the local health department.

### **Isolation of COVID-19 cases and persons with COVID-19 exposure**

We will:

- Effectively isolate COVID-19 exposed residents from all other occupants. Effective isolation will include providing COVID-19 exposed residents with a private bathroom, sleeping area, and cooking and eating facility.

- Effectively isolate COVID-19 cases from all occupants who are not COVID-19 cases. Effective isolation will include housing COVID-19 cases only with other COVID-19 cases, and providing COVID-19 case occupants with a sleeping area, bathroom, and cooking and eating facility that is not shared by non-COVID-19-case occupants.
- Keep confidential any personal identifying information regarding COVID-19 cases and persons with COVID-19 symptoms, in accordance with our CPP **Investigating and Responding to COVID-19 Cases**.
- End isolation in accordance with our CPP **Exclusion of COVID-19 Cases** and **Return to Work Criteria**, and any applicable local or state health officer orders.

## 3205.4 Employer Provided Transportation

This section of the CPP will apply when there is employer provided transportation to and from work which is any transportation of an employee, during the course and scope of employment, provided, arranged for, or secured by an employer including ride-share vans or shuttle vehicles, car-pools, and private charter buses, regardless of the travel distance or duration involved unless the driver and all passengers live in the same household or if the transportation is for emergencies for example; firefighting, rescue or evacuation.

- Transportation will be grouped in priority order with preference first for households, second for people working on the same crews or worksite, and finally workers not meeting the prior two conditions only when there are no other options.
- We will follow six foot spacing and all vehicle occupants are required to wear face coverings while waiting for the vehicle and while in the vehicle. Drivers and riders will be three feet apart in all directions during operation of the vehicle.
- Before entering the vehicle, screening will take place following guidelines from this CPP and drivers and riders with COVID-19 symptoms will be excluded prior to boarding shared transportation.
- All high contact surfaces will be disinfected with employer provided sanitizing material including door handles, seatbelt buckles, armrests, steering wheel, arm rests, and shifter if different people will touch the area. We provide sanitizing materials, training on how to use them properly, and ensure they are kept in adequate supply.
- Ventilation in the vehicle will be maximized by keeping windows open, ventilation units will be set to use maximum outside air and not set to recirculate air. Windows can be shut if it is over 90 degrees or less than 60 degrees, the air quality index is over 100 (poor air quality), or protection is needed from weather conditions, such as rain or snow.
- Each vehicle must have hand sanitizer available.

BACK



<b>PANOCHÉ WATER DISTRICT (PWD)</b>						
<b>Budget to Actual Revenue and Expenses Report for the 10 months period ended December 31, 2020</b>						
	<b>Mar 1, 2020 - Dec 31, 2020 (10 Months)</b>		<b>Budget Vs Actual 2021</b>	<b>FYE 2020</b>	<b>FYE 2019</b>	
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>%ages</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	
<b>Operating Revenues</b>						
Water Revenue	\$ 10,689,820	\$ 12,057,497	89%	\$ 11,015,394	\$ 13,442,399	
O & M Revenue	4,983,400	5,072,613	98%	7,545,928	6,888,068	
Other Revenue	278,716	750,000	37%	772,783	521,256	
Reimbursements From Other Districts	1,158,287	2,475,000	47%	3,741,628	2,151,585	
<b>Total Revenue</b>	<b>\$ 17,110,223</b>	<b>\$ 20,355,110</b>	<b>84%</b>	<b>\$ 23,075,732</b>	<b>\$ 23,003,307</b>	
<b>Operating Expenses</b>						
Water Purchases Costs	\$ 11,735,478	\$ 12,237,044	96%	\$ 11,845,298	\$ 14,053,054	
Operation & Maintenance Costs	\$ 7,978,752	\$ 9,237,242	86%	\$ 9,350,331	\$ 9,091,710	
<b>Total Expenses</b>	<b>\$ 19,714,230</b>	<b>\$ 21,474,286</b>	<b>92%</b>	<b>\$ 21,195,629</b>	<b>\$ 23,144,764</b>	
<b>Net Revenue/(Deficit)</b>	<b>\$ (2,604,007)</b>	<b>\$ (1,119,176)</b>		<b>\$ 1,880,104</b>	<b>\$ (141,457)</b>	



