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|-------|--|------------------------------|
| I. | Welcome and Introductions | Chairman Lee |
| II. | Flag Salute | |
| III. | Roll Call | |
| | Commissioner Lewis _____ | Commissioner Ebenkamp _____ |
| | Commissioner Lima _____ | Commissioner Lee _____ |
| IV. | Public Comment | |
| | The Chair may impose reasonable limitations on public comments to assure an orderly and timely meeting. | |
| V. | Approval of Minutes for February 8, 2019 (attachment) | Chairman Lee |
| | a. Discussion | b. Action Taken |
| VI. | Receive and File Walnut Valley Water Districts' 2019 PBWA Board Member Appointment Resolution (attachment) | Chairman Lee |
| | a. Discussion | b. Action Taken |
| VII. | Discussion and Approval of the Proposed Annual PBWA Budget for FY 2019-20 (attachment) | Mr. Teuber |
| | a. Discussion | b. Action Taken |
| VIII. | PBWA Legislative Activities | Mr. Hitchman |
| | (1) Engagement of Lobbyist - Cost Sharing Agreement | |
| | a. Discussion | b. Action Taken |
| IX. | Regional Water Supply Reliability Program Updates/Status: | Mr. Coleman/
Mr. Hitchman |
| | (1) California Domestic Water Company | |
| | (2) Pathfinder Road 20-inch Water Main Installation | |
| | (3) Pomona Basin Regional Groundwater Project | |
| | a. Six Basins Groundwater Project Update | |
| | b. Update: Proposition 84 | |

- (4) Central Basin Well
 - a. Central Basin Well Site Evaluation
 - i. Discussion
 - ii. Action Taken

(5) Proposition 1 Integrated Regional Water Management Grant

- X. Commission Follow-Up
 - a. Discussion
 - b. Action TakenMr. Hitchman
- XI. Commissioner Comments
 - a. Discussion
 - b. Action Taken
- XII. Items for Future Discussion/Review
 - a. Discussion
 - b. Action TakenChairman Lee
- XIII. Attorney's Report
 - a. Legal Counsel will report on matters of interest or having an effect on the Agency
- XIV. Public Comment on Closed Session
- XV. Closed Session
 - (1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR [§54956.8]
 - Property: Acquisition and/or Lease
 - Negotiators: Tom Coleman, Erik Hitchman
 - Negotiating Parties: Various Property Owners
 - Under Negotiations: Price and Payment Term
 - (2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR [§54956.8]
 - Property: Acquisition and/or Lease of Central Basin Water Rights
 - Negotiators: Tom Coleman, Erik Hitchman
 - Negotiating Parties: Various Water Rights Holders
 - Under Negotiations: Price and Payment Term
 - (3) CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION [§54956.9(d)(4)]
 - Initiation of Litigation – One Potential Case
- XVI. Reconvene in Open Session
 - Report of action, if any, taken in Closed Session

- *Next Commission Meeting: Thursday, June 6, 2019, 7:00 a.m., at Rowland Water District*

Adjournment

**MINUTES OF MEETING
OF THE BOARD OF COMMISSIONERS OF
PUENTE BASIN WATER AGENCY**

**February 7, 2019
At the Offices of the
Rowland Water District**

COMMISSIONERS PRESENT:

Theodore L. Ebenkamp, Commissioner
Theresa Lee, Commissioner
Anthony Lima, Commissioner
Robert Lewis, Commissioner

STAFF PRESENT:

Erik Hitchman, Administrative Officer
Tom Coleman, Assistant Administrative Officer
Jim Ciampa, Legal Counsel
Brian Teuber, Treasurer
Sean Henry, Assistant Treasurer
Carmen Fleming, Secretary

COMMISSIONERS ABSENT:

None

Staff, guests and others in attendance: Mr. Dave Warren, and Ms. Rose Perea, Rowland Water District; Mr. Josh Byerrum, and Ms. Sherry Shaw, Walnut Valley Water District.

The meeting was called to order at 7:00 a.m. with Chair Lima presiding.

Item IV: Public Comment

None.

Item V: Approval of Minutes for December 6, 2018

Upon consideration thereof, it was moved by Commissioner Ebenkamp, seconded by Commissioner Lewis and unanimously carried (4-0) to approve the minutes of the Commission meeting held on December 6, 2018.

Chair Lima indicated that the motion was approved by a 4-0 vote

Item VI: Receive and File Rowland Water Districts' 2019 PBWA Board Member Appointment Resolution

- ♦ Mr. Hitchman reported that the attached resolution appointing Rowland Water District's commissioners for 2019 was adopted by Rowland Water District's Board of Directors.

