

Board of Directors

Russ Baggerly, Director
Angelo Spandrio, Director
Brian Brennan, Director

Pete Kaiser, Director
James Word, Director

CASITAS MUNICIPAL WATER DISTRICT
Meeting to be held at the
Casitas Board Room
1055 Ventura Ave.
Oak View, CA 93022
September 25, 2019 @ 3:00 PM

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of §54954.2 of the Government Code and except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under section 54954.3 of the Government Code.

Special Accommodations: If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance at (805) 649-2251, ext. 113. (Govt. Code Section 54954.1 and 54954.2(a)).

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. AGENDA CONFIRMATION
5. PUBLIC COMMENTS - Presentations on District related items that are not appearing on the agenda - three minute limit.
6. CONSENT AGENDA
 - 6.a. Minutes of the September 11, 2019 Board Meeting
[9 11 2019 Minutes.pdf](#)

7. ACTION ITEMS

- 7.a. Review, Approve and Accept District Accounts Payable Reports for the period of 8/22/19 to 9/11/19
[Accounts Payable Report.pdf](#)
- 7.b. Resolution authorizing the issuance of 2019 Special Tax Bonds for the Casitas Municipal Water District Community Facilities District No. 2013-01 (Ojai), and approving related documents and actions.
- a. Supplemental Agreement No. 1 to Fiscal Agent Agreement
 - b. Preliminary Official Statement
 - c. Bond Purchase Agreement
- [2019 Bonds CFD No 2013-1 \(Ojai\).pdf](#)
- 7.c. Approval of a Resolution instructing the Ventura County Watershed Protection District (VCWPD) to execute the California State Water Project Contract Extension (Amendment #14 to the VCWPD State Water Project Water Supply Contract) on behalf of Casitas Municipal Water District.
[Board Memo with Resolution SWP Contract Extension 092519.pdf](#)
[Casitas SWP Costs 092519.pdf](#)
[DWR Contract Extension Amendment Executive Summary - March 2019.pdf](#)
- 7.d. Review and approve staff recommendation to set Casitas Municipal Water District reserve account amounts for 2019/2020 Fiscal Year.
[Board Memo to Set Reserve Amounts 092519.pdf](#)
- 7.e. Approval of the Special Liability Insurance Program Renewal in the amount of \$70,697.47 to Alliant Insurance Services, Inc.
[Memo re SLIP.pdf](#)
[19-20 Special Liability Invoice.pdf](#)
- 7.f. Resolutions recognizing Lake Casitas Recreation Area staff members Jesse Mendez, Reily Brown and Lily Curtis for their exemplary actions taken in the active drowning emergency on August 15, 2019.
[Commendation August 15 2019.pdf](#)
- 7.g. Approve and Authorize the General Manager to sign a Task Order for engineering services to Michael K. Nunley & Associates, Inc. (MKN) in the not to exceed amount of \$68,658 for the Ojai Water System Transmission Main Optimization Study.
[Board Memo OWS Transmission Main Study Engineering Consultant Services.pdf](#)
- 7.h. Approve and Authorize the General Manager to sign a Task Order for engineering services to Water Works Engineers (WWE) in the not to exceed amount of \$89,243 for the Casitas Dam Drainage Improvements.
[Board Memo Casitas Dam Drainage Improvements Engineering Consultant Services.pdf](#)

- 7.i. Determine all bidders on pipeline projects undertaken by the District in 2020 must be pre-qualified prior to submitting bids.
[BoardMemo_ContractorPreQualification_20190925.pdf](#)
[PipelineContractorRFQ 2020.pdf](#)
- 7.j. Recommend approval of the purchase of a 2020 F250XL, 3/4 Ton 4x4 pickup for the Utility Department from Vista Ford of Oxnard in the amount of \$36,883.42.
[Utility Vehicle Purchase.pdf](#)
- 7.k. Recommend approval of the purchase of a 2020 F250, 3/4 Ton 4x4 pickup for the Distribution Department Supervisor from Vista Ford of Oxnard in the amount of \$42,212.67.
[Pipeline Supervisor Vehicle Purchase MEMO.pdf](#)
- 7.l. Consideration and possible action on a change of meeting time and place within the District's boundaries for the October 23, 2019 regular meeting of the Board of Directors of the Casitas Municipal Water District.

8. INFORMATION ITEMS

- 8.a. Hydrologic Status Report for August 2019
[Hydrology August 2019.pdf](#)
- 8.b. United Water Conservation District term sheet for purchase of Casitas MWD 2019 State Water Project Table A water supply.
[Board Info Memo on Table A Water Purchase with United WCD 092519.pdf](#)
- 8.c. Board Priority List Update
[Board Priorities Chart.pdf](#)
- 8.d. Executive Committee Minutes
[Exec Minutes 091319.pdf](#)
- 8.e. Water Resources Minutes
[Water Resources Minutes 091719.pdf](#)
- 8.f. Consumption Report
[Consumption 2019 - 2020.pdf](#)
- 8.g. CFD 2013-1 Report
[CFD 2013-1 Project Cost 09-11-2019.pdf](#)
- 8.h. Investment Report
[Investment Report 09-11-19.pdf](#)

9. GENERAL MANAGER COMMENTS

10. BOARD OF DIRECTOR REPORTS ON MEETINGS ATTENDED
11. BOARD OF DIRECTOR COMMENTS PER GOVERNMENT CODE SECTION 54954.2(a)
12. CLOSED SESSION
 - 12.a. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code §54956.9(a) Santa Barbara Channelkeeper v. State Water Resources Control Board; City of San Buenaventura, San Francisco County Superior Court, Case No. CPF-14-513875.
 - 12.b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code §54956.9(a) California Water Impact Network v. City of San Buenaventura, Ventura Superior Court, Case No. 56-2019-00532905-CU-WM-VTA.
13. ADJOURNMENT



Minutes of the Casitas Municipal Water District
Board Meeting Held
September 11, 2019

A meeting of the Board of Directors was held September 11, 2019 at the Casitas Municipal Water District located at 1055 Ventura Ave. in Oak View, California.

1. CALL TO ORDER

President Kaiser called the meeting to order at 3:00 p.m.

2. ROLL CALL

Directors Word, Spandrio, Baggerly and Kaiser were present. Director Brennan arrived at 3:02 p.m. Also present were Michael Flood, General Manager, Rebekah Vieira, Clerk of the Board and Attorney Robert Kwong. There were two staff members and two members of the public in attendance.

3. PLEDGE OF ALLEGIANCE

President Kaiser led the Pledge of Allegiance

4. AGENDA CONFIRMATION

No Changes

5. PUBLIC COMMENTS - Presentations on District related items that are not appearing on the agenda - three minute limit.

Bruce Kuebler commented on the Board Survey and an error in the survey referencing a school bond. Mr. Flood explained that this has been fixed.

6. CONSENT AGENDA

6.a. Minutes of the August 28, 2019 Board Meeting

On the motion of Director Baggerly, Seconded by Director Brennan, the Consent Agenda was approved by the following roll call vote:

AYES: Directors: Word, Spandrio, Brennan, Baggerly, Kaiser

NOES: Directors: None
ABSENT: Directors: None

7. ACTION ITEMS

APPROVED

- 7.a. Review, Approve and Accept District Accounts Payable Reports for the period of 8/15/19 to 8/28/19.

On the motion of Director Word, seconded by Director Brennan, the accounts payable report was approved by the following roll call vote:

AYES: Directors: Word, Spandrio, Brennan, Baggerly, Kaiser
NOES: Directors: None
ABSENT: Directors: None

- 7.b. Public Hearing and Possible Adoption of an Ordinance Increasing Compensation Authorized to be paid to the Board of Directors pursuant to Water Code Section 20200, et. seq.

President Kaiser opened the public hearing at 3:04. The Clerk of the Board reported that no communications had been received. Hearing no public wishing to speak on this issue President Kaiser closed the meeting at 3:06 p.m. and the ordinance was offered by Director Word, seconded by Director Brennan and passed by the following roll call vote:

AYES: Directors: Word, Spandrio, Brennan, Baggerly, Kaiser
NOES: Directors: None
ABSENT: Directors: None

- 7.c. Authorize the General Manager to sign Professional Services Agreements with IRJ Engineers Inc. and GHD Inc. for On-Call Electrical Engineering Services for Fiscal Year 2019-2020.

On the motion of Director Baggerly, seconded by Director Brennan, the above recommendation was approved by the following roll call vote:

AYES: Directors: Word, Spandrio, Brennan, Baggerly, Kaiser
NOES: Directors: None
ABSENT: Directors: None

8. INFORMATION ITEMS

APPROVED

- 8.a. Engineering Status Report for August 2019.
8.b. Recreation Committee Minutes
8.c. Lake Casitas Recreation Area Report for July 2019.

8.d. CFD 2013-01 Report

8.e. Investment Report

9. GENERAL MANAGER COMMENTS

Mr. Flood provided an update on work on the Ojai System at Ventura Street and Sunset Place. He shared a piece of old four inch cast iron pipe from the Ojai system that was installed in 1934 and used until it was pulled yesterday.

State water project talks are ongoing.

10. BOARD OF DIRECTOR REPORTS ON MEETINGS ATTENDED

None

11. BOARD OF DIRECTOR COMMENTS PER GOVERNMENT CODE SECTION 54954.2 (a).

Director Word questioned when the AGM would begin and Mr. Flood replied November 4th. President Kaiser suggested that since 45,000 people are represented in the Ventura area that we should look at holding a board meeting in Ventura and bring that back on a board agenda.

President Kaiser moved the meeting to closed session at 3:25 p.m.

12. CLOSED SESSION

12.a. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code §54956.9(a)
Santa Barbara Channelkeeper v. State Water Resources Control Board; City of San Buenaventura, San Francisco County Superior Court, Case No. CPF-14-513875.

12.b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Government Code §54956.9(b)
Number of potential cases: 1

12.c. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code §54956.9(a)
Bodycombe v. Casitas Municipal Water District. Ventura Superior Court, Small Claims Division, Case No. 2019SC000978.

President Kaiser moved the meeting back to open session at 3:45 p.m. stating there was nothing to report.

13. ADJOURNMENT

President Kaiser adjourned the meeting at 3:45 p.m.

Brian Brennan, Secretary

CERTIFICATION

Payroll disbursements for the pay period ending 09/07/19
Pay Date of 09/12/19
have been duly audited and are
hereby certified as correct.

Signed: Denise Collin 9/9/19
Denise Collin

Signed: _____
Signature

Signed: _____
Signature


Signed: _____
Signature

CASITAS MUNICIPAL WATER DISTRICT
Payable Fund Check Authorization
Checks Dated 08/29/19-09/11/19
Presented to the Board of Directors For Approval September 25, 2019

Check	Payee		Description	Amount
000909	Payables Fund Account	# 9759651478	Accounts Payable Batch 090419	\$972,776.53
000910	Payables Fund Account	# 9759651478	Accounts Payable Batch 091119	\$157,759.43
				\$1,130,535.96
000911	Payroll Fund Account	# 9469730919	Estimated Payroll 10/10/19	\$250,000.00
			Total	\$1,380,535.96

Publication of check register is in compliance with Section 53065.6 of the Government Code which requires the District to disclose reimbursements to employees and/or directors.

The above numbered checks, 000909-000911 have been duly audited is hereby certified as correct.

 9/11/19

 Denise Collin, Chief Financial Officer

 Signature

 Signature

 Signature

VENDOR SET: 01 Casitas Municipal Water D
 BANK: * ALL BANKS
 DATE RANGE: 8/29/2019 THRU 9/11/2019

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
C-CHECK	VOID CHECK	V	9/04/2019			035299		
C-CHECK	VOID CHECK	V	9/04/2019			035393		
C-CHECK	VOID CHECK	V	9/04/2019			035394		

* * T O T A L S * *

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	0	0.00	0.00	0.00
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	0	0.00	0.00	0.00
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	3	VOID DEBITS 0.00		
		VOID CREDITS 0.00	0.00	0.00

TOTAL ERRORS: 0

VENDOR SET: 01	BANK: *	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
			3	0.00	0.00	0.00
BANK: *		TOTALS:	3	0.00	0.00	0.00

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 8/29/2019 THRU 9/11/2019

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00049	STATE OF CALIFORNIA I-T2 201909101584 State Withholding	D	9/11/2019	13,116.41		000000		13,116.41
00128	INTERNAL REVENUE SERVICE I-T1 201909101584 Federal Withholding I-T3 201909101584 FICA Withholding I-T4 201909101584 Medicare Withholding	D D D	9/11/2019 9/11/2019 9/11/2019	34,790.61 37,493.20 9,452.18		000000 000000 000000		81,735.99
00187	CALPERS I-PBP201909101584 PERS BUY BACK I-PEB201909101584 PEPRA EMPLOYEES PORTION I-PEM201909101584 PERS EMPLOYEE PORTION MGMT I-PER201909101584 PERS EMPLOYEE PORTION I-PRB201909101584 PEBRA EMPLOYER PORTION I-PRR201909101584 PERS EMPLOYER PORTION	D D D D D D	9/11/2019 9/11/2019 9/11/2019 9/11/2019 9/11/2019 9/11/2019	161.96 7,406.17 2,568.27 6,567.17 7,664.03 11,337.11		000000 000000 000000 000000 000000 000000		35,704.71
00004	ACWA JOINT POWERS INSURANCE AU I-0618985 Health Insurance 8/19 I-0623276 Health Insurance 9/19	R R	9/04/2019 9/04/2019	160,925.69 160,764.45		035296 035296		321,690.14
04422	Chantel Allen I-805066 Camping Cancellation - LCRA	R	9/04/2019	85.00		035297		85.00
03044	Amazon Capital Services C-16VT-V1Q4-Y9DGb Accure Use Tax C-1JVV-PH9M-XJMPb Accrue Use Tax D-16VT-V1Q4-Y9DGa Accrue Use Tax D-1JVV-PH9M-XJMPa Accrue Use Tax I-119K-MDP3-PTPN Tool Box - Unit 056 I-16VT-V1Q4-H4L4 Pressure Washer&Headset-LC/ADM I-16VT-V1Q4-Y9DG Erlenmeyer Flasks - TP I-1FP7-117C-RXK3 Markers & White Board - TP I-1JVV-PH9M-XJMP Privacy Locks - WHS I-1K6M-CYMH-T1RH Atomic Clock - ENG I-1TH3-TN7M-DG9T Antennas - EM I-1XDG-CYGD-6YHM Trailer Swivel & Keys - LC/EM I-1YDD-NJWD-MD3R Daucet & Imapct Wrench - MAINT	R R R R R R R R R R R R R R R R	9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019	2.32CR 5.44CR 2.32 5.44 739.44 948.40 31.98 77.16 75.00 35.38 209.95 83.12 111.65		035298 035298 035298 035298 035298 035298 035298 035298 035298 035298 035298 035298 035298 035298 035298 035298		2,312.08
00014	AQUA-FLO SUPPLY I-SI1412852 Valves,Fittings,Adapters -LCRA I-SI1415247 PVC Fittings - PL	R R	9/04/2019 9/04/2019	399.75 49.03		035300 035300		448.78
01703	ARNOLD LAROCHELLE MATTHEWS I-55982 Matter # 5088-016 6/19 I-55983 Matter # 5088-001 6/19 I-56220 Matter # 5088-016 7/19 I-56221 Matter # 5088-001 7/19 I-56222 Matter # 5088-022 7/19	R R R R R	9/04/2019 9/04/2019 9/04/2019 9/04/2019 9/04/2019	3,607.26 8,694.27 984.00 12,599.69 48.00		035301 035301 035301 035301 035301		25,933.22

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 8/29/2019 THRU 9/11/2019

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
02179 I-1752	Art Street Interactive Reservation Sys. Hosting/Maint	R	9/04/2019	542.15		035302		542.15
01666 I-000013528058	AT & T Acct#9391062398	R	9/04/2019	109.31		035303		109.31
01666 I-000013529615	AT & T Acct#9391064013	R	9/04/2019	21.73		035304		21.73
04202 I-081819	AT&T Acct#296003321	R	9/04/2019	54.25		035305		54.25
04423 I-858920	John Attieh Camping Transfer - LCRA	R	9/04/2019	8.00		035306		8.00
00021 I-06-11981	AWA OF VENTURA COUNTY Presidential Sponserhip	R	9/04/2019	2,500.00		035307		2,500.00
00030 I-1900935639	B&R TOOL AND SUPPLY CO Cage Drum Machine - LCRA	R	9/04/2019	1,670.33		035308		1,670.33
04044 I-794313	David Barajas Camping Cancellation - LCRA	R	9/04/2019	142.00		035309		142.00
04424 I-851448	Hector Barragan Camping Cancellation - LCRA	R	9/04/2019	85.00		035310		85.00
02922 I-19-529	Bartel Associates, LLC Actuarial Consulting Services	R	9/04/2019	1,300.00		035311		1,300.00
00032 I-190984	BIOVIR LABORATORIES, INC Giardia/Crypto Test 7/11/19	R	9/04/2019	357.88		035312		357.88
04465 I-821043	Jennifer Blair Camping Reduction - LCRA	R	9/04/2019	30.00		035313		30.00
04021 I-BA6432	Blankinship & Associates, Inc. Cu for Aquatic Pesticide - LAB	R	9/04/2019	6,195.00		035314		6,195.00
04425 I-817695 I-817698	Jenny Block WP Ticket Refund - LCRA Camping Cancellation - LCRA	R R	9/04/2019 9/04/2019	47.00 190.00		035315 035315		237.00

VENDOR SET: 01 Casitas Municipal Water D
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 DATE RANGE: 8/29/2019 THRU 9/11/2019

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
04111 I-BU01153580	Roadpost, Inc. Sat Phone Service - TP	R	9/04/2019	55.35		035316		55.35
03207 I-012699	BMI PacWest Inc. Quarterly AC Maint. - LCRA	R	9/04/2019	1,149.00		035317		1,149.00
04426 I-821599	Alysia Bohinski Camping Cancellation - LCRA	R	9/04/2019	100.00		035318		100.00
04427 I-803997	Lorreine Borrayo-Manos Camping Cancellation - LCRA	R	9/04/2019	85.00		035319		85.00
03059 I-BPI974324	Brenntag Pacific Inc. Chlorine for Ojai Sys. - TP	R	9/04/2019	975.14		035320		975.14
04428 I-827813	Lourdes Brito Camping Transfer - LCRA	R	9/04/2019	9.00		035321		9.00
04429 I-817467	Stephanie Brooks Camping Cancellation - LCRA	R	9/04/2019	105.00		035322		105.00
04430 I-783091	Doreen Brown Camping Cancellation - LCRA	R	9/04/2019	85.00		035323		85.00
00463 C-569685 I-568997	Cal-Coast Machinery Blade Return - MAINT Mower Blades - MAINT	R R	9/04/2019 9/04/2019	50.23CR 136.97		035324 035324		86.74
03702 I-69772 I-69773 I-69774	Cannon Corporation Valves & App Ventura St. - ENG Rice Bridge Replacement - ENG De La Garrigue Bridge Rep -ENG	R R R	9/04/2019 9/04/2019 9/04/2019	1,411.40 1,486.75 4,178.50		035325 035325 035325		7,076.65
04431 I-795955	Berna Carpio Camping Cancellation - LCRA	R	9/04/2019	85.00		035326		85.00
04432 I-796964	Diego Carrillo Camping Cancellation - LCRA	R	9/04/2019	130.00		035327		130.00
09907 I-SLS10077639	CARUS PHOSPHATES, INC. Blended Phosphate - TP	R	9/04/2019	22,966.84		035328		22,966.84
00117 I-10730385-00	CERTEX USA, INC Cable for Buoy Line - TP	R	9/04/2019	4,150.37		035329		4,150.37

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 DATE RANGE: 8/29/2019 THRU 9/11/2019

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
10010	KEVIN R. CHAMPLIN							
I-090319	Water Treatment Book - UT	R	9/04/2019	140.00		035330		140.00
02322	Coast Cart, Inc.							
I-16311	Fuel Pump - Unit EZ1	R	9/04/2019	105.45		035331		
I-16311a	Fuel Pump & Brush - Unit 9393	R	9/04/2019	177.58		035331		283.03
01843	COASTAL COPY							
I-867692	Copier Usage - LCRA	R	9/04/2019	294.91		035332		
I-868093	Copier Usage - WHS	R	9/04/2019	56.47		035332		
I-869373	Copier Usage - ADM	R	9/04/2019	447.32		035332		798.70
04458	Pamela Colby							
I-843898	WP Ticket Refund - LCRA	R	9/04/2019	22.00		035333		22.00
00071	COMMANDER PRINTED PRODUCTS							
I-108967	Campground Brochures - LCRA	R	9/04/2019	2,949.38		035334		2,949.38
00061	COMPUWAVE							
I-SB02093389	Toners - LCRA	R	9/04/2019	447.77		035335		447.77
00062	CONSOLIDATED ELECTRICAL							
I-9009-795556	Cement, Bolts, Washers - TP	R	9/04/2019	60.73		035336		60.73
00719	CORELOGIC INFORMATION SOLUTION							
I-81976589	Realquest Subscription	R	9/04/2019	137.50		035337		137.50
04459	Arely Corpeno							
I-833665	WP Ticket Refund - LCRA	R	9/04/2019	90.00		035338		90.00
01483	CORVEL CORPORATION							
I-6/13822349-1	Bill Review	R	9/04/2019	15.49		035339		15.49
04433	Cesar Cruz							
I-788053	Camping Cancellation - LCRA	R	9/04/2019	123.00		035340		123.00
04434	Myla D'Castro							
I-786189	Camping Cancellation - LCRA	R	9/04/2019	110.00		035341		110.00
04435	Barry Daniels							
I-803607	Camping Cancellation - LCRA	R	9/04/2019	95.00		035342		95.00
00740	DELL MARKETING L.P.							
I-10335778637	Dell Rugged Laptop - TP	R	9/04/2019	1,690.47		035343		1,690.47

VENDOR SET: 01 Casitas Municipal Water D
 BANK: AP ACCOUNTS PAYABLE
 DATE RANGE: 8/29/2019 THRU 9/11/2019

VENDOR I.D.	NAME	STATUS	CHECK DATE	INVOICE AMOUNT	DISCOUNT	CHECK NO	CHECK STATUS	CHECK AMOUNT
00081	DELTA LIQUID ENERGY							
I-11820	Propane - LCRA	R	9/04/2019	448.89		035344		
I-29751	Propane - TP	R	9/04/2019	253.78		035344		702.67
03198	Department of Toxic Substances							
I-201949407	EPA ID & Haz Waste Fees - SAF	R	9/04/2019	615.00		035345		615.00
00662	Diamond A Equipment							
I-PICPAK	Radiator Assembly - Unit 284	R	9/04/2019	511.11		035346		511.11
04436	Monica Diaz							
I-789611	Camping Cancellation - LCRA	R	9/04/2019	130.00		035347		130.00
03910	DoiT International USA, INC							
I-IN194000631	Google Apps 7/19	R	9/04/2019	1,413.29		035348		
I-IN194000840	Google Apps 8/19	R	9/04/2019	1,422.19		035348		2,835.48
00086	E.J. Harrison & Sons Inc							
I-1558	Acct#500546088	R	9/04/2019	2,672.98		035349		2,672.98
00086	E.J. Harrison & Sons Inc							
I-28086	Acct#1C00053370	R	9/04/2019	204.97		035350		204.97
00086	E.J. Harrison & Sons Inc							
I-28106	Acct#1C00054230	R	9/04/2019	7,191.69		035351		7,191.69
04437	Willis Edwards							
I-784987	Camping Cancellation - LCRA	R	9/04/2019	190.00		035352		190.00
01705	RJ FADDIS							
I-July 19	Reimburse Expenses 7/19	R	9/04/2019	99.00		035353		99.00
00714	FAST SIGNS							
I-264-43563	Door Stickers - Units 73,89,55	R	9/04/2019	139.97		035354		139.97
00013	FERGUSON ENTERPRISES INC							
I-7934736	Fitting - LCRA	R	9/04/2019	21.13		035355		21.13
00099	FGL ENVIRONMENTAL							
I-908727A	DBP Monitoring 7/1/19	R	9/04/2019	344.00		035356		344.00
00101	FISHER SCIENTIFIC							
I-3115681	Boston Square Bottles - LAB	R	9/04/2019	42.54		035357		
I-3600692	Gloves - LAB	R	9/04/2019	40.74		035357		
I-4134939	Imhoff Cone - LAB	R	9/04/2019	53.61		035357		136.89

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04438	Yolanda Flores							
I-785286	Camping Cancellation - LCRA	R	9/04/2019	187.00		035358		187.00
00104	FRED'S TIRE MAN							
I-118789	Oil Change/Tire Rotate-Unit 12	R	9/04/2019	111.89		035359		
I-118958	Flat Repair - Unit 17	R	9/04/2019	20.00		035359		
I-118960	Oil & Tire Service - Unit 14	R	9/04/2019	1,039.52		035359		1,171.41
00106	FRONTIER PAINT							
I-F0249984	Wall Scrapers & Pole - MAINT	R	9/04/2019	53.75		035360		53.75
04439	Arthur Gacad							
I-847283	Camping Reduction - LCRA	R	9/04/2019	38.00		035361		38.00
03647	Jared Gonzales							
I-784071	Camping Cancellation - LCRA	R	9/04/2019	90.00		035362		90.00
00115	GRAINGER, INC							
I-9261888821	Battery Pack - EM	R	9/04/2019	104.25		035363		
I-9275913581	Spill Platform&Wrench- DO/LCRA	R	9/04/2019	1,045.85		035363		1,150.10
00121	HACH COMPANY							
I-11595846	Sensor Cap Replace - TP	R	9/04/2019	138.35		035364		
I-11607085	Reagents - LAB	R	9/04/2019	100.64		035364		238.99
04143	Drew Haney							
I-777149a	Camping Cancellation - LCRA	R	9/04/2019	105.00		035365		105.00
02748	Hanna Instruments							
I-USA40042039-1	Solutions & Standards - FISH	R	9/04/2019	88.79		035366		88.79
04440	Sarah Hedge							
I-861809	Day Use Refund - LCRA	R	9/04/2019	10.00		035367		10.00
04441	Elias Herrera							
I-790357	Camping Cancellation - LCRA	R	9/04/2019	127.00		035368		127.00
02415	William Holliday							
I-862516	Day Use Refund - LCRA	R	9/04/2019	20.00		035369		20.00
04460	Macey Holmes							
I-838709	WP Ticket Refund - LCRA	R	9/04/2019	35.00		035370		35.00

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04442	Zach Holt							
I-811878	Camping Cancellation - LCRA	R	9/04/2019	95.00		035371		95.00
00596	HOME DEPOT							
I-6478193	Shop Vac - EM	R	9/04/2019	106.18		035372		
I-6904286	Cords & Storage Reel - EM	R	9/04/2019	240.42		035372		346.60
02288	Hopkins Technical Products, In							
I-3619300916	3M Tank Mixer - LAB	R	9/04/2019	7,929.25		035373		7,929.25
00127	INDUSTRIAL BOLT & SUPPLY							
I-203084-1	Hex Nuts - MAINT	R	9/04/2019	36.80		035374		36.80
01634	INTERSTATE BATTERIES							
I-55640047	Second Battery - Unit 47	R	9/04/2019	130.95		035375		130.95
04302	J&J Chemical Co.							
I-246815	Exhaust Tank&Fragrance-Unit 73	R	9/04/2019	718.29		035376		718.29
02344	Janitek Cleaning Solutions							
I-35342A	Janitorial Services - DO	R	9/04/2019	1,959.10		035377		1,959.10
00131	JCI JONES CHEMICALS, INC							
I-798686	Chlorine - TP, CM 798819	R	9/04/2019	1,650.00		035378		
I-798691	Chlorine - TP, CM 798691	R	9/04/2019	899.94		035378		2,549.94
04443	Corie Johnson							
I-817473	Camping Reduction - LCRA	R	9/04/2019	60.00		035379		60.00
00667	Kennedy/Jenks Consultants, Inc							
I-132348	Casitas/VTA SWP Pre Design	R	9/04/2019	23,943.70		035380		23,943.70
02598	Konecranes, Inc.							
I-154157146	Push Buttons - TP	R	9/04/2019	54.46		035381		54.46
00328	LIGHTNING RIDGE							
I-7211901	Uniform Shirts - WP	R	9/04/2019	191.75		035382		
I-8061907	Uniform T-shirts - OM	R	9/04/2019	232.19		035382		
I-8191903	Uniform Shirts - MAINT	R	9/04/2019	460.79		035382		884.73
04444	Jose Luna							
I-846231	Camping Cancellation - LCRA	R	9/04/2019	65.00		035383		65.00

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04445	Tiffany Madsen							
I-815296	Camping Cancellation - LCRA	R	9/04/2019	85.00		035384		85.00
04447	Carolyn Magee							
I-799890	Camping Cancellation - LCRA	R	9/04/2019	235.00		035385		
I-799892	Camping Cancellation - LCRA	R	9/04/2019	55.00		035385		290.00
00145	MAGNUM FENCE & SECURITY, INC.							
I-12969	Mutual Plant Gate Repair - PL	R	9/04/2019	989.00		035386		989.00
04446	Jaselle Maldonado							
I-818636	Camping Cancellation - LCRA	R	9/04/2019	71.00		035387		71.00
04448	Adam Mallord							
I-813164	Camping Cancellation - LCRA	R	9/04/2019	630.00		035388		630.00
04449	Bryan May							
I-841172	Camping Cancellation - LCRA	R	9/04/2019	95.00		035389		95.00
04450	Mike McKenzie							
I-832357	Camping Cancellation - LCRA	R	9/04/2019	175.00		035390		175.00
00329	MCMASTER-CARR SUPPLY CO.							
I-13637724	Air Fill Valve - EM	R	9/04/2019	25.40		035391		25.40
00151	MEINERS OAKS ACE HARDWARE							
C-890555	Flaring Tool Tube Return - WHS	R	9/04/2019	13.36CR		035392		
I-884502	Bolts & Screws - IT	R	9/04/2019	2.56		035392		
I-889375	Tube, Bolts, Screws - LCRA	R	9/04/2019	43.12		035392		
I-889715	Bags, Tape, Padlock - WP	R	9/04/2019	34.29		035392		
I-889901	Bolts, Screws, Fittings - EM	R	9/04/2019	25.66		035392		
I-890121	Goof Off & Gloves - PL	R	9/04/2019	7.88		035392		
I-890472	Cleaner - PL	R	9/04/2019	12.79		035392		
I-890841	Gloves - MAINT	R	9/04/2019	33.54		035392		
I-890842	Cleaner & Tape - WP	R	9/04/2019	16.74		035392		
I-890872	Levers - LCRA	R	9/04/2019	8.18		035392		
I-890984	Washers, Bolts, Screws - LCRA	R	9/04/2019	21.64		035392		
I-891068	Tape, Batteries, Liners - WP	R	9/04/2019	23.37		035392		
I-891072	Sign, Screwdriver, Bolts -LCRA	R	9/04/2019	61.20		035392		
I-891081	Roller Frame & Roller - WP	R	9/04/2019	16.17		035392		
I-891115	Spraypaint - PL	R	9/04/2019	27.65		035392		
I-891134	Paintbrushes & Solutions - WP	R	9/04/2019	62.44		035392		
I-891138	Bolts - LCRA	R	9/04/2019	1.29		035392		
I-891234	Fittings & Pipe - LCRA	R	9/04/2019	58.24		035392		
I-891298	Marking Paint - ENG	R	9/04/2019	12.87		035392		
I-891332	Hinges - LCRA	R	9/04/2019	13.65		035392		
I-891628	Paint & Tape - LCRA	R	9/04/2019	28.74		035392		
I-891668	Bolts, Screws, Masks - LCRA	R	9/04/2019	38.73		035392		

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I-891716	Hinges - LCRA	R	9/04/2019	11.70		035392		
I-892175	Trash Bags & Tape - LCRA	R	9/04/2019	37.76		035392		
I-892218	PVC - LCRA	R	9/04/2019	27.89		035392		
I-892274	Fittings & Hose - LCRA	R	9/04/2019	0.75		035392		
I-892310	Fittings & PVC - LCRA	R	9/04/2019	13.66		035392		
I-892351	Adapter & Elbow - LCRA	R	9/04/2019	4.60		035392		633.75
03724	Michael K. Nunley & Associates							
I-5746	OVPP Hydraulic Analysis - ENG	R	9/04/2019	6,843.00		035395		
I-5790	Signal Tank Evaluations - ENG	R	9/04/2019	843.50		035395		
I-5822	Running Ridge Zone Improv.-ENG	R	9/04/2019	14,748.00		035395		22,434.50
04451	Lauren Miller							
I-789710	Camping Cancellation - LCRA	R	9/04/2019	71.00		035396		71.00
03444	Mission Linen Supply							
I-510618224	Uniform Pants - TP	R	9/04/2019	32.16		035397		
I-510668312	Uniform Pants - TP	R	9/04/2019	32.16		035397		64.32
03808	Kim Moreno							
I-796035	Camping Cancellation - LCRA	R	9/04/2019	60.00		035398		60.00
04452	Laura Munoz							
I-783792	Camping Cancellation - LCRA	R	9/04/2019	127.00		035399		127.00
00163	OFFICE DEPOT							
I-362539766001	Office Supplies - WP	R	9/04/2019	14.84		035400		
I-362548897001	Office Supplies - WP	R	9/04/2019	201.70		035400		
I-362548898001	Office Supplies - WP	R	9/04/2019	47.39		035400		
I-369035657001	Office Supplies - LCRA	R	9/04/2019	225.26		035400		489.19
01570	Ojai Auto Supply							
C-469629	Oil Filter-Units EZ1,2,3,4,5,6	R	9/04/2019	9.18CR		035401		
I-469603	Blower Motor Resister -Unit 29	R	9/04/2019	136.10		035401		
I-469688	Blower Motor Assembly -Unit 29	R	9/04/2019	16.99		035401		
I-469922	Oil Filter - Units 9394/9395	R	9/04/2019	9.91		035401		
I-471365	Fuel Filters - Unit 117	R	9/04/2019	22.06		035401		175.88
00912	OJAI BUSINESS CENTER, INC							
I-14536a	Mail, Copies, Cutting - LCRA	R	9/04/2019	37.63		035402		
I-14536b	Shipment - LAB	R	9/04/2019	78.17		035402		115.80
00165	OJAI LUMBER CO, INC							
I-1908-935693	Wood, Oil, Foam Roller - EM	R	9/04/2019	72.95		035403		
I-1908-938208	Rebar - LCRA	R	9/04/2019	4.82		035403		77.77

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00884	OJAI TERMITE & PEST CONTROL, I							
I-195798	Monthly Rodent Service - MAINT	R	9/04/2019	75.00		035404		75.00
00602	OJAI TRUE VALUE							
I-52371	Hoses & Clamps - Unit 120	R	9/04/2019	30.80		035405		30.80
00169	OJAI VALLEY SANITARY DISTRICT							
I-21473	Cust # 20594	R	9/04/2019	287.25		035406		287.25
02495	Pacific Marine Repair Inc.							
I-739327	Check Codes - Unit 219	R	9/04/2019	396.91		035407		396.91
00184	POWERSTRIDE BATTERY CO, INC							
I-V600454	Battery - Unit 105	R	9/04/2019	213.05		035408		213.05
02833	Praxair, Inc							
I-91222584	Liquid Oxygen - TP	R	9/04/2019	2,378.86		035409		
I-91257531	Liquid Oxygen - TP	R	9/04/2019	2,305.36		035409		
I-91416389	Liquid Oxygen - TP	R	9/04/2019	1,998.93		035409		
I-91466466	Liquid Oxygen - TP	R	9/04/2019	2,403.68		035409		9,086.83
00788	QUINN COMPANY							
I-PCN10002815	Generator Service Manual - EM	R	9/04/2019	189.10		035410		189.10
04461	Kimberly Reeve							
I-846117	WP Ticket Refund - LCRA	R	9/04/2019	91.50		035411		91.50
04462	Linda Reidy							
I-838891	WP Ticket Refund - LCRA	R	9/04/2019	61.00		035412		61.00
00306	Rincon Consultants, Inc.							
I-14297	VTA-SB Inertie Services - ENG	R	9/04/2019	13,818.70		035413		
I-14298	Robles Cleanout - ENG	R	9/04/2019	12,233.70		035413		
I-14299	Timber Cutoff Wall Permits-ENG	R	9/04/2019	193.50		035413		
I-14312	Bio Monitoring Ventura St.-ENG	R	9/04/2019	1,352.00		035413		
I-14313	Env. Services @ Sunset - ENG	R	9/04/2019	1,735.64		035413		29,333.54
00313	ROCK LONG'S AUTOMOTIVE							
I-27330	Oil Change/Window Rep.-Unit 41	R	9/04/2019	444.29		035414		
I-27403	Oil Service - Unit 56	R	9/04/2019	126.22		035414		570.51
04463	Mayra Rodruiguez							
I-839253	WP Ticket Refund - LCRA	R	9/04/2019	74.00		035415		74.00

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02900	Greg Romey							
I-Aug 19	Reimburse Expenses 8/19	R	9/04/2019	715.07		035416		715.07
10246	RYDIN DECAL							
I-361402	Annual Decals - LCRA	R	9/04/2019	1,074.92		035417		1,074.92
03586	Jeff Savard							
I-817218	Camping Cancellation - LCRA	R	9/04/2019	175.00		035418		175.00
02756	SC Fuels							
I-1488258-IN	Gas & Diesel - LCRA	R	9/04/2019	3,027.43		035419		3,027.43
04454	Doug Scripture							
I-805354	Camping Cancellation - LCRA	R	9/04/2019	105.00		035420		105.00
04453	Janet Sidhu							
I-831756	Camping Cancellation - LCRA	R	9/04/2019	115.00		035421		115.00
04304	Signa Mechanical							
I-901557	Eone Sewer Pump - LCRA	R	9/04/2019	8,289.64		035422		8,289.64
00725	SMART & FINAL							
I-045195	Distilled Water - TP	R	9/04/2019	15.90		035423		15.90
00608	SMITH PIPE & SUPPLY INC.							
I-3486027	Roundup - MAINT	R	9/04/2019	1,055.95		035424		1,055.95
02770	Stoner's One Off Customs							
I-1722	Powercoat Tank - Unit 88	R	9/04/2019	380.00		035425		
I-1723	Tune Up Kit - Unit EZ6	R	9/04/2019	203.14		035425		583.14
00215	SOUTHERN CALIFORNIA EDISON							
I-082919a	Acct#2210503702	R	9/04/2019	13,136.70		035426		
I-083119a	Acct#2210505426	R	9/04/2019	1,636.14		035426		14,772.84
02950	Stantec Consulting Services In							
I-1545629	Comprehensive Water Res. Plan	R	9/04/2019	38,640.70		035427		38,640.70
00048	STATE OF CALIFORNIA							
I-090119	State Water Plan Payment	R	9/04/2019	210,791.00		035428		210,791.00
00048	STATE OF CALIFORNIA							
I-1910E53103	1988 Drinking Water Bond	R	9/04/2019	152,533.74		035429		152,533.74

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03730 I-787897	Hal Stone Camping Cancellation - LCRA	R	9/04/2019	187.00		035430		187.00
01696 I-4116	SUPERIOR MACHINE Motor Mount Blocks - EM	R	9/04/2019	177.79		035431		177.79
02057 I-RG2719850 I-RG2733883	Swank Motion Pictures, Inc. Movie Rental "Finding Dory" 8/10 Movie Rental "ET" 9/1	R R	9/04/2019 9/04/2019	423.00 423.00		035432 035432		846.00
04455 I-832019	Amber Tippett Camping Cancellation - LCRA	R	9/04/2019	175.00		035433		175.00
02323 I-083019	Mitch Tull 1102WC180000002 8/20-9/2	R	9/04/2019	1,899.68		035434		1,899.68
04456 I-863772	Maria Valdez Day Use Refund - LCRA	R	9/04/2019	20.00		035435		20.00
00257 I-083119a I-083119b	VENTURA RIVER WATER DISTRICT Acct#05-37500A Acct#03-50100A	R R	9/04/2019 9/04/2019	274.48 10.00		035436 035436		284.48
03758 I-9117-1907	County of Ventura - Fleet Serv BIT68,69,82,83,87-89,150,212,2	R	9/04/2019	4,018.37		035437		4,018.37
00663 I-78506687 I-78515045	WAXIE SANITARY SUPPLY Chemical Sprayer - DO Janitorial Supplies - ADM	R R	9/04/2019 9/04/2019	3.46 427.92		035438 035438		431.38
04457 I-797565	Keneth Williams Camping Cancellation - LCRA	R	9/04/2019	127.00		035439		127.00
04464 I-831602	Mandy Youngblood WP Ticket Refund - LCRA	R	9/04/2019	3.00		035440		3.00
1 I-000201909031581	SMITH, ADAM UB REFUND	R	9/04/2019	15.42		035441		15.42
1 I-000201909031582	KIDS TO KIDS UB REFUND	R	9/04/2019	25.31		035442		25.31
1 I-000201909031583	KONSTANZER, JEFF & D UB REFUND	R	9/04/2019	23.89		035443		23.89

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01325	Aflac Worldwide Headquarters							
I-330479	Supplemental Insurance 9/19	R	9/11/2019	3,388.98		035444		
I-905847	Supplemental Insurance 8/19	R	9/11/2019	5,083.47		035444		8,472.45
00208	CareIQ							
I-6/13866741-1	1102WC180000001 DOS 7/17/19	R	9/11/2019	116.65		035445		116.65
01483	CORVEL CORPORATION							
I-6/13829683-1	Bill Review	R	9/11/2019	9.50		035446		
I-6/13857533-1	Bill Review	R	9/11/2019	307.07		035446		
I-6/13866741-1	Bill Review	R	9/11/2019	9.50		035446		
I-6/13866788-1	Bill Review	R	9/11/2019	16.61		035446		342.68
03755	Gigavac							
I-090419	Event Area Refund - LCRA	R	9/11/2019	310.00		035447		310.00
01189	OXNARD CAMARILLO ANESTHESIA GR							
I-6/13840460-1	1102WC180000002 DOS 8/15/19	R	9/11/2019	321.17		035448		321.17
00188	PETTY CASH							
I-090419	Replenish Safe - LCRA	R	9/11/2019	50.00		035449		50.00
02637	David Pope							
I-090419	Class A Exam Fee 9/19	R	9/11/2019	90.00		035450		90.00
03887	Michael Robles							
I-090519	Distribution Course 9/19	R	9/11/2019	163.53		035451		163.53
00215	SOUTHERN CALIFORNIA EDISON							
I-090519a	Acct#2269631768	R	9/11/2019	27.92		035452		
I-090519b	Acct#2237789169	R	9/11/2019	16.96		035452		44.88
01274	ST JOHNS REGIONAL MEDICAL CTR							
I-6/13857533-1	1102WC180000002 DOS 8/12/19	R	9/11/2019	4,025.44		035453		4,025.44
02643	Take Care by WageWorks							
I-9541411	Reimburse Med/Dep Care	R	9/11/2019	514.54		035454		
I-9546610	Reimburse Med/Dep Care	R	9/11/2019	50.00		035454		
I-9586503	Reimburse Med/Dep Care	R	9/11/2019	40.00		035454		604.54
02323	Mitch Tull							
I-081619	1102WC180000002 8/5-8/19	R	9/11/2019	2,035.37		035455		2,035.37

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09775	VENTURA ORTHOPEDICS MEDICAL GR							
I-6/13829683-1	1102WC180000001 DOS 7/29/19	R	9/11/2019	164.89		035456		
I-6/13866788-1	1102WC180000001 DOS 2/19/19	R	9/11/2019	140.90		035456		305.79
00274	JAMES WORD							
I-Aug 19	Reimburse Mileage 8/19	R	9/11/2019	58.00		035457		
I-July 19	Reimburse Mileage 7/19	R	9/11/2019	64.96		035457		
I-June 19	Reimburse Mileage 6/19	R	9/11/2019	83.52		035457		
I-May 19	Reimburse Mileage 5/19	R	9/11/2019	69.60		035457		276.08
04010	CALIFORNIA STATE DISBURSEMENT							
I-CS5201909101584	200000001181291	R	9/11/2019	386.30		035458		386.30
00102	FRANCHISE TAX BOARD							
I-G03201909101584	Payroll Deduction	R	9/11/2019	50.00		035459		50.00
00124	ICMA RETIREMENT TRUST - 457							
I-DCI201909101584	DEFERRED COMP FLAT	R	9/11/2019	1,438.64		035460		
I-DI%201909101584	DEFERRED COMP PERCENT	R	9/11/2019	191.57		035460		1,630.21
00985	NATIONWIDE RETIREMENT SOLUTION							
I-CUN201909101584	457 CATCH UP	R	9/11/2019	230.77		035461		
I-DCN201909101584	DEFERRED COMP FLAT	R	9/11/2019	6,475.39		035461		
I-DN%201909101584	DEFERRED COMP PERCENT	R	9/11/2019	426.57		035461		7,132.73
00180	S.E.I.U. - LOCAL 721							
I-COP201909101584	SEIU 721 COPE	R	9/11/2019	37.00		035462		
I-UND201909101584	UNION DUES	R	9/11/2019	807.50		035462		844.50

* * T O T A L S * *

	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
REGULAR CHECKS:	164	999,978.85	0.00	999,978.85
HAND CHECKS:	0	0.00	0.00	0.00
DRAFTS:	3	130,557.11	0.00	130,557.11
EFT:	0	0.00	0.00	0.00
NON CHECKS:	0	0.00	0.00	0.00
VOID CHECKS:	0	VOID DEBITS	0.00	
		VOID CREDITS	0.00	
			0.00	

TOTAL ERRORS: 0

VENDOR SET: 01	BANK: AP	TOTALS:	NO	INVOICE AMOUNT	DISCOUNTS	CHECK AMOUNT
			167	1,130,535.96	0.00	1,130,535.96
BANK: AP	TOTALS:		167	1,130,535.96	0.00	1,130,535.96
REPORT TOTALS:			167	1,130,535.96	0.00	1,130,535.96

MEMORANDUM

TO: Board of Directors
From: Michael L. Flood, General Manager
RE: **Resolution authorizing the issuance of 2019 Special Tax Bonds for the Casitas Municipal Water District Community Facilities District No. 2013-01 (Ojai), and approving related documents and actions.**
Date: September 16, 2019

RECOMMENDATION:

Recommend that the Board of Directors adopt the resolution as presented.

BACKGROUND:

In November of 2013, voters of Casitas MWD Community Facilities District 1 approved issuance of bonds for the purposes of acquisition of the Ojai Water System from Golden State Water Company and subsequent upgrades to that same system.

Casitas MWD issued CFD 2013-1 2017 Special Tax Bonds Series A & B in June of 2017. The proceeds of those 2017 Bonds were used to acquire the system and begin work on system upgrades.

As of June 2019, the CFD 2013-1 funding details were as follows:

CFD 2013-1 Funding Details

Current (Issue B) & Future (Issue C)

FY 2020 Project Costs : \$ 9,574,450
Current Issue B Funds Remaining : <\$ 3,761,663>
Amount to Complete Current Projects: **\$ 5,812,787**

Estimated Issue C Proceeds: \$ 13,000,000
Estimated Needs of Active Projects: <\$ 5,812,787>
Excess Issue C Proceeds Available: **\$ 7,187,213**

At the August 14, 2019 Regular Board Meeting, the Board of Directors approved the necessary consultant contracts and directed the consultants to prepare documents for the

proposed CMWD CFD 2013-1 2019 Special Tax Bonds – which the staff refers to as ‘Issue C’.

DISCUSSION:

FY 2020 funding needs are projected to be approximately \$9.5M. With a CFD 2013-1 fund balance of approximately \$3.7M remaining from Issue B, there is a FY 2020 need of \$5.8M.

Staff began working with Suzanne Harrell of Harrell & Company in February of this year and the estimated proceeds from a 2019 bond sale is \$13M leaving approximately \$7.2M for future projects after funding the balance of the FY 2020 project costs.

The three-year and ten-year CFD 2013 project schedules along with the FY 2020 budgeted capital project schedule are attached.

In order to take advantage of favorable market conditions and provide funds for FY 2020 projects and future system requirements in a timely manner, staff recommends that 2019 Bonds be sold during the month of October 2019.

The 2019 Bonds will leverage the remaining bonding capacity in the CFD based on current development and the Board’s policy to (1) levy the Special Tax at 90% of the maximum Special Tax permitted (2) end the levy in 2047, 30 years after the original issuance of the 2017 Bonds. This issuance effectively concludes the financing of the acquisition and improvements in CFD 2013-1. The original authorized bonded debt was \$60 million. After issuance of the 2019 Bonds, the total of all the bonds issued is approximately \$51.6 million.

Issuance of 2019 Bonds

Based on current market conditions, the par amount of the 2019 Bonds is estimated to be \$11,725,000, issued with an original issue premium of \$1,665,000, and will provide total funding of \$13,000,000. A reserve fund for the 2019 Bonds is anticipated to be funded by a deposit of a surety bond (an insurance policy). The Municipal Advisor also expects some additional debt service savings by purchasing bond insurance for some of the longest maturities. The following table provides the anticipated size of the bond issue, including funding of the costs of issuance and insurance premiums.

Cost of Issuance	\$	274,000
Bond Insurance/Surety Premiums		116,000
Project Fund (Net Proceeds)		13,000,000
Total Bond Proceeds		13,390,000
Original Issue Premium		<u>(1,665,000)</u>
Par Amount of Bonds Issued		\$11,725,000

Costs of issuance include bond counsel fees, municipal advisor fees, disclosure counsel fees, special tax consulting fees, underwriting costs, rating agency fees and trustee fees. All upfront costs associated with the 2019 Bonds will be paid out of 2019 Bond proceeds. Ongoing costs described below will be paid from the annual Special Tax Levy. .

The estimated par amount will be subject to prevailing market conditions at the time of sale. Therefore, a par amount of \$11,725,000 is being estimated but the actual issue size may be higher if the Bonds are priced with a lower original issue premium or with an original issue discount based on investor preference at the time of sale.

The 2019 Bonds will mature in 2047, the same year that the 2017 Bonds mature. The Municipal Advisor has estimated the 2019 Bonds debt service based on current interest rates. Using those estimates, the effective interest rate (called the “true interest cost”) is approximately 3.3%. As shown above, the net proceeds of the 2019 Bonds are expected to be \$13,000,000 after paying all costs of issuance. The total debt service payable through maturity is anticipated to be \$21,830,000, with annual trustee fees and other bond administrative costs totaling approximately \$190,000 through the maturity of the 2019 Bonds. This excludes the cost to administer and levy the special taxes, which are already paid from the Special Tax Levy. All of the additional ongoing expenses to administer the 2019 Bonds are also paid from the annual Special Tax levy.

Method of Sale and Authorizing Resolution:

Approval of the 2019 Bonds requires that the District adopt a resolution authorizing distribution of a preliminary official statement in connection with the bond sale, sale of the 2019 Bonds on certain terms and conditions, and execution of various documents in connection with the bond sale by the General Manager and the Chief Financial Officer.

The 2019 Bonds must also meet the requirements of the Mello-Roos Act. The resolution makes the required findings that (1) the assessed value of the property within CFD 2013-1 is more than 3 times the aggregate of the authorized principal amount of the 2019 Bonds and the outstanding principal amount of the 2017 Bonds and (2) the issuance of the 2019 Bonds are in compliance with the District’s Local Goals and Policies for Community Facilities Districts.

The General Manager is authorized by the resolution to execute a Bond Purchase Agreement for the sale of the 2019 Bonds within the following parameters: (1) the par amount of the

2019 Bonds cannot exceed \$15,000,000, (2) the true interest cost must be less than 4% and (3) the underwriters' discount cannot exceed 0.75% of the par amount of the Bonds.

The resolution also approves the form of the following documents:

- A Supplement No. 1 to Fiscal Agent Agreement between the District, for an on behalf of CFD 2013-1, and the US Bank National Association, as Fiscal Agent;
- A Bond Purchase Agreement between the District, for an on behalf of CFD 2013-1, and Piper Jaffray & Co.;
- A Preliminary Official Statement; and
- A Continuing Disclosure Agreement (appended to the Preliminary Official Statement).

The preliminary official statement was prepared by staff and the Municipal Advisor, with input from the District's bond counsel and disclosure counsel. The Board's review of the description of the CFD and the Risk Factors contained in the preliminary official statement is requested prior to printing on or about September 26, 2019.

The bond sale documentation described above is attached to this memo

Suzanne Harrell, Municipal Advisor will be present at the Board Meeting to provide an update on this matter and answer questions.

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASITAS MUNICIPAL WATER DISTRICT AUTHORIZING THE ISSUANCE OF 2019 SPECIAL TAX BONDS FOR THE CASITAS MUNICIPAL WATER DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2013-1 (OJAI), AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, this Board of Directors has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), to form the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) (the “CFD”), to authorize the levy of special taxes upon the land within the District, and to issue bonds secured by the special taxes the proceeds of which bonds are to be used to pay for costs of facilities eligible to be financed by the District (the “Facilities”), all as described in Resolution Nos. 13-12 and 13-13 adopted by this Board of Directors on March 13, 2013; and

WHEREAS, pursuant to said proceedings, on May 31, 2017, the District, for and on behalf of the CFD: (i) entered into a Fiscal Agent Agreement, dated as of May 1, 2017 (the “Original Fiscal Agent Agreement”), with U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”); and (ii) issued its 2017 Series A Bonds and 2017 Series B Bonds, as such terms are defined in the Original Fiscal Agent Agreement; and

WHEREAS, the 2017 Series A Bonds have matured in accordance with their terms; and

WHEREAS, the Original Fiscal Agent Agreement provides for the issuance by the District for the CFD of Parity Bonds, as defined therein, secured on a parity with the 2017 Series B Bonds (referred to as the “2017 Bonds”), in order to provide financing for costs of the Facilities; and

WHEREAS, there have been submitted to this Board of Directors certain documents providing for the issuance of an additional series of bonds of the District for the CFD (the “2019 Bonds”), and the use of the proceeds of the 2019 Bonds to finance costs of the Facilities, and this Board of Directors has reviewed said documents and found them to be in proper order; and

WHEREAS, following the adoption of this Resolution, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the 2019 Bonds as contemplated by this Resolution and the documents referred to herein, will exist, will have happened and will have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

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

1. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement (hereafter defined), the 2019 Bonds, designated as “Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2019 Special Tax Bonds” in an aggregate principal amount not to

exceed \$15,000,000 are hereby authorized to be issued and sold as provided herein. The 2019 Bonds shall be “Parity Bonds” under and as defined in the Fiscal Agent Agreement, and shall be executed in the form set forth in and otherwise as provided in the Fiscal Agent Agreement.

The Board of Directors hereby finds and determines that (a) the 2019 Bonds are in compliance with Section 53345.8 of the Act, based upon the assessed value of the property in the CFD being more than three times the aggregate of the authorized principal amount of the 2019 Bonds and the outstanding principal amount of the 2017 Bonds, and (b) the 2019 Bonds, when issued, will be in compliance with the applicable requirements of the District’s Local Goal and Policies Concerning Use of Mello-Roos Community Facilities Act of 1982, as well as in compliance with applicable provisions of the District’s Amended Local Goals and Polices for Use of Mello-Roos Community Facilities District Act of 1982, approved by ~~Resolution No. _____~~ adopted by the Board of Directors on April 12, 2017.

2. The Supplemental Agreement No.1 to Fiscal Agent Agreement (the “Supplement”), in the form on file with the Clerk of the Board, is hereby approved. The President, the General Manager, Chief Financial Officer and the Clerk of the Board (each an “Authorized Officer”), each acting alone, are hereby authorized to execute and deliver the Supplement in said form together with such additions thereto or changes therein as are approved by the Authorized Officer executing the Supplement upon consultation with the District’s bond counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Supplement by an Authorized Officer. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the 2019 Bonds shall be as provided in the Original Fiscal Agent Agreement, as amended and supplemented by the Supplement (together, the “Fiscal Agent Agreement”) as finally executed.

3. The Bond Purchase Agreement (the “Purchase Contract”) between the District and Piper Jaffray & Co. (the “Underwriter”), in the form on file with the Clerk of the Board, is hereby approved. Each of the Authorized Officers, acting alone, is hereby authorized to accept the offer of the Underwriter to purchase the 2019 Bonds contained in the Purchase Contract, provided that the aggregate principal amount of the 2019 Bonds sold thereby is not in excess of \$15,000,000, the true interest cost on the 2019 Bonds is not in excess of 5% and the Underwriter’s discount (without regard to any original issue discount) is not in excess of 0.75% of the aggregate principal amount of the 2019 Bonds, and each Authorized Officer is hereby authorized to execute and deliver the Purchase Contract in said form, together with such additions thereto or changes therein as are recommended or approved by the Authorized Officer executing the Purchase Contract upon consultation with the District’s bond counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Purchase Contract by an Authorized Officer.

This Board of Directors hereby finds and determines that the sale of the 2019 Bonds at negotiated sale, as contemplated by the Purchase Contract, will result in a lower overall cost due to the extensive analysis and review of the CFD by the Underwriter, its participation in financing the 2017 Bonds and its participation in the preparation of the Preliminary Official Statement referred to below.

4. The Preliminary Official Statement, in the form on file with the Clerk of the Board, is hereby approved. The Authorized Officers are hereby authorized to make changes to the Preliminary Official Statement prior to its dissemination to prospective investors, and to bring the Preliminary Official Statement into the form of a final official statement (the “Official Statement”) including such additions thereto or changes therein as are recommended or approved by any of the Authorized Officers upon consultation with disclosure counsel to the District with respect to the 2019 Bonds. Each Authorized Officer, acting alone, is hereby authorized to execute and deliver the Official Statement. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in purchasing the 2019 Bonds, and is directed to deliver copies of the Official Statement to all actual purchasers of the 2019 Bonds.

Each Authorized Officer, acting alone, is hereby authorized to execute a certificate or certificates to the effect that the Official Statement and the Preliminary Official Statement were deemed “final” as of their respective dates for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, and each of them is authorized to so deem such statements final.

5. The District hereby covenants, for the benefit of the owners of the 2019 Bonds, to commence and diligently pursue to completion a foreclosure action regarding delinquent installments of any amount levied as a special tax for the payment of interest on or principal of the 2019 Bonds, said foreclosure action to be commenced and pursued as more completely set forth in the Fiscal Agent Agreement.

6. The Continuing Disclosure Agreement, in the form included in Appendix E to the Preliminary Official Statement, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized to execute and deliver the Continuing Disclosure Agreement in said form, together with such additions thereto or changes therein as are recommended or approved by the Authorized Officer executing the Continuing Disclosure Agreement upon consultation with the District’s disclosure counsel with respect to the 2019 Bonds, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement by an Authorized Officer.

7. The 2019 Bonds, when executed, shall be delivered to the Fiscal Agent for authentication. The Fiscal Agent is hereby requested and directed to authenticate the 2019 Bonds by executing the Fiscal Agent’s certificate of authentication and registration appearing thereon, and to deliver the 2019 Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the District by an Authorized Officer, which instructions each Authorized Officer, acting alone, is hereby authorized to execute and deliver to the Fiscal Agent. Such instructions shall provide for the delivery of the 2019 Bonds to the Underwriter in accordance with the Purchase Contract, upon payment of the purchase price therefor.

8. The General Manager is authorized to execute such contracts as the General Manager deems necessary or appropriate to provide for all services necessary to effect the issuance of the 2019 Bonds. Such services shall include, but not be limited to, services of bond counsel, disclosure counsel, municipal advisor, fiscal agent, special tax consultant and any other services deemed by the General Manager to be necessary or appropriate. The payment for the

cost of such services, together with other 2019 Costs of Issuance (as defined in the Supplement), with 2019 Bond proceeds and other amounts deposited to the 2019 Costs of Issuance Fund established pursuant to the Supplement is hereby authorized.

9. All actions heretofore taken by the officers and agents of the District with respect to the establishment of the CFD and the sale and issuance of the 2019 Bonds are hereby approved, confirmed and ratified, and the proper officers of the District (including the Authorized Officers) are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 2019 Bonds in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved. In furtherance of the foregoing, the General Manager is hereby authorized to approve modifications to the documents approved by this Resolution to allow for municipal bond insurance for the 2019 Bonds and a reserve fund insurance policy for the 2019 Bonds and to execute certificates and agreements required for such insurance if, upon the advice of the District's municipal advisor, such insurance is advantageous to the District in the circumstances. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

10. This Resolution shall take effect upon its adoption.

PASSED and ADOPTED by the Board of Directors of the Casitas Municipal Water District at a regular meeting held on the _____ day of _____, 2019.

PETE KAISER - PRESIDENT,
CASITAS MUNICIPAL WATER
DISTRICT

ATTEST:

BRIAN BRENNAN- SECRETARY,
CASITAS MUNICIPAL WATER DISTRICT

STATE OF CALIFORNIA
COUNTY OF VENTURA
CASITAS MUNICIPAL WATER DISTRICT

I, Rebekah Vieira, Clerk of the Board of Directors of the Casitas Municipal Water District hereby certify that the foregoing Resolution was duly adopted at a regular meeting of the Board of Directors of the Casitas Municipal Water District, held on the _____ day of _____, 2019, by the following vote:

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSENT: DIRECTORS:

REBEKAH VIEIRA, CLERK OF THE
BOARD OF DIRECTORS OF THE
CASITAS MUNICIPAL WATER
DISTRICT

CASITAS MUNICIPAL WATER DISTRICT

LOCAL GOALS AND POLICIES FOR USE OF MELLO-ROOS COMMUNITY FACILITIES DISTRICT ACT OF 1982

I. INTRODUCTION

California Government Code Section 53312.7(a) requires the Casitas Municipal Water District (“CMWD”) to consider and adopt local goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (the “Act”) prior to the initiation of proceedings to form a community facilities district (“CFD”) pursuant to the Act. CMWD intends to initiate proceedings to consider formation of a CFD pursuant to the Act and therefore adopts the following local goals and policies pursuant thereto. These local goals and policies may be amended or supplemented by CMWD’s Board of Directors at any time.

II. CFD FINANCING PRIORITIES AND LIMITATIONS (GOVERNMENT CODE SECTION 53312.7(a)(1))

CMWD may consider using the Act to form one or more CFDs to fund the purchase, construction, expansion, improvement, and/or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer, planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of any real property, and any other public capital facilities to the extent authorized by California Government Code Section 53313.5 (collectively, the “Authorized Facilities”). Special taxes imposed with respect to CFDs may be utilized to secure CFD bonds or used to finance the Authorized Facilities on a pay-as-you-go basis. Under no circumstances shall CMWD’s general funds be used to guarantee bond payments for CFD bonds if the special taxes utilized to secure the payment of such bonds are inadequate to cover debt service or other financing obligations pertaining thereto.

CMWD establishes the following priorities for the use of CFD financing:

- (a) CFD financing shall be limited to the financing of Authorized Facilities and shall not be used to finance public services under Government Code Section 53313.
- (b) CFD financing shall not be used by CMWD for Authorized Facilities to be owned and operated by other public agencies, including school districts, or services to be provided by other public agencies.
- (c) The properties to be included within the boundaries of a CFD shall correspond to the area CMWD’s Board of Directors determines to be benefitted by CFD financing of Authorized Facilities.
- (d) CFD financing may be utilized to finance Authorized Facilities unless the CMWD Board of Directors determines there is another available and superior mechanism for financing such facilities, taking into consideration legal constraints, fairness to property owners/ratepayers, reliability, and financing risks and costs.

III. BOND ISSUE CREDIT QUALITY REQUIREMENTS (GOVERNMENT CODE SECTION 53312.7(a)(2))

CMWD will require that the credit quality of any CFD bond issue be such that the requirements of Government Code Section 53345.8 will be met.

If the value of the real property that would be subject to the CFD special tax is determined based upon an appraisal, the appraisal shall be made by a licensed California appraiser with a minimum of ten (10) years experience in appraising real estate in California, the appraisal shall meet the standards set forth in Section VI below, and the date of value used in the appraisal shall be no more than nine (9) months prior to the date the bonds are issued.

A low value-to-lien ratio (with the understanding that in no event shall the value-to-lien ratio, as calculated per Government Code Section 53345.8, be less than 3:1), excessive tax delinquencies, and/or projections of declining property values may cause CMWD to not use CFD bond financing, to reduce the size of CFD bond financing, to require a reserve fund to be established as a condition to CFD bond financing (or an increase in the size of the reserve fund above the amount that would otherwise be required), and/or to require credit enhancement prior to a CFD bond sale. Each CFD bond issue shall be structured to adequately protect bond holders and to not negatively impact the bonding capacity or credit rating of CMWD. CMWD's Board of Directors retains the sole discretion to determine the size of CFD financing, reserve fund and credit enhancement requirements, and other provisions and conditions needed to protect the interests of CMWD, CFD bondholders, and the property owners/ratepayers/customers within CMWD and the CFD boundaries.

Subject to the right of CMWD's Board of Directors to make exceptions, in order to enhance the credit quality of CFD bond issues, CMWD generally will require that each such bond issue be secured by a reserve fund. Generally, each such reserve fund will be required to be funded (with cash or an acceptable reserve surety or other credit facility) in an amount the lesser of (a) 10% of the initial principal amount of the bonds of such issue, (b) maximum annual debt service on the bonds of such issue, or (c) 125% of the average annual debt service on the bonds of such issue. Any reserve surety or other credit facility funding such a reserve fund will generally be required to be issued or guaranteed by an entity, the long term unsecured obligations of which are rated at least "A" by Moody's Investors Service or Standard & Poor's Ratings Service.

The amount of capitalized interest funded for an issue of CFD bonds may not exceed any maximum specified in the CFD Act.

The term to maturity of CFD bonds shall not exceed the maximum term specified in the Act.

IV. DISCLOSURE TO PROSPECTIVE PROPERTY PURCHASERS (GOVERNMENT CODE SECTION 53312.7(a)(3))

In order to ensure that prospective property purchasers are fully informed about their taxpaying obligations imposed under the Act, CMWD will require that the requirements of disclosure to prospective property purchasers contained in the Act, including Government Code

Sections 53328.3, 53328.5 (including the referenced sections of the California Streets and Highways Code), 53340.2, 53341.5, and 53754, shall be met.

V. EQUITY OF SPECIAL TAX FORMULAS AND MAXIMUM SPECIAL TAXES
(GOVERNMENT CODE SECTION 53312.7(a)(4))

Special taxes must be allocated and apportioned on a reasonable basis to all categories and classes of property (other than exempt property) within a CFD, as determined by CMWD's Board of Directors. Exemptions from the special tax may be given to parcels that are publicly-owned, are held by property owners' associations, religious groups, or non-profit entities, are used for a public purpose such as open space or wetlands, or are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easement.

The total tax burden (consisting of the anticipated maximum annual CFD special tax, together with ad valorem property taxes, special assessments, special taxes for any overlapping CFD, and any other taxes, fees and charges payable from and secured by the property) on any parcel in a CFD on which a for-sale residential unit has been, is being, or is to be constructed shall not exceed 2% of the estimated base sales price of such parcel upon completion of the public and private improvements relating thereto; provided, however, that CMWD may waive this requirement with respect to any CFD whose qualified electors are registered voters.

The rate and method of apportionment for CFD special taxes shall be structured so as to produce special tax revenues sufficient to pay (a) debt service on all CFD bonds and (b) reasonable and necessary annual administrative expenses of the CFD. Additionally, the rate and method of apportionment may be structured so as to produce amounts sufficient to fund (a) any amounts required to establish or replenish any reserve fund established for a CFD bond issue, (b) amounts to pay directly the costs of Authorized Facilities authorized to be financed by the CFD, (c) the accumulation of funds reasonably required for future debt service on CFD bonds, (d) amounts equal to projected delinquencies in special tax payments, (e) remarketing, credit enhancement or liquidity fees, and (f) other costs or payments permitted by law.

The CFD special tax rate and method of apportionment shall be structured such that the projected maximum special tax that is levied in any fiscal year will produce special tax revenues at least equal to (a) 110% of projected annual debt service on all CFD bonds for the calendar year commencing in such fiscal year, plus (b) projected administrative expenses of the CFD for the calendar year commencing in such fiscal year. Generally, the rate and method of apportionment for CFD special taxes may be required to include a back-up tax so that changes in development within the CFD will not result in the inability to levy special taxes that would produce special tax revenues in such amounts.

The maximum special tax levied to finance the construction of Authorized Facilities for any parcel within a CFD for which a building permit for the construction of a for-sale residential unit has been issued shall not escalate by more than two percent (2%) annually. The annual increase, if any, in the maximum special tax levied to finance Authorized Facilities for any other residential or non-residential parcel within a CFD may not exceed any maximum specified in the Act. The increase in the special tax levied on any parcel within a CFD as a consequence of

delinquency or default by the owner on any other parcel may not exceed any maximum specified in the Act.

Generally, the special tax rate and method of apportionment for a CFD that finances Authorized Facilities will be structured so as to allow the prepayment of special taxes by property owners.

The special tax levied in a CFD shall include an amount for administrative expenses relating to the CFD, including expense necessary for the enrollment and collection of the annual special taxes and any necessary bond administration.

VI. APPRAISALS (GOVERNMENT CODE SECTION 53312.7(a)(5))

Except as provided below, the definitions, standards, and assumptions to be used in appraisals required in connection with CMWD's use of the Act for CFDs are as set forth in the Appraisal Standards for Land Secured Financings published by the California Debt and Investment Advisory Commission and dated May 1994 (the "CDIAC Guidelines"), with the following modifications:

- (a) the independent review appraiser is an option, and not a requirement;
- (b) the comparable sales method may be used whenever there is sufficient data available;
- (c) the appraiser should assume the presence of the Authorized Facilities to be financed with the CFD bonds in connection with the CFD financing for which the appraisal is being prepared; and
- (d) the special tax lien need not be computed as the present value of the future tax payments if there is a prepayment mechanism or other appropriate measure.

Notwithstanding the foregoing, if there is a conflict between the definitions, standards, and assumptions in the CDIAC Guidelines and the corresponding definitions, standards, or assumptions in the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation ("USPAP"), USPAP shall govern.

VII. MISCELLANEOUS

CMWD's Board of Directors shall select all consultants to be retained by CMWD for a CFD financing, including, but not limited to, the financial advisor, special tax consultant, bond counsel, disclosure counsel, underwriter, appraiser, and trustee. Providers of letters of credit, bond insurance policies, surety bonds, or other credit enhancements are also subject to CMWD Board of Directors' approval.

The policies set forth herein reflect the minimum standards under which CMWD will make use of CFD financing for Authorized Facilities. CMWD may, in its discretion, require additional measures and procedures, enhanced security, and higher standards in particular cases.

CMWD's Board of Directors may, in its discretion and to the extent permitted by law, waive any of the policies set forth herein in particular cases.

The goals and policies set forth herein may be amended at any time and from time to time by CMWD's Board of Directors.

CASITAS MUNICIPAL WATER DISTRICT

AMENDED LOCAL GOALS AND POLICIES FOR USE OF MELLO-ROOS COMMUNITY FACILITIES DISTRICT ACT OF 1982

I. INTRODUCTION

California Government Code Section 53312.7(a) requires the Casitas Municipal Water District (“CMWD”) to consider and adopt local goals and policies (“Statement of Debt Goals and Policies”) concerning the use of the Mello-Roos Community Facilities Act of 1982 (the “Act”) prior to the initiation of proceedings to form a community facilities district (“CFD”) pursuant to the Act. CMWD adopted its initial Statement of Debt Goals and Policies on January 29, 2013. The Statement of Debt Goals and Policies is being amended, effective _____, 2017, and is intended to comply with California Government Code Section 8855(i), effective on January 1, 2017. These local goals and policies may be further amended or supplemented by CMWD’s Board of Directors at any time.

II. CFD FINANCING PRIORITIES AND LIMITATIONS (GOVERNMENT CODE SECTIONS 53312.7(a)(1), 8855(i)(1)(A) AND 8855(i)(1)(B))

CMWD may consider using the Act to form one or more CFDs to fund the purchase, construction, expansion, improvement, and/or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer, planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of any real property, and any other public capital facilities to the extent authorized by California Government Code Section 53313.5 (collectively, the “Authorized Facilities”). Special taxes imposed with respect to CFDs may be utilized to secure CFD bonds or used to finance the Authorized Facilities on a pay-as-you-go basis. Under no circumstances shall CMWD’s general funds be used to guarantee bond payments for CFD bonds if the special taxes utilized to secure the payment of such bonds are inadequate to cover debt service or other financing obligations pertaining thereto.