<b>PANOCHE WATER DISTRICT (PWD)</b>							
<b>Budget to Actual Revenue and Expenses Report for the 10 months period ended December 31, 2020</b>							
		<b>Mar 1, 2020 - Dec 31, 2020 (10 Months)</b>		<b>Budget Vs Actual 2020</b>		<b>FYE 2020</b>	<b>FYE 2019</b>
<b>Operating Revenues</b>		<b>ACTUAL</b>	<b>BUDGET</b>	<b>%ages</b>		<b>ACTUAL</b>	<b>ACTUAL</b>
	CVP AG Water Contract	3,870,750	4,455,600	87%		7,419,044	6,870,627
	Supplemental Water	6,819,070	7,601,897	90%		3,596,350	6,571,772
	O & M Revenue	4,983,400	5,072,613	98%		7,545,928	6,888,068
	SLDMWA-SGMA Revenue	69,384	179,547	39%			
	Other Revenue	209,332	570,453	37%		772,783	521,256
	Labor Reimbursements	880,410	1,850,000	48%		2,632,602	2,066,363
	Other Reimbursements	277,877	625,000	44%		1,109,026	85,222
	<b>Total Revenue</b>	<b>\$ 17,110,223</b>	<b>\$ 20,355,110</b>	<b>84%</b>		<b>\$ 23,075,732</b>	<b>\$ 23,003,307</b>

<b>PANOCHÉ WATER DISTRICT (PWD)</b>						
<b>Budget to Actual Revenue and Expenses Report for the 10 months period ended December 31, 2020</b>						
	<b>Mar 1, 2020 - Dec 31, 2020 (10 Months)</b>		<b>Budget Vs Actual 2021</b>		<b>FYE 2020</b>	<b>FYE 2019</b>
<b>Water Costs</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>%ages</b>		<b>ACTUAL</b>	<b>ACTUAL</b>
CVP AG Water Contract	4,338,624	4,455,600	97%		6,886,495	6,920,345
Supplemental Water	7,091,354	7,411,897	96%		4,743,070	6,718,900
SLDMWA -SGMA	69,381	179,547	39%		-	-
Other Water costs	236,119	190,000	124%		102,427	298,097
<b>Total Water Purchases Costs</b>	<b>\$ 11,735,478</b>	<b>\$ 12,237,044</b>	<b>96%</b>		<b>\$ 11,731,992</b>	<b>\$ 13,937,343</b>

<b>PANOCHÉ WATER DISTRICT (PWD)</b>						
<b>Budget to Actual Revenue and Expenses Report for the 10 months period ended December 31, 2020</b>						
	<b>Mar 1, 2020 - Dec 31, 2020 (10 Months)</b>		<b>Budget Vs Actual 2021</b>		<b>FYE 2020</b>	<b>FYE 2019</b>
<b>Operation &amp; Maintenance Costs</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>%ages</b>		<b>ACTUAL</b>	<b>ACTUAL</b>
Salaries and Wages	\$ 2,051,893	\$ 2,602,161	79%		\$ 2,846,115	\$ 2,633,480
Payroll Taxes	198,806	216,433	92%		385,252	483,327
Employee Benefits	1,222,079	1,437,252	85%		1,579,358	1,255,209
Vacation adjustment payout	518,441	-	0%		-	-
Interest Expenses - DHCCP	112,452	114,000	99%		113,306	115,711
Legal Costs	755,490	750,000	101%		828,367	1,423,877
Annual Audits	69,450	90,000	77%		94,258	164,948
Professional Services	160,808	150,000	107%		58,810	131,553
Utilities	27,659	71,000	39%		69,613	41,718
Communication Costs	58,787	87,000	68%		85,882	86,733
Conferences and Training Costs	40,795	90,000	45%		189,292	196,738
Insurance Costs	120,237	115,000	105%		53,386	129,447
Other Supplies & Services	123,079	142,500	86%		136,787	424,439
SLDMWA-Membership & assessments	169,269	169,675	100%		79,582	96,492
Energy Costs	1,377,545	1,864,207	74%		1,694,734	1,263,015
Chemical Application	227,413	210,000	108%		205,773	260,619
Domestic water plant maintenance	103,102	95,000	109%		93,102	109,044
Laboratory - Water Testing	12,925	24,000	54%		21,115	10,303
Other Districts overhead costs	224,905	296,000	76%		408,752	-
Equipment Repairs & Maintenance Costs	403,617	713,014	57%		520,154	380,768
<b>Total Operation &amp; Maintenance Costs</b>	<b>\$ 7,978,752</b>	<b>\$ 9,237,242</b>	<b>86%</b>		<b>\$ 9,463,636</b>	<b>\$ 9,207,421</b>