Upon consideration thereof, it was moved by Commissioner Lewis seconded by Commissioner Ebenkamp and unanimously carried (4-0), to receive and file the Rowland Water District's Board Member appointment resolution.

Chair Lima indicated that the motion was approved by a 4-0 vote

Item VII: Annual Selection of Commission Officer and Commission Staff

- ♦ As per the rotation policy, the Commission selected Commissioner Lee to be the Chair and Commissioner Lewis be seated as Vice-Chair of the Puente Basin Water Agency for the 2019 term, effective immediately.
- ♦ Also the annual appointment of Secretary, Treasurer, Administrative Officer, Assistant Administrative Officer and Assistant Treasurer shall be as set forth in the JPA Agreement.

Upon consideration thereof, it was moved by Commissioner Ebenkamp, seconded by Commissioner Lewis and unanimously carried (4-0), that Commissioner Lee be seated as Chair, Commissioner Lewis be seated as Vice-Chair and the Agency's administrative positions will be as

follows for the 2019 term: Mr. Coleman as Assistant Administrative Officer, Mr. Henry as Assistant Treasurer, Ms. Fleming as Secretary, Mr. Teuber as Treasurer, and Mr. Hitchman as Administrative Officer of the Puente Basin Water Agency, for the 2019 term, effective immediately.

Chair Lima indicated that the motion was approved by a 4-0 vote

Commissioner Lee proceeded as Chair for the remainder of the meeting

Item VIII: Review of Financial Statements: Second Quarter FY 2018-19

- ♦ Mr. Byerrum reviewed the PBWA financial statements for the second quarter ending December 31, 2018, for fiscal year 2018-19.

Upon consideration thereof, it was moved by Commissioner Lima, seconded by Commissioner Ebenkamp and unanimously carried (4-0), to receive, approve, and file the PBWA financial statements for the second quarter ending December 31, 2018, for fiscal year 2018-19.

Chair Lee indicated that the motion was approved by a 4-0 vote

Item IX: PBWA Legislative Activities

(1) Engagement of Lobbyist:

- a. Staff has discussed the potential of starting a lobbying effort with Mr. Bob Reeb to support the legislative efforts of the Puente Basin Water Agency as well as any potential outside agencies at that are interested in joint efforts at a lower cost. Staff directed Mr. Ciampa to prepare an agreement for these efforts and present it at the next meeting.

Upon consideration thereof, it was moved by Commission Lewis, seconded by Commissioner Lima and unanimously carried (4-0), to accept staff recommendation to move forward with negotiations with any interested parties to participate in a lobbying effort with Puente Basin Water Agency.

Chair Lee indicated that the motion was approved by a 4-0 vote

(2) Membership in the Community Water System Alliance:

- a. *Project Update:* Mr. Hitchman reported that staff had executed a Memorandum of Understanding between the PBWA and the Community Water System Alliance (CWSA). Mr. Adan Ortega contacted staff to join the collaboration of area water systems to specifically address the AB 401 Affordability and Drinking Water Tax issues. The basic membership is based on net revenues therefore, it was in the best interest of both Member Agencies to join as the Puente Basin Water Agency.

Item X: Regional Water Supply Reliability Program Updates/Status:

(1) California Domestic Water Company:

- a. *Project Update:* Mr. Coleman reported that the Cal Domestic project produced only approximately 500 acre-feet due to an offline well. Staff will meet with Cal Domestic regarding future delivery and will report to the Commission.

(2) Pathfinder Road 20-inch Water Main Installation:

- a. *Project Update:* Ms. Shaw reported that due to the rain, the project experienced delays. The project is continuing and is approximately one-third complete.

(3) Pomona Basin Regional Groundwater Project

- a. *Six Basins Groundwater Project Update:* Ms. Shaw reported that staff is working with the contractors to continue the work on the project.

- b. *Update: Proposition 84:* Mr. Hitchman stated that staff is organizing a meeting with Ms. Wendy La to have her assist with permit construction activity reimbursements due to issues.

(4) *Central Basin Well*

- a. *Central Basin Well Site Evaluation:* Mr. Coleman stated that staff has proceeded with scouting locations for the potential well site. Staff has asked the hydrogeologist to extend his scope of work to include a specific area, as well as drilling records near the area.