CMWD establishes the following priorities for the use of CFD financing:

- (a) CFD financing shall be limited to the financing of Authorized Facilities and shall not be used to finance public services under Government Code Section 53313.
- (b) CFD financing shall not be used by CMWD for Authorized Facilities to be owned and operated by other public agencies, including school districts, or services to be provided by other public agencies.
- (c) The properties to be included within the boundaries of a CFD shall correspond to the area CMWD’s Board of Directors determines to be benefitted by CFD financing of Authorized Facilities.
- (d) CFD financing may be utilized to finance Authorized Facilities unless the CMWD Board of Directors determines there is another available and superior mechanism for financing such facilities, taking into consideration legal constraints, fairness to property owners/ratepayers, reliability, and financing risks and costs.

Types of CFD financing may include short-term or long-term debt, secured by the special taxes to be levied in the CFD. Such debt is typically known as Special Tax Bonds, and is sometimes referred to herein as “CFD bonds.”

III. RELATIONSHIP TO CAPITAL IMPROVEMENT PLAN AND BUDGET (GOVERNMENT CODE SECTION 8855(i)(1)(C))

If applicable, the proposed Authorized Facilities shall be incorporated into CMWD’s Capital Improvement Program (CIP), which is budgeted on a multi-year basis. As a result, the budget for the construction or acquisition of Authorized Facilities will be allocated to the project in the fiscal year the funding source(s), including CFD financing proceeds, are identified and available even though actual project construction may begin in later years.

IV. RELATIONSHIP TO PLANNING GOALS AND OBJECTIVES (GOVERNMENT CODE SECTION 8855(i)(1)(D))

It is a policy goal of the CMWD to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs. Such methods are described in Section V and VII below.

CMWD will comply with applicable state and federal law as it pertains to the maximum term of CFD bonds and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing CFD bonds, it shall be the policy goal of the CMWD to realize, whenever possible, and subject to any overriding non-financial policy considerations, minimum net present value debt service savings equal to or greater than 4% of the refunded principal amount.

V. BOND ISSUE CREDIT QUALITY REQUIREMENTS (GOVERNMENT CODE SECTION 53312.7(a)(2))

CMWD will require that the credit quality of any CFD bond issue be such that the requirements of Government Code Section 53345.8 will be met.

If the value of the real property that would be subject to the CFD special tax is determined based upon an appraisal, the appraisal shall be made by a licensed California appraiser with a minimum of ten (10) years experience in appraising real estate in California, the appraisal shall meet the standards set forth in Section VI below, and the date of value used in the appraisal shall be no more than nine (9) months prior to the date the bonds are issued.

A low value-to-lien ratio (with the understanding that in no event shall the value-to-lien ratio, as calculated per Government Code Section 53345.8, be less than 3:1), excessive tax delinquencies, and/or projections of declining property values may cause CMWD to not use CFD bond financing, to reduce the size of CFD bond financing, to require a reserve fund to be established as a condition to CFD bond financing (or an increase in the size of the reserve fund above the amount that would otherwise be required), and/or to require credit enhancement prior

to a CFD bond sale. Each CFD bond issue shall be structured to adequately protect bond holders and to not negatively impact the bonding capacity or credit rating of CMWD. CMWD's Board of Directors retains the sole discretion to determine the size of CFD financing, reserve fund and credit enhancement requirements, and other provisions and conditions needed to protect the interests of CMWD, CFD bondholders, and the property owners/ratepayers/customers within CMWD and the CFD boundaries.

Subject to the right of CMWD's Board of Directors to make exceptions, in order to enhance the credit quality of CFD bond issues, CMWD generally will require that each such bond issue be secured by a reserve fund. Generally, each such reserve fund will be required to be funded (with cash or an acceptable reserve surety or other credit facility) in an amount the lesser of (a) 10% of the initial principal amount of the bonds of such issue, (b) maximum annual debt service on the bonds of such issue, or (c) 125% of the average annual debt service on the bonds of such issue. Any reserve surety or other credit facility funding such a reserve fund will generally be required to be issued or guaranteed by an entity, the long term unsecured obligations of which are rated at least "A" by Moody's Investors Service or Standard & Poor's Ratings Service.

The amount of capitalized interest funded for an issue of CFD bonds may not exceed any maximum specified in the CFD Act.

The term to maturity of CFD bonds shall not exceed the maximum term specified in the Act.

VI. DISCLOSURE TO PROSPECTIVE PROPERTY PURCHASERS (GOVERNMENT CODE SECTION 53312.7(a)(3))

In order to ensure that prospective property purchasers are fully informed about their taxpaying obligations imposed under the Act, CMWD will require that the requirements of disclosure to prospective property purchasers contained in the Act, including Government Code Sections 53328.3, 53328.5 (including the referenced sections of the California Streets and Highways Code), 53340.2, 53341.5, and 53754, shall be met.

VII. EQUITY OF SPECIAL TAX FORMULAS AND MAXIMUM SPECIAL TAXES (GOVERNMENT CODE SECTION 53312.7(a)(4))

Special taxes must be allocated and apportioned on a reasonable basis to all categories and classes of property (other than exempt property) within a CFD, as determined by CMWD's Board of Directors. Exemptions from the special tax may be given to parcels that are publicly-owned, are held by property owners' associations, religious groups, or non-profit entities, are used for a public purpose such as open space or wetlands, or are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easement.

The total tax burden (consisting of the anticipated maximum annual CFD special tax, together with ad valorem property taxes, special assessments, special taxes for any overlapping CFD, and any other taxes, fees and charges payable from and secured by the property) on any parcel in a CFD on which a for-sale residential unit has been, is being, or is to be constructed

shall not exceed 2% of the estimated base sales price of such parcel upon completion of the public and private improvements relating thereto; provided, however, that CMWD may waive this requirement with respect to any CFD whose qualified electors are registered voters.

The rate and method of apportionment for CFD special taxes shall be structured so as to produce special tax revenues sufficient to pay (a) debt service on all CFD bonds and (b) reasonable and necessary annual administrative expenses of the CFD. Additionally, the rate and method of apportionment may be structured so as to produce amounts sufficient to fund (a) any amounts required to establish or replenish any reserve fund established for a CFD bond issue, (b) amounts to pay directly the costs of Authorized Facilities authorized to be financed by the CFD, (c) the accumulation of funds reasonably required for future debt service on CFD bonds, (d) amounts equal to projected delinquencies in special tax payments, (e) remarketing, credit enhancement or liquidity fees, and (f) other costs or payments permitted by law.

The CFD special tax rate and method of apportionment shall be structured such that the projected maximum special tax that is levied in any fiscal year will produce special tax revenues at least equal to (a) 110% of projected annual debt service on all CFD bonds for the calendar year commencing in such fiscal year, plus (b) projected administrative expenses of the CFD for the calendar year commencing in such fiscal year. Generally, the rate and method of apportionment for CFD special taxes may be required to include a back-up tax so that changes in development within the CFD will not result in the inability to levy special taxes that would produce special tax revenues in such amounts.

The maximum special tax levied to finance the construction of Authorized Facilities for any parcel within a CFD for which a building permit for the construction of a for-sale residential unit has been issued shall not escalate by more than two percent (2%) annually. The annual increase, if any, in the maximum special tax levied to finance Authorized Facilities for any other residential or non-residential parcel within a CFD may not exceed any maximum specified in the Act. The increase in the special tax levied on any parcel within a CFD as a consequence of delinquency or default by the owner on any other parcel may not exceed any maximum specified in the Act.

Generally, the special tax rate and method of apportionment for a CFD that finances Authorized Facilities will be structured so as to allow the prepayment of special taxes by property owners.

The special tax levied in a CFD shall include an amount for administrative expenses relating to the CFD, including expense necessary for the enrollment and collection of the annual special taxes and any necessary bond administration.

VIII. APPRAISALS (GOVERNMENT CODE SECTION 53312.7(a)(5))

Except as provided below, the definitions, standards, and assumptions to be used in appraisals required in connection with CMWD's use of the Act for CFDs are as set forth in the Appraisal Standards for Land Secured Financings published by the California Debt and Investment Advisory Commission and dated May 1994 (the "CDIAC Guidelines"), with the following modifications:

- (a) the independent review appraiser is an option, and not a requirement;
- (b) the comparable sales method may be used whenever there is sufficient data available;
- (c) the appraiser should assume the presence of the Authorized Facilities to be financed with the CFD bonds in connection with the CFD financing for which the appraisal is being prepared; and
- (d) the special tax lien need not be computed as the present value of the future tax payments if there is a prepayment mechanism or other appropriate measure.

Notwithstanding the foregoing, if there is a conflict between the definitions, standards, and assumptions in the CDIAAC Guidelines and the corresponding definitions, standards, or assumptions in the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (“USPAP”), USPAP shall govern.

IX. INTERNAL CONTROLS (GOVERNMENT CODE SECTION 8855(i)(1)(E))

When issuing CFD bonds, in addition to complying with the terms of this Statement of Debt Goals and Policies, CMWD shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

CMWD will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- CMWD’s investment policies as they relate to the investment of bond proceeds.

Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and CMWD will submit written requisitions for such proceeds. CMWD will submit a requisition only after obtaining the signature of the General Manager or the Accounting Manager /Treasurer.

X. MISCELLANEOUS

CMWD’s Board of Directors shall select all consultants to be retained by CMWD for a CFD financing, including, but not limited to, the financial advisor, special tax consultant, bond counsel, disclosure counsel, underwriter, appraiser, and trustee. Providers of letters of credit, bond insurance policies, surety bonds, or other credit enhancements are also subject to CMWD Board of Directors’ approval.

The policies set forth herein reflect the minimum standards under which CMWD will make use of CFD financing for Authorized Facilities. CMWD may, in its discretion, require

additional measures and procedures, enhanced security, and higher standards in particular cases.

CMWD's Board of Directors may, in its discretion and to the extent permitted by law, waive any of the policies set forth herein in particular cases.

The goals and policies set forth herein may be amended at any time and from time to time by CMWD's Board of Directors.

FISCAL AGENT AGREEMENT

by and between the

CASITAS MUNICIPAL WATER DISTRICT

and

**U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent**

dated as of May 1, 2017

relating to:

\$100,000

**Casitas Municipal Water District
Community Facilities District No. 2013-1
(OJAI)
2017 Special Tax Bonds, Series A**

\$ _____

**Casitas Municipal Water District
Community Facilities District No. 2013-1
(OJAI)
2017 Special Tax Bonds, Series B**

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FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (the “Agreement”), dated as of May 1, 2017, is by and between the Casitas Municipal Water District, a municipal water district organized and existing under the laws of the State of California (the “District”), for and on behalf of the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) (the “CFD”), and U.S. Bank National Association, a national banking association, duly organized and existing under the laws of the United States of America, as fiscal agent (the “Fiscal Agent”).

RECITALS:

WHEREAS, the Board of Directors of the District has formed the CFD under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the California Government Code) (the “Act”) and Resolution 13-12 of the Board of Directors adopted on March 13, 2013;

WHEREAS, the Board of Directors of the District, as the legislative body with respect to the CFD, is authorized under the Act to levy special taxes to pay for the costs of facilities eligible to be financed by the CFD and to authorize the issuance of bonds secured by said special taxes under the Act;

WHEREAS, under the provisions of the Act, on _____, 2017, the Board of Directors of the District adopted its Resolution No. _____ (the “Resolution”), which resolution, among other matters, authorized the issuance of the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2017 Special Tax Bonds, Series A and Series B (the “2017 Bonds”) to provide moneys to finance the acquisition of a water system and other improvements and costs eligible to be funded by the CFD, and provided that said issuance would be in accordance with this Agreement, and authorized the execution hereof;

WHEREAS, it is in the public interest and for the benefit of the District, the CFD, the persons responsible for the payment of special taxes to be levied in the CFD and the owners of the 2017 Bonds that the District enter into this Agreement to provide for the issuance of the 2017 Bonds, in two or more series, the disbursement of proceeds of the 2017 Bonds, the disposition of the special taxes securing the 2017 Bonds and the administration and payment of the 2017 Bonds; and

WHEREAS, the District has determined that all things necessary to cause the 2017 Bonds, when authenticated by the District for and on behalf of the CFD and issued as in the Act, the Resolution and this Agreement provided, to be legal, valid and binding and special obligations of the District for and on behalf of the CFD in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the 2017 Bonds, subject to the terms hereof, have in all respects been duly authorized.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

Article I. STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01 Authority for this Agreement. This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02 Agreement for Benefit of Bondowners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the District shall be for the equal benefit, protection and security of the Owners. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement. Any action by any Owner to enforce the provisions of this Agreement shall be for the equal benefit and protection of all Owners of the Bonds.

The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.03 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All references herein to “Articles”, “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words “herein”, “hereof”, “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

“Administrative Expenses” means any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the District in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, and the foreclosure of the lien in respect of any delinquent Special Taxes) including the fees and expenses of its counsel, an allocable share of the salaries of District staff related thereto and a proportionate amount of District general administrative overhead related thereto, any amounts paid by the District from its general funds pursuant to Section 6.02, any amounts paid or payable to any persons or entities employed by the District in connection with the discharge of any of the District’s obligations hereunder (including, but not limited to, the calculation of the levy of the Special Taxes, foreclosures with respect to delinquent taxes, and the calculation of amounts subject to rebate to the United States), and all other costs and expenses of the District or the Fiscal Agent incurred in connection with the discharge of their respective duties hereunder or in connection with the 2017 Bonds and, in the case of the District, in any way related to the administration of the Bonds or the CFD (including, but not limited to,

administrative costs and expenses of the District. Administrative Expenses shall include any such expenses incurred in prior years but not yet paid.

“Administrative Expense Fund” means the fund by that name established by Section 3.06(A) hereof.

“Agreement” means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of the provisions of Section 2.03(A)(ii) providing for mandatory sinking payments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking payment due in such Bond Year pursuant to Section 2.03(A)(ii)).

“Auditor” means the auditor/controller of the County, or such other official at the County who is responsible for preparing property tax bills.

“Authorized Officer” means the President, the General Manager, the Clerk of the Board, or any other officer or employee authorized by the Board of Directors of the District or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means any attorney or other firm of attorneys acceptable to the District and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by Section 4.02(A) hereof.

“Bond Year” means the one-year period beginning on September 2 in each year and ending on September 1st in the following year, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2017.

“Bonds” means, collectively, the 2017 Series A Bonds, the 2017 Series B Bonds, and, if the context requires, any Parity Bonds, at any time Outstanding under this Agreement or any Supplemental Agreement.

“Business Day” means any day other than (i) a Saturday or a Sunday, or (ii) a day on which banking institutions in the state in which the Fiscal Agent has its corporate trust office are authorized or obligated by law or executive order to be closed.

“CFD” means the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI), formed pursuant to the Act and the Resolution of Formation.

“Closing Date” means May __, 2017, being the date upon which there is a physical delivery of the 2017 Bonds in exchange for the amount representing the purchase price of the 2017 Bonds by the Original Purchaser.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2017 Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2017 Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, executed by the District and David Taussig & Associates, Inc. as the initial Dissemination Agent thereunder, dated as of the Closing Date, as originally executed and as it may be amended from time to time in accordance with its terms.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the District and related to the authorization, sale and issuance of the 2017 Bonds which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Fiscal Agent including its first annual administration fee, fees and expenses of Fiscal Agent’s counsel, expenses incurred by the District in connection with the issuance of the 2017 Bonds (including, but not limited to, administrative costs and expenses of the District and the District Counsel), special tax consultant fees and expenses, legal fees and charges, including bond counsel and disclosure counsel, municipal advisor fees, rating fees, charges for execution, transportation and safekeeping of the 2017 Bonds and other costs, charges and fees in connection with the foregoing.

“Cost of Issuance Fund” means the fund by that name established by Section 3.07(A) hereof.

“County” means Ventura County, California.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Depository” means (i) initially, DTC, and (ii) any other Securities Depository acting as Depository pursuant to Section 2.13.

“District” means the Casitas Municipal Water District.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated

interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, or (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

“Federal Securities” means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent:

(i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as “stripped” obligations and coupons; or

(ii) any of the following obligations of the following agencies of the United States of America: (a) direct obligations of the Export-Import Bank, (b) certificates of beneficial ownership issued by the Farmers Home Administration, (c) participation certificates issued by the General Services Administration, (d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, (e) project notes issued by the United States Department of Housing and Urban Development, and (f) public housing notes and bonds guaranteed by the United States of America.

“Fiscal Agent” means the Fiscal Agent appointed by the District and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“General Manager” means the General Manager of the District, or such other person who performs the duties of the chief financial officer of the District.

“Improvement Fund” means the fund by that name established by Section 3.04(A) hereof.

“Independent Financial Consultant” means any consultant or firm of such consultants appointed by the District, and who, or each of whom: (i) is judged by the General Manager to have experience in matters relating to the issuance and/or administration of bonds under the Act; (ii) is in fact independent and not under the domination of the District; (iii) does not have any substantial interest, direct or indirect, with or in the District, or any owner of real property in the CFD, or any real property in the CFD; and (iv) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make reports to the District.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board, (at <http://emma.msrb.org>); and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such services providing information with respect to called bonds as the District may designate in an Officer’s Certificate delivered to the Fiscal Agent.

“Interest Payment Date” means March 1 and September 1 of each year, commencing September 1, 2017.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final scheduled maturity date for any Outstanding Bonds.

“Minimum Administrative Expense Requirement” means (a) for Fiscal Year 2017-2018, \$50,000; and (b) for each Fiscal Year after Fiscal Year 2017-2018, an amount equal to 102% of the Minimum Administrative Expense Requirement in effect for the immediately preceding Fiscal Year.

“Moody’s Investors Service” means Moody’s Investors Service, New York, New York, or its successors.

“Officer’s Certificate” means a written certificate of the District signed by an Authorized Officer of the District.

“Ordinance” means Ordinance No. 13-01, adopted by the Board of Directors on November 27, 2013, and any other ordinance of the District amending or supplementing said Ordinance, or otherwise providing for the levy of the Special Taxes.

“Original Purchaser” means the first purchaser of the 2017 Bonds from the District, being Piper Jaffray & Co.

“Outstanding”, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.04) all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the District pursuant to this Agreement or any Supplemental Agreement.

“Owner” or “Bondowner” means any person who is the registered owner of any Outstanding Bond.

“Parity Bonds” means bonds issued by the District for the CFD payable and secured on a parity with any then Outstanding Bonds, pursuant to Section 2.14 hereof.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

“Permitted Investments” means the following, but only to the extent that the same are acquired at Fair Market Value and are otherwise legal investments for funds of the District:

(a) Federal Securities.

(b) Registered state warrants or treasury notes or bonds of the State of California (the “State”), including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State, which are rated in one of the two highest short-term or long-term rating categories by either Moody’s Investors Service or S&P Global Ratings, and which have a maximum term to maturity not to exceed three years.

(c) Time certificates of deposit or negotiable certificates of deposit issued by a state or nationally chartered bank or trust company, or a state or federal savings and loan association which may include the Fiscal Agent and its affiliates; provided, that the certificates of deposit shall be one or more of the following: continuously and fully insured by the Federal Deposit Insurance Corporation, and/or continuously and fully secured by securities described in subdivision (a) or (b) of this definition of Permitted Investments which shall have a market value, as determined on a marked-to-market basis calculated at least weekly, and exclusive of accrued interest, or not less than 102 percent of the principal amount of the certificates on deposit.

(d) Commercial paper which at the time of purchase is of “prime” quality of the highest ranking or of the highest letter and numerical rating as provided by either Moody’s Investors Service or S&P Global Ratings, which commercial paper is limited to issuing corporations that are organized and operating within the United States of America and that have total assets in excess of five hundred million dollars (\$500,000,000) and that have an “A” or higher rating for the issuer’s debentures, other than commercial paper, by either Moody’s Investors Service or S&P Global Ratings, provided that purchases of eligible commercial paper may not exceed 180 days’ maturity nor represent more than 10 percent of the outstanding commercial paper of an issuing corporation. Purchases of commercial paper may not exceed 20 percent of the total amount invested pursuant to this definition of Permitted Investments.

(e) A repurchase agreement with a state or nationally chartered bank or trust company or a national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, provided that all of the following conditions are satisfied: (1) the agreement is secured by any one or more of the securities described in subdivision (a) of this definition of Permitted Investments, (2) the underlying securities are required by the repurchase agreement to be held by a bank, trust company, or primary dealer having a combined capital and surplus of at least one hundred million dollars (\$100,000,000) and which is independent of the issuer of the repurchase agreement, and (3) the underlying securities are maintained at a market value, as determined on a marked-to-market basis calculated at least weekly, of not less than 103 percent of the amount so invested.

(f) An investment agreement or guaranteed investment contract with, or guaranteed by, a financial institution the long-term unsecured obligations of which are rated Aa2 and “AA” or better, respectively, by Moody’s Investors Service and S&P Global Ratings at the time of initial investment. The investment agreement shall be subject to a downgrade provision with at least the following requirements: (1) the agreement shall provide that within five business days after the financial institution’s long-term unsecured credit rating has been withdrawn, suspended, other than because of general withdrawal or suspension by Moody’s Investors Service or S&P Global Ratings from the practice of rating that debt, or reduced below “AA-” by S&P Global Ratings or below “Aa3” by Moody’s Investors Service (these events are called “rating downgrades”) the financial institution shall give notice to the District and, within the five-day period, and for as long as the rating downgrade is in effect, shall deliver in the name of the District or the Fiscal Agent to the District or the Fiscal Agent Federal Securities allowed as investments under subdivision (a) of this definition of Permitted Investments with aggregate current market value equal to at least 105 percent of the principal amount of the investment agreement invested with the financial institution at that time, and shall deliver additional allowed federal securities as needed to maintain an aggregate current market value equal to at least 105 percent of the principal amount of the investment agreement within three days after each evaluation date, which shall be at least weekly, (2) the agreement shall provide that, if the financial institution’s long-term unsecured credit rating is reduced below “A3” by Moody’s Investors Service or below “A-” by S&P Global Ratings, the Fiscal Agent or the District may, upon not more than five business days’ written notice to the financial institution, withdraw all funds invested under the investment agreement, with accrued but unpaid interest thereon to the date, and terminate the agreement.

(g) The Local Agency Investment Fund of the State of California.

(h) Investments in a money market fund rated in the highest rating category (without regard to plus (+) or minus (-) designations) by Moody’s Investors Service or S&P Global Ratings, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (ii) the Fiscal Agent collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent.

(i) Any other lawful investment for District funds.

“Principal Office” means the corporate trust office of the Fiscal Agent as identified pursuant to Section 9.06 hereof; provided, however, for the purpose of maintenance of the Registration Books and surrender of Bonds for payment, transfer or exchange such term means

the office at which the Fiscal Agent conducts its corporate trust agency business, or such other or additional offices as may be designated by the Fiscal Agent.

“Project” means the facilities eligible to be funded by the CFD, as specified in the Resolution of Formation.

“Rate and Method of Apportionment” means the Rate and Method of Apportionment of Special Tax for the CFD, approved by proceedings conducted pursuant to the Resolution of Formation, and as it may be altered or amended from time to time in accordance with the provisions of the Act.

“Rating Category” means one of the two highest rating categories then in effect under the rating systems of Moody’s Investors Service or S&P Global Ratings, without regard to plus or minus sign or numerical or other qualifying designation.

“Rebate Fund” means the fund by that name established pursuant to Section 6.02 hereof.

“Record Date” means the fifteenth day of the month next preceding the month of the applicable Interest Payment Date, whether or not such fifteenth (15th) day is a Business Day.

“Refunding Bonds” means bonds issued by the District for the CFD the net proceeds of which are used to refund all or a portion of the then Outstanding Bonds; provided that the debt service on the Refunding Bonds in any Bond Year is not in excess of the debt service on the Bonds being refunded, and the final maturity of the Refunding Bonds is not later than the final maturity of the Bonds being refunded.

“Registration Books” means the records maintained by the Fiscal Agent pursuant to Section 2.08 for the registration and transfer of ownership of the Bonds.

“Regulations” means temporary and permanent regulations promulgated under the Code.

“Reserve Fund” means the fund by that name established pursuant to Section 4.03(A) hereof.

“Reserve Requirement” means, with respect to the 2017 Bonds, as of any date of calculation, the lesser of 75% of (i) 10% of the par amount of the Series B Bonds; (ii) Maximum Annual Debt Service on the Series B Bonds; or (iii) 125% of average Annual Debt Service on the Series B Bonds, as determined by the Water District. With respect to any Parity Bonds, “Reserve Requirement” means, as of any date of calculation, and amount required to bring the amount on deposit in the Reserve Fund to an amount equal to the lesser of 75% of (i) 10% of the par amount of the Bonds; (ii) Maximum Annual Debt Service on the Bonds; or (iii) 125% of average Annual Debt Service on the Bonds, as determined by the Water District.

“Resolution” means Resolution No. _____, adopted by the Board of Directors of the District on _____, 2017, authorizing the issuance of the 2017 Bonds.

“Resolution of Formation” means Resolution 13-12, adopted by the Board of Directors of the District on March 13, 2013.

“S&P Global Ratings” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, New York, New York, or its successors.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 15L, New York, New York 10041-0099 Attention: Call Notification Department, Fax (212) 855-3274; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in an Officer’s Certificate delivered to the Fiscal Agent.

“Special Tax Fund” means the fund by that name established by Section 3.05(A) hereof.

“Special Tax Prepayments” means the proceeds of any prepayments of Special Taxes received by the District, as calculated pursuant to the Rate and Method of Apportionment, less any administrative fees or penalties collected as part of any such prepayment.

“Special Tax Prepayments Account” means the account by that name within the Bond Fund established by Section 4.02(A) hereof.

“Special Tax Revenues” means the proceeds of the Special Taxes received by the District, including any scheduled payments and any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien, but shall not include interest and penalties, if any, collected with the Special Taxes that are in excess of the rate of interest payable on the Bonds.

“Special Taxes” means the special taxes levied on property within the CFD pursuant to the Act, the Ordinance and this Agreement.

“Supplemental Agreement” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the District under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

“2017 Series A Bonds” means the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2017 Special Tax Bonds, Series A, at any time Outstanding under this Agreement.

“2017 Series B Bonds” means the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2017 Special Tax Bonds, Series B at any time Outstanding under this Agreement.

“2017 Bonds” means, collectively, the 2017 Series A Bonds and the 2017 Series B Bonds.

Article II.
THE BONDS

Section 2.01 Principal Amount; Designation. 2017 Series A Bonds in the aggregate principal amount of One Hundred Thousand Dollars (\$100,000) and 2017 Series B Bonds in the aggregate principal amount of _____ Million _____ Hundred _____ Thousand Dollars (\$_____) are hereby authorized to be issued by the District for and on behalf of the CFD under and subject to the terms of the Resolution, this Agreement, the Act and other applicable laws of the State of California. The 2017 Bonds are hereby designated the “Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2017 Special Tax Bonds.”

Section 2.02 Terms of 2017 Bonds. The 2017 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple in excess thereof. The 2017 Bonds shall be dated the Closing Date, shall be in the principal amounts, shall mature on September 1 in the years and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates per annum as follows:

2017 SERIES A BONDS

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
2017	\$100,000	

2017 SERIES B BONDS

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>

Interest on the 2017 Bonds shall be payable on each Interest Payment Date to the person whose name appears in the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Fiscal Agent mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owner at the address of such Owner as it appears in the Registration Books as of the preceding Record Date. Principal of and premium (if any) on any 2017 Bond shall be paid by check upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Principal Office of the Fiscal Agent. The principal of and interest and premium (if any) on the 2017 Bonds shall be payable in lawful money of the United States of America.

Each 2017 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before August 15, 2017, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any 2017 Bond, interest thereon is in default, such 2017 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

“CUSIP” identification numbers shall be imprinted on the 2017 Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2017 Bonds, and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2017 Bonds. In addition, failure on the part of the District or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute any violation of the District’s contract with such Owners and shall not impair the effectiveness of any such notice. If the District or the Fiscal Agent include CUSIP numbers in any notice to the Owners, such notice may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds.

Section 2.03 Redemption.

(A) Redemption Dates for the 2017 Bonds.

(i) *Optional Redemption.* The 2017 Series A Bonds are not subject to optional redemption. The 2017 Series B Bonds maturing on or after September 1, 2028 are subject to optional redemption prior to their stated maturities on any date on or after September 1, 2027, as a whole or in part, upon payment from any source of funds available for that purpose, at a redemption price equal to the principal amount of the 2017 Series B Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

(ii) *Mandatory Sinking Payment Redemption.* The 2017 Series B Bonds maturing on September 1, ____, are subject to mandatory sinking payment redemption in part, on September 1, ____, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Redemption Date
(September 1)

Sinking Payments

The amounts in the foregoing table shall be reduced to the extent practicable so as to maintain the same debt service profile for the Bonds as in effect prior to such redemption, as a result of any prior partial redemption of the 2017 Series B Bonds pursuant to Section 2.03(A)(i) above or Section 2.03(A)(iii) below, as specified in writing by the General Manager to the Fiscal Agent.

(iii) *Mandatory Redemption From Special Tax Prepayments.* The 2017 Series B Bonds are subject to mandatory redemption prior to their stated maturity on any Interest Payment Date, from the proceeds of Special Tax Prepayments and corresponding transfers of funds from the Reserve Fund pursuant to clause (iii) of the second paragraph of Section 3.05(A)(iii)(b) and Section 4.03(F), as a whole or in part, at a redemption price (expressed as a percentage of the principal amount of the 2017 Series B Bonds to be redeemed), as set forth below, together with accrued interest thereon to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
any Interest Payment Date from March 1, 2018 to and including March 1, 2025	103%
September 1, 2025 and March 1, 2026	102
September 1, 2026 and March 1, 2027	101
September 1, 2027 and any Interest Payment Date thereafter	100

(B) Notice to Fiscal Agent. The District shall give the Fiscal Agent written notice of its intention to redeem 2017 Series B Bonds pursuant to subsection (A)(i) or (iii) above not less than forty-five (45) days prior to the applicable redemption date, or such lesser number of days as the Fiscal Agent shall allow in the sole discretion of the Fiscal Agent. No notice need be given by the District to the Fiscal Agent of a redemption of 2017 Series B Bonds pursuant to subsection (A)(ii) above.

(C) Priority of Redemption. Whenever provision is made in this Agreement for the redemption of less than all of the 2017 Series B Bonds (other than a redemption pursuant to Section 2.03(A)(ii)), the Fiscal Agent shall select the 2017 Series B Bonds to be redeemed, from all 2017 Series B Bonds not previously called for redemption among maturities so as to maintain the same debt service profile for the Bonds as in effect prior to such redemption as directed in writing by the General Manager, and within a maturity by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate and fair. For purposes of such selection, all 2017 Series B Bonds shall be deemed to be comprised of separate \$5,000 portions and such portions shall be treated as separate Bonds which may be separately redeemed.

(D) Purchase of Bonds in lieu of Redemption. In lieu of redemption under Section 2.03(A) above, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2017 Series B Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase prior to the selection of 2017 Series B Bonds for redemption, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2017 Series B

Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

(E) Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be sent by first class mail, postage prepaid, or sent by such other means as is acceptable to the recipient thereof, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the Securities Depositories and to the Information Services (or by such other means as permitted by such services), and to the respective Owners of any 2017 Series B Bonds designated for redemption, at their addresses appearing in the Registration Books; but such sending of the notice of redemption shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such 2017 Series B Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the CUSIP numbers and Bond numbers of the 2017 Series B Bonds to be redeemed by giving the individual CUSIP number and Bond number of each 2017 Series B Bond to be redeemed or shall state that all 2017 Series B Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the 2017 Series B Bonds of one or more maturities have been called for redemption, shall state as to any 2017 Series B Bond called in part the principal amount thereof to be redeemed, and shall require that such 2017 Series B Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such 2017 Series B Bonds will not accrue from and after the redemption date.

Upon the payment of the redemption price of 2017 Series B Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the 2017 Series B Bonds being redeemed with the proceeds of such check or other transfer.

Upon surrender of 2017 Series B Bonds redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the Owner, at the expense of the District, a new 2017 Bond or 2017 Series B Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2017 Bond or 2017 Series B Bonds.

(F) Right of Rescission. In the case of any redemption of the 2017 Series B Bonds under Section 2.03(i) or 2.03(iii) above, the notice of redemption may state that the redemption is conditioned upon receipt by the Fiscal Agent of sufficient moneys to redeem the 2017 Series B Bonds on the anticipated redemption date, and that the redemption shall not occur if by no later than the scheduled redemption date sufficient moneys to redeem the 2017 Series B Bonds have not been deposited with the Fiscal Agent. In the event that the Fiscal Agent does not receive sufficient funds by the scheduled redemption date to so redeem the 2017 Series B Bonds to be redeemed, the Fiscal Agent shall send written notice to the owners of the 2017 Series B Bonds, to the Securities Depositories and to the Information Services to the effect that the redemption did not occur as anticipated, and the 2017 Series B Bonds for which notice of redemption was given shall remain Outstanding for all purposes of this Agreement.

(G) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2017 Series B Bonds so called for redemption shall have been deposited in the 2017 Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds and, upon written request of the District, issue a certificate of destruction thereof to the District.

(H) Redemption of Parity Bonds. Redemption provisions, if any, pertaining to any Parity Bonds shall be set forth in the Supplemental Agreement providing for such Parity Bonds.

Section 2.04 Form of 2017 Bonds. The 2017 Series A Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, and the 2017 Series B Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibits A and B respectively attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution and the Act.

Section 2.05 Execution of Bonds. The Bonds shall be executed on behalf of the District by the facsimile signatures of the President of the District and Clerk of the Board of the District. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

Only such Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A and Exhibit B, respectively, executed manually and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of authentication of the Fiscal Agent shall be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

Section 2.06 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District from any lawfully available funds of the CFD, including but not limited to amounts in the Administrative Expense Fund. The Fiscal Agent

shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

Section 2.07 Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations of the same series and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District from any lawfully available funds of the CFD, including but not limited to amounts in the Administrative Expense Fund. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

Section 2.08 Registration Books. The Fiscal Agent will keep or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bonds which books shall show the series number, date, amount, rate of interest and last known Owner of each Bond and shall at all times be open to inspection by the District during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

The District and the Fiscal Agent will treat the Owner of any Bond whose name appears in the Registration Books as the absolute Owner of such Bond for any and all purposes, and the District and the Fiscal Agent shall not be affected by any notice to the contrary. The District and the Fiscal Agent may rely on the address of the Bondowner as it appears in the Registration Books for any and all purposes.

Section 2.09 Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall

designate, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary bonds shall be entitled to the same benefits under this Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.10 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the District and the Fiscal Agent satisfactory to the Fiscal Agent shall be given, the District, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the District and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

Section 2.11 Limited Obligation. All obligations of the District under this Agreement and the Bonds shall be limited obligations of the District for the CFD, payable solely from the Special Tax Revenues and the funds pledged therefore hereunder. The faith and credit of the District or the State of California or any political subdivision thereof is not pledged to the payment of the Bonds.

Section 2.12 No Acceleration. The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 9.03 hereof.

Section 2.13 Book-Entry Only System. DTC shall act as the initial Depository for the 2017 Bonds. One 2017 Bond for each maturity of the 2017 Bonds shall be initially executed, authenticated, and delivered as set forth herein with a separate fully registered certificate (in print or typewritten form). Upon initial execution, authentication, and delivery, the ownership of the 2017 Bonds shall be registered in the Registration Books in the name of Cede & Co., as nominee of DTC or such nominee as DTC shall appoint in writing.

The representatives of the District and the Fiscal Agent are hereby authorized to take any and all actions as may be necessary and not inconsistent with this Agreement to qualify the 2017

Bonds for the Depository's book-entry system, including the execution of the Depository's required representation letter.

With respect to Bonds registered in the Registration Books in the name of Cede & Co., as nominee of DTC, neither the District nor the Fiscal Agent shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds Bonds as Depository from time to time (the "DTC Participants") or to any person for which a DTC Participant acquires an interest in the Bonds (the "Beneficial Owners"). Without limiting the immediately preceding sentence, neither the District nor the Fiscal Agent shall have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the District elects to redeem the Bonds in part, (iv) the payment to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds, or (v) any consent given or other action taken by the Depository as Owner of the Bonds; except that so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, any Beneficial Owner of \$1,000,000 or more in aggregate principal amount of any series of Bonds who has filed a written request to receive notices, containing such Beneficial Owner's name and address, with the Fiscal Agent shall be provided with all notices relating to such Bonds by the Fiscal Agent.

Except as set forth above, the Fiscal Agent may treat as and deem DTC to be the absolute Owner of each Bond for which DTC is acting as Depository for the purpose of payment of the principal of and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bonds, and for all purposes whatsoever. The Fiscal Agent shall pay all principal of and interest on the Bonds only to or upon the order of the Owners as shown on the Registration Books, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to the principal of and interest on the Bonds to the extent of the amounts so paid.

No person other than an Owner, as shown on the Registration Books, shall receive a physical Bond. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.06 hereof, references to "Cede & Co." in this Section 2.13 shall refer to such new nominee of DTC.

DTC may determine to discontinue providing its services with respect to the 2017 Bonds at any time by giving written notice to the Fiscal Agent during any time that the 2017 Bonds are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The District may terminate the services of DTC with respect to the 2017 Bonds if it determines that DTC is unable to discharge its responsibilities with respect to the 2017 Bonds or that continuation of the system of book-entry transfers through DTC is not in the best interest of the Beneficial Owners, and the District shall mail notice of such termination to the Fiscal Agent.

Upon the termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions hereunder can be found which is willing and able to undertake such functions upon reasonable or customary terms, or if the District determines that it is in the best interest of the Beneficial Owners of the 2017 Bonds that they be able to obtain certificated Bonds, the 2017 Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Owners shall designate at that time, in accordance with Section 2.06.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.06 the 2017 Bonds will be delivered to such Beneficial Owners as soon as practicable.

Section 2.14 Issuance of Parity Bonds. The 2017 Series A Bonds and the 2017 Series B Bonds are issued on parity with each other. The District may issue one or more series of additional Parity Bonds, in addition to the 2017 Bonds authorized under Section 2.01 hereof, by means of a Supplemental Agreement and without the consent of any Bondowners, upon compliance with the provisions of this Section 2.14. Such Parity Bonds shall constitute Bonds hereunder and shall be secured by a lien on the Special Tax Revenues and funds pledged for the payment of the Bonds hereunder on a parity with all other Bonds Outstanding hereunder. The District may issue the Parity Bonds subject to the following specific conditions precedent:

(A) Current Compliance. The District shall be in compliance on the date of issuance of the Parity Bonds with all covenants set forth in this Agreement and all Supplemental Agreements, and, except with respect to Parity Bonds that are Refunding Bonds, the principal amount of the Parity Bonds shall not cause the District to exceed the maximum authorized indebtedness of the CFD under the provisions of the Act.

(B) Payment Dates. The Supplemental Agreement providing for the issuance of such Parity Bonds shall provide that interest thereon shall be payable on March 1 and September 1, and principal thereof shall be payable on September 1 in any year in which principal is payable (provided that there shall be no requirement that any Parity Bonds pay interest on a current basis).

(C) Funds and Accounts; Reserve Fund Deposit. The Supplemental Agreement providing for the issuance of such Parity Bonds may provide for the establishment of separate funds and accounts, and shall provide for a deposit to the Reserve Fund (or to a separate account created for such purpose) in an amount necessary so that the amount on deposit in the Reserve Fund (together with the amount in any such separate account), following the issuance of such Parity Bonds, is equal to the Reserve Requirement.

(D) Maximum Special Taxes. The District shall certify that the Maximum Special Taxes to be levied in every year, less the Minimum Administrative Expense Requirement for such year, are at least equal to 110% of the debt service payable on the Outstanding amount of the Bonds and the Parity Bonds to be issued in every such year.

(E) **Officer's Certificate.** The District shall deliver to the Fiscal Agent an Officer's Certificate certifying that the the conditions precedent to the issuance of such Parity Bonds set forth in subsections (A), (B), (C) and (D) of this Section 2.14 have been satisfied. In delivering such Officer's Certificate, the Authorized Officer that executes the same may conclusively rely upon such certificates of the Fiscal Agent and others selected with due care, without the need for independent inquiry or certification.

Nothing in this Section 2.14 shall prohibit the District from issuing bonds for the CFD or otherwise incurring debt for the CFD secured by a pledge of Special Tax Revenues subordinate to the pledge thereof under Section 4.01 of this Agreement.

Article III. ISSUANCE OF 2017 BONDS

Section 3.01 Issuance and Delivery of 2017 Bonds. At any time after the execution of this Agreement, the District may issue the 2017 Bonds for the CFD in the aggregate principal amount set forth in Section 2.01 and deliver the 2017 Bonds to the Original Purchaser. The Authorized Officers of the District are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the 2017 Bonds in accordance with the provisions of the Act, the Resolution and this Agreement, to authorize the payment of Costs of Issuance from the proceeds of the 2017 Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the 2017 Bonds to the Original Purchaser.

Section 3.02 Application of Proceeds of Sale of 2017 Series A Bonds. (A) The proceeds of the purchase of the 2017 Series A Bonds by the Original Purchaser (being \$_____) shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows:

(i) Deposit in the Costs of Issuance Fund \$_____.

(ii) Deposit in the Improvement Fund \$_____.

(B) The Fiscal Agent may establish a temporary fund or account in its records to facilitate any of the deposits or transfers referred to Section 3.02(A) .

Section 3.03 Application of Proceeds of Sale of 2017 Bonds. (A) The proceeds of the purchase of the 2017 Series B Bonds by the Original Purchaser (being \$_____) shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows:

(i) Deposit in the Bond Fund \$_____ (being an amount equal to interest on the Series B Bonds, through and including September 1, 2017).

(ii) Deposit in the Reserve Fund \$_____ (being an amount equal to the initial Reserve Requirement).

(iii) Deposit in the Costs of Issuance Fund \$_____.

(iv) Deposit in the Improvement Fund \$_____.

(B) The Fiscal Agent may establish a temporary fund or account in its records to facilitate any of the deposits or transfers referred to in Section 3.03(A).

Section 3.04 Improvement Fund.

(A) Establishment of Improvement Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the Community Facilities District No. 2013-1 (OJAI) Improvement Fund. Deposits shall be made to the Improvement Fund pursuant to Section 3.02 and 3.03. Moneys in the Improvement Fund shall be held by the Fiscal Agent for the benefit of the District, and shall be disbursed, except as otherwise provided in subsection (D) of this Section, for the payment or reimbursement of costs of the Project.

(B) Procedure for Disbursements. Disbursements from the Improvement Fund shall be made by the Fiscal Agent upon receipt of an Officer's Certificate which shall:

(i) set forth the amount required to be disbursed, the purpose for which the disbursement is to be made and the person to which the disbursement is to be paid; and

(ii) certify that the disbursement is for amounts owing by the District or otherwise for a purpose eligible to be funded with the amount to be so disbursed, and in any event that no portion of the amount then being requested to be disbursed was set forth in any Officer's Certificate previously filed requesting disbursement.

In making disbursements from the Improvement Fund, the Fiscal Agent shall first use any amounts deposited therein pursuant to Sections 3.02 and 3.03 and any investment earnings thereon, before using amounts deposited to the Improvement Fund pursuant to Section 3.05(A)(iii)(a) and any investment earnings thereon.

(C) Investment. Moneys in the Improvement Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits from the investment of amounts in the Improvement Fund shall be retained in the Improvement Fund and be used for the purposes thereof.

(D) Closing of Fund. Upon the filing of an Officer's Certificate stating that the portions of the Project to be financed and any other expenses to be paid from the Improvement Fund have been completed and paid, respectively, the Fiscal Agent shall transfer the amount, if any, remaining in the Improvement Fund to the Bond Fund for application to the payment of principal of and interest on the Bonds in accordance with Section 4.02, and the Improvement Fund shall be closed.

Section 3.05 Special Tax Fund.

(A) Establishment of Special Tax Fund. There is hereby established as a separate fund to be held by the General Manager, the Community Facilities District No. 2013-1 (OJAD) Special Tax Fund, to the credit of which the District shall deposit, as soon as practicable following receipt, all Special Tax Revenues received by the District and any amounts required by Section 3.06(B) hereof to be deposited therein.

Notwithstanding the foregoing,

(i) the first Special Tax Revenues collected by the District in any Fiscal Year, in an amount equal to the portion of such Fiscal Year's Special Tax levy for Administrative Expenses (but not to exceed, in any Fiscal Year, the Minimum Administrative Expense Requirement), shall be deposited by the General Manager in the Administrative Expense Fund;

(ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes shall be separately identified by the General Manager and shall be disposed of by the General Manager first, for transfer to the Fiscal Agent for deposit by the Fiscal Agent in the Bond Fund to pay any past due debt service on the Bonds; second for transfer to the Fiscal Agent for deposit by the Fiscal Agent in the Reserve Fund to the extent needed to increase the amount then on deposit in the Reserve Fund up to the then Reserve Requirement; and third, to be held in the Special Tax Fund for use as described in Section 3.04(B) above; and

(iii) any proceeds of Special Tax Prepayments shall be separately identified by the General Manager and shall be remitted by the General Manager to the Fiscal Agent and deposited by the Fiscal Agent as follows (as directed in writing by the General Manager): (a) that portion of any Special Tax Prepayment constituting the Future Facilities Costs (as defined in Section H of the Rate and Method of Apportionment) shall be deposited by the Fiscal Agent to the Improvement Fund so long as the Improvement Fund has not theretofore been closed pursuant to Section 3.04(D), and if the Improvement Fund has been closed, then such amount shall be retained by the District to be used to pay Project costs; and (b) any remaining portion of any Special Tax Prepayment shall be deposited by the Fiscal Agent in the Special Tax Prepayments Account established pursuant to Section 4.02(A).

Moneys in the Special Tax Fund shall be held by the General Manager for the benefit of the District and the Owners of the Bonds, shall be disbursed as provided below and, pending disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(B) Disbursements. From time to time as needed to pay the obligations of the CFD, but no later than the Business Day before each Interest Payment Date, the General Manager shall withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority (i) to the Fiscal Agent for deposit by the Fiscal Agent in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the Special Tax Fund and the Reserve Fund to the Bond Fund pursuant to Sections 4.03(C), (E) and (F), such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date (including the redemption price of

any Bonds to be redeemed on such Interest Payment Date pursuant to Section 2.03(A)(i), (ii) or (iii)), and (ii) to the Reserve Fund an amount, taking into account amounts then on deposit in the Reserve Fund, such that the amount in the Reserve Fund is equal to the Reserve Requirement; provided that no such transfers shall exceed the amount then available to be transferred from the Special Tax Fund.

In addition to the foregoing, if in any Fiscal Year there are sufficient funds in the Special Tax Fund to make the foregoing transfers to the Bond Fund and the Reserve Fund in respect of the Interest Payment Dates occurring in the Bond Year that commences in such Fiscal Year, the General Manager may transfer to the Administrative Expense Fund, from time to time, any amount in the Special Tax Fund in excess of the amount needed to make such transfers to the Bond Fund and the Reserve Fund, if monies are needed to pay Administrative Expenses in excess of the amount then on deposit in the Administrative Expense Fund.

(C) Investment. Moneys in the Special Tax Fund shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from investment of amounts in the Special Tax Fund shall be retained in the Special Tax Fund to be used for the purposes thereof.

Section 3.06 Administrative Expense Fund.

(A) Establishment of Administrative Expense Fund. There is hereby established as a separate fund to be held by the General Manager, the Community Facilities District No. 2013-1 (OJAI) Administrative Expense Fund, to the credit of which deposits shall be made as required by Section 3.05(A)(i), the second paragraph of Section 3.05(B) and Section 3.07(B). Moneys in the Administrative Expense Fund shall be held by the General Manager for the benefit of the District, and shall be disbursed as provided below.

(B) Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the General Manager and paid to the District or its order upon receipt by the General Manager of an Officer's Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense, and the nature of such Administrative Expense. Amounts transferred to the Administrative Expense Fund pursuant to Section 3.07(B) shall be used for purposes of such fund prior to using other available amounts therein.

Annually, on the last day of each Fiscal Year, the General Manager shall withdraw any amounts then remaining in the Administrative Expense Fund in excess of \$_____ that have not been allocated to pay Administrative Expenses incurred but not yet paid, and which are not otherwise encumbered, and transfer such amounts to the Special Tax Fund.

(C) Investment. Moneys in the Administrative Expense Fund shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the General Manager in the Administrative Expense Fund to be used for the purposes of such fund.

Section 3.07 Costs of Issuance Fund.

(A) Establishment of Costs of Issuance Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the Community Facilities District No. 2013-1

(OJAI) Costs of Issuance Fund, to the credit of which a deposit shall be made as required by Section 3.02(A) and 3.03(A). Moneys in the Costs of Issuance Fund shall be held by the Fiscal Agent and shall be disbursed as provided in subsection (B) of this Section.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in a requisition containing respective amounts to be paid to the designated payees, signed by an Authorized Officer and delivered to the Fiscal Agent concurrently with the delivery of the 2017 Bonds. The Fiscal Agent shall pay all Costs of Issuance upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such requisition, or upon receipt of an Officer's Certificate requesting payment of a Cost of Issuance not listed on the initial requisition delivered to the Fiscal Agent on the Closing Date. Each such Officer's Certificate shall be sufficient evidence to the Fiscal Agent of the facts stated therein and the Fiscal Agent shall have no duty to confirm the accuracy of such facts. The Fiscal Agent shall maintain the Cost of Issuance Fund for a period of 120 days from the Closing Date and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the General Manager for deposit by the General Manager in the Administrative Expense Fund. Following such transfer, the Fiscal Agent shall close the Costs of Issuance Fund.

(C) Investment. Moneys in the Cost of Issuance Fund shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the Cost of Issuance Fund to be used for the purposes of such fund.

Section 3.08 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the performance by any person of his obligation with respect to the Project.

Article IV.
SPECIAL TAX REVENUES;
BOND FUND AND RESERVE FUND

Section 4.01 Pledge of Special Tax Revenues. The Bonds shall be secured by a first pledge of all of the Special Tax Revenues (other than the Special Tax Revenues to be deposited to the Administrative Expense Fund pursuant to clause (i) of the second paragraph of Section 3.04(A)) and all moneys deposited in the Bond Fund, the Special Tax Prepayments Account, the Reserve Fund and, until disbursed as provided herein, in the Special Tax Fund. Such Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 9.03.

Amounts in the Administrative Expense Fund, the Costs of Issuance Fund and the Improvement Fund, and the Special Tax Revenues to be deposited to the Administrative Expense Fund pursuant to Section 3.04(A)(i), are not pledged to the repayment of the Bonds. The facilities financed by the CFD are not in any way pledged to pay the debt service on the Bonds. Any proceeds of the sale, condemnation or destruction of any facilities financed by the CFD are

not pledged to pay the debt service on the Bonds and are free and clear of any lien or obligation imposed hereunder.

Section 4.02 Bond Fund.

(A) Establishment of Bond Fund and Special Tax Prepayments Account. There is hereby established as a separate fund to be held by the Fiscal Agent, the Community Facilities District No. 2013-1 (OJAI) Bond Fund to the credit of which deposits shall be made as required by Section 3.03(A), 3.05 and Section 4.03, and any other amounts required to be deposited therein by this Agreement or the Act. There is also hereby created in the Bond Fund a separate account held by the Fiscal Agent, consisting of the Special Tax Prepayments Account, to the credit of which deposits shall be made as required by clause (iii) of the second paragraph of Section 3.05(A).

Moneys in the Bond Fund and the Special Tax Prepayments Account shall be held by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds. Notwithstanding the foregoing, amounts in the Bond Fund may be used for the purposes set forth in Section 2.03(D).

(B) Disbursements. (i) Bond Fund Disbursements. On each Interest Payment Date, and following any transfers required pursuant to Sections 3.04(A), 3.04(B), 4.02(B)(ii) and 4.03(C), (E) and (F) in connection with such Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due on the Bonds by reason of the sinking payments set forth in Section 2.03(A)(ii), or a redemption of the Bonds required by Section 2.03(A)(i) or (iii), such payments to be made in the priority listed in the second succeeding paragraph. Notwithstanding the foregoing, amounts in the Bond Fund as a result of a transfer pursuant to Section 3.05(A)(ii) shall be immediately disbursed by the Fiscal Agent to pay past due amounts owing on the Bonds.

In the event that amounts in the Bond Fund are insufficient for the purpose set forth in the preceding paragraph, the Fiscal Agent shall notify the General Manager of the amount of the insufficiency, and the Fiscal Agent shall withdraw from the Reserve Fund to the extent of any funds therein an amount to cover the amount of such Bond Fund insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited by the Fiscal Agent in the Bond Fund.

If, after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the first sentence of the first paragraph of this Section 4.02(B), the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Each such payment shall be made ratably to the Owners of the Bonds based on the then Outstanding principal amount of the Bonds, if there are insufficient funds to make the corresponding payment for all of the then Outstanding Bonds. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

(ii) Special Tax Prepayments Account Disbursements. Moneys in the Special Tax Prepayments Account shall be transferred by the Fiscal Agent to the Bond Fund on the next date for which notice of redemption of Bonds under Section 2.03(A)(iii) can timely be given by the Fiscal Agent under Section 2.03(E), and shall be used (together with any amounts transferred pursuant to Section 4.03(F)) to redeem Bonds on the redemption date selected in accordance with Section 2.03.

(C) Investment. Moneys in the Bond Fund and the Special Tax Prepayments Account shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from investment of amounts in the Bond Fund and the Special Tax Prepayments Account shall be retained in the Bond Fund and the Special Tax Prepayments Account, respectively, to be used for the purposes of such fund and account.

(D) State Reporting. If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, notice shall be provided by the General Manager as described in Section 5.19(B).

Section 4.03 Reserve Fund.

(A) Establishment of Reserve Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the Community Facilities District No. 2013-1 (OJAI) Reserve Fund to the credit of which a deposit shall be made as required by Section 3.03, which deposit is equal to the initial Reserve Requirement, and deposits shall be made as provided in Sections 3.05(A)(ii), and Section 3.05(B)(i). Moneys in the Reserve Fund shall be held by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of principal of, and interest and any premium on, the Bonds and shall be subject to a lien in favor of the Owners of the Bonds.

(B) Use of Reserve Fund. Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund (as described in the second paragraph of Section 4.02(B)(i)) in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest and any premium on, the Bonds or for the purpose of redeeming Bonds from the Bond Fund. If at any time funds are withdrawn by the Fiscal Agent from the Reserve Fund for transfer to the Bond Fund due to a deficiency in the amount in the Bond Fund needed to pay debt service due on the Bonds (as described in the second paragraph of Section 4.02(B)), the Fiscal Agent shall notify the General Manager of the date of withdrawal and the amount so withdrawn, and the General Manager shall provide notice as required by Section 5.19(B).

(C) Transfer of Excess of Reserve Requirement. Whenever, on the Business Day before any Interest Payment Date, or on any other date at the request of an Authorized Officer, the amount in the Reserve Fund exceeds the Reserve Requirement, the Fiscal Agent shall provide written notice to the District of the amount of the excess and shall transfer an amount equal to the excess from the Reserve Fund to the Bond Fund to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 4.02.

(D) Transfer for Rebate Purposes. Amounts in the Reserve Fund shall be withdrawn, at the written request of the General Manager, for purposes of making payment to the federal government to comply with Section 6.02.

(E) Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund equals or exceeds the amount required to redeem or pay all of the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall transfer the amount in the Reserve Fund to the Bond Fund to be used for the payment and redemption, in accordance with Section 4.02 or 2.03, as applicable, of all of the Outstanding Bonds. In the event that the amount then on deposit in the Reserve Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund in excess of the amount needed for such payment and redemption shall be transferred by the Fiscal Agent to the General Manager, to be retained by the District, unencumbered by this Fiscal Agent Agreement, to be used by the District for any lawful purpose under the Act.

Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund pursuant to this Section 4.03(E) until after (i) the calculation, pursuant to Section 6.02, of any amounts due to the federal government following payment of the Bonds and withdrawal of any such amount under Section 4.03(D) for purposes of making such payment to the federal government, and (ii) payment of any fees and expenses due to the Fiscal Agent.

(F) Transfer Upon Special Tax Prepayment. Whenever Special Taxes are prepaid and Bonds are to be redeemed with the proceeds of such prepayment pursuant to Section 2.03(A)(iii) and 4.02(B)(ii), a proportionate amount in the Reserve Fund (determined in accordance with the applicable provisions of the Rate and Method of Apportionment and communicated by the General Manager to the Fiscal Agent) shall be transferred not later than the Business Day prior to the redemption date by the Fiscal Agent to the Bond Fund to be applied to the redemption of the Bonds pursuant to Section 2.03(A)(iii).

(G) Investment. Moneys in the Reserve Fund shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the Reserve Fund to be used for purposes of the Reserve Fund, including as provided in Section 4.03(C) above.

Article V. OTHER COVENANTS OF THE DISTRICT

Section 5.01 Punctual Payment. The District will punctually pay or cause to be paid the principal of and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement and any Supplemental Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and all Supplemental Agreements of the Bonds.

Section 5.02 Limited Obligation. The Bonds are limited obligations of the District on behalf of the CFD secured by and payable solely from the amounts and in the manner described in Sections 3.04, 4.02 and 4.03 hereof.

Section 5.03 Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04 Against Encumbrances. The District will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.05 Books and Records. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the deposits to and expenditure of amounts disbursed from the Administrative Expense Fund and the Special Tax Fund, and to the Special Tax Revenues. Such books of record and accounts shall at all times during District business hours and following reasonable prior written notice be subject to the inspection of the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 5.06 Protection of Security and Rights of Owners. The District will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

Section 5.07 Compliance with Law. The District will comply with all applicable provisions of the Act in administering the CFD; provided that the District shall have no obligation to advance any of its own funds for any purpose whatsoever under this Agreement.

Section 5.08 Private Activity Bond Limitation. The District shall assure that the proceeds of the 2017 Bonds are not so used as to cause the 2017 Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.09 Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the 2017 Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

Section 5.10 Collection of Special Tax Revenues. The District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or about July 1 of each year, the Fiscal Agent shall provide the General Manager with a notice stating the amounts then on deposit in the Reserve Fund and in the Bond Fund. The

receipt of such notice by the General Manager shall in no way affect the obligations of the General Manager under the following three paragraphs. Also on or about July 1 of each year, the General Manager shall communicate with the Auditor or other appropriate official of the County to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. In computing the amount of Special Taxes to be levied, the General Manager shall take into account funds in the Bond Fund and the Special Tax Fund, and any amounts then in the Reserve Fund in excess of the Reserve Requirement, available to make the payment of debt service on the Bonds due on the Interest Payment Dates occurring in the next calendar year.

The General Manager shall effect the levy of the Special Taxes from time to time during each Fiscal Year in accordance with the Ordinance and the Rate and Method of Apportionment. Specifically, the General Manager shall compute the amount of Special Taxes to be so levied each Fiscal Year before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the CFD for inclusion on the next secured or unsecured, as applicable, real property tax roll. Upon the completion of the computation of the amounts of the levy, the General Manager shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll. The Special Taxes so levied shall be payable and be collected in the same manner and at the same time and in the same installment as the ad valorem taxes on property levied on the tax roll are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general ad valorem taxes levied on the County secured tax roll.

In the event that the General Manager determines to levy all or a portion of the Special Taxes by means of direct billing of the property owners within the CFD, and to the extent permitted by the Ordinance, the General Manager shall, not less than forty-five (45) days prior to each Interest Payment Date, send bills to the property owners in the CFD for Special Taxes necessary to meet the financial obligations of the CFD due on the next Interest Payment Date said bills to specify that the amounts so levied shall be due and payable not less than thirty (30) days prior to such Interest Payment Date and shall be delinquent if not paid when due.

In any event, the District shall fix and levy the amount of Special Taxes within the CFD required for the timely payment of principal of and interest on any outstanding Bonds becoming due and payable, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses, and shall take into account any prepayments of Special Taxes theretofore received by the District. The Special Taxes so levied shall not exceed the maximum amounts as provided in the Rate and Method of Apportionment.

The General Manager is hereby authorized to employ consultants to assist in computing the levy of the Special Taxes hereunder and any reconciliation of amounts levied to amounts received. The fees and expenses of such consultants and the costs and expenses of the General Manager (including a charge for District staff time) in conducting its duties hereunder shall be an Administrative Expense hereunder.

Section 5.11 Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.12 No Arbitrage. The District shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the proceeds of the 2017 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2017 Bonds would have caused the 2017 Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

Section 5.13 Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the 2017 Bonds from the gross income of the owners of the 2017 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2017 Bonds.

Section 5.14 Covenant to Foreclose.

The District hereby covenants, with and for the benefit of the Owners of the Bonds as follows: (i) it will order, and cause to be commenced, judicial foreclosure proceedings against properties in the District with three delinquent installments of the payment of Special Taxes no later than the sixth month following the date on such third installment of such Special Taxes were due, and (ii) it will commence judicial foreclosure proceedings against all properties in the District with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than ninety-five percent (95%) of the total Special Taxes levied, and diligently pursue to completion such foreclosure proceedings; providing, however, the District shall not be required to order and cause judicial foreclosure proceedings to be commenced against delinquent properties as long as no deficiency in the Reserve Fund exists (or is projected to exist in order to meet the next upcoming debt service payment) and the District determines that the cost of pursuing such foreclosure is greater than the outstanding delinquency.

The General Manager is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel (including a charge for District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

Section 5.15 No Additional Bonds. Except as expressly permitted by Section 2.14 hereof, the District shall not issue any additional bonds secured by (A) a pledge of Special Taxes on a parity with or senior to the pledge thereof under Section 4.01 hereof; or (B) any amounts in any funds or accounts established hereunder.

Section 5.16 Yield of the 2017 Bonds. In determining the yield of the 2017 Bonds to comply with Section 5.12 and 6.02 hereof, the District will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the District, as of the Closing Date, regarding prepayments of Special Taxes and use of prepayments

for redemption of the 2017 Bonds, without regard to whether or not prepayments are received or 2017 Bonds redeemed.

Section 5.17 Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Agreement, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered a default on the Bonds or a breach of any other provision of this Agreement.

Section 5.18 Reduction of Special Taxes. The District covenants and agrees to not consent or conduct proceedings with respect to a reduction in the maximum Special Taxes that may be levied in the CFD on Developed Property (as defined in the Rate and Method of Apportionment) below an amount, for any Bond Year, equal to 110% of the aggregate of the debt service due on the Bonds in such Bond Year, plus a reasonable estimate of Administrative Expenses for each such Bond Year. It is hereby acknowledged that Bondowners are purchasing the Bonds in reliance on the foregoing covenant, and that said covenant is necessary to assure the full and timely payment of the Bonds.

Section 5.19 State Reporting Requirements. The following requirements shall apply to the 2017 Bonds, in addition to those requirements under Section 5.17:

(A) Annual Reporting. (A) Annual Reporting. Not later than October 30 of each calendar year, beginning with the October 30, 2017, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, the General Manager shall cause the following information to be supplied to the California Debt and Investment Advisory Commission (“CDIAC”): (i) the name of the District; (ii) the full name of the CFD; (iii) the name, title, and series of the Bond issue; (iv) any credit rating for the Bonds and the name of the rating agency; (v) the Closing Date of the Bond issue and the original principal amount of the Bond issue; (vi) the amount of the Reserve Requirement; (vii) the principal amount of Bonds outstanding; (viii) the balance in the Reserve Fund; (ix) that there is no capitalized interest account for the Bonds; (x) the number of parcels in the CFD that are delinquent with respect to Special Tax payments, the amount that each parcel is delinquent, the total amount of Special Taxes due on the delinquent parcels, the length of time that each has been delinquent, when foreclosure was commenced for each delinquent parcel, the total number of foreclosure parcels for each date specified, and the total amount of tax due on the foreclosure parcels for each date specified; (xi) the balance, if any, in the Improvement Fund; (xii) the assessed value of all parcels subject to the Special Tax to repay the Bonds as shown on the most recent equalized roll, the date of assessed value reported, and the source of the information; (xiii) the total amount of Special Taxes due, the total amount of unpaid Special Taxes, and whether or not the Special Taxes are paid under the County’s Teeter Plan (Chapter 6.6 (commencing with Section 54773) of the California Government Code); (xiv) the reason and the date, if applicable, that the Bonds were retired; and (xv) contact information for the party providing the foregoing information. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(B) Other Reporting. If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, or if funds are withdrawn by the Fiscal Agent from the Reserve Fund pursuant to Section 4.03(B) for transfer to the Fiscal Agent to be used to

pay principal and interest on the Bonds, the General Manager shall notify CDIAC and the Original Purchaser of such failure or withdrawal within 10 days of such failure or withdrawal, and the General Manager shall provide notice under the Continuing Disclosure Agreement of any such event as required thereunder.

(C) Special Tax Reporting. The General Manager shall file a report with the District no later than January 1, 2018, and at least once a year thereafter, which annual report shall contain: (i) the amount of Special Taxes collected and expended with respect to the CFD, (ii) the amount of Bond proceeds collected and expended with respect to the CFD, and (iii) the status of the Project. It is acknowledged that the Special Tax Fund, the Bond Fund, the Reserve Fund, the Special Tax Prepayments Account and the Administrative Expense Fund are the accounts into which Special Taxes collected in the CFD will be deposited for purposes of Section 50075.1(c) of the California Government Code, and the funds and accounts listed in Section 3.02(A) and 3.03(A) are the funds and accounts into which Bond proceeds will be deposited for purposes of Section 53410(c) of the California Government Code, and the annual report described in the preceding sentence is intended to satisfy the requirements of Sections 50075.1(d), 50075.3 and 53411 of the California Government Code.

(D) Amendment. The reporting requirements of this Section 5.19 shall be amended from time to time, without action by the District or the Fiscal Agent (i) with respect to subparagraphs (A) and (B) above, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act, and (ii) with respect to subparagraph (C) above, to reflect any amendments to Section 50075.1, 50075.3, 53410 or 53411 of the California Government Code. Notwithstanding the foregoing, any such amendment shall not, in itself, affect the District's obligations under the Continuing Disclosure Agreement. The District shall notify the Fiscal Agent in writing of any such amendments which affect the reporting obligations of the Fiscal Agent under this Agreement.

(E) No Liability. None of the District and its officers, agents and employees (including but not limited to the General Manager), or the Fiscal Agent, shall be liable for any inadvertent error in reporting the information required by this Section 5.19.

The General Manager shall provide copies of any reports prepared pursuant to this Section 5.19 to any Bondowner upon the written request of a Bondowner and payment by the person requesting the information of the cost of the District to produce such information and pay any postage or other delivery cost to provide the same, as determined by the General Manager. The term "Bondowner" for purposes of this Section 5.19 shall include any beneficial owner of the Bonds.

Section 5.20 Limits on Special Tax Waivers and Bond Tenders. The District covenants not to exercise its rights under the Act to waive delinquency and redemption penalties related to the Special Taxes or to declare Special Tax penalties amnesty program if to do so would materially and adversely affect the interests of the owners of the Bonds. The District further covenants not to permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the District having insufficient Special Tax Revenues to pay the principal of and interest on the Bonds that will remain Outstanding following such tender.

Section 5.21 District Bid at Foreclosure Sale. The District will not bid at a foreclosure sale of property in respect of delinquent Special Taxes unless it expressly agrees to take the property subject to the lien for Special Taxes imposed by the CFD and that the Special Taxes levied on the property are payable while the District owns the property.

**Article VI.
INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS;
LIABILITY OF THE DISTRICT**

Section 6.01 Deposit and Investment of Moneys in Funds. Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. The Officer's Certificate shall contain a certification to the Fiscal Agent that the investments being directed are Permitted Investments as required hereunder. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (h) of the definition thereof; provided, however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received an Officer's Certificate specifying a specific money market fund into which the funds shall be invested and, if no such Officer's Certificate is so received, the Fiscal Agent shall hold such moneys uninvested.

Moneys in any fund or account created or established by this Agreement and held by the General Manager shall be invested by the General Manager in any lawful investments that the District may make or in any Permitted Investment, which in any event by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in this Agreement any moneys are required to be transferred by the District to the Fiscal Agent, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Fiscal Agent or the General Manager may act as principal or agent in the acquisition or disposition of any investment, and all investments may be made through the Fiscal Agent's investment department or that of its affiliates. The Fiscal Agent or its affiliates may act as sponsor, agent manager or depository with regard to any Permitted Investment. Neither the Fiscal Agent nor the General Manager shall incur any liability for losses arising from any investments made pursuant to this Section.

Except as otherwise provided in the next sentence, the District shall direct or make investments hereunder such that all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value. The District shall direct or make investments hereunder such that investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund shall be

valued at their present value (within the meaning of section 148 of the Code). The Fiscal Agent shall have no duty in connection with the determination of the Fair Market Value of any investment other than to follow: (A) its normal practices in the purchase, sale and determining the value of Permitted Investments; and (B) the investment directions of the District.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the General Manager hereunder, provided that the Fiscal Agent or the General Manager, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent shall sell, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the General Manager shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

The District acknowledges that regulations of the Comptroller of the Currency grant the District the right to receive brokerage confirmations of security transactions to be effected by the Fiscal Agent hereunder as they occur. The District specifically waives the right to receive such notification to the extent permitted by applicable law and agrees that it will instead receive monthly cash transactions statements which shall include detail for the investment transactions effected by the Fiscal Agent hereunder; provided, however, that the District retains its rights to, upon written request to the Fiscal Agent, receive brokerage confirmation on any investment transaction requested by the District.

Section 6.02 Rebate of Excess Investment Earnings to the United States. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

The Fiscal Agent shall establish and maintain a special fund designated the "Rebate Fund." There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein, as specified in a Written Request of the District. All money at any time deposited in the Rebate Fund shall be held by the Fiscal Agent, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Bonds pursuant to Section 9.03 or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by the provisions under this Section 6.02. The Fiscal Agent shall be deemed conclusively to have complied with such provisions if it follows the written directions of the District.

The District may withdraw such amounts from the Reserve Fund pursuant to Section 4.03(D) as necessary to make any required rebate payments, and pay such amounts to the federal government as required by the Code and the Regulations. In the event of any shortfall in amounts available to make such payments under Section 4.03(D), the General Manager shall

make such payment from any amounts available in the Administrative Expense Fund or from any other lawfully available funds of the CFD or the District. Any fees or expenses incurred by the District under or pursuant to this Section 6.02 shall be Administrative Expenses.

In order to provide for the administration of this Section 6.02, the General Manager may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the General Manager may deem appropriate and in addition the General Manager may rely conclusively upon and be fully protected from all liability in relying upon the opinions, determinations, calculations and advice of such agents, attorneys and consultants employed hereunder.

Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment of any amounts described in the provisions under this Section 6.02, shall, upon receipt by the Fiscal Agent of a Written Request of the District, be withdrawn by the Fiscal Agent and remitted to the District.

The Fiscal Agent may rely conclusively upon the District's determinations, calculations and certifications required by this Section. The Fiscal Agent shall have no responsibility to independently make any calculation or determination or to review the District's calculations hereunder.

Section 6.03 Liability of District. The District shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The District shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Fiscal Agent herein or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the District, including the General Manager, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the District and conforming to the requirements of this Agreement. The District, including the General Manager, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the District to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Special Tax Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The District may consult with counsel, who may be the District Counsel, with

regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The District shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactory established, if disputed.

Whenever in the administration of its duties under this Agreement the District shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent or other appropriate agent or consultant, and such certificate shall be full warrant to the District for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.04 Employment of Agents by District. In order to perform its duties and obligations hereunder, the District and/or the General Manager may employ such persons or entities as it deems necessary or advisable. The District shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

Article VII. THE FISCAL AGENT

Section 7.01 Appointment of Fiscal Agent. U.S. Bank National Association, at its corporate trust office in San Francisco, California is hereby appointed Fiscal Agent and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company or association into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company or association resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company or association shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Fiscal Agent shall give the General Manager written notice of any such succession hereunder.