<b>PANOCHÉ WATER DISTRICT (PWD)</b> <b>Budget to Actual Revenue and Expenses Report for the 10 months period ended December 31, 2020</b>							
		<b>Mar 1, 2020 - Dec 31, 2020 (10 Months)</b>		<b>Budget Vs Actual 2021</b>		<b>FYE 2020</b>	<b>FYE 2019</b>
<b>Equipment Repairs &amp; Maintenance Costs</b>		<u>Actual</u>	<u>Budget</u>			<u>Actual</u>	
	Equipment repairs	40,859	47,500	86%		26,308	14,343
	Engineering costs	-	5,000	0%		2,664	80,730
	Pumps & Structures Repairs	190,092	210,000	91%		236,015	115,152
	Vehicle repairs & Maintenance	147,932	205,014	72%		170,845	82,357
	Office, Houses, Shops Repairs & Maintenance	24,734	95,500	26%		84,323	88,186
	Capital Cost - Depreciation	-	150,000	0%		-	-
<b>Total Equipment Repairs &amp; Maintenance Costs</b>		<b>\$ 403,617</b>	<b>\$ 713,014</b>	<b>57%</b>		<b>\$ 520,154</b>	<b>\$ 380,768</b>

BACK



Water Supply																	
District Water March, 2020 - Feb, 2021	Annual AF	2020 March	2020 Apr	2020 May	2020 June	2020 July	2020 Aug	2020 Sept	2020 Oct	2020 Nov	2020 Dec	2021 Jan	2021 Feb	YTD Usage	Transfers Out	Adj. (Mitig.Wtr)	Remaining Balance
CCID/FCWD - DC	2,100			10	600	800	640	50						2,100			0
SLCC/Eastside - DC	3,136			151	412	819	1,020	486	248					3,136			0
FCWD Transfer - DC	168								168					168			0
Panoche DD Wells	1,500				49	240	49							338			1,162
Maverick Well #43	2,000			260	177	151								589			1,411
Grower Transfer Ins	658			250				380	28					658			0
CCID Grower Wells f/Crdt	1,082			298	376	279	29	100						1,082			0
PWD Grower Wells f/Crdt	2,453			332	717	773	427	124	73	7				2,453			0
Gains or Losses	1,714	38	42	12	584	231	20	504	219	111	(47)			1,714			0
<b>District Water Total</b>	<b>14,811</b>	<b>38</b>	<b>42</b>	<b>1,313</b>	<b>2,916</b>	<b>3,293</b>	<b>2,185</b>	<b>1,644</b>	<b>736</b>	<b>118</b>	<b>(47)</b>	<b>0</b>	<b>0</b>	<b>12,238</b>	<b>0</b>		<b>2,572</b>
Bureau Water																	
Bureau Water March, 2020 - Feb, 2021	Annual AF	2020 March	2020 Apr	2020 May	2020 June	2020 July	2020 Aug	2020 Sept	2020 Oct	2020 Nov	2020 Dec	2021 Jan	2021 Feb	YTD Usage	Transfers Out	Loss	Remaining Balance
2019-2020 Rescheduled	9,400	2,926	3,051	3,324										9,301		(99)	0
2020-2021 20% USBR	18,800		564	694	3,215	2,221	117	3	14	12	11			6,851	2,180		9,769
SJRECWA Transfer	3,981				1,025	714	698	963	581					3,981			0
CCID/FCWD	900					900								900			0
SLCC/Eastside	1,864					1,000	864							1,864			0
FCWD Transfer	1,832					700	700	150	282					1,832			0
Grower Transfer Ins	7,379			1,350	2,611	1,312	1,421	568	50	56	11			7,379			0
Madera ID Transfer	1,086													0			1,086
YUBA Water Transfer	10,748								1,032	556	144			1,732	100	(3,368)	5,548
<b>Bureau Water Total</b>	<b>55,990</b>	<b>2,926</b>	<b>3,615</b>	<b>5,368</b>	<b>6,851</b>	<b>6,847</b>	<b>3,800</b>	<b>1,684</b>	<b>1,959</b>	<b>624</b>	<b>166</b>	<b>0</b>	<b>0</b>	<b>33,840</b>	<b>2,180</b>		<b>16,403</b>
<b>Total Water Supply</b>	<b>70,801</b>	<b>2,964</b>	<b>3,657</b>	<b>6,681</b>	<b>9,767</b>	<b>10,140</b>	<b>5,985</b>	<b>3,328</b>	<b>2,695</b>	<b>742</b>	<b>119</b>	<b>0</b>	<b>0</b>	<b>46,078</b>	<b>2,180</b>	<b>(3,467)</b>	<b>18,975</b>
Usage																	
Growers		2,964	3,657	6,681	9,767	10,140	5,985	3,328	2,695	742	119			46,078			
Transfers Out/Sales					2,000	180								2,180			
<b>Total Usage/Transfers</b>		<b>2,964</b>	<b>3,657</b>	<b>6,681</b>	<b>11,767</b>	<b>10,320</b>	<b>5,985</b>	<b>3,328</b>	<b>2,695</b>	<b>742</b>	<b>119</b>	<b>0</b>	<b>0</b>	<b>48,258</b>			
<b>Diff/Losses: % of Supply</b>	<b>%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>6%</b>	<b>3%</b>	<b>1%</b>	<b>16%</b>	<b>9%</b>	<b>15%</b>	<b>-29%</b>			<b>4%</b>			
<b>Budget to Actual - AF</b>	<b>40,294</b>	<b>2,964</b>	<b>3,657</b>	<b>6,681</b>	<b>8,977</b>	<b>9,730</b>	<b>5,632</b>	<b>3,204</b>	<b>2,621</b>	<b>735</b>	<b>119</b>			<b>44,320</b>			<b>(4,026)</b>