(5) *Proposition 1 Integrated Regional Water Management Grant*

- ♦ Mr. Hitchman reported that staff is continuing to work with LASER, Inc., on potential projects for which grant funding may be sought. Ms. Wendy La is reviewing the draft guidelines that the Department of Water Resources has released.

Item XI: Commission Follow-Up

None.

Item XII: Commissioner Comments

None.

Item XIII: Items for Future Discussion/Review

None.

Item XIV: Attorney's Report

- ♦ Mr. Ciampa briefed the Commission that the deadline for introduction to new bills is February 22, 2019. The State Board distributed the AB 401 report and comments were submitted regarding that draft report.

Item XV: Public Comment on Closed Session

There were no requests to comment on closed session.

Item XVI: Closed Session at 8:02 a.m.

- (1) The Commission met in closed session in accordance with Government Code [§54956.8] to discuss one real property matter pertaining to the acquisition and/or lease of Central Basin water rights. The negotiators are Mr. Tom Coleman and Mr. Erik Hitchman. The negotiating parties are various water rights holders. Under negotiations are the price and terms of payment.
 - The Commission was briefed on the potential acquisitions of property and no reportable action was taken.
- (2) The Commission met in closed session in accordance with Government Code [§54956.8] to discuss one real property matter. The negotiators are Mr. Tom Coleman and Mr. Erik Hitchman. The negotiating parties are various water rights holders. Under negotiations are the price and terms of payment.
 - The Commission was informed of a lease for 500 acre-feet of Central Basin Allowed Pumping Allocation to Montebello Land and Water Company at a price of \$100 per acre-foot.
- (3) The Commission was briefed on the facts and circumstances of anticipated litigation under Government Code Section [§54956.9(d)(4)] (one case)
 - The Commission was briefed on the facts and circumstances and no reportable action under the Brown Act was taken.

Item XVII: Reconvene in Open Session at 8:25 a.m. – see above for the closed session report concerning Items 1-3.

Adjournment – 8:27 a.m.

There being no further business to discuss, upon consideration thereof, it was moved by Commissioner Ebenkamp, seconded by Commissioner Lima and unanimously carried (4-0), to adjourn the Commission meeting.

Chair Lee indicated that the motion was approved by a 4-0 vote



April 4, 2019

TO: Board of Commissioners
FROM: Erik Hitchman
RE: Receive and File Rowland Water Districts' 2019
PBWA Board Member Appointment Resolution

Recommendation

Receive and file Resolution No. 02-19-658, Walnut Valley Water District.

Background

Attachments:

✓ *Walnut Valley Water District Board approval documents*

RESOLUTION NO. 02-19-658

**RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT
BOARD OF DIRECTORS
APPOINTING REPRESENTATIVES TO THE PUENTE BASIN WATER AGENCY**

WHEREAS, the Walnut Valley Water District entered into an Amended Restated and Renewed Joint Powers Agreement creating the PUENTE BASIN WATER AGENCY, dated October 28, 2009, with Rowland Water District, (the PBWA Agreement); and,

WHEREAS, the PBWA Agreement provides that the PUENTE BASIN WATER AGENCY shall be governed by a Commission consisting of four commissioners, and that the governing body of each of the members shall annually appoint two representatives to the Commission and one alternate to serve in the absence of either of the appointed representatives; and,

WHEREAS, the PBWA Agreement further provides that at least one of the appointed representatives of each member shall be a director on the governing board of the appointing member; and,


WHEREAS, each Commissioner must file with the PUENTE BASIN WATER AGENCY a certified copy of the resolution of the member appointing him or her,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Valley Water District:

1. That Theodore Ebenkamp, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as a representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
2. That Theresa Lee, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as a representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
3. That Scarlett Kwong, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as an alternate representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY in the absence of either of the appointed representatives.
4. That each of the representatives and alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.
5. That a certified copy of this Resolution be provided to the PUENTE BASIN WATER AGENCY.


**ADOPTED AT A REGULAR MEETING OF THE WALNUT VALLEY WATER DISTRICT HELD
FEBRUARY 19, 2019**

AYES: EBENKAMP, HILDEN, KWONG, LEE AND TANG
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE



President
Board of Directors

ATTEST:



Secretary



April 4, 2019

TO: Board of Commissioners
FROM: Brian Teuber, Treasurer
RE: Discussion and Approval of the Proposed Annual PBWA Budget for FY 2019-20

Recommendation:

That the Commissioners approve the proposed PBWA FY 2019-2020 Administration Budget.