The District may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank, association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination

by federal or state authority. If such bank, association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such bank, association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the District and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective only upon acceptance of appointment by the successor Fiscal Agent. Upon such acceptance, the successor Fiscal Agent shall be vested with all rights and powers of its predecessor hereunder without any further act.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiscal Agent shall have given to the District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

If, by reason of the judgment of any court, or reasonable agency, the Fiscal Agent is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Fiscal Agent hereunder shall be assumed by and vest in the General Manager for the benefit of the Owners. The District covenants for the direct benefit of the Owners that its General Manager in such case shall be vested with all of the rights and powers of the Fiscal Agent hereunder, and shall assume all of the responsibilities and perform all of the duties of the Fiscal Agent hereunder, in trust for the benefit of the Owners of the Bonds. In such event, the General Manager may designate a successor Fiscal Agent qualified to act as Fiscal Agent hereunder.

Section 7.02 Liability of Fiscal Agent. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished by the District to the Fiscal Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to

examine the same to determine whether or not they conform to the requirements of this Agreement on their face. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, requisition, Officer's Certificate, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent security or indemnity satisfactory to it against the fees, expenses and liabilities (including reasonable attorney's fees) which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

The Fiscal Agent shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, and its liability shall be limited to the proper accounting for such funds as it shall actually receive.

In order to perform its duties and obligations hereunder, the Fiscal Agent may employ such persons or entities as it deems necessary or advisable.

The Fiscal Agent shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of god or of the public enemy or terrorists, acts of a government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Fiscal Agent.

Section 7.03 Information; Books and Accounts. The Fiscal Agent shall provide to the District such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the District shall reasonably request, including but not limited to quarterly statements reporting funds held and transactions by the Fiscal Agent.

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions made by the Fiscal Agent relating to the deposit to and expenditure of amounts disbursed from the Bond Fund, the Improvement Fund, the Special Tax Prepayments Account, the Reserve Fund and the Costs of Issuance Fund. Such books of record and accounts shall upon reasonable prior notice at all times during business hours be subject to the inspection of the District and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 7.04 Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, requisition, Officer's Certificate, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05 Compensation, Indemnification. The District shall pay to the Fiscal Agent from time to time, promptly upon written request, reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The District further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities, reasonable expenses, including reasonable legal fees and expenses, which it may incur in the exercise and performance of its powers and duties hereunder which are not

due to its negligence or willful misconduct. The obligation of the District under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement, but any monetary obligation of the District arising under this Section shall be limited solely to amounts on deposit in the Administrative Expense Fund.

Article VIII.
MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 8.01 Amendments Permitted. This Agreement and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the District of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the District and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the District in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the District;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the District in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the District may deem necessary or desirable and not inconsistent with this Agreement, and which shall not materially adversely affect the rights of the Owners of the Bonds;

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure the exclusion from gross income, for purposes of federal income taxation, of interest on the 2017 Bonds; and

(E) in connection with the issuance of Parity Bonds under and pursuant to Section 2.14.

The Fiscal Agent may in its discretion, but shall not be obligated to, enter into any such Supplemental Agreement authorized by this Section which materially adversely affects the Fiscal Agent's own rights, duties or immunities under this Fiscal Agent Agreement or otherwise with respect to the Bonds or any agreements related thereto. The Fiscal Agent may request and shall be fully protected in relying upon, an opinion of Bond Counsel that any proposed Supplemental Agreement complies with the applicable requirements of this Section 8.01.

Section 8.02 Owners' Meetings. The District may at any time call a meeting of the Owners. In such event the District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 8.03 Procedure for Amendment with Written Consent of Owners. The District and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by the first paragraph of Section 8.01, to take effect when and as provided in this Section. The District or the Fiscal Agent may obtain an opinion of Bond Counsel that such Supplemental Agreement complies with the provisions of this Article VIII, and the District and Fiscal Agent may rely conclusively upon such opinion. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.04) and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 9.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise

hereinabove specifically provided in this Article) upon the District and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 8.04 Disqualified Bonds. Bonds owned or held for the account of the District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII, unless all of the Outstanding Bonds are so owned or held. Upon written request, the District shall specify to the Fiscal Agent in a certificate executed by an Authorized Officer those Bonds disqualified pursuant to this Section 8.04. The Fiscal Agent may conclusively rely upon such certificate of the District.

Section 8.05 Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.06 Endorsement or Replacement of Bonds Issued After Amendments. The District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the District may select and designate for that purpose, a suitable notation shall be made on such Bond. The District may determine that new Bonds, so modified as in the opinion of the District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.07 Amendatory Endorsement of Bonds. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Article IX. MISCELLANEOUS

Section 9.01 Benefits of Agreement Limited to Parties. Nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the Fiscal Agent and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants,

stipulations, promises or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 9.02 Successor is Deemed Included in All References to Predecessor.

Whenever in this Agreement or any Supplemental Agreement either the District or the Fiscal Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the District or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03 Discharge of Agreement. The District shall have the option to pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in Sections 4.02 and 4.03 is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums; or

(C) by irrevocably depositing with the Fiscal Agent or another fiduciary, in trust, cash and Federal Securities in such amount as the District shall determine as confirmed by Bond Counsel, an Independent Financial Consultant or an independent certified public accountant will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in Sections 4.02 and 4.03, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

If the District shall have taken any of the actions specified in (A), (B) or (C) above, and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the District, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in this Agreement and all other obligations of the District under this Agreement with respect to such Bonds Outstanding shall cease and terminate. Notice of such election shall be filed with the Fiscal Agent. Notwithstanding the foregoing, the obligations of the District to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, to pay all amounts owing to the Fiscal Agent pursuant to Section 7.05, and otherwise to assure that no action is taken or failed to be taken if such action or failure adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes, shall continue in any event.

Upon compliance by the District with the foregoing with respect to all Bonds Outstanding, any funds held by the Fiscal Agent after payment of all fees and expenses of the Fiscal Agent, which are not required for the purposes of the preceding paragraph, shall be paid

over to the District and any Special Taxes thereafter received by the District shall not be remitted to the Fiscal Agent but shall be retained by the District to be used for any purpose permitted under the Act.

Section 9.04 Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Fiscal Agent in good faith and in accordance therewith.

Section 9.05 Waiver of Personal Liability. No Boardmember, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such Boardmember, officer, agent or employee from the performance of any official duty provided by law.

Section 9.06 Notices to and Demands on District and Fiscal Agent. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the District may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the District with the Fiscal Agent) as follows:

Casitas Municipal Water District
1055 North Ventura Avenue
Ventura, California 93022
Attention: General Manager

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the District to or on the Fiscal Agent may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the District) as follows:

U.S. Bank National Association
633 W. Fifth Street, 24th Floor

Los Angeles, California 90071
Attention: Global Corporate Trust Services

Section 9.07 Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 9.08 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys were held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the District as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of the principal of, and interest and any premium on, such Bonds. Any right of any Owner to look to the District for such payment shall survive only so long as required under applicable law.

Section 9.09 Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.10 Conflict with Act. In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 9.11 Conclusive Evidence of Regularity. Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 9.12 Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 9.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the District has caused this Agreement to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as of May 1, 2017.

CASITAS MUNICIPAL WATER DISTRICT, for
and on behalf of CASITAS MUNICIPAL WATER
DISTRICT COMMUNITY FACILITIES
DISTRICT NO. 2013-1 (OJAI)

By: _____
General Manager

U.S. BANK NATIONAL ASSOCIATION, as Fiscal
Agent

By: _____
Vice President

EXHIBIT A
FORM OF BOND

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

CASITAS MUNICIPAL WATER DISTRICT
COMMUNITY FACILITY DISTRICT NO. 2013-1
(OJAI)
2017 SPECIAL TAX BOND, SERIES A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
	September 1, 2027	May __, 2017	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The Casitas Municipal Water District (the “District”), for and on behalf of the Casitas Municipal Water District Community Facility District No. 2013-1 (OJAI) (the “CFD”), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the CFD or amounts in the funds and accounts held under the Agreement (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing September 1, 2017 (each, an “Interest Payment Date”), at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the registered owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office (as defined in the Agreement referred to below) of U.S. Bank National Association (the “Fiscal Agent”). Interest on this Bond shall be paid by check of the Fiscal Agent mailed on each Interest Payment Date to the registered owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the “Record Date”) at such registered owner’s address as it appears on the registration books maintained by the Fiscal Agent, or (i) if the Bonds are in book-entry-only form, or (ii) otherwise upon written request filed with the Fiscal Agent prior to any Record Date by a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to the depository for the Bonds or to an account in the United States designated by such registered owner in such written request, respectively.

Interest on this Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof, unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest for such Interest Payment Date, or (ii) such date of authentication is after a Record Date but on or prior to an Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the Bond Date shown above; provided however, that if at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment hereon.

This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$_____ approved by Resolution No. _____ of the Board of Directors of the District adopted on _____, 2017 (the “Resolution”), pursuant to provisions of the California Government Code (the “Act”) for the purpose of financing facilities eligible to be funded by the CFD, and is one of the series of Bonds designated “Casitas Municipal Water District Community Facility District No. 2013-1 (OJAI) 2017 Special Tax Bonds, Series A” (the “Bonds”). The creation of the Bonds and the terms and conditions thereof are provided for in the Fiscal Agent Agreement, dated as of May 1, 2017, between the District, for and on behalf of the CFD, and the Fiscal Agent (the “Agreement”) and this reference incorporates the Resolution and the Agreement herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. Pursuant to and as more particularly provided in the Agreement, additional bonds may be issued by the District from time to time secured by a lien on funds held under the Agreement on a parity with the lien securing the Bonds. The Agreement is authorized under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

The Bonds are not general obligations of the District, but are limited obligations of the District for the CFD, payable solely from the revenues and funds pledged therefor under the Agreement. Neither the faith and credit nor the taxing power of the District, the CFD (except to the extent of the Special Tax levy in the CFD, as set forth in the Agreement) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Pursuant to the Act, and the Agreement, the principal of and interest on this Bond are payable solely from the annual Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 to be collected within the CFD and certain funds held under the Agreement. Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the District, as may be permitted by law. The Bonds do not constitute obligations of the District for which said County is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove.

The District has covenanted for the benefit of the owners of the Bonds that it will commence and pursue to completion appropriate foreclosure actions in the event of delinquencies of any Special Tax installments levied for payment of principal and interest as more particularly set forth in the Agreement.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Agreement, Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount and maturity of Bonds of other authorized denominations.

Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. The Fiscal Agent shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

The Agreement and the rights and obligations of the District thereunder may be modified or amended as set forth therein. The Agreement contains provisions permitting the District to make provision for the payment of the interest on, and the principal of the Series 2017 Bonds so that such Series 2017 Bonds shall no longer be deemed to be outstanding under the terms of the Agreement.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and manually signed by the Fiscal Agent.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Fiscal Agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, Casitas Municipal Water District, has caused this Bond to be dated the Bond Date shown above, to be signed by the facsimile signature of the President of the District and countersigned by the facsimile signature of the Clerk of the Board.

CASITAS MUNICIPAL WATER DISTRICT

By: _____
President

Attest: _____
Clerk of the Board

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and the Agreement which has been authenticated on _____, 2017.

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

(Name, address and Tax identification Number of Assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Signatures Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Fiscal Agent.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B
FORM OF BOND

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

CASITAS MUNICIPAL WATER DISTRICT
COMMUNITY FACILITY DISTRICT NO. 2013-1
(OJAI)
2017 SPECIAL TAX BOND, SERIES B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
	September 1, ____	May __, 2017	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The Casitas Municipal Water District (the “District”), for and on behalf of the Casitas Municipal Water District Community Facility District No. 2013-1 (OJAI) (the “CFD”), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the CFD or amounts in the funds and accounts held under the Agreement (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing September 1, 2017 (each, an “Interest Payment Date”), at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the registered owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office (as defined in the Agreement referred to below) of U.S. Bank National Association (the “Fiscal Agent”). Interest on this Bond shall be paid by check of the Fiscal Agent mailed on each Interest Payment Date to the registered owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the “Record Date”) at such registered owner’s address as it appears on the registration books maintained by the Fiscal Agent, or (i) if the Bonds are in book-entry-only form, or (ii) otherwise upon written request filed with the Fiscal Agent prior to any Record Date by a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to the depository for the Bonds or to an account in the United States designated by such registered owner in such written request, respectively.

Interest on this Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof, unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest for such Interest Payment Date, or (ii) such date of authentication is after a Record Date but on or prior to an Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the Bond Date shown above; provided however, that if at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment hereon.

This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$_____ approved by Resolution No. _____ of the Board of Directors of the District adopted on _____, 2017 (the "Resolution"), pursuant to provisions of the California Government Code (the "Act") for the purpose of financing facilities eligible to be funded by the CFD, and is one of the series of Bonds designated "Casitas Municipal Water District Community Facility District No. 2013-1 (OJAI) 2017 Special Tax Bonds, Series B" (the "Bonds"). The creation of the Bonds and the terms and conditions thereof are provided for in the Fiscal Agent Agreement, dated as of May 1, 2017, between the District, for and on behalf of the CFD, and the Fiscal Agent (the "Agreement") and this reference incorporates the Resolution and the Agreement herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. Pursuant to and as more particularly provided in the Agreement, additional bonds may be issued by the District from time to time secured by a lien on funds held under the Agreement on a parity with the lien securing the Bonds. The Agreement is authorized under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

The Bonds are not general obligations of the District, but are limited obligations of the District for the CFD, payable solely from the revenues and funds pledged therefor under the Agreement. Neither the faith and credit nor the taxing power of the District, the CFD (except to the extent of the Special Tax levy in the CFD, as set forth in the Agreement) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Pursuant to the Act, and the Agreement, the principal of and interest on this Bond are payable solely from the annual Special Tax authorized under the Mello-Roos Community Facilities Act of 1982 to be collected within the CFD and certain funds held under the Agreement. Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the District, as may be permitted by law. The Bonds do not constitute obligations of the District for which said County is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove.

The District has covenanted for the benefit of the owners of the Bonds that it will commence and pursue to completion appropriate foreclosure actions in the event of delinquencies of any Special Tax installments levied for payment of principal and interest as more particularly set forth in the Agreement.

The Bonds maturing on or after September 1, 2028 are subject to optional redemption prior to their stated maturities on any date on or after September 1, 2027, as a whole or in part, upon payment from any source of funds available for that purpose, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

The Bonds maturing on September 1, ____, are subject to mandatory sinking payment redemption in part, on September 1, ____ and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Redemption Date <u>(September 1)</u>	<u>Sinking Payments</u>
---	-------------------------

The Bonds are also subject to redemption from the proceeds of Special Tax Prepayments and any corresponding transfers from the Reserve Fund pursuant to the Agreement, on any Interest Payment Date, in whole, or in part among maturities as provided in the Agreement, at a redemption price (expressed as a percentage at the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
any Interest Payment Date from March 1, 2018 to and including March 1, 2025	103%
September 1, 2025 and March 1, 2026	102
September 1, 2026 and March 1, 2027	101
September 1, 2027 and any Interest Payment Date thereafter	100

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Agreement. Notices of redemption may be conditioned upon receipt by the Fiscal Agent of sufficient moneys to redeem the Bonds on the anticipated redemption date, and if the Fiscal Agent does not receive sufficient funds by the scheduled redemption date the redemption shall not occur and the Bonds for which notice of redemption was given shall remain outstanding for all purposes of the Agreement.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Agreement, Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount and maturity of Bonds of other authorized denominations.

Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. The Fiscal Agent shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

The Agreement and the rights and obligations of the District thereunder may be modified or amended as set forth therein. The Agreement contains provisions permitting the District to make provision for the payment of the interest on, and the principal of the Series 2017 Series B Bonds so that such Series 2017 Series B Bonds shall no longer be deemed to be outstanding under the terms of the Agreement.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and manually signed by the Fiscal Agent.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Fiscal Agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, Casitas Municipal Water District, has caused this Bond to be dated the Bond Date shown above, to be signed by the facsimile signature of the President of the District and countersigned by the facsimile signature of the Clerk of the Board.

CASITAS MUNICIPAL WATER DISTRICT

By: _____
President

Attest: _____
Clerk of the Board

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and the Agreement which has been authenticated on _____, 2017.

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

(Name, address and Tax identification Number of Assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Signatures Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Fiscal Agent.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SUPPLEMENTAL AGREEMENT NO. 1 TO FISCAL AGENT AGREEMENT

by and between the

CASITAS MUNICIPAL WATER DISTRICT

and

**U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent**

Dated as of October 1, 2019

Relating to:

\$ _____

**Casitas Municipal Water District
Community Facilities District No. 2013-1
(OJAI)
2019 Special Tax Bonds**

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SUPPLEMENTAL AGREEMENT NO. 1 TO FISCAL AGENT AGREEMENT

THIS SUPPLEMENTAL AGREEMENT NO. 1 TO FISCAL AGENT AGREEMENT (this “Supplemental Agreement No. 1”), dated as of October 1, 2019, is by and between the CASITAS MUNICIPAL WATER DISTRICT, a municipal water district organized and existing under and by virtue of the laws of the State of California (the “District”) for and on behalf of the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) (the “CFD”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as fiscal agent (the “Fiscal Agent”) under a Fiscal Agent Agreement, dated as of May 1, 2017 (the “Original Fiscal Agent Agreement”), by and between the Fiscal Agent and the District.

RECITALS:

WHEREAS, the Board of Directors of the District has formed the CFD under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311, *et seq.* of the California Government Code) (the “Act”) and Resolution No. 13-12 adopted by the Board of Directors of the District on March 13, 2013;

WHEREAS, the Board of Directors, as the legislative body with respect to the CFD, is authorized under the Act to levy special taxes (the “Special Taxes”) to pay for the costs of the CFD and to authorize the issuance of bonds secured by a pledge of the Special Taxes;

WHEREAS, pursuant to the provisions of the Act and the Original Fiscal Agent Agreement, on May 31, 2017, the District issued, for and on behalf of the CFD, \$100,000 initial principal amount of Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2017 Special Tax Bonds, Series A (the “2017 Series A Bonds”) and \$39,810,000 initial principal amount of Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2017 Special Tax Bonds, Series B in order to finance the acquisition of a water system and other improvements and costs eligible to be funded by the CFD;

WHEREAS, the 2017 Series A Bonds have matured in accordance with their terms; and

WHEREAS, Section 2.14 of the Original Fiscal Agent Agreement authorized the issuance by Supplemental Agreement of Parity Bonds (as such capitalized terms are defined in the Original Fiscal Agent Agreement) secured under the Original Fiscal Agent Agreement on a parity with the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2017 Special Tax Bonds, Series B (the “2017 Bonds”);

WHEREAS, after due investigation and deliberation the District has determined that it is in the interests of the District and the CFD at this time for the District, for and on behalf of the CFD, to provide for the issuance of its Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2019 Special Tax Bonds in the initial aggregate principal amount of \$_____ (the “2019 Bonds”), to finance costs of improvements eligible to be funded by the CFD;

WHEREAS, this Supplemental Agreement No. 1 is a “Supplemental Agreement” as defined in Section 1.03 of the Original Fiscal Agent Agreement and the 2019 Bonds are “Parity Bonds” as defined in Section 1.03 of the Original Fiscal Agent Agreement and are secured under the Fiscal Agent Agreement, as amended and supplemented by this Supplemental Agreement No. 1, on a parity with the 2017 Bonds;

WHEREAS, the District and the Fiscal Agent desire to enter into this Supplemental Agreement No. 1, pursuant to Section 2.14 and clause (E) of the second paragraph of Section 8.01 of the Original Fiscal Agent Agreement, to provide for the issuance of the 2019 Bonds;

WHEREAS, in providing for the issuance of the 2019 Bonds, it is necessary to supplement and amend the Fiscal Agent Agreement, as more particularly provided in Sections 1, 2 and 3 hereof, as such supplements and amendments are authorized by Section 2.14 and clause (E) of the second paragraph of Section 8.01 of the Original Fiscal Agent Agreement; and

WHEREAS, the District has determined that all acts and proceedings required by law necessary to make the 2019 Bonds, when executed by the District for the CFD, authenticated and delivered by the Fiscal Agent and duly issued, the valid, binding and legal special obligations of the District for the CFD, and to constitute the Original Fiscal Agent Agreement, as amended and supplemented by this Supplemental Agreement No. 1, a valid and binding agreement for the uses and purposes herein and therein set forth, in accordance with its terms, have been done or taken and the execution and delivery of this Supplemental Agreement No. 1 have been in all respects duly authorized.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

SECTION 1. Supplement to Fiscal Agent Agreement. In accordance with the provisions of Section 2.14 and clause (E) of the second paragraph of Section 8.01 of the Original Fiscal Agent Agreement, the Original Fiscal Agent Agreement is hereby amended by adding a new article thereto, to be designated as Article XII. Such Article XII shall read in its entirety as follows:

**ARTICLE 12
2019 BONDS**

Section 12.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 12.01 shall, for all purposes of this Article XII but not for any other purposes of this Agreement, have the respective meanings specified in this Section 12.01. All terms defined in Section 1.03 of this Agreement and not otherwise defined in this Section 12.01 shall, when used in this Article XII, have the respective meanings given to such terms in Section 1.03.

“*Article XII*” means this Article XII which has been incorporated in and made a part of this Agreement pursuant to Supplemental Agreement No. 1, together with all amendments of and supplements to this Article XII entered into pursuant to the provisions of Section 8.01.

“*Authorized Officer*” means the President, the General Manager, the Chief Financial Officer, the Clerk of the Board, or any other officer or employee authorized by the Board of Directors of the District or by an Authorized Officer to undertake the action referenced in the Agreement as required to be undertaken by an Authorized Officer.

“*Closing Date*” means _____, 2019, being the date upon which there was a physical delivery of the 2019 Bonds in exchange for the amount representing the purchase price of the 2019 Bonds by the Original Purchaser.

“*Original Purchaser*” means Piper Jaffray & Co., the first purchaser of the 2019 Bonds upon their delivery by the Fiscal Agent on the Closing Date.

“*2019 Costs of Issuance*” means items of expense payable or reimbursable directly or indirectly by the District and related to the authorization, sale and issuance of the 2019 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Fiscal Agent expenses incurred by the District in connection with the issuance of the 2019 Bonds, municipal advisor and special tax consultant fees and expenses, premiums for the 2019 Insurance Policy and the 2019 Reserve Policy, bond (underwriter’s) discount, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the 2019 Bonds and other costs, charges and fees in connection with the foregoing.

“*2019 Costs of Issuance Fund*” means the fund by that name established and held by the Fiscal Agent pursuant to Section 12.07.

“*2019 Insurance Policy*” means the Municipal Bond Insurance Policy issued by the 2019 Insurer that guarantees the scheduled payment of principal of and interest on the Insured Bonds when due.

“*2019 Insured Bonds*” means the 2019 Bonds maturing on September 1 in the years _____ through _____, inclusive.

“*2019 Insurer*” means Build America Mutual Assurance Company, or any successor thereto.

“*2019 Reserve Fund*” means the fund by that name established pursuant to Section 12.08.

“*2019 Reserve Policy*” means the Municipal Bond Debt Service Reserve Insurance Policy issued by the 2019 Insurer guaranteeing certain payments into the Reserve Fund with respect to the 2019 Bonds as provided therein and subject to the limitations set forth therein.

“*2019 Reserve Requirement*” means _____.

Section 12.02 Authorization of 2019 Bonds. 2019 Bonds in the aggregate principal amount of _____ Million _____ Thousand Dollars (\$_____), are hereby authorized to be issued as Parity Bonds under and subject to the terms of this Agreement, the Act, and other applicable laws of the State of California.

Section 12.03 Terms of 2019 Bonds.

(A) Form; Denominations. The 2019 Bonds shall be issued as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple in excess thereof.

(B) Date of Bonds. The 2019 Bonds shall be dated the Closing Date, as defined in Section 12.01.

(C) Maturities, Interest Rates. The 2019 Bonds shall mature and become payable on September 1 in each of the years, and shall bear interest at the respective rates per annum, as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate
--------------------------------	---------------------	------------------

(D) Interest, Method of Payment and CUSIP Numbers. Interest on the 2019 Bonds shall be payable as provided in the second paragraph of Section 2.02 of this Agreement (except that the first Interest Payment Date for the 2019 Bonds shall be March 1, 2020), with the Closing Date as used therein being the Closing Date as defined in Section 12.01, payments shall be made on the 2019 Bonds as provided in Section 2.02, and CUSIP identification numbers for the 2019 Bonds shall be subject to the fourth paragraph of Section 2.02.

(E) Book-Entry Only System. The 2019 Bonds shall be subject to the provisions of Section 2.13 of the Fiscal Agent Agreement providing for the 2019 Bonds to be issued in book-entry only form.

Section 12.04 Redemption of 2019 Bonds.

(A) Redemption.

(i) *Optional Redemption.* The 2019 Bonds maturing on or after September 1, 2030 are subject to optional redemption prior to their stated maturities from any source of available funds, on any date on or after September 1, 2029 in whole or in part, at a redemption price equal to the principal amount of the 2019 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

(ii) *Mandatory Sinking Payment Redemption.* The 2019 Bonds maturing on September 1, _____ are subject to mandatory sinking payment redemption in part on September 1, _____, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payments</u>
--	-------------------------

(iii) The 2019 Bonds maturing on September 1, _____, are subject to mandatory sinking payment redemption in part on September 1, _____, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payments</u>
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The amounts in the foregoing tables shall be reduced as a result of any prior partial redemption of the 2019 Bonds pursuant to Section 12.04(A)(i) above or Section 12.04(A)(iii)

below, allocated among sinking payments as specified in writing by the General Manager to the Fiscal Agent.

(iv) *Redemption From Special Tax Prepayments.* Special Tax Prepayments and any corresponding transfers from the Reserve Fund pursuant to Section 12.08(F) shall be used to redeem 2019 Bonds on the next Interest Payment Date for which notice of redemption can timely be given under Section 2.03(E), pro rata with any 2017 Bonds and any future Parity Bonds, and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

Redemption Dates	Redemption Prices
March 1, 2020 to and including March 1, 2027	103%
September 1, 2027 and March 1, 2028	102%
September 1, 2028 and March 1, 2029	101%
September 1, 2029 and any Interest Payment Date thereafter	100%

(B) Notice to Fiscal Agent. The District shall give the Fiscal Agent written notice of its intention to redeem 2019 Bonds pursuant to subsection (A)(i) or (A)(iii) above not less than forty-five (45) days prior to the applicable redemption date, or such lesser number of days as shall be consented to by the Fiscal Agent.

(C) Purchase of Bonds in Lieu of Redemption. In lieu of redemption under Section 12.04(A), moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2019 Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2019 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such 2019 Bonds were to be redeemed in accordance with this Agreement.

(D) Redemption Procedure by Fiscal Agent, Effect of Redemption. Notices of redemption of the 2019 Bonds, and other redemption procedures to be followed by the Fiscal Agent with regard to the 2019 Bonds, shall be as provided in Section 2.03(E); redemption of 2019 Bonds, under Section 12.04(A)(i) or (iii) shall be subject to Section 2.03(F); and the effect on 2019 Bonds called for redemption shall be as set forth in Section 2.03(G).

Section 12.05 Form of 2019 Bonds; Authentication and Delivery.

(A) Form of 2019 Bonds. The 2019 Bonds, the form of Fiscal Agent's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit D attached hereto (being Exhibit A to Supplemental Agreement No. 1) and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement and the Act.

(B) Execution of 2019 Bonds. The 2019 Bonds shall be executed on behalf of the District by the signatures of its President and Clerk of the Board who are in office on the date of execution and delivery of Supplemental Agreement No. 1 or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any 2019 Bond ceases to be such officer before delivery of the 2019 Bonds to the owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2019 Bonds to the owner. Any 2019 Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such 2019 Bond shall be the proper officers of the District although at the nominal date of such 2019 Bond any such person shall not have been such officer of the District.

Only such of the 2019 Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit D (being Exhibit A to Supplemental Agreement No. 1), manually executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Fiscal Agent shall be conclusive evidence that such 2019 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Agreement.

(C) Authentication and Delivery of 2019 Bonds. At any time after the execution of Supplemental Agreement No. 1 and delivery by the District of an Officer's Certificate for the 2019 Bonds as required by Section 2.14(E), the District may issue the 2019 Bonds for the CFD in the aggregate principal amount set forth in Section 12.02 and deliver the 2019 Bonds to the Original Purchaser. The Authorized Officers of the District are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the 2019 Bonds in accordance with the provisions of the Act and this Agreement, as supplemented by Supplemental Agreement No. 1, to authorize the payment of 2019 Costs of Issuance and costs of the Project by the Fiscal Agent from the proceeds of the 2019 Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the 2019 Bonds to the Original Purchaser.

Section 12.06 Application of Proceeds of Sale of 2019 Bonds. The proceeds of the purchase of the 2019 Bonds by the Original Purchaser thereof (\$_____), less amounts advanced by the Original Purchaser as an accommodation to the District for the payment of premiums for the 2019 Insurance Policy and the 2019 Reserve Policy (\$_____), for a net amount advanced by the Original Purchaser of (\$_____), shall be paid to the Fiscal Agent, which shall be deposited by the Fiscal Agent in a temporary account called the "2019 Bonds Proceeds Account" which the Fiscal Agent shall establish, maintain and hold, and which shall be applied by the Fiscal Agent on the Closing Date as follows:

(A) to the 2019 Costs of Issuance Fund \$_____; and

(B) to the 2019 Account of the Improvement Fund \$_____.

The Fiscal Agent may, in its discretion, establish a temporary fund or account in its books and records to facilitate transfers required under this Section 12.06.

Section 12.07 2019 Costs of Issuance Fund. There is hereby established a separate fund to be known as the “2019 Costs of Issuance Fund”, which shall be held by the Fiscal Agent in trust. A deposit shall be made to the 2019 Costs of Issuance Fund pursuant to Section 12.06(A). The moneys in the 2019 Costs of Issuance Fund shall be used and withdrawn by the Fiscal Agent from time to time to pay the 2019 Costs of Issuance, as set forth in one or more Officer’s Certificates containing respective amounts to be paid to the designated payees, signed by the General Manager and delivered to the Fiscal Agent concurrently with the delivery of the 2019 Bonds or at any time thereafter. The Fiscal Agent shall pay all 2019 Costs of Issuance after receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to an Officer’s Certificate requesting payment of 2019 Costs of Issuance. The Fiscal Agent shall maintain the 2019 Costs of Issuance Fund for a period of 90 days from the date of delivery of the 2019 Bonds and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the Chief Financial Officer for deposit by the Chief Financial Officer in the Administrative Expense Fund.

Section 12.08 2019 Reserve Fund.

(A) Establishment of 2019 Reserve Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the Community Facilities District No. 2013-1 (OJAI) 2019 Reserve Fund to the credit of which the 2019 Reserve Policy shall be held, which 2019 Reserve Policy is equal to the initial Reserve Requirement, and deposits shall be made as provided in subclause second of clause (ii) of the second paragraph of Section 3.05(A), and clause (ii) of the second paragraph of Section 3.04(B). Moneys in the 2019 Reserve Fund shall be held by the Fiscal Agent for the benefit of the Owners of the 2019 Bonds as a reserve for the payment of principal of, and interest and any premium on, the 2019 Bonds and shall be subject to a lien in favor of the Owners of the 2019 Bonds.

(B) Use of 2019 Reserve Fund. Except as otherwise provided in this Section, all amounts deposited in the 2019 Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund (as described in the second paragraph of Section 4.02(B)(i)) in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest and any premium on, the 2019 Bonds or for the purpose of redeeming 2019 Bonds from the Bond Fund. If at any time funds are withdrawn by the Fiscal Agent from the 2019 Reserve Fund for transfer to the Bond Fund due to a deficiency in the amount in the Bond Fund needed to pay debt service due on the 2019 Bonds (as described in the second paragraph of Section 4.02(B)(i)), the Fiscal Agent shall notify the General Manager of the date of withdrawal and the amount so withdrawn, and the General Manager shall provide notice as required by Section 5.19(B).

(C) Transfer of Excess of 2019 Reserve Requirement. Whenever, on the Business Day before any Interest Payment Date, or on any other date at the request of an

Authorized Officer, funds, if any, in the 2019 Reserve Fund exceed the 2019 Reserve Requirement, the Fiscal Agent shall provide written notice to the District of the amount of the excess and shall transfer an amount equal to the excess from the 2019 Reserve Fund to the Bond Fund to be used for the payment of interest on the 2019 Bonds on the next Interest Payment Date in accordance with Section 4.02.

(D) Transfer for Rebate Purposes. Funds, if any, in the 2019 Reserve Fund shall be withdrawn, at the written request of the General Manager, for purposes of making payment to the federal government to comply with Section 12.11.

(E) Transfer When Balance Exceeds Outstanding 2019 Bonds. Whenever the funds, if any, in the 2019 Reserve Fund equals or exceeds the amount required to redeem or pay all of the Outstanding 2019 Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall transfer the amount in the 2019 Reserve Fund to the Bond Fund to be used for the payment and redemption, in accordance with Section 12.04(A)(i), of all of the Outstanding 2019 Bonds. In the event that the amount then on deposit in the 2019 Reserve Fund exceeds the amount required to pay and redeem the Outstanding 2019 Bonds, the funds in the 2019 Reserve Fund in excess of the amount needed for such payment and redemption shall be transferred by the Fiscal Agent to the General Manager, to be retained by the District, unencumbered by this Fiscal Agent Agreement, to be used by the District for any lawful purpose under the Act.

Notwithstanding the foregoing, no amounts shall be transferred from the 2019 Reserve Fund pursuant to this Section 12.08(E) until after (i) the calculation, pursuant to Section 12.11, of any amounts due to the federal government following payment of the 2019 Bonds and withdrawal of any such amount under Section 12.08(D), if needed for purposes of making such payment to the federal government, and (ii) payment of any fees and expenses due to the Fiscal Agent related to the 2019 Bonds.

(F) Transfer Upon Special Tax Prepayment. Whenever Special Taxes are prepaid and 2019 Bonds are to be redeemed with the proceeds of such prepayment pursuant to Section 12.04(A)(iii) and 4.02(B)(ii), a proportionate amount in the 2019 Reserve Fund (determined in accordance with the applicable provisions of the Rate and Method of Apportionment and communicated by the General Manager to the Fiscal Agent) shall be transferred not later than the Business Day prior to the redemption date by the Fiscal Agent to the Bond Fund to be applied to the redemption of the 2019 Bonds pursuant to Section 12.04(A)(iii).

(G) Investment. Moneys, if any, in the 2019 Reserve Fund shall be invested in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the 2019 Reserve Fund to be used for purposes of the 2019 Reserve Fund, including as provided in Section 12.08(C) above.

Section 12.09 Private Activity Bond Limitations. The District shall assure that the proceeds of the 2019 Bonds are not so used as to cause the 2019 Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 12.10 Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2019 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

Section 12.11 Rebate Requirement. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2019 Bonds.

If necessary, the District may use amounts on deposit in the Administrative Expense Fund, and if amounts in the Administrative Expense Fund are not sufficient therefor, amounts on deposit in the 2019 Reserve Fund or any other funds available to the CFD, to be repaid by the CFD as soon as practicable from amounts described in the preceding clauses, to satisfy its obligations under this Section 12.11. The General Manager shall take note of any investment of monies hereunder in excess of the yield on the 2019 Bonds, and shall take such actions as are necessary to ensure compliance with this Section 12.11, such as increasing the portion of the Special Tax levy for Administration Expenses as appropriate to have funds available in the Administrative Expense Fund to satisfy any rebate liability under this Section 12.11.

Section 12.12 No Arbitrage. The District shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the proceeds of the 2019 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2019 Bonds would have caused the 2019 Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

Section 12.13 Yield of the Bonds. In determining the yield of the 2019 Bonds to comply with Section 12.11 and 12.12 hereof, the District will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the District, as of the Closing Date, regarding prepayments of Special Taxes and use of prepayments for redemption of the Bonds, without regard to whether or not prepayments are received or 2019 Bonds redeemed.

Section 12.14 Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the 2019 Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2019 Bonds.

Section 12.15 2019 Insurance Policy and 2019 Reserve Policy Provisions. Notwithstanding anything to the contrary set forth in this Agreement, the provisions of this Section 12.15 shall govern with respect to the 2019 Insured Bonds, and such provisions shall not be amended without the consent of the 2019 Insurer.

(A) Consent of the 2019 Insurer. Any reorganization or liquidation plan with respect to the District or the CFD must be acceptable to the 2019 Insurer. In the event of any reorganization or liquidation of the District or the CFD, the 2019 Insurer shall have the right to vote on behalf of all owners of the 2019 Insured Bonds absent a continuing failure by the 2019 Insurer to make a payment under the 2019 Insurance Policy.

No contract shall be entered into or any action taken by which the rights of the 2019 Insurer or security for or source of payment of the 2019 Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the 2019 Insurer.

Anything in this Agreement to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the 2019 Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the 2019 Insured Bonds or the Fiscal Agent for the benefit of the owners of the 2019 Insured Bonds under this Agreement. No default or event of default may be waived without the 2019 Insurer's written consent.

(B) 2019 Insurer as Owner. Upon the occurrence and continuance of a default or an event of default, the 2019 Insurer shall be deemed to be the sole owner of the 2019 Insured Bonds for all purposes under this Agreement, including, without limitations, for purposes of exercising remedies and approving amendments.

(C) Special Provisions for Insurer Default. If an Insurer Default (as defined below) shall occur and be continuing, then, notwithstanding anything in Sections 8.01 and 12.15(A) and (B) to the contrary, (1) if at any time prior to or following an Insurer Default, the 2019 Insurer has made payment under the 2019 Insurance Policy, to the extent of such payment the 2019 Insurer shall be treated like any other owner of the 2019 Insured Bonds for all purposes, including giving of consents, and (2) if the 2019 Insurer has not made any payment under the 2019 Insurance Policy, the 2019 Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the 2019 Insurer makes a payment under the 2019 Insurance Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) the 2019 Insurer has failed to make any payment under the 2019 Insurance Policy when due and owing in accordance with its terms; or (B) the 2019 Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the 2019 Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the 2019 Insurer (including without limitation under the New York Insurance Law).

(D) 2019 Insurer as Third Party Beneficiary. Notwithstanding anything herein to the contrary, the 2019 Insurer is recognized as and shall be deemed to be a third party beneficiary of this Agreement and may enforce the provisions of this Agreement as if it were a party hereto.

(E) Additional Payments. The District agrees unconditionally that it will pay or reimburse the 2019 Insurer on demand, solely from the Special Tax Revenues and subordinate to its obligations under Section 3.05 and clause (i) of Section 3.05(B), any and all reasonable charges, fees, costs, losses, liabilities and expenses that the 2019 Insurer may pay or incur, including, but not limited to, fees and expenses of the 2019 Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the 2019 Insurer spent in connection with the actions described in the preceding sentence. The District agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the 2019 Insurer until the date the 2019 Insurer is paid in full.

Notwithstanding anything herein to the contrary, solely from the Special Tax Revenues and subordinate to its obligations under Section 3.05 and clause (i) of Section 3.05(B), the District agrees to pay to the 2019 Insurer (i) a sum equal to the total of all amounts paid by the 2019 Insurer under the 2019 Insurance Policy (the "Insurer Policy Payment"); and (ii) interest on such the Insurer Policy Payments from the date paid by the 2019 Insurer until payment thereof in full by the District, payable to the 2019 Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts") compounded semi-annually. The District hereby covenants and agrees that the Insurer Reimbursement Amounts are payable from amounts in the Special Tax Fund and secured by a lien on and pledge of the Special Tax Revenues pledged to the 2019 Insured Bonds on a parity with debt service due on the 2019 Insured Bonds.

(F) Exercise of Rights by the 2019 Insurer. The rights granted to the 2019 Insurer under this Agreement to request, consent to or direct any action are rights granted to the 2019 Insurer in consideration of its issuance of the 2019 Insurance Policy. Any exercise by the 2019 Insurer of such rights is merely an exercise of the 2019 Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the owners of the 2019 Insured Bonds and such action does not evidence any position of the 2019 Insurer, affirmative or negative, as to whether the consent of the owners of the 2019 Insured Bonds or any other person is required in addition to the consent of the 2019 Insurer.

The 2019 Insurer shall be entitled to pay principal or interest on the 2019 Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the District (as such terms are defined in the 2019 Insurance Policy), whether or not the 2019 Insurer has received a claim upon the 2019 Insurance Policy.

(G) Payment Procedure under the 2019 Insurance Policy. In the event that principal and/or interest due on the 2019 Insured Bonds shall be paid by the 2019 Insurer pursuant to the 2019 Insurance Policy, the 2019 Insured Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the District, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the District to the registered owners of the 2019 Insured Bonds shall continue to exist and shall

run to the benefit of the 2019 Insurer, and the 2019 Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the 2019 Insured Bonds.

In the event that on the second (2nd) Business Day prior to any payment date on the 2019 Insured Bonds, the Fiscal Agent has not received sufficient moneys to pay all principal of and interest on the 2019 Insured Bonds due on such payment date, the Fiscal Agent shall immediately notify the 2019 Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Fiscal Agent shall so notify the 2019 Insurer or its designee.

In addition, if the Fiscal Agent has notice that any owner of the 2019 Insured Bonds has been required to disgorge payments of principal of or interest on the 2019 Insured Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law, then the Fiscal Agent shall notify the 2019 Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the 2019 Insurer.

The Fiscal Agent shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for owners of the 2019 Insured Bonds as follows:

(1) If there is a deficiency in amounts required to pay interest and/or principal on the 2019 Insured Bonds, the Fiscal Agent shall (i) execute and deliver to the 2019 Insurer, in form satisfactory to the 2019 Insurer, an instrument appointing the 2019 Insurer as agent and attorney-in-fact for such owners of the 2019 Insured Bonds in any legal proceeding related to the payment and assignment to the 2019 Insurer of the claims for interest on the 2019 Insured Bonds, (ii) receive as designee of the respective owners (and not as paying agent) in accordance with the tenor of the 2019 Insurance Policy payment from the 2019 Insurer with respect to the claims for interest so assigned, and (iii) disburse the same to such respective owners; and

(2) If there is a deficiency in amounts required to pay principal of the 2019 Insured Bonds, the Fiscal Agent shall (i) execute and deliver to the 2019 Insurer, in form satisfactory to the 2019 Insurer, an instrument appointing the 2019 Insurer as agent and attorney-in-fact for such owner of the 2019 Insured Bonds in any legal proceeding related to the payment of such principal and an assignment to the 2019 Insurer of the 2019 Insured Bonds surrendered to the 2019 Insurer, (ii) receive as designee of the respective owners (and not as paying agent) in accordance with the tenor of the 2019 Insurance Policy payment therefore from the 2019 Insurer, and (iii) disburse the same to such owners.

The Fiscal Agent shall designate any portion of payment of principal on 2019 Insured Bonds paid by the 2019 Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of 2019 Insured Bonds registered to the then current owner, whether DTC or its nominee or

otherwise, and shall issue a replacement 2019 Insured Bond to the 2019 Insurer, registered in the name directed by the 2019 Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Fiscal Agent's failure to so designate any payment or issue any replacement 2019 Insured Bond shall have no effect on the amount of principal or interest payable by the District on any 2019 Insured Bond or the subrogation or assignment rights of the 2019 Insurer.

Payments with respect to claims for interest on and principal of 2019 Insured Bonds disbursed by the Fiscal Agent from proceeds of the 2019 Insurance Policy shall not be considered to discharge the obligation of the District with respect to such 2019 Insured Bonds, and the 2019 Insurer shall become the owner of such unpaid 2019 Insured Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the District and the Fiscal Agent agree for the benefit of the 2019 Insurer that: (a) they recognize that to the extent the 2019 Insurer makes payments directly or indirectly (e.g., by paying through the Fiscal Agent), on account of principal of or interest on the 2019 Insured Bonds, the 2019 Insurer will be subrogated to the rights of such owners to receive the amount of such principal and interest from the District, with interest thereon, as provided and solely from the Special Tax Revenues and other funds pledged therefor in this Agreement and the 2019 Insured Bonds; and (b) they will accordingly pay to the 2019 Insurer the amount of such principal and interest, with interest thereon as provided in this Agreement and the 2019 Insured Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the 2019 Insured Bonds to 2019 Insured Bondowners, and will otherwise treat the 2019 Insurer as the owner of such rights to the amount of such principal and interest.

(H) Provisions Relating to the 2019 Reserve Policy. From amounts deposited to the 2019 Reserve Fund pursuant to this Agreement, the District shall repay any draws under the 2019 Reserve Policy and pay all related reasonable expenses incurred by the 2019 Insurer and shall pay interest thereon from the date of payment by the 2019 Insurer at the Late Payment Rate.

Payment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "2019 Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of 2019 Policy Costs related to such draw.

Amounts in respect of 2019 Policy Costs paid to the 2019 Insurer shall be credited first to interest due, then to the expenses due and then to principal and sinking fund payments due. As and to the extent that payments are made to the 2019 Insurer on account of principal and sinking fund payments due on the 2019 Insured Bonds, the coverage under the 2019 Reserve Policy will be increased by a like amount, subject to the terms of the 2019 Reserve Policy.

All cash and investments in the 2019 Reserve Fund, if any, shall be transferred to the Bond Fund for payment of principal (and sinking fund payments) of and interest on the 2019 Bonds before any drawing may be made on the 2019 Reserve Policy or any other Reserve Credit

Facility. Payment of any 2019 Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Reserve Credit Facilities (including the 2019 Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the 2019 Reserve Fund. Payment of 2019 Policy Costs and reimbursement of amounts with respect to other Reserve Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the 2019 Reserve Fund. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Credit Facility without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

If the District shall fail to pay any 2019 Policy Costs in accordance with the requirements of this section, the 2019 Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided hereunder, other than: (i) acceleration of the maturity of the Bonds or Parity Bonds; or (ii) remedies which would adversely affect Owners of the Bonds. This Agreement shall not be discharged until all 2019 Policy Costs owing to the 2019 Insurer shall have been paid in full. The District’s obligation to pay such amounts shall expressly survive payment in full of the 2019 Bonds. The Fiscal Agent shall ascertain the necessity for a claim upon the 2019 Reserve Policy in accordance with the provisions of this section and provide notice to the 2019 Insurer in accordance with the terms of the 2019 Reserve Policy at least three (3) Business Days prior to each date upon which interest or principal (or sinking fund payment) is due on the 2019 Bonds. The 2019 Reserve Policy shall expire on the earlier of the date the 2019 Bonds are no longer Outstanding or the final maturity of the 2019 Bonds.

(I) Notice address for the 2019 Insurer. The notice address for the 2019 Insurer is: BAM

Section 12.16 Security for 2019 Bonds. The 2019 Bonds shall be Parity Bonds which shall be secured in the manner and to the extent set forth in Articles III, IV and V, and in this Article XII.

Section 12.17 Effect of this Article XII. Except as in this Article XII expressly provided or except to the extent inconsistent with any provision of this Article XII, the 2019 Bonds shall be deemed to be “Bonds” under and within the meaning of Section 1.03, and every term and condition contained in the foregoing provisions of this Agreement shall apply to the 2019 Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Article XII. The Fiscal Agent shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements as to factual matters are made solely by the District for the CFD, or for or with respect to (A) the validity or sufficiency of this Supplemental Agreement No. 1 or any of the terms or provisions hereof, (B) the proper authorization hereof by the District for the CFD by government action or otherwise, (C) the due execution hereof by the District for the CFD and/or (D) the consequences (direct or indirect and whether deliberate or inadvertent) of any amendment herein provided for, and the Fiscal Agent makes no representation with respect to any such matters.

SECTION 2. Attachment of Exhibit D.

The Fiscal Agent Agreement is hereby further amended by incorporating therein an Exhibit D setting forth the form of the 2019 Bonds, which shall read in its entirety as set forth in Exhibit A attached hereto and by this reference made a part hereof.

SECTION 3. Additional Amendments to Fiscal Agent Agreement.

The Fiscal Agent Agreement is hereby further amended as follows:

(A) Section 1.03 of the Agreement is hereby amended by adding thereto the following:

“2019 Bonds” means the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2019 Special Tax Bonds, authorized to be issued under Section 12.02.

“Supplemental Agreement No. 1” means Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of October 1, 2019, between the District, for and on behalf of the CFD, and the Fiscal Agent.

“2019 Account” means the account by that name within the Improvement Fund created pursuant to Section 3.04(A).

(B) Section 1.03 of the Original Fiscal Agreement is hereby further amended by deleting the term “Agreement” therein, and by inserting therein, in lieu thereof, the following: ““Agreement” means this Fiscal Agent Agreement, as amended and supplemented by Supplemental Agreement No. 1, and as it may be further amended or supplemented from time to time by any additional Supplemental Agreement entered into pursuant to the provisions hereof.”

(C) Section 1.03 of the Original Fiscal Agreement is hereby further amended by deleting the term “Bonds” therein, and by inserting therein, in lieu thereof, the following: ““Bonds” means, collectively, the 2017 Bonds, the 2019 Bonds and, if the context requires, any additional Parity Bonds, at any time Outstanding under this Agreement or any Supplemental Agreement.”

(D) Section 1.03 of the Original Fiscal Agreement is hereby further amended by deleting the term “Continuing Disclosure Agreement” therein, and by inserting therein, in lieu thereof, the following: “Continuing Disclosure Agreement” means (a) so long as any of the 2017 Bonds have not been fully defeased or paid in full, the Continuing Disclosure Agreement, dated as of May 1, 2017, executed by the District and DTA, as dissemination agent; and (b) so long as any of the 2019 Bonds have not been fully defeased or paid in full, the Continuing Disclosure Agreement, dated as of October 1, 2019, between the District and DTA, as dissemination agent; in each case as originally executed and as it may thereafter be amended in accordance with its terms.

(E) Section 3.04 of the Original Fiscal Agreement is hereby amended by adding thereto, as new second sentence thereof, the following: “There is also hereby created within the Improvement Fund a separate account designated as the “2019 Account” which

account is hereby established for purposes of accounting for the use and disposition of the portion of the proceeds of the 2019 Bonds which will be deposited to such account pursuant to Section 12.06(B), and amounts in such account shall for all purposes of this Agreement be deemed to be part of the amounts on deposit in the Improvement Fund.”

(F) Section 3.04 of the Original Fiscal Agreement is hereby amended by adding thereto, as a new last sentence thereof, the following: “Notwithstanding the foregoing, from and after the Closing Date (as defined in Section 12.01) draws on the amounts within the Improvement Fund shall be made first, from amounts in the 2019 Account until an amount equal to \$_____ (being an amount equal to five percent (5%) of the initial principal amount of the 2019 Bonds) has been withdrawn therefrom, then from any other amounts in the Improvement Fund, as specified in an Officer’s Certificate delivered to the Fiscal Agent.”

(G) Clause (ii) of the second paragraph of Section 3.05 of the Original Fiscal Agent Agreement is hereby amended and restated in whole to read as follows:

“(ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes shall be separately identified by the General Manager and shall be disposed of by the General Manager first, for transfer to the Fiscal Agent for deposit by the Fiscal Agent in the Bond Fund to pay any past due debt service on the Bonds; second for transfer to the Fiscal Agent (a) to pay, pro rata, any Policy Costs (as such term is used in Section 11.01) and any 2019 Policy Costs (as such term is defined in Section 12.15(H)), and (b) for deposit, pro rata, by the Fiscal Agent in the Reserve Fund to the extent needed to increase the amount then on deposit in the Reserve Fund (taking into account the 2017 Reserve Policy) up to the then Reserve Requirement, and in the 2019 Reserve Fund to the extent needed to increase the amount then on deposit in the 2019 Reserve Account (taking in to account the 2019 Reserve Policy) up to the then 2019 Reserve Requirement; and third, to be held in the Special Tax Fund for use as described in Section 3.05(B) below; and”

(H) The first paragraph of Section 3.05(B) of the Original Fiscal Agent Agreement is hereby amended and restated in whole to read as follows:

“Disbursements. From time to time as needed to pay the obligations of the CFD, but no later than the third Business Day before each Interest Payment Date, the General Manager shall withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority (i) to the Fiscal Agent for deposit by the Fiscal Agent in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the Special Tax Fund, the Reserve Fund and the 2019 Reserve Fund to the Bond Fund pursuant to Sections 4.03(C), (E) and (F) and 12.08(C), (E) and (F), such that

the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date (including the redemption price of any Bonds to be redeemed on such Interest Payment Date pursuant to Sections 2.03(A)(i), (ii), (iii) or (iv) and 12.04(A)(i), (ii) and (iii)), and (ii) to the Fiscal Agent pro rata (a) in respect of the Reserve Fund and the 2019 Reserve Fund an amount (X) sufficient to pay any Policy Costs and 2019 Policy Costs then due and owing, and (Y) taking into account amounts then on deposit in the Reserve Fund and the 2019 Reserve Fund, such that the balance on deposit or credited to the Reserve Fund and the 2019 Reserve Fund, respectively, is equal to the Reserve Requirement and the 2019 Reserve Requirement, as applicable, and (b) to any reserve fund established for Parity Bonds an amount taking into account amounts then on deposit in any such reserve fund, such that the amount in such reserve fund is equal to any reserve requirement for such Parity Bonds; provided that no such transfers shall exceed the amount then available to be transferred from the Special Tax Fund.”

(I) The second paragraph of Section 4.02(B)(i) of the Original Fiscal Agreement is hereby amended and restated in whole to read as follows:

“In the event that amounts in the Bond Fund are insufficient for the purpose set forth in the preceding paragraph, the Fiscal Agent shall notify the General Manager of the amount of the insufficiency, and the Fiscal Agent shall (i) withdraw from the Reserve Fund to the extent of any funds therein, and then make a draw on the 2017 Reserve Policy an amount to cover the amount of such Bond Fund insufficiency with respect to the 2017 Bonds, and (ii) withdraw from the 2019 Reserve Fund to the extent of any funds therein, and then make a draw on the 2019 Reserve Policy (as defined in Section 12.01) an amount to cover the amount of such Bond Fund deficiency with respect to the 2019 Bonds. Amounts so withdrawn from the Reserve Fund or the 2019 Reserve Fund shall be deposited by the Fiscal Agent in the Bond Fund.”

(J) Section 4.02(B)(ii) of the Original Fiscal Agent Agreement is hereby amended and restated in whole to read as follows:

“(ii) Special Tax Prepayments Account Disbursements. Moneys in the Special Tax Prepayments Account shall be transferred by the Fiscal Agent to the Bond Fund on the third Business Day prior to the next date for which notice of redemption of Bonds under Sections 2.03(A)(iv) and 12.03(A)(iii) can timely be given by the Fiscal Agent under Section 2.03(E), and shall be used (together with any amounts transferred pursuant to Section 4.03(F) and 12.08(F), respectively) to redeem 2017 Bonds and 2019 Bonds, pro

rata on the redemption date selected in accordance with Sections 2.03 and 12.03.”

SECTION 4. Partial Invalidity.

If any section, paragraph, sentence, clause or phrase of this Supplemental Agreement No. 1 shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Supplemental Agreement No. 1. The District hereby declares that it would have entered into this Supplemental Agreement No. 1 and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the 2019 Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Supplemental Agreement No. 1 may be held illegal, invalid or unenforceable.

SECTION 5. Execution in Counterparts.

This Supplemental Agreement No. 1 may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 6. Governing Law.

This Supplemental Agreement No. 1 shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in California.

IN WITNESS WHEREOF, the District and the Fiscal Agent have caused this Supplemental Agreement No. 1 to Fiscal Agent Agreement to be executed as of October 1, 2019.

CASITAS MUNICIPAL WATER DISTRICT,
for and on behalf of the CASITAS
MUNICIPAL WATER DISTRICT
COMMUNITY FACILITIES DISTRICT
NO. 2013-1 (OJAI)

By: _____

Its: _____

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____

Authorized Officer

EXHIBIT A TO SUPPLEMENTAL AGREEMENT NO. 1 TO FISCAL AGENT AGREEMENT

**EXHIBIT D
FORM OF 2019 BONDS**

No. _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF VENTURA**

**CASITAS MUNICIPAL WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2013-1 (OJAI)
2019 SPECIAL TAX BOND**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	September 1, ____	_____, 2019	____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The Casitas Municipal Water District (the “District”) for and on behalf of the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) (the “CFD”), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the CFD or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Dated Date set forth above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for (unless this Bond is authenticated on or before an Interest Payment Date (as hereinafter defined) and after the close of business on the Record Date (as hereinafter defined) preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to February 15, 2020, in which event it shall bear interest from the Dated Date identified above, payable semiannually on each March 1 and September 1, commencing March 1, 2020 (each an “Interest Payment Date”), at the interest rate set forth above, until the principal amount hereof is paid or made available for payment provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

Principal of and interest on the Bonds (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of U.S. Bank

National Association, as fiscal agent (the “Fiscal Agent”), mailed by first class mail to the registered Owner thereof at such registered Owner’s address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds delivered to the Fiscal Agent prior to the applicable Record Date. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent or such other place as designated by the Fiscal Agent.

This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$_____ approved by the Board of Directors of the District on _____, 2019 (the “Resolution”), under the Mello-Roos Community Facilities Act of 1982, as amended, being sections 53311, *et seq.*, of the California Government Code (the “Act”) for the purpose funding certain facilities for the CFD, and is one of the series of bonds designated “Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2019 Special Tax Bonds” (the “Bonds”). The issuance of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of May 1, 2017, between the District and the Fiscal Agent, as amended and supplemented by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of October 1, 2019, between the Authority and the Fiscal Agent (collectively, the “Agreement”) and this reference incorporates the Agreement herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Agreement is authorized under, this Bond is issued under and both are to be construed in accordance with, the laws of the State of California.

The District has heretofore issued its 2017 Bonds under, and as such term is defined in, the Agreement. Pursuant to and as more particularly provided in the Agreement, the 2017 Bonds are secured under the Agreement on a parity with the Bonds, and additional bonds (“Parity Bonds”) which may be issued by the District from time to time will also be secured on a parity with the Bonds and the 2017 Bonds. The Resolution is adopted and the Agreement is entered into under and this Bond is issued under, and all are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act, the Resolution and the Agreement, the principal of and interest on this Bond are payable solely from the annual special tax authorized under the Act to be collected within the CFD (the “Special Tax”) and certain funds held under the Agreement. Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the District, as may be permitted by law. The Bonds do not constitute obligations of the District for which the District is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described hereinabove. Neither the faith and credit nor the taxing power of the District (except to the limited extent set forth in the Agreement) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

The Bonds maturing on or after September 1, 2030 are subject to optional redemption prior to their stated maturities from any source of available funds, on any date on or after

September 1, 2029 in whole or in part, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

The Bonds maturing on September 1, ____ are subject to mandatory sinking payment redemption in part on September 1, ____, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payments</u>
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The Bonds maturing on September 1, ____, are subject to mandatory sinking payment redemption in part on September 1, ____, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payments</u>
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The amounts in the foregoing tables shall be reduced as a result of any prior partial redemption of the Bonds pursuant to the optional redemption or mandatory redemption from Special Tax Prepayment provisions of the Fiscal Agent Agreement as provided in the Fiscal Agent Agreement.

Special Tax Prepayments and any corresponding transfers from funds, if any, in the 2019 Reserve Fund pursuant to the Agreement shall be used to redeem 2019 Bonds on the next Interest Payment Date for which notice of redemption can timely be given under Section 2.03(E),

pro rata with any 2017 Bonds and any future Parity Bonds, and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

Redemption Dates	Redemption Prices
any Interest Payment Date from March 1, 2020 to and including March 1, 2027	103%
September 1, 2027 and March 1, 2028	102%
September 1, 2028 and March 1, 2029	101%
September 1, 2029 and any Interest Payment Date thereafter	100%

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Agreement. The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Fiscal Agent on or prior to the date fixed for redemption as further described in the Agreement.

Under the terms of the Agreement, in the event the District pays and discharges the entire indebtedness on all or any portion on the Bonds Outstanding (as such term is defined therein) in one or more of the ways specified therein, the pledge of the Special Taxes and other funds provided for in the Agreement and all other obligations of the District under the Agreement with respect to such Bonds shall cease and terminate.

This Bond shall be registered in the name of the owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. The Fiscal Agent shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made in the circumstances set forth in the Fiscal Agent Agreement.

The Agreement and the rights and obligations of the District thereunder may be modified or amended as set forth therein. The principal of the Bonds is not subject to acceleration upon a default under the Agreement or any other document.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Fiscal Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the District that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the Casitas Municipal Water District, has caused this Bond to be to be signed by the facsimile signature of its President and countersigned by the facsimile signature of the Clerk of the Board.

CASITAS MUNICIPAL WATER DISTRICT

By: _____
President

By: _____
Clerk of the Board

FISCAL AGENT’S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Agreement which has been authenticated on _____, 2019.

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____

_____, attorney, to transfer the same on the registration books of the Fiscal Agent, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Signature:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Fiscal Agent.

NOTICE: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SOURCES AND USES OF FUNDS

Casitas Municipal Water District Community Facilities District No. 2013-1
 2017 Special Tax Bonds
 Proposed Final

Dated Date 05/31/2017
 Delivery Date 05/31/2017

Sources:	2017A Special Tax Bonds	2017B Special Tax Bonds	Total
Bond Proceeds:			
Par Amount	100,000.00	39,810,000.00	39,910,000.00
Net Premium/OID	260.00	4,227,042.65	4,227,302.65
	<u>100,260.00</u>	<u>44,037,042.65</u>	<u>44,137,302.65</u>
Uses:			
	2017A Special Tax Bonds	2017B Special Tax Bonds	Total
Project Fund Deposits:			
Project Fund	99,723.00		99,723.00
Project Fund - Settlement Amount		34,481,628.00	34,481,628.00
Project Fund - Improvements		8,074,000.00	8,074,000.00
	<u>99,723.00</u>	<u>42,555,628.00</u>	<u>42,655,351.00</u>
Other Fund Deposits:			
Capitalized Interest Fund		466,447.67	466,447.67
Delivery Date Expenses:			
Underwriter's Discount	537.00	213,779.70	214,316.70
Cost of Issuance		326,000.00	326,000.00
Bond Insurance @ 0.524%		415,883.85	415,883.85
Surety Bond @ 2.15%		56,430.45	56,430.45
	<u>537.00</u>	<u>1,012,094.00</u>	<u>1,012,631.00</u>
Other Uses of Funds:			
Additional Proceeds		2,872.98	2,872.98
	<u>100,260.00</u>	<u>44,037,042.65</u>	<u>44,137,302.65</u>

BOND PRICING

Casitas Municipal Water District Community Facilities District No. 2013-1
2017 Special Tax Bonds
Proposed Final

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
2017A Special Tax Bonds, Serial Bonds:									
	09/01/2017	100,000	2.000%	0.950%	100.260				260.00
2017B Special Tax Bonds, Serial Bonds:									
	09/01/2018	145,000	2.000%	1.140%	101.063				1,541.35
	09/01/2019	190,000	3.000%	1.330%	103.688				7,007.20
	09/01/2020	235,000	4.000%	1.480%	107.965				18,717.75
	09/01/2021	285,000	4.000%	1.660%	109.561				27,248.85
	09/01/2022	340,000	4.000%	1.910%	110.390				35,326.00
	09/01/2023	<u>395,000</u>	4.000%	2.070%	111.257				<u>44,465.15</u>
		1,590,000							134,306.30
2017B Special Tax Bonds, Insured Serial Bonds:									
	09/01/2024	455,000	4.000%	2.220%	111.856				53,944.80
	09/01/2025	520,000	4.000%	2.400%	111.907				61,916.40
	09/01/2026	585,000	4.000%	2.540%	111.965				69,995.25
	09/01/2027	655,000	5.000%	2.700%	120.470				134,078.50
	09/01/2028	735,000	5.000%	2.800%	119.480 C	2.952%	09/01/2027	100.000	143,178.00
	09/01/2029	820,000	5.000%	2.950%	118.014 C	3.209%	09/01/2027	100.000	147,714.80
	09/01/2030	910,000	5.000%	3.060%	116.953 C	3.400%	09/01/2027	100.000	154,272.30
	09/01/2031	1,010,000	3.125%	3.330%	97.685				-23,381.50
	09/01/2032	1,090,000	3.250%	3.410%	98.106				-20,644.60
	09/01/2033	1,180,000	3.250%	3.490%	97.039				-34,939.80
	09/01/2034	1,270,000	3.375%	3.550%	97.753				-28,536.90
	09/01/2035	1,370,000	3.375%	3.620%	96.744				-44,607.20
	09/01/2036	1,470,000	3.500%	3.650%	97.934				-30,370.20
	09/01/2037	<u>1,580,000</u>	3.625%	3.730%	98.512				<u>-23,510.40</u>
		13,650,000							559,109.45
2017B Special Tax Bonds, Insured Term Bond due in 2042:									
	09/01/2038	1,695,000	5.000%	3.510%	112.728 C	4.179%	09/01/2027	100.000	215,739.60
	09/01/2039	1,840,000	5.000%	3.510%	112.728 C	4.179%	09/01/2027	100.000	234,195.20
	09/01/2040	1,990,000	5.000%	3.510%	112.728 C	4.179%	09/01/2027	100.000	253,287.20
	09/01/2041	2,150,000	5.000%	3.510%	112.728 C	4.179%	09/01/2027	100.000	273,652.00
	09/01/2042	<u>2,325,000</u>	5.000%	3.510%	112.728 C	4.179%	09/01/2027	100.000	<u>295,926.00</u>
		10,000,000							1,272,800.00

BOND PRICING

Casitas Municipal Water District Community Facilities District No. 2013-1
2017 Special Tax Bonds
Proposed Final

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
2017B Special Tax Bonds, Insured Term Bond due in 2047:									
	09/01/2043	2,505,000	5.250%	3.440%	115.517 C	4.325%	09/01/2027	100.000	388,700.85
	09/01/2044	2,700,000	5.250%	3.440%	115.517 C	4.325%	09/01/2027	100.000	418,959.00
	09/01/2045	2,910,000	5.250%	3.440%	115.517 C	4.325%	09/01/2027	100.000	451,544.70
	09/01/2046	3,130,000	5.250%	3.440%	115.517 C	4.325%	09/01/2027	100.000	485,682.10
	09/01/2047	<u>3,325,000</u>	5.250%	3.440%	115.517 C	4.325%	09/01/2027	100.000	<u>515,940.25</u>
		14,570,000							2,260,826.90
		39,910,000							4,227,302.65

Dated Date	05/31/2017	
Delivery Date	05/31/2017	
First Coupon	09/01/2017	
Par Amount	39,910,000.00	
Premium	4,227,302.65	
Production	44,137,302.65	110.592089%
Underwriter's Discount	-214,316.70	-0.537000%
Purchase Price	43,922,985.95	110.055089%
Accrued Interest		
Net Proceeds	43,922,985.95	

BOND SUMMARY STATISTICS

Casitas Municipal Water District Community Facilities District No. 2013-1
2017 Special Tax Bonds
Proposed Final

Dated Date	05/31/2017
Delivery Date	05/31/2017
Last Maturity	09/01/2047
Arbitrage Yield	3.516604%
True Interest Cost (TIC)	4.038381%
Net Interest Cost (NIC)	4.337824%
All-In TIC	4.164037%
Average Coupon	4.803263%
Average Life (years)	21.603
Duration of Issue (years)	13.899
Par Amount	39,910,000.00
Bond Proceeds	44,137,302.65
Total Interest	41,413,415.73
Net Interest	37,400,429.78
Total Debt Service	81,323,415.73
Maximum Annual Debt Service	3,499,562.50
Average Annual Debt Service	2,688,130.54
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.370000
Total Underwriter's Discount	5.370000
Bid Price	110.055089

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	1,690,000.00	107.963	3.877%	4.063
Insured Serial Bonds	13,650,000.00	104.096	3.721%	15.203
Insured Term Bond due in 2042	10,000,000.00	112.728	5.000%	23.410
Insured Term Bond due in 2047	14,570,000.00	115.517	5.250%	28.395
	39,910,000.00			21.603

	TIC	All-In TIC	Arbitrage Yield
Par Value	39,910,000.00	39,910,000.00	39,910,000.00
+ Accrued Interest			
+ Premium (Discount)	4,227,302.65	4,227,302.65	4,227,302.65
- Underwriter's Discount	-214,316.70	-214,316.70	
- Cost of Issuance Expense		-326,000.00	
- Other Amounts	-56,430.45	-472,314.30	-472,314.30
Target Value	43,866,555.50	43,124,671.65	43,664,988.35
Target Date	05/31/2017	05/31/2017	05/31/2017
Yield	4.038381%	4.164037%	3.516604%

BOND DEBT SERVICE

Casitas Municipal Water District Community Facilities District No. 2013-1
 2017 Special Tax Bonds
 Proposed Final

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2017	100,000	2.000%	466,953.23	566,953.23
09/01/2018	145,000	2.000%	1,845,287.50	1,990,287.50
09/01/2019	190,000	3.000%	1,842,387.50	2,032,387.50
09/01/2020	235,000	4.000%	1,836,687.50	2,071,687.50
09/01/2021	285,000	4.000%	1,827,287.50	2,112,287.50
09/01/2022	340,000	4.000%	1,815,887.50	2,155,887.50
09/01/2023	395,000	4.000%	1,802,287.50	2,197,287.50
09/01/2024	455,000	4.000%	1,786,487.50	2,241,487.50
09/01/2025	520,000	4.000%	1,768,287.50	2,288,287.50
09/01/2026	585,000	4.000%	1,747,487.50	2,332,487.50
09/01/2027	655,000	5.000%	1,724,087.50	2,379,087.50
09/01/2028	735,000	5.000%	1,691,337.50	2,426,337.50
09/01/2029	820,000	5.000%	1,654,587.50	2,474,587.50
09/01/2030	910,000	5.000%	1,613,587.50	2,523,587.50
09/01/2031	1,010,000	3.125%	1,568,087.50	2,578,087.50
09/01/2032	1,090,000	3.250%	1,536,525.00	2,626,525.00
09/01/2033	1,180,000	3.250%	1,501,100.00	2,681,100.00
09/01/2034	1,270,000	3.375%	1,462,750.00	2,732,750.00
09/01/2035	1,370,000	3.375%	1,419,887.50	2,789,887.50
09/01/2036	1,470,000	3.500%	1,373,650.00	2,843,650.00
09/01/2037	1,580,000	3.625%	1,322,200.00	2,902,200.00
09/01/2038	1,695,000	5.000%	1,264,925.00	2,959,925.00
09/01/2039	1,840,000	5.000%	1,180,175.00	3,020,175.00
09/01/2040	1,990,000	5.000%	1,088,175.00	3,078,175.00
09/01/2041	2,150,000	5.000%	988,675.00	3,138,675.00
09/01/2042	2,325,000	5.000%	881,175.00	3,206,175.00
09/01/2043	2,505,000	5.250%	764,925.00	3,269,925.00
09/01/2044	2,700,000	5.250%	633,412.50	3,333,412.50
09/01/2045	2,910,000	5.250%	491,662.50	3,401,662.50
09/01/2046	3,130,000	5.250%	338,887.50	3,468,887.50
09/01/2047	3,325,000	5.250%	174,562.50	3,499,562.50
	39,910,000		41,413,415.73	81,323,415.73

BOND DEBT SERVICE

Casitas Municipal Water District Community Facilities District No. 2013-1
 2017 Special Tax Bonds
 Proposed Final

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2017	100,000	2.000%	466,953.23	566,953.23	566,953.23
03/01/2018			922,643.75	922,643.75	
09/01/2018	145,000	2.000%	922,643.75	1,067,643.75	1,990,287.50
03/01/2019			921,193.75	921,193.75	
09/01/2019	190,000	3.000%	921,193.75	1,111,193.75	2,032,387.50
03/01/2020			918,343.75	918,343.75	
09/01/2020	235,000	4.000%	918,343.75	1,153,343.75	2,071,687.50
03/01/2021			913,643.75	913,643.75	
09/01/2021	285,000	4.000%	913,643.75	1,198,643.75	2,112,287.50
03/01/2022			907,943.75	907,943.75	
09/01/2022	340,000	4.000%	907,943.75	1,247,943.75	2,155,887.50
03/01/2023			901,143.75	901,143.75	
09/01/2023	395,000	4.000%	901,143.75	1,296,143.75	2,197,287.50
03/01/2024			893,243.75	893,243.75	
09/01/2024	455,000	4.000%	893,243.75	1,348,243.75	2,241,487.50
03/01/2025			884,143.75	884,143.75	
09/01/2025	520,000	4.000%	884,143.75	1,404,143.75	2,288,287.50
03/01/2026			873,743.75	873,743.75	
09/01/2026	585,000	4.000%	873,743.75	1,458,743.75	2,332,487.50
03/01/2027			862,043.75	862,043.75	
09/01/2027	655,000	5.000%	862,043.75	1,517,043.75	2,379,087.50
03/01/2028			845,668.75	845,668.75	
09/01/2028	735,000	5.000%	845,668.75	1,580,668.75	2,426,337.50
03/01/2029			827,293.75	827,293.75	
09/01/2029	820,000	5.000%	827,293.75	1,647,293.75	2,474,587.50
03/01/2030			806,793.75	806,793.75	
09/01/2030	910,000	5.000%	806,793.75	1,716,793.75	2,523,587.50
03/01/2031			784,043.75	784,043.75	
09/01/2031	1,010,000	3.125%	784,043.75	1,794,043.75	2,578,087.50
03/01/2032			768,262.50	768,262.50	
09/01/2032	1,090,000	3.250%	768,262.50	1,858,262.50	2,626,525.00
03/01/2033			750,550.00	750,550.00	
09/01/2033	1,180,000	3.250%	750,550.00	1,930,550.00	2,681,100.00
03/01/2034			731,375.00	731,375.00	
09/01/2034	1,270,000	3.375%	731,375.00	2,001,375.00	2,732,750.00
03/01/2035			709,943.75	709,943.75	
09/01/2035	1,370,000	3.375%	709,943.75	2,079,943.75	2,789,887.50
03/01/2036			686,825.00	686,825.00	
09/01/2036	1,470,000	3.500%	686,825.00	2,156,825.00	2,843,650.00
03/01/2037			661,100.00	661,100.00	
09/01/2037	1,580,000	3.625%	661,100.00	2,241,100.00	2,902,200.00
03/01/2038			632,462.50	632,462.50	
09/01/2038	1,695,000	5.000%	632,462.50	2,327,462.50	2,959,925.00
03/01/2039			590,087.50	590,087.50	
09/01/2039	1,840,000	5.000%	590,087.50	2,430,087.50	3,020,175.00
03/01/2040			544,087.50	544,087.50	
09/01/2040	1,990,000	5.000%	544,087.50	2,534,087.50	3,078,175.00
03/01/2041			494,337.50	494,337.50	
09/01/2041	2,150,000	5.000%	494,337.50	2,644,337.50	3,138,675.00
03/01/2042			440,587.50	440,587.50	
09/01/2042	2,325,000	5.000%	440,587.50	2,765,587.50	3,206,175.00
03/01/2043			382,462.50	382,462.50	
09/01/2043	2,505,000	5.250%	382,462.50	2,887,462.50	3,269,925.00
03/01/2044			316,706.25	316,706.25	

BOND DEBT SERVICE

Casitas Municipal Water District Community Facilities District No. 2013-1
 2017 Special Tax Bonds
 Proposed Final

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2044	2,700,000	5.250%	316,706.25	3,016,706.25	3,333,412.50
03/01/2045			245,831.25	245,831.25	
09/01/2045	2,910,000	5.250%	245,831.25	3,155,831.25	3,401,662.50
03/01/2046			169,443.75	169,443.75	
09/01/2046	3,130,000	5.250%	169,443.75	3,299,443.75	3,468,887.50
03/01/2047			87,281.25	87,281.25	
09/01/2047	3,325,000	5.250%	87,281.25	3,412,281.25	3,499,562.50
	39,910,000		41,413,415.73	81,323,415.73	81,323,415.73

FORMULA VERIFICATION

Casitas Municipal Water District Community Facilities District No. 2013-1
2017B Special Tax Bonds

Component	Formula	Vector	Value
INS	0.524% of total adjusted Debt Service of SERIAL2		111,990.99
INS	0.524% of total adjusted Debt Service of TERM42		113,733.62
INS	0.524% of total adjusted Debt Service of TERM47		190,159.24
INS	Bond Insurance @ 0.524%		415,883.85
SUR	2.15% of 75% of maximum annual Debt Service		56,430.45
SUR	2.15% of 7.5% of Par Amount		64,193.63
SUR	Surety Bond @ 2.15%		56,430.45
CAPI	Adjusted bond interest accrued through 09/01/2017	V1	

Date	V1
09/01/2017	466,447.67
	466,447.67

DISCLAIMER

Casitas Municipal Water District Community Facilities District No. 2013-1
2017 Special Tax Bonds
Proposed Final

We are providing this material to provide you with certain regulatory disclosures as required by the Municipal Securities Rulemaking Board. As part of our services, Piper Jaffray may provide advice concerning the structure, timing, terms, and other similar matters concerning an issue of municipal securities that Piper Jaffray is underwriting or placing. However, Piper Jaffray intends to serve as an underwriter or placement agent and not as a financial advisor to you in this transaction; and the primary role of Piper Jaffray is to purchase securities for resale to investors or arrange for the placement of securities in an arm's-length commercial transaction between you and Piper Jaffray. Piper Jaffray has financial and other interests that differ from your interests.