\* Accounting for Well Loss totals changed some numbers. \*

\* YUBA and Madera ID numbers changed. \*



## Panoche Water District

### WY 2020-21 Water Supply and Usage

Water Remaining End of Dec.	Estimated Usage (Oct - Feb)
USBR 2020-21 20% Alloc.    9,769 Madera ID                    1,086 YUBA Water                   5,548  (Does not Include PDD Wells, or Maverick Well remaining.)	January                            (1,244) February                           (2,474)
<b>Total Water Supply    16,403</b>	<b>Total Usage                (3,718)</b>

Forecasted Remaining Supply	
USBR Water Remaining	12,685
Est. Rescheduling 20-21 into 21-22 / 10%	(9,400)
YUBA Water Rescheduled	(3,285)
Potential Needed	0

Estimating YUBA Water Use of 2,263 AF till 2/28/2021.







## Westlands Water District

### MEMORANDUM

---

**TO:** SLDMWA BOARD OF DIRECTORS  
**FROM:** TOM BOARDMAN, WATER RESOURCES ENGINEER  
**SUBJECT:** JANUARY OPERATIONS UPDATE  
**DATE:** JANUARY 8, 2021

---

#### Project Operations

- Persistently low delta inflow has forced Jones pumping to remain at 20% of capacity since about mid-November. Exports may increase during the next week, but only if the approaching storms are enough to increase delta inflow and/or Project operators adjust export sharing under the COA.
- SWP exports pumped about 100 TAF during December. The SWP pumping was about double the CVP amount due to COA accounting adjustments and efforts to minimize the cycling of Jones pumps.
- Sac Valley precipitation during December was only 40% of the monthly average. Accumulated precipitation for the season is also about 40% of average. However, based on past years that had an equivalent precipitation deficit, the chances are slightly better than even that the precipitation for the season will improve to the annual average.
- The current storage in Shasta is about 2.05 MAF; a dismal 20 TAF increase during the past week due to the recent feeble storms. Releases are holding at Reclamation's target minimum level of 3,250 cfs to conserve storage. Reclamation's latest conservative forecast shows Shasta peaking at about 2.5 MAF by late March; a reduction of nearly 300 TAF shown in Reclamation's November forecast.
- Folsom storage has been dropping by about 5 TAF per week over the past several weeks bringing the current storage to 287 TAF. With snowpack at about 55% of average, releases were recently reduced from 1250 cfs 1185 cfs to conserve storage.
- CVP demands were about 57 TAF during December; about equal to the 15-year average.