Background:

As you are all aware, the PBWA continues an active role in finding, promoting, and developing a variety of water resource projects that will benefit our customers. Regarding the proposed FY 2019-2020 budget:

- Three Valleys Municipal Water District (TVMWD) is based on RWD and WVWD production demands, budgeted production is 12,664 AF. The budget also includes each agencies respective share of TVMWD and MWD fixed charges.
- The California Domestic Water Company (CDWC) project is budgeted to produce 3,000 AF of water. Costs associated with the project relate to CDWC water charges, MSGBWM charges, electricity costs, and treatment costs.
- No water production has been included in the budget for La Habra Heights County Water District
- The Pomona Basin, City of La Verne lease, is a new expense relating to the Old Baldy well site. Water production is expected to start in FY 2019-2020, however, was budgeted with no water production due to the uncertainty of project completion.

Budget Process

Each of the two member agencies, Rowland Water District and Walnut Valley Water District, is allocated one-half of the budget amount with the exception of TVMWD, which is allocated on water produced by each agency. The agencies are invoiced accordingly for expenses as they occur. For this reason, upon the Agency's approval of the proposed FY 2019-2020 budget, the two member agencies Boards will also be asked for approval.

- *Attachment: as noted*

PUENTE BASIN WATER AGENCY
FY 2019-20 OPERATING BUDGET

	Projected 18-19	Budget FY 18-19	Budget FY 19-20	Administrative	TVMWD	CDWC	Pomona Basin	LHHCWD
1 REVENUES:								
2 Administrative Assessment - RWD	\$ 115,450	\$ 139,020	\$ 141,520	\$ 141,520	\$ -	\$ -	\$ -	\$ -
3 Administrative Assessment - WVWD	115,450	139,020	141,520	141,520	-	-	-	-
4 Other - TVMWD	-	-	-	-	-	-	-	-
5 Water Sales - Project - RWD	530,310	1,008,645	1,067,565	-	-	1,016,065	51,500	-
6 Water Sales - Project - WVWD	530,310	1,008,645	1,067,565	-	-	1,016,065	51,500	-
7 Water Sales - TVMWD - RWD	4,549,590	5,379,940	5,525,930	-	5,525,930	-	-	-
8 Water Sales - TVMWD - WVWD	10,334,590	8,128,990	8,355,670	-	8,355,670	-	-	-
9 Project Maintenance Reserve - RWD	3,920	7,500	7,500	-	-	7,500	-	-
10 Project Maintenance Reserve - WVWD	3,920	7,500	7,500	-	-	7,500	-	-
11 Total Revenues	16,183,540	15,819,260	16,314,770	283,040	13,881,600	2,047,130	103,000	-
12 Use of Stored/Leased Water	826,740	1,581,000	1,614,350	-	-	1,614,350	-	-
13 Total	17,010,280	17,400,260	17,929,120	283,040	13,881,600	3,661,480	103,000	-
14 EXPENSES:								
15 <u>Source of Supply</u>								
16 Purchased Water - TVMWD	14,344,250	12,969,260	13,329,740	-	13,329,740	-	-	-
17 Purchased Water - LHHCWD	-	-	-	-	-	-	-	-
18 Purchased Water - CDWC	567,780	1,081,510	1,135,570	-	-	1,135,570	-	-
19 Purchased Water - Old Baldy	-	-	-	-	-	-	-	-
20 Purchased Water - Durwood	-	-	-	-	-	-	-	-
21 Purchased Water - Stored Water	826,740	1,581,000	1,614,350	-	-	1,614,350	-	-
22 Surcharge - Orchard Dale	-	-	-	-	-	-	-	-
23 Assessments - WRD	-	-	-	-	-	-	-	-
24 Assessments - MSGBWM	211,780	405,000	495,000	-	-	495,000	-	-
25 Subtotal	15,950,550	16,036,770	16,574,660	-	13,329,740	3,244,920	-	-
26 <u>Fixed Charges</u>								
27 TVMWD Equivalent Small Meters	62,640	62,590	64,200	-	64,200	-	-	-
28 TVMWD Water Use Charge	71,090	70,780	73,400	-	73,400	-	-	-
29 TVMWD Connected Capacity	59,370	59,330	61,040	-	61,040	-	-	-
30 MWD Capacity Reservation Charge	344,770	344,870	351,120	-	351,120	-	-	-
31 CDWC - Ready to Serve Charge	7,440	7,440	7,440	-	-	7,440	-	-
32 Subtotal	545,310	545,010	557,200	-	549,760	7,440	-	-
33 <u>Other Costs</u>								
34 Energy - Pumping and Treatment	115,230	324,000	300,000	-	-	300,000	-	-
35 Materials & Supplies - Chemicals	17,770	39,000	36,000	-	-	36,000	-	-
36 Materials & Supplies - Other	14,000	19,000	19,000	-	-	19,000	-	-
37 Other Costs (Labor etc.)	26,620	38,340	39,120	-	-	39,120	-	-
38 Lease Agreements - Old Baldy	100,000	103,000	103,000	-	-	-	103,000	-
39 Permits & Fees	2,060	2,100	2,100	-	2,100	-	-	-
40 Subtotal	275,680	525,440	499,220	-	2,100	394,120	103,000	-
41 <u>Administrative & General</u>								
42 Legal	100,000	100,000	100,000	100,000	-	-	-	-
43 Engineering	1,000	5,000	5,000	5,000	-	-	-	-
44 Professional Services- Other	80,000	125,000	125,000	125,000	-	-	-	-
45 Insurance - Property & Liability	4,860	10,000	5,000	5,000	-	-	-	-
46 Accounting/Auditing	8,040	8,040	8,040	8,040	-	-	-	-
47 Administrative Expenses - Other	37,000	30,000	40,000	40,000	-	-	-	-
48 Subtotal	230,900	278,040	283,040	283,040	-	-	-	-
49 Total Expenses	\$ 17,002,440	\$ 17,385,260	\$ 17,914,120	\$ 283,040	\$ 13,881,600	\$ 3,646,480	\$ 103,000	\$ -
50 Other Income/(Expense)								
51 Interest Income	15,000	400	10,000	10,000	-	-	-	-
52 Leased Water Revenue	50,000	-	-	-	-	-	-	-
53 Depreciation	-	-	-	-	-	-	-	-
54 Subtotal	65,000	400	10,000	10,000	-	-	-	-
55 Net Income (Loss) Before Transfers	\$ 72,840	\$ 15,400	\$ 25,000	\$ 10,000	\$ -	\$ 15,000	\$ -	\$ -
56 Transfers In: Maint. Reserve Funds Used	-	-	-	-	-	-	-	-
57 Transfers Out: Maint. Reserve Funds Collected	(7,840)	(15,000)	(15,000)	-	-	(15,000)	-	-
58 Net Income (Loss) After Transfers	\$ 65,000	\$ 400	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -
59 PBWA Maintenance Reserve			Total	Administrative	TVMWD	CDWC	Pomona Basin	LHHCWD
60 Beginning Balance July 1	\$ 133,194	\$ 133,194	\$ 141,034	\$ -	\$ -	\$ 119,940	\$ -	\$ 21,094
61 Transfers In	7,840	15,000	15,000	-	-	15,000	-	-
62 Transfers Out	-	-	-	-	-	-	-	-
63 Ending Balance June 30	\$ 141,034	\$ 148,194	\$ 156,034	\$ -	\$ -	\$ 134,940	\$ -	\$ 21,094