Three-Year Projects		Estimated Project Cost
Running Ridge Zone Hydraulic Improvements		\$2,583,000
Mutual Wellfield Discharge Pipe		\$216,000
Signal Zone Hydraulic Improvements		\$1,434,000
Cuyama, El Paseo, Topa Topa, San Antonio, Crestview Pipelines		\$1,827,000
Well Rehabilitation		\$125,000
Sunset Place Pipeline		\$670,000
West and East Ojai Avenue Pipeline		\$2,145,000
Grand Avenue Pipeline Optimization		\$20,000
Ventura Street Pipeline		\$568,000
	TOTAL	\$9,588,000



Ten-Year Projects	Estimated Project Cost
12-inch Transmission Main	\$4,846,000
New Well	\$925,000
Country Club Drive Pipeline	\$641,000
Heidelberger Pump Station Reconstruction	\$920,000
Canada Street Pipeline	\$452,000
Lion Street Pipeline	\$409,000
Pleasant Avenue and Daly Road Pipeline	\$733,000
New Turnout	\$124,000
Del Norte Road Pipeline	\$158,000
Verano Drive Pipeline	\$122,000
Park Avenue Pipeline	\$99,000
Blanche and Santa Ana Streets Pipeline	\$337,000
Fairway Lane Pipeline	\$392,000
Arbolada Reservoir Improvements	\$10,000
San Antonio Forebay Improvements	\$205,000
Heidelberger Tank Improvements	\$25,000
Tank Seismic Evaluation	\$25,000
BPS Condition Assessment	\$10,000
Emily Street Pipeline	\$115,000
TOTAL	\$10,548,000



PROPOSED CAPITAL PROJECTS ENGINEERING DEPARTMENT OJAI SYSTEM (CFD 13-1)

West Ojai Pipeline Replacements	1,900,000.00
Emily Street / Canada Street Pipeline Replacement	624,000.00
Ojai 12-inch Pipeline Replacement	1,400,000.00
Grand Avenue Pipeline Optimization	20,000.00
Heidelberger Pump Plant Retaining Wall	75,000.00
Pipeline Intertie Between Main Zone and Signal Zone	50,000.00
Mutual Wellfield Pipeline Replacement	540,000.00
Mutual Replacement Well	1,250,000.00
Pleasant Avenue and Daly Road Pipeline Improvements	70,000.00
Running Ridge Zone Improvements	290,000.00
Signal Zone Improvements	220,000.00
Sunset Place Pipeline Replacement	650,000.00
Tank and Vault Fall Protection Improvements	50,000.00
Valves and Appurtenances Replacement (Ventura Street)	455,450.00
Well Rehabilitation	250,000.00
Wellfield VFDs	50,000.00
West and East Ojai Avenue Pipeline Replacements	1,680,000.00

Total Capital CFD 2013-1 Projects: \$ 9,574,450.00



NEW ISSUE – BOOK-ENTRY

RATINGS

INSURED 2019 BONDS RATING: S&P: “_”

UNINSURED 2019 BONDS AND UNDERLYING RATING: S&P: “A+”

(See “CONCLUDING INFORMATION - Ratings on the 2019 Bonds” herein)

In the opinion of Rutan & Tucker, LLP, Costa Mesa, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2019 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “TAX MATTERS” herein.

\$11,725,000*
CASITAS MUNICIPAL WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2013-1 (OJAI)
2019 SPECIAL TAX BONDS

Dated: Date of Delivery

Due: September 1 as Shown on the Inside Front Cover.

The Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2019 Special Tax Bonds (the “2019 Bonds”) are being issued by the Casitas Municipal Water District (the “District”) for and on behalf of the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) (the “CFD”) to: (1) fund improvements to the water facilities serving property within the CFD, (2) purchase a municipal bond debt service reserve insurance policy for the 2019 Bonds, and (3) pay costs of issuing the 2019 Bonds, including the premium for a municipal bond insurance policy.

The 2019 Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 et seq. of the Government Code of the State of California), and pursuant to a Fiscal Agent Agreement, dated as of May 1, 2017 as amended and supplemented by a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of October 1, 2019 (as amended and supplemented, the “Fiscal Agent Agreement”), by and between the District, on behalf of the CFD, and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”). The 2019 Bonds are special limited obligations of the CFD and are payable solely from revenues derived from certain annual Special Taxes (as defined herein) to be levied on certain taxable land within the CFD (less certain administrative expenses) and from certain other funds pledged under the Fiscal Agent Agreement, all as further described herein. The Special Taxes are to be levied according to the rate and method of apportionment approved by the Board of Directors of the District and the qualified electors within the CFD. See “SOURCES AND PAYMENT FOR THE 2019 BONDS - Special Taxes.”

Interest on the 2019 Bonds is payable semiannually on March 1 and September 1 each year, commencing March 1, 2020, until maturity. The 2019 Bonds are subject to optional and mandatory redemption as described herein. See “THE 2019 BONDS - Redemption” herein.

Neither the faith and credit nor the taxing power of the District, the County of Ventura, the State of California or any political subdivision of the State of California (except the CFD to the limited extent set forth in the Fiscal Agent Agreement) is pledged to the payment of the 2019 Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the 2019 Bonds. The 2019 Bonds are special limited obligations of the District for the CFD that are payable solely from Special Taxes and certain amounts that are held under the Fiscal Agent Agreement, as more fully described in this Official Statement.

The scheduled payment of principal of and interest on the 2019 Bonds maturing on September 1 of the years ___ through ___, inclusive (collectively, the “Insured 2019 Bonds”), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured 2019 Bonds by Build America Mutual Assurance Corporation. See “MUNICIPAL BOND INSURANCE” and “APPENDIX G - SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

[LOGO]

CERTAIN EVENTS COULD AFFECT THE ABILITY OF THE DISTRICT TO PAY THE PRINCIPAL OF AND INTEREST ON THE 2019 BONDS WHEN DUE. AS A RESULT, THE PURCHASE OF THE 2019 BONDS INVOLVES SIGNIFICANT RISKS AND THE 2019 BONDS ARE NOT SUITABLE INVESTMENTS FOR ALL INVESTORS. SEE “RISK FACTORS” HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH IN THIS OFFICIAL STATEMENT, IN EVALUATING THE INVESTMENT QUALITY OF THE 2019 BONDS.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information that is essential to an informed investment decision.

MATURITY SCHEDULE

(see inside cover)

The 2019 Bonds are offered when, as and if issued subject to the approval as to their legality by Rutan & Tucker, LLP, Costa Mesa, California, Bond Counsel and certain other conditions. Certain legal matters will be passed on for the District and the CFD by Arnold, LaRochelle, Mathews, VanConas & Zirbel LLP, Oxnard, California, in its capacity of General Counsel to the District, for the District by Quint & Thimmig LLP, Larkspur, California, in its capacity as Disclosure Counsel to the District for the 2019 Bonds, and for the Underwriter by its counsel, Jones Hall, a Professional Law Corporation, San Francisco, California. It is anticipated that the 2019 Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company, New York, New York (“DTC”) on or about October 22, 2019.

The date of this Official Statement is _____, 2019.

PiperJaffray

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of such jurisdiction.

\$11,725,000*
CASITAS MUNICIPAL WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2013-1 (OJAI)
2019 SPECIAL TAX BONDS

MATURITY SCHEDULE

(Base CUSIP®† _____)

Maturity Date	Principal	Interest	Reoffering	CUSIP®†
<u>September 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP®†</u>

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriter and are included solely for the convenience of the owners of the 2019 Bonds. None of the District, the Municipal Advisor or the Underwriter is responsible for the selection or use of these CUSIP numbers, and no representation is made as to their correctness on the 2019 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2019 Bonds.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (“Rule 15c2-12”), this Preliminary Official Statement constitutes an “official statement” of the District with respect to the 2019 Bonds that has been deemed “final” by the District as of its date except for the omission of no more than the information permitted to be omitted by Rule 15c2-12.

The information contained in this Official Statement has been obtained from sources that are believed to be reliable. No representation, warranty or guarantee, however, is made by the Underwriter as to the accuracy or completeness of any information in this Official Statement, including, without limitation, the information contained in the Appendices, and nothing contained in this Official Statement should be relied upon as a promise or representation by the Underwriter.

Neither the District nor the Underwriter has authorized any dealer, broker, salesperson or other person to give any information or make any representations with respect to the offer or sale of 2019 Bonds other than as contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by the District or the Underwriter. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2019 Bonds shall under any circumstances create any implication that there has been no change in the affairs of any party described in this Official Statement, or in the status of any property described in this Official Statement, subsequent to the date as of which such information is presented.

This Official Statement and the information contained in this Official Statement are subject to amendment without notice. The 2019 Bonds may not be sold, and no offer to buy the 2019 Bonds may be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the 2019 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

When used in this Official Statement and in any continuing disclosure by the District, in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

All summaries of the documents referred to in this Official Statement are qualified by the provisions of the respective documents summarized and do not purport to be complete statements of any or all of such provisions.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or the completeness of such information.”

In connection with the offering of the 2019 Bonds, the Underwriter may overallocate or effect transactions that stabilize or maintain the market prices of the 2019 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2019 Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

The 2019 Bonds have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), in reliance upon an exemption from the registration requirements contained in the Securities Act. The 2019 Bonds have not been registered or qualified under the securities laws of any state.

The District maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

**CASITAS MUNICIPAL WATER DISTRICT
VENTURA COUNTY, CALIFORNIA**

BOARD OF DIRECTORS

Brian Brennan, *Division 1*
Jim Word, *Division 2*
Pete Kaiser, *Division 3*
Angelo Spandrio, *Division 4*
Russ Baggerly, *Division 5*

DISTRICT STAFF

Michael Flood, *General Manager*
Denise Collin, *Chief Financial Officer*
Julia Aranda, *Principal Civil Engineer*
Rebekah Vieira, *Clerk of the Board*

PROFESSIONAL SERVICES

Bond Counsel

Rutan & Tucker, LLP
Costa Mesa, California

Disclosure Counsel

Quint & Thimmig LLP
Larkspur, California

District General Counsel

Arnold, LaRochelle, Mathews, VanConas & Zirbel LLP
Oxnard, California

Municipal Advisor

Harrell & Company Advisors, LLC
Orange, California

Special Tax Consultant

DTA
Newport Beach, California

Fiscal Agent

U.S. Bank National Association
Los Angeles, California

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OFFICIAL STATEMENT
\$11,725,000*
CASITAS MUNICIPAL WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2013-1 (OJAI)
2019 SPECIAL TAX BONDS

This Official Statement which includes the cover page and appendices (the “Official Statement”) is provided to furnish certain information concerning the sale of the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2019 Special Tax Bonds (the “2019 Bonds”), in the aggregate principal amount of \$11,725,000*.

INTRODUCTION

This Introduction contains only a brief description of this issue and does not purport to be complete. This Introduction is subject in all respects to more complete information in the entire Official Statement and the offering of the 2019 Bonds to potential investors is made only by means of the entire Official Statement and the documents summarized herein. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision (see “RISK FACTORS” herein). For definitions of certain capitalized terms used herein and not otherwise defined, and the terms relating to the 2019 Bonds, see “APPENDIX A - SUMMARY OF THE FISCAL AGENT AGREEMENT” herein.

The District

The District was formed in 1952 and provides domestic and agricultural water to the western portion of Ventura County. See “APPENDIX D - ECONOMIC PROFILE FOR THE COUNTY OF VENTURA.” The District’s service area includes approximately 137.5 square miles. The District is governed by a five-member Board of Directors who serve overlapping four-year terms.

The CFD

The CFD was formed on March 13, 2013 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 et seq. of the Government Code of the State of California) (the “Act”). The Act was enacted by the State of California (the “State”) legislature to provide an alternative method of financing certain public capital facilities and services. Any local agency (as such term is defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness. The Board of Directors of the District (the “Board” or the “Board of Directors”) acts as the legislative body of the CFD.

* Preliminary, subject to change.

Pursuant to the Act, the Board adopted the necessary resolutions stating its intent to establish the CFD, to authorize the levy of special taxes on taxable property within the boundaries of the CFD and to incur a bonded indebtedness for the CFD. Following a noticed public hearing that was conducted pursuant to the provisions of the Act, the Board adopted resolutions to establish the CFD and call a special election to submit the levy of the Special Taxes and the incurring of bonded indebtedness to the qualified electors of the CFD. On August 27, 2013, at an election that was held pursuant to the Act, the registered voters residing within the CFD, who comprised the qualified electors with the respect to the CFD, by more than a two-thirds vote, authorized the CFD to incur bonded indebtedness in the aggregate principal amount not to exceed \$60,000,000 to be secured by the levy of special taxes on taxable property within the CFD. On that same date, the registered voters residing within the CFD approved the rate and method of apportionment of the special taxes for the CFD to pay the principal of and interest on bonds issued by the District for the CFD. The Rate and Method of Apportionment for Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) (the "Rate and Method") is set forth in "APPENDIX C" hereto and provides how the Special Taxes are to be levied.

The CFD encompasses approximately 2,150 gross acres of land in the City of Ojai and surrounding unincorporated Ventura County. The property in the CFD is currently developed with 2,865 residential dwelling units and approximately 1.17 million square feet of retail/commercial uses and 402,000 square feet of industrial uses. There are approximately 172 acres of vacant land in the CFD. See "THE CFD - General" herein.

Parity Bonds

On May 31, 2017, the District, on behalf of the CFD, issued the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2017 Special Tax Bonds, Series A (the "2017 Series A Bonds") and 2017 Special Tax Bonds, Series B (the "2017 Series B Bonds") in the original aggregate principal amount of \$39,910,000, of which \$39,475,000 principal amount of the 2017 Series B Bonds is currently outstanding. No 2017 Series A Bonds are outstanding. The 2019 Bonds are payable from Special Tax Revenues (as defined below) on a parity with the 2017 Series B Bonds. The 2017 Series B Bonds are also referred to herein as the "2017 Bonds." See the caption "THE 2019 BONDS - Issuance of Parity Bonds" for a discussion of the conditions under which the District, on behalf of the CFD, may issue additional bonds that are payable on a parity with the 2017 Bonds and the 2019 Bonds. The 2019 Bonds together with the 2017 Bonds and any future Parity Bonds are referred to herein as the "Bonds."

Security and Sources of Repayment for the 2019 Bonds

The 2019 Bonds will be issued under the Fiscal Agent Agreement dated as of May 1, 2017, as amended and supplemented by a Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of October 1, 2019 (as amended and supplemented, the "Fiscal Agent Agreement"), by and between the District, on behalf of the CFD, and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") and pursuant to the Act.

Under the Fiscal Agent Agreement, the District has pledged to repay the Bonds from Special Tax Revenues and certain funds pledged therefor pursuant to the Fiscal Agent Agreement.

"Special Tax Revenues" is defined in the Fiscal Agent Agreement to mean the proceeds of the Special Taxes (as defined below) received by the District, including any scheduled payments and any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien, but does not include interest and penalties, if any, collected with the Special Taxes that are in excess of the rate of interest payable on the Bonds. The Maximum Special Taxes that may be levied on parcels in the CFD pursuant to the Rate and Method increase by two percent (2%) annually. See "APPENDIX C - RATE AND METHOD OF APPORTIONMENT FOR CASITAS MUNICIPAL WATER DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2013-1 (OJAI)" and "APPENDIX A - SUMMARY OF THE FISCAL AGENT AGREEMENT."

“Special Taxes” is defined in the Fiscal Agent Agreement and as used in this Official Statement means the special taxes levied by the Board on parcels of Developed Property within the CFD (that is, taxable property for which a building permit has been issued on or before May 1 of the preceding Fiscal Year) pursuant to the Act, the Ordinance providing for the levy of Special Taxes (the “Ordinance”) and the Fiscal Agent Agreement. See “SOURCES OF PAYMENT FOR THE 2019 BONDS - Special Taxes.” Under the Fiscal Agent Agreement, the District has agreed to levy the Special Tax, and to repay the Bonds from the Special Tax Revenues (except for the “Minimum Administrative Expense Requirement” as defined below) and from certain amounts on deposit in the Special Tax Fund, the Bond Fund, the 2017 Reserve Fund and the 2019 Reserve Fund (as applicable) established under the Fiscal Agent Agreement. See “APPENDIX A - SUMMARY OF THE FISCAL AGENT AGREEMENT.” The 2019 Reserve Policy (as defined herein) will be deposited in the 2019 Reserve Fund to satisfy the Reserve Requirement for the 2019 Bonds. The 2019 Reserve Policy will be used for payment of the principal of and interest on the 2019 Bonds in the event that moneys in the Bond Fund are insufficient therefor. See “SOURCES OF PAYMENT FOR THE 2019 BONDS - 2019 Reserve Fund.” Amounts in the 2017 Reserve Fund and the 2017 Reserve Policy are not pledged as security for the 2019 Bonds.

“Minimum Administrative Expense Requirement” means \$50,000 for Fiscal Year 2017-18, escalating by 2% each Fiscal Year thereafter. Annually, Special Taxes in such amount are required to be deposited in the Administrative Expense Fund.

The District has covenanted to cause foreclosure proceedings to be commenced and prosecuted against Developed Property within the CFD with delinquent installments of Special Taxes under certain circumstances. For a more detailed description of the foreclosure covenant see “SOURCES OF PAYMENT FOR THE 2019 BONDS - Proceeds of Foreclosure Sales.”

THE 2019 BONDS ARE PAYABLE SOLELY FROM THE PROCEEDS OF THE SPECIAL TAX TO BE LEVIED ANNUALLY ON THE DEVELOPED PROPERTY WITHIN THE CFD AND AMOUNTS IN CERTAIN FUNDS ESTABLISHED UNDER THE FISCAL AGENT AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN OF THE CFD, TO THE LIMITED EXTENT SET FORTH IN THE FISCAL AGENT AGREEMENT) IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2019 BONDS. THE 2019 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF OR CHARGE, LIEN OR ENCUMBRANCE UPON ANY OF THE PROPERTY OR REVENUES OF THE DISTRICT, AND THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF OR REDEMPTION PREMIUMS, IF ANY, ON THE 2019 BONDS IS NOT A GENERAL DEBT, LIABILITY OR OBLIGATION OF THE DISTRICT OR THE CFD.

Purpose

Proceeds from the 2019 Bonds will be used to (1) fund improvements to the water facilities serving property within the CFD, (2) purchase a municipal bond debt service reserve policy (the “2019 Reserve Policy”), and (3) pay costs of issuing the 2019 Bonds, including the premium for a municipal bond insurance policy (the “Policy”) for the Insured 2019 Bonds. See “THE FINANCING PLAN - Estimated Sources and Uses of Funds” herein.

Property Values

There is no assurance that the property within the CFD can be sold for the assessed values that are described in this Official Statement or for a price that is sufficient to pay the delinquent Special Taxes in the event of a default in payment of Special Taxes by current or future owners of the Developed Property in the CFD. See “RISK FACTORS - Land Values.” Other taxes and/or special assessments with liens that are equal in priority to the continuing lien of the Special Taxes may also be levied on the property within the CFD. See “RISK FACTORS - Parity Taxes and Special Assessments.”

Information Concerning this Official Statement

This Official Statement speaks only as of its date, and the information in this Official Statement is subject to change. Brief descriptions of the 2019 Bonds and the Fiscal Agent Agreement are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references in this Official Statement to the Fiscal Agent Agreement, the 2019 Bonds and the Constitution and laws of the State, as well as the proceedings of the Board, acting as the legislative body of the CFD, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the 2019 Bonds, by reference to the Fiscal Agent Agreement. Capitalized terms used in this Official Statement that are not defined herein have the meanings given to them in the Fiscal Agent Agreement.

Copies of the Fiscal Agent Agreement and other documents and information referred to in this Official Statement are available for inspection at the offices of and, upon request and payment to the District of a charge for copying, mailing and handling, for delivery from, the Casitas Municipal Water District, 1055 North Ventura Avenue, Oak View, California 93022.

THE FINANCING PLAN

Overview

The CFD was formed in 2013 for the purpose of financing the acquisition of, and subsequent improvements to, the water system then-owned and operated by Golden State Water Company serving property within the CFD (the “Ojai Water System”), and, upon acquisition, to transfer ownership and operation of the Ojai Water System to the District. The District acquired the Ojai Water System in 2017 as described below.

The District’s acquisition of the Ojai Water System was pursuant to eminent domain proceedings (Casitas Municipal Water District v. Golden State Water Company, Ventura County Superior Court Case No. 56-2016-00481628-CU-EI-VTA, and referred to herein as the “Eminent Domain Action”). On April 12, 2017, the District, the CFD, Golden State Water Company, and certain private intervenors entered into a Settlement Agreement (“Settlement Agreement”) to resolve all of the parties’ respective claims and defenses arising out of the Eminent Domain Action. Pursuant to the Settlement Agreement, all claims of all parties in the Eminent Domain Action other than the District’s cause of action for eminent domain were voluntarily dismissed with prejudice and the District’s eminent domain claim was resolved by a stipulation for entry of judgment and final judgment that was entered on April 19, 2017. Pursuant to the standard procedures applicable under the California’s eminent domain law, the judgment provided for the District to pay to Golden State Water Company a stipulated sum of \$34,481,628 (the “Judgment Amount”) as just compensation for the taking of its Ojai Water System, subject to certain post-closing adjustments. The Judgment Amount was paid from a portion of the proceeds of the 2017 Bonds on June 7, 2017. As soon as the Judgment Amount was paid, the judgment provided for the court to then enter a “Final Order of Condemnation” in order to effectuate the transfer of ownership and control of Golden State’s Ojai Water System to the District.

In addition to paying the cost of acquisition of the Ojai Water System, the CFD is authorized to pay costs incurred to plan, design, engineer, finance, supervise, construct and install, inspect, and obtain necessary permits for the purchase, construction, improvement, or rehabilitation of any real or other tangible property or facilities with an estimated useful life of five years or longer which property or facilities the CFD determines are necessary or appropriate to provide water utility services in the area served by the Ojai Water System (the “Ojai Service Area”) and which property or facilities the CFD determines either (i) are of primary benefit to the property owners, residents, businesses, and other persons and entities within the Ojai Service Area or (ii) if the Board of Directors determines that said property or facilities benefit the property owners, residents, businesses, and other persons and entities within the Ojai Service Area but are not of primary benefit to such persons or entities, the portion of the CFD’s costs for said property and facilities

that the Board of Directors reasonably determines does not exceed such persons' or entities' fair share contribution therefor.

In addition to the payment of the Judgment Amount, proceeds of the 2017 Bonds financed approximately \$8.1 million of improvements to the Ojai Water System that were expected to be required in the first 3 years of operations (the "2017 Improvements"). The 2017 Improvements included system evaluation, a new pipeline, minor water main replacements, replacement of manual read meters and service lines, emergency power installations, well refurbishment, and replacements or additions to equipment at the treatment facility.

As a result of the system evaluation conducted after acquisition of the Ojai Water System, the District determined that additional repair and replacements to the Ojai Water System are warranted. These improvements include system optimization studies, system hydraulic improvements, a new pipeline, several miles of water main replacements, service line replacements, refurbishment of existing groundwater wells, one new groundwater well, and water reservoir improvements (the "2019 Improvements"). The 2019 Improvements will be financed with the proceeds of the 2019 Bonds. The continued operations of the Ojai Water System is not, however, dependent on such completion.

Estimated Sources and Uses of Funds

The Fiscal Agent will receive the proceeds from the sale of the 2019 Bonds and will apply them as follows:

Sources of Funds

Principal Amount of Bonds
Plus Net Original Issue Premium
Total

Uses of Funds ⁽¹⁾

Costs of Issuance Fund ⁽²⁾
Underwriter's Discount
Improvement Fund ⁽³⁾
Total

⁽¹⁾ The Fiscal Agent will deposit the 2019 Reserve Policy in the 2019 Reserve Fund. See "SOURCES OF PAYMENT FOR THE BONDS - 2019 Reserve Fund."

⁽²⁾ To be used to pay costs of issuance of the 2019 Bonds, including Bond Counsel fees, Disclosure Counsel fees, initial Fiscal Agent fees, Municipal Advisor's fees, special tax consultant fees, rating fees, bond insurance and 2019 Reserve Policy premiums, Official Statement printing and other costs of issuance.

⁽³⁾ To be used to pay costs of the 2019 Improvements. See "THE FINANCING PLAN - Overview" above.

THE 2019 BONDS

Authority for Issuance

The 2019 Bonds are authorized to be issued by the District for the CFD under and subject to the terms of the resolution authorizing the issuance of the 2019 Bonds, as described below, the Fiscal Agent Agreement, the Act and other applicable laws of the State.

Resolution of Intention. On January 29, 2013, the Board of Directors of the District adopted a resolution stating its intention to establish the CFD and to authorize the levy of a special tax, and a resolution declaring its intention to incur bonded indebtedness for the CFD in an amount not to exceed \$60,000,000.

Resolutions of Formation. Immediately following a noticed public hearing on March 13, 2013, the Board of Directors of the District adopted a resolution that established the District and authorized the levy of a special tax within the CFD and a resolution declaring the necessity to incur bonded indebtedness within the CFD.

Resolution Calling Election. The resolutions that were adopted by the Board of Directors of the District on March 13, 2013 also called for an election by the registered voters residing in the CFD on August 27, 2013 on the questions of the levy of the Special Tax, the incurring of bonded indebtedness in the CFD, and the establishment of an appropriations limit for the CFD.

Registered Voter Election and Declaration of Results. On August 27, 2013, an election was held at which the registered voters residing in the CFD (the “Registered Voters”), as the qualified electors of the CFD, approved ballot propositions authorizing the issuance of up to \$60,000,000 of bonds for the CFD, the levy of the Special Tax within the CFD and the establishment of an appropriations limit for the CFD. On November 13, 2013, the Board of Directors adopted a resolution approving the canvass of the votes and declaring the CFD to be fully formed with the authority to levy the Special Taxes, to incur the bonded indebtedness and to have the established appropriations limit.

Special Tax Lien and Levy. A Notice of Special Tax Lien for the CFD was recorded in the real property records of the County of Ventura (the “County”) on December 3, 2013, imposing a continuing lien against the property in the CFD subject to the levy of the Special Taxes.

Resolution Authorizing Issuance of the 2017 Bonds. On April 26, 2017, the Board of Directors adopted a resolution authorizing the issuance of the 2017 Series A Bonds and the 2017 Series B Bonds in a principal amount not to exceed \$45,000,000. On May 31, 2017, the District issued, for the CFD, the 2017 Bonds in the initial principal amount of \$39,910,000

Resolution Authorizing Issuance of the 2019 Bonds. On September 25, 2019, the Board of Directors adopted a resolution authorizing the issuance of the 2019 Bonds in a principal amount not to exceed \$15,000,000.

General Provisions

Repayment of the 2019 Bonds. The 2019 Bonds will be issued and delivered as fully registered 2019 Bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be dated the date of delivery (the “Closing Date”). The 2019 Bonds will be issued in book-entry only form and DTC will act as securities depository for the 2019 Bonds. So long as the 2019 Bonds are held in book-entry only form, the principal of, premium, if any, and interest on the 2019 Bonds will be paid directly to DTC for distribution to the Beneficial Owners of the 2019 Bonds in accordance with the procedures of DTC. See “APPENDIX F - THE BOOK ENTRY SYSTEM.” The 2019 Bonds will mature on September 1, in the years and principal amounts, and bear rates of interest, as shown on the inside front cover page of this Official Statement.

Interest on the 2019 Bonds is payable on March 1 and September 1 (the “Interest Payment Dates”) in each year, beginning March 1, 2020. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each 2019 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after the fifteenth day of the month next preceding the month of the applicable Interest Payment Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2020, in which event it shall bear interest from the Closing Date; *provided, however,* that if, as of the date of authentication of any 2019 Bond, interest thereon is in default, such 2019 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Transfer or Exchange of 2019 Bonds. *So long as the 2019 Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of 2019 Bonds shall be made in accordance with DTC procedures.* See “APPENDIX F - THE BOOK ENTRY SYSTEM.” If the book-entry only system for the 2019 Bonds is ever discontinued, any 2019 Bond may, in accordance with its terms, be transferred or exchanged by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2019 Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent. Whenever any 2019 Bond or 2019 Bonds shall be surrendered for transfer or exchange, the District shall execute and the Fiscal Agent shall authenticate and deliver a new 2019 Bond or 2019 Bonds, for a like aggregate principal amount of 2019 Bonds of authorized denominations and of the same maturity. The Fiscal Agent shall collect from the 2019 Bond Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange.

No transfers or exchanges of 2019 Bonds shall be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of 2019 Bonds for redemption or (ii) with respect to a 2019 Bond after such 2019 Bond has been selected for redemption.

Redemption

Optional Redemption. The 2019 Bonds maturing on or after September 1, 2030 are subject to optional redemption prior to their stated maturities from any source of available funds, on any date on or after September 1, 2029 in whole or in part, at a redemption price equal to the principal amount of the 2019 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption of Bonds. The 2019 Bonds maturing on September 1, _____ are subject to mandatory sinking payment redemption in part on September 1, _____, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

**SINKING PAYMENT SCHEDULE FOR
TERM BONDS MATURING SEPTEMBER 1, _____**

Redemption Date	Principal Amount
<u>September 1</u>	<u>Principal Amount</u>

(maturity)

The amounts in the foregoing table shall be reduced as a result of any prior partial redemption of the 2019 Bonds, allocated among sinking payments as specified in writing by the General Manager to the Fiscal Agent.

Redemption From Special Tax Prepayments. Special Tax Prepayments and any corresponding transfers, if any, from the 2019 Reserve Fund pursuant to the Fiscal Agent Agreement shall be used to redeem 2019 Bonds on the next Interest Payment Date for which notice of redemption can timely be given, pro rata with any 2017 Bonds and any future Parity Bonds, and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the 2019 Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
any Interest Payment Date from March 1, 2020 to and including March 1, 2027	103%
September 1, 2027 and March 1, 2028	102%
September 1, 2028 and March 1, 2029	101%
September 1, 2029 and any Interest Payment Date thereafter	100%

Since the 2017 Bonds were issued, one property owner has prepaid their Special Tax obligation. No assurance can be given with respect to the likelihood (or not) of future Special Tax Prepayments. See “RISK FACTORS - Potential Early Redemption of Bonds from Prepayments.”

Notice of Redemption. The Fiscal Agent shall cause notice of any redemption to be sent by first class mail, postage prepaid, or sent by such other means as is acceptable to the recipient thereof, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories and to the Information Services (or by such other means as permitted by such services), and to the respective Owners of any 2019 Bonds designated for redemption, at their addresses appearing in the Registration Books; but such sending of the notice of redemption shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such 2019 Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding 2019 Bonds are to be called for redemption, shall designate the CUSIP numbers and 2019 Bond numbers of the 2019 Bonds to be redeemed by giving the individual CUSIP number and Bond number of each 2019 Bond to be redeemed or shall state that all 2019 Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the 2019 Bonds of one or more maturities have been called for redemption, shall state as to any 2019 Bond called in part the principal amount thereof to be redeemed, and shall require that such 2019 Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such 2019 Bonds will not accrue from and after the redemption date.

Rescission of Redemption. In the case of any redemption of the 2019 Bonds under the optional redemption or redemption from Special Tax Prepayment above, the notice of redemption may state that the redemption is conditioned upon receipt by the Fiscal Agent of sufficient moneys to redeem the 2019 Bonds on the anticipated redemption date, and that the redemption shall not occur if by no later than the scheduled redemption date sufficient moneys to redeem the 2019 Bonds have not been deposited with the Fiscal Agent. In the event that the Fiscal Agent does not receive sufficient funds by the scheduled redemption date to so redeem the 2019 Bonds to be redeemed, the Fiscal Agent shall send written notice to the owners of the 2019 Bonds, to the Securities Depositories and to the Information Services to the effect that the redemption did not occur as anticipated, and the 2019 Bonds for which notice of redemption was given shall remain Outstanding.

Selection of Bonds for Redemption. Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the 2019 Bonds (other than a sinking payment redemption), the Fiscal Agent shall select the 2019 Bonds to be redeemed, from all 2019 Bonds not previously called for redemption among maturities as directed in writing by the General Manager, and within a maturity by lot in any manner

which the Fiscal Agent in its sole discretion shall deem appropriate and fair. For purposes of such selection, all 2019 Bonds shall be deemed to be comprised of separate \$5,000 portions and such portions shall be treated as separate Bonds which may be separately redeemed.

Upon surrender of 2019 Bonds redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the Owner, at the expense of the District, a new 2019 Bond or 2019 Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2019 Bond or 2019 Bonds.

Purchase of Bonds in Lieu of Redemption. In lieu of redemption of 2019 Bonds, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2019 Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2019 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such 2019 Bonds were to be redeemed in accordance with the Fiscal Agent Agreement.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2019 Bonds so called for redemption shall have been deposited in the Bond Fund, such 2019 Bonds so called shall cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

Scheduled Debt Service

The following is the scheduled annual Debt Service on the 2019 Bonds (including sinking fund redemptions), assuming that there are no optional redemptions or mandatory redemptions from Special Tax Prepayments. See the caption “- Redemption.”

Period Ending (September 1)	<u>Principal</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Annual Debt Service</u>
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				

Aggregate annual Debt Service on the 2019 Bonds and on the 2017 Bonds is set forth in the following table.

Aggregate Debt Service

<u>Bond Year Ending September 1</u>	<u>2017 Bonds Debt Service</u>	<u>2019 Bonds Debt Service</u>	<u>Total Debt Service</u>
2020	\$ 2,071,688		
2021	2,112,288		
2022	2,155,888		
2023	2,197,288		
2024	2,241,488		
2025	2,288,288		
2026	2,332,488		
2027	2,379,088		
2028	2,426,338		
2029	2,474,588		
2030	2,523,588		
2031	2,578,088		
2032	2,626,525		
2033	2,681,100		
2034	2,732,750		
2035	2,789,888		
2036	2,843,650		
2037	2,902,200		
2038	2,959,925		
2039	3,020,175		
2040	3,078,175		
2041	3,138,675		
2042	3,206,175		
2043	3,269,925		
2044	3,333,413		
2045	3,401,663		
2046	3,468,888		
2047	<u>3,499,563</u>		
Total	\$76,733,796		

Issuance of Parity Bonds

The Fiscal Agent Agreement permits the District to issue “Parity Bonds,” which are defined as bonds issued by the District for the CFD pursuant to the provisions of the Fiscal Agent Agreement payable from Special Taxes on a parity with the 2017 Bonds and the 2019 Bonds, subject to the conditions set forth in the Fiscal Agent Agreement. These provisions include that the District must be in compliance with all covenants set forth in the Fiscal Agent Agreement, that interest on Parity Bonds must be payable on March 1 and September 1 and principal must be payable on September 1 in any year in which principal is payable, and that the District must certify that the Maximum Special Taxes to be levied in every year, less the Minimum Administrative Expense Requirement in such year, are at least equal to 110% of the debt service payable on the Outstanding amount of the 2017 Bonds, 2019 Bonds and the Parity Bonds to be issued in every such year. The District may also establish a separate reserve fund with respect to a series of Parity Bonds, which may be funded in cash or in the form of a surety bond or other Credit Facility, provided that such reserve account shall only secure the repayment of such parity obligations and shall not secure the 2017 Bonds, 2019 Bonds or any other issue of Parity Bonds.

SOURCES OF PAYMENT FOR THE 2019 BONDS

General

Pursuant to the Fiscal Agent Agreement, the Bonds (including the 2017 Bonds, the 2019 Bonds and any future Parity Bonds) are secured by a first pledge of all of the Special Tax Revenues (other than the Minimum Expense Requirement to be deposited annually on a priority basis to the Administrative Expense Fund under the provisions of the Fiscal Agent Agreement) and all moneys deposited in the Bond Fund (including the Special Tax Prepayments Account therein), and, until disbursed in accordance with the Fiscal Agent Agreement, the Special Tax Fund. The 2019 Bonds are also secured by the 2019 Reserve Fund. Special Tax Revenues do not include interest and penalties on foreclosure of the lien of Special Taxes in excess of the rate of interest payable on the Bonds. Such Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided in the Fiscal Agent Agreement) are dedicated to the payment of the principal of, and interest and any premium on, the Bonds in accordance with the Fiscal Agent Agreement until all of the Bonds have been paid or defeased.

Amounts in the Improvement Fund, the Administrative Expense Fund, the 2017 Reserve Fund and the Costs of Issuance Fund are not pledged to the repayment of the 2019 Bonds. The Ojai Water System and improvements thereto are not pledged to pay the debt service on the 2019 Bonds. The proceeds of condemnation or destruction of all or any portion of the Ojai Water System and improvements thereto are not pledged to pay the debt service on the 2019 Bonds.

Limited Obligation

The 2019 Bonds are limited obligations of the District on behalf of the CFD and are payable solely from and secured solely by the Special Tax Revenues (other than the Minimum Expense Requirement to be deposited annually on a priority basis to the Administrative Expense Fund under the provisions of the Fiscal Agent Agreement), and the amounts in the Bond Fund (including the Special Tax Prepayments Account therein), the 2019 Reserve Fund and the Special Tax Fund created pursuant to the Fiscal Agent Agreement.

In the event that the Special Taxes are not paid when due, the only sources of funds available to repay the 2019 Bonds are amounts held by the Fiscal Agent under the Fiscal Agent Agreement in the Bond Fund, the Special Tax Fund and the 2019 Reserve Fund, and the proceeds, if any, from foreclosure sales of parcels with delinquent Special Tax levies.

Special Taxes

The Rate and Method that was approved in accordance with the provisions of the Act at the time of formation of the CFD is set forth in its entirety in “APPENDIX C.” The Rate and Method provides for the levy of a “Special Tax” in order to fund the annual “Special Tax Requirement,” which includes amounts needed to pay the debt service on the Bonds, to pay costs of administering the Bonds and the CFD, to replenish any draws on any reserve fund established for the Bonds and to pay directly for costs of Authorized Facilities. See “THE CFD - Rate and Method of Apportionment of Special Tax” herein.

Under the Fiscal Agent Agreement, the District is obligated to fix and levy the amount of Special Taxes within the CFD required for the timely payment of principal of and interest on the outstanding Bonds becoming due and payable, including any necessary replenishment of any reserve funds established for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses. See “THE CFD - Rate and Method of Apportionment of Special Tax” herein.

Except as set forth in the Ordinance (which allows for the Board of Directors to provide for other appropriate methods of collection by resolution of the Board of Directors), Special Taxes will be payable and will be collected in the same manner, at the same time and in the same installments as the *ad valorem* taxes on real property are payable, and pursuant to the Act will have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the *ad valorem* taxes on real property. The first Special Tax levy in the CFD was for Fiscal Year 2015-16. The Special Tax is levied only on Developed Property. See “THE CFD - Rate and Method of Apportionment of Special Tax” below.

Although the Special Taxes, when levied, will constitute a lien on the Developed Property within the CFD, they do not constitute a personal indebtedness of the owners of the Developed Property. Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of the Special Tax on a parcel of Developed Property, the District may order the institution of a superior court action to foreclose the lien on the parcel of Developed Property within specified time limits. In such an action, the real property subject to the unpaid amount of the Special Tax lien may be sold at judicial foreclosure sale. The Act provides that the Special Taxes are secured by a continuing lien which is subject to the same lien priority in the case of delinquency as *ad valorem* property taxes. See “- Proceeds of Foreclosure Sales” below, “THE CFD - Rate and Method of Apportionment of Special Tax” and “RISK FACTORS - Payment of Special Tax is not a Personal Obligation of the Property Owners.”

Other liens for taxes and assessments already exist on the property located within the CFD and others could come into existence in the future. See “RISK FACTORS - Parity Taxes and Special Assessments.” There is no assurance that any owner of a parcel subject to the Special Tax levy will be financially able to pay the annual Special Taxes or that it will pay such taxes even if financially able to do so. See “RISK FACTORS - Payment of the Special Tax is not a Personal Obligation of the Property Owners.”

Proceeds of Foreclosure Sales

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the CFD of Special Taxes in an amount which is less than the Special Tax levied, the Board of Directors, as the legislative body of the CFD, may order that Special Taxes be collected by a superior court action to foreclose the lien of the delinquent Special Tax installment within specified time limits. In such an action, the real property that is subject to the unpaid amount may be sold at a judicial foreclosure sale.

Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, in the Fiscal Agent Agreement, the District has covenanted for the benefit of the Owners of the Bonds that it will commence and diligently pursue to completion judicial foreclosure

proceedings against (i) Developed Properties in the CFD with three delinquent installments of the payment of Special Taxes no later than the sixth month following the date on which the third installment of such Special Taxes was due, subject to a minimum of \$2,500 in delinquent Special Taxes; and (ii) all Developed Properties with delinquent Special Taxes by the October 1 following the close of each fiscal year in which the CFD receives Special Taxes in an amount which is less than 95% of the total Special Taxes levied, provided, however, the District shall not be required to order and cause judicial foreclosure proceedings to be commenced against particular delinquent properties if the District determines that the cost of pursuing such foreclosure is greater than the outstanding delinquency. See “APPENDIX A - SUMMARY OF THE FISCAL AGENT AGREEMENT - Other Covenants of the District - Covenant to Foreclose.”

If foreclosure is necessary and other funds (including amounts in the 2019 Reserve Fund) have been exhausted, debt service payments on the 2019 Bonds could be delayed until the foreclosure proceedings have ended with the receipt of any foreclosure sale proceeds. Judicial foreclosure actions are subject to the normal delays that are associated with court cases and may be further slowed by bankruptcy actions, involvement by agencies of the federal government and other factors beyond the control of the District. See the caption “RISK FACTORS - Bankruptcy and Foreclosure.” Moreover, no assurance can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installments. See the caption “RISK FACTORS - Land Values.” Although the Act authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Act does not impose on the District or the CFD any obligation to purchase or acquire any lot or parcel of property sold at a foreclosure sale if there is no other purchaser at such sale. The Act provides that, in the case of a delinquency, the Special Tax will have the same lien priority as is provided for *ad valorem* taxes.

2019 Reserve Fund

A 2019 Reserve Fund has been established under the Fiscal Agent Agreement to be held by the Fiscal Agent to secure the timely payment of principal of and interest on the 2019 Bonds. The CFD must maintain a balance in the 2019 Reserve Fund equal to the 2019 Reserve Requirement. The 2019 Reserve Requirement for the 2019 Bonds is, as of any date of calculation, the lesser of 75% of (i) 10% of the par amount of the 2019 Bonds; (ii) Maximum Annual Debt Service on the 2019 Bonds; or (iii) 125% of average Annual Debt Service on the 2019 Bonds.

All amounts on deposit in the 2019 Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in such fund of the amount then required for payment of the principal of and interest and any premium on the 2019 Bonds.

The 2019 Reserve Fund established for the 2019 Bonds secures only the 2019 Bonds, and does not secure the 2017 Bonds or any other series of Parity Bonds that may be issued under the Fiscal Agent Agreement. Similarly, the 2017 Reserve Fund established for the 2017 Bonds secures only the 2017 Bonds, and does not secure the 2019 Bonds or any other series of Parity Bonds that may be issued under the Fiscal Agent Agreement (see “THE 2019 BONDS - Issuance of Parity Bonds” herein).

The Fiscal Agent Agreement provides that in lieu of a cash deposit, the CFD may satisfy all or a portion of the 2019 Reserve Requirement by means of Credit Facility (see “APPENDIX A - SUMMARY OF THE FISCAL AGENT AGREEMENT” herein).

Credit Facility. Concurrently with the issuance of the 2019 Bonds, the Bond Insurer will issue the 2019 Reserve Policy for the 2019 Bonds in the face amount of \$ _____. The 2019 Reserve Policy constitutes a Credit Facility under the Fiscal Agent Agreement and is being issued in the amount of the 2019 Reserve Requirement. For a further description of the provisions of the Fiscal Agent Agreement applicable to the 2019 Reserve Fund, see “APPENDIX A - SUMMARY OF THE FISCAL AGENT AGREEMENT - 2019 Reserve Fund.”

The District is not required under the Fiscal Agent Agreement to replace the 2019 Reserve Policy with cash or a replacement instrument in the event the ratings of the Bond Insurer decline or are withdrawn or the Bond Insurer fails to honor a draw on the 2019 Reserve Policy. If circumstances should ever cause the 2019 Reserve Policy to be canceled or discharged, such cancellation or discharge could be determined to create a deficiency in the 2019 Reserve Requirement previously satisfied by the 2019 Reserve Policy. Under the Fiscal Agent Agreement, in the event that the amount on deposit in the 2019 Reserve Fund is less than the 2019 Reserve Requirement, the District is required to transfer to the Fiscal Agent an amount of available Special Tax Revenues sufficient to maintain the amount in the 2019 Reserve Fund at such 2019 Reserve Requirement. Should the amount of Special Tax Revenues then available to maintain the 2019 Reserve Fund at the 2019 Reserve Requirement be insufficient for such purpose, such insufficiency would not result in an event of default under the Fiscal Agent Agreement, but the requirement of the District to transfer available Special Tax Revenues to the Fiscal Agent would continue.

MUNICIPAL BOND INSURANCE

[to be completed]

THE CFD

General

The CFD encompasses approximately 2,150 gross acres of land in the City of Ojai and unincorporated Ventura County. The CFD currently includes 2,865 residential dwelling units, approximately 1.17 million square feet of retail/commercial uses and 402,000 square feet of industrial uses. There are approximately 172 acres of vacant land in the CFD that are not currently subject to the Special Tax.

As described in “THE FINANCING PLAN - Overview,” the CFD was formed for the purpose of financing the acquisition in 2017 of the Ojai Water System and subsequent improvements thereto. Upon payment of the Judgment Amount, ownership and operation of the Ojai Water System was transferred to the District. See “THE FINANCING PLAN - Overview.”

The 2019 Bonds are not secured by the Ojai Water System assets or net revenues of the Ojai Water System or the District, but solely from the Special Taxes and certain funds held under the Fiscal Agent Agreement.

Rate and Method of Apportionment of Special Tax

The CFD is legally authorized and has covenanted in the Fiscal Agent Agreement to levy the Special Taxes in accordance with the Rate and Method. Pursuant to the Rate and Method, Special Taxes are levied only on “Developed Property” up to the applicable Maximum Special Tax (as defined in the Rate and Method). “Developed Property” is defined as a parcel of taxable property for which a building permit was issued on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Tax is levied.

Pursuant to the Rate and Method, the Special Tax can be levied for a period not to exceed 40 years commencing with Fiscal Year 2013-14. Further, pursuant to the Act, the Special Taxes levied in any Fiscal Year against any parcel of residential property in the CFD may not be increased as a consequence of delinquency or default by the owners of any other parcels within the CFD by more than 10% above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

See “APPENDIX C - RATE AND METHOD OF APPORTIONMENT FOR CASITAS MUNICIPAL WATER DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2013-1 (OJAI).”

The current Maximum Special Tax rates for Developed Property for the 2019-20 Fiscal Year are shown in Table No. 1. The Rate and Method included two tiers of Maximum Special Tax rates. One tier was to be levied prior to the “2nd Bond Issue,” for the purpose of paying costs associated with obtaining ownership of the Ojai Water System from Golden State. The second tier is levied after the “2nd Bond Issue,” for the purpose of paying debt service on the Bonds, improvements to the Ojai Water System and administrative costs of the CFD. The 2017 Bonds constituted the “2nd Bond Issue” for purposes of determining the Maximum Special Tax rates described in the Rate and Method.

**TABLE NO. 1
FISCAL YEAR 2019-20 MAXIMUM SPECIAL TAX BY LAND USE CATEGORY**

Land Use Class	Description	Parcel Square Footage	FY 2019-20 Maximum Special Tax
1	SF Detached Unit	43,560 SF or Larger	\$2,357.06
2	SF Detached Unit	=> 22,000 SF and < 43,560 SF	1,390.81
3	SF Detached Unit	=> 10,000 SF and < 22,000 SF	834.49
4	SF Detached Unit	Less than 10,000 SF	540.56
5	Condominium Unit	N/A	458.35
6	MF Attached Unit	N/A	390.03
7	Commercial Property	N/A	\$0.3412 per SF Floor Area
8	Industrial Property	N/A	\$0.1791 per SF Floor Area

Source: DTA.

In some instances a parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on a parcel in such case shall be the sum of the Maximum Special Tax for all Land Use Classes located on that parcel.

Further, in accordance with the Rate and Method, the Maximum Special Tax increases annually by an amount equal to two percent of the amount in effect for the previous Fiscal Year. After issuance of the 2017 Bonds, the District has levied the annual Special Taxes at rates equal to 90% of the applicable Maximum Special Tax and has used the amounts collected in excess of the debt service on the 2017 Bonds and Administrative Expenses to fund additional improvements to the Ojai Water System.

Table No. 2 summarizes the Developed Property within the CFD by Land Use Class as of May 1, 2019, along with the Fiscal Year 2019-20 Special Tax levy and the 2019-20 Maximum Special Tax that may be levied under the Rate and Method on such Developed Property.

The following tables exclude 169 parcels of vacant land within the CFD encompassing approximately 172 acres. These parcels are not subject to Special Taxes unless and until a building permit has been issued with respect to such parcels. The District makes no representation as to if, or when, any such properties will be developed and subject to the Special Tax.

**TABLE NO. 2
DEVELOPMENT SUMMARY AND FISCAL YEAR 2019-20 SPECIAL TAX**

Land Use Class	Description	Number of Parcels	Number of Residential Dwelling Units ⁽¹⁾	Bldg. Square Footage	FY 2019-20 Maximum Special Tax	FY 2019-20 Special Tax ⁽²⁾	% of FY 2019-20 Special Tax
1	SF Detached Unit	387	393	N/A	\$ 926,325	\$ 833,687	30.7%
2	SF Detached Unit	250	259	N/A	360,220	324,195	11.9%
3	SF Detached Unit	488	512	N/A	427,259	384,532	14.2%
4	SF Detached Unit	1,030	1,054	N/A	569,750	512,771	18.9%
5	Condominium Unit	84	84	N/A	38,501	34,650	1.3%
6	MF Attached Unit	<u>151</u>	<u>563</u>	N/A	<u>218,918</u>	<u>197,022</u>	<u>7.3%</u>
	Total Residential	2,390	2,865		2,540,973	2,286,857	84.3%
7	Commercial	189	N/A	1,172,861	402,538	362,307	13.3%
8	Industrial	<u>32</u>	N/A	<u>402,058</u>	<u>72,009</u>	<u>64,812</u>	<u>2.4%</u>
	Total Non-Residential	<u>221</u>		1,574,919	<u>474,547</u>	<u>427,119</u>	<u>15.7%</u>
	Total	2,611	2,865	1,574,919	\$3,015,520	\$2,713,976	100.0%

- (1) Some parcels contain more than one residential dwelling unit and are subject to the combined tax rate for all residential dwelling units located on such parcel.
- (2) The Fiscal Year 2019-20 Special Tax levy was submitted to the County in an amount equal to 90% of the Fiscal Year 2019-20 Maximum Special Tax.

Source: DTA.

The table shown below sets forth the ratio of the Maximum Special Taxes for existing Developed Property, less the Minimum Administrative Expense Requirement, to the total debt service on the 2017 Bonds and the projected debt service on the 2019 Bonds, based on existing Developed Property in the CFD.

**TABLE NO. 3
COVERAGE FROM DEVELOPED PROPERTY MAXIMUM SPECIAL TAX**

Bond Year Ending September 1	Maximum Special Tax ⁽¹⁾⁽²⁾	Minimum Administrative Expense Requirement ⁽³⁾	Special Tax Revenue	2017 Bonds Debt Service	2019 Bonds Debt Service*	Total Debt Service*	Coverage
2020 ⁽⁴⁾	\$3,015,520	\$(52,020)	\$2,963,500	\$2,071,688	\$ 622,000	\$2,693,688	110%
2021	3,075,800	(53,060)	3,022,740	2,112,288	636,000	2,748,288	110%
2022	3,137,300	(54,120)	3,083,180	2,155,888	647,000	2,802,888	110%
2023	3,200,000	(55,200)	3,144,800	2,197,288	662,000	2,859,288	110%
2024	3,264,000	(56,300)	3,207,700	2,241,488	675,000	2,916,488	110%
2025	3,329,300	(57,430)	3,271,870	2,288,288	686,000	2,974,288	110%
2026	3,395,900	(58,580)	3,337,320	2,332,488	701,000	3,033,488	110%
2027	3,463,800	(59,750)	3,404,050	2,379,088	716,000	3,095,088	110%
2028	3,533,100	(60,950)	3,472,150	2,426,338	730,000	3,156,338	110%
2029	3,603,800	(62,170)	3,541,630	2,474,588	745,000	3,219,588	110%
2030	3,675,900	(63,410)	3,612,490	2,523,588	760,000	3,283,588	110%
2031	3,749,400	(64,680)	3,684,720	2,578,088	772,000	3,350,088	110%
2032	3,824,400	(65,970)	3,758,430	2,626,525	790,000	3,416,525	110%
2033	3,900,900	(67,290)	3,833,610	2,681,100	804,000	3,485,100	110%
2034	3,978,900	(68,640)	3,910,260	2,732,750	822,000	3,554,750	110%
2035	4,058,500	(70,010)	3,988,490	2,789,888	836,000	3,625,888	110%
2036	4,139,700	(71,410)	4,068,290	2,843,650	855,000	3,698,650	110%
2037	4,222,500	(72,840)	4,149,660	2,902,200	870,000	3,772,200	110%
2038	4,307,000	(74,300)	4,232,700	2,959,925	888,000	3,847,925	110%
2039	4,393,100	(75,790)	4,317,310	3,020,175	905,000	3,925,175	110%
2040	4,481,000	(77,310)	4,403,690	3,078,175	925,000	4,003,175	110%
2041	4,570,600	(78,860)	4,491,740	3,138,675	945,000	4,083,675	110%
2042	4,662,000	(80,440)	4,581,560	3,206,175	959,000	4,165,175	110%
2043	4,755,200	(82,050)	4,673,150	3,269,925	978,000	4,247,925	110%
2044	4,850,300	(83,690)	4,766,610	3,333,413	1,000,000	4,333,413	110%
2045	4,947,300	(85,360)	4,861,940	3,401,663	1,018,000	4,419,663	110%
2046	5,046,200	(87,070)	4,959,130	3,468,888	1,039,000	4,507,888	110%
2047	5,147,100	(88,810)	5,058,290	3,499,563	1,099,000	4,598,563	110%

- (1) Notwithstanding the above, the Rate and Method and the Act provide that under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which a Certificate of Occupancy has been issued be increased by more than ten percent above the amount that would have been levied in that Fiscal Year as a consequence of delinquency or default by the owner(s) of any other Assessor's Parcel(s) within the CFD.
- (2) Assumes no change from Fiscal Year 2019-20 in number of parcels of Developed Property, residential dwelling units or square footage. The District makes no representation whether or not any Special Tax prepayments will occur and if so, in what amount. Any prepayment received after the Closing Date, would be used to redeem Bonds as described in "THE 2019 BONDS - Redemption - Redemption from Special Tax Prepayments."
- (3) The Minimum Administrative Expense Requirement increases by 2% annually.
- (4) The Fiscal Year 2019-20 Special Tax levy submitted to the County is \$2,713,976, which is an amount equal to 90% of the 2019-20 Maximum Special Tax.

Source: DTA and Harrell & Company Advisors, LLC.

* Preliminary, subject to change.

Historical Assessed Valuation

The CFD was formed in 2013. In 2012-13, the District had 2,604 parcels of Developed Property with an assessed value of \$1,198,107,722. The first levy of Special Taxes occurred in 2015-16. Table No. 4 summarizes assessed valuations for all Developed Property in the CFD for Fiscal Years 2015-16 through 2019-20.

**TABLE NO. 4
HISTORICAL ASSESSED VALUATION**

<u>Fiscal Year</u>	<u>Number of Taxable Parcels</u>	<u>Land Value</u>	<u>Improvement Value</u>	<u>Total</u>
2015-16	2,605	\$742,612,673	\$651,020,616	\$1,393,633,289
2016-17	2,607	793,196,403	679,646,793	1,472,843,196
2017-18	2,605	845,156,410	709,486,302	1,554,642,712
2018-19	2,608	886,437,365	749,545,785	1,635,983,150
2019-20	2,611	930,230,819	803,595,863	1,733,826,682

Source: County of Ventura; compiled by DTA.

In the event of a successful property tax appeal or blanket reduction in assessed values in the future, reduced assessed values would not affect the amount of Special Taxes that can be levied under the Rate and Method but may alter the amount of overlapping general obligation bond tax levies.

Estimated Direct and Overlapping Debt

The ability of the owners of Developed Property within the CFD to pay the Special Taxes could be affected by the existence of other taxes and assessments imposed upon the property. Certain of these taxes relate to direct and overlapping tax and assessment debt as set forth in the below table (the “Debt Report”). The Debt Report has been derived from data that was assembled and reported to the District by California Municipal Statistics Inc. None of the District, the CFD, the Municipal Advisor or the Underwriter has independently verified the information in the Debt Report and such parties do not guarantee its completeness or accuracy. The Debt Report sets forth those entities that have issued debt and does not include entities which only levy or assess fees, charges, *ad valorem* taxes or other special taxes that do not secure debt. The Debt Report is included for general information purposes only.

**TABLE NO. 5
DIRECT AND OVERLAPPING DEBT SUMMARY
CASITAS MUNICIPAL WATER DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2013-1**

2018-19 Assessed Valuation: \$1,635,983,150 (Land and Improvements)

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 8/1/19</u>
Ventura County Community College District General Obligation Bonds	1.214%	\$ 3,234,783
Ojai Unified School District General Obligation Bonds	38.782	12,431,440
Casitas Municipal Water District Community Facilities District No. 2013-1	100.000	<u>39,665,000</u> ⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$55,331,223
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Ventura County General Fund Obligations	1.214%	\$ 3,942,583
Ventura County Superintendent of Schools Obligations	1.214	<u>111,924</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$ 4,054,507
COMBINED TOTAL DEBT		\$59,385,730 ⁽²⁾

(1) Excludes 2019 Bonds to be sold.

(2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2018-19 Assessed Valuation:

Direct Debt (\$39,665,000)	2.42%
Total Direct and Overlapping Tax and Assessment Debt.....	3.38%
Combined Total Debt.....	3.63%

Source: California Municipal Statistics.

Estimated Assessed Value-to-Lien Ratio

The value of the land within the CFD is significant because in the event of a delinquency in the payment of Special Taxes, the CFD may foreclose only against delinquent parcels. Dividing the 2019-20 assessed value of the property within the CFD by \$51,200,000* - the sum of the outstanding principal amount of the 2017 Bonds (\$39,475,000 as of September 2, 2019) and the principal amount of the 2019 Bonds - results in an estimated aggregate assessed value-to-lien ratio of 33.86* to 1 for property in the CFD. Dividing the assessed value of property in the CFD by the sum of the principal amount of the 2017 Bond and 2019 Bonds, and including the \$15,666,223 of additional overlapping general obligation bond debt that is allocable to Developed Property within the CFD as set forth under the caption “- Estimated Direct and Overlapping Debt” (for a total of \$66,866,223*) results in an estimated assessed value-to-lien ratio of 25.93* to 1 for property in the CFD. Notwithstanding these averages, individual Developed Property value-to-lien ratios vary considerably.

The estimated assessed value-to-lien ratios exclude undeveloped property within the CFD not currently subject to the Special Tax.

Table No. 6 sets forth the value-to-lien ratios among all parcels in the CFD.

* Preliminary, subject to change.

**TABLE NO. 6
PARCELS VALUE-TO-LIEN RATIO**

<u>Assessed Value-to-Lien</u>	<u>Parcels</u>	<u>Residential Dwelling Units</u>	<u>Bldg. Square Feet ⁽¹⁾</u>	<u>% of Special Tax Bonds</u>	<u>Share of Bonds* ⁽²⁾</u>	<u>Share of Other ⁽³⁾</u>	<u>Assessed Value ⁽⁴⁾</u>	<u>Average Assessed Value to Lien* ⁽⁵⁾</u>
30.00:1 and above	998	932	295,586	27.51%	\$14,084,803	\$ 8,667,710	\$ 959,280,819	42.2:1
20.00:1 to 29.99:1	724	751	648,043	29.57%	15,138,883	4,337,993	480,098,357	24.6:1
10.00:1 to 19.99:1	536	726	415,506	26.95%	13,797,484	2,215,954	245,246,045	15.3:1
5.00:1 to 9.99:1	207	248	136,837	8.95%	4,583,516	324,276	35,888,609	7.3:1
3.00:1 to 4.99:1	118	164	76,447	5.45%	2,792,406	104,774	11,595,648	4.0:1
Less than 3.00:1	<u>28</u>	<u>44</u>	<u>2,500</u>	<u>1.57%</u>	<u>802,908</u>	<u>15,516</u>	<u>1,717,204</u>	2.1:1
Total	2,611	2,865	1,574,919	100.00%	\$51,200,000	\$15,666,223	\$1,733,826,682	25.9:1

- (1) Industrial and Commercial Property.
- (2) Principal of the Outstanding 2017 Bonds and the 2019 Bonds allocated based on the proportionate share of the Special Tax levy for the CFD for Fiscal Year 2019-20.
- (3) Overlapping Tax Debt as shown in the table “Direct and Overlapping Debt Summary” above.
- (4) Based on Ventura County Assessor Roll for Fiscal Year 2019-20, with a January 1, 2019 lien date.
- (5) Calculated as the “Assessed Value” divided by the total of “Share of Bonds” and “Share of Other.”

Source: DTA.

* Preliminary, subject to change.

Largest Taxpayers

Table No. 7 shows the percent of the Fiscal Year 2019-20 Special Tax on Developed Property based on property ownership status as of January 1, 2019 as provided by the County of Ventura.

**TABLE NO. 7
LARGEST TAXPAYERS**

<u>Property Owner</u> ⁽¹⁾	<u>Number of Parcels</u>	<u>Number of Residential Dwelling Units</u> ⁽²⁾	<u>Commercial/ Industrial Property Bldg. Square Footage</u>	<u>FY 2019-20 Special Tax</u>	<u>FY % of 2019-20 Special Tax</u>
OVIS LLC	6	1	133,507	\$ 43,121	1.6%
Gables of Ojai LLC	2	-	59,798	18,364	0.7%
Vadnais, Dean & Gloria Tr et al	6	-	52,040	14,489	0.5%
Community Mem Health Systems	2	-	43,293	13,295	0.5%
Condor Self & Storage LLC	1	-	76,188	12,282	0.5%
Shamshiri, Ramin & Langley D Tr	3	7	-	12,241	0.5%
Resort Apartments LLC	1	34	-	12,026	0.4%
Ojai Bungalows LP	9	32	-	11,789	0.4%
Stevens, Murelle G Surv Tr	2	32	-	11,319	0.4%
Ojai Med Group et al	1	-	35,576	10,925	0.4%
El Roblar Properties LP	1	-	34,500	10,595	0.4%
Baskin, Robert M Tr	5	20	-	9,886	0.4%
Bjornestad Arthur O II Tr	1	-	56,446	9,099	0.3%
Rains Family Investment Co	2	-	26,802	8,231	0.3%
Ojai Valley School	7	8	-	8,218	0.3%
Calabasas Estates LLC	1	-	48,906	7,884	0.3%
417 Bryant Circle LLC	1	-	25,467	7,821	0.3%
Rogers-Cooper Mem Foundation	2	7	-	7,779	0.3%
Wells, Jack L & Barbara J Tr	3	19	-	7,619	0.3%
Montgomery Oaks Assoc	1	21	-	7,428	0.3%
Merewether, Michael L-L J Tr	1	21	-	7,428	0.3%
Ojai Valley Athletic Club	1	-	23,196	7,123	0.3%
Los Angeles Entertainment Tr	<u>3</u>	<u>1</u>	<u>20,226</u>	<u>6,962</u>	<u>0.3%</u>
Subtotal	62	203	635,945	265,925	9.8%
Other Property Owners	<u>2,549</u>	<u>2,662</u>	<u>938,974</u>	<u>2,448,051</u>	<u>90.2%</u>
Total	2,611	2,865	1,574,919	\$2,713,976	100.0%

⁽¹⁾ Based on the Ventura County Assessor Roll for Fiscal Year 2019-20, with a January 1, 2019 lien date.

⁽²⁾ Some parcels contain more than one unit and are subject to the combined tax rate for all units located on such parcel.

Source: County of Ventura; compiled by DTA.

Historical Levies and Tax Delinquencies

Under the provisions of the Act, the Special Taxes, from which funds for the payment of principal of, and interest on, the Bonds are derived, will be billed to property owners in the CFD on their regular property tax bills. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. Special Tax installment payments cannot generally be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax installment payments in the future. See the caption “RISK FACTORS - Tax Delinquencies.”

The following table illustrates the historical Special Tax levies and delinquencies from Fiscal Year 2015-16 to and including 2018-19 for Developed Property.

**TABLE NO. 8
SPECIAL TAX LEVIES AND DELINQUENCIES**

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Annual Special Tax Levied	\$460,343	\$470,161	\$2,594,723	\$2,657,884
Number of Parcels Subject to Levy	2,605	2,607	2,605	2,608
<u>As of Each Fiscal Year End:</u>				
Amount Collected	\$453,652	\$464,811	\$2,573,439	\$2,624,409
Amount Delinquent ⁽¹⁾	\$ 6,691	\$5,350	\$21,284	\$33,475
Number of Parcels Delinquent	68	42	35	45
Percent Delinquent	1.45%	1.14%	0.82%	1.26%
<u>As of June 30, 2019:</u>				
Remaining Amount Delinquent ⁽¹⁾	\$ 168	\$ 363	\$ 8,384	\$ 33,475
Remaining Parcels Delinquent	2	4	13	45
Remaining Percent Delinquent	0.04%	0.08%	0.32%	1.26%

⁽¹⁾ Delinquent amount does not include penalties, interest or fees.

Source: County of Ventura Treasurer-Tax Collector, compiled by DTA.

Estimated Tax Rate

Set forth on the following page is Table No. 9 which provides the estimated effective tax rates for all Special Tax categories under the Rate and Method of Residential Developed Property, assuming all property is located within the Ojai Valley Sanitary District (“Sanitary District”) and subject to the fixed sewer assessments collected on the tax roll by the Sanitary District.

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- (1) Average assessed value for an occupied dwelling unit on a parcel containing only one residential dwelling unit, excluding multifamily attached units for Land Use Class 6, based on assessed value information provided by the Ventura County Assessor as of January 1, 2019. Average assessed value for a Land Use Class 6 residential dwelling unit represents equivalent value per residential dwelling unit with a multifamily structure, based on assessed value information provided by the Ventura County Assessor as of January 1, 2019.
 - (2) Assessed Value and *ad valorem* taxes for individually owned residential units incorporate owner-occupied Assessed Value exemption of \$7,000. Net Taxable Average Assessed Value used to determine the Projected Effective Tax Rate.
 - (3) Based on the Fiscal Year 2018-19 *ad valorem* tax rates for all tax rate areas within the CFD. Rates subject to change in future years.
 - (4) Based on the Fiscal Year 2018-19 charges identified on the Ventura County issued property tax bills for representative parcels within the CFD. Projected charges for a Land Use Class 6 unit represents equivalent charges per residential dwelling unit with a multifamily structure. Charges subject to change in future years.
 - (5) Based on the levy of the Fiscal Year 2019-20 Special Tax.

Source: DTA.