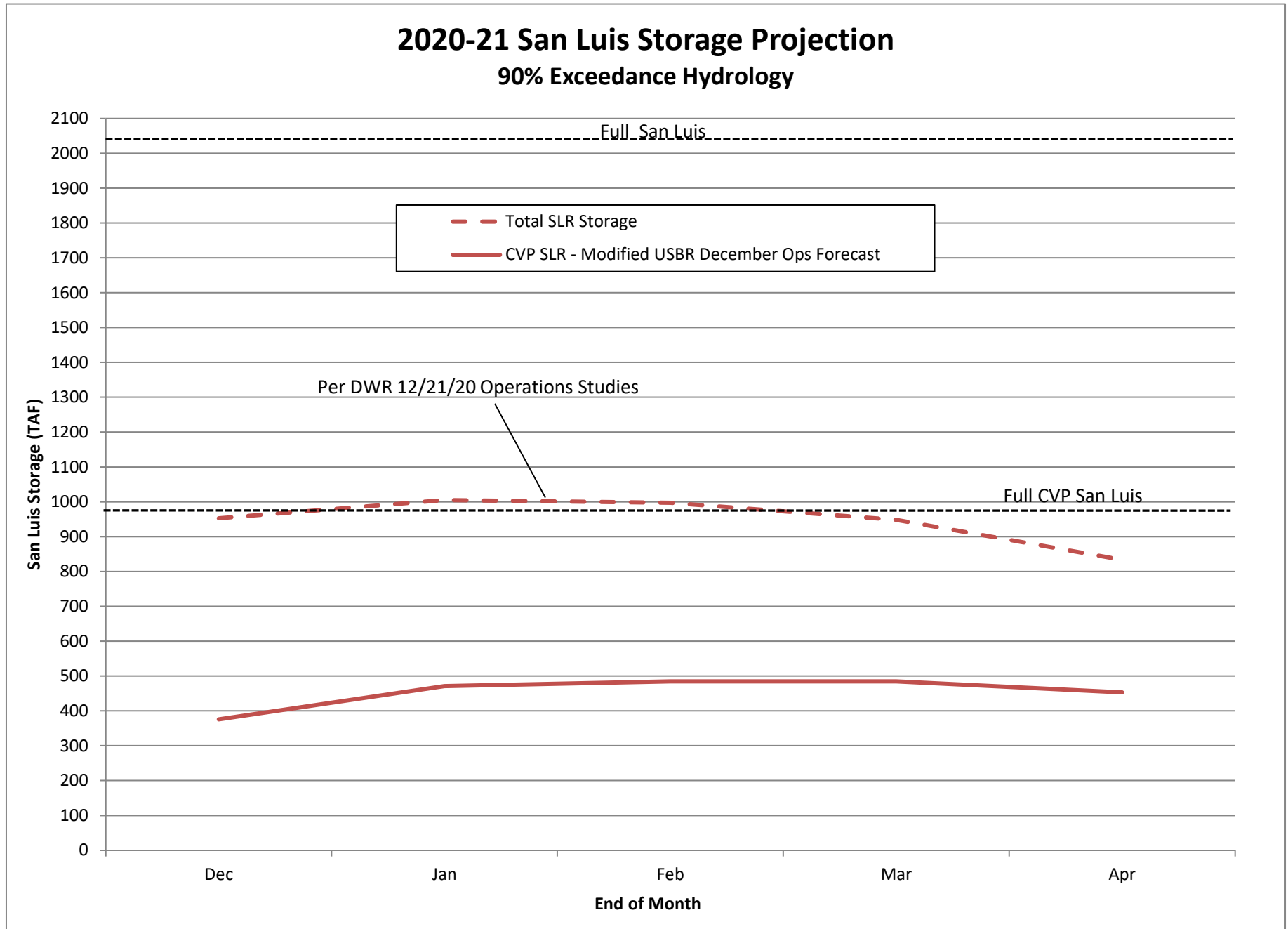
#### 2021 San Luis Operations

CVP exports during December fell short of expected levels by 100 TAF and 180 TAF under dry and average hydrologic conditions, respectively. As such, CVP San Luis refill projections have slipped proportionately.

As shown on the attached San Luis storage projection graphs, under dry conditions, the reservoir will refill to about 50% of capacity by late February and storage will remain flat through March. With average hydrology and minimal export cuts for fish protections, CVP San Luis is now projected to reach its peak storage by late March and will fall short of filling by about 220 TAF.

Based on expected CVP San Luis refill levels and summer exports, the table below contains possible contractor allocations.

<b>Hydrology</b>	<b>Ag Service (%)</b>	<b>Urban (%)</b>	<b>Water Rights &amp; Refuges (%)</b>
Dry Year (90% Exc.) Shasta Critical	0-10	50-60	75
Average Year (50% Exc.)	20-30	70-75	100



## 2020-21 San Luis Storage Projection 50% Exceedance Hydrology