PUENTE BASIN WATER AGENCY FY 2019-20 Budget Supplement

The following is a supplement to the proposed budget and is intended to provide more specific detail and explanation of the major revenues and expenses proposed in the FY 19/20 Operating Budget.

REVENUES

Administrative Assessments RWD/WVWD

Represents payments received from the WVWD and RWD related to the administrative costs of the District. The administrative costs of the District are shared equally by both agencies.

Water Sales - Project RWD/WVWD

Represents payments received from the WVWD and RWD related to the production of water from PBWA water reliability projects. The costs and benefits of these projects is shared equally by the agencies.

Water Sales -TVMWD

Represents payments received from the WVWD and RWD related to water purchased from TVMWD. Unlike the project water sales, the amounts collected from each agency are based on the estimated costs associated with each individual agency's estimated purchases through the Joint Water Line. These costs include both the commodity and fixed charges assessed by TVMWD.

Project Maintenance Reserve

In an effort to ensure sufficient money is available to repair and maintain the LHCWD and CDWC projects, the agencies decided, through separate project agreements, to establish a maintenance reserve account to fund the repair of the facilities. The amounts collected will be reserved for this purpose. For FY 2019-20 the budgeted amount is \$15,000, related to expected production from the Cal Domestic project of 3,000 acre-feet. No water production related to the La Habra Heights project has been included in the budget. The maintenance reserve amounts are to be funded equally by the agencies.