RISK FACTORS

The following is a discussion of certain risk factors that should be considered, in addition to other matters that are set forth in this Official Statement, in evaluating the investment quality of the 2019 Bonds. This discussion does not purport to be comprehensive or definitive. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. The occurrence of one or more of the events that are discussed below could adversely affect the value of the property in the CFD. Moreover, the occurrence of one or more of the events that are discussed below could adversely affect the ability or willingness of property owners in the CFD to pay their Special Taxes when due. Such a failure to pay Special Taxes could result in the inability of the District to make full and punctual payments on the 2019 Bonds.

Limited Obligations

The District's obligations under the 2019 Bonds and under the Fiscal Agent Agreement are limited obligations of the District for the CFD, and are payable solely from and secured solely by the Special Tax Revenues and amounts in the Special Tax Fund, the Bond Fund and the 2019 Reserve Fund established under the Fiscal Agent Agreement. The 2019 Bonds are neither general or special obligations of the District nor general obligations of the CFD, but are limited obligations of the District for the CFD, payable solely from the Special Tax Revenues and funds pledged therefor and under the Fiscal Agent Agreement. Neither the faith and credit nor the taxing power of the District or the State of California or of any of their respective political subdivisions is pledged to the payment of the 2019 Bonds.

Limitation on Developed Residential Property Special Tax Levy

Pursuant to the Act, under no circumstances will the Special Taxes that are levied against any parcel of residential property within the CFD be increased as a consequence of delinquency or default by the owner of any other parcel by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquency or default. As a result, it may not be possible to levy Special Taxes at the maximum Special Tax rates under the Rate and Method.

Payment of the Special Tax is not a Personal Obligation of the Property Owners

The obligation to pay Special Taxes levied within the CFD does not constitute a personal obligation of the current or subsequent owners of the Developed Property in the CFD. Enforcement of Special Tax payment obligations by the District is limited to judicial foreclosure in the County Superior Court. See the caption "SOURCES OF PAYMENT FOR THE 2019 BONDS - Proceeds of Foreclosure Sales." There is no assurance that any current or subsequent owner of a parcel subject to Special Taxes will be able to pay the Special Taxes, or that an owner will choose to pay such installments even if such owner is financially able to do so.

Land Values

The value of the Developed Property within the CFD is a critical factor in determining the investment quality of the 2019 Bonds. If a property owner is delinquent in the payment of Special Taxes, the District's only remedy is to commence foreclosure proceedings in an attempt to obtain funds to pay the Special Taxes. Reductions in property values due to a downturn in the economy, natural disasters or military or terrorist activities, stricter land use regulations, delays in development or other events will adversely impact the security underlying the Special Taxes. See the caption "THE CFD - Estimated Assessed Value-to-Lien Ratio."

The assessed values that are set forth in this Official Statement do not represent market values that were arrived at through an appraisal process. Rather, assessed values reflect the sales price of a parcel when the parcel is acquired by its current owner, adjusted annually by an amount that is determined by the County

Assessor, generally not to exceed an increase of more than 2% per Fiscal Year, and value increases attributable to new construction. In some years such upward adjustment has been less than 2% annually. In years following the great recession, many counties in the State, including the County, reassessed certain properties that were acquired in recent years at the peak of the real estate market. The District cannot predict whether the County will reduce assessed values within the CFD in future years. If the County did decide to broadly reassess assessed valuations in the County, it is possible that in future years the assessed values shown in this Official Statement would be lower than as described herein.

Prospective purchasers of the 2019 Bonds should not assume that the Developed Property within the CFD could be sold for the assessed values that are described in this Official Statement at a foreclosure sale for delinquent Special Taxes.

No assurance can be given that, should a parcel with delinquent Special Taxes be foreclosed upon and offered for sale for the amount of the delinquency, any bid will be received for such property or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See the caption "SOURCES OF PAYMENT FOR THE 2019 BONDS - Proceeds of Foreclosure Sales."

Assessment Appeals and Proposition 8

Pursuant to State law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. A property owner may also informally request a reduction.

A property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the County Assessment Appeals Board (the "Appeals Board"). Applications for any tax year must be submitted by November 30 of such tax year. Following a review of each application by the staff of the County Assessor's Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its prereduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), the County Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the "base year" value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for "ongoing hardship" in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, property tax revenues attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted.

Proposition 8, which was approved by State voters in 1978 (California Revenue and Taxation Code Section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions pursuant to Proposition 8 may be initiated by the County Assessor or requested by the property owner, and such reductions apply only to a single tax year.

After a roll reduction is granted pursuant to Proposition 8, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions

or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

The County Assessor has the ability to use Proposition 8 criteria to apply blanket reductions in valuation to classes of property affected by particular negative economic conditions. There can be no assurance that reductions will not be made in the future.

For historical assessed valuations in the CFD, see the caption “THE CFD - Historical Assessed Valuation.”

Value-to-Lien Ratios

The estimated value-to-lien ratios that are set forth under the caption “THE CFD - Estimated Assessed Value-to-Lien Ratio” are based on the assessed values of property in the CFD and the direct and overlapping debt that is currently allocable to such property. Individual value-to-lien ratios may vary considerably from the average. No assurance can be given that such value-to-lien ratios will be maintained over time. As discussed in this Official Statement, many factors that are beyond the control of the District and the CFD could adversely affect the property values within the CFD. Neither the District nor the CFD has any control over the amount of additional indebtedness that may be issued by other public agencies, the payment of which, through the levy of a tax or an assessment, is on a parity with the Special Taxes. See the captions “- Parity Taxes and Special Assessments” and “THE CFD – Estimated Direct and Overlapping Debt.” A decrease in the property values in the CFD or an increase in the parity liens on property in the CFD, or both, could result in a lowering of the value-to-lien ratios of the property in the CFD.

Issuance of Parity Bonds

The Fiscal Agent Agreement allows for the issuance of Parity Bonds secured by a pledge of Special Tax Revenues on a parity with the pledge of the Special Tax Revenues under the Fiscal Agent Agreement securing the 2017 Bonds and the 2019 Bonds, subject to compliance with the applicable requirements of the Fiscal Agent Agreement. See “THE 2019 BONDS - Issuance of Parity Bonds.”

Natural Disasters

The CFD, like most areas in the State, may be subject to unpredictable seismic activity, fires, floods, high winds, drought, landslides or other natural disasters. The District encompasses property in the City of Ojai (“Ojai”) and its surrounding environs. According to safety element of the Ojai General Plan, there are several earthquake faults and fault zones located near Ojai. In the event of a surface displacement along these fault zones, loss of life and property damage in the unincorporated County area and the incorporated areas of Ojai could be significant. Of primary concern are the Santa Ana/Arroyo Parida Fault Zone and the Lion Mountain Fault. Other seismic hazards include ground shaking and liquefaction.

Other natural disasters could include, without limitation, floods, wildfires, droughts or tornadoes. According to the safety element of Ojai’s General Plan, there are no dams within, adjacent to or upstream from Ojai which are large enough to endanger lives and property in the event of a failure. However, flooding is considered a risk and some areas of Ojai, and therefore of the CFD, are within a 100-year flood plain.

Further, because area surrounding Ojai is covered with woodland, brush or grassland, there is wildfire risk depending on weather conditions. In recent years, wildfires have caused extensive damage throughout the State. Certain of these fires have burned thousands of acres and in some cases destroyed thousands of homes. In some instances entire neighborhoods have been destroyed. Portions of the CFD are located in an area designated by California Department of Forestry and Fire Protection as a Very High Fire Hazard Severity Zone (“FHSZ”). While FHSZ zones do not predict when or where a wildfire will occur, they do

identify areas where wildfire hazards could be more severe and therefore are of greater concern. More particularly, the Thomas Fire was a massive wildfire that affected Ventura and Santa Barbara Counties which burned approximately 281,893 acres between December 2017 and January 2018.

The Thomas Fire destroyed many residences in several rural communities amidst the rugged mountain terrain of Ventura County. The fire threatened the Ojai Valley, and on December 13, 2017 the fire completely surrounded the area, including Lake Casitas. However, no structures in the CFD were actually destroyed in the Thomas Fire, although the Ojai Valley School was heavily damaged and 2 of its buildings were lost (located on the school's upper campus, outside the CFD). Most of the 1,063 structures that were destroyed in the Thomas Fire were located west of Ojai, closer to the City of Ventura.

There can be no assurances that future wildfires won't occur affecting the property located in the CFD. Property damage due to wildfire could result in a significant decrease in the market value of property in the CFD and in the ability or willingness of property owners to pay Special Taxes when due.

One or more natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the Developed Property may well depreciate. In addition, if the value of the Developed Property in the CFD is diminished in the aftermath of such a natural disaster, it may have the effect of reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Parity Taxes and Special Assessments

Property within the CFD is subject to taxes and assessments that are imposed by other public agencies with jurisdiction over the land within the CFD. See the caption "THE CFD - Estimated Direct and Overlapping Debt."

The Special Taxes and any related penalties will constitute a lien against the Developed Property on which they will be annually imposed until they are paid. Such lien is on parity with all special taxes and special assessments that are levied by other agencies and is co-equal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The Special Taxes have priority over all existing and future private liens imposed on the property, except for liens or security interests held by the FDIC. See the captions "- Bankruptcy and Foreclosure" and "- FDIC/Federal Government Interests in Properties."

The District has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the Developed Property within the CFD. In addition, the landowners within the CFD may, without the consent or knowledge of the District, petition other public agencies to issue public indebtedness secured by special taxes or assessments, and any such special taxes or assessments may have a lien on such property on a parity with the Special Taxes. The imposition of additional indebtedness could reduce the willingness and the ability of the owners of the Developed Property within the CFD to pay the Special Taxes when due.

Insufficiency of Special Taxes

In order to pay debt service on the 2019 Bonds, it is necessary that the Special Taxes levied against the Developed Property within the CFD be paid in a timely manner. The District has established the 2019 Reserve Fund in an amount equal to the 2019 Reserve Requirement to pay debt service on the 2019 Bonds to the extent Special Taxes are not paid on time and other funds are not available. See "SOURCES OF PAYMENT FOR THE 2019 BONDS - 2019 Reserve Fund" and "APPENDIX A - SUMMARY OF THE FISCAL AGENT AGREEMENT." Under the Fiscal Agent Agreement, the District has covenanted to maintain in the

2019 Reserve Fund an amount equal to the 2019 Reserve Requirement; subject, however, to the limitation that the District may not levy the Special Tax in any fiscal year at a rate in excess of the Maximum Special Tax rates permitted under the Rate and Method, and the provisions of Section 53321(d) of the Act. Consequently, if a delinquency occurs, the District may be unable to replenish the 2019 Reserve Fund to the 2019 Reserve Requirement due to the limitation of the Maximum Special Tax rates, and the provisions of Section 53321(d) of the Act. If such defaults were to continue in successive years, the 2019 Reserve Fund could be depleted and a default on the 2019 Bonds would occur if proceeds of a foreclosure sale did not yield a sufficient amount to pay the delinquent Special Taxes.

The District has made certain covenants regarding the institution of foreclosure proceedings with respect to the Developed Property with delinquent Special Taxes in order to obtain funds to pay debt service on the Bonds. See “SOURCES OF PAYMENT FOR THE 2019 BONDS - Proceeds of Foreclosure Sales.” If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of delinquent Special Taxes to protect its security interest.

Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the 2019 Bonds are derived, are being billed to the owners of the Developed Property in the CFD on the regular ad valorem property tax bills sent to owners of the parcels. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular ad valorem property tax installments. Generally, Special Tax installment payments cannot be made separately from *ad valorem* property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular ad valorem property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax installment payments in the future. See “SOURCES OF PAYMENT FOR THE 2019 BONDS - 2019 Reserve Fund” and “- Proceeds of Foreclosure Sales” for a discussion of the provisions which apply, and procedures which the CFD is obligated to follow under the Fiscal Agent Agreement, in the event of delinquency in the payment of Special Tax installments.

The County of Ventura does not apply the Teeter Plan with respect to special tax levies and assessments, which would guarantee 100% of tax collections to the CFD. As a result, the CFD bears the risk of delinquent tax payments. The CFD does receive all interest and penalties levied and collected due to delinquencies but such amounts of interest and penalties on foreclosure of the lien of Special Taxes in excess of the rate of interest payable on the Bonds are not pledged to the Bonds.

Hazardous Substances

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels of Developed Property be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

Disclosures to Future Purchasers

The willingness or ability of an owner of a parcel of Developed Property to pay the Special Tax, even if the value of the property is sufficient to justify payment, may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel should the Special Tax be levied at the maximum tax rate and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The District has caused a notice of the Special Tax lien to be recorded in the Office of the Recorder for the County against the Developed Property in the CFD. Although title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation when purchasing a parcel of Developed Property within the CFD or lending money thereon, as applicable.

California Civil Code Section 1102.6b requires that, in the case of transfers, the seller must at least make a good faith effort to notify the prospective purchaser of the Special Tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Potential Early Redemption of Bonds from Prepayments

Property owners within the CFD are permitted to prepay their Special Taxes at any time. Such prepayments will result in a redemption of Bonds from Special Tax prepayments on the next Interest Payment Date for which timely notice may be given under the Fiscal Agent Agreement following the receipt of any such Special Tax prepayment. Any resulting redemption of 2019 Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such 2019 Bonds. To date, there have been one prepayments with respect to parcels aggregating \$6,200. See the caption “THE 2019 BONDS - Redemption - Redemption from Special Tax Prepayments.”

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the “IRS”) has initiated a program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2019 Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2019 Bonds might be affected as a result of such an audit (or by an audit of similar bonds or securities).

No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Internal Revenue Code (or the interpretation thereof) subsequent to the issuance of the 2019 Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the 2019 Bonds or their market value.

FDIC/Federal Government Interests in Properties

General. The ability of the CFD to collect the Special Taxes and interest and penalties as specified by State law, and to foreclose the lien of delinquent Special Taxes, may be limited in certain respects with regard to properties in which the FDIC, the Federal National Mortgage Association (“FNMA”), the IRS, the Drug Enforcement Administration or other similar federal governmental agencies has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government’s interest. This means that, unless the United States Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes (including Special Taxes) and assessments levied on the parcel, the

applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless the United States Congress has otherwise provided, if the federal government has a mortgage interest in a parcel and the District wishes to foreclose on the parcel to satisfy a lien of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount that is sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson*, 597 F.2d 174 (9th Cir. 1979), the United States Court of Appeal, Ninth Circuit (the "Ninth Circuit"), held that FNMA is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States. For a discussion of risks associated with taxable parcels within the CFD becoming owned by the federal government, federal government entities or federal government-sponsored entities, see the caption "-Insufficiency of Special Taxes."

The District has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels of Developed Property that are subject to the levy of the Special Taxes, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the 2019 Bonds are outstanding.

FDIC. In the event that any financial institution that has made a loan which is secured by real property within the CFD is taken over by the FDIC, and the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the CFD to collect interest and penalties as specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited. On June 4, 1991, the FDIC issued a Statement of Policy Regarding the Payment of State and Local Property Taxes (the "1991 Policy Statement"). The 1991 Policy Statement was revised and superseded by new Policy Statement effective January 9, 1997 (the "Policy Statement"). The Policy Statement provides that real property that is owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes that are assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent that the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will neither pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims.

The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent. The Policy Statement states that the FDIC generally will not pay non-*ad valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed when the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent that such lien purports to secure the payment of any such amounts. Special taxes that are imposed under the Act and a special tax formula that determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from special taxes under the Act. With respect to property in the State that was owned by the FDIC on January 9, 1997 and that was owned by the Resolution Trust Company (the "RTC") on December 31, 1995, or that became the property of the FDIC through foreclosure of a security interest held by the RTC on that date, the FDIC will continue the RTC's prior practice of paying special taxes that are imposed

pursuant to the Act if the taxes were imposed prior to the RTC's acquisition of an interest in the property. All other special taxes may be challenged by the FDIC.

The District and the CFD are unable to predict what effect the FDIC's application of the Policy Statement would have in the event of a delinquency on a parcel of Developed Property within the CFD in which the FDIC has an interest, although prohibiting the lien of the FDIC to be foreclosed at a judicial foreclosure sale would likely reduce the number of persons who would be willing to purchase a parcel at a foreclosure sale. Owners of the 2019 Bonds should assume that the District will be unable to foreclose on any parcel owned by the FDIC. Such an outcome could cause a draw on the 2019 Reserve Fund and perhaps, ultimately, a default in payment on the 2019 Bonds.

Bankruptcy and Foreclosure

The various legal opinions to be delivered concurrently with the issuance of the 2019 Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws that affect the rights of creditors generally.

The payment of Special Taxes and the ability of the District to foreclose the lien of a delinquent Special Tax may be limited by bankruptcy, insolvency or other laws that affect creditors' rights or by the laws of the State relating to judicial foreclosure.

Bankruptcy, insolvency and other laws that affect creditors' rights could adversely impact the interests of owners of the 2019 Bonds in at least two ways. First, the payment of property owners' taxes and the ability of the District to foreclose the lien of delinquent unpaid Special Taxes pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws that affect creditors' rights (such as the Soldiers' and Sailors' Relief Act of 1940 discussed below) or by the laws of the State relating to judicial foreclosure. See the caption "SOURCES OF PAYMENT FOR THE 2019 BONDS - Proceeds of Foreclosure Sales." In addition, the prosecution of a foreclosure could be delayed for many reasons, including crowded local court calendars or lengthy procedural delays.

Second, the United States Bankruptcy Code might prevent moneys that are on deposit in the Special Tax Fund from being applied to pay interest on the 2019 Bonds and/or to redeem 2019 Bonds if bankruptcy proceedings were brought by or against a landowner in the CFD and if the court found that any of such landowners had an interest in such moneys within the meaning of Section 541(a)(1) of the United States Bankruptcy Code.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, the amount and priority of any lien on property that secures the payment of delinquent Special Taxes could be reduced or modified if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien would then be treated as an unsecured claim by the court. Further, bankruptcy of a property owner could result in an unwillingness to pay Special Taxes, a stay or other delay in prosecuting Superior Court foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the 2019 Bonds and the possibility of delinquent Special Tax installments not being paid in full.

On July 30, 1992, the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glaspoly Marine Industries* ("Glaspoly"). In that case, the court held that *ad valorem* property taxes that were levied by Snohomish County, Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on the property. Although the court upheld the priority of unpaid taxes that were imposed before the bankruptcy petition, unpaid taxes that were imposed after the filing of the bankruptcy petition were declared to be "administrative expenses" of the bankruptcy estate, payable after the payment of all secured creditors. As a result, the secured creditor was

able to foreclose on the property and retain all of the proceeds of the sale except the amount of the pre-petition taxes.

The Bankruptcy Reform Act of 1994 included a provision which excepts from the United States Bankruptcy Code's automatic stay provisions, "the creation of a statutory lien for an ad valorem property tax imposed by ... a political subdivision of a state if such tax comes due after the filing of the petition [by a debtor in bankruptcy court]." This amendment effectively makes the Glasply holding inoperative as it relates to *ad valorem* real property taxes. However, it is possible that the original rationale of the Glasply ruling could still result in the treatment of postpetition special taxes as "administrative expenses," rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings.

According to the court's ruling, as administrative expenses, post-petition taxes would be paid, assuming that the debtor had sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise), it would at that time become subject to current *ad valorem* taxes.

The Act provides that the Special Taxes are secured by a continuing lien on taxable parcels which is subject to the same lien priority in the case of delinquency as ad valorem taxes. No case law exists with respect to how a bankruptcy court would treat the lien for Special Taxes levied after the filing of a petition in bankruptcy. Glasply is controlling precedent on bankruptcy courts in the State. If the Glasply precedent was applied to the levy of the Special Taxes, the amount of Special Taxes received from parcels whose owners declare bankruptcy could be reduced.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as: (i) a stay in enforcement of the foreclosure covenant; (ii) a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment; and (iii) a limitation on the interest rate on the delinquent tax or assessment to persons in military service if a court concludes that the ability to pay such taxes or assessments is materially affected by reason of such service.

No Acceleration Provision

The 2019 Bonds and the Fiscal Agent Agreement do not contain a provision allowing for the acceleration of the 2019 Bonds in the event of a payment default or other default under the terms of the 2019 Bonds or the Fiscal Agent Agreement or in the event interest on the 2019 Bonds becomes included in gross income for federal income tax purposes.

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," interest on the 2019 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the 2019 Bonds as a result of a failure of the District to comply with certain provisions of the Internal Revenue Code of 1986, as amended, or certain legislative changes that occur after the issuance of the 2019 Bonds. Should such an event of taxability occur, the 2019 Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption provisions of the Fiscal Agent Agreement.

Cybersecurity

As a recipient and provider of personal, private and sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems.

No assurance can be given that the District's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the District or the CFD, or the administration of the 2019 Bonds. The District is also reliant on other entities and service providers in connection with the administration of the 2019 Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes, the Fiscal Agent, and the dissemination agent. No assurance can be given that the District, the CFD and these other entities will not be affected by cyber threats and attacks in a manner that may affect the 2019 Bond owners.

Limitations on Remedies

The remedies available to the Fiscal Agent and the registered owners of the 2019 Bonds upon the occurrence of an event of default under the Fiscal Agent Agreement or upon a default of any other document described in this Official Statement are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. Any Legal opinions to be delivered concurrently with the issuance of the 2019 Bonds may be qualified to the extent that the enforceability of the legal documents with respect to the 2019 Bonds, including the Fiscal Agent Agreement, is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion. A California court may not strictly apply certain remedies or enforce certain covenants if it concludes that application or enforcement would be unreasonable under the circumstances and it may delay the application of such remedies and enforcement.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the 2019 Bonds or, if a secondary market exists, that such 2019 Bonds can be sold for any particular price. Although the District has committed to provide certain statutorily-required financial and operating information, there can be no assurance that such information will be available to 2019 Bondowners on a timely basis. See the caption "CONCLUDING INFORMATION - Continuing Disclosure." The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Proposition 218

An initiative measure, Proposition 218, which is referred to as the "Right to Vote on Taxes Act" (the "Initiative") was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Articles XIIC and XIID to the State Constitution. According to the "Title and Summary" of the Initiative that was prepared by the State Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Provisions of the Initiative have been and will continue to be interpreted by the courts. The Initiative could potentially impact the Special Taxes that are available to the CFD to pay the principal of and interest on the 2019 Bonds as described below.

Among other things, Section 3 of Article XIIC states that "...the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure, which includes notice, hearing, protest and voting requirements to alter the rate

and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or to terminate the levy of any special tax that is pledged to repay any debt that was incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

“Section 3 of Article XIII C of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution.”

Accordingly, although the matter is not free from doubt, it is likely that the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the 2019 Bonds.

It may be possible, however, for voters or the Board of Directors, acting as the legislative body of the CFD, to reduce the Special Taxes in a manner that does not interfere with the timely repayment of the 2019 Bonds, but that does reduce the maximum amount of Special Taxes that may be levied in any year below existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts that are greater than the amount that is necessary for the timely retirement of the 2019 Bonds. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses.

Nevertheless, to the maximum extent that the law permits it to do so, the District has covenanted that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates on parcels of Developed Property within the CFD below the amounts that are necessary to provide Special Tax Revenues in an amount equal to Minimum Administrative Expenses for the current Fiscal Year plus an amount equal to 110% of Maximum Annual Debt Service on the Outstanding Bonds. See the caption “SOURCES OF PAYMENT FOR THE 2019 BONDS - Special Taxes.” In connection with the foregoing covenant, the District has made a legislative finding and determination that any elimination or reduction of Special Taxes below the foregoing level would interfere with the timely retirement of the 2019 Bonds. The District also has covenanted that, in the event that an initiative is adopted which purports to alter the Rate and Method, it will commence and pursue legal action in order to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

The interpretation and application of the Initiative will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See the caption “- Limitations on Remedies.”

Ballot Initiatives

The Initiative was adopted pursuant to a measure that qualified for the ballot pursuant to the State’s Constitutional initiative process, and the State Legislature has in the past enacted legislation that has altered the spending limitation or established minimum funding provisions for particular activities. On March 6, 1995, in the case of *Rossi v. Brown*, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiative. From time to time, other initiative measures could be adopted by State voters or legislation enacted by the State Legislature. The adoption of any such initiative or enactment of legislation might place limitations on the ability of the State, the County or local districts to increase revenues or appropriations or on the ability of a property owner to develop or redevelop property within the CFD.

LEGAL MATTERS

Concurrent with the issuance of the 2019 Bonds, Rutan & Tucker, LLP, Costa Mesa, California, Bond Counsel, will render its opinion substantially in the form set forth in “APPENDIX B” to this Official Statement. Quint & Thimmig LLP, Larkspur, California, is acting as Disclosure Counsel to the District with respect to the 2019 Bonds. Certain legal matters will be passed upon for the District and the CFD by Arnold, LaRochelle, Mathews, VanConas & Zirbel LLP, Oxnard, California, in its capacity as General Counsel to the District. Certain legal matters related to the 2019 Bonds will be passed upon for the Underwriter by Jones Hall, a Professional Law Corporation, San Francisco, California. Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and Underwriter’s Counsel is contingent on the issuance of the 2019 Bonds.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the 2019 Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted in the Fiscal Agent Agreement to comply with all requirements that must be satisfied in order for the interest on the 2019 Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the 2019 Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2019 Bonds.

Subject to the District’s compliance with the above-referenced covenants, under present law, in the opinion of Rutan & Tucker, LLP, Bond Counsel, interest on the 2019 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax under the Internal Revenue Code of 1986, as amended (the “Code”).

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within its knowledge. Bond Counsel’s opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The issue price (the “Issue Price”) for each maturity of the 2019 Bonds is the price at which a substantial amount of such maturity of the 2019 Bonds is first sold to the public. The Issue Price of a maturity of the 2019 Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside front cover page of this Official Statement.

If the Issue Price of a maturity of the 2019 Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the 2019 Bonds (the “OID Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Authority comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until

a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of 2019 Bonds who dispose of 2019 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2019 Bonds in the initial public offering, but at a price different from the Issue Price or purchase 2019 Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2019 Bond is purchased at any time for a price that is less than the 2019 Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the "Revised Issue Price"), the purchaser will be treated as having purchased a 2019 Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a 2019 Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2019 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2019 Bonds.

An investor may purchase a 2019 Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the 2019 Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the 2019 Bond. Investors who purchase a 2019 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2019 Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2019 Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the 2019 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the 2019 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the 2019 Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the 2019 Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2019 Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the 2019 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 2019 Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2019 Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest on the 2019 Bonds is exempt from personal income taxation imposed by the State of California.

Owners of the 2019 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2019 Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding federal tax consequences arising with respect to the ownership, sale or disposition of the 2019 Bonds, or the amount, accrual or receipt of interest on the 2019 Bonds.

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the 2019 Bonds is set forth in “APPENDIX B - PROPOSED FORM OF OPINION OF BOND COUNSEL.”

CONCLUDING INFORMATION

Ratings on the 2019 Bonds

S&P Global Ratings (“S&P”) has assigned to the Insured 2019 Bonds (being the 2019 Bonds maturing on September 1 in the years ___ through and including ___) its municipal bond rating of “___” with the understanding that the Policy insuring the payment when due of the principal of and interest on the Insured 2019 Bonds will be issued concurrently by the Bond Insurer with the delivery of the Insured 2019 Bonds. The 2019 Bonds have received the underlying rating of “A+” by S&P. Such ratings reflects only the views of S&P, and any desired explanation of the significance of such ratings may be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2019 Bonds. Except as otherwise required in the Continuing Disclosure Agreement, the District undertakes no responsibility either to bring to the attention of the owners of any 2019 Bonds any downward revision or withdrawal of any rating obtained or to oppose any such revision or withdrawal. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

No Litigation

The District is not aware of any pending or threatened litigation challenging the validity of the 2019 Bonds, the Special Taxes securing the 2019 Bonds, or any action taken by the District in connection with the formation of the CFD, the Rate and Method, the levying of the Special Taxes or the issuance of the 2019 Bonds.

Underwriting

Piper Jaffray & Co. (the “Underwriter”) is offering the 2019 Bonds at the prices set forth on the inside front cover page hereof. The initial offering prices may be changed from time to time and concessions from the offering prices may be allowed to dealers, banks and others. The Underwriter purchased the 2019 Bonds at a price equal to \$_____, which amount represents the principal amount of the 2019 Bonds less an original issue discount of \$_____ and less the Underwriter’s discount of \$_____. The Underwriter will pay certain of their expenses relating to the offering.

The Underwriter has entered into a distribution agreement (“Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

The Municipal Advisor

The material contained in this Official Statement was prepared by the District with the assistance of the Municipal Advisor, who advised the District and the CFD as to the financial structure and certain other financial matters relating to the 2019 Bonds. The information set forth herein has been obtained by the District from sources which are believed to be reliable, but such information is not guaranteed by the Municipal Advisor as to accuracy or completeness, nor has it been independently verified. Fees paid to the Municipal Advisor are contingent upon the sale and delivery of the 2019 Bonds.

Continuing Disclosure

The District has agreed in a Continuing Disclosure Agreement to provide certain annual financial information (the “Annual Reports”) and notices of the occurrence of certain enumerated events in accordance with Rule 15c2-12 of the Securities Exchange Act of 1934 as amended (the “Rule”) by not later than March 1 in each year commencing March 1, 2020. DTA will act as dissemination agent (the “Dissemination Agent”) under the Continuing Disclosure Agreement. The specific nature of the information to be contained in the annual report or the notices of listed events and certain other terms of the continuing disclosure obligation are found in the form of the Continuing Disclosure Agreement in “APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT.”

It is expected that the Dissemination Agent will prepare and file the Annual Report and any notices of enumerated events as required by the Continuing Disclosure Agreement on behalf of the District and the CFD.

The District has a continuing disclosure obligation related to the 2017 Bonds. A review of the District’s compliance with its previous continuing disclosure undertaking was conducted and it was found that, since the issuance of the 2017 Bonds, the District has not failed to comply in all material respects with their prior continuing disclosure undertaking.

Execution

The execution of this Official Statement by the General Manager has been duly authorized by the District.

CASITAS MUNICIPAL WATER DISTRICT, for and on behalf
of CASITAS MUNICIPAL WATER DISTRICT COMMUNITY
FACILITIES DISTRICT NO. 2013-1 (OJAI)

By: _____
General Manager

APPENDIX A
SUMMARY OF THE FISCAL AGENT AGREEMENT

APPENDIX B
PROPOSED FORM OF OPINION OF BOND COUNSEL

[to be provided by Bond Counsel]

APPENDIX C
RATE AND METHOD OF APPORTIONMENT FOR CASITAS
MUNICIPAL WATER DISTRICT COMMUNITY FACILITIES
DISTRICT NO. 2013-1 (OJAI)

**RATE AND METHOD OF APPORTIONMENT FOR
CASITAS MUNICIPAL WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2013-1 (OJAI)**

A Special Tax shall be levied on all Assessor's Parcels of Taxable Property in Casitas Municipal Water District ("CMWD") Community Facilities District No. 2013-1 (Ojai) ("CFD No. 2013-1") and collected each Fiscal Year, commencing in Fiscal Year 2013-14, in an amount determined through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 2013-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other map or plan recorded with the County or the land area calculated to the reasonable satisfaction of the CFD Administrator using the boundaries set forth on such map or plan. The parcel square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560 (the "Parcel Square Footage").

"Act" means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 2013-1, including but not limited to: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by CMWD or designee thereof or both); the costs of collecting the Special Taxes (whether by CMWD or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to CMWD, CFD No. 2013-1 or any designee thereof of complying with arbitrage rebate requirements; the costs to CMWD, CFD No. 2013-1 or any designee thereof of complying with disclosure requirements of CMWD, CFD No. 2013-1 or obligated persons associated with applicable federal and state securities laws and the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of CMWD, CFD No. 2013-1 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; and CMWD's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated by CMWD or advanced by CMWD or CFD No. 2013-1 for any other administrative purposes of CFD No. 2013-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel to which an Assessor's parcel number is assigned as determined from an Assessor Parcel Map or the applicable assessment roll.

“Assessor’s Parcel Map” means an official map of the County Assessor designating parcels by Assessor’s Parcel number.

“Authorized Facilities” means those facilities eligible to be funded by CFD No. 2013-1, as set forth in the Resolution of Intention to establish CFD No. 2013-1 as adopted by CMWD.

“Bond Issue” means one series of CFD No. 2013-1 Bonds.

“Certificate of Occupancy” means a certificate issued by the City or the County that authorizes the actual occupancy of Developed Property by a resident(s) or a business(es).

“CFD Administrator” means the Person designated by CFD No. 2013-1 to administer the Special Tax according to this RMA.

“CFD No. 2013-1” means CMWD Community Facilities District No. 2013-1 (Ojai).

“CFD No. 2013-1 Bonds” means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued or incurred by CMWD for CFD No. 2013-1.

"City" means the City of Ojai.

"Commercial Property" means all Assessor’s Parcels of Non-Residential Property excluding Industrial Property.

“Condominium Unit” means (1) a residential condominium as described in Civil Code Section 1351(f) and (2) any residential dwelling that is not a Single Family Detached Unit or a dwelling unit located on Multifamily Attached Property, as determined by the CFD Administrator.

“County” means the County of Ventura.

“Developed Property” means, for each Fiscal Year, all Taxable Property, for which a building permit was issued on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Indenture” means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which CFD No. 2013-1 Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Industrial Property" means all Assessor’s Parcels of Developed Property for which a building permit(s) was issued for construction of a non-residential structure(s) which is primarily used for: manufacturing, procession, fabricating, assembly, refining, repairing, packaging, or treatment of goods, material or produce; research and development; and/or warehousing and wholesale distribution of goods, material, or produce.

“Land Use Class” means any of the classes listed in Table 1, below.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Multifamily Attached Property” means an Assessor's Parcel on which is located a structure or structures with multiple residential dwelling units, all of which are offered for rent and are not available for sale to individual owners.

“Non-Residential Floor Area” means the total building square footage of the non-residential building(s) located on an Assessor’s Parcel, measured from outside wall to outside wall, not including space devoted to stairwells, basement storage, required corridors, public restrooms, elevator shafts, light courts, vehicle parking and areas incident thereto, mechanical equipment incidental to the operation of such building, and covered public pedestrian circulation areas, including atriums, lobbies, plazas, patios, decks, arcades and similar areas, except such public circulation areas or portions thereof that are used solely for commercial purposes. The determination of Non-Residential Floor Area shall be made by reference to the building permit(s) issued for such Assessor’s Parcel and/or to the appropriate records kept by the City's Building Division or the County's Building and Safety Division, as reasonably determined by the CFD Administrator.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit permitting the construction thereon of one or more non-residential facilities has been issued by the City or the County.

“Outstanding Bonds” means all CFD No. 2013-1 Bonds which are outstanding under an Indenture.

“Property Owner Association Property” means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 2013-1 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year, (ii) any property located in a Final Subdivision that was recorded as of the May 1 preceding the Fiscal Year in which the Special Tax is being levied and which, as determined from such Final Subdivision, is or will be open space, a common area recreation facility, or a private street, or (iii) any property which, as of the May 1 preceding the Fiscal Year for which the Special Tax is being levied, has been conveyed, irrevocably dedicated, or irrevocably offered to a property owner’s association, including any master or sub-association, provided such conveyance, dedication, or offer is submitted to the CFD Administrator by May 1 preceding the Fiscal Year for which the Special Tax is being levied.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property.

“Public Property” means property within the boundaries of CFD No. 2013-1 that is (i) owned by, or irrevocably offered or dedicated to, the federal government, the State, the County, the

City, CMWD, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall not be considered Public Property and shall be taxed and classified according to its actual use; or (ii) encumbered by a public utility easement making impractical its use for any purpose other than that set forth in the easement.

“Rate and Method of Apportionment” or **“RMA”** means this Rate and Method of Apportionment of Special Tax.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit permitting the construction thereon of one or more residential dwelling units has been issued by the City or the County. Residential Property includes Single Family Detached Units, Condominium Units and units located on Multi-Family Attached Property.

“Single Family Detached Unit” means an individual residential dwelling unit that does not share a common wall with another residential dwelling unit.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2013-1 to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount required in any Fiscal Year, commencing in Fiscal Year 2013-2014, for CFD No. 2013-1 to: (i) pay debt service on all Outstanding Bonds due in the calendar year commencing in such Fiscal Year; (ii) pay periodic costs with respect to the CFD No. 2013-1 Bonds, including but not limited to, costs of credit enhancement and federal arbitrage rebate payments due in the calendar year commencing in such Fiscal Year; (iii) pay Administrative Expenses payable or expected to be payable in the calendar year commencing in such Fiscal Year; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) replace revenue that CFD No. 2013-1 reasonably expects not to receive due to anticipated Special Tax delinquencies, if and to the extent deemed necessary and supported by a written explanation and calculation; (vi) pay any litigation expenses and costs CMWD is required to pay to Golden State Water Company pursuant to California Code of Civil Procedure Section 1268.610 et seq. if CMWD files eminent domain to acquire Golden State’s Ojai water utility and the eminent domain proceeding is abandoned or dismissed for any reason; (vii) pay directly for the acquisition or construction of Authorized Facilities; less (viii) a credit for funds available to reduce the annual Special Tax levy.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels of Developed Property within the boundaries of CFD No. 2013-1 which are not exempt from the Special Tax pursuant to applicable law or Section E below.

“Trustee” means the trustee or fiscal agent under the Indenture.

“Undeveloped Property” means property that is not Developed Property, Property Owner Association Property or Public Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2013-1 shall be classified as Developed Property, Undeveloped Property, Property Owner Association Property or Public Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

Developed Property shall be assigned to Land Use Classes 1 through 8 as listed in Table 1 below.

(1). Maximum Special Tax

The Maximum Special Tax for each Assessor’s Parcel determined to be Developed Property shall be based on the Land Use Class in Table 1 within which such Assessor’s Parcel is classified. As indicated in the table, the Maximum Special Tax may be increased after the CFD sells an additional Bond Issue.

TABLE 1

**Maximum Special Tax for Developed Property within
Community Facilities District No. 2013-1 (Ojai)
Fiscal Year 2013-2014**

Land Use Class	Description	Parcel Square Footage	Maximum Special Tax	
			Prior to 2nd Bond Issue	After 2nd Bond Issue
1	Single Family Detached Unit	43,560 Sq. Ft. or greater	\$345 per unit	\$2,093 per unit
2	Single Family Detached Unit	22,000 to less than 43,560 Sq. Ft.	\$203 per unit	\$1,235 per unit
3	Single Family Detached Unit	10,000 to less than 22,000 Sq. Ft.	\$122 per unit	\$741 per unit
4	Single Family Detached Unit	Less than 10,000 Sq. Ft.	\$79 per unit	\$480 per unit
5	Condominium Unit	NA	\$67 per unit	\$407 per unit
6	Multifamily Attached Property	NA	\$57 per unit	\$349 per unit

Land Use Class	Description	Parcel Square Footage	Maximum Special Tax	
			Prior to 2nd Bond Issue	After 2nd Bond Issue
7	Commercial Property	NA	\$0.050 per square foot of Non-Residential Floor Area	\$0.303 per square foot of Non-Residential Floor Area
8	Industrial Property	NA	\$0.026 per square foot of Non-Residential Floor Area	\$0.159 per square foot of Non-Residential Floor Area

(2). Increase in the Maximum Special Tax

The Fiscal Year 2013-14 Maximum Special Tax, identified in Table 1 above, shall increase annually, commencing on July 1, 2014 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

(3). Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel in such case shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final in the absence of manifest error.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2013-14 and for each following Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement and shall provide for the levy the Special Tax as follows:

The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the Maximum Special Tax in order to satisfy the Special Tax Requirement.

Notwithstanding the above, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which a Certificate of Occupancy has been issued be increased by more than ten percent above the amount that would have been levied in that Fiscal Year as a consequence of delinquency or default by the owner(s) of any other Assessor's Parcel(s) within CFD No. 2013-1.

E. EXEMPTIONS

No Special Tax shall be levied on Public Property and/or Property Owner Association Property in CFD No. 2013-1. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, it shall become subject to the Special Tax.

F. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CMWD may directly bill the Special Tax, and/or may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels.

G. APPEALS AND INTERPRETATIONS

Any landowner or resident who feels that the amount of the Special Tax levied on his/her Assessor's Parcel is in error may submit a written appeal to the CFD Administrator, provided that the appellant is current in his/her payment of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The CFD Administrator shall review the appeal and if the CFD Administrator concurs, the amount of the Special Tax levied shall be appropriately modified through an adjustment to the Special Tax levy in the following Fiscal Year. No refunds shall be given in the current Fiscal Year.

The CFD Administrator may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and/or making determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the CFD Administrator shall be final and binding as to all persons.

H. PREPAYMENT OF THE SPECIAL TAX

The following additional definitions apply to this Section H:

"CFD Public Facilities Costs" means either \$42,250,000 in 2013 dollars, which shall increase by the Construction Inflation Index on July 1, 2014, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide funding for all of the Authorized Facilities, or (ii) shall be determined by CMWD concurrently with a covenant that it will not issue any more CFD No. 2013-1 Bonds (except refunding bonds) to be supported by the Special Tax levy under this Rate and Method of Apportionment as described in Section D herein.

"Construction Inflation Index" means the annual percentage change in the Engineering News Record Building Cost Index for the City of Los Angeles, measured as of the month of December in the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD

Administrator that is reasonably comparable to the Engineering News Record Building Cost Index for the City of Los Angeles.

“Future Facilities Costs” means the CFD Public Facilities Costs minus (i) costs of Authorized Facilities previously paid from the Improvement Fund, (ii) moneys currently on deposit in the Improvement Fund available to pay costs of Authorized Facilities, (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance the cost of Authorized Facilities, and (iv) the amount the CFD Administrator reasonably expects to derive from the reinvestment of these funds.

“Improvement Fund” means a fund or account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct Authorized Facilities.

“Previously Issued Bonds” means, for any Fiscal Year, all Outstanding Bonds that are still outstanding under the Indenture after the principal payment date following the current Fiscal Year.

1. Prepayment in Full

The obligation of the Assessor’s Parcel to pay the Special Tax may be fully prepaid and permanently satisfied as described herein, provided that a prepayment may be made only for Assessor’s Parcels of Developed Property, or an Assessor’s Parcel of Undeveloped Property for which a building permit has been issued, and only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor’s Parcel. The CFD Administrator may charge such owner a reasonable fee for providing this service. If there are Outstanding Bonds, prepayment must be made not less than 30 days prior to the next occurring date that notice of redemption of CFD No. 2013-1 Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture.

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Prepayment Fees and Expenses
less	Reserve Fund Credit
less	Capitalized Interest Credit
Total: equals	Special Tax Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount shall be calculated as follows:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, compute the Maximum Special Tax. For Assessor's Parcels of Undeveloped Property for which a building permit has been issued, compute the Maximum Special Tax for that Assessor's Parcel as though it were already designated as Developed Property, based upon the building permit which has already been issued for such Assessor's Parcel.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total estimated Maximum Special Tax levy for the entire CFD No. 2013-1 based on the Developed Property Special Tax which could be levied in the current Fiscal Year on all Developed Property CFD No. 2013-1, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Previously Issued Bonds to compute the amount of Previously Issued Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (e.g., the redemption price-100%), if any, on the Previously Issued Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs.
7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the bond principal payment date following the current Fiscal Year until the earliest redemption date for the Previously Issued Bonds. Notwithstanding the above, if the Previously Issued Bonds may be redeemed in the current Fiscal Year, but after the date of prepayment, the amount needed to pay the interest under this step shall equal zero.
9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Special Tax Prepayment Amount less the Future Facilities Amount and the Prepayment Fees and Expenses (defined below) from the date of prepayment until the redemption date for the Previously Issued Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").

12. The prepayment fees and expenses of CFD No. 2013-1 are as calculated by the CFD Administrator and include the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2013-1 Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Prepayment Fees and Expenses”).
13. The reserve fund credit (the “Reserve Fund Credit”) shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Previously Issued Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Previously Issued Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. No Reserve Fund Credit shall be granted if the amount then on deposit in the reserve fund for the Previously Issued Bonds is below the reserve requirement (as defined in the Indenture).
14. If any capitalized interest for the Previously Issued Bonds is projected to remain unexpended as of the date immediately following the principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund or account on such date (the “Capitalized Interest Credit”).
15. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the “Special Tax Prepayment Amount”).

From the Special Tax Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11, 13 and 14 shall be deposited into the appropriate fund as established under the Indenture and be used to retire CFD No. 2013-1 Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Improvement Fund. The amount computed pursuant to paragraph 12 shall be retained by CMWD.

Upon confirmation of the payment of the current Fiscal Year’s Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year’s Special Tax levy for such Assessor’s Parcel from the County tax rolls. With respect to any Assessor’s Parcel that is prepaid, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax and the release of the Special Tax lien on such Assessor’s Parcel, and the obligation of such Assessor’s Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless, at the time of such proposed prepayment, the amount of Maximum Special Tax that may be levied on Taxable Property within CFD No. 2013-1 (after excluding the property exempted under Section E herein) after the proposed prepayment is at least equal to the sum of (i) the Administrative Expenses, as defined in Section A above, and (ii) 1.10 times the debt service necessary to support the remaining Outstanding Bonds in each corresponding Fiscal Year.

2. Prepayment in Part

The obligation of the Assessor's Parcel to pay the Special Tax may be partially prepaid as described herein, provided that a partial prepayment may be made only for Assessor's Parcels of Developed Property, or an Assessor's Parcel of Undeveloped Property for which a building permit has been issued, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = [(PE - PFE) \times D] + PFE$$

These terms have the following meaning:

PP = the partial prepayment.

PE = the Special Tax Prepayment Amount calculated according to Section H.1.

D = the percentage, expressed as a decimal, by which the owner of the Assessor's Parcel is partially prepaying the Special Tax.

PFE = the Prepayment Fees and Expenses calculated according to Section H.1.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for his/her Assessor's Parcel within 30 days of the request and may charge a reasonable fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute or cause to be distributed the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 2013-1 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - D) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D herein.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied for a period not to exceed forty years commencing with Fiscal Year 2013-14, provided however that the Special Tax will cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on the CFD No. 2013-1 Bonds have been paid.

APPENDIX D

ECONOMIC PROFILE FOR THE COUNTY OF VENTURA

The following information relating to the County of Ventura is supplied solely for the purposes of background information. The County is not obligated in any manner to pay principal of or interest on the 2019 Bonds or to cure any delinquency or default on the 2019 Bonds. The 2019 Bonds are payable solely from the sources described in the Official Statement.

General Information

Ventura County covers approximately 2,208 square miles. It is bounded on the northwest by Santa Barbara County, on the north by Kern County, on the east and south by Los Angeles County, and on the southwest by 42 miles of Pacific Ocean shoreline.

The southeastern sector of the County has shown strong growth in population, commercial and industrial activities. The County’s historical economic strength in agriculture, food processing and mineral production has been supplemented in the past decade by increasing prominence of financial services, small manufacturing businesses, electronics industry and the military’s presence, as well as other diversified industries.

General Demographic Information

The following table provides a comparison of population growth for County of Ventura and the State of California between 2015 and 2019.

**TABLE NO. D-1
CHANGE IN POPULATION
COUNTY OF VENTURA AND STATE OF CALIFORNIA
2015 – 2019**

January 1	<u>COUNTY OF VENTURA</u>		<u>STATE OF CALIFORNIA</u>	
	<u>Population</u>	<u>Percentage Change</u>	<u>Population</u>	<u>Percentage Change</u>
2015	852,505		38,952,462	
2016	854,886	0.3%	39,214,803	0.7%
2017	855,973	0.1%	39,504,609	0.7%
2018	857,415	0.2%	39,740,508	0.6%
2019	856,598	(0.1)%	39,927,315	0.5%
% Increase Between				
2015 - 2019		0.5%		2.5%

Source: State of California, Department of Finance, “E-4 Population Estimates for Cities, Counties and the State, 2011-2019, with 2010 Census Benchmark” Sacramento, California, May 2019.

Major Employers

The major employers operating within the County of Ventura as of January 2019 are as follows:

**TABLE NO. D-2
COUNTY OF VENTURA
MAJOR EMPLOYERS**

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Amgen Inc	Newbury Park	Biological Specimens-Manufacturers
Baxter Healthcare	Westlake Village	Physicians & Surgeons Equip & Supls-Mfrs
City of Simi Valley	Simi Valley	City Hall
Community Memorial Health Syst	Ventura	Health Care Management
Haas Automation Inc	Oxnard	Computers-Electronic-Manufacturers
Harbor Freight Tools USA Inc	Camarillo	Tools-New & Used
Kaiser Permanente Ventura 888	Ventura	Medical Centers
Los Robles Hospital & Med Ctr	Thousand Oaks	Hospitals
Moorpark College	Moorpark	Junior-Community College-Tech Institutes
Nancy Reagan Breast Ctr	Simi Valley	Diagnostic Imaging Centers
National Guard	Port Hueneme	Government Offices-State
Naval Base Ventura County	Point Mugu Nawc	Military Bases
Ojai Valley Inn & Spa	Ojai	Hotels & Motels
Oxnard College	Oxnard	Junior-Community College-Tech Institutes
Pentair Aquatic Systems	Moorpark	Swimming Pool Equipment & Supls-Retail
Port Hueneme Div Naval	Port Hueneme Cbc	Military Bases
Rancho Simi Recreation Prk Dst	Simi Valley	Swimming Pools-Public
Santa Paula Sch Superintendent	Santa Paula	Schools
Sheriff's Department-Jails	Ventura	Government Offices-County
Simi Valley City Manager	Simi Valley	Government Offices-City/Village & Twp
Simi Valley Hospital	Simi Valley	Hospitals
St John's Regional Medical Ctr	Oxnard	Hospitals
Sullstar Technologies	Simi Valley	Telephone Equipment & Supplies
Ventura County Medical Ctr	Ventura	Hospitals
Ventura County Office of Edu	Camarillo	Schools

Source: California State Employment Development Department. This list of major employers was extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2019 2nd Edition.

Per Capita Personal Income

Per capita personal income information for Ventura County, the State of California and the United States is summarized in the following table.

TABLE NO. D-3
PER CAPITA PERSONAL INCOME ⁽¹⁾
VENTURA COUNTY, STATE OF CALIFORNIA AND UNITED STATES
2013-2017

<u>Year</u>	<u>Ventura County</u>	<u>State of California</u>	<u>United States</u>
2013	\$50,363	\$49,173	\$44,826
2014	52,925	52,237	47,025
2015	55,594	55,679	48,940
2016	56,846	57,497	49,831
2017	59,178	59,796	51,640

⁽¹⁾ Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2013-2017 reflect county population estimates available as of March 2018.

Note: All dollar estimates are in thousands of current dollars (not adjusted for inflation).

Source: U.S. Department of Commerce, Bureau of Economic Analysis, available as of March 6, 2019.

Commercial Activity

The following table summarizes the volume of retail and food services sales and taxable transactions for the County for 2014 through 2018 (the most recent year for which statistics are available for the full year).

TABLE NO. D-4
COUNTY OF VENTURA
TAXABLE TRANSACTIONS
(in thousands)
2014 – 2018

<u>Year</u>	<u>Retail and</u>		<u>Retail and</u>		<u>% Change</u>	<u>Issued Sales</u>	
	<u>Food Services</u>	<u>% Change</u>	<u>Food Services</u>	<u>Total Taxable</u>		<u>Permits</u>	<u>Permits</u>
2014	\$ 9,401,053		14,903	\$13,366,628		22,851	
2015	9,615,370	2.3%	15,332	13,784,346	3.1%	25,826	
2016	9,864,805	2.6%	15,371	13,835,876	0.4%	25,891	
2017	10,102,010	2.4%	15,751	13,901,215	0.5%	26,392	
2018	10,486,735	3.8%	15,632	14,323,432	3.0%	26,954	

Source: California Department of Tax and Fee Administration, "Taxable Sales in California Counties."

Industry

The County of Ventura is located in the Oxnard-Thousand Oaks-Ventura Metropolitan Statistical Area (“MSA”). The distribution of employment in the Oxnard-Thousand Oaks-Ventura MSA is presented in the following table.

TABLE NO. D-5
OXNARD-THOUSAND OAKS-VENTURA MSA
WAGE AND SALARY WORKERS BY INDUSTRY ⁽¹⁾
(in thousands)

<u>Industry</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Government	46.5	48.0	47.4	47.2	47.7
Other Services	9.7	9.6	9.8	9.5	9.5
Leisure and Hospitality	35.8	36.6	37.9	38.4	38.7
Educational and Health Services	42.4	44.3	46.3	47.5	48.0
Professional and Business Services	39.9	41.0	42.4	43.0	42.2
Financial Activities	17.6	17.3	16.9	16.6	16.4
Information	5.1	5.1	5.1	5.1	4.8
Transportation, Warehousing and Utilities	6.0	6.0	6.1	6.4	6.7
Service Producing					
Retail Trade	39.2	39.1	39.4	38.8	38.2
Wholesale Trade	12.5	12.9	13.4	13.2	13.3
Manufacturing					
Nondurable Goods	6.9	7.0	7.1	6.6	6.8
Durable Goods	18.8	18.8	18.7	19.5	20.0
Goods Producing					
Construction	14.3	14.6	15.9	17.0	17.7
Mining and Logging	<u>1.0</u>	<u>0.9</u>	<u>0.9</u>	<u>0.8</u>	<u>0.9</u>
Total Nonfarm	295.7	301.2	307.3	309.6	310.9
Farm	<u>28.2</u>	<u>28.0</u>	<u>26.3</u>	<u>27.6</u>	<u>27.8</u>
Total (all industries)	<u>323.9</u>	<u>329.2</u>	<u>333.6</u>	<u>337.2</u>	<u>338.7</u>

⁽¹⁾ Annually, as of June.

Source: State of California Employment Development Department, Labor Market Information Division, “*Industry Employment & Labor Force - by month, March 2018 Benchmark.*”

As of June 2019 the civilian labor force for the County was approximately 419,100 of whom 403,900 were employed. The unadjusted unemployment rate as of June 2019 was 3.6% for the County. Civilian labor force, employment and unemployment statistics for the County, the State and the United States, for the years 2014 through 2018 are shown in the following table:

**TABLE NO. D-6
CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
ANNUAL AVERAGES**

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
<u>2014</u>				
Ventura County	430,100	401,500	28,600	6.6%
California	18,714,700	17,310,900	1,403,800	7.5%
United States	155,922,000	146,305,000	9,617,000	6.2%
<u>2015</u>				
Ventura County	427,600	403,500	24,100	5.6%
California	18,851,100	17,681,800	1,169,200	6.2%
United States	157,130,000	148,834,000	8,296,000	5.3%
<u>2016</u>				
Ventura County	425,700	403,400	22,200	5.2%
California	19,044,500	18,002,800	1,041,700	5.5%
United States	159,187,000	151,436,000	7,751,000	4.9%
<u>2017</u>				
Ventura County	424,700	405,600	19,100	4.5%
California	19,205,300	18,285,500	919,800	4.8%
United States	160,320,000	153,337,000	6,982,000	4.4%
<u>2018</u>				
Ventura County	425,700	409,700	16,100	3.8%
California	19,398,200	18,582,800	815,400	4.2%
United States	162,075,000	155,761,000	6,314,000	3.9%

Note: The unemployment rate is calculated using unrounded data. Data may not add due to rounding.

Source: California State Employment Development Department and United States Bureau of Labor Statistics.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the “Disclosure Agreement”), dated as of October 1, 2019, is by and between DTA as dissemination agent (the “Dissemination Agent”), and the CASITAS MUNICIPAL WATER DISTRICT (the “District”).

RECITALS:

WHEREAS, the District has issued, for and on behalf of the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) (the “CFD”), its 2019 Special Tax Bonds (the “2019 Bonds”) in the aggregate initial principal amount of \$_____ ; and

WHEREAS, the 2019 Bonds have been issued pursuant to a Fiscal Agent Agreement, dated as of May 1, 2017 as amended and supplemented by a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of October 1, 2019 (as amended and supplemented, the “Fiscal Agent Agreement”), by and between U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”), and the District, for and on behalf of the CFD; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the District and the Dissemination Agent for the benefit of the owners and beneficial owners of the 2019 Bonds and in order to assist the underwriter of the 2019 Bonds in complying with S.E.C. Rule 15c2-12(b)(5).

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and mutual covenants herein contained, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. In addition to the definitions of capitalized terms set forth in Section 1.03 of the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section or in the Recitals above, the following terms shall have the following meanings when used in this Disclosure Agreement:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Beneficial Owner*” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2019 Bond (including persons holding any 2019 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2019 Bond for federal income tax purposes.

“*Disclosure Representative*” means the Chief Financial Officer of the District, or such person’s designee, or such other officer or employee of the District as the District shall designate as the Disclosure Representative hereunder in writing to the Dissemination Agent from time to time.

“*Dissemination Agent*” means DTA, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“EMMA” or “*Electronic Municipal Market Access*” means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the Official Statement, dated _____, 2019, relating to the 2019 Bonds.

“*Participating Underwriter*” means the original underwriter of the 2019 Bonds required to comply with the Rule in connection with offering of the 2019 Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District and the Dissemination Agent for the benefit of the owners and Beneficial Owners of the 2019 Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The District shall, or shall cause the Dissemination Agent to, not later than the March 1 occurring after the end of each fiscal year of the District, commencing with the report for the 2018-19 fiscal year, which is due not later than March 1, 2020, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. The 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 Agreement; provided that any audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year.* If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a), and subsequent Annual Report filings shall be made no later than eight months and a day after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than 5 Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b) of this Section 3 for providing the Annual Report to EMMA), the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the District in writing.

(d) *Report of Non-Compliance.* If the District is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the District shall in a timely manner send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the District is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A in a timely manner.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Agreement, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report for each fiscal year shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the District for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles 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 audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* The Annual Report for each fiscal year shall also include the following information:

(i) The principal amount of the 2019 Bonds, the 2017 Series B Bonds and any Parity Bonds (in addition to the 2019 Bonds) Outstanding as of the September 30 next preceding the date of the Annual Report, and a description of any special redemption of any such Bonds from prepaid Special Taxes since the date of the prior Annual Report.

(ii) The amount on deposit in the 2019 Reserve Fund, if any, the amount available to be drawn on the 2019 Reserve Policy, and a statement of the 2019 Reserve Requirement, as of a date within 60 days preceding the Annual Report Date.

(iii) The maximum and actual special tax rate for the current fiscal year for each Land Use Class (as defined in the Rate and Method of Apportionment), in a table similar to Table No. 2 in the Official Statement.

(vi) The number of parcels for which the Special Tax has been prepaid since the date of the prior Annual Report, the aggregate amount of the prepayments, a statement as to whether each prepayment is in full or in part, and the Land Use Class of each such parcel.

(v) The total assessed value of all Developed Property (as defined in the Rate and Method of Apportionment) within the CFD on which the Special Taxes are levied, as shown on the assessment roll of the County Assessor last equalized prior to the September 30 next preceding the date of the Annual Report, and a statement of assessed value-to-Bond lien ratios therefor (based on the 2017 Bonds, the 2019 Bonds and future Parity Bonds, if any), either by individual parcel or by categories, in a table similar to Table No. 6 in the Official Statement.

(vi) An update to Table No. 4 in the Official Statement using the most recently available County assessed values.

(vii) An update to Table No. 8 in the Official Statement for the most recently completed fiscal year, and an update of prior years' delinquencies as of a date not more than ninety (90) days prior to the date of the Annual Report.

(viii) The status of foreclosure proceedings for any parcels within the CFD on which the Special Taxes are levied and a summary or the results of any foreclosure sales, or other collection efforts with respect to delinquent Special Taxes, as of the September 30 next preceding the date of the Annual Report.

(ix) The most recent annual information required to be provided to the California Debt and Investment Advisory Commission pursuant to Section 5.19(A) of the Fiscal Agent Agreement.

(c) *Cross References.* 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 are available to the public on EMMA. The District shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Listed Events.

- (a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 2019 Bonds:
- (1) Principal and interest payment delinquencies.
 - (2) Non-payment related defaults, if material.
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
 - (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
 - (5) Substitution of credit or liquidity providers, or their failure to perform.
 - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
 - (7) Modifications to rights of security holders, if material.
 - (8) Bond calls, if material, and tender offers.
 - (9) Defeasances.
 - (10) Release, substitution, or sale of property securing repayment of the securities, if material.
 - (11) Rating changes.
 - (12) Bankruptcy, insolvency, receivership or similar event of the other obligated person.
 - (13) The consummation of a merger, consolidation, or acquisition involving obligated person, or the sale of all or substantially all of the assets of the obligated person (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, if material.
 - (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) The District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the 2019 Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Agreement, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the CFD in a proceeding under the United States 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 CFD, or if such jurisdiction has been assumed by leaving the existing governing 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 CFD.

(e) The term financial obligation means a (1) debt obligation; (2) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (3) guarantee of an obligation described in (e)(1) or (e)(2). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the 2019 Bonds.

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent*. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may

discharge any such agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be DTA.

If the Dissemination Agent is not the District, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Agreement. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the District. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Agreement and has no liability to any person, including any 2019 Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the District shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the District.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid compensation by the District for its services provided hereunder as agreed to between the Dissemination Agent and the District from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder, with payment to be made from any lawful funds of the District. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the District, the owners of the 2019 Bonds, the Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any written direction from the District or a written opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the District. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

(c) *Responsibilities of Dissemination Agent.* In addition of the filing obligations of the Dissemination Agent set forth in Sections 3(e) and 5, the Dissemination Agent shall be obligated, and hereby agrees, to provide a request to the District to compile the information required for its Annual Report at least 30 days prior to the date such information is to be provided to the Dissemination Agent pursuant to subsection (c) of Section 3. The failure to provide or receive any such request shall not affect the obligations of the District under Section 3.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the District that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Agreement may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances.* If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the 2019 Bonds, or the type of business conducted.

(b) *Compliance as of Issue Date.* The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2019 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Bond owners in the same manner as provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of 2019 Bond owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the 2019 Bond owners or Beneficial Owners.

If this Disclosure Agreement is amended or any provision of this Disclosure Agreement is waived, the District shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or future notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Agreement, any 2019 Bond owner, any Beneficial Owner, the Fiscal Agent or the Participating Underwriter may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the District to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and the owners and the Beneficial Owners from time to time of the 2019 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

CASITAS MUNICIPAL WATER DISTRICT

By: _____
Michael Flood,
General Manager

DTA, as Dissemination Agent

By: _____
Its: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Casitas Municipal Water District

Name of Bond Issue: Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2019 Special Tax Bonds

Date of Issuance: _____, 2019

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named 2019 Bonds as required by Section 5.17 of the Fiscal Agent Agreement, dated as of May 1, 2017 as amended and supplemented by a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of October 1, 2019, between the Obligor and U.S. Bank National Association, as fiscal agent. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

By: DTA, as Dissemination Agent

APPENDIX F

THE BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the 2019 Bonds, payment of principal, interest and other payments on the 2019 Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the 2019 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the 2019 Bonds (the “Issuer”) nor any trustee, fiscal agent or paying agent appointed with respect to the 2019 Bonds (the “Agent”) take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2019 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2019 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2019 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of

AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on such Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or

Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX G
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

BOND PURCHASE AGREEMENT

\$ _____
**Casitas Municipal Water District
Community Facilities District No. 2013-1 (OJAI)
2019 Special Tax Bonds**

October ____, 2019

Casitas Municipal Water District
1055 North Ventura Avenue
Oak View, California 93022
Attention: General Manager

Ladies and Gentlemen:

Piper Jaffray & Co. (the "Underwriter") offers to enter into this Bond Purchase Agreement (this "Agreement") with the Casitas Municipal Water District (the "District"), for and on behalf of the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) (the "CFD"), which, upon your acceptance of this offer, will be binding upon the District and the Underwriter. Terms not otherwise defined herein have the meanings given them in the Fiscal Agent Agreement described below. This offer is made subject to the acceptance by the District of this Agreement on or before 11:59 p.m. on the date set forth above.

1. Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to sell to the Underwriter, all (but not less than all) of the above-captioned bonds (the "Bonds") at a purchase price (the "Purchase Price") of \$_____ (equal to the par amount of the Bonds (\$_____) *plus* [net] original issue premium of \$_____, *less* an Underwriter's discount of \$_____). As an accommodation to the District, the Underwriter will wire a portion of the Purchase Price, equal to the premiums for the 2019 Insurance Policy and 2019 Reserve Policy (as such terms are defined below), directly to _____ ("INSURER") totaling \$_____, so that the net funds to be remitted to or upon the order of the District is \$_____.

The Bonds will be issued by the District pursuant to the Mello-Roos Community Facilities Act of 1982 (constituting Section 53311 et seq. of the California Government Code) (the "Act"), a Fiscal Agent Agreement, dated as of May 1, 2017, as amended and supplemented by a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of October 1, 2019 (as amended and supplemented, the "Fiscal Agent Agreement") by and between the District, on behalf of the CFD, and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), and Resolution No. 19-__ adopted on _____, 2019 (the "Bond Resolution") by the Board of Directors (the "Board") of the District, acting as the legislative body of the CFD.

The Bonds are being issued under the Fiscal Agent Agreement on a parity with the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI)

2017 Special Tax Bonds, Series B, which were issued in the original aggregate principal amount of \$39,810,000.

Concurrently with the issuance of the Bonds, [INSURER] will issue its Municipal Bond Insurance Policy (the "2019 Insurance Policy") for the Bonds [maturing September 1, 20___ through and including September 1, 20____ (collectively, the "Insured Bonds")], and its Municipal Bond Debt Service Reserve Insurance Policy (the "2019 Reserve Policy").

Proceeds from the Bonds will be used to (1) fund improvements to the water facilities serving property within the CFD, (2) purchase the 2019 Reserve Policy, and (3) pay costs of issuing the 2019 Bonds, including the premium for the 2019 Insurance Policy. Proceeds of the Bonds will be applied in accordance with the Fiscal Agent Agreement.

The special taxes to provide a source of payment for the Bonds (the "Special Taxes") will be levied under Ordinance No. 13-01, adopted by the Board on November 27, 2013 levying the Special Taxes within the CFD (the "Ordinance"). In addition to the Ordinance, the Board adopted Resolution No. 13-08 (Resolution of Intention) and Resolution No. 13-12 (Resolution of Formation) (together, the "Formation Resolutions") in connection with the initial formation of the CFD. Together, the Bond Resolution, Formation Resolutions and Ordinance are referred to herein as the "Resolutions and the Ordinance."

The District acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the District, and in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the District, (ii) the Underwriter is not acting as a municipal advisor (within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary to the District or any other person or entity and has not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters), (iii) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Agreement, except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission or the rules of the MSRB or other law, and (iv) the District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB.

2. The Bonds will mature on the dates and in the principal amounts, and will bear interest at the rates as set forth in Exhibit A hereto. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the offering prices set forth on the inside cover of the Final Official Statement described below.

3. The District agrees to deliver to the Underwriter, no later than the Closing Date (defined below), electronic or other copies of the Final Official Statement dated the date hereof relating to the Bonds so that the Underwriter can provide a Final Official Statement to each of its customers purchasing Bonds.

In addition, the District has authorized and approved the Preliminary Official Statement relating to the Bonds dated September __, 2019 (the "Preliminary Official Statement") and the final Official Statement dated the date hereof (the "Final Official Statement") and consents to their distribution and use by the Underwriter and the execution and approval of the Final Official Statement by a duly authorized officer of the District. The District deems such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), except for information allowed by Rule 15c2-12 to be omitted, and has executed a certificate to that effect in the form of Exhibit D.

In connection with issuance of the Bonds, and in order to assist the Underwriter in complying with Rule 15c2-12, the District will execute a Continuing Disclosure Agreement, dated as of October 1, 2019, between the District and David Taussig & Associates, Inc., as dissemination agent (the "Continuing Disclosure Agreement"). The form of the Continuing Disclosure Agreement is attached as an appendix to the Final Official Statement.

4. The District represents and warrants to the Underwriter that:
- (a) The District is a duly organized and validly existing water district under the laws of the State of California (the "State"), and has the full legal right, power and authority, among other things, (i) upon satisfaction of the conditions in this Agreement and the Fiscal Agent Agreement, to issue the Bonds as provided herein, and (ii) to secure the Bonds in the manner contemplated in the Fiscal Agent Agreement.
 - (b) The Board has the full legal right, power and authority to adopt the Resolutions and the Ordinance, and the District has the full legal right, power and authority (i) to enter into this Agreement, the Fiscal Agent Agreement, and the Continuing Disclosure Agreement (collectively, the "District Documents"), (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate all other transactions on its part contemplated by the Final Official Statement and the District Documents, and the District and the Board have complied with all provisions of applicable law, including the Act, in all matters relating to such transactions.
 - (c) The District has duly authorized (i) the execution and delivery by the District of the Bonds and the execution, delivery and due performance by the District of its obligations under the District Documents, (ii) the distribution and use of the Preliminary Official Statement and execution, delivery and distribution of the Final Official Statement, and (iii) the taking of any and all such action as may be required on the part of the District to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary

to be obtained by the District in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

- (d) The Resolutions and the Ordinance have been duly adopted by the Board and are in full force and effect; and the District Documents, when executed and delivered by the District and the other respective parties thereto, will constitute legal, valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally.
- (e) When delivered to the Underwriter, the Bonds will have been duly authorized by the Board and duly executed, issued and delivered by the District and will constitute legal, valid and binding special obligations of the District enforceable against the District in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, and will be entitled to the benefit and security of the Fiscal Agent Agreement.
- (f) The information (excluding information relating to The Depository Trust Company and its book-entry system) contained in the Preliminary Official Statement is, and as of the Closing Date such information (excluding, in addition to information related to The Depository Trust Company, information related to [INSURER], the 2019 Insurance Policy and the 2019 Reserve Policy) in the Final Official Statement will be true and correct in all material respects, and the Preliminary Official Statement does not as of its date and the Final Official Statement will not as of the Closing Date contain any untrue or misleading statement of a material fact (excluding information relating to The Depository Trust Company and its book-entry system, [INSURER], the 2019 Insurance Policy and the 2019 Reserve Policy) or omit to state any material fact (excluding information relating to The Depository Trust Company and its book-entry system, [INSURER], the 2019 Insurance Policy and the 2019 Reserve Policy) necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (g) If, at any time prior to the earlier of (i) receipt of notice from the Underwriter that the Final Official Statement is no longer required to be delivered under Rule 15c2-12 or (ii) the Closing (as described in Section 6 below), any event known to the officers of the District participating in the issuance of the Bonds occurs with respect to the District or the CFD as a result of which the Final Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Underwriter in writing of such event. Any information supplied by the District for inclusion in any amendments or supplements to the Final Official Statement will not contain any untrue or misleading statement of a material fact relating to the District or the

CFD or omit to state any material fact relating to the District or the CFD necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

- (h) Neither the adoption of the Resolutions and the Ordinance, the execution and delivery of the District Documents, nor the consummation of the transactions on the part of the District contemplated herein or therein or the compliance by the District with the provisions hereof or thereof will conflict with, or constitute on the part of the District, a violation of, or a breach of or default under, (i) any material indenture, mortgage, commitment, note or other agreement or instrument to which the District or the CFD is a party or by which it is bound, (ii) any provision of the State Constitution or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the District or the CFD (or the members of the Board or any of its officers in their respective capacities as such) is subject, that would have a material adverse affect on the ability of the District to perform its obligations under the District Documents.
- (i) The District has never been in default at any time, as to principal of or interest on any obligation which it has issued, including those which it has issued as a conduit for another entity, which default may have an adverse effect on the ability of the District to consummate the transactions on its part under the District Documents, except as specifically disclosed in the Final Official Statement; and the District has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Special Taxes.
- (j) Except as is specifically disclosed in the Final Official Statement, to the best knowledge of the District, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the District or the CFD has been served with process or threatened, which in any way questions the powers of the Board, the CFD or the District referred to in paragraph (b) above, or the validity of any proceeding taken by the Board in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the District Documents, or which, in any way, could adversely affect the validity or enforceability of the Resolutions and the Ordinance, the Bonds or the District Documents or, to the knowledge of the District, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under State tax laws or regulations.
- (k) Any certificate signed by an official of the District authorized to execute such certificate and delivered to the Underwriter in connection with the transactions contemplated by the District Documents shall be deemed a representation and warranty by the District to the Underwriter as to the truth of the statements therein contained.

- (l) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.
- (m) The Bonds will be paid from Special Tax Revenues (as defined in the Fiscal Agent Agreement) received by the District and other amounts held in certain funds and accounts established and pledged under the Fiscal Agent Agreement.
- (n) The Special Taxes may lawfully be levied in accordance with the rate and method of apportionment of the Special Tax relating to the CFD (the "Rate and Method"), the Resolutions and the Ordinance as described in the Preliminary Official Statement and the Final Official Statement, and, when levied, will be secured by a lien on the property on which they are levied.
- (o) The Fiscal Agent Agreement creates a valid pledge of, and first lien upon the Special Tax Revenues deposited thereunder, and the amounts held in certain funds and accounts established and pledged under the Fiscal Agent Agreement, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein, including funding the Minimum Administrative Expense Requirement, as described in the Fiscal Agent Agreement.
- (p) Except as disclosed in the Preliminary Official Statement, the District has complied in all material respects with its prior undertakings under SEC Rule 15c2-12 in the past five years.
- (q) The Bonds are "Parity Bonds" as described in the Fiscal Agent Agreement.

5. The District covenants with the Underwriter that the District will cooperate with the Underwriter (at the cost of the Underwriter), in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may reasonably request; provided, however, that the District shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The District consents to the use by the Underwriter of the District Documents in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions.

6. At 9:00 a.m. on October __, 2019 (the "Closing Date") or at such other time and/or date as shall have been mutually agreed upon by the District and the Underwriter, the District will deliver or cause to be delivered to the Underwriter the Bonds in definitive form duly executed and authenticated by the Fiscal Agent together with the other documents mentioned in Section 8 hereof; and the Underwriter will accept such delivery and pay the Purchase Price of the Bonds by delivering to the Fiscal Agent for the account of the District a check payable in federal funds or making a wire transfer in federal funds payable to the order of the Fiscal Agent in the amount of the Purchase Price less the amount of the premiums for the 2019 Insurance Policy and the 2019 Reserve Policy.

The activities relating to the final execution and delivery of the Bonds and the Fiscal Agent Agreement and the payment therefor and the delivery of the certificates, opinions and other instruments as described in Section 8 of this Agreement shall occur at the offices of Rutan & Tucker, LLP, Costa Mesa, California, as bond counsel ("Bond Counsel"). The payment for the Bonds and simultaneous delivery of the Bonds to the Underwriter is herein referred to as the "Closing." The Bonds will be delivered as fully registered Bonds initially in the denominations of one Bond for each maturity of each series of the Bonds. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, and will be made available for checking by the Underwriter at such place as the Underwriter and the District shall agree not less than 24 hours prior to the Closing.

7. The Underwriter has the right to cancel its obligations to purchase the Bonds if between the date hereof and the Closing Date:

- (a) the House of Representatives or the Senate of the Congress of the United States, or a committee of either, shall have pending before it, or shall have passed or recommended favorably, legislation introduced previous to the date hereof, which legislation, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the District or by any similar body under the Fiscal Agent Agreement or upon interest received on obligations of the general character of the Bonds, or of causing interest on obligations of the general character of the Bonds, to be includable in gross income for purposes of federal income taxation, and such legislation, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds; or
- (b) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported or re-reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, circular, regulation or official statement by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues or other income of the general character to be derived by the District under the Fiscal Agent Agreement or upon interest received on obligations of the general character of the Bonds, or the Bonds and also including adversely affecting the tax-exempt status of

the District under the Code, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or

- (c) legislation shall have been enacted, or actively considered for enactment with an effective date prior to the Closing, or a decision by a court of the United States shall have been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Fiscal Agent Agreement, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or
- (d) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution and delivery of the Fiscal Agent Agreement as contemplated hereby or by the Final Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or
- (e) any event shall have occurred or any information shall have become known to the Underwriter which causes the Underwriter to reasonably believe that the Final Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the District fails to amend or supplement such Final Official Statement to cure such omission or misstatement under Section 4(g); or
- (f) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or
- (g) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or
- (h) a general banking moratorium shall have been declared by federal, New York or State authorities; or
- (i) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the District or the CFD; or

- (j) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which adversely affects the Underwriter's ability to sell the Bonds;
- (k) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or
- (l) an amendment to the federal or State constitution shall be enacted or action taken by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the District, its property, income or securities (or interest thereon), the validity or enforceability of the Special Tax or the ability of the District to issue the Bonds and levy the Special Tax as contemplated by the Fiscal Agent Agreement, the Rate and Method, the Resolution of Formation, the Ordinance and the Final Official Statement.

8. The obligation of the Underwriter to purchase the Bonds is subject (a) to the performance by the District of its obligations to be performed by it hereunder at and prior to the Closing, (b) to the accuracy as of the date hereof and as of the time of the Closing of the representations and warranties of the District herein, and (c) to the following conditions, including the delivery by the District of such documents as are enumerated herein in form and substance satisfactory to the Underwriter:

- (a) At the time of Closing, (i) the Final Official Statement and the District Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Underwriter, and (ii) the District shall have duly adopted and there shall be in full force and effect such resolutions and ordinances (including, but not limited to, the Resolutions and the Ordinance) as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.
- (b) Receipt of the Bonds, executed by the District and authenticated by the Fiscal Agent, at or prior to the Closing. The terms of the Bonds, when delivered, shall in all instances be as described in Final Official Statement.
- (c) At or prior to the Closing, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriter and the District:
 - (i) A final approving opinion of Bond Counsel dated the Closing Date in the form attached to the Final Official Statement.
 - (ii) A letter or letters of Bond Counsel addressed to the Underwriter, which includes a statement to the effect that Bond Counsel's final

approving opinion may be relied upon by the Underwriter to the same extent as if such opinion was addressed to the Underwriter, and a supplemental opinion of Bond Counsel which provides:

- (A) the statements contained in the Preliminary Official Statement and the Final Official Statement on the cover page and under the captions “INTRODUCTION - Parity Bonds,” “INTRODUCTION - Security and Sources of Repayment for the 2019 Bonds,” “THE 2019 BONDS” (other than information relating to DTC and its book-entry only system and information in the section entitled “Scheduled Debt Service on the 2019 Bonds”, as to which no opinion need be expressed), “SOURCES OF PAYMENT FOR THE 2019 BONDS,” and “TAX MATTERS,” and in the form of Bond Counsel opinion attached thereto, excluding any material that may be treated as included under such captions by reference to other documents, insofar as such statements expressly summarize certain provisions of the Fiscal Agent Agreement, the Bonds and Bond Counsel’s final opinion are accurate in all material respects;
 - (B) each of this Agreement and the Continuing Disclosure Agreement has been duly executed and delivered by, and constitutes a valid and binding obligation of, the District, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting enforcement of creditors’ rights in general and to the application of equitable principles if equitable remedies are sought;
 - (C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; and
 - (D) the CFD is duly organized and validly existing as a community facilities district under and by virtue of the Constitution and laws of the State (including the Act).
- (iii) A letter of Quint & Thimmig LLP, Larkspur, California, as disclosure counsel, addressed to the District and the Underwriter (“Disclosure Counsel”), to the effect that during the course of serving as Disclosure Counsel in connection with the issuance of the Bonds and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained therein, no information came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the Bonds that would lead them to believe that the Preliminary Official Statement as of its date or the Final Official Statement as of its date or the Closing Date (excluding therefrom the financial statements, any financial or statistical data, or forecasts, charts, numbers, estimates, projections, assumptions or expressions of opinion, information regarding DTC, [INSURER], the 2019

Insurance Policy, and the 2019 Reserve Policy included therein, and the appendices thereto, as to which no opinion need be expressed), contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

- (iv) An opinion of Jones Hall, a Professional Law Corporation, (“Underwriter’s Counsel”) addressed to the Underwriter, dated as of the Closing Date, in form and substance acceptable to the Underwriter.
- (v) The Final Official Statement executed on behalf of the District by a duly authorized officer.
- (vi) Executed copies of the District Documents.
- (vii) Certified copies of the Resolutions and the Ordinance.
- (viii) Evidence of recordation in the real property records of the County of Ventura of the Notice of Special Tax Lien, in the form required by the Act.
- (ix) A certificate in form and substance as set forth in Exhibit B hereto, of David Taussig & Associates, Inc., Newport Beach, California (“Special Tax Consultant”), dated as of the Closing Date.
- (x) A certificate, in form and substance as set forth in Exhibit C hereto, of the District, dated as of the Closing Date.
- (xi) Evidence that Federal Form 8038 has been executed by the District and will be filed with the Internal Revenue Service.
- (xii) A non-arbitrage certificate executed by the District in form and substance satisfactory to Bond Counsel.
- (xiii) Evidence that the Bonds have been assigned an underlying rating of “___” and the Insured Bonds have been assigned a rating of “AA,” in each case, by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and that such ratings have not been withdrawn or downgraded.
- (xiv) An opinion, dated the Closing Date and addressed to the Underwriter, of Arnold, LaRochelle, Mathews, VanConas & Zirbel LLP, as general counsel to the District, to the effect that:
 - (A) the CFD is duly organized and validly existing as a community facilities district under and by virtue of the Constitution and laws of the State (including the Act);

- (B) the Board, acting as legislative body of the CFD, has the full legal right, power and authority to adopt the Resolutions and the Ordinance;
- (C) the Resolutions and the Ordinance were duly adopted at meetings of the Board, acting as legislative body of the CFD which were called and held under law and with all public notice required by law and at which a quorum was present and acting throughout, and the Resolutions and the Ordinance are in full force and effect and have not been amended or repealed;
- (D) to their best knowledge, based on reasonable due diligence, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending with respect to which the District has been served with process or threatened, in any way affecting the existence of the District, the CFD or the titles of the District's officials to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Taxes to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the District Documents or any action of the District contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Final Official Statement or the powers of the District or its authority with respect to the Bonds, the District Documents or any action on the part of the District contemplated by any of said documents, wherein an unfavorable decision, ruling, or finding could materially adversely affect the validity or enforceability of the Bonds or the District Documents;
- (E) the execution and delivery of the Bonds and the District Documents, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument of which the District is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the District to perform its obligations under the Bonds or the District Documents; and
- (F) all approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the District, to perform its obligations under the Bonds or the District Documents, have been obtained or made, as the case may be, and are in full force and effect.

- (xv) In connection with printing and distribution of the Preliminary Official Statement, an executed certificate of the District in the form attached hereto as Exhibit D.
- (xvi) A certificate of the Fiscal Agent in the form attached hereto as Exhibit E, and an opinion of its counsel in form and substance satisfactory to the Underwriter and Bond Counsel.
- (xvii) A certificate of Harrell & Company Advisors, LLC, the District's municipal advisor, in the form and substance attached hereto as Exhibit F.
- (xviii) An executed copy of each the 2019 Insurance Policy and the 2019 Reserve Policy delivered by [INSURER], together with an opinion of counsel to [INSURER] as to the validity of the 2019 Insurance Policy and the 2019 Reserve Policy, and a disclosure, no default and tax certificate of [INSURER].
- (xix) An executed copy of the Debt Service Reserve Agreement between [INSURER] and the District related to the 2019 Reserve Policy.
- (xx) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, Disclosure Counsel or Bond Counsel may reasonably request to evidence compliance by the District with legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations of the District herein contained and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

If the District is unable to satisfy the conditions to the obligations of the Underwriter contained in this Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 11 shall continue in full force and effect.

9. Establishment of Issue Price.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit G, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District, and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District's municipal advisor, and any notice or report to be provided to the District may be provided to the municipal advisor.

(b) [Except as otherwise set forth in Exhibit A,] the District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). Prior to the execution of this Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, and if the parties hereto have agreed that the hold-the-offering-price rule (set forth in subsection (c) below) shall not apply to that maturity, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) If the parties hereto have agreed that the hold-the-offering price rule set forth in this subsection (c) shall apply to one or more maturities of the Bonds, then the Underwriter shall comply with the restrictions described in this subsection (c). The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the 5th business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

With respect to each maturity of the Bonds subject to the hold-the-offering-price rule, the Underwriter shall promptly advise the District when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the 5th business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The District acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Agreement by all parties.

(f) The obligations of the District to issue and deliver the Bonds on the Closing Date is subject, at the option of the District, to the performance by the Underwriter of its obligations to be performed hereunder at or prior to the Closing Date.

10. All representations, warranties and agreements of the District hereunder shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter, the District or the CFD and shall survive the Closing.

11. The District shall pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Agreement, including, but not limited to, delivery of the Bonds, rating agency costs, costs of printing the Bonds, the Preliminary Official Statement and the Final Official Statement, and any amendment or supplement to the Preliminary Official Statement or Final Official Statement and this Agreement, fees and disbursements of Bond Counsel and Disclosure Counsel, of the municipal advisor and other consultants engaged by the District, including the fees and expenses of the special tax consultant and fees of the Fiscal Agent.

The Underwriter shall pay the California Debt Investment and Advisory Commission (CDIAC) fee, all advertising expenses in connection with the public offering of the Bonds, and all other expenses incurred by it in connection with its public offering and distribution of the Bonds, including fees and expenses of its counsel, and fees and disbursements in connection with the qualification of the Bonds for sale under the securities or "Blue Sky" laws of the various jurisdictions and the preparation of "Blue Sky" memoranda.

12. Any notice or other communication to be given to the District under this Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to the following: Piper Jaffray & Co., 120 Vantis Drive, Suite 330, Aliso Viejo, California 92656, Attention: Katie A. Koster.

13. This Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

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

15. This Agreement shall become effective upon acceptance hereof by the District.

PIPER JAFFRAY & CO.

By: _____
Managing Director

Accepted October ____, 2019, at _____ a.m./p.m.:

CASITAS MUNICIPAL WATER DISTRICT, on behalf of
CASITAS MUNICIPAL WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2013-1 (OJAI)

By: _____
Michael Flood
General Manager

EXHIBIT A

\$ _____
**Casitas Municipal Water District
Community Facilities District No. 2013-1 (OJAI)
2019 Special Tax Bonds**

<u>Maturity Date</u> <u>(Sept. 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	10% Test <u>Satisfied*</u>	10% Test Not <u>Satisfied</u>	Subject to Hold-the- <u>Price</u>
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* At the time of execution of this Agreement and assuming orders are confirmed immediately after the execution of this Agreement.

^C Priced to the first optional redemption date of the Bonds of September 1, 20__ at par.

I Insured Bond.

EXHIBIT B

**\$ _____
Casitas Municipal Water District
Community Facilities District No. 2013-1 (OJAI)
2019 Special Tax Bonds**

CERTIFICATE OF SPECIAL TAX CONSULTANT

David Taussig & Associates, Inc. ("Special Tax Consultant"), Newport Beach, California was retained as Special Tax Consultant and assisted in the preparation of and has reviewed the Rate and Method of Apportionment of Special Tax (the "Rate and Method") set forth in Appendix C to the Official Statement dated _____, 2019 (the "Official Statement") relating to the above-referenced bonds (the "Bonds") being issued by Casitas Municipal Water District for the Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI). Based upon the Special Tax Consultant's review of the Official Statement and such other documents as it deems relevant in the circumstances, the Special Tax Consultant hereby certifies that the Special Tax, if collected in the maximum amounts permitted under the Rate and Method, after deducting the Minimum Administrative Expense Requirement each year, would generate at least 110% of the aggregate annual debt service on the Bonds and the 2017 Series B Bonds, provided that the annual debt service figures on the attached debt service schedule, which were relied upon by Special Tax Consultant, are substantially true and correct.

No representation is made herein as to actual amounts of Special Tax that will be collected in future years.

All information with respect to the Rate and Method and all other information sourced to the Special Tax Consultant in the Official Statement is true and correct as of the date of the Official Statement and as of the date hereof, and a true and correct copy of the Rate and Method is attached to the Official Statement as Appendix C.

Capitalized terms used in this Certificate of Special Tax Consultant and not defined herein, have the meanings given to them in the Official Statement.

Dated: [Closing Date]

DAVID TAUSSIG & ASSOCIATES, INC.

By: _____

EXHIBIT C

\$ _____
**Casitas Municipal Water District
Community Facilities District No. 2013-1 (OJAI)
2019 Special Tax Bonds**

DISTRICT CLOSING CERTIFICATE

I, the undersigned, hereby certify that I am the _____ of the Casitas Municipal Water District (the "District"), the Board of which is the legislative body for Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI), a community facilities district duly organized and existing under the laws of the State of California (the "State") and that as such, I am authorized to execute this Certificate on behalf of the District in connection with the issuance of the above-referenced bonds (the "Bonds").

I hereby further certify on behalf of the District that:

- (A) to my best knowledge, after reasonable inquiry, no litigation is pending with respect to which the District has been served with process or threatened (1) to restrain or enjoin the issuance of any of the Bonds or the collection of Special Tax Revenues pledged under the Fiscal Agent Agreement; (2) in any way contesting or affecting the authority for the issuance of the Bonds or the validity or enforceability of the Bonds or the District Documents; or (3) in any way contesting the existence or powers of the District;
- (B) the representations and warranties made by the District in the Bond Purchase Agreement dated October __, 2019, between the District and Piper Jaffray & Co. (the "Agreement") are true and correct in all material respects on the Closing Date, with the same effect as if made on the Closing Date;
- (C) no event affecting the District has occurred since the date of the Final Official Statement that, as of the Closing Date, would cause any statement or information contained in the Final Official Statement to be incorrect or incomplete in any material respect or would cause the information contained under such caption in the Final Official Statement to contain an untrue statement of a material fact or omit to state a material fact necessary in order to make such statements therein, in the light of the circumstances under which they were made, not misleading;
- (D) as of the date hereof, the District Documents are in full force and effect in accordance with their terms and have not been amended, modified or supplemented except as may have been agreed to by the Underwriter; and
- (E) the District has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the District Documents prior to issuance of the Bonds.

Capitalized terms not defined herein shall have the respective meanings set forth in the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date herein below set forth.

Dated: [Closing Date]

CASITAS MUNICIPAL WATER
DISTRICT

By: _____
Authorized Representative

EXHIBIT D

\$ _____
**Casitas Municipal Water District
Community Facilities District No. 2013-1 (OJAI)
2019 Special Tax Bonds**

I, the undersigned, hereby certify that I am the _____ of the Casitas Municipal Water District (the "District"), the Board of which is the legislative body for Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) (the "CFD"), a community facilities district duly organized and existing under the laws of the State of California, and that as such, I am authorized to execute this Certificate on behalf of the District in connection with the issuance of the above-referenced bonds (the "Bonds").

I further hereby certify on behalf of the District as follows:

- (1) This Certificate is delivered in connection with the offering and sale of the Bonds in order to enable the underwriter of the Bonds to comply with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12").
- (2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds, the District and the CFD (the "Preliminary Official Statement").
- (3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.
- (4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of Rule 15c2-12.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____, 2019.

CASITAS MUNICIPAL WATER DISTRICT

By: _____
Name:
Title:

EXHIBIT E

\$ _____
**Casitas Municipal Water District
Community Facilities District No. 2013-1 (OJAI)
2019 Special Tax Bonds**

CERTIFICATE OF U.S. BANK NATIONAL ASSOCIATION

The undersigned hereby states and certifies that the undersigned is an authorized officer of U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") under that certain Fiscal Agent Agreement, dated as of May 1, 2017, as amended and supplemented by a Supplemental Agreement No. 1 to Fiscal Agent Agreement ("Supplemental Agreement No. 1") dated as of October 1, 2019 (as amended and supplemented, the "Fiscal Agent Agreement"), between Casitas Municipal Water District, for and on behalf of Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI), and the Fiscal Agent, relating to the captioned bonds (the "Bonds") and as such, is familiar with the following facts and is authorized and qualified to certify the following facts on behalf of the Fiscal Agent:

- (1) The Fiscal Agent is duly organized and existing as a national banking association under the laws of the United States of America, having the full power and authority to enter into and perform its duties under Supplemental Agreement No. 1 and the Fiscal Agent Agreement.
- (2) Each of Supplemental Agreement No. 1 and the Fiscal Agent Agreement has been duly authorized, executed and delivered by the Fiscal Agent and the Bonds have been authenticated by a duly authorized representative of the Fiscal Agent in accordance with Supplemental Agreement No. 1 and the Fiscal Agent Agreement.
- (3) There is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending against the Fiscal Agent or threatened against the Fiscal Agent which in the reasonable judgment of the Fiscal Agent would affect the existence of the Fiscal Agent or in any way contesting or affecting the validity or enforceability of Supplemental Agreement No. 1 or the Fiscal Agent Agreement or contesting the powers of the Fiscal Agent or its authority to enter into and perform its obligation under Supplemental Agreement No. 1 or the Fiscal Agent Agreement.

Dated: [Closing Date]

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By _____

EXHIBIT F

\$ _____
**Casitas Municipal Water District
Community Facilities District No. 2013-1 (OJAI)
2019 Special Tax Bonds**

CERTIFICATE OF MUNICIPAL ADVISOR

The undersigned hereby states and certifies as follows:

- (1) The undersigned is an authorized officer of Harrell & Company Advisors, LLC (the "Municipal Advisor"), which has acted as municipal advisor to Casitas Municipal Water District (the "District") in connection with the issuance of the above-referenced bonds (the "Bonds"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same.
- (2) The Municipal Advisor has participated in the preparation of the Preliminary Official Statement dated September __, 2019 and the final Official Statement dated October __, 2019 (the "Official Statement") relating to the Bonds.
- (3) No information came to the Municipal Advisor in connection with the issuance of the Bonds that would lead them to believe that the Preliminary Official Statement as of its date or the Official Statement as of its date or the date hereof (excluding therefrom the financial statements, any financial or statistical data, or forecasts, charts, numbers, estimates, projections, assumptions or expressions of opinion, information regarding DTC, [INSURER], the 2019 Insurance Policy and the 2019 Reserve Policy included therein, and the appendices thereto, as to which no opinion is expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Capitalized terms used in this Certificate of Municipal Advisor and not defined herein, have the meanings given to them in the Official Statement.

Dated: [Closing Date]

Harrell & Company Advisors, LLC,
as Municipal Advisor

By: _____
Suzanne Q. Harrell

EXHIBIT G

\$ _____
**Casitas Municipal Water District
Community Facilities District No. 2013-1 (OJAI)
2019 Special Tax Bonds**

FORM OF ISSUE PRICE CERTIFICATE

This Certificate is furnished by Piper Jaffray & Co., as the underwriter ("Piper Jaffray") in connection with the issuance on October ____, 2019 (the "Issue Date") of the above-captioned bonds (the "Bonds"), dated October ____, 2019, issued by the Casitas Municipal Water District, for and on behalf of Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) (the "District")

The undersigned, as authorized representative, based on available records and information which the undersigned believes to be correct, does hereby certify as follows:

A. Issue Price.

1. As of _____, 2019 (the "Sale Date"), for each [Maturity] [of the General Rule Maturities] of the Bonds has been the subject of a bona fide offering to the Public at the prices not higher than and yields not lower than shown in the Official Statement (the "Initial Offering Price").

2. As of the Sale Date the first price or yield at which at least 10% of each [Maturity] [of the General Rule Maturities] of the Bonds was sold by Piper Jaffray to the Public was the Initial Offering Price, as listed in the Official Statement.

3. [Piper Jaffray has offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in **Schedule A** (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as **Schedule B**.

As set forth in the Bond Purchase Agreement, Piper Jaffray has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

For purposes of this certificate the following definitions apply:

“General Rule Maturities” means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

“Hold-the-Offering-Price Maturities” means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

“Holding Period” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Piper Jaffray has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

“Maturity” shall refer to Bonds with the same maturity date, interest rate and credit terms.

“Public” means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a Related Party, as defined below, to an Underwriter.

“Underwriter” means (i) Piper Jaffray, (ii) any person that agrees pursuant to a written contract to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (ii) of this definition to participate in the initial sale of the Bonds to the Public, including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public.

“Related Party” means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

B. Bond Yield.

We have been asked to calculate the arbitrage yield on the Bonds, under Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel has advised us that the yield on the Bonds is to be computed under the economic accrual method using an assumed 30-day month/360-day year, semiannual compounding. We have also been advised by the District that no other transaction (such as an interest rate swap or other hedge) has been entered into by the District in connection with the issuance of the Bonds or is otherwise to be taken into account in the computation of the yield on the Bonds. In calculating the yield on the Bonds, the annual debt service amounts used are equivalent to those amounts that generate the lowest yield for the investor. Based on this methodology, to the best of our understanding of

the computational methodology imposed by the Code, the arbitrage yield on the Bonds is not less than ____%.

C. Weighted Average Maturity.

We have been asked to calculate the weighted average Maturity in the following manner: divide (a) the sum of the products determined by taking the issue price of each maturity of the Bonds times the number of years from the date hereof to the date of such Maturity (treating the mandatory sinking fund redemption of Bonds as a maturity), by (b) the aggregate issue price of the Bonds. Based on this calculation, the weighted average maturity of the Bonds is ____ years.

The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Rutan & Tucker, LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. All terms not defined herein have the meanings ascribed to those terms in the attached Tax Certificate.

Notwithstanding the foregoing, we remind you that we are not accountants or actuaries, nor are we engaged in the practice of law. Accordingly, while we believe the calculations described above to be correct, we do not warrant them to be so, and the Underwriter makes no representations as to the legal sufficiency of the factual matters set forth herein.

The undersigned is authorized to execute this certificate on behalf of Piper Jaffray, and the certifications set forth above are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

Dated: [CLOSING DATE]

PIPER JAFFRAY & CO.

By: _____

Name: _____

Title: _____

MEMORANDUM

TO: Board of Directors

From: Michael L. Flood, General Manager

RE: **Approval of a Resolution instructing the Ventura County Watershed Protection District (VCWPD) to execute the California State Water Project Contract Extension (Amendment #14 to the VCWPD California State Water Project Water Supply Contract) on behalf of Casitas Municipal Water District.**

Date: September 18, 2019

RECOMMENDATION:

The Board of Directors adopt a resolution instructing the Ventura County Watershed Protection District execute the California State Water Project Contract Extension Amendment (Amendment #14 to the VCWPD California State Water Project Water Supply Contract) on behalf of Casitas Municipal Water District.

BACKGROUND:

The Ventura Flood Control Protection District (VCFPD) (now the Ventura County Watershed Protection District (VCWPD)) signed a contract with the State of California Department of Water Resources (DWR) in the early 1960s for the delivery of up to 20,000 Acre-Feet of State Water Project Water Supply (known in the contract as Table A water) annually.

In 1971, Casitas MWD signed an agreement with VCFPD taking over the costs and administrative responsibilities of the VCFPD State Water Contract.

Subsequently, Casitas MWD signed agreements with both Ventura Water (City of Ventura) and the United Water Conservation District assigning 10,000 Acre-Feet of State Water Project Table A to Ventura Water and 5,000 Acre-Feet to United Conservation District.

Casitas MWD remains the administrator of the contract but VCWPD is still the named contractor on the State Water Project contract and thus must execute any amendments to that contract.

In December 2018, the DWR finalized the contract extension amendment (Amendment #14 to the California State Water Project Water Supply Contract) which was subsequently executed by the prime contractor, Metropolitan Water District of Southern California.

The DWR has also filed a validation action with the Superior Court of the State of California in relation to the contract amendment which has been enjoined by several parties both internal and external to the State Water Project.

The Executive Committee reviewed the agreement at the August and September Committee Meetings.

DISCUSSION:

The DWR has been in negotiations for many years with the State Water Project Contractors in regard to an extension of the original State Water Project Water Supply Contract which was set to terminate in 2035.

The looming expiration of the contract created several issues for the operation of the State Water Project with the primary issue being the ability to issue bonds of a term that exceeded to 2035 expiration date.

The contract extension amendment will extend the VCWPD State Water Project Water Supply Contract another 50 years to 2085 thus alleviating issues with short bond financing timelines within the project.

Budgetary impacts to Casitas MWD will be positive in that the costs of short-term bonds within the State Water Project will be avoided and the District will continue to collect its portion of the costs of the State Water Project Water Supply Contract through property tax assessments as it has in the past.

Final disposition of the California State Water Project Contract Extension Amendment will depend on the result of the validation action filed by the DWR which is expected to be concluded within the next five years.

A summary of the latest reconciled costs (2016) of the State Water Project Water Supply Contract along with a DWR Executive Summary of the Contract Extension Amendment are attached.

CASITAS MUNICIPAL WATER DISTRICT

RESOLUTION NO.

RESOLUTION ADOPTING DIRECTION TO THE VENTURA COUNTY WATERSHED PROTECTION DISTRICT (VCWPD) TO EXECUTE THE CALIFORNIA STATE WATER PROJECT CONTRACT EXTENSION AMENDMENT (AMENDMENT #14 TO THE VCWPD CALIFORNIA STATE WATER PROJECT WATER SUPPLY CONTRACT) ON BEHALF OF THE CASITAS MUNICIPAL WATER DISTRICT

WHEREAS, the Casitas Municipal Water District (Casitas), Ventura Water and United Water Conservation District share the water supplies and related costs connected to the California State Water Project Water Supply Contract with the California Department of Water Resources,

WHEREAS, the Board of Directors has received information in regard to the tenets and details of the California State Water Project Contract Extension Amendment (Amendment #14 to the VCWPD California State Water Project Water Supply Contract),

WHEREAS, the Ventura County Watershed Protection District is the currently named contract holder for the California State Water Project Water Supply Contract with the California Department of Water Resources,

NOW, THEREFORE, BE IT RESOLVED that the Casitas Municipal Water District directs the Ventura County Watershed Protection District to execute the California State Water Project Contract Extension Amendment (Amendment #14 to the VCWPD State Water Project Water Supply Contract) on behalf of the Casitas Municipal Water District.

ADOPTED this 25th day of September, 2019.

Pete Kaiser, President
Casitas Municipal Water District

ATTEST:

Brian Brennan, Secretary
Casitas Municipal Water District

Casitas SWP Costs		
From Bulletin 132-17 (February 2019)		
	<u>2016</u>	<u>Casitas Share</u>
Capital Costs of Transportation Facilities	\$ 207,821.00	\$ 51,955.25
Capital Cost Component of the Transportation Charge	\$ 595,844.00	\$ 148,961.00
Minimum OMP&R Component of the Transportation Charge	\$ 1,068,230.00	\$ 267,057.50
Minimum OMP&R Component of the Transportation Charge for Off-Aqueduct Power Facilities	\$ 7,185.00	\$ 1,796.25
Delta Water Charge	\$ 1,430,405.00	\$ 357,601.25
Water System Revenue Bond Surcharge	\$ 215,981.00	\$ 53,995.25
Total	\$ 3,525,466.00	\$ 881,366.50

**State Water Project
Water Supply Contract Extension**

**Executive Summary
Legislative Informational Hearing**

Introduction:

In the 1960's, the Department of Water Resources (DWR) entered into water supply contracts with public water agencies located in northern California, the Bay Area, San Joaquin Valley, Central Coast and Southern California to provide water service to the State Water Project (SWP) Water Contractors in exchange for payments that recover the water supply cost of providing the service. Contract extension involves extending the 29 water supply contracts, which all have the same general provisions, have initial terms of 75 years and have expiration dates that currently range from 2035 to 2042.

Need for Contract Extension:

A significant part of the original capital costs to build the SWP was financed through State General Obligation Bonds (\$1.75 billion), but following this initial period, SWP capital costs have been financed primarily through the issuance of SWP revenue bonds. Today, with only 17 years left until the first contracts expire in 2035, DWR is limited to selling bonds with maturity dates that extend only 17 years rather than the customary practice of selling at least 30-year bonds. This shorter repayment period increases annual repayment costs to the contractors with the potential for significant financial impacts, which impacts will increase as the time passes without a contract extension.

Some SWP facilities are over 50 years old, and there are many needed capital upgrades and repairs. Some anticipated capital projects include reinforcing Perris Dam and Sisk Dam against seismic failure, reconstructing the Thermalito Powerplant in the aftermath of a damaging fire, reconstructing the spillways at Oroville Dam, implementing the Oroville Hydroelectric License Project, obtaining a new license for the SWP's southern hydroelectric plants and completing other repairs to, among other things, the aqueduct, pumping plants and hydroelectric pump-generating equipment. All of these projects could benefit from funding from 30 year or longer bonds.

The Agreement in Principle (AIP):

To begin the contract extension process, DWR and the 29 water contractors held 23 public negotiation sessions over a one year period (May 2013 – June 2014) and arrived at an

agreement in principle for the contract extension. Among other things, the AIP provided for the extension of the expiration dates for all contracts to December 31, 2085 and for other changes to the financial provisions in the contracts. The goal of the AIP was to place the SWP and contractors on a sounder financial footing going forward. In this regard, the AIP provided for, among other things, increasing the financial operating reserves of the SWP and moving to a more comprehensive pay-as-you-go billing methodology to provide a better match between revenues and costs incurred. (Twenty-five contractors have signed the AIP).

Contract Extension Amendment

A model of the contract extension amendment based on the principles in the AIP has now been completed. The primary components of the model amendment are described below.

A. Term

The current Water Supply Contracts each have an initial term of 75 years, but since they were signed at various times, they also have varying initial expiration dates that range from 2035 to 2042. This amendment would set the next expiration date for each extended contract to December 31, 2085.

B. Major Billing Change

In the early years of the Contracts (in the 1960's), the Contractors were billed for costs while the initial facilities were being built and before water was able to be delivered. To address this situation, the original contract billing provisions have provided for amortizing capital costs (other than certain costs financed by revenue bonds) and conservation facility operations costs over a relatively long repayment period ending in the 2035, and all such amortized costs are repaid with interest at the project interest rate, a defined term in the contracts.

The Extension Amendment establishes a date (referred to as the Billing Transition Date (BTD)) and provides for the original contract billing methodology (which includes amortization of costs and the Water System Revenue Bond Surcharge) to continue to apply to all costs incurred prior to the BTD and for a new pay-as-you-go billing methodology to apply to all costs incurred on and after the BTD. The actual BTD will depend on when the contract amendment is able to take effect. This effective date will in turn depend on whether a specified number of Contractors sign the amendment and whether there is any litigation challenging the amendment.

Moving to a pay-as-you-go billing system will result in a better real time match of revenues and expenditures and will ultimately make administration of the billing process less complicated. The Extension Amendment contains a number of items addressing the manner in which the new pay-as-you-go methodology will be implemented and administered.

C. Reserves – General Operating Account

A 1995 Amendment to the Water Supply Contracts, referred to as the Monterey Amendment established the General Operating Account and set a cap that is currently approximately \$32 million. The Extension Amendment would increase the cap to at least \$150 million with a provision to provide for cap adjustments in the future based on a business case analysis presented to the Director. The purpose of the GOA is to provide a fund to be used for (1) cash flow deficiencies relating to water supply activities for which DWR can charge the Contractors and (2) a State Water Resources Development System (SWRDS) emergency for any SWRDS purpose (whether or not the activity is chargeable to the Contractors).

D. SWRDS Reinvestment Account (SRA)

The Extension Amendment creates a new account, the SWRDS Reinvestment Account (SRA), to provide funds to finance all or a portion of the capital costs of individual SWP projects that are chargeable to the Contractors and for which neither general obligation bonds nor revenue bonds are issued. This funding could be used for any SWP capital projects, similar to categories of capital projects that would be financed with revenue bonds, to the extent of funds in the account. After initial funding with available SWP funds, the primary source of replenishment of the account would be from reimbursements with interest. The reimbursement will then be available to provide a source of funds for the SWRDS Support Account (discussed below), for the SRA for additional investment purposes, and for additional deposits to the General Operating Account.

E. SWRDS Support Account (SSA)

The Extension Amendment creates the SWRDS Support Account, the primary purpose of which is to provide a source of funds to pay for non-chargeable expenditures where there are no funds or revenue sources available to pay for such costs. (An example would include funding of the San Joaquin Valley Drainage Program).

F. Facilities to Be Funded by Water System Facility Revenue Bonds

The Extension Amendment would allow DWR to issue SWP water system facility revenue bonds and to charge the contractors for the associated financing costs to: (1) finance repairs, additions, and betterments to most facilities of the SWP without regard to whether the facilities were in existence prior to January 1, 1987, which is the current Contract requirement and (2) finance other capital projects (not already listed in the contract for which water system facility revenue bonds could be sold) when mutually agreed to by DWR and at least 80 percent of the affected Contractors, provided the approving affected Contractors' Table A amounts also exceed 80 percent of all affected Contractors Table A amounts.

G. Flow of Funds

The Extension Amendment adjusts the rate restructuring provision in Article 51, which provides for the reduction of rates on an annual basis after revenues are determined to be available to meet then-current SWP needs and requirements. The projected annual rate reductions of \$40.5 million under the existing contract will be increased to a maximum of \$48 million, but only if available revenues permit such reductions. The Contractors would agree to forgo any additional rate management reductions, including additional rate reductions to make up for past deficiencies. The Article 5.1 rate restructuring provision will expire as of December 31, 2035.

H. Davis-Dolwig Act

The Extension Amendment recognizes DWR's contract administration regarding the development of public recreation as including both capital and O&M costs in accordance with the Davis-Dolwig Act (Water Code Section 11910 et seq.) requirement that the costs of the development of public recreation not be included in the prices, rates, and charges for water and power. In addition, certain language from the Davis-Dolwig Act would be set out in the Contracts.

I. Enhanced Coordination Regarding SWP Finances

The Extension Amendment provides for the establishment of a SWRDS Finance Committee comprised of DWR and Contractor representatives to provide recommendations to the Director concerning financial policies of the SWP and certain other specified matters. The Extension Amendment also provide for DWR's preparation of specific reports regarding SWP finances and provision of those reports to the SWRDS Finance Committee. In addition, during the public negotiations, a charter for the SWRDS Finance Committee was developed.

Environmental Review

DWR has prepared a Draft EIR in accordance with the California Environmental Quality Act to address possible environmental impacts associated with the proposed contract amendments. The Draft EIR, which was released on August 17, 2016, determined that the Extension Amendment would not result in any physical environmental impacts since the Extension Amendment addresses only the financial provisions of the contract. The Extension Amendment does not address any changes to the water management provisions of the contract or the water allocations among the contractors. The final EIR will be completed after the Legislative hearing required by Water Code Section 147.5 takes place and will serve as the basis for DWR and the individual contractors to determine whether to approve the Extension Amendment.

Legislative Informational Hearing

Water Code Section 147.5 requires DWR to make a presentation to the Legislature at an informational hearing at least 60 days prior to final approval of a Water Supply Contract Extension Section 147.5 also requires DWR to present the details of the terms and conditions of the contract and how they serve as a template for the remaining long-term water supply contracts and submit a copy of one long-term contract to the Joint Legislative Budget Committee no less than 30 days prior to the scheduled hearing.

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: BOARD OF DIRECTORS
FROM: MICHAEL FLOOD – GENERAL MANAGER
SUBJECT: REVIEW STAFF RECOMMENDATION TO SET CASITAS MUNICIPAL WATER DISTRICT RESERVE ACCOUNT AMOUNTS FOR THE 2019/2020 FISCAL YEAR
DATE: 09/18/2019

RECOMMENDATION:

Reserves calculated for the 2018 / 2019 fiscal year are as follows:

Restricted:

Capital Facilities - Has been increased from \$2,208,207.82 to \$ 2,398,071.54 a total of \$ 189,863.72.

Flexible Storage – Has been increased from \$ 51,256.00 to \$ 55,728.00 a total of \$ 4,472.00.

Un-Restricted:

Storm Damage - Has been reduced from \$ 3,979,850.00 to \$ 3,864,582.31 a total of \$-115,267.69.

Variation in Water Sales - Has been reduced from \$5,579,850.00 To \$ 3,864,582.31 a total of \$-1,817,386.60.

Alternate Water Supply – Has been increased from \$ 500,000.00 to \$ 1,249,822.50 a total of \$ 749,822.50.

Conservation Penalty – Has been increased from \$ 1,963,281.50 to \$ 2,868,691.50 a total of \$ 905,410.00.

The net change - The net change for Reserves from Fiscal Year End 2017 / 2018 to Fiscal Year End 2018 / 2019 is \$ -83,086.82.

Staff recommends that the Board of Directors sets the District's Fiscal Year 2019/2020 reserve account amounts as listed above.

MEMORANDUM

TO: Board of Directors
From: Michael L. Flood, General Manager
RE: **Renewal of Special Liability Insurance Program**
Date: September 20, 2019

RECOMMENDATION:

It is recommended that the Board of Directors approve the proposal from Alliant Insurance Services, Inc. for the renewal of the Special Liability Insurance (SLIP) for coverage effective 9/29/19 – 9/29/20 in the amount of \$70,697.47.

BACKGROUND:

The District's insurance broker, Alliant Insurance Services has successfully renewed coverage for the SLIP program with Great American E & S Insurance Company effective September 29, 2019. This renewal is \$4,572.31 higher than the cost for coverage last year.

If the District is interested in securing Terrorism Insurance Coverage, the District may elect to do so with the understanding that the District would receive an invoice for an additional 5% of the annual premium for the SLIP coverage.

In order for our liability coverage to be renewed under the SLIP program, payment of the premium must be made by October 15, 2019.



Alliant Insurance Services, Inc.
 Newport Beach – Alliant Insurance Services, Inc.
 1301 Dove St., Ste. 200
 Newport Beach, CA 92660
 Phone: (949) 756-0271

Invoice# 5082	Page 1 of 1
ACCOUNT NUMBER	DATE
CASIMUN-01	9/15/19
BALANCE DUE ON	
10/18/19	
AMOUNT PAID	AMOUNT DUE
	\$70,697.47

SLIP – Special Liability Insurance Program

Casitas Municipal Water District (see attached)
1055 Ventura Ave.
Oak View, CA 93022

Client:		Casitas Municipal Water District		Policy:	Special Liability Insurance (SLIP)	
Policy Number:		TBD		Effective:	9/29/2019 to 9/29/2020	
Invoice #	ICO	Trans Eff	Due Date	Trans	Description	Amount
5082	GREAM5	9/15/19	10/18/19	RENB	19-20 SLIP Renewal Business Premium	\$56,651.00
5082	GREAM5	9/15/19	10/18/19	SURT	Surplus Lines Taxes	\$1,699.53
5082	GREAM5	9/15/19	10/18/19	SURF	Surplus Lines Stamping Fee	\$113.30
5082	GREAM5	9/15/19	10/18/19	AFEE	Agency Fee	\$6,514.87
5082	GREAM5	9/15/19	10/18/19	CFEE	MGA Service Fee	\$5,718.77
Total Invoice Balance:						\$70,697.47

SLIP RENEWAL BUSINESS PREMIUM FOR COVERAGE EFFECTIVE 9/29/19 to 9/29/20

IMPORTANT NOTICE: The Non Admitted & Reinsurance reform act (NRRA) went into effect July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees owed must be promptly remitted to Alliant Insurance Services, Inc.

IMPORTANT NOTICE: The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice. Please contact your tax consultant for your obligations regarding FATCA.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income Alliant may earn on a placement, are available at www.alliant.com. For a copy of our policy or for inquiries regarding compensation issues pertaining to your account contact: Alliant Insurance Services, Inc., Attn: General Counsel, 701 B St., 6th Floor, San Diego, CA 92101

NOTICE:

1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.

2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.

3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.

4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357 OR INTERNET WEB SITE WWW.INSURANCE.CA.GOV. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.

5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF

APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.

8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

Date: _____

Insured: Casitas Municipal Water District
(see attached)

Signature: _____

**INSURANCE SUPPLEMENT**

AGENCY Alliant Insurance Services, Inc.	APPLICANT/NAMED INSURED Casitas Municipal Water District (see attached)	
POLICY NUMBER TBD	CARRIER Great American E&S Insurance Company	NAIC CODE

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

- I hereby elect to purchase terrorism coverage for a prospective premium of \$_____.
- I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

_____	_____	_____
Policyholder/Applicant's Signature	Print Name	Date
_____	_____	_____
Policyholder/Applicant's Signature	Print Name	Date
_____	_____	_____
Policyholder/Applicant's Signature	Print Name	Date

		Effective Date

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CASITAS MUNICIPAL WATER DISTRICT

**RESOLUTION THANKING LIFEGUARD FOR EXEMPLARY ACTIONS TAKEN IN
THE ACTIVE DROWNING EMERGENCY ON AUGUST 15, 2019 AT**

CASITAS WATER ADVENTURE

WHEREAS, the lifeguards at the Casitas Water Adventure devote many hours of diligent labor performing safety supervision and are to be ready for first response to emergency situations that arise both within and throughout the Lake Casitas Recreation Area providing mutual aid; and

WHEREAS, Jesse Mendez responded courageously and without hesitation during the active drowning incident with a woman and 22 month-old female at Casitas Water Adventure on August 15, 2019 at approximately 3 p.m. in the afternoon. He recognized the nature of the emergency, activated the facilities Emergency Action Plan and performed a multiple victim rescue returning both parties to safety; and

WHEREAS, his significant contribution in the event of a life threatening emergency directly contributed to the overall wellbeing of park customers; and

WHEREAS, it is the desire of the Park Staff and Management of Casitas Municipal Water District to publicly recognize his dedication and assistance.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Casitas Municipal Water District that Jesse Mendez is hereby thanked for his dedication and hard work at the Casitas Water Adventure.

ADOPTED this 25th day of September, 2019

Director

Director

Director

Director

Director

General Manager

CASITAS MUNICIPAL WATER DISTRICT

**RESOLUTION THANKING LIFEGUARD FOR EXEMPLARY ACTIONS TAKEN IN
THE ACTIVE DROWNING EMERGENCY ON AUGUST 15, 2019 AT**

CASITAS WATER ADVENTURE

WHEREAS, the lifeguards at the Casitas Water Adventure devote many hours of diligent labor performing safety supervision and are to be ready for first response to emergency situations that arise both within and throughout the Lake Casitas Recreation Area providing mutual aid; and

WHEREAS, Reily Brown responded courageously and without hesitation during the near fatal drowning incident with a 22 month-old female at Casitas Water Adventure on August 15, 2019 at approximately 3 p.m. in the afternoon. He responded to the emergency, assumed care of the 22 month-old female involved in the near fatal drowning, performed a primary assessment and provided emergency rescue breathing; and

WHEREAS, his significant contribution in the event of a life threatening emergency directly contributed to the overall wellbeing of a park customer; and

WHEREAS, it is the desire of the Park Staff and Management of Casitas to publicly recognize his dedication and assistance.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Casitas Municipal Water District that Reily Brown is hereby thanked for his dedication and hard work at the Casitas Water Adventure.

ADOPTED this 25th day of September, 2019

Director

Director

Director

Director

Director

General Manager

CASITAS MUNICIPAL WATER DISTRICT

**RESOLUTION THANKING LIFEGUARD FOR EXEMPLARY ACTIONS TAKEN IN
THE ACTIVE DROWNING EMERGENCY ON AUGUST 15, 2019 AT**

CASITAS WATER ADVENTURE

WHEREAS, the lifeguards at the Casitas Water Adventure devote many hours of diligent labor performing safety supervision and are to be ready for first response to emergency situations that arise both within and throughout the Lake Casitas Recreation Area providing mutual aid; and

WHEREAS, Lily Curtis responded courageously and without hesitation during the near fatal drowning incident with a 22 month-old female at Casitas Water Adventure on August 15, 2019 at approximately 3 p.m. in the afternoon. She responded to the emergency, assumed care of the 22 month-old female involved in the near fatal drowning, and continued to provide emergency rescue breathing until the victim regained consciousness and breathed on her own; and

WHEREAS, her significant contribution in the event of a life threatening emergency directly contributed to the overall wellbeing of a park customer; and

WHEREAS, it is the desire of the Park Staff and Management of Casitas to publicly recognize her dedication and assistance.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Casitas Municipal Water District that Lily Curtis is hereby thanked for her dedication and hard work at the Casitas Water Adventure.

ADOPTED this 25th day of September, 2019

Director

Director

Director

Director

Director

General Manager

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: BOARD OF DIRECTORS

FROM: MICHAEL L. FLOOD, GENERAL MANAGER

SUBJECT: TASK ORDER FOR ENGINEERING SERVICES FOR OJAI WATER SYSTEM TRANSMISSION MAIN OPTIMIZATION STUDY

DATE: 09/25/19

RECOMMENDATION:

Approve and Authorize the General Manager to sign a Task Order for engineering services to Michael K. Nunley & Associates, Inc. (MKN) in the not to exceed amount of \$68,658 for the Ojai Water System Transmission Main Optimization Study.

BACKGROUND AND DISCUSSION:

The District's 2018 Condition Based Assessment and Water Master Plan for the Ojai Water System recommended the replacement and/or rehabilitation of the existing 12-inch main line that was constructed in 1932 based on age, water quality issues, and condition of existing facilities. In December 2018 and February 2019, the 12-inch main pipeline broke causing system outages and water loss.

During the alignment and scoping study of the 12-inch main replacement it was determined several existing facilities and ongoing design of Ojai Water System pipeline replacements are directly affected by the scope of this project. The intent is to look at the Casitas and Ojai Systems as a whole and optimize pipeline sizes and alignments.

MKN is one of the on-call engineering firms currently under contract. At the District's request, MKN submitted a proposal to provide engineering consultant services in the amount not to exceed \$68,658. The scope of services includes project management, review of existing facilities, hydraulic analysis, and development of an optimization study.

BUDGET IMPACT:

Funds in the amount of \$1,400,000 for this project are included in the budget for fiscal year 2019-20.

Attachment: Proposal from MKN

Proposal for Ojai Water System Transmission Main Optimization Study



PREPARED FOR

CASITAS MUNICIPAL WATER DISTRICT

VIRGIL CLARY, PE | PROJECT MANAGER

SUBMITTAL DUE DATE: SEPTEMBER 13, 2019 - 4:00 PM

SUBMITTED BY:





CASITAS MUNICIPAL WATER DISTRICT

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A

COVER LETTER

PROPOSAL FOR OJAI WATER SYSTEM TRANSMISSION MAIN OPTIMIZATION STUDY

September 13, 2019

Virgil Clary, PE
 Project Manager
 Casitas Municipal Water District
 (Submitted Electronically to vclary@casitaswater.com)

Subject: **Proposal For Ojai Water System Transmission Main Optimization Study**

Dear Virgil,

Michael K. Nunley & Associates, Inc. (MKN) is pleased to submit this proposal to develop the Ojai Water System Transmission Main Optimization Study for the Casitas Municipal Water District (District). The capital improvement projects for the Ojai Water System (OWS) have been outlined in the 2018 Ojai Water System Condition Based Assessment & Water Master Plan (2018 WMP). However, the sequencing of projects was not established in the 2018 WMP; there are a number of capital improvements in the evaluation and design phase; and these projects may be interrelated and could possibly be reduced in scope if analyzed together. Additionally, the District would like to address the alternative for converting the Matilija Conduit from the Casitas Water System to the OWS.

Our current involvement on several capital improvement projects for both the Casitas and Ojai systems gives us an in-depth understanding of the systems and how to optimize the District’s capital improvements for the OWS. The project team we have put together is exceptionally qualified to complete the Optimization Study for the Ojai Water System Transmission Main.

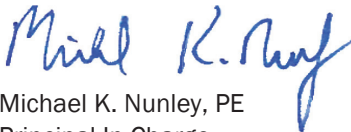
Our proposed project team brings the following advantages:

- ▶ **MKN’s project approach will provide a work product that will optimize the Capital Improvement Program for the Ojai Water System.** Our project approach will involve establishing the status of the recommended 2018 WMP improvements (alternatives review, in design, etc); grouping related projects (based on proximity and needs); recommending sequencing of those projects; review the conversion of the Matilija Conduit into the OWS; and identify system wide impacts based on project consolidation and the Matilija conversion. MKN’s recent system optimization projects include the City of San Luis Obispo Zone Consolidation and Water Age Analysis, Nipomo CSD Supplemental Water Phasing Strategy, and Templeton CSD Value Engineering.
- ▶ **Expertise working in both the Casitas Water System and the Ojai Water System.** Several MKN Staff members have worked on projects in both systems for the District, which brings a unique understanding of the District’s needs and expectations. Mike Nunley, Eileen Shields, Adam Bugielski, Rob Lepore, and Josh Nord have all worked as Project Managers or Technical Leads for past or current District projects in the Casitas and Ojai Water Systems.
- ▶ **Strong experience with InfoWater hydraulic modeling software and model management.** Adam Bugielski and Rob Lepore have decades of hydraulic modeling experience, particularly with the Innovyze programs. Adam currently manages the hydraulic models for both the water and sewer systems for the City of Ventura which utilize the Innovyze products. Adam and Rob spend an average of 30 hours per week utilizing hydraulic models to analyze water systems to optimize existing infrastructure and develop cost effective capital improvement programs for our clients.
- ▶ **MKN’s Ventura office proximity to the District allows us to be responsive and available for meetings or impromptu field visits requested by the District.** Our proximity to the District office allows us to be uniquely responsive should District staff require immediate assistance or need an “over the shoulder” review of hydraulic model results.

We hope this proposal meets your expectations. We look forward to talking with you about how our team can partner with the District to thoroughly and successfully complete the Ojai Water System Transmission Main Optimization Study.



Adam Bugielski, PE
 Project Manager



Michael K. Nunley, PE
 Principal-In-Charge



WATER - WASTEWATER - REUSE

B

PROJECT UNDERSTANDING, SCOPE OF WORK, AND SCHEDULE

PROPOSAL FOR OJAI WATER SYSTEM TRANSMISSION MAIN OPTIMIZATION STUDY

B. PROJECT UNDERSTANDING, SCOPE OF WORK, AND SCHEDULE

PROJECT UNDERSTANDING

The Casitas Municipal Water District (District) acquired the Ojai Water System (OWS) from Golden State Water Company in 2017. The OWS includes four gravity zones and two boosted zones for a total of six pressure zones. In 2018, the District completed the development of the Ojai Water System Condition Based Assessment & Water Master Plan (2018 WMP) to determine necessary system improvements to address existing and future needs of the OWS. The 2018 WMP included a capacity evaluation of existing pumping and storage facilities, the development of an InfoWater hydraulic model to perform fire flow and water age evaluations, and perform condition assessment of OWS assets (including capacity leak detection of selected system water mains). In addition to the 2018 WMP for the OWS, the District has completed the development of an InfoWater hydraulic model and limited capacity evaluation of the Casitas Water System, which serves the City of Ojai, Upper Ojai, Ventura River Valley, Solimar, La Conchita, Rincon, and the City of Ventura.

Based on the recommended improvements from the 2018 WMP, the District is working with several consultants to complete additional studies and design projects for the OWS. MKN understands a District consultant has developed an alternatives study for the Ojai 12-Inch Pipeline Replacement project, which recommends incorporating the Matilija Conduit into the OWS.

The goal of this project is to prepare the Ojai Water System Transmission Main Optimization Study to guide the District in future implementation of the required system improvements as identified in the 2018 WMP. MKN also understands that the District has issued another RFP for the development of the Casitas Water System Master Plan, which will include a full evaluation of the Casitas system. For this study, MKN will identify the Casitas Water System facilities that would be impacted by the conversion of the Matilija Conduit to the OWS and provide guidance for a more detailed evaluation of the Casitas Water System to be completed as part of the future water master plan.

MKN staff are intimately familiar with the hydraulics of the Ojai and Casitas water systems. As identified in the Running Ridge and Signal Booster zone evaluations, a number of issues with the existing OWS model were identified, such as existing and future demand allocations and typical operating elevations of the Arbolada Reservoir being incorrect. We have corrected these issues in the model and will use these corrections to properly evaluate alternatives for this optimization study.

Figure 1 provides an overview of the recommended improvements to address fire flow and other deficiencies identified in the 2018 WMP, studies and design projects underway by MKN, and the Casitas Water System. As described in various OWS studies completed by MKN, recommended improvements within one zone has the potential to significantly influence system operations within other zones and require review of system wide impacts. MKN has completed or is currently working on a number of projects throughout the OWS and Casitas Water System including the following:

- Running Ridge Zone Hydraulic Analysis
- Running Ridge Zone Improvements Project
- Signal Booster Zone Hydraulic Analysis
- Signal Booster Zone Expansion Hydraulic Analysis
- West Ojai Pipeline Replacement Project Plans (including replacement within Cuyuma Road, El Paseo Road, Topa Topa Drive, South San Antonio, Crestview Drive, and Oak Creek)
- Ojai Valley Pumping Plant Performance Evaluation

B. PROJECT UNDERSTANDING, SCOPE OF WORK, AND SCHEDULE

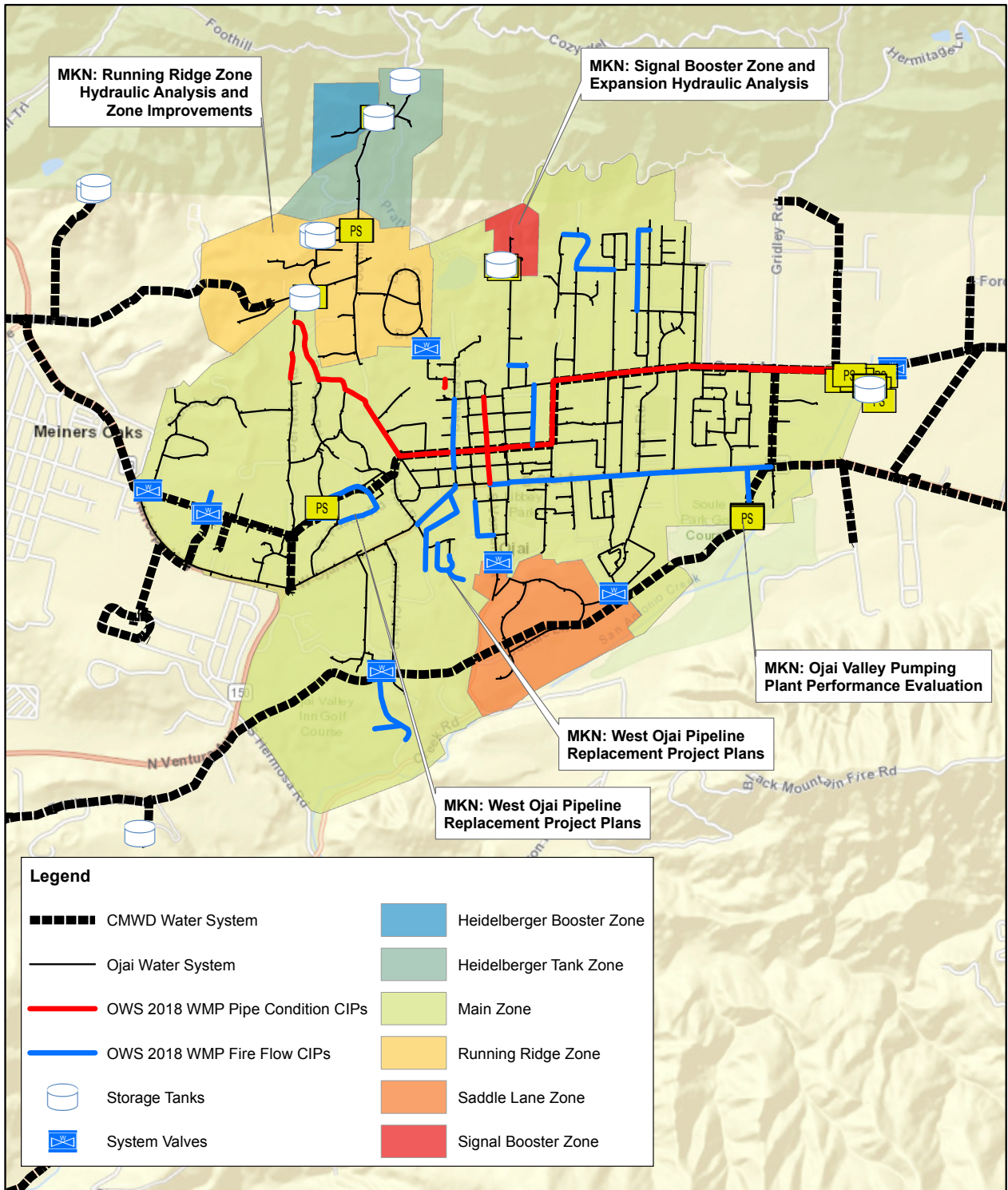


Figure 1:
Casitas and Ojai
Water System Overview



B. PROJECT UNDERSTANDING, SCOPE OF WORK, AND SCHEDULE

APPROACH

To develop the Ojai Water System Transmission Main Optimization Study (Study), MKN’s approach consists of completing the following:

- Update the existing OWS hydraulic model by incorporating changes to the system since the 2018 WMP and findings from other planning studies
- Review the impacts to the Casitas Water System (limited to the Matilija Conduit, Villanova Conduit, Gorham Conduit, Fairview Conduit, Ojai Valley Conduit, and Ojai Valley Pump Station) based on the conversion of the Matilija Conduit to the OWS
- Review the top 3 - 4 preferred alternatives (including use of the Matilija Conduit) from the Ojai 12-Inch Pipeline Replacement study within the OWS hydraulic model and evaluate if those alternatives impact (eliminate/expand) the recommended improvements from the 2018 WMP. The evaluation would analyze the following conditions:
 - Existing demands and system configuration
 - Existing demands and Matilija Conduit conversion
 - Existing demands with recommended fire flow and condition assessment improvements completed
 - Future demands and system configuration
 - Future demands and Matilija Conduit conversion
 - Future demands with recommended fire flow and condition assessment improvements completed
- Develop up to three alternatives for the Ojai 12-Inch Pipeline Replacement project potentially including addition of other OWS CIPs based on the alternatives evaluation
- Prepare the Ojai Water System Transmission Main Optimization Study to guide the District in future implementation of the recommended improvements from the 2018 WMP

Transfer of the Matilija Conduit may limit flow and redundancy to serve the north east portion of the Casitas Water System. In addition, improvements to the Ojai Valley Pump Station, above and beyond the recommendations in Ojai Valley Pumping Plant Performance Evaluation, may be necessary.

SCOPE OF WORK

1 TASK GROUP 1 **Project Management, Quality Assurance/Quality Control, and Meetings**

Task 1.1 | Project Management

MKN’s Project Manager will appropriately assign and manage personnel to accomplish the defined scope tasks within MKN. Although the scope has been broken into Task Groups, MKN recognizes that tasks are rarely independent and thus MKN’s PM will be tasked with assessing, instigating, and adjusting the sequencing of the tasks. MKN’s PM will also manage the deliverables and the budget as well as communicate progress to the District. MKN’s PM will monitor and update the schedule monthly to be submitted with the invoicing and progress reports.

Task 1.2 | Quality Assurance/Quality Control

All project deliverables will be subjected to internal quality control review by personnel who have the appropriate expertise and who were not involved directly in the development of the deliverable. A key first step in the quality control review is a review of **282**

B. PROJECT UNDERSTANDING, SCOPE OF WORK, AND SCHEDULE

the project scope as originally identified and any amendments that have been made to that scope. Then as the quality control review progresses, the Quality Control reviewer has the right target in mind and can identify not only technical issues but also scope elements that have not been fully addressed. MKN’s Quality Management System will be implemented throughout the life of the project.

Task 1.3 | Meetings

Early and regular communication is essential to successful execution of the work. Working with the District, MKN’s PM will develop communications protocols that will be followed by MKN. MKN will keep the District’s team informed regularly but will establish procedures that satisfy the District without overloading District staff. MKN recognizes that the District invested substantial time and resources into defining the SWP Interconnection and MKN is committed to gathering that input and incorporating it into the PDR as appropriate. MKN anticipates the following meetings:

- Kickoff Meeting – 1 total
- Progress Meetings (monthly) – 2 total
- Draft Study Review Meeting – 1 total

MKN will prepare a Data Needs List prior to the kickoff meeting so that the District can gather identified information in advance. MKN will also prepare an agenda for each meeting that will be distributed to the District’s team 3 days in advance to allow for District input. Meeting notes will be prepared within 5 days of each meeting that document discussions and key decisions. Presentations will be prepared that provide an overview of the entire PDR effort and succinctly communicate findings to the District’s Water Committee and Board of Directors.

Deliverables:

- Data Needs List in electronic PDF format
- Meeting agendas in electronic PDF format
- Meeting notes in electronic PDF format
- Monthly invoicing (in either hard copy, electronic PDF format, or both)

Assumptions:

- Meetings will be held at the District’s office unless otherwise agreed

2

TASK GROUP 2

Review and Summarize Existing Planning Efforts

Task 2.1 | Review Existing Planning Documents

The MKN team is intimately familiar with the OWS 2018 WMP with respect to the various system pressure zones; existing system deficiencies; recommended improvements to serve existing and future needs; and proposed integration with the Casitas Water System west of Arbolada Reservoir. In addition to the OWS, MKN will review the alternatives study for the Ojai 12-Inch Pipeline Replacement Alternatives; design concept for the Draft Design of West and East Ojai Avenue Pipeline Project Plans; and the Casitas Water System Hydraulic Model, Model Development, Calibration and Preliminary Capacity Analysis Technical Memorandum. MKN’s team will use the existing planning documents to develop suggested design criteria as it may affect the assumptions and decisions made during development of the draft Study.

As identified in the Running Ridge and Signal Booster zone evaluations, a number of issues with the existing OWS model were identified. We have corrected these issues and will use these corrections to properly evaluate alternatives for this Study.

B. PROJECT UNDERSTANDING, SCOPE OF WORK, AND SCHEDULE

Task 2.2 | Summarize Existing Planning Documents and Develop CIP Tracking Matrix

Based on review of the existing OWS planning documents, MKN will prepare a Technical Memorandum (TM) summarizing the current status of the project designs, full evaluation of the Matilija Conduit, and discuss the design criteria to be used for the Study. In addition, MKN will use the recommended capital improvement projects table (shown below) from the 2018 OWS to develop a CIP Tracking Matrix. This table will be expanded to include deficiency category (fire flow or condition based), status of improvement (planned, additional evaluation required, design, etc), and logical grouping of projects based on geographic proximity and needs to serve the OWS. MKN will use this table to identify potential projects that would be impacted by the conversion of the Matilija Conduit into the OWS and identify the phasing for the recommended improvements. The potential project grouping will also be used to identify which additional OWS CIPs should be incorporated into the Ojai 12-Inch Pipeline Replacement.

3-Year Projects			
Project No.	Recommended Improvement	Project No.	Recommended Improvement
A1	Running Ridge Zone Improvements	A5	Mutual Well #6 Rehabilitation
A2	Mutual Well Field Discharge Pipe	A6	San Antonio Well #4 Rehabilitation
A3	Signal Zone Improvements	A7	Canada Street
A4	Cuyama and El Paseo Road, Topa Topa Drive, San Antonio Street, and Crestview Drive	A8	Sunset Place
10-Year Projects			
Project No.	Recommended Improvement	Project No.	Recommended Improvement
A1	12-inch Cast Iron Transmission Main	A12	Blanch Street and Santa Ana Street
A2	Construct a new well	A13	Fairway Lane
A3	Country Club Drive	A14	Fairview Reservoir Improvements
A4	Heidelberger Pump Station Reconstruction	A15	San Antonio Forebay Improvements
A5	West and East Ojai Ave	A16	Heidelberger Tank Improvements
A6	Lion Street	A17	Tank Seismic Evaluation
A7	Pleasant Avenue and Daly Road	A18	BPS Condition Assessment
A8	Construct a new turnout	A19	Grand Avenue Pipe Optimization
A9	Del Norte Road (below the Fairview Reservoir)	A20	Emily Street
A10	Verano Drive	A21	Ventura Street
A11	Park Avenue		

MKN also understands that the District has issued another RFP for the development of the Casitas Water System Master Plan, which will include a full evaluation of the Casitas system. For this project, MKN will identify the Casitas Water System facilities that would be impacted by the conversion of the Matilija Conduit to the OWS and provide guidance for a more detailed evaluation to be completed as part of the Casitas Water System Master Plan. A full evaluation of the Casitas Water System will not be completed for this study.

The TM will be incorporated into the Study as Background Information. A Draft TM will be submitted for District review and comment. The Final TM will incorporate District comments.

Deliverables:

- OWS Capital Improvement Project Tracking Matrix
- Draft Planning Study TM in electronic PDF format
- Final Planning Study TM in electronic PDF format

B. PROJECT UNDERSTANDING, SCOPE OF WORK, AND SCHEDULE

3

TASK GROUP 3

Develop Optimization Study

Task 3.1 | Develop Draft Optimization Study

MKN will develop a draft Optimization Study that clearly and comprehensively identifies the design criteria, alternatives evaluation, water quality impacts, OWS and Casitas Water system impacts, project costs, and final alternative selection.

The following subtasks define the efforts that will be completed as the draft Optimization Study is prepared.

Task 3.1.1 | Design Criteria Development

Development of design constraints and criteria will be of primary importance and will be developed in a collaborative effort with the District. Based on the existing planning documents and District design standards, MKN will develop the required design criteria to evaluate the Ojai 12-Inch Pipeline Replacement. The design criteria will include the requirements for the hydraulic analysis, service connection conversions, requirements for new pipelines, and/or rehabilitation of existing pipelines.

Task 3.1.2 | System Integration and Water Quality

As identified by the District during the preproposal meeting, it is assumed that the Ojai 12-Inch Pipeline Replacement evaluation will only include conversion of the existing Matilija Conduit into the OWS and will not include integration of the two systems. MKN will review potential water quality impacts based on the pipeline conversion. Integration of the two systems would require significant changes to disinfection requirements and overall system operation.

Task 3.1.3 | Matilija Conduit Legal and Construction Feasibility Support

Based on Addendum No. 1 it is our understanding that the District will research parcels that are currently served by the Casitas Water System (within the Ojai service area) and coordinate conference call(s) with District legal counsel. It is assumed that MKN will participate in these conference call(s) and summarize discussions and findings within the Study.

Task 3.1.4 | Alternative Analysis and Preliminary Cost Estimates

For the alternative analysis, MKN will develop preliminary concepts (including figures) of the three replacement alternatives prior to completing the full analysis. This will allow the District to provide input and direction prior to the evaluation. The analysis will include the following:

- Develop schematics and model scenarios for no more than three (3) proposed alternatives
- Update and use the District's existing Innovyze InfoWater hydraulic model to evaluate the proposed alternatives
- Review and update changes to the proposed pipeline CIPs in the 2018 WMP
- Develop comparison matrix to identify the advantages and disadvantages of each project alternative
- Prepare preliminary construction cost estimates to AACE International Class 3 level

Adam Bugielski's career at Thousand Oaks and Ventura has provided years of experience estimating and bidding local projects. He is supplemented by our Arroyo Grande engineering team's cost estimating expertise.

B. PROJECT UNDERSTANDING, SCOPE OF WORK, AND SCHEDULE

Task 3.1.5 | Develop Draft Optimization Study

MKN will compile and summarize the findings and results of Tasks 3.1.1 through 3.1.4 in a consolidated Optimization Study. The following table presents the proposed outline for the draft based on the outline prepared by the District . MKN will work with the District to expand or contract the proposed outline during development of the TM.

1. Executive Summary
2. Background and Overview
 - 2.1 Ojai Water System Condition Assessment and Master Plan
 - 2.2 Draft Evaluation of Alternatives for Ojai 12-Inch Pipeline Replacement
 - 2.3 Draft Design of West and East Ojai Avenue Pipeline
 - 2.4 Draft Design of West Ojai Pipeline Replacement
 - 2.5 Hydraulic Model
3. Design Criteria
 - 3.1 Hydraulic Analysis for the OWS
 - 3.2 Service Connections
 - 3.3 Pipe
 - 3.4 Project Impacts
4. System Integration
 - 4.1 Operation
 - 4.2 Water Quality
5. Matilija Conduit Legal and Construction Feasibility
6. Alternative Analysis
 - 6.1 Alternative 1
 - 6.2 Alternative 2
 - 6.3 Alternative 3
7. Preliminary Cost Estimates

Task 3.2 | Develop Final Optimization Study

Subsequent to District providing input on the Draft Study, MKN will incorporate and finalize the Study for the District’s use.