Stored/Leased Water

The PBWA, through RWD and WVWD, has over the past several years purchased and stored untreated water in the Main Basin to be used initially by the CDWC project. For the current year budget, it is anticipated that the CDWC project will produce 3,000 AF of water. Based on the cost \$527 AF (purchase price) for 2,000 AF and \$560 AF for 1,000 AF, this amount has been included in the budgeted expenses and revenues.

EXPENSES

Source of Supply

Purchased Water - TVMWD - Represents the commodity cost, including TVMWD's surcharge, associated with the purchase of water from TVMWD. Costs are based on purchases of 12,664 acre-feet (RWD 5,104 acre-feet; WVWD 7,560 acre-feet).

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Purchased Water - LHCWD - Represents the estimated charges associated with purchase of water from LHCWD, as outlined in the agreement. For FY 19-20, no water production has been included in the budget.

Purchased Water - CDWC - Represents the estimated charges associated with purchase of water from CDWC, as outlined in the agreement. Includes the cost of untreated water, previously purchased and stored in the Main Basin. Based on water purchases of 3,000 acre-feet.

Surcharge Orchard Dale - In addition to the costs charged by LHCWD, the District must also pay a per acre-foot surcharge to Orchard Dale Water. No amount has been budgeted for FY 19-20

Assessments - WRD - Represents the cost of replenishment water related to the LHCWD & CDWC project. Based on water purchases of 3,000 acre-feet

Fixed Charges

These charges represent the fixed charges assessed to each respective agency by TVMWD and CDWC. These charges include the Imported Water Use Charge, Connected Capacity, Equivalent Small Meters, MWD Capacity Reservation Charge, and the CDWD Ready to Serve Charge. For the year the total charges are estimated to be \$1,059,640. RWD's share of this amount is \$407,740 and WVWD's share is \$651,900.

Other Costs

Energy - Represents the power cost associated with the pumping activities and treatment facilities of the water reliability projects.

Materials and Supplies - Chemicals - Estimated costs for chemicals used for the treatment facilities associated with the water reliability projects.

Materials and Supplies - Other - Estimated costs for other miscellaneous supplies necessary for the operation of the projects.

Other Costs - Estimated costs for RWD Labor and other professional fees related to operating and maintaining the project facilities.

Permits & Fees - Includes costs for WRD Admin Budget, Central Basin Water Rights fees, and Water Research foundation fees paid through TVMWD.

Administrative & General

Legal - To provide funds for legal expense related to the activities of the PBWA.

Engineering - To provide funds for professional engineering fees related to the management and reporting requirements for the Puente Basin

PUENTE BASIN WATER AGENCY
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Professional Services Other - To provide funds for professional services related to state funding, and other outside services not related to a specific project.

Insurance - Property and Liability - To provide funds for property and liability insurance

Accounting - To provide funds for auditing services. The budget amount is based on the approved contract with Davis Farr, LLC.

Administrative Expenses - Includes funding for internal labor, ACWA dues, and banking fees attributable to the activities of the PBWA.

Other Income/(Expenses)

Interest Income - Interest received from monies in the LAIF investment account.

COST SHARING AGREEMENT – LOBBYING SERVICES

This Cost Sharing Agreement – Lobbying Services (“Agreement”) is made, entered into and effective as of April __, 2019 (the “Effective Date”), by and among: Puente Basin Water Agency (“PBWA”), a joint powers agency consisting of Rowland Water District (“RWD”) and Walnut Valley Water District (“WVWD”); Valley County Water District, a county water district (“VCWD”); and Palmdale Water District, an irrigation district (“PWD”); and any additional agencies which may be added in the future (which entities may be referred to individually herein as a “Party” or collectively as the “Parties”), with respect to the following facts:

RECITALS

- A. Each Party is a water supplier duly organized and operating under applicable California law.
- B. The Parties desire to collectively engage a legislative advocacy firm, Reeb Government Relations LLC (the “Consultant”), to provide advocacy and lobbying services with respect to legislative and regulatory matters pending or which may be introduced in the California State Legislature and certain state agencies that impact the Parties’ interests, and desire to memorialize their agreement regarding their collective payment of the Consultant’s costs.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

- 1. Point of Contact. Tom Coleman of PBWA and RWD shall be designated as the point of contact between the Consultant and the Parties; provided, however, that the Consultant may freely communicate with any Party as necessary to efficiently obtain information or documents needed in connection with the services Consultant shall provide, as described in Section 1 of Exhibit A hereto (the “Services”).
- 2. Authorization to Execute Agreement with Consultant. The Parties hereby authorize PBWA, on the Parties’ collective behalf, to execute a Lobbying Firm Retention Contract (the “Services Agreement,” a true and correct copy of which is attached hereto as Exhibit A and incorporated herein by this reference) with the Consultant, subject to each Party’s review and concurrence in such agreement, which review and concurrence shall occur as each Party shall determine to be appropriate, provided that each Party shall provide PBWA with its written concurrence to the Services Agreement. Any material amendment to the Services Agreement (i.e., an increase in price, extension of delivery schedule or significant change in the scope of work to be performed by the Consultant) shall be subject to the review and approval of each Party.