Deliverables:

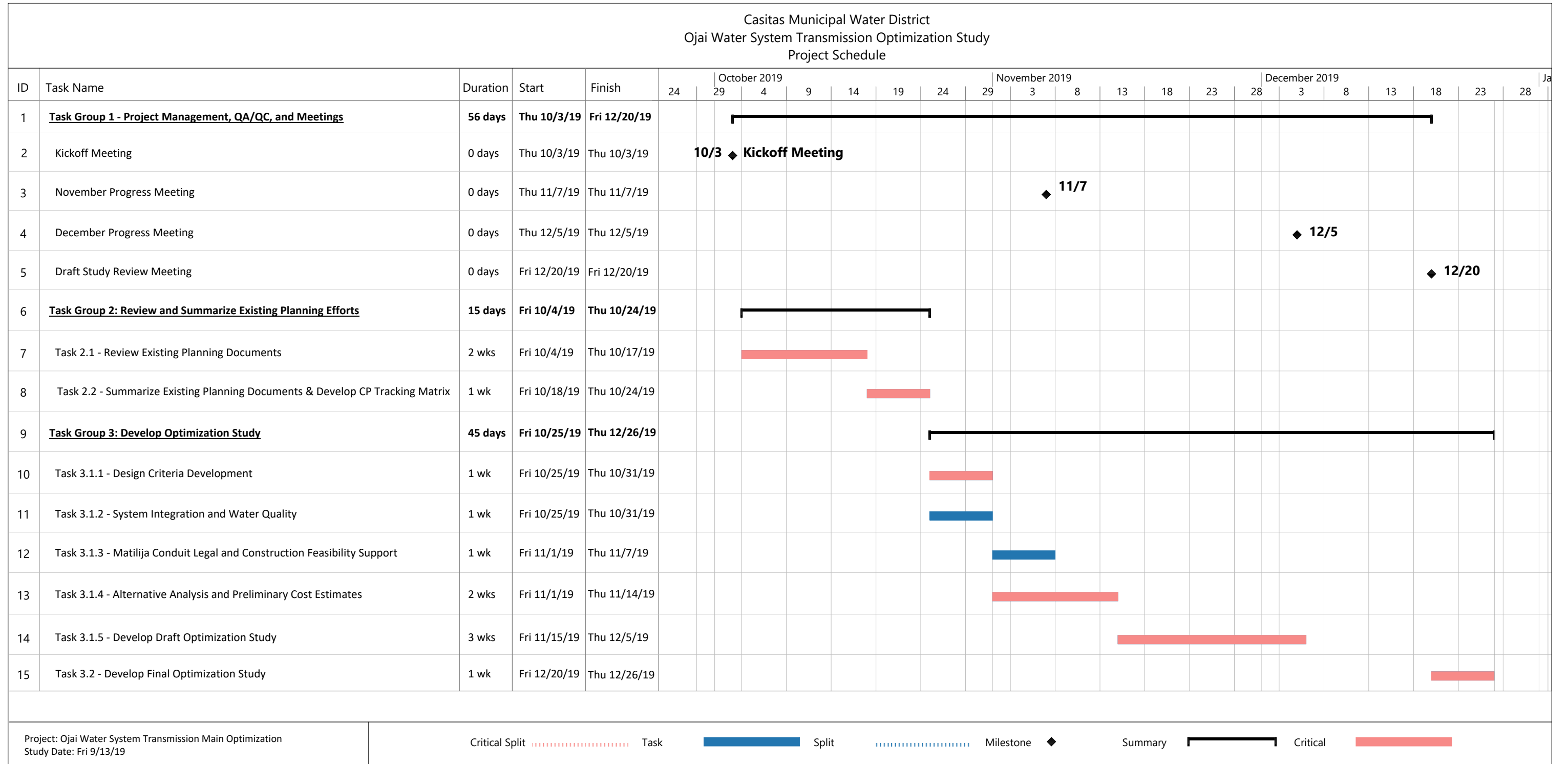
- Draft Optimization Study in electronic searchable and indexed PDF format
- Final Optimization Study in electronic searchable and indexed PDF format

Assumptions:

- The District will review the draft Study within 2 weeks of the submittal
- Consultant, consistent with the professional standard of care, shall be entitled to rely on the accuracy of data and information provided by the Districts without independent review or evaluation

B. PROJECT UNDERSTANDING, SCOPE OF WORK, AND SCHEDULE

MKN has provided the anticipated project schedule associated with the project components described in the previous pages. The schedule assumes District review periods of two weeks for all deliverables.





C

PROJECT TEAM

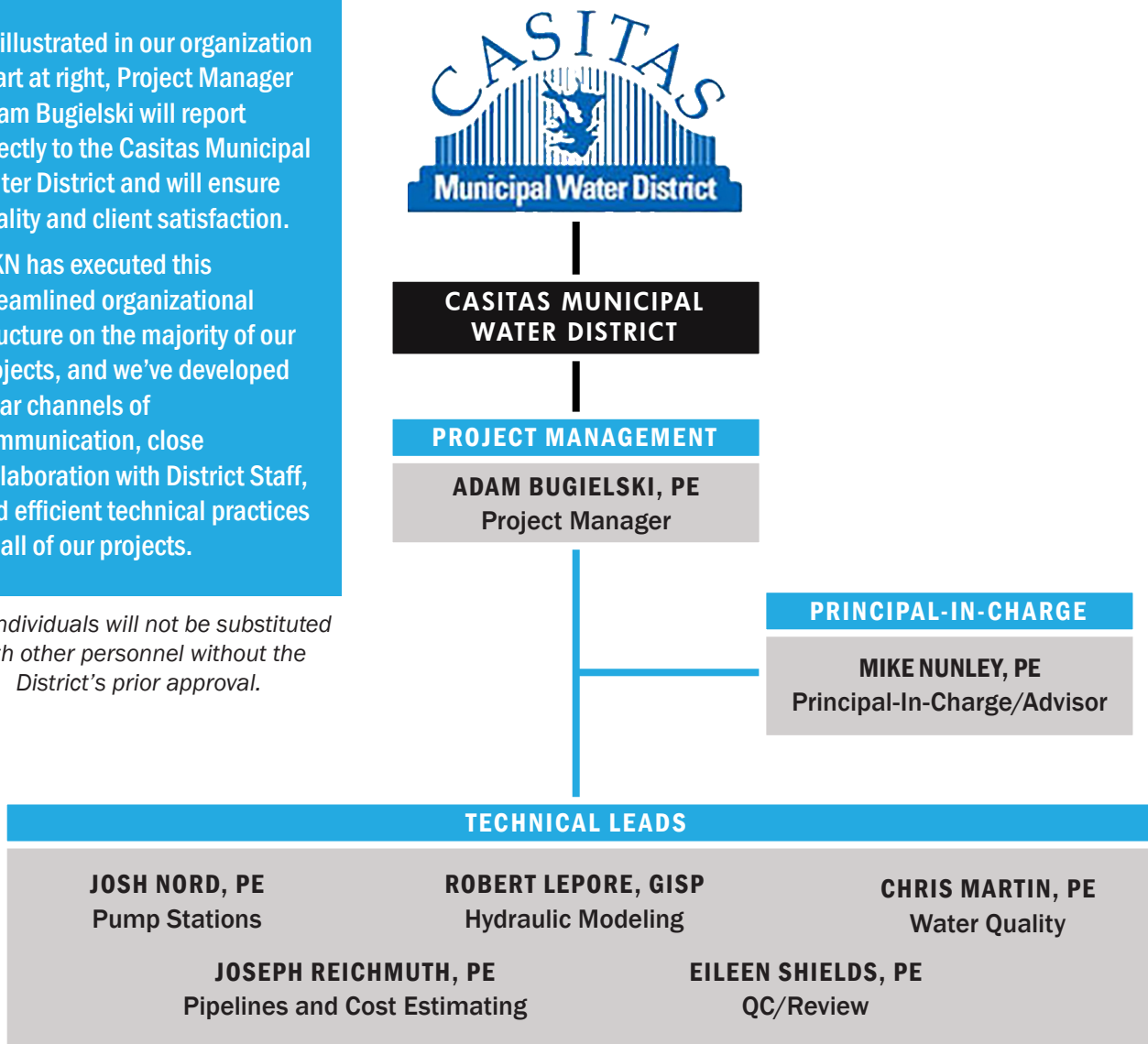
PROPOSAL FOR OJAI WATER SYSTEM TRANSMISSION MAIN OPTIMIZATION STUDY

C. PROJECT TEAM

Organizational Chart

As illustrated in our organization chart at right, Project Manager Adam Bugielski will report directly to the Casitas Municipal Water District and will ensure quality and client satisfaction. MKN has executed this streamlined organizational structure on the majority of our projects, and we've developed clear channels of communication, close collaboration with District Staff, and efficient technical practices on all of our projects.

Key individuals will not be substituted with other personnel without the District's prior approval.



C. PROJECT TEAM



Adam Bugielski, PE - Project Manager - Ventura

Mr. Bugielski is experienced with water and wastewater system design, system hydraulic modeling and management, and large diameter pipeline design. He has a strong understanding of agencies and municipalities needs and has worked closely with many in the region. Mr. Bugielski is also experienced with water and wastewater infrastructure reviews to determine possible deficiencies and identify capital improvement needs.

Education

California State University, Northridge
BS Civil Engineering

Licenses & Registrations

California Professional Engineer - Civil - No. C89065

- Project Engineer. Casitas-Ventura Interconnect Hydraulic Analysis, Ventura, CA
- Project Manager. Water & Wastewater Infrastructure Review, Ventura, CA
- Project Manager. Thrust Restraint, Casitas MWD, Oak View, CA
- Project Manager. Ojai Valley Pumping Plant Performance Analysis, Ventura, CA
- Project Manager. Waterline Interconnect - Midtown to Westside, Ventura, CA
- Project Manager. Waterline Interconnect - Eastside to Midtown, Ventura, CA
- Project Manager. Waterline Replacement Project – Ondulando Area, Phase III, Ventura, CA
- Project Manager. Sewerline Replacement Project – Loma Vista Area, Ventura, CA
- Project Manager. Sewerline Replacement Project – Front Street, Ventura, CA



Mike Nunley, PE - Principal-In-Charge/Advisor - Arroyo Grande

Mr. Nunley is currently MKN's Client Service Manager for Casitas and will serve as the Principal-In-Charge. After over 18 years of serving as project engineer, project manager, branch manager, and ultimately as a senior operations manager and Vice President for a Fortune 500 consulting engineering firm, Michael Nunley started this firm specializing in water, wastewater, and water reuse engineering for public agencies. He brings over 24 years of technical experience and the full resources of MKN, which has grown to four offices, 30 staff members, and has become the preferred water and wastewater engineering firm in the markets we serve.

Education

University of California, Berkeley
MS Civil/Environmental Engineering

Polytechnic Institute & State University Blacksburg, Virginia
BS Civil Engineering

Licenses & Registrations

California Professional Engineer - Civil - No. C61801

- Project Manager. Running Ridge Zone Hydraulic Analysis, Casitas Municipal Water District, Ojai, CA
- Project Manager. Signal Booster Zone Hydraulic Analysis, Casitas Municipal Water District, Ojai, CA
- Project Manager. Supplemental Water Project Phasing Study and Hydraulic Analysis for Future Expansion, Nipomo Community Service District, Nipomo, CA
- Project Manager. Hydraulic Analysis and Value Engineering of Proposed Capital Improvement Projects, Templeton Community Service District, Templeton, CA
- Project Manager. Central Water Treatment Plant Hydraulic Analysis, Atascadero Mutual Water Company, Atascadero, CA
- Project Manager. Signal Booster Zone Tank Rehabilitation and Douglas Street Extension Study, Casitas Municipal Water District, Ojai, CA

C. PROJECT TEAM



Josh Nord, PE - Pump Stations - Bakersfield

Mr. Nord has over 20 years of industry experience including design, analysis, and management of major water supply and water resource projects throughout California and internationally. Throughout his career, Mr. Nord has served as Project Manager for canals, pump stations, pipelines and similar projects for Kern County Water Agency, East Niles CSD, Antelope Valley-East Kern, and others. Mr. Nord previously served as the Assistant Managing Engineer for a Fortune 500 engineering company and currently serves as Operations Manager for MKN in Bakersfield.

Education

California State University,
Fresno
BS Civil Engineering

Licenses & Registrations

California Professional Engineer -
Civil - No. C61789

- Project Manager / Lead Designer. East Niles Pump Station Replacement Preliminary Design Report, East Niles CSD, Bakersfield, CA
- Project Engineer. Water Well 22 Project, East Niles CSD, Bakersfield, CA
- Project Manager / Lead Designer. Kern Citrus Pump Station, East Niles CSD, Bakersfield, CA
- Project Manager / Lead Designer. G.L. Bruno Associates, Freeway Tank Pump Station, Bakersfield, CA
- Project Engineer. Well 21 Arsenic Treatment and Pump Station Phase 2 Project, East Niles CSD, Bakersfield, CA
- Project Engineer. East Kern Water Agency Tehachapi East Afterbay Pump Station, Antelope Valley, CA
- Project Manager and Engineer, McCutchen Lift Station Study, Bakersfield, CA
- Project Manager and Engineer, 24th and Oak Lift Station Feasibility Study, Bakersfield, CA



Rob Lepore, GISP - Hydraulic Modeling - Arroyo Grande

Mr. Lepore is a Water Resources Planner with over 20 years of experience with a focus on infrastructure master planning, hydraulic model development and analysis, and GIS-based modeling and mapping. He is Geographic Information System Professional (GISP) certified by the GIS Certification Institute (GISCI). His project experience includes project planning and engineering for water master plans, infrastructure feasibility studies, and engineering design of public agency infrastructure projects. Most recently, Mr. Lepore developed the hydraulic analysis for the Ojai Signal Booster and Running Ridge Zones. He also completed phasing studies for the Nipomo Supplemental Water Project Phases 2 and 3 to increase State Water Project deliveries from Santa Maria to Nipomo CSD.

Education

Wentworth Institute of Technology,
Boston, Massachusetts
BS Environmental Engineering

Licenses & Registrations

CA-NV AWWA Certified Water Audit Validator
Certified Geographic Information System Professional (GISP)
SWRCB Water Treatment Operator Grade T2
SWRCB Water Distribution Operator Grade D2

- Water Resource Planner. Running Ridge Zone Hydraulic Analysis, Casitas Mutual Water District, Ojai, CA
- Water Resource Planner. Signal Booster Zone Tank Rehabilitation and Zone Expansion, Casitas Mutual Water District, Ojai, CA
- Water Resource Planner. Signal Booster Zone Tank Rehabilitation and Douglas Street Extension Study, Casitas Municipal Water District, Ojai, CA
- Water Resource Planner. Central Water Treatment Plan Hydraulic Evaluation, Atascadero MWC, Atascadero, CA
- Water Resource Planner. Water Master Plan, Grover Beach, CA
- Water Resource Planner. Water System Master Plan Update, Tehachapi, CA
- Water Resource Planner, Water Age Analysis, San Luis Obispo, CA

C. PROJECT TEAM



Chris Martin, PE - Water Quality - Bakersfield

Mr. Martin has 35 years of experience in advanced water treatment processes, such as reverse osmosis, ion exchange, and specialty adsorbents. Relevant to this project, he has designed solutions for water system blending and disinfectant compatibility issues. He is an expert in water quality issues both in the municipal and industrial industries, with over 30 treatment plant designs and dozens of evaluations and feasibility studies. Mr. Martin has presented numerous papers at water industry conferences concerning water quality and treatment topics, and is a recognized expert in these fields.

Education

University of Washington, Seattle
BS Chemical Engineering

Licenses & Registrations

California Professional Engineer -
Chemical - No. CH4597

- Project Engineer. Capistrano Desalter RO Treatment and Chloramination Processes, Capistrano, CA
- Project Engineer. Antelope Valley East Kern Water District New Supply to Edwards Air Force Base, California
- Project Engineer. Santa Paula Water Reclamation Facility Staff Augmentation, Santa Paula, CA
- Project Engineer. Seawater Desalination Plant Emergency Operations Plan, Morro Bay, CA
- Project Engineer. Long Beach Water Department Onsite Chlorine Generation Project, Long Beach, CA
- Project Engineer. Monte Vista Water District Well 33 Nitrate Removal and Disinfection Project, California
- Project Engineer. Chemical Storage and Metering Facilities, Santa Nella, CA
- Lead Engineer. Petronas ANCSI Offshore CEOR Project
- Peer Review. Front Porch Development, Marina Coast Water District, CA



Joseph Reichmuth, PE - Pipelines and Cost Estimating - Arroyo Grande

Mr. Reichmuth is a Senior Engineer with over 8 years of design experience as a project engineer specializing in design of wastewater treatment facilities, lift stations, pipelines, and water facilities and performing construction management services. Mr. Reichmuth also has nearly a decade of experience working in the geotechnical engineering discipline specializing in field engineering and construction observation. This experience enhances his cost estimating skills.

Education

California Polytechnic State University, San Luis Obispo
BS Civil Engineering

Licenses & Registrations

California Professional Engineer -
Civil - No. C63124

- Project Engineer. Highland Waterline Replacement, San Luis Obispo, CA
- Project Engineer. Foothill PRV Vault Design, San Luis Obispo, CA
- Project Engineer. Branch Street Waterline Improvements, Nipomo CSD, Nipomo, CA
- Project Engineer. Water Demand Estimate, Coastal School (Fugro), California
- Project Engineer. Terrace Hill and Washwater Tank Rehabilitations, San Luis Obispo, CA
- Project Engineer. San Simeon Wellfield Evaluation and Rehabilitation, San Simeon Community Services District, CA
- Project Engineer. Hollister Avenue Waterline Replacement, Pismo Beach, CA

C. PROJECT TEAM



Eileen Shields, PE - QC/Review - Arroyo Grande

Ms. Shields is a Principal Engineer with over 13 years of experience with a wide range of water, wastewater, and recycled water projects. As Project Manager for the District’s WWTP Redundancy Project, Ms. Shields brings valuable understanding of the District’s system and future multi-year construction project. Ms. Shields’ various water and wastewater projects include preliminary and detailed design, permitting, hydraulic modeling, civil design & cost estimation. In particular, she has project engineering and management experience for a variety of wastewater treatment projects, including rehabilitation of equipment within existing structures and maintaining treatment service during construction.

Education

California Polytechnic State University, San Luis Obispo
BS Environmental Engineering

Licenses & Registrations

California Professional Engineer - Civil - No. C74757

- Project Engineer. Hydraulic Modeling, Paso Robles, CA
- Assistant Engineer. Water Age Analysis, Atascadero MWC, Atascadero, CA
- Assistant Engineer. Waterline Intertie Preliminary Engineering Memorandum, Water Distribution System, Nipomo CSD, Nipomo, CA
- Program Manager. Branch Street Waterline Improvements, Nipomo CSD, Nipomo, CA
- Project Engineer. Booster Pump Station Study, Greenfield, CA
- Project Manager. West Ojai Pipeline Project, Casitas MWD, Ojai, CA
- Project Manager. CDBG Waterline Replacement, Grover Beach, CA
- Project Manager. Tank Mixers, Nipomo CSD, Nipomo, CA
- Project Engineer. Patriot Park Irrigation Well, Greenfield, CA



D

ADDITIONAL COMMENTS

PROPOSAL FOR OJAI WATER SYSTEM TRANSMISSION MAIN OPTIMIZATION STUDY

D. ADDITIONAL COMMENTS

Master plans typically identify system improvements based on existing demands, future needs, operational deficiencies, and provide the overall framework of a capital improvement program. However, depending on funding availability and review of additional system alternatives (not currently conceived), current project sequencing and priorities could change following the completion of a master plan. As an example, for the OWS several improvement options were identified in the 2018 WMP for the Running Ridge and Signal Booster zones, but were not fully developed until the completion of the detailed hydraulic evaluations completed by MKN.

As described in the various OWS studies completed by MKN, recommended improvements within one zone has the potential to significantly influence system operations within other zones and require review of system wide impacts. Based on our understanding of the improvements from the 2018 WMP; the number of ongoing projects within the OWS; and various consultants working on OWS projects; we propose that the District consider having a single consultant, such as MKN, update, manage, and operate the Ojai and Casitas Water System hydraulic models on behalf of the District.

To implement this approach, MKN could maintain the following scenarios within the existing District InfoWater hydraulic model:

- Existing system from 2018 WMP
- Improvements to address existing system deficiencies
- Improvements to address future system deficiencies
- Current system configuration (new scenario that would include final design of proposed improvements by various consultants/projects as they are completed)

For projects that deviate from the recommendations identified in the 2018 WMP and/or for alternatives proposed by District consultants, MKN would complete the following:

- Identify the requirements of the original project
- Perform a peer review of the proposed alternative proposed by District consultants
- Identify impacts of those alternatives against the above described scenarios
- Prepare a short technical memorandum summarizing the findings and recommendations

This approach would be an ongoing effort for management of the Ojai and Casitas Water system hydraulic models above and beyond the recommendations from the optimization study.



WATER - WASTEWATER - REUSE

E

FEE PROPOSAL

PROPOSAL FOR OJAI WATER SYSTEM TRANSMISSION MAIN OPTIMIZATION STUDY

E. FEE PROPOSAL

Fee proposal has been submitted separately.

F

APPENDIX

ACKNOWLEDGMENT

I, Adam Bugielski acknowledge the receipt of Addendum No. 1 in response to Request for Proposal for Ojai Water System Transmission Main Optimization Study for the Casitas Municipal Water District.

Sincerely,



Adam Bugielski, PE
Project Manager



Adam Bugielski, PE
Project Manager

Education

California State University
Northridge
BS Civil Engineering

Licenses & Registrations

California Professional Engineer
- Civil
No. C89065

Professional Associations

American Society of Civil
Engineers

American Public Works
Association

Mr. Bugielski is a Senior Engineer with water and wastewater system design, system hydraulic modeling and management, and large diameter pipeline design. He has a strong understanding of agencies and municipalities needs and has worked closely with many in the region. Mr. Bugielski is also experienced with water and wastewater infrastructure reviews to determine possible deficiencies and identify capital improvement needs.

Casitas-Ventura Interconnect Hydraulic Analysis | California

This analysis consisted of hydraulically modeling the water system for the City of Ventura utilizing the Innovye Infowater modeling program to evaluate the potential impacts when delivering water to Casitas Municipal Water District. The analysis was conducted at multiple connection points for optimum efficiency and summarized in a memorandum to Casitas MWD on June 26, 2017. Potential sites for booster pump stations to transport water from Ventura to Casitas were also identified.

Water & Wastewater Infrastructure Review | California

These reviews are ongoing and consist of utilizing Innovye Infosewer and Infowater hydraulic modeling programs. The goal of each review is to determine impacts to the water and wastewater systems for the City of Ventura as it relates to new development projects. The water distribution system and wastewater collection system are extensively studied to ensure minimum standards are met and recommend improvements in deficient areas.

Thrust Restraint | California

This project consisted of designing a thrust restraint for a line stop on a 39-inch diameter prestressed concrete cylinder pipe for Casitas Municipal Water District. The restraint was designed to withstand 150,000 pounds of thrust force with no support from the passive soil pressure while a new valve was installed.

Ojai Valley Pumping Plant Performance Analysis | California

This project consists a performance analysis of the four booster pumps at the Ojai Valley Pumping Plant which is owned by Casitas Municipal Water District. This analysis addressed performance issues, maintenance concerns, efficiency of the plant, and resulted in improvement alternatives and construction cost estimates.

Waterline Interconnect - Midtown to Westside | California

The Ondulando Tract in the City of Ventura has 8 to 10 inch diameter asbestos concrete waterlines with lateral saddle connections that frequently fail. This phase replaced 8,200 linear feet of waterline with PVC pipe. Other aspects of this project included replacing 16 fire hydrants and replacing 148 residential service connections. This project was designed in-house.

Waterline Replacement Project – Ondulando Area, Phase III | California

This project consists a performance analysis of the four booster pumps at the Ojai Valley Pumping Plant which is owned by Casitas Municipal Water District. This analysis addressed performance issues, maintenance concerns, efficiency of the plant, and resulted in improvement alternatives and construction cost estimates.

Sewerline Replacement Project – Loma Vista Area | California

This project was designed in-house and consisted of 4,500 linear feet of 12 and 15 inch diameter sewer pipe. This project redirected sewer flow through the City more efficiently by reducing the demand on an existing sewer lift station.

Adam Bugielski, PE Project Manager
RELEVANT EXPERIENCE (CONT.)

Sewerline Replacement Project – Front Street | California

The Sewerline Replacement Project at Front Street consisted of replacing 1,500 linear feet of 6 and 15 inch diameter sewer pipe. The project replaced aging and deficient sewer pipe with new pipe to accommodate peak flows. This project was a Consultant design and reviewed in-house.

Storage Tank Interior Coating Project | California

This project consisted of removing and replacing the interior coating of three potable water storage tanks, installing corrosion control systems, and piping modifications. Specifications for coating and corrosion control were developed by a Consultant and piping modifications were designed in-house. Piping modifications included installing a pressure reducing valve to connect two pressure zones for emergency purposes.

Green Street Project – Hartman Drive | California

The Green Street Project at Hartman Drive was an in-house design project that aimed at capturing storm water and allowing for infiltration to prevent pollutants from entering the storm drain system. The project consisted of replacing 2,600 square feet of damaged sidewalk, constructing 1,300 square feet of bio-retention cells, installing 3,500 square feet of pervious concrete, and finishing with a type-II slurry seal.



Michael Nunley, PE
Principal-In-Charge/
Advisor

Education

University of California, Berkeley
MS Civil and Environmental
Engineering

Polytechnic Institute & State
University Blacksburg, VA
BS Civil Engineering

Licenses & Registrations

California Professional Engineer
- Civil
No. C61801

Professional Associations

- California Water Environment Association
- Water Environment Federation
- American Consulting Engineers Council
- Environment and Water Resources Institute
- American Society of Civil Engineers
- American Public Works Association

Michael Nunley, after over 18 years of serving as project engineer, project manager, branch manager, and ultimately as a senior operations manager and Vice President for a Fortune 500 consulting engineering firm, in 2012 Mike started this firm specializing in water, wastewater, and water reuse engineering for public agencies. His expertise includes management, planning, and design of water, wastewater, recycled water, and drainage facilities in California, Hawaii, Guam, Washington, North Carolina, Virginia, South Carolina, Tennessee, and Georgia.

Running Ridge Zone Hydraulic Analysis, Casitas Mutual Water District | Ojai, CA

Project Manager. The District acquired the Ojai Water System in 2017 from Golden State Water Company. This project focused on a hydraulic evaluation of the Running Ridge Zone to replace two existing storage tanks within the zone that have surpassed their useful life and are located in an area difficult to access for maintenance and replacement. Alternatives evaluated included: a new tank at a different location; upgrades to existing pump stations; new booster station(s); new pressure-regulation station(s); or a combination of these. Project tasks included an updated demand and storage evaluation, hydraulic modeling using the District's Innovyze InfoWater model, refinement of project alternatives, qualitative evaluation of alternatives, and development of opinion of probable construction cost for each alternative.

Signal Booster Zone Tank Rehabilitation and Zone Expansion, Casitas Mutual Water District | Ojai, CA

Project Manager. For this project, MKN developed modified alternatives for the rehabilitation of the existing Signal Tank, replacement of the existing booster pump station, and potential zone expansion (via a new pipeline extension to Douglas Street) to serve a portion of the Main Zone. Project tasks included an updated demand and storage evaluation, hydraulic modeling using the District's Innovyze InfoWater model, refinement of project alternatives, qualitative evaluation of alternatives, and development of opinion of probable construction cost for each alternative.

Signal Booster Zone Hydraulic Analysis, Casitas Mutual Water District | Ojai, CA

Project Manager. The District acquired the Ojai Water System in 2017 from Golden State Water Company. This project focused on a hydraulic evaluation of the Signal Booster Zone to replace an existing storage tank and booster pump station that have surpassed their useful life. Based on the volume of the tank, small demand conditions, and low hydraulic grade of the tank, the District also experiences water quality issues. Alternatives evaluated included: a new tank at the current location; a new tank at a different location; new booster station(s); or a combination of these. Project tasks included an updated demand and storage evaluation, hydraulic modeling using the District's Innovyze InfoWater model, refinement of project alternatives, qualitative evaluation of alternatives, and development of opinion of probable construction cost for each alternative.

Central Water Treatment Plan Hydraulic Evaluation, AMWC | Atascadero, CA

Project Manager. Atascadero Mutual Water Company hired Michael K. Nunley & Associates, Inc. (MKN) to perform a hydraulic analysis for the future central water treatment plant (CWTP) and determine how to best integrate the facility into the existing water distribution system. In addition, AMWC requested MKN analyze and develop design criteria for a proposed pump station to convey water from the Main Zone to the Random Oaks Zone so the entire water distribution system would receive treated water from the CWTP. The Random Oaks Zone is currently supplied by Wells 8A and 13A, which would be put onto standby status.

Hydraulic Analysis and Value Engineering of Proposed Capital Improvement Projects, Templeton CSD | Templeton, CA

Project Manager. The District completed a Water Master Plan in 2013. Since 2013, MKN has performed various modeling studies to determine more cost-effective alternatives to the improvements proposed ii **312**

Mike Nunley, PE Principal-In-Charge/Advisor RELEVANT EXPERIENCE (CONT.)

the Water Master Plan. This work has included coordination with various developers to incorporate their improvements and ensure the system meets fire flow requirements and peak demands if alternative projects are implemented.

Supplemental Water Project Phasing Study and Hydraulic Analysis for Future Expansion, Nipomo CSD | Nipomo, CA

Project Manager. The District is currently implementing Phase III of a project to deliver 3,000 AFY to the Nipomo Mesa from the City of Santa Maria. MKN performed a phasing study which identified over \$7 M in costs which could be eliminated from the original phasing plan. Currently, MKN is evaluating system improvements required to allow importation of another 3,200 AFY of water to the Nipomo Mesa to meet future demands. This work has included distribution system modeling and development of cost opinions, including impacts to water quality since the District recently converted their disinfection system to chloramination.

Water Master Plan and Adaptive Integrated Water Resources Plan | Paso Robles, CA

Program Manager. Development of comprehensive list of capital improvement projects to manage the city's water, wastewater, and reclaimed water through 2026. Program components included a recycled water study update, water master plan, sewer master plan, pretreatment program report, and water source evaluation. Work included evaluation of treatment alternatives to treat Nacimiento water and city groundwater for potable use. Water treatment technologies evaluated included desalination, conventional treatment, and microfiltration. Evaluated opportunities for groundwater recharge, reclamation for irrigation usage, and continuance of current discharge practices.

Chairman of Supplemental Water Alternatives Evaluation Committee, Nipomo CSD | Nipomo, CA

As consultant to the District, manage the evaluation of various supplemental water alternatives by a committee of volunteers from various technical backgrounds and from community at large. Coordinate and facilitate meetings, guide evaluation process, and manage schedule for completion of the evaluation by the volunteers. Alternatives include water from the City of Santa Maria, State Water, seawater, surface water, local groundwater, and recycled wastewater from municipal and industrial users. Provide technical support for cost opinion development, hydraulic analysis, and other components as needed.

2012 Water Distribution Model Update, Nipomo CSD | Nipomo, CA

Performed an update to incorporate system changes since 2007 Master Plan Update; incorporated GIS-based water demand analysis to link individual water meter billing records to nodes; and performed various modeling runs in WaterCAD v8i.

Water Master Plan and Adaptive Integrated Water Resources Plan | Paso Robles, CA

Program Manager. Development of comprehensive list of capital improvement projects to manage the city's water, wastewater, and reclaimed water through 2026. Program components included a recycled water study update, water master plan, sewer master plan, pretreatment program report, and water source evaluation. Work included evaluation of treatment alternatives to treat Nacimiento water and city groundwater for potable use. Water treatment technologies evaluated included desalination, conventional treatment, and microfiltration. Evaluated opportunities for groundwater recharge, reclamation for irrigation usage, and continuance of current discharge practices.

Nacimiento Water Supply Project, Preliminary Engineering Phase | San Luis Obispo County, CA

Project Engineer. Provided engineering support to the County Flood Control and Water Conservation District during development of the environmental impact report, cost opinions, delivery contracts, and formation of the Nacimiento Water Project Commission. The project delivers over 9800 acre-feet per year of water from Nacimiento Reservoir to agencies through San Luis Obispo County, along a 50-mile transmission corridor. Project includes three pumping facilities, three reservoir sites, a multiport lake intake, and pipeline ranging from 12" to 36" in diameter.

Evaluation of Supplemental Water Alternatives, Nipomo CSD | Nipomo, CA

Program Manager. Investigation of a number of potential supplemental water supplies including State Water, Oso Flaco Lake, Nacimiento Water Supply Project, seawater/brackish water desalination, and others; evaluated each with respect to quantity, quality, reliability, environmental impacts, regulatory constraints, and relative cost.



Josh Nord, PE
Pump Stations

Josh Nord, is experienced in water supply and distribution systems specifically pumping station design, water resources, surge analyses, hydraulic transient analysis and water system modeling. Mr. Nord is also experienced in wastewater collection system analysis and design.

Education

California State University Fresno, California

BS Civil Engineering

Licenses & Registrations

California Professional Engineer - Civil
No. C61789

Professional Associations

American Public Works Association (Kern Branch)
Past President
American Society of Civil Engineers

East Niles Pump Station Replacement Preliminary Design Report, East Niles CSD | Bakersfield, CA

Project Manager / Lead Designer. The project includes full replacement of the pumping units (four total - future) that deliver water from the East Niles zone to the College-Fairfax and Country Club zones. The preliminary design accounts for keeping the existing facility in operation while the new facility is constructed and commissioned. This pump station is a key distribution point for the District and has been in service since before 1959.

Water Well 22 Project, East Niles CSD | Bakersfield, CA

Project Engineer. Preparation of construction plans, technical specifications, and contract documents for the project, a 1,200 gpm domestic water well designed to replace the collapsed Well 10.

Kern Citrus Pump Station, East Niles CSD | Bakersfield, CA

Project Manager / Lead Designer. The pump station includes a nominal flow of 5,700 gpm at a Total Dynamic Head of approximately 170 feet provided by four identical 100 hp constant speed can-mounted vertical turbine pumping units, including one standby unit. The pump station replaces a 60-year old facility. The pump station is a key facility in the District's infrastructure that distributes flows from the District's groundwater wells to the higher elevation areas of the District. Facilities at the station include an air chamber for surge control, discharge piping and appurtenances, and connection to the Kern Citrus Tank.

G.L. Bruno Associates, Freeway Tank Pump Station | Bakersfield, CA

Project Manager / Lead Designer. Project will be constructed in East Niles Community Services District to serve the G.L. Bruno medical campus which would be the first point of service in ENCSD's 900 zone. The pump station design includes three present (1 future) nominal 750 gpm 30 hp constant speed vertical turbine can-mounted pumping units. The design also included a hydropneumatic tank for pressure regulation, discharge piping and appurtenances, a block building, and a standby generator.

Well 21 Arsenic Treatment and Pump Station Phase 2 Project, East Niles CSD | Bakersfield, CA

Project Engineer. Work included design of a 2,250 gpm booster pump station (including a pump building and chemical feed appurtenances), a 428,000 gallon bolted steel tank, and ductile iron and steel piping and appurtenances to tie the treatment system from the Phase 1 Project into the reservoir and booster pump station.

East Kern Water Agency Tehachapi East Afterbay Pump Station | Antelope Valley, CA

Project Engineer. Work consisted of the preparation plans, specifications, and estimates for the design of a nominal 4,500 gpm pump station (four vertical turbine units - 3 future) including metering and discharge piping and appurtenances. The facility takes water from the Pool 42 of the California Aqueduct.

Buena Vista Water Storage District, 3-4 Recovery Well Project | California

Project Engineer. Work included preparation of construction plans, technical specifications, and contract documents. The project consists of the construction of four agricultural wells with production rates between 2,000 and 2,900 gpm.

Josh Nord, PE Pump Stations RELEVANT EXPERIENCE (CONT.)

McCutchen Lift Station Study | Bakersfield, CA

Project Manager and Engineer for preparation of a sewer lift station study identifying potential modifications to be made to the existing 20MGD lift station in order to reduce maintenance costs associated with bar screen clogging, scum formation, and pump clogging. The study suggested several minimal cost alternatives to current operations that should significantly reduce effort associated with the target maintenance issues.

District Lift Station | Bakersfield, CA

Project Manager and Engineer for preparation of a sewer lift station study comparing the feasibility of repairing/rehabilitating the existing lift station versus constructing a new parallel lift station. The study analyzed the condition of existing facilities (i.e., liners, air handling equipment, pumps, and piping) as well as operational concerns voiced by the City (i.e., bar screen cleaning methodologies, odor control issues). The study suggested the facility can be more economically repaired/rehabilitated in place pending additional study of the concrete integrity.

24th and Oak Lift Station Feasibility Study | Bakersfield, CA

Project Manager and Engineer in preparation of a sewer lift station study comparing the feasibility of rehabilitating / replacing the existing lift station in place or reconstructing the station across the Kern River. The study included analyzing changes in the incoming sewer flows from changing contributing areas. Space constraints were significant in the repair alternatives. The reconstruct alternatives include the challenge of converting an existing gravity main into a force main.

Kern County Water Agency, Cross Valley Canal Expansion Project | California

Existing Cross Valley Project conveys water from the California Aqueduct to metropolitan Bakersfield through a 17-mile long concrete lined canal with six intermediate low-head pump plants. The expansion project work included designing six parallel pumping plants (500 cfs capacity – 224,000 gpm) as well as a raised liner (1 to 1.5 feet) to accommodate the increase in system capacity from 922 cfs to 1422 cfs. The work included modeling of the canal section using HEC-RAS as well as preliminary modeling of surge events in the canal using Root Canal.

Kern County Water Agency, Northwest Feeder Treated Water Pump Station | Bakersfield, CA

Design Engineer. Pump station includes four 14 cfs (800 hp) variable frequency drive equipped can-mounted pumping units, including one standby unit. Pump station has a design flowrate of 70 cfs at a total dynamic head of 204 feet. Facilities include a 3,200 cubic foot air chamber for surge control as well as a 12-foot diameter partially-buried standpipe for surge control upstream of the pumps.

Kern County Water Agency, North and East Pump Station Project | Bakersfield, CA

Design Engineer. Pump station includes four 600 hp variable frequency drive equipped can-mounted pumping units (3 duty – 1 standby) at the North Pump Station and one 500 hp wet-well mounted unit for the East Pump Station. The Total dynamic head of the two respective systems ranges between of 308 and 445 feet. Facilities include two air chambers (300 and 250 cubic feet respectively), modifications to existing air chambers, and pump station piping reconfiguration. Staging of construction was carefully detailed to minimize impacts to the existing systems.

Kern County Water Agency, Corner Tank Pump Station Expansion Project | Bakersfield, CA

Design Engineer. Predesign efforts included analysis of hydraulic impacts resulting from expanded flows and analysis of potential for hydraulic transients. Design included adding pumps, appurtenances, electrical, and controls to bring the pump station to the design build-out condition. At build-out the pump station includes four 1000-gpm constant speed can-mounted pumping units (3 duty – 1 standby). Design included modifications to the existing air chambers. Staging of construction was carefully detailed to minimize impacts to the existing systems.

Metropolitan Water District of Salt Lake and Sandy, 15000 South Pump Station | Salt Lake City, UT

Project engineer for preparation of system hydraulic calculations and pump selection for the 15000 south pump station bi-directional inline booster pump station.

Nacimiento Water Supply, System Hydraulics and Surge Analysis | Central Coast, CA

Project engineer for preparation of preliminary system hydraulics and surge analyses, as well as preliminary design of surge control facilities.



Robert Lepore, GISP
Hydraulic Modeling

Education

Wentworth Institute of Technology, Boston, MA
BS Environmental Engineering

Licenses & Registrations

Certified Geographic Information System Professional (GISP)
CA-NV AWWA Certified Water Audit Validator
State Water Resources Control Board Water Treatment Operator Grade T2
State Water Resources Control Board Water Distribution Operator Grade D2

Professional Associations

San Luis Obispo Regional GIS Collaborative (SLORGC)
GIS Certification Institute (GISCI) Applicant Review Committee
San Luis Obispo GIS User Group

Mr. Lepore is a Water Resource Planner with a focus on infrastructure master planning, hydraulic model development and analysis, and implementation of Geographic Information Systems (GIS) for public agencies. He is Geographic Information System Professional (GISP) certified by the GIS Certification Institute. Mr. Lepore has worked for a public utility, GIS consulting firm and multiple engineering firms during his 17 year career. His project experience includes project planning and engineering for water distribution, wastewater collection and wastewater treatment systems.

Running Ridge Zone Hydraulic Analysis, Casitas MWD | Ojai, CA

Water Resource Planner. The District acquired the Ojai Water System in 2017 from Golden State Water Company. This project focused on a hydraulic evaluation of the Running Ridge Zone to replace two existing storage tanks within the zone that have surpassed their useful life and are located in an area difficult to access for maintenance and replacement. Alternatives evaluated included: a new tank at a different location; upgrades to existing pump stations; new booster station(s); new pressure-regulation station(s); or a combination of these. Project tasks included an updated demand and storage evaluation, hydraulic modeling using the District’s InnoVize InfoWater model, refinement of project alternatives, qualitative evaluation of alternatives, and development of opinion of probable construction cost for each alternative.

Signal Booster Zone Tank Rehabilitation and Zone Expansion, Casitas MWD | Ojai, CA

Water Resource Planner. For this project, MKN developed modified alternatives for the rehabilitation of the existing Signal Tank, replacement of the existing booster pump station, and potential zone expansion (via a new pipeline extension to Douglas Street) to serve a portion of the Main Zone. Project tasks included an updated demand and storage evaluation, hydraulic modeling using the District’s InnoVize InfoWater model, refinement of project alternatives, qualitative evaluation of alternatives, and development of opinion of probable construction cost for each alternative.

Signal Booster Zone Hydraulic Analysis, Casitas MWD | Ojai, CA

Water Resource Planner. The District acquired the Ojai Water System in 2017 from Golden State Water Company. This project focused on a hydraulic evaluation of the Signal Booster Zone to replace an existing storage tank and booster pump station that have surpassed their useful life. Based on the volume of the tank, small demand conditions, and low hydraulic grade of the tank, the District also experiences water quality issues. Alternatives evaluated included: a new tank at the current location; a new tank at a different location; new booster station(s); or a combination of these. Project tasks included an updated demand and storage evaluation, hydraulic modeling using the District’s InnoVize InfoWater model, refinement of project alternatives, qualitative evaluation of alternatives, and development of opinion of probable construction cost for each alternative.

Supplemental Water Project Phasing Study and Hydraulic Analysis for Future Expansion, Nipomo CSD | Nipomo, CA

Water Resource Planner. The District is currently implementing Phase III of a project to deliver 3,000 AFY to the Nipomo Mesa from the City of Santa Maria. MKN performed a phasing study which identified over \$7 M in costs which could be eliminated from the original phasing plan. Currently, MKN is evaluating system improvements required to allow importation of another 3,200 AFY of water to the Nipomo Mesa to meet future demands. This work has included distribution system modeling and development of cost opinions, including impacts to water quality since the District recently converted their disinfection system to chloramination.

Robert Lepore, GISP Hydraulic Modeling RELEVANT EXPERIENCE (CONT.)

Central Water Treatment Plan Hydraulic Evaluation, Atascadero MWC | Atascadero, CA

Water Resource Planner. Atascadero Mutual Water Company hired Michael K. Nunley & Associates, Inc. (MKN) to perform a hydraulic analysis for the future central water treatment plant (CWTP) and determine how to best integrate the facility into the existing water distribution system. In addition, AMWC requested MKN analyze and develop design criteria for a proposed pump station to convey water from the Main Zone to the Random Oaks Zone so the entire water distribution system would receive treated water from the CWTP. The Random Oaks Zone is currently supplied by Wells 8A and 13A, which would be put onto standby status.

Water Master Plan | Grover Beach, CA

Water Resource Planner. Project consisted of a condition assessment and capacity evaluation of the City of Grover Beach water distribution system. Specific responsibilities included evaluation of existing water production, storage, and distribution facilities; creation of a GIS-based hydraulic water model, preparation of GIS-based system atlas, review of water quality requirements and goals; development of potential future requirements and evaluation of equipment alternatives; identification of deficiencies under existing and future conditions; development of Capital Improvements Program (CIP) and cost opinions for existing and future improvements.

Water System Master Plan Update | Tehachapi, CA

Water Resource Planner. Project consisted of a condition assessment and capacity evaluation of the City of Tehachapi water distribution system. Specific responsibilities included evaluation of existing water production, storage, and distribution facilities; creation of a GIS-based hydraulic water model, preparation of GIS-based system atlas, review of water quality requirements and goals; development of potential future requirements and evaluation of equipment alternatives; identification of deficiencies under existing and future conditions; development of Capital Improvements Program (CIP) and cost opinions for existing and future improvements.

Water Master Plan, Valley Children's Hospital | Madera, CA

Water Resource Planner. Completed a master plan of the on-site water distribution system to serve the planned expansion of the hospital, including the near-term expansion that will occur on the recently acquired parcels totaling 43 acres. Future development consists of an additional 760,638 square feet of hospital building area in addition to the existing 827,512 square feet. Tasks consisted of evaluation of existing water storage and distribution facilities; creation of a GIS-based hydraulic water model, identification of deficiencies under existing and future conditions; development of Capital Improvements Program (CIP) and cost opinions for existing and future improvements.

Water Master Plan | Guadalupe, CA

Project consisted of a condition assessment and capacity evaluation of the City of Guadalupe water distribution system. Specific responsibilities included evaluation of existing water production, storage, and distribution facilities; creation of a GIS-based hydraulic water model, preparation of GIS-based system atlas, review of water quality requirements and goals; development of potential future requirements and evaluation of equipment alternatives; identification of deficiencies under existing and future conditions; development of Capital Improvements Program (CIP) and cost opinions for existing and future improvements.

Water Age Analysis | San Luis Obispo, CA

Project Planner. Based on concerns with existing water quality issues and phasing of the recommended capital improvements from the 2015 Potable Water Distribution System Operations Master Plan (2015 WMP), the City requested that MKN prepare a baseline city-wide water age analysis to aid in the selection of the preferred Reservoir No. 2 replacement alternative, and to identify potential water quality impacts to the distribution system. The water age analysis simulates how long water has been in the system and is more of a general water quality indicator than a measurement of any specific constituent. MKN updated the City's WaterCAD hydraulic model and created several additional scenarios in the model for the Extended Period Simulation (EPS) water age analysis. This project included development of diurnal curves based on land use, review and selection of tank mixing models, coordination with City staff for detailed pump, PRV and storage tank operations, and output of water age results to ArcGIS for viewing system impacts.



Christopher Martin, PE
Water Quality

Education
University of Washington Seattle, Washington
BS Chemical Engineering

Licenses & Registrations
California Professional Engineer - Chemical
No. CH4597

Professional Associations
American Water Works Association

American Membrane Technology Association

Chris Martin has 35 years of experience in advanced water treatment processes, such as reverse osmosis, ion exchange, and specialty adsorbents. He is an expert in water quality issues both in the municipal and industrial industries, with over 30 treatment plant designs and dozens of evaluations and feasibility studies. Mr. Martin has presented numerous papers at water industry conferences concerning water quality and treatment topics, and is a recognized expert in these fields.

Capistrano Desalter RO Treatment and Chloramination Processes | Capistrano, CA
Project Engineer. Design of treatment process and chemical systems, including reverse osmosis process, iron and manganese removal, storage systems, and chlorine and ammonia feed equipment for chloramination. The work included evaluating chemical addition to minimize impact of the new water supply on old pipes to minimize corrosion and red water problems.

East Kern Water District New Supply to Edwards Air Force Base | Antelope Valley, CA
Provided evaluation of chemical and physical treatment methods to minimize the impact of bringing California Aqueduct treated water in to the Base's existing distribution system. With the new chemistry and reversal of flow direction, red water and corrosion issues were anticipated. Developed a chemical treatment and flushing program to minimize the impact of the new water.

Santa Paula Water Reclamation Facility Staff Augmentation | Santa Paula, CA
Provided oversight and review of contract operator for the Santa Paula WRF, including preparation of capital budgets, review of expenditures and preventative maintenance programs, and staff activities.

Seawater Desalination Plant Emergency Operations Plan | Morro Bay, CA
Project Engineer. Evaluated water quality from 5 existing wells and developed methods of treating high iron concentrations to enable operation of the Morro Bay Water Treatment Plant RO system. The project included developing process and instrumentation diagrams to capture plant modifications that have been performed over the 24 years since the plant was developed, as well as designing plant retrofits and improvements to allow for emergency operation in the future.

Long Beach Water Department Onsite Chlorine Generation Project | Long Beach, CA
Performed a feasibility evaluation for onsite chlorine gas generation for the Long Beach Water Department's Groundwater Treatment plant.

Monte Vista Water District Well 33 Nitrate Removal and Disinfection Project | California
Project engineer for nitrate removal project. Facilities included ion exchange treatment for nitrate removal and softening, blending to allow delivery of selectable nitrate concentration to two different water systems, salt storage and brine facilities, and chemical feed systems including chlorine and ammonia feeds for chloramination.

Chemical Storage and Metering Facilities | Santa Nella, CA
Project engineer responsible for development of chemical storage and metering facilities for a 20 MGD membrane filtration treatment plant for municipal water supply.

Santa Margarita Water District Chloramination Facilities for Upper Chiquita Reservoir | California
Design engineer for chlorine and ammonia feed systems and UV disinfection system for the Upper Chiquita Reservoir project.

Chris Martin, PE Water Quality RELEVANT EXPERIENCE (CONT.)

Petronas ANGS Offshore CEOR Project

Served as lead engineer for development of a 1060 m³/d (6.7 MGD) membrane filtration, reverse osmosis, and vacuum tower deaeration system to be installed offshore in the South China Sea. The project included Chemical Enhanced Oil Recovery (CEOR) chemical storage and mixing systems requiring addition of over 250 tons per day of soda ash and other chemicals in an offshore environment. After review of the logistics, Petronas repeated the project development process in an onshore environment, requiring development of methods to coordinate and control delivery of the CEOR injection water through a 170 km pipeline to the offshore field.

Waterflooding Study Offshore Angola

Project manager for study of facilities requirements for 600,000 bpd (25 MGD) offshore waterflood. Processes studied included membrane filtration, nanofiltration, reverse osmosis, and deaeration technologies as well as subsea pumping and treatment. The objective of the study was to determine weight and footprint impacts of various processes to enable design of the floating production and storage vessel.

Front Porch Development | California

Provided peer review of evaluation of the Marina Coast Water District seawater desalter to determine cost and feasibility of returning the desalter to service after 10-year shutdown.

Poseidon Resources

Provided concept-level design for 50 MGD seawater desalination system to be located in Carlsbad, CA. Design included significantly constrained site. Design was used to support proposal to MWDSC to obtain subsidy.

Metropolitan Water District of Orange County

Technical leader for concept level design of 50 MGD seawater desalination plant to be located near Dana Point. Design was used to support proposal to MWDSC to obtain subsidy. Provided process design for the 1.15 MGD Cambria, California seawater reverse osmosis treatment plant.

Town of Hull, MA

Prepared feasibility report for regional seawater desalination plant for Cape Cod. Provided process design for small seawater RO treatment plant for private client in Puget Sound.

Southern Nevada Water Authority

Provided process and cost evaluation for feasibility of 80 MGD RO desalting plant, a concept intended to intercept saline subsurface flows that add significant salinity to the Colorado River upstream of Hoover Dam.

Irvine Ranch Water District

Peer review of RO process design for IRWD's CATS – a high-recovery secondary treatment system increasing the overall water recovery to over 95%.

Marin Municipal Water District | Marin, CA

Designed and operated seawater RO pilot plant and delivered a report.

Sarasota County, FL

Designed, constructed, and operated ion exchange and reverse osmosis treatment pilot systems for development of the T. Mabry Carlton Treatment Plant. The County ultimately selected electro dialysis reversal, constructing the largest EDR system in the world at that time.



Joseph Reichmuth, PE
Pipelines and Cost Estimating

Education

California Polytechnic State University San Luis Obispo, California

BS Civil Engineering

Licenses & Registrations

California Professional Engineer - Civil
No. C63124

Professional Associations

American Society of Civil Engineers

NASSCO Certification Inspector Training and Certification Program
- Manhole Rehabilitation
- Cured In Place Pipe

Mr. Reichmuth is a Senior Engineer with over eight years of design experience as a project engineer specializing in wastewater treatment facilities, lift stations, pipelines, and water facilities and performing construction management services. Mr. Reichmuth also has nearly a decade of experience working in the geotechnical engineering discipline specializing in field engineering and construction observation.

Highland Waterline Replacement | San Luis Obispo, CA

Project Engineer. Performed preliminary design services for replacement of 165 feet the City's 24-inch water transmission line located within Highland Drive. This section of transmission main travels under a creek culvert system and railroad bridge. Due to the site constraints mentioned this section of pipe was not included in a 1995 project that replaced remaining portions of the transmission main. MKN analyzed four potential replacement alignments and has identified the alternative that minimizes construction complexities and provides the City with access for future maintenance activities. MKN is currently working on development of construction documents for the replacement project.

Foothill PRV Vault Design | San Luis Obispo, CA

Project Engineer. Performed design and production of construction documents to replace and relocate a 16 inch pressure reducing valve. An 8 inch low flow bypass was incorporated into the design to improve system performance.

Branch Street Waterline Improvements, Nipomo CSD | Nipomo, CA

Project Engineer. Project consists of abandoning an aged 6-inch waterline and installation of approximately 400 linear feet of new 8 inch waterline, reconnecting water services and installation of a new fire hydrant. MKN developed project alternatives, provided recommendations to the District, produced plans and specifications for public bid and an opinion of construction cost.

Water Demand Estimate - Coastal School (Fugro) | California

Project Engineer. An analysis was performed to estimate the water demand for the proposed Coastal Christian School to assist Fugro West, Inc. in their study to evaluate the impacts of the school's usage of the on-site well and its relationship to the local aquifer. The analysis evaluated constructed in phases over a ten year period. Water demands were considered for school facilities and landscaping.

Terrace Hill and Washwater Tank Rehabilitations | San Luis Obispo, CA

Project Engineer. The City retained MKN to develop construction documents for recoating and repair of two steel water storage tanks. Additionally, MKN developed seismic improvements of the Terrace Hill Tank, revisions to the inlet/outlet piping, and passive mixing systems to address water age and improve turnover of the tank. The seismic improvements included construction documents for a new ringwall footing and anchorage, as well as installation of flexible connections. Based on the anticipated cost of the necessary repairs, MKN assisted the City in evaluating alternatives for abandoning the Terrace Hill Tank. Ultimately, MKN designed a new 16-inch waterline and PRV connection to allow for removal of the tank while maintaining service to the Terrace Hill Zone.

San Simeon Wellfield Evaluation and Rehabilitation | San Simeon Community Services District, CA

Project Engineer. Provided construction management and construction observation for two new wellhead facilities including pumps, process piping, electrical, and SCADA.

Hollister Avenue Waterline Replacement | Pismo Beach, CA

Project Engineer. Responsibilities included the preparation of plans, details, specifications, and opinion.

Joseph Reichmuth, PE Pipelines and Cost Estimating RELEVANT EXPERIENCE (CONT.)

of cost for the construction of 350-lf of 8-inch PVC distribution main. Project also involved reconnecting laterals, fire hydrants, and new meters.

Nipomo Waterline Intertie Project, Nipomo CSD | Nipomo, CA

Project Engineer. Responsible for coordination and management of subconsultants (HDD, Environmental/Permits, Geotechnical, and property acquisition). Responsibilities also included the preparation of plans, details, specifications, and opinions of cost for construction.

DJ Farms Housing Development Observation Services | Guadalupe, CA

Performed construction observation services for the City of Guadalupe. Field checked water and sewer system improvements for conformance to the City's specifications and approved development plans. Provided the City with recommendations regarding compliance of completed work with approved development plans and/or City standards. Prepared daily field reports and other documentation.

Observation Services, Nipomo CSD | Nipomo, CA

Performed observation services for NCSO. Field checked water system improvements for conformance to the District's specifications and approved development plans. Provided the District with recommendations regarding compliance of completed work with approved development plans and/or District standards. Prepared daily field reports and other documentation.

Tognazzini Well Intertie Pipeline | Nipomo, CA

Performed construction management for new 8 inch PVC transmission pipeline to convey well water to City distribution system.

Well No. 11 | Arroyo Grande, CA

Construction Observer. Performed construction management services for the City during construction of a new well treatment facility within the City. Services included field observations, submittal and RFI management, coordination of material testing services and review of contractor pay requests. Provided the City with recommendations regarding compliance of completed work with approved City standards. Prepared daily field reports and other documentation.

Water Treatment Plant Pipe Gallery Improvements | San Luis Obispo, CA

Project Engineer. Performed preliminary design services for replacement of 30-inch steel pipe at the City's Water Treatment Plant. A recent pipe inspection identified a portion of a piping that connects the treatment plant to the City's storage and distribution system in need of immediate repair due to severe corrosion. MKN provided the City with technical memorandum outlining potential new piping configurations and methods of rehabilitating the existing pipe. Based on this memorandum the MKN is currently working on development of construction documents for installation of a new pipe to both replace the severely corroded section for existing pipe and to provide the City more flexibility in operation for the treatment system.

Heights Waterline Upgrade | Pismo Beach, CA

Project Engineer. Responsible for design of main water lines to consolidate pressure zones in the area. Design included the preparation of plans, details, specifications, and opinions of cost for the construction of over 3000-lf of 12-inch PVC and 650-lf of 8-inch PVC distribution main. Project also involved connection to a new booster station, replacing a pressure reducing station, reconnecting laterals, fire hydrants, and new meters.

Tognazzini Well Intertie Pipeline | Guadalupe, CA

Project Engineer. Designed new 8 inch PVC transmission pipeline to convey well water to City distribution system. Also provided construction phase service for the City.



Eileen Shields, PE

QC/Review

Education

California Polytechnic State University San Luis Obispo, California

BS Environmental Engineering

Licenses & Registrations

California Professional Engineer - Civil
No. C74757

Professional Associations

American Society of Civil Engineers
Engineers Without Borders, USA

Eileen Shields joined MKN in 2013, after seven years with other firms practicing water and wastewater engineering. Her experience includes a wide range of water, wastewater, and recycled water projects. From master planning to design of conveyance and treatment facilities and construction phase services, Ms. Shield’s experience allows her to effectively develop projects from concept through construction. Ms. Shields’ various water, wastewater, and recycled water projects include alternatives evaluation, preliminary and detailed design, permitting, hydraulic modeling, site civil design, and cost estimation; pipeline design; bid and construction assistance, including development and administration of prequalification of contractors; planning and design of water supply and conveyance alternatives; wastewater treatment and collection system conceptual planning, process evaluating and wastewater treatment plant design.

Hydraulic Modeling | Paso Robles, CA

Project Engineer. Performed hydraulic modeling analyses to assess water system impacts related to various increased demands and system improvements, including evaluation of fire flow availability and impacts to system pressures, provided summary of results, recommendations for improvements, and opinion of construction costs.

Water Age Analysis | Atascadero Mutual Water Company, CA

Assistant Engineer. Performed Extended Period Hydraulic Modeling of distribution system to predict water age at each of 6 tanks for compliance with Department of Public Health Stage 2 Disinfection Byproducts Rule System Specific Study.

Waterline Intertie Preliminary Engineering Memorandum, Water Distribution System, Nipomo CSD | Nipomo, CA

Assistant Engineer. Performed Hydraulic Modeling to predict impact of increased flows, developed alternatives for system improvements, and evaluated phasing of improvements to increase capacity of the system. Prepared technical memorandum to summarize analyses and results, presented conclusions and provided recommendations and opinion of construction costs.

Branch Street Waterline Improvements, Nipomo CSD | Nipomo, CA

(ongoing) Project Manager. Project consists of abandoning an aged 6-inch waterline and installation of approximately 2,100 linear feet of new 8-inch waterline, reconnecting water services and installation of a new fire hydrant. MKN developed project alternatives, provided recommendations to the District, produced plans and specifications for public bid and an opinion of construction cost. The project will replace aging infrastructure and improved water delivery within the District’s system by adding connections between (looping) major water mains.

Booster Pump Station Study | Greenfield, CA

Project Engineer. Study consists of general review of booster pump station settings and distribution system pressure relief and surge control. Recommendations were provided for operational adjustments. Study was driven by significant number of water pipeline breaks.

West Ojai Pipeline Project, Casitas MWD | Ojai, CA

(ongoing) Project Manager. Project includes preparation of preliminary and final design for approximately 5,600 linear feet of waterline replacement from small-diameter, aged, cast iron pipeline to 8-inch diameter PVC pipeline. The project will improve reliability and increase

Eileen Shields, PE QC/Review
RELEVANT EXPERIENCE (CONT.)

available fire flow. Improvements include abandonment of a section of pipeline in an easement and relocation to public right-of-way, necessitating relocation of several residential water services. Existing fire hydrants and water services will be reconnected, and new fire hydrants will be installed. The design will consider tight residential streets, some with congested utilities; traffic and construction considerations working along-side two schools; and mitigation measures associated with potential impacts to existing oak trees.

CDBG Waterline Replacement | Grover Beach, CA

Project Manager (ongoing). Project includes replacement of approximately 2,400 linear feet of 2-inch cast iron waterline with 8-inch PVC pipeline within residential neighborhoods. These waterlines are undersized and the City has reported leaks and documented signs of pipeline corrosion. The project is funded through a Community Development Block Grant (CDBG) and includes replacement of valves, addition of fire hydrants, and reconnection of water services. MKN developed a conceptual plan set to review the proposed waterline alignments and water main connection locations with the City. Subsequent deliverables include development of plans, specifications, and an opinion of cost for public bidding.

Tank Mixers, Nipomo CSD | Nipomo, CA

Project Manager. Project included preliminary engineering and design for the addition of automatic tank mixers to four 0.5- to 1-million-gallon potable water storage tanks at two different tank sites. Mixing was implemented to reduce water age and short-circuiting. Piping and conduit were specified to install a chemical dosing system with each mixer. Alternative chlorine analyzers were evaluated and recommendations provided. The design included siting, piping, and electrical and controls conduit and wiring to allow for future installation of chlorine analyzers.

Patriot Park Irrigation Well | Greenfield, CA

Project Engineer. Project design engineer for a new irrigation well to provide water for Patriot Park and adjacent soccer fields. Project includes preliminary design for a 470 gpm, 350-foot deep water well.

Supplemental Water Project (Waterline Intertie Project), Design and Bid Phase, Nipomo CSD | Nipomo, CA

Project Engineer & Project Manager. Ms. Shields assisted with the design of transmission facilities to deliver supplemental water from the City of Santa Maria water system to the Nipomo CSD water system. The design consists of over 5 miles of waterline, chloramination facilities, PRV stations, a 3,000 linear foot horizontal directional drill river crossing, several jack-and-bore crossings, a 0.5 million gallon reservoir, and a 2,000 gpm pump station. Responsibilities included compilation of technical reports summarizing design considerations, hydraulic modeling, analysis, and recommendations for design, compilation of relevant technical specifications and assistance with pipeline and vault layouts. Responsibilities transitioned to development of plans and specifications for public bid; development of prequalification package and assessment of contractor's prequalification submittals; and project management for completion of design and bid documents. Additional analyses included value engineering and recommendations for a phased project.

Utility Review, Environmental Impact Report, General Plan Update | Lompoc, CA

Assistant Engineer. Reviewed capacity of City's water, wastewater, and stormwater systems and assessed potential impacts from various land use scenarios.

Atascadero Mutual Water Company Hydraulic Modeling | California

Assistant Engineer. Performed Hydraulic Modeling of distribution system to predict water system impacts of increased flow rates.

Nitrification Monitoring and Control Plan, Nipomo CSD | Nipomo, CA

Project Engineer. Assisted with preparation of Chloramination Operations/Nitrification Monitoring and Control Plan (Plan) and Water Supply Permit Amendment to address changes in operations resulting from implementation of the Supplemental Water Project ("Project"). The Project will allow NCSD to transport supplemental water from the City of Santa Maria (City) and deliver it to the Nipomo Mesa. The Project includes a chloramination booster facility at the pump station to boost disinfectant in the water from Santa Maria and conversion of NCSD's disinfection system to monochloramine. The Plan also provides the District with standard procedures for operations and monitoring of a chloraminated water system.



Office Locations

ARROYO GRANDE

530 Paulding Circle, Suite B
Arroyo Grande, California 93420
(805) 904-6530

FRESNO

8405 N. Fresno St., Suite 120
Fresno, California 93720
(559) 500-4750

BAKERSFIELD

1800 21st Street, Suite C
Bakersfield, California, 93301
(661) 873-4262

VENTURA

56 E. Main Street, Suite 103
Ventura, California, 93001
(805) 904-6530

Ojai Water System Transmission Main Optimization Study

	Project Director	Principal Engineer	Senior Project Engineer	Water Resources Planner	Assistant Engineer II	Administrative Assistant	Total Hours (MKN)	Subtotal Labor (MKN)	ODCs (MKN)	Total Cost
Task Group 1: Project Management, QA/QC, and Meetings										
Task 1.1 – Project Management			8	8		2	18	\$2,656	\$ 80	\$ 2,736
Task 1.2 – Quality Assurance / Quality Control	4	20	16	8			48	\$8,436	\$ 253	\$ 8,689
Task 1.3 – Meetings	4		8	8			20	\$3,336	\$ 500	\$ 3,836
Subtotal	8	20	32	24	0	2	86	\$14,428	\$ 833	\$ 15,261
Task Group 2: Review and Summarize Existing Planning Efforts										
Task 2.1 - Review Existing Planning Documents			16	30	20		66	\$9,660	\$ 290	\$ 9,950
Task 2.2 - Summarize Existing Planning Documents & Develop CIP Tracking Matrix			8	20	20		48	\$6,840	\$ 205	\$ 7,045
Subtotal	0	0	24	50	40	0	114	\$16,500	\$ 495	\$ 16,995
Task Group 3: Develop Optimization Study										
Task 3.1 - Develop Draft Optimization Study										
Task 3.1.1 - Design Criteria Development			4	16	8		28	\$4,012	\$ 120	\$ 4,132
Task 3.1.2 - System Integration and Water Quality		8	8	20			36	\$5,720	\$ 172	\$ 5,892
Task 3.1.3 - Matilija Conduit Legal and Construction Feasibility Support		4	4	16			24	\$3,712	\$ 111	\$ 3,823
Task 3.1.4 - Alternative Analysis and Preliminary Cost Estimates			8	30	30		68	\$9,560	\$ 287	\$ 9,847
Task 3.1.5 - Develop Draft Optimization Study	2		4	16	40		62	\$8,572	\$ 257	\$ 8,829
Task 3.2 - Develop Final Optimization Study	1		2	8	16		27	\$3,766	\$ 113	\$ 3,879
Subtotal	3	12	30	106	94	0	245	\$35,342	\$ 1,060	\$ 36,402
TOTAL BUDGET	11	32	86	180	134	2	445	\$66,270	\$ 2,388	\$ 68,658

Billing Rates	\$/hr
Project Director	200
Principal Engineer	185
Senior Project Engineer	175
Water Resources Planner	142
Assistant Engineer II	130
Administrative Assistant	60



Mileage to be reimbursed at IRS rate of \$0.58/mile

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: BOARD OF DIRECTORS

FROM: MICHAEL L. FLOOD, GENERAL MANAGER

SUBJECT: TASK ORDER FOR ENGINEERING SERVICES FOR CASITAS DAM DRAINAGE IMPROVEMENTS

DATE: 09/25/19

RECOMMENDATION:

Approve and Authorize the General Manager to sign a Task Order for engineering services to Water Works Engineers (WWE) in the not to exceed amount of \$89,243 for the Casitas Dam Drainage Improvements.

BACKGROUND AND DISCUSSION:

The District manages the Casitas Dam and its facilities. There is a 3-foot diameter storm culvert to convey water from the west side of the dam access road to the east side to allow water and sediment to be collected and removed from the dam site without damage to facilities. Additionally, a dam stability berm was constructed to reinforce the dam structure. Drainage issues have occurred to both of these structures.

In February 2019 a storm caused runoff issues across the road due to the insufficiently-sized culvert. The sedimentation basin surrounding the culvert filled and plugged the culvert which caused water and debris to spill onto the Casitas Dam access road and run downhill toward the Rincon Pump Plant and Treatment Facility. This required a major cleanup effort by District staff and contractor assistance. Improvements are needed for the storm drainage at the Casitas Dam access road.

Past storms have also eroded away the east drainage ditch of the dam stability berm which requires replacement with an engineered erosion control system.

WWE is one of the on-call engineering firms currently under contract. At the District's request, WWE submitted a proposal to provide engineering consultant services in the amount not to exceed \$89,243. The scope of services includes project management, survey, geotechnical investigation, preliminary engineering, and final plans and specifications.

BUDGET IMPACT:

Funds in the amount of \$100,000 for this project are included in the budget for fiscal year 2019-20.

Attachment: Proposal from WWE

TASK ORDER NO. 1
September 19, 2019

Water Works Engineers and Casitas Municipal Water District

Casitas Dam Drainage Improvements

This Task Order is issued by Casitas Municipal Water District (herein referred to as CLIENT) and accepted by Water Works Engineers (herein referred to as ENGINEER) pursuant to the mutual promises, covenants and conditions contained in the most current Engineering Services Agreement between Casitas Municipal Water District and Water Works Engineers.

PROJECT DESCRIPTION

The project specifics are as follows:

Location	1890 Casitas Vista Rd, Ventura CA 93001
Facility Name	Casitas Dam Drainage Facilities
Facility Type	Stormwater/Erosion Control
Facility Capacity	TBD
Existing Facility or Site Description	<ul style="list-style-type: none"> • <u>Casitas Vista Rd. Storm Drain Facility</u> <ul style="list-style-type: none"> ○ Existing 3-ft diameter storm drain under road has a 4-ft vertical drop inlet protected by a 5-ft tall wire screen on uphill side of Casitas Vista Rd. Storm drain discharges on downhill side of road. New 8-ft tall berm constructed upstream of drain inlet • <u>Dam Stability Berm – East Drainage Ditch Rehabilitation</u> <ul style="list-style-type: none"> ○ The existing 3-in rounded rock berm has been eroded with material washing downhill
General Project Objectives	<ul style="list-style-type: none"> • <u>Casitas Vista Rd. Storm Drain Facility</u> <ul style="list-style-type: none"> ○ Convey storm runoff from catchment area through existing modified or new conveyance facilities beneath the dam access road ○ Retain debris/tree/mud upstream of the road/storm drain inlet for easy maintenance and to prevent blocking of road to dam • <u>Dam Stability Berm – East Drainage Ditch Rehabilitation</u> <ul style="list-style-type: none"> ○ Stabilize the existing drainage berm and key-in new fill

This design generally consists of the following components designed to achieve the general project objectives:

1	Project Management
2	Preliminary Engineering
3	Final Design and Contract Documents – (80% and 100% Design Submittals)

ASSUMPTIONS

The following assumptions have been made in the development of this scope and fee. Additional Task Orders would be required in order to perform any of the work which is not listed in this scope or has been specifically identified as out of scope in the assumptions below:

1. Environmental Permitting (CEQA) assumptions:
 - a. No permitting required.
2. Special Use and Building Permitting assumptions:
 - a. No permitting services included in scope. CLIENT will coordinate, submit permit applications, and fees with USBR (and other local jurisdictional agencies), as required
3. Geotechnical Engineering assumptions (from ENGINEER’s subconsultant, BAJADA):
 - a. By contacting USA regarding utility locations on-site, BAJADA will have performed the standard of care and due diligence required to avoid encountering buried utilities during exploration. If mislocated or unlocated utilities are encountered during exploration, BAJADA cannot be held responsible for the adverse effects caused by encountering those utilities;
 - b. Access onto the dam area will be secured by OWNER for BAJADA’s tasks; and
 - c. Maps showing locations of existing buried utilities (if available) will be provided to BAJADA prior to marking exploration locations for the project.
4. Surveying and potholing assumptions:
 - a. No permanent benchmark tied into monument(s) will be provided.
 - b. No boundary survey or legal descriptions
 - c. No potholing is required.
5. CCTV Pipe Inspection (Optional Subtask) assumptions:
 - a. The following exclusions apply (any qualifications to exclusions are in parenthesis):
 - i. Bypass pumping and operating pump stations
 - ii. Environmental/ erosion control/ SWPPP
 - iii. Permits, licenses and performance bonds
 - iv. Excavation of any kind
 - v. Access- (Owner shall provide adequate access)
 - vi. Additional mobilizations- (proposal is based upon 1 instance of mobilization for the above services)
 - vii. Mechanical Cleaning or Cleaning beyond normal conditions- (Any cleaning services are for 2 to 3 passes with a jetter only)
 - viii. Major Traffic Control
 - ix. Removal of Protruding Laterals
 - x. Water (Owner shall supply onsite water)
6. Project Bid Packaging assumptions:
 - a. Each work area (36-inch SD Pipeline Area and Dam Stability Berm – East Drainage Ditch Area) improvements will be constructed by one Contractor as one single combined project.