3. Cost Sharing. As stated in the Services Agreement, Consultant shall bill PBWA the sum of \$6,000 per month as compensation for the Services, plus reimbursable costs under the Services Agreement. The Parties shall be responsible for the following shares of that monthly fee: PBWA: \$3,333.34 per month; PWD: \$1,666.66 per month; and VCWD: \$1,000 per month. Reimbursable costs incurred by the Consultant shall be initially split with PBWA paying one-half (1/2) of such costs, and PWD and VCWD each paying one-quarter (1/4) of such costs, with that split to be proportionately adjusted as additional Parties join the Agreement. As to the monthly fee, PBWA's share shall decrease as additional Parties join this Agreement, as shall be agreed as between PBWA and any such additional Party, and this Section 3 shall be amended accordingly. PBWA and VCWD agree that VCWD's share shall be reduced proportionately after more than four additional Parties have joined the Agreement. The Consultant shall invoice PBWA each month and PBWA shall in turn invoice each Party for that Party's share of such fees and costs and each Party shall pay PBWA such costs within twenty-five (25) days of receipt of PBWA's invoice. PBWA shall pay Consultant in accordance with the terms of the Services Agreement.

4. Failure to Pay. If a Party fails to timely pay PBWA as set forth in Section 3, above, that Party shall thereafter pay PBWA within three (3) calendar days of receipt from PBWA of a final written demand for payment. If that Party does not pay PBWA its respective share within that three (3) day period, then the other Parties that have paid PBWA shall further pay to PBWA their proportionate share of the unpaid amounts (by way of example, if there are six Parties to the Agreement and four of the Parties have paid PBWA and two Parties have not, then each of the four Parties that have paid PBWA their respective shares shall contribute to PBWA one-fourth (1/4th) of the total unpaid amount). If the Party that has failed to pay PBWA its share subsequently pays PBWA that share, PBWA shall credit to the other Parties the contributions made pursuant to this paragraph. If such payment is not made within that three (3) calendar day period, PBWA may commence legal action to collect the unpaid amount, and the Party that has failed to pay those costs shall be liable for all costs of collection incurred by PBWA, including attorneys' fees. Within three (3) business days of recovery of such payment, PBWA shall reimburse or credit the other Parties the contributions made pursuant to this paragraph.

5. Confidentiality. To the extent permitted by law, the Parties shall maintain the confidentiality of information provided by Consultant that is marked "confidential."

6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

7. Amendment. This Agreement may be modified only by a written agreement signed by the Parties.

8. Severability. If any court determines that any provision of this Agreement is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this Agreement invalid or unenforceable and such

provision shall be modified, amended or limited only to the extent necessary to render it valid and enforceable.

9. Counterparts; Execution by Fax or E-Mail. This Agreement may be executed in counterparts, effective as of the Effective Date first set forth above. The parties agree that this Agreement will be considered signed when the signature of a party is delivered by facsimile or e-mail transmission. Such facsimile or e-mail signature shall be treated in all respects as having the same effect of an original signature.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as of the last date set forth below.

Puente Basin Water Agency

Dated: April __, 2019

By _____
Erik Hitchman, Administrative Officer

Valley County Water District

Dated: April __, 2019

By _____
Jose Martinez, General Manager

Palmdale Water District

Dated: April __, 2019

By _____
Dennis LaMoreaux, General Manager

EXHIBIT A

Reeb Government Relations, LLC

1107 9th Street, Suite 230
Sacramento CA 95814
Phone: 916-558-1926
Facsimile: 916-558-1932
robertreeb@comcast.net

LOBBYING FIRM RETENTION CONTRACT

The following constitutes a lobbying firm retention contract between **REEB GOVERNMENT RELATIONS, LLC** (“RGR” hereinafter), or its legal successor in interest, and **PUENTE BASIN WATER AGENCY** (“PBWA” hereinafter), or its legal successor in interest.

1. **SERVICES TO BE PERFORMED**—PBWA engages the services of RGR as an independent contractor. RGR will provide advice and representation to PBWA and on behalf of other local water agencies associated with PBWA pursuant to a written Cost Sharing Agreement. Services will relate to California state legislative and regulatory matters. Such services shall include:

- A. Representation in the State Capitol and with the Executive Branch in regard to the 2019-20 California legislative program of the participating agencies.
- B. Research and analysis of state legislative and regulatory issues and related initiatives; drafting legislation and amendments thereto relating to such issues.
- C. Legislative reporting services as may be required by the participating agencies.
- D. Participation and attendance at meetings, upon request by the participating agencies, including, but not limited to, meetings related to issues management and formation of lobbying coalitions.

RGR will work under the direction of a management steering committee of the participating agencies, which shall include PBWA’s management, and will coordinate services to be performed with same. Initially, Tom Coleman shall be PBWA’s point of contact with RGR.

**Puente Basin Water Agency
Lobbying Firm Retention Contract
Page 2 of 3**

- B. TERMS OF PAYMENT—PBWA will pay RGR, according to terms and conditions set forth herein, a fee of SIX THOUSAND AND NO/100 DOLLARS (\$6,000.00) per month for the period of April 1, 2019 through October 31, 2020. This amount shall be due on the first (1st) day of each month from April 2019 through October 2020, inclusive. Payment shall cover all time expended by RGR personnel unless otherwise agreed to by RGR and PBWA.
- A. Invoices shall be submitted monthly by RGR for payment by PBWA. Payment is past due the next business day following the fifteenth of the month. If PBWA has any valid reason for disputing any portion of an invoice, PBWA will so notify RGR within seven (7) calendar days of receipt of invoice, and if no such notification is given, the invoice shall be deemed valid. The portion of RGR's invoice that is not in dispute shall be paid in accordance with the procedures set forth herein.
- B. PBWA shall reimburse RGR all costs incurred in connection with the services rendered. Reimbursable costs include, but are not limited to, travel costs, telephone, facsimile, copies, and delivery that are attributable to the services rendered. Travel costs are defined as air travel, lodging, meals and incidentals, ground transportation, and all costs associated with travel. All extraordinary travel expenses must receive PBWA's prior approval. RGR shall provide to PBWA substantiation of reimbursable costs incurred. In no event shall the aggregate amount of reimbursable costs payable by PBWA in 2019 exceed the amount of THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00). Any expense incurred in excess of THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00) shall be the legal responsibility of RGR.
- C. A finance charge of 1.5% per month on the unpaid amount of an invoice will be charged on past due accounts. Payments by PBWA will thereafter be applied first to accrued interest and then to the principal unpaid balance. Any attorney fees, court costs, or other costs incurred in collection of delinquent accounts shall be paid by PBWA. If payment of invoices is not current, RGR may suspend performing further work.
3. INDEPENDENT CONTRACTOR—It is understood that RGR will function as an independent contractor and will hold itself out as such and will be without authority to obligate PBWA for indebtedness, contracts, or other legal obligations.

**Pico Water District
Lobbying Firm Retention Contract
Page 3 of 3**

4. **POLITICAL REFORM ACT**—RGR will be solely responsible for its filing and reporting obligations pursuant to the Political Reform Act of 1974, as it may be amended from time to time. PBWA, and any other participating agencies, will be solely responsible for their respective filing and reporting obligations pursuant to the Political Reform Act of 1974, as it may be amended from time to time.

5. **GOVERNING LAW** - This contract shall be governed by and construed pursuant to the laws of the State of California.

6. **ENTIRE AGREEMENT** - This contract represents the entire agreement of the parties and no other representations, promises or agreements, oral or otherwise, shall be of any force or effect. This contract may be supplemented, amended or revised only in writing by agreement of the parties.

7. **TERM OF CONTRACT**—This engagement shall be subject to review at any mutually agreed upon time. Either party may terminate this engagement without cause by giving written notice at least sixty (60) days prior to the date of termination. PBWA's obligation to pay any further monthly installments shall cease upon the date of the termination and PBWA shall have no further monetary obligation to RGR as of that date of termination. The effective date of this agreement is April 1, 2019, and it shall terminate on October 31, 2020.

**PUENTE BASIN WATER
AGENCY**
271 South Brea Canyon Road
Walnut, CA 91789

**REEB GOVERNMENT
RELATIONS, LLC**
1107 9th Street, Suite 230
Sacramento, CA 95814

By: Erik Hitchman
Administrative Officer

By: Robert J. Reeb
Managing Officer

Date: April __, 2019

Date: April __, 2019