SCOPE

The following services will be provided by ENGINEER for the detailed design of the Casitas Dam Drainage Improvements. This Task Order has been split into subtasks as follows:

Subtask	Title
1	Project Management
2	Preliminary Engineering
3.1	Final Design – 80% Design Submittal
3.2	Final Design – Bid Document Submittal

Subtask 1 – Project Management

Under this subtask, ENGINEER will monitor and track the project budget and schedule to ensure that all deadlines are met and that the project budget is not exceeded. ENGINEER will coordinate with the project team to address items such as project schedule, project budget, and current issues of concern. ENGINEER will also monitor progress and coordinate the activities being performed by all sub-consultants associated with the project and submit monthly progress reports to the CLIENT. The following will be performed under this subtask:

- 1) Project Kick-off Meeting (to be conducted at CLIENT Office and Project Site)
 - a) ENGINEER introductions to CLIENT staff
 - b) Familiarize ENGINEER with all project facilities
 - c) Reaffirm proposed Scope of Work
 - i) Agree on Project Objectives
 - ii) Agree on Project Components
 - d) Reaffirm ENGINEER’s plans for implementing the work
 - e) Reaffirm Project Schedule
 - f) Communication Protocol
 - g) Identify Next Steps
 - h) Gather Data
- 2) Project Communication and Control
 - a) Coordination of all project team activities
 - b) Communication of project progress and issues to CLIENT staff
 - c) Project schedule maintenance and control of project tasks to keep project schedule on track
 - d) Cost tracking of all engineering activities and active cost control of fees.
- 3) Quality Assurance/Quality Control
 - a) Plan and implement Quality Assurance/ Quality Control Policy with the entire project team
 - b) Ensure QA/QC procedures are being followed at each step in the design process

Meetings	<ul style="list-style-type: none"> • Project Kick-off Meeting (District Office followed by Site Visit)
Deliverables	<ul style="list-style-type: none"> • Monthly Progress Reports (by email)

Subtask 2 – Preliminary Engineering

Subtask 2.1 – 36-Inch Storm Drain Video Inspection (Optional)

ENGINEER’s CCTV subconsultant, ProPipe Professional Services (ProPipe), will provide the following services to assist in the inspection of the 36-inch storm drain piping to assess the condition of the existing piping and investigate the potential for a partial blockage of the pipe:

- 1) CCTV inspection of 36-inch storm drain piping port-to-port per NASSCO specifications
- 2) Mechanical cleaning (2-3 passes with a jetter), as needed. CLIENT to provide water source, as needed.

Meetings	<ul style="list-style-type: none"> • None
Deliverables	<ul style="list-style-type: none"> • CCTV Inspection DVD/Report (2 copies)

Subtask 2.2 – Surveying

ENGINEER’s survey subconsultant, WM Survey, will provide the following services at Casitas Vista Rd. Storm Drain Facility location (~20,000-SF) and Dam Stability Berm – East Drainage Ditch Rehabilitation location (~15,000-SF):

- 1) Ground survey of each site in order to provide relative location and elevation data as required for the design and installation of the facilities planned in the Preliminary Engineering Report.
- 2) Design Level Mapping – combine the 3D scan and ground survey
- 3) Survey will be tied into local temporary benchmark established on each site for the Project

Meetings	<ul style="list-style-type: none"> • None
Deliverables	<ul style="list-style-type: none"> • Site Survey CADD Files

Subtask 2.3 – Preliminary Engineering Report

ENGINEER shall produce a Preliminary Engineering Report which includes, at a minimum, the following information:

- 1) Introduction/Background
- 2) Problem Description
 - a) Existing Facility Descriptions and Assessment
 - b) Stormwater Design Flows
 - c) Project Objectives
- 3) Alternative Solutions
 - a) Casitas Vista Rd. Storm Drain Facility:
 - i) Project Alternative 1
 - ii) Project Alternative 2
 - b) Dam Stability Berm – East Drainage Ditch Rehabilitation Design:
 - i) Project Alternative 1
 - ii) Project Alternative 2
 - c) Comparison and Selection of Preferred Alternative
- 4) Recommended Project Description
 - i) Casitas Vista Rd. Storm Drain Facility
 - (1) Description
 - (2) 30% Preliminary Design Drawings/Figures
 - ii) Dam Stability Berm – East Drainage Ditch Rehabilitation
 - (1) Description
 - (2) 30% Preliminary Design Drawings/Figures
- 5) Preliminary Cost Estimate
 - a) Casitas Vista Rd. Storm Drain Facility
 - b) Dam Stability Berm – East Drainage Ditch Rehabilitation
- 6) Appendices
 - a) 36-inch CCTV Pipe Inspection Report (Optional)
 - b) Hydraulic Calculations
 - c) Geotechnical Report
 - d) 30% Probable Construction Cost Estimate

Meetings	<ul style="list-style-type: none"> • Preliminary Engineering Report Review Meeting
Deliverables	<ul style="list-style-type: none"> • Draft Preliminary Engineering Report (.pdf) • Final Preliminary Engineering Report (3 Hardcopies and Elec.; .pdf)

Subtask 2.4 – Geotechnical Investigation

ENGINEER’s geotechnical subconsultant, BAJADA, will provide the following services:

Task 2.4.1 – Pre-Exploration

Prior to subsurface exploration, BAJADA will mark proposed exploration locations and contact Underground Service Alert (USA) to assist in identifying potential buried utility conflicts. BAJADA will also prepare an exploration workplan that the USBR will require prior to initiation of exploration.

Task 2.4.2 – Subsurface Exploration

BAJADA proposes to advance 4 to 5 test pits along the area of erosion at the toe of the stabilization fill to evaluate the depths to competent soils and to allow sampling of those soils. BAJADA anticipates that the test pits will be excavated at intervals of about 150- to 200-feet along the area of erosion. In addition, since a backhoe will be already be mobilized to the site, we will excavate a test pit within the catch basin along Casitas Vista Road to observe and log soils and to obtain soil samples that can be used for testing, if necessary. It is anticipated that test pits will be excavated to depths of up to 5- to 6-feet. Bulk soil samples will be obtained from selected depth intervals within each test pit.

BAJADA personnel will log the soils and rocks exposed in the explorations, and will obtain samples for visual examination, classification, and laboratory testing. Logging of soils will be performed using the Unified Soil Classification System (USCS). We will estimate exploration locations using a compass and tape measure from known geographic control points along the alignment and by the use of a handheld GPS receiver. All test pits will be backfilled to the ground surface with excavated soils and wheel rolled with the backhoe.

Task 2.4.3 – Laboratory Testing

Soil samples obtained during Task 2.4.2 will be delivered to BAJADA’s laboratory for testing. It is anticipated that the following laboratory tests will be performed during the course of this study:

ANTICIPATED LABORATORY TESTING SCHEDULE		
Test	Standard Test Method	Number of Tests
Atterberg Limits	ASTM D4318	4
Grain-Size Distribution	ASTM D422	4
Max.Dry Density/Opt. Moist. Content	ASTM D1557	2
Soil Chemistry (for corrosion)	AASHTO T290/291	2

The actual types and numbers of tests that will be performed will be determined after the field exploration has been performed.

Task 2.4.4 – Geotechnical Analysis

Upon completion of the above-noted tasks, BAJADA will perform geotechnical evaluations for the project. Those evaluations will include the following for each site:

Repair of Erosion at Stabilization Fill

- Subsurface soil and rock profiles;
- Alternatives for improvements to reduce future erosion, including the following alternatives:
 - Armoring with geotextile fabric and gravels/cobbles;
 - Use of shotcrete or gunite;
 - Soil modifications using stabilizers, cement, or lime treatment; and
- Geotechnical constructability issues.

Task Order 1

Water Works Engineers and
Casitas Municipal Water District

Reconstruction of Catch Basin and Culvert

- Subsurface soil and rock profiles; and
- Lateral active and passive earth pressures and general constructability issues.

Task 2.4.5 – Geotechnical Reporting

Results of the field investigation, laboratory tests, and engineering analyses will be summarized and concluded in a technical memorandum. That technical memorandum will contain, at a minimum, the following:

- A description of the proposed study and purpose for the study;
- A description of select, existing, available data collected, reviewed, and utilized during this study;
- A description of the site surface and subsurface conditions encountered at the time of our field investigation;
- Recommendations for design and construction of erosion-reduction improvement alternatives;
- For reconstructing the debris basin, recommendations related to geotechnical aspects of:
 - Potential reuse of on-site soils as select backfill materials;
 - Pipe and trench zone backfill and compaction;
 - Active and passive earth pressures;
 - Coefficients of friction for soil materials;
 - Temporary cut slope inclinations; and,
 - Temporary excavations and shoring.
- An appendix presenting a summary of the field investigation including exploration logs denoting sampling intervals and laboratory test results; and
- An appendix presenting the results of our laboratory testing.

Meetings	<ul style="list-style-type: none"> • None
Deliverables	<ul style="list-style-type: none"> • Geotechnical Report (.pdf)

Subtask 3 – Final Design and Contract Documents

ENGINEER will prepare the necessary contract documents (construction plans, typical details, specifications, and cost estimates) for the project, based on the design criteria and recommendations included in the Preliminary Engineering Report. The preparation of contract documents will be completed in two submittals: 80% and Final (100%) Bid Documents. Prior to each submittal, the work product will be reviewed through ENGINEER’s QA/QC process and, upon submittal to the CLIENT, will have been reviewed and revised in accordance with the QA/QC plan. Submittal of the 80% review documents will occur at a Project Review Workshop with the entire project team. The contents of the submittal will be presented to CLIENT to familiarize the group with the information being submitted and the design thought process behind the work. Following the Project Review Workshop, the CLIENT will have a 2-week review period to provide any additional comments which were not brought forward in the Project Review Workshop.

The design will include the following facilities (assumed for proposal purpose; improvements may vary depending upon the outcome of the preliminary design analysis and recommendation):

1	<p>Casitas Vista Rd. Storm Drain Facility, including:</p> <ul style="list-style-type: none"> • Replacement of existing 36-inch storm drain pipe with 48-inch pipe (~250-LF) • New 48-inch pipe inlet riser/debris guard • Debris Settling Area (~5,000-SF) including ramp access for maintenance equipment
2	<p>Dam Stability Berm – East Drainage Ditch Rehabilitation (~15,000-SF):</p> <ul style="list-style-type: none"> • Removal of remaining rock slope protection • Replacement with engineered rock slope protection (as determined by geotech. investigation)

With the exception of CLIENT pre-purchased equipment (not anticipated in this project), specifications will be provided for the equipment and materials needed to construct the facilities listed above. The following will be performed under Subtask 3:

- 1) Preparation of 80% Design Documents
- 2) Preparation of Final Bid Documents

Subtask 3.1 80% Design Submittal

In general, the 80% Design Submittal will be a complete project package, with all design drawings, details and specifications completed. ENGINEER will use a combination of design drawings, 2-dimensional CADD models, manufacturers’ information and other communication tools to allow the CLIENT an opportunity for significant input into the design process. The period between 80% and 100% will be used for addressing comments from the CLIENT and for internal QA/QC checking of all documents. The following deliverables will be provided by ENGINEER with this submittal:

- 1) Drawings:
 - a) Coversheet with Vicinity Map and Location Map
 - b) Site Overview
 - c) Civil Site Plans and Sections
 - d) Structural Plans and Elevations, as needed
 - e) Standard Details, as needed
- 2) Technical Specifications
- 3) Probable Construction Cost Estimate

Meetings	<ul style="list-style-type: none"> • 80% Design Review Meeting
Deliverables	<ul style="list-style-type: none"> • 80% Design Drawings (11x17), 3 hardcopies + PDFs • 80% Specifications and Cost Estimate, 3 hardcopies + PDFs

Subtask 3.2 Bid Documents (100%) Submittal

Bid Documents will be prepared and submitted to the CLIENT for CLIENT’s use in soliciting contractor bids and constructing the project. Comments provided by the CLIENT at the 80% design stage or QA/QC comments generated by ENGINEER’s QA/QC review team will be addressed and the project set will be completed.

Meetings	<ul style="list-style-type: none"> • None
Deliverables	<ul style="list-style-type: none"> • Bid Ready Design Drawings (11x17), 5 copies • Bid Ready Design Drawings (22x34), 1 copy • Bid Ready Specifications and Cost Estimate, 1 copy • PDF of Drawings and Specifications on DVD • CADD Files of Drawings on DVD • MS Word Files of Specifications on DVD

SCHEDULE^a

The project schedule will be as follows:

Subtask	Title	Start Date	End Date
1	Project Management	10/3/19	3/11/20
2	Preliminary Engineering	10/24/19	12/11/19
3.1	Final Design – 80% Design Submittal	12/26/19	2/5/20
3.2	Final Design – Bid Document Submittal	2/20/20	3/11/20

^aAssumes an NTP date of 10/2/19 and CLIENT review time of submittals of 2-weeks.

PAYMENT

Payment for Subtasks 1 through 3 will be on a Time and Expense basis and invoiced in accordance with the Hourly Wage Rates in the following table.

Classification	Title	Hourly Rate
AA	Administrative	\$102
T1	Drafter/Jr. Technician	\$85
T2	Designer/Sr. Technician	\$115
T3	Senior Designer	\$141
I1	Field Inspector	\$137
I2	Senior Inspector	\$152
I3	Supervising Inspector	\$170
E1	Staff Engineer	\$127
E2	Associate Engineer	\$155
E3	Project Engineer	\$175
E4	Senior Project Engineer	\$203
E5	Principal Engineer	\$235

Notes:

1. A markup of 10% will be applied to all project related Direct Costs and Expenses.
2. An additional premium of 25% will be added to the above rates for Expert Witness and Testimony Services.
3. These rates are effective through December 31, 2019. A 3% increase will be added for any services performed in 2020 and each year thereafter.

Total Budget for each task will be as follows:

Subtask	Title	Budget
1	Project Management	\$7,188
2	Preliminary Engineering (Subtasks 2.2 – 2.4)	\$30,016
2.1	<i>36-Inch Storm Drain Video Inspection (Optional)</i>	\$2,728
3.1	Final Design – 80% Design Submittal	\$31,854
3.2	Final Design – Bid Document Submittal	\$17,458
Base Fee Project Total (Excluding Optional Subtask 2.1)		\$86,515
Project Total (Including Optional Subtask 2.1)		\$89,243

ATTACHMENTS

Attached to this Scope for reference are the following:

1	Fee Basis Spreadsheet
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EFFECTIVE DATE

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed this Task Order with the effective date being the last date written below.

CLIENT

ENGINEER

By: _____

By: _____

Name: _____

Name: Sami Kader, PE

Title: _____

Title: Principal

Address: _____

760 Cypress Ave., Suite 201
Address: Redding, CA 96001

Date: _____

Date: _____

20-3148271
Employer I.D. No.

Water Works Engineers Fee Estimate

Client Casitas Municipal Water District
 Project Casitas Dam Drainage Improvements
 Task Order No 1
 Prepared by A. Borgic
 Date 9/19/2019



Hours and Fee

		Subtask 1		Subtask 2		Subtask 2.1		Subtask 3.1		Subtask 3.2	
		2019		2019		2019		2020		2020	
		Project Management		Preliminary Engineering		36" SD Video Inspection		80% Design		Bid Documents	
		hrs	fee	hrs	fee	hrs	fee	hrs	fee	hrs	fee
<i>Water Works Engineers</i>	2019										
Classification	Title		Hourly Rate								
AA	Administrative	2	\$102		\$204						
T1	Drafter/Jr. Technician		\$85					100	\$8,755	60	\$5,253
T2	Designer/Sr. Technician		\$115								
T3	Senior Designer		\$141					32	\$4,647	8	\$1,162
E1	Staff Engineer		\$127	24	\$3,048			40	\$5,232	32	\$4,186
E2	Associate Engineer		\$155								
E3	Project Engineer (Boak)	8	\$1,400	40	\$7,000			48	\$8,652	24	\$4,326
E4	Sr. Proj. Eng./PM (Borgic)	18	\$3,654	12	\$2,436			16	\$3,345	8	\$1,673
E4	Sr. Proj. Eng./QAQC (Durbin)		\$203	4	\$812			4	\$836	2	\$418
E5	Principal Engineer (Kader)	4	\$235		\$940						
Expenses											
	WWE Expenses		\$900		\$250				\$350		\$400
	CCTV Pipe Insp. - ProPipe					16	\$2,480				
	Surveying - WM Survey				\$4,350						
	Geotech. Investigation				\$10,600						
Subconsultant/Expense Markup	10%		\$90		\$1,520		\$248		\$35		\$40
Annual Increase for WWE rates of	3%										
Subtask Totals		32	\$7,188	80	\$30,016	16	\$2,728	240	\$31,854	134	\$17,458

Project Total	
Hours	Fee
486	\$86,515
502	\$89,243

Base Fee **\$86,515** (Includes Task 1, 2.2-2.4,3; Excludes Subtask 2.1)
 Base Fee + Optional Subtask 2.1 - 36" SDVideo Inspection **\$89,243** (Includes all tasks; Task 1, 2.1-2.4,3)

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: BOARD OF DIRECTORS

FROM: MICHAEL L. FLOOD, GENERAL MANAGER

SUBJECT: REQUEST FOR QUALIFICATIONS FOR PIPELINE CONTRACTORS FOR
CALENDAR YEAR 2020

DATE: 9/25/2019

RECOMMENDATION:

It is recommended the Board of Directors:

- Determine all bidders on pipeline projects undertaken by the District in 2020 must be pre-qualified prior to submitting bids.

BACKGROUND AND DISCUSSION:

In 1999 the California State Legislature passed Assembly Bill 574 authorizing cities, counties, and special districts the ability to pre-qualify construction contractors for specific projects or for a specific duration. Public Contracts Code Section 21101 codifies the requirements for contractor prequalification and the Department of Industrial Relations (DIR) prepared model forms for use by public agencies in the solicitation of pre-qualified contractors.

The District pre-qualified nine pipeline contractors in 2019 and has awarded two projects in the Ojai Water System. The two pipeline projects currently under construction are proceeding smoothly with crews who have experience and expertise. The District has several pipeline projects in design and expects to release these for bidding in the first quarter of 2020. Pre-qualification gives the District and the public a high level of confidence in the quality of work and its successful completion.

The attached Request for Qualifications was prepared using the DIR forms as a guide. The anticipated schedule milestones are:

Issue RFQ	September 26, 2019
Pre-Qualification Meeting	October 10, 2019
Deadline for Questions	November 1, 2019
Qualifications Due	November 15, 2019
Review Complete	November 27, 2019
Board Action	December 11, 2019

BUDGET IMPACT:

There is no budget impact to this action.

Attachment: Request for Qualifications (RFQ) for Pipeline Contractors for 2020



**CASITAS MUNICIPAL WATER DISTRICT
REQUEST FOR QUALIFICATIONS (RFQ)
FOR PIPELINE CONTRACTORS FOR 2020**

Issued September 26, 2019

*Statements of Qualification will be received at the office of the
Casitas Municipal Water District,
1055 Ventura Avenue, Oak View, California 93022
until **Friday, November 15, 2019 @ 4:00 p.m.***



ANNOUNCEMENT OF PRE-QUALIFICATION PROCEDURES AND OPEN DATES FOR ANNUAL PRE-QUALIFICATION

Notice is hereby given that on **September 25, 2019**, Casitas Municipal Water District (Casitas or District) determined all bidders on public works pipeline projects to be undertaken by the District in 2019 must be pre-qualified prior to submitting bids. All Licensed Contractors who intend to submit bids for pipeline construction projects must fully complete the pre-qualification questionnaire, provide all materials requested herein, and be approved by the District to be on the final Bidders list. No bid will be accepted from a Contractor who has failed to comply with these requirements. If two or more business entities submit a bid on a project as a Joint Venture, or expect to submit a bid as part of a Joint Venture, each entity within the Joint Venture must be separately qualified to bid.

An optional pre-qualification meeting will be held at the District office on **Thursday, October 10 at 9:00 a.m.** Questions regarding this RFQ must be submitted in writing no later than **Friday November 1, 2019 at 4:30 p.m.**

Contractors who submit a complete pre-qualification package will be notified by first class mail of their qualification status, such notice to be mailed no later than thirty business days after submission of the information.

Answers to questions contained in the attached questionnaire, information about current bonding capacity on an aggregate and per project limit, notarized statement from surety, and the most recent reviewed or audited financial statements, with accompanying notes and supplemental information, are required. Casitas will use these documents as the basis of rating Contractors in respect to the size and scope of contracts upon which each Contractor is qualified to bid. Casitas reserves the right to check other sources available. Casitas' decision will be based on objective evaluation criteria.

Pre-qualification approval will remain valid for one (1) calendar year from the date of notice of qualification, except that Casitas reserves the right during that calendar year to adjust, increase, limit, suspend or rescind the pre-qualification ratings based on subsequently learned information and after giving notice of the proposed action to the Contractor and an opportunity for a hearing consistent with the hearing procedures described below for appealing a pre-qualification determination.

While it is the intent of the pre-qualification questionnaire and documents required therewith to assist Casitas in determining bidder responsibility prior to the submission of bids and to aid Casitas in selecting the lowest responsible bidder, neither the fact of pre-qualification, nor any pre-qualification rating, will preclude Casitas from a post-bid consideration and determination on a specific project of whether a bidder has the quality, fitness, capacity, and experience to satisfactorily perform the proposed work, and has demonstrated the requisite trustworthiness. Contractors are encouraged to submit pre-qualification packages no later than **Friday, November 15, 2019**, so they may be notified of pre-qualification status well in advance of upcoming projects.

The pre-qualification packages should be submitted under seal and marked "CONFIDENTIAL" to:

Julia Aranda, PE, Engineering Manager
Casitas Municipal Water District
1055 Ventura Avenue
Oak View, California 93022



REQUEST FOR QUALIFICATIONS
FOR PIPELINE CONTRACTORS FOR 2020
September 26, 2019

The pre-qualification packages (questionnaire answers and financial statements) submitted by Contractors are not public records and are not open to public inspection. All information provided will be kept confidential to the extent permitted by law, although the contents may be disclosed to third parties for the purpose of verification, investigation of substantial allegations, and in the process of an appeal hearing. State law requires the names of contractors applying for pre-qualification status shall be public records subject to disclosure, and the first page of the questionnaire will be used for that purpose.

Each questionnaire must be signed under penalty of perjury in the manner designated at the end of the form, by an individual who has the legal authority to bind the Contractor on whose behalf that person is signing. If any information provided by a Contractor becomes inaccurate, the Contractor must immediately notify Casitas and provide updated accurate information in writing, under penalty of perjury.

Casitas reserves the right to waive minor irregularities and omissions in the information contained in the pre-qualification application submitted, to make all final determinations, and to determine at any time the pre-qualification procedures will not be applied to a future public works project.

A Contractor who has submitted a completed application form, and who receives a rating of "not qualified" from Casitas may appeal that determination. There is no appeal from a finding that a Contractor is not pre-qualified because of a failure to submit required information, but re-application during one of the designated time periods is permitted. A Contractor may appeal Casitas' decision with respect to its request for pre-qualification, and request a hearing, by giving notice to Casitas no later than ten business days after receipt of notice of its qualification status. Unless a Contractor files a timely appeal, the Contractor waives any and all rights to challenge the qualification decision of Casitas, whether by administrative process, judicial process or any other legal process or proceeding.

If the Contractor gives the required notice of appeal and requests a hearing, the hearing shall be conducted so that it is concluded no later than ten business days after Casitas' receipt of its Notice of Appeal. The hearing so provided shall be an informal process conducted by a panel to whom the Board of Directors of Casitas has delegated responsibility to hear such appeals (the "Appeals Panel"). At or prior to the hearing, the Contractor will be advised of the basis for Casitas' pre-qualification determination. The Contractor will be given the opportunity to present information and present reasons in opposition to the pre-qualification determination. At the conclusion of the hearing or no later than one day after completion of the hearing, the Appeals Panel will render its decision. The date for submission and opening of bids for a specific project will not be delayed or postponed to allow for completion of an appeal process.

A Contractor may be found not pre-qualified for bidding on a specific public works contract to be let by Casitas, or on all contracts to be let by Casitas until the Contractor meets Casitas' requirements. In addition, a Contractor may be found not pre-qualified for either: (1) Omission of requested information or (2) Falsification of information.



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To contractors who are using subcontractors, please be advised Casitas **may** require, as to subcontractors the qualification of subcontractors in the following crafts or trades, following acceptance of your bid, but before the award is made:

- Hot-tapping
- Pipe bursting
- Horizontal directional drilling
- Bore-and-jack construction
- Asphalt paving
- Traffic control



1. INTRODUCTION

Casitas Municipal Water District (Casitas or District) is requesting Statements of Qualifications (SOQ) from construction contractors to perform pipeline construction for calendar year 2020.

Casitas is a Municipal Water District established in 1952, providing potable water to Western Ventura County including approximately 6,000 agricultural, commercial, and residential customers. The District boundaries (Figure 1) encompass the City of Ojai, Upper Ojai, the Ventura River Valley area, the City of Ventura (west of Mills Road), and the beach communities of Solimar, La Conchita, and Rincon.

Casitas operates the Robles Diversion Facility, Robles Canal, Lake Casitas, Casitas Dam (owned by the US Bureau of Reclamation), Lake Casitas Recreation Area, Casitas Water Treatment Plant, as well as 14 steel tanks totaling 30 million gallons of storage, nine pump stations, and approximately 160 miles of pipelines.

Casitas acquired the Ojai Water System in 2017 and recently completed a Condition Assessment and Master Plan. The Ojai Water System obtains its water supplies from local wells in the Ojai Valley Basin and from Casitas, and serves approximately 2,800 customers. The Ojai Water System includes 32 miles of pipelines, five tanks totaling 1.544 million gallons of storage, five booster pump stations, five active groundwater wells, and an iron and manganese treatment facility.

The District intends to pre-qualify Contractors, with subcontractor support as needed, to support the implementation of pipeline construction projects in the Casitas Water System and the Ojai Water System. Pipelines may be installed using open-cut trenching, pipe bursting, horizontal directional drilling, and/or bore-and-jack construction methods. Encroachment permits and paving standards may be required from the City of Ojai, County of Ventura and/or Caltrans.

An optional pre-qualification meeting will be held at the District office on **Thursday, October 10 at 9:00 a.m.** Questions regarding this RFQ must be submitted in writing no later than **Friday, November 1, 2019 at 4:00 p.m.**

Prequalification packages will be accepted until **Friday, November 15, 2019 at 4:00 p.m.** No prequalification packages will be accepted after this date and time. It is the Contractor's responsibility to ensure the prequalification package are received prior to the deadline.

There will be no formal opening of the received prequalification packages. This solicitation does not commit the District to award any work nor to pay any costs incurred from the preparation of prequalification packages. Firms responding to this RFQ are solely responsible for all costs and expenses incurred during the prequalification process.

The District may have need for emergency services for Pipeline Contractors to respond to leaks and breaks on short notice. **Please provide your rate schedule for labor and equipment for 2020.** The rate schedule shall be used for time and materials work performed on an emergency basis.



PREQUALIFICATION QUESTIONNAIRE

INSTRUCTIONS

Accurately and completely fill in and answer all questions in the Contact Information Sheet, Parts I, II, and III. Inaccurate and incomplete responses may be grounds for disqualification.

Contractors must receive a passing score in each of the three categories to be considered prequalified.

For Part III, the District will interview two project owners, randomly selected from information provided in Part III. During these interviews, the project owners will be asked a series of questions regarding the management of the project, adherence to schedule, claims by the Contractor, claims against the Contractor, and the quality of the work.

Scoring of each question is based upon criteria established in advance. After this package is approved for distribution, the District cannot influence how questions are scored.

The point system is as follows:

Part No.	Description	Points Possible	Passing Score
I	Essential Requirements for Qualification	N/A	Must pass all
II	Organization, History, Organizational Performance, Compliance with Civil and Criminal Law	129	90
III	Project Experience Based on Interviews	120 each	84 each



CONTACT INFORMATION

Firm Name: _____ Check One: Corporation
(as it appears on license) Partnership
 Sole Proprietor

Contact Person: _____

Address: _____

Phone: _____ email: _____

If firm is a sole proprietor or partnership:

Owner(s) of Company _____

Contractor's License Number(s):



PART I. ESSENTIAL REQUIREMENTS FOR QUALIFICATION

Contractor will be immediately disqualified if the answer to any of questions 1 through 5 is “No.”¹

Contractor will be immediately disqualified if the answer to any of questions 6, 7, 8 or 9 is “yes.”² If the answer to question 8 is “yes,” and if debarment would be the sole reason for denial of pre-qualification, any pre-qualification issued will exclude the debarment period.

1. Contractor possesses a valid and current California Contractor’s license for the project or projects for which it intends to submit a bid.
 Yes No
2. Contractor has a liability insurance policy with a policy limit of at least \$1,000,000 per occurrence and \$2,000,000 aggregate.
 Yes No
3. Contractor has current workers’ compensation insurance policy as required by the Labor Code or is legally self-insured pursuant to Labor Code section 3700 et. seq.
 Yes No Contractor is exempt from this requirement, because it has no employees
4. Have you attached your latest copy of a reviewed or audited financial statement with accompanying notes and supplemental information?³
 Yes No

A financial statement that is not either reviewed or audited is not acceptable. A letter verifying availability of a line of credit may also be attached; however, it will be considered as supplemental information only, and is not a substitute for the required financial statement.

5. Have you attached a notarized statement from an admitted surety insurer (approved by the California Department of Insurance) and authorized to issue bonds in the State of California, which states: (a) your current bonding capacity is sufficient for the project for which you seek pre-qualification if you are seeking pre-qualification for a single project; or (if you are seeking pre-qualification valid for a year) (b) your current available bonding capacity?⁴ **Notarized statement must be from the surety company, not an agent or broker.**
 Yes No

¹ A “no” answer to Question 4 will not be disqualifying if the contractor is exempt from complying with Question 4, for reasons explained in footnote 3.
² A contractor disqualified solely because of a “Yes” answer given to question 6, 7, or 9 may appeal the disqualification and provide an explanation of the relevant circumstances during the appeal procedure.
³ Public Contract Code section 20101(e) exempts from this requirement a contractor who has qualified as a small business pursuant to Government Code section 14837(d)(1), if the bid is “no more than 25 percent of the qualifying amount provided in section 14837(d)(1).” **As of January 1, 2001**, the qualifying amount is \$10 million, and 25 percent of that amount, therefore, is \$2.5 million.
⁴ An additional notarized statement from the surety may be requested by Casitas at the time of submission of a bid, if this pre-qualification package is submitted more than 60 days prior to submission of the bid.



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6. Has your contractor's license been revoked at any time in the last five years?
 Yes No
7. Has a surety firm completed a contract on your behalf, or paid for completion because your firm was default terminated by the project owner within the last five years?
 Yes No
8. At the time of submitting this pre-qualification form, is your firm ineligible to bid on or be awarded a public works contract, or perform as a subcontractor on a public works contract, pursuant to either Labor Code section 1777.1 or Labor Code section 1777.7?
 Yes No
If the answer is "Yes," state the beginning and ending dates of the period of debarment:
Begin Date: _____ End Date: _____
9. At any time during the last five years, has your firm, or any of its owners or officers, been convicted of a crime involving the awarding of a contract of a government construction project, or the bidding or performance of a government contract?
 Yes No

END OF SECTION I



**PART II. ORGANIZATION, HISTORY, ORGANIZATIONAL PERFORMANCE,
 COMPLIANCE WITH CIVIL AND CRIMINAL LAWS**

A. Current Organization and Structure of the Business

For Corporations:

- 1a. Date incorporated: _____
- 1b. Under the laws of what State: _____
- 1c. Provide all the following information for each person who is either (a) an officer of the corporation (president, vice president, secretary, treasurer), or (b) the owner of at least ten percent of the corporation's stock.

Name	Position	Years with Company	% Ownership	Social Security #

- 1d. Identify every construction firm any person listed above has been associated with (as owner, general partner, limited partner or officer) at any time during the last five years. **For this question, "owner" and "partner" refer to ownership of ten percent or more of the business, or 10 percent or more of its stock, if the business is a corporation.**

Name	Construction Firm	Dates of Person's Participation with Firm

For Partnerships:

- 1a. Date of formation: _____
- 1b. Under the laws of what State: _____
- 1c. Provide all the following information for each partner who owns 10 percent or more of the firm.

Name	Position	Years with Co.	% Ownership	Social Security #



- 1d. Identify every construction company any partner has been associated with (as owner, general partner, limited partner or officer) at any time during the last five years. **For this question, “owner” and “partner” refer to ownership of ten percent or more of the business, or ten percent or more of its stock, if the business is a corporation.**

Name	Construction Company	Dates of Person’s Participation with Company

For Sole Proprietorships:

- 1a. Date of commencement of business: _____
 1b. Social security number of company owner: _____
 1c. Identify every construction firm that the business owner has been associated with (as owner, general partner, limited partner or officer) at any time during the last five years. **For this question, “owner” and “partner” refer to ownership of ten percent or more of the business, or ten percent or more of its stock, if the business is a corporation.**

Name	Construction Company	Dates of Person’s Participation with Company

For Joint Ventures:

- 1a. Date of commencement of joint venture: _____
 1b. Provide all of the following information for each firm that is a member of the joint venture that expects to bid on one or more projects:

Name of Firm	% Ownership of Joint Venture

B. History of the Business and Organizational Performance

2. Has there been any change in ownership of the firm at any time during the last three years? **A corporation whose shares are publicly traded is not required to answer this question.**
 Yes No
 If “yes,” explain on a separate signed page.



3. Is the firm a subsidiary, parent, holding company or affiliate of another construction firm? **Include information about other firms if one firm owns 50 percent or more of another, or if an owner, partner, or officer of your firm holds a similar position in another firm.**

Yes No

If "yes," explain on a separate signed page.

4. Are any corporate officers, partners or owners connected to any other construction firms? **Include information about other firms if an owner, partner, or officer of your firm holds a similar position in another firm.**

Yes No

If "yes," explain on a separate signed page.

5. State your firm's gross revenues for each of the last three years:

\$ _____ (2018)
\$ _____ (2017)
\$ _____ (2016)

6. How many years has your organization been in business in California as a contractor under your present business name and license number? _____ years

7. Is your firm currently the debtor in a bankruptcy case?

Yes No

If "yes," please attach a copy of the bankruptcy petition, showing the case number, and the date on which the petition was filed.

8. Was your firm in bankruptcy at any time during the last five years? (This question refers only to a bankruptcy action that was not described in answer to question 7, above)

Yes No

If "yes," please attach a copy of the bankruptcy petition, showing the case number and the date on which the petition was filed, and a copy of the Bankruptcy Court's discharge order, or of any other document that ended the case, if no discharge order was issued.

Licenses

9. List all California construction license numbers, classifications and expiration dates of the California contractor licenses held by your firm:

Contractor License No.	Classification	Expiration Date



10. If any of your firm's license(s) are held in the name of a corporation or partnership, provide the names of the qualifying individual(s) listed on the CSLB records who meet(s) the experience and examination requirements for each license.
-
-

11. Has your firm changed names or license number in the past five years?
 Yes No
If "yes," explain on a separate signed page, including the reason for the change.

12. Has any owner, partner or (for corporations) officer of your firm operated a construction firm under any other name in the last five years?
 Yes No
If "yes," explain on a separate signed page, including the reason for the change.

13. Has any CSLB license held by your firm or its Responsible Managing Employee (RME) or Responsible Managing Officer (RMO) been suspended within the last five years?
 Yes No
If "yes," please explain on a separate signed sheet.

Disputes

14. At any time in the last five years has your firm been assessed and paid liquidated damages after completion of a project under a construction contract with either a public or private owner?
 Yes No
If "yes", explain on a separate signed page, identifying all such projects by owner, owner's address, the date of completion of the project, amount of liquidated damages assessed and all other information necessary to fully explain the assessment of liquidated damages.

15. In the last five years has your firm, or any firm with which any of your company's owners, officers or partners was associated, been debarred, disqualified, removed or otherwise prevented from bidding on, or completing, any government agency or public works project for any reason? **"Associated with" refers to another construction firm in which an owner, partner or officer of your firm held a similar position, and which is listed in response to question 1c or 1d on this form.**
 Yes No
If "yes," explain on a separate signed page. State whether the firm involved was the firm applying for pre-qualification here or another firm. Identify by name of the company, the name of the person within your firm who was associated with that company, the year of the event, the owner of the project, the project and the basis for the action.



16. In the last five years has your firm been denied an award of a public works contract based on a finding by a public agency that your company was not a responsible bidder?
 Yes No

If "yes," explain on a separate signed page. Identify the year of the event, the owner, the project and the basis for the finding by the public agency.

The following two questions refer only to disputes between your firm and the owner of a project. You need not include information about disputes between your firm and a supplier, another contractor, or subcontractor. You need not include information about "pass-through" disputes in which the actual dispute is between a subcontractor and a project owner. Also, you may omit reference to all disputes about amounts of less than \$50,000.

17. In the past five years has any claim against your firm concerning your firm's work on a construction project been filed in court or arbitration?
 Yes No

If "yes," on separate signed sheets of paper identify the claim(s) by providing the project name, date of the claim, name of the claimant, a brief description of the nature of the claim, the court in which the case was filed and a brief description of the status of the claim (pending or, if resolved, a brief description of the resolution).

18. In the past five years has your firm made any claim against a project owner concerning work on a project or payment for a contract and filed that claim in court or arbitration?
 Yes No

If "yes," on separate signed sheets of paper identify the claim by providing the project name, date of the claim, name of the entity (or entities) against whom the claim was filed, a brief description of the nature of the claim, the court in which the case was filed and a brief description of the status of the claim (pending, or if resolved, a brief description of the resolution).

19. At any time during the past five years, has any surety company made any payments on your firm's behalf as a result of a default, to satisfy any claims made against a performance or payment bond issued on your firm's behalf, in connection with a construction project, either public or private?
 Yes No

If "yes," explain on a separate signed page the amount of each such claim, the name and telephone number of the claimant, the date of the claim, the grounds for the claim, the present status of the claim, the date of resolution of such claim if resolved, the method by which such was resolved if resolved, the nature of the resolution and the amount, if any, at which the claim was resolved.

20. In the last five years has any insurance carrier, for any form of insurance, refused to renew the insurance policy for your firm?
 Yes No

If "yes," explain on a separate signed page. Name the insurance carrier, the form of insurance and the year of the refusal.



Criminal Matters and Related Civil Suits

21. Has your firm or any of its owners, officers or partners ever been found liable in a civil suit or found guilty in a criminal action for making any false claim or material misrepresentation to any public agency or entity?
 Yes No
 If "yes," explain on a separate signed page, including identifying who was involved, the name of the public agency, the date of the investigation and the grounds for the finding.
22. Has your firm or any of its owners, officers or partners ever been convicted of a crime involving any federal, state, or local law related to construction?
 Yes No
 If "yes," explain on a separate signed page, including identifying who was involved, the name of the public agency, the date of the conviction and the grounds for the conviction.
23. Has your firm or any of its owners, officers or partners ever been convicted of a federal or state crime of fraud, theft, or any other act of dishonesty?
 Yes No
 If "yes," identify on a separate signed page the person or persons convicted, the court (the county if a state court, the district or location of the federal court), the year and the criminal conduct.

Bonding

24. Provide documentation from your surety identifying the following:
 Name of bonding company/surety: _____
 Name of surety agent, address and telephone number: _____
 Name: _____ Phone No.: _____
 Address: _____
 City, State, Zip: _____
25. If your firm was required to pay a premium of more than one percent for a performance and payment bond on any project(s) on which your firm worked at any time during the last three years, state the percentage your firm was required to pay. You may provide an explanation for a percentage rate higher than one percent, if you wish to do so.

26. List all other sureties (name and full address) that have written bonds for your firm during the last five years, including the dates during which each wrote the bonds:

Name	Full Address	Dates – From and To



Name	Full Address	Dates – From and To

27. During the last five years, has your firm ever been denied bond coverage by a surety company, or has there ever been a period of time when your firm had no surety bond in place during a public construction project when one was required?
 Yes No
 If “yes”, provide details on a separate signed sheet indicating the date when your firm was denied coverage and the name of the company or companies which denied coverage; and the period during which you had no surety bond in place.

C. Compliance with Occupational Safety and Health Laws and with Other Labor Legislation Safety

28. Has CAL OSHA cited and assessed penalties against your firm for any “serious,” “willful” or “repeat” violations of its safety or health regulations in the past five years? **If you have filed an appeal of a citation, and the Occupational Safety and Health Appeals Board has not yet ruled on your appeal, you need not include information about it.**
 Yes No
 If “yes,” attached a separate signed page describing the citations, including information about the dates of the citations, the nature of the violation, the project on which the citation(s) was or were issued, the amount of penalty paid, if any. If the citation was appealed to the Occupational Safety and Health Appeals Board and a decision has been issued, state the case number and the date of the decision.

29. Has the federal Occupational Safety and Health Administration cited and assessed penalties against your firm in the past five years? **If you have filed an appeal of a citation and the Appeals Board has not yet ruled on your appeal, or if there is a court appeal pending, you need not include information about the citation.**
 Yes No
 If “yes,” attach a separate signed page describing each citation.

30. Has the EPA or any Air Quality Management District or any Regional Water Quality Control Board cited and assessed penalties against either your firm or the owner of a project on which your firm was the contractor, in the past five years? **If you have filed an appeal of a citation and the Appeals Board has not yet ruled on your appeal, or if there is a court appeal pending, you need not include information about the citation.**
 Yes No
 If “yes,” attach a separate signed page describing each citation.

31. How often do you require documented safety meetings to be held for construction employees and field supervisors during the course of a project?



- 32. List your firm's Experience Modification Rate (EMR) (California workers' compensation insurance) for each of the past three premium years:

An Experience Modification Rate is issued to your firm annually by your workers' compensation insurance carrier.

2018: _____

2017: _____

2016: _____

If your EMR for any of these three years is or was 1.00 or higher you may, if you wish, attach a letter of explanation.

- 33. Within the last five years has there ever been a period when your firm had employees but was without workers' compensation insurance or state-approved self-insurance?

Yes No

If "yes," please explain the reason for the absence of workers' compensation insurance on a separate signed page. If "No," please provide a statement by your current workers' compensation insurance carrier that verifies periods of workers' compensation insurance coverage for the last five years. (If your firm has been in the construction business for less than five years, provide a statement by your workers' compensation insurance carrier verifying continuous workers' compensation insurance coverage for the period that your firm has been in the construction business.)

Prevailing Wage and Apprenticeship Compliance Record

- 34. Has there been more than one occasion during the last five years in which your firm was required to pay either back wages or penalties for your own firm's failure to comply with the **state's** prevailing wage laws? This question refers only to your own firm's violation of prevailing wage laws, not to violations of the prevailing wage laws by a subcontractor.

Yes No

If "yes," attach a separate signed page or pages, describing the nature of each violation, identifying the name of the project, the date of its completion, the public agency for which it was constructed; the number of employees who were initially underpaid and the amount of back wages and penalties that you were required to pay.

- 35. During the last five years, has there been more than one occasion in which your own firm has been penalized or required to pay back wages for failure to comply with the **federal** Davis-Bacon prevailing wage requirements?

Yes No

If "yes," attach a separate signed page or pages describing the nature of the violation, identifying the name of the project, the date of its completion, the public agency for which it was constructed; the number of employees who were initially underpaid, the amount of back wages you were required to pay along with the amount of any penalty paid.



36. Provide the **name, address and telephone number** of the apprenticeship program (approved by the California Apprenticeship Council) from whom you intend to request the dispatch of apprentices to your company for use on any public work project for which you are awarded a contract by Casitas.

37. If your firm operates its own State-approved apprenticeship program:
- (a) Identify the craft or crafts in which your firm provided apprenticeship training in the past year.

- (b) State the year in which each such apprenticeship program was approved, and attach evidence of the most recent California Apprenticeship Council approval(s) of your apprenticeship program(s).

- (c) State the number of individuals who were employed by your firm as apprentices at any time during the past three years in each apprenticeship and the number of persons who, during the past three years, completed apprenticeships in each craft while employed by your firm.

38. At any time during the last five years, has your firm been found to have violated any provision of California apprenticeship laws or regulations, or the laws pertaining to use of apprentices on public works? **You may omit reference to any incident that occurred prior to January 1, 1998, if the violation was by a subcontractor and your firm, as general contractor on a project, had no knowledge of the subcontractor's violation at the time they occurred.**

Yes No

If "yes," provide the date(s) of such findings, and attach copies of the Department's final decision(s).

END OF SECTION II



PART III. RECENT CONSTRUCTION PROJECTS COMPLETED

39. Provide information about your six most recently completed public works projects and three largest completed private projects within the last three years.⁵ **Names and references must be current and verifiable.** Use separate sheets of paper that contain all of the following information:

Project Name: _____

Location: _____

Owner: _____

Owner Contact

Name: _____

Phone: _____

Email: _____

Architect or Engineer: _____

Architect or Engineer Contact

Name: _____

Phone: _____

Email: _____

Construction Manager:

Name: _____

Phone: _____

Email: _____

Description of Project, Scope of Work Performed:

⁵ If you wish, you may, using the same format, also provide information about other projects that you have completed that are similar to the project(s) for which you expect to bid.



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Total Value of Construction (including change orders): \$ _____

Original Scheduled Completion Date: _____

Time Extensions Granted (number of days): _____

Actual Date of Completion: _____

END OF SECTION III



MODEL INTERVIEW QUESTIONS

The following questions will be used to interview randomly selected contacts from at least two completed projects. Casitas will conduct the interviews. No action on the contractor's part is necessary. These questions are included on the package given to the contractor for information only.

The highest possible score is 120 Points. A score less than 55 points disqualifies a contractor from bidding on projects that are proposed by Casitas. A score of between 56 and 83 indicates Casitas should conduct an interview of another contact, that is, a manager of another completed project. A score of 84 or higher on each of two interviews is sufficient for pre-qualification.

First, please give a brief description of the project.

1. Are there any outstanding stop notices, liens, or claims by the contractor that are currently unresolved on contracts for which notices of completion were recorded more than 120 days ago? (1 point for each is deducted from overall score; maximum amount to be deducted is 5 points)
2. On a scale of 1-10, with 10 being the best, did the contractor provide adequate personnel? (Max. 10 points)
3. On a scale of 1-10, with 10 being the best, did the contractor provide adequate supervision? (Max. 10 points)
4. On a scale of 1-10, with 10 being the best, was there adequate equipment provided on the job? (Max. 10 points)
5. On a scale of 1-10, with 10 being the best, was the contractor timely in providing reports and other paperwork, including change order paperwork and scheduling updates? (Max. 10 points)
6. On a scale of 1-10, with 10 being the best, did the contractor adhere to the project schedule that your [agency] [business] approved? (Max. 10 points)
7. Was the project completed on time? (10 points if the answer is "Yes").
Or, if the answer is "no," on a scale of 1-10, with 10 being the best, to what extent was the contractor responsible for the delay in completion?
8. On a scale of 1-10, with 10 being the best, rate the contractor on the timely submission of reasonable cost and time estimates to perform change order work. (Max. 10 points)
9. On a scale of 1-10, with 10 being the best, rate the contractor on how well the contractor performed the work after a change order was issued, and how well the contractor integrated the change order work into the existing work. (Max. 10 points).
10. On a scale of 1-10, with 10 being the best, rate how has the contractor been performing in the area of turning in Operation & Maintenance manuals, completing as-built



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drawings, providing required training and taking care of warranty items? (Max. 10 points)

11. On a scale of 1-10, with 10 being the best, rate the contractor on whether there were an unusually high number of claims, given the nature of the project, or unusual difficulty in resolving them. (Max. 10 points)
12. On a scale of 1-10, with 10 being the highest, rate the contractor with respect to timely payments by the contractor to either subcontractors or suppliers. (If the person being interviewed knows of no such difficulties, the score on this question should be "10.")
13. On a scale of 1-10, with 10 being the best, how would you rate the quality of the work overall? (Max. 10 points)



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I, the undersigned, certify and declare I have read all the foregoing answers to this prequalification questionnaire and know their contents. The matters stated in the questionnaire answers are true of my own knowledge and belief, except as to those matters stated on information and belief, and as to those matters I believe them to be true. I declare under penalty of perjury under the laws of the State of California, that the foregoing is correct.

Dated: _____

Signed: _____

Printed Name: _____

MEMORANDUM

TO: BOARD OF DIRECTORS
FROM: MICHAEL FLOOD, GENERAL MANAGER
SUBJECT: RECOMMEND PURCHASE OF NEW UTILITY VEHICLE
DATE: SEPTEMBER 20, 2019

RECOMMENDATION:

It is recommended that the Board of Directors approve the General Manager's authorization to purchase a 2020 F250XL, ¾ Ton 4x4 pickup with a Utility box for the Utility department from Vista Ford of Oxnard in the amount of \$36,883.42.

BACKGROUND:

The truck will be carrying a lot of weight so it is planned to augment the suspension capacity in the rear. The cost for this addition will not exceed the budgeted amount.

Bids were received from four dealers as indicated in the following table:

Ford of Ventura	\$37,580.33
Winner Chevrolet	\$39,032.03
Vista Ford of Oxnard	\$36,883.42

This vehicle will be received in mid-January.

MEMORANDUM

TO: BOARD OF DIRECTORS
FROM: MICHAEL FLOOD, GENERAL MANAGER
SUBJECT: RECOMMEND PURCHASE OF NEW DISTRIBUTION SUPERVISOR VEHICLE
DATE: SEPTEMBER 20, 2019

RECOMMENDATION:

It is recommended that the Board of Directors approve the General Manager's authorization to purchase a 2020 F250, ¾ Ton 4x4 pickup for the supervisor of the Distribution department from Vista Ford of Oxnard in the amount of \$42,212.67.

BACKGROUND:

This purchase falls within the approved \$55,000 budgeted for the supervisor vehicle. After receipt of the truck, a Weatherguard cross box, two small, behind the wheel, arch tool boxes and a diesel tank will be installed. The costs for these additions will not exceed the budgeted amount.

Bids were received from four dealers as indicated in the following table – only Vista Ford provided powered windows in their quote:

Ford of Ventura	\$41,737.44
Winner Chevrolet	\$44,420.27
Vista Ford of Oxnard	\$42,212.67

This vehicle will be received in mid-January.

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: BOARD OF DIRECTORS
FROM: MICHAEL FLOOD, GENERAL MANAGER
SUBJECT: HYDROLOGIC STATUS REPORT FOR AUGUST 2019
DATE: SEPTEMBER 25, 2019

RECOMMENDATION:

This item is presented for information only and no action is required. Data are provisional and subject to revision.

DISCUSSION:

Rainfall Data

	Casitas Dam	Matilija Dam	Thacher School
This Month	0.00"	0.00"	0.00"
Water Year (WY: Oct 01 – Sep 30)	29.49"	39.65"	27.97"
Average station rainfall to date	23.31"	27.66"	21.10"

Ojai Water System Data

Wellfield production	185.7 AF
Surface water supplement	10.4 AF
Static depth to water surface – Mutual #6	114.6 feet
Change in static level from previous month	14.1 feet

Robles Fish Passage and Diversion Facility Diversion Data

Diversions this month	0.00 AF
Diversion days this month	0
Total Diversions WY to date	20,882 AF
Diversion days this WY	140

Casitas Reservoir Data

Water surface elevation as of end of month	503.51 feet AMSL
Water storage last month	104,837 AF
Water storage as of end of month	102,983 AF
Net change in storage	- 1,854 AF
Change in storage from same month last year	+ 26,417 AF

AF = Acre-feet

AMSL = Above mean sea level

WY = Water year

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MEMORANDUM

TO: Board of Directors
From: Michael L. Flood, General Manager
RE: **Review and Discussion of a United Water Conservation District Term Sheet for the Purchase of Casitas MWD's 2019 State Water Project Table A Water Supply**
Date: September 18, 2019

RECOMMENDATION:

No Action – Informational Item Only

BACKGROUND:

State Water Project Table A allocation currently stands at 75% which translates into 3,750 Acre-Feet for Casitas MWD.

Casitas MWD's Board of Directors approved an agreement with San Geronio Pass Water Agency to do an exchange of 650 Acre-Feet of the District's 2019 SWP Table A water leaving Casitas MWD 3,100 Acre-Feet.

United Water Conservation District recently submitted a term sheet for the acquisition of a portion of Ventura Water and CMWD's remaining 2019 SWP Table A water supply.

The Executive Committee discussed this item at the September 13, 2019 meeting.

DISCUSSION:

United WCD term sheet proposes the following for Casitas MWD:

1. Purchase of 1,375 Acre-Feet of CMWD's SWP Table A water supply for 2019.
2. Compensation of 15% of the Transportation Capital and Minimum and Conservation Capital and Minimum Charges of approximately \$550,000.00 which translates into a payment of \$82,500.00.
3. UWCD will pay the State Water Project Variable costs for the purchased water to be delivered to them.
4. There will be no water returned to Casitas MWD in the future.

5. UWCD would like the chance to purchase any 2019 SWP Table A water supply that Casitas carries over into 2020 at the 'turnback' pool price which will be determined in the future.

Casitas MWD would still retain 1,725 Acre-Feet of 2019 SWP Table A water supply with which to work other arrangements or carryover into 2020 via Article 56 in the State Water contract.

The Executive Committee determined that this sale would not be in keeping with a 2018 Board determination regarding the need for United Water Conservation District to eliminate the quagga infestation at Lake Piru prior to any water supply sales or transfers from Casitas. This is out of concern of moving the quagga infestation further down the Santa Clara River and thus closer to Lake Casitas.

2019 Board Priorities List

Category: Board Policy

		Complete?	Status/Disposition	Result
1	Equine prohibitions in the LCRA (check to see if there is a current policy/ordinance). (5) (Completion: 90 Days)	Yes	Presented to Executive Committee	Ordinance Already Exists
2	Review of allocation penalty policy. (Completion: 60 Days)(5)	Yes	Adopted by the Board on April 24, 2019	First Meeting on June 19, 2019
3	Review need for a Mission Statement and the ability to use this as a filter to discuss what goals can be accomplished (revenues, budgets, environmental issues, recreation elements, etc.) (Completion: 90-Days—Executive Committee) (5)	Yes	Adopted by the Board on May 4, 2019	Board adopted and distributed to CMWD Staff
4	Water rate analysis. (Update in 9 months) (4)	No	Finance Committee to Review RFP at September Meeting	
5	Strategic plan for recreation area. (Completion: 9 Months—Recreation Committee)(5)	No	GM Cut from Budget	Review Mid-Year
6	Committee presentations to the Board. (Ongoing) (5)	Yes	Complete	Ongoing
7	Gauge investment in policies/cost-benefit analysis. (Ongoing) (5)	No	Further Discussion with Executive Committee	

Category: Admin

		Complete?	Status/Disposition	Result
1	Committee packets to Board members 48 hours prior. (To Executive Committee—Ongoing)	Yes		Ongoing
2	Draft Board agendas to legal counsel prior to publishing. (To Attorney by Thursday—Ongoing)	Yes		Ongoing
3	—OBGMA link on website for OBGMA groundwater information		Deleted	
4	Gauging organizational capacity/bandwidth./Filing of open positions./Staffing plan(s)/ Understanding the adjustments necessary to cope with recent organizational changes. (Review/completion in 120 days) (5)	Yes	Position Adjustments & Additional Positions going through approval process. HR Manager and Assistant GM Positions have been filled.	Complete
5	Funding process and contracts. (Simplification of terminology). Contract = services, Purchase orders = materials (5) (90 days)	No	Staff needs to review and bring recommendation	
6	GANTT chart for process for projects, timelines, etc. (open purchase orders and contracts with monthly update) (Management Produce - 90 Days).	No	Project Tracker in place. Staff needs to discuss in October 2019	
7	Update of policy and procedures manual (including Board policy) and communication of results. (Completion: 12 months)	Yes	Bylaws complete and adopted by the Board	Complete
8	Staff recommendations with staff presentations on Board items. (Ongoing)	Yes		As needed
9	Have departments present at Board meetings and provide updates to efforts. (Ongoing)	Yes		As needed

Category: Water Security Items

		Complete?	Status/Disposition	Result
1	Focus on local water resources for water security projects. (5)	No	Review of Teague Watershed wells complete (project on hold). Matilija Deep Wells project under review and draft technical memo has been issued. Staff will review and present to Water Resources Committee. Ojai Well Field rehabilitation project underway, expected to be complete in 2021 which includes drilling a replacement well. Ojai Well Desalter on hold pending results of Ojai Well Field rehabilitation project.	
2	Legal and professional review of SWP interconnect EIR from the Water Resources Committee Recommendations. (5)	Yes	EIR review period complete. Kennedy Jenks reviewing and will respond to comments.	Possible adoption of the EIR by the City of Ventura late in 2019
3	New legal foundation able to receive private funds for water security projects. (1)	No	To Executive Committee in October 2019	
4	Provide policy for avoiding Stage 5 restrictions./ Detailed emergency plan for when Lake Casitas reaches minimum pool including skeleton of plan./ Plan for what happens if water security projects do not work out that can be communicated to the public. (4)	No	Public Relations department to include this in development of a communications plan (currently on hold).	
5	Complete Comprehensive Water Resources Plan./ Need timeline for CWRP. (November 2019?)/ Economic concept review of costs of water security projects and gauge public support for those costs. (5)	No	Stantec engaged to complete the CMWD Comprehensive Water Resources Plan. Expected to be complete in November/December 2019	
6	Board review of Kear recommendations from 2016./ Publish summary from 2016 study and how priorities were reached (review full presentation)./ Review 2016 plan for costing information plan./ Public communication about 2016 study and messaging connected to it. (5)	No	Public Relations department to include this in development of a communications plan (currently on hold).	
7	Gauge need for an election for water security projects. / Review issues related to bonds and District revenues./Water rate analysis. (4)	No	District has engaged True North to develop a poll to test public opinion on a possible bond measure. Polling to occur presently and results brought to the Board in September or October 2019. Water rate consultant to review possible impacts to rates.	
8	Calleguas to Casitas pipeline project RFP (crosstown pipeline) (5)-	Yes	GM presented the concept and estimated cost to the Board in August 2019.	Complete
9	Planning for costs of Phase 1 SWP interconnect pipeline \$42M project (4)-	Yes	GM presented the concept and estimated cost to the Board in August 2019.	Complete
10	Obtain legal representation for adjudication (5)	Yes	Rutan & Tucker engaged by the District	Ongoing
11	Peer review for Verbo/HoBo projects (5).	No	Technical Advisory Committee engaged and draft report has been submitted to Staff. Review with Water Resources Committee expected in October 2019.	
12	Complete conjunctive use policy with OBGMA (4).	No	OBGMA working has assigned a committee to work with the GM on this.	Ongoing

13	Biological Opinion review and critical drought protection measures- (5)	Yes	Critical Drought Protection Measures approved by all entities in March 2019	To be administered as appropriate.
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CASITAS MUNICIPAL WATER DISTRICT

MINUTES
Executive Committee

DATE: September 18, 2019
TO: Board of Directors
FROM: General Manager, Michael Flood
Re: Executive Committee Meeting of September 13, 2019, at 1000 hours.

RECOMMENDATION:

It is recommended that the Board of Directors receive and file this report.

BACKGROUND AND OVERVIEW:

1. **Roll Call.**
Director Pete Kaiser
Director Russ Baggerly
General Manager, Michael Flood
Park Services Manager, Carol Belser
2. **Public Comments.**
None
3. **Board comments.**
None
4. **Manager's Comments.**
None
5. **Update on the Draft Open Space Agreement between Casitas Municipal Water District and United States of America Department on the Interior Bureau of Reclamation (BOR).**
PSM Belser made comments on the current draft of the agreement including the Bureau of Reclamation's intent to include this in the overall operational agreement, some of the elements that were changed from the last draft and responsibilities regarding removal of structures on the open space lands.

Director Kaiser asked questions about what prompted the amendment and whether there would be changes to the costs. PSM Belser indicated that this was a result of the Bureau of Reclamation's desire operate under a permanent amendment rather than the interim agreement from 1978 and that the open space lands will be managed as they have always been with no increase in costs from the BOR.

The Directors then asked that the term 'project', 'reservation' and the 'recreation area' be defined within the contract.

Director Kaiser asked that 'subsection c' language should be made clearer and that the word 'management' be stricken from the contract. Also the phrase 'as may be amended from time to time' and asked that the agreement be reviewed by District counsel once the next draft is available.

GM Flood indicated that staff would work on the next draft and bring this back to the Executive Committee when it is ready.

6. **Review and Discussion of of the California State Water Project Contract Extension Amendment.**

GM Flood reviewed some financial information including the most recent reconciled costs of the State Water Project contract from 2016 and a DWR Executive Summary memo that covered the basic concepts of the amendment.

The Committee asked that the amendment be sent forward to the Board of Directors for consideration.

7. **Discussion of Administration Building Parking Enhancements**

GM Flood made some general comments about the parking and fencing situation at the District's Administration Building.

The Committee asked that staff look into the posting of 'towing' signs and that this issue be brought back to a future Committee meeting for discussion.

8. **2019 Board of Directors Priority List Update**

GM Flood covered an update of the outstanding items on the 2019 Board Priority List.

The CMWD communications plan timeline was discussed.

Director Baggerly commented the monthly Engineering Report covers project information very well.

Director Kaiser asked that staff consider the possibility of adding reports from other departments as well along with working on some positive posts for the District's social media sites.

9. **Review and Discussion of United Water Conservation District Term Sheet for Purchases of Casitas MWD's 2019 State Water Project Table A Water Supply.**

GM Flood presented the term sheet from the United Water Conservation District.

The Directors indicated that this sale would not be in keeping with a 2018 Board of Directors policy that prevents the sale of the District's Table A supply to United Water Conservation District due to concerns about the movement of invasive quagga mussels closer to Lake Casitas.

GM Flood indicated that the term sheet would be included in the next Board Agenda packet as an informational item stating that the sale is against a 2018 Board policy.

CASITAS MUNICIPAL WATER DISTRICT

MINUTES

Water Resources Committee

DATE: September 19, 2019
TO: Board of Directors
FROM: General Manager, Michael Flood
Re: Water Resources Committee Meeting of September 17, 2019, at 1000 hours.

RECOMMENDATION:

It is recommended that the Board of Directors receive and file this report.

BACKGROUND AND OVERVIEW:

1. **Roll Call.**
Director Russ Baggerly
Director Angelo Spandrio
General Manager, Michael Flood
Engineering Manager, Julia Aranda
2. **Public Comments.**
None
3. **Board comments.**
Director Spandrio made comments about definitions of safe yield, concerns about including the District's WEAP in the water supply analysis, and the need to define the undesirable effects of an insufficient water supply.
4. **Manager's Comments.**
GM Flood made comments about the recent number of water main breaks in the Ojai Water System.
5. **Comprehensive Water Resources Plan Progress Update.**
Stantec consultants presented an update on the plan's development and answers to some of the questions that the Committee has been asking. They also covered a number of policy decisions that are expected to be made prior to wrapping up the plan. These decisions include such issues as a minimum lake storage level, assumed future annual water demands, and the assumptions that support these concepts.

Director Baggerly made comments about chronic drought in the region, the impact of the District's mandatory conservation program (WEAP), and the assumption of the available water supply in the Mira Monte groundwater well.

Director Spandrio made comments about lake evaporation, water supply reliability levels, and the calculation of and assumptions behind a critical water demand number.

Stantec also covered the ongoing schedule for the plan and indicated that the plan would be near completion in early 2020.



Consumption Report

Water Sales FY 2019-2020 (Acre-Feet)

Classification	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Month to Date		
													2019 / 2020	2018 / 2019	
													Total	Total	
AD Ag-Domestic	333													333	445
AG Ag	195													195	341
C Commercial	110													110	120
DI Interdepartmental	28													28	40
F fire	0													0	0
I Industrial	3													3	2
OT Other	24													24	26
R Residential	235													235	258
RS - P Resale Pumped	32													32	113
RS - G Resale Gravity	97													97	341
TE Temporary	1													1	2
Total	1,058	0	0	0	0	0	0	0	0	0	0	0	0	1,058	1,686
CMWD	893														
OJAI	165														
Total 2018 / 2019	1,686	1,495	1,282	1,302	1,019	418	334	224	247	678	526	695		N/A	9,905

Casitas Municipal Water District CFD 2013-1 Improvement Fund				Casitas Municipal Water District CFD 2013-1 Bond Fund			
	Expenses	Interest	Balance		Expenses	Interest	Balance
	Paid	Earned			Paid	Earned	
Bond B - Funds Received Beginning Balance	42,658,223.98		42,658,223.98	Bond B - Funds Received Beginning Balance	466,447.67		466,447.67
Purchase Price of Golden State Water	-34,481,628.00		8,176,595.98	Interest Jun 2017		5.04	466,452.71
Interest Jun 2017		461.18	8,177,057.16	Interest Jul 2017		188.62	466,641.33
Main Extension Contract Pmt	-5,188.39		8,171,868.77	Interest Aug 2017		232.86	466,874.19
Reinbursement from CFD 2013-1 Meter Cost	-999,237.84		7,172,630.93	Interest Sep 2017		344.71	467,218.90
Interest Jul 2017		5,544.85	7,178,175.78	Interest Oct 2017		235.37	467,454.27
Main Extension Contract Pmt	-361,183.16		6,816,992.62	Interest Nov 2017		247.46	467,701.73
Interest Aug 2017		3,677.09	6,820,669.71	Applied Interest Earned for Pmt of Bond B	-468,270.91		-569.18
Interest Sep 2017		3,647.06	6,824,316.77	Interest Dec 2017		314.41	-254.77
Interest Oct 2017		3,437.91	6,827,754.68	Interest Jan 2018		254.77	0.00
Reinbursement from CFD 2013-1 Meter Cost	-1,038,855.67		5,788,899.01	Interest Feb 2018		479.96	479.96
Interest Nov 2017		3,614.48	5,792,513.49	Interest Mar 2018		671.37	1,151.33
Interest Dec 2017		3,663.59	5,796,177.08	Interest Apr 2018		1.05	1,152.38
Interest Jan 2018		3,894.34	5,800,071.42	Interest May 2018		1.20	1,153.58
Interest Feb 2018		4,511.30	5,804,582.72	Interest Jun 2018		1.28	1,154.86
Interest Mar 2018		4,221.55	5,808,804.27	Interest Jul 2018		1.34	1,156.20
Interest Apr 2018		5,400.71	5,814,204.98	Interest Aug 2018		1.48	1,157.68
Interest May 2018		6,037.34	5,820,242.32	Sept Adjusted Market Value		2.82	1,160.50
Interest Jun 2018		6,461.77	5,826,704.09	Interest Sep 2018		91.04	1,248.72
Interest Jul 2018		6,771.59	5,833,475.68	Applied Interest Earned for Pmt of Bond B	-1,154.86		93.86
Interest Aug 2018		7,444.64	5,840,920.32	Interest Oct 2018		134.86	228.72
Interest Sep 2018		7,521.43	5,848,441.75	Interest Nov 2018		0.34	229.06
Interest Oct 2018		7,547.03	5,855,988.78	Interest Dec 2018		0.34	229.40
Interest Nov 2018		8,755.99	5,864,744.77	Interest Jan 2019		0.37	229.77
Interest Dec 2018		8,711.47	5,873,456.24	Interest Feb 2019		862.62	1,092.39
Interest Jan 2019		9,430.38	5,882,886.62	Interest Mar 2019		1,194.96	2,287.35
Interest Feb 2019		10,113.30	5,892,999.92	Interest Apr 2019		3.70	2,291.05
Interest Mar 2019		9,102.54	5,902,102.46	Interest May 2019		3.84	2,294.89
Interest Apr 2019		10,146.85	5,912,249.31	Interest June 2019		3.92	2,298.81
Interest May 2019		9,902.64	5,922,151.95	Interest Jul 2019		3.75	2,302.56
Interest Jun 2019		10,121.54	5,932,273.49	Interest Aug 2019		3.85	2,306.41
Interest July 2019		9,671.41	5,941,944.90				
Reinbursement from CFD 2013-1 Projects 2018 / 2019	-1,486,814.43		4,455,130.47				
Interest Aug 2019		9,946.50	4,465,076.97				
Less: Pending Projects for Reimbursement			-2,198,072.52				
Total funds remaining for improvement:			<u>2,267,004.45</u>				

Casitas Municipal Water District
CFD 2013 - 1 Projects to be reimbursed to CMWD To Date

Project No: Project Name:	Total Cost To Date
400 Ojai System Masterplan	375,336.49
420 Sunset Place Pipeline Replacement	691,546.36
421 Cuyama, Palomar and El Paseo Roads Pipeline Replacement	90,414.34
422 South San Antonio Street and Crestview Drive Pipeline	2,122.97
423 West and East Ojai Avenue Pipeline Replacement	107,551.17
424 Running Ridge Zone Hydraulic Improvement	353,869.97
425 Well Rehabilitation Replacement	218,879.95
426 Valve & Appurtenance Replacement	73,650.12
427 Fairview Pipeline Replacement	0.00
428 Mutual Wellfield Pipeline	19,692.82
429 Grand Ave Pipeline	6,617.55
430 Signal Booster Zone Hydraulic Improvements	42,149.98
431 Emily Street Pipeline Replacement	7,401.80
432 Casitas-Ojai System Interties	89,000.00
522 Ojai Arc Flash Study	<u>119,839.00</u>
Project(s) Cost To Date:	<u><u>2,198,072.52</u></u>

**CASITAS MUNICIPAL WATER DISTRICT
TREASURER'S MONTHLY REPORT OF INVESTMENTS
09/11/19**

Type of Invest	Institution	CUSIP	Date of Maturity	Original Cost	Current Mkt Value	Rate of Interest	Date of Deposit	% of Portfolio	Days to Maturity
*TB	US Treasury IPS	912828MF4	1/15/2020	\$1,041,021	\$1,180,676	1.375%	11/18/2015	6.67%	124
*TB	Federal Home Loan Bank	3130A0EN6	12/10/2021	\$547,735	\$512,020	2.875%	5/9/2016	2.89%	809
*TB	Federal Home Loan Bank	3130AIXJ2	6/14/2024	\$941,144	\$892,159	2.875%	8/2/2016	5.04%	1713
*TB	Federal Home Loan Bank	3130A3DL5	9/8/2023	\$1,587,180	\$1,540,245	2.375%	10/13/2016	8.70%	1437
*TB	Federal Home Loan Bank	3130A5R35	6/13/2025	\$773,773	\$755,970	2.875%	2/19/2016	4.27%	2072
*TB	Federal Home Loan Bank	3130A5VW6	7/10/2025	\$1,025,110	\$1,056,850	2.700%	5/10/2017	5.97%	2099
*TB	Federal Home Loan Bank	3130ADNW8	2/14/2020	\$998,230	\$1,004,250	3.400%	1/16/2013	5.67%	153
*TB	Federal National Assn	31315P2J7	5/1/2024	\$809,970	\$773,053	3.300%	5/25/2016	4.37%	1670
*TB	Farmer MAC	31315PYF0	5/2/2028	\$512,355	\$529,590	2.925%	11/20/2017	2.99%	3111
*TB	Federal Farm CR Bank	31331VWN2	4/13/2026	\$940,311	\$873,551	5.400%	5/9/2016	4.93%	2372
*TB	Federal Home Loan Bank	313383YJ4	9/8/2023	\$476,582	\$442,485	3.375%	7/14/2016	2.50%	1437
*TB	Farmer MAC	3133EEPH7	2/12/2029	\$480,251	\$508,807	2.710%	11/20/2017	2.87%	3391
*TB	Federal Farm CR Bank	3133EGWD3	9/29/2027	\$694,629	\$705,007	2.200%	11/17/2016	3.98%	2898
*TB	Federal Farm CR Bank	3133EGZW8	10/25/2024	\$833,918	\$824,764	1.980%	10/25/2016	4.66%	1844
*TB	Federal Home Loan Bank	3133XFKF2	6/11/2021	\$743,109	\$597,335	5.625%	9/8/2014	3.37%	630
*TB	Federal National Assn	3135G0K36	4/24/2026	\$2,532,940	\$2,571,175	2.125%	7/6/2010	14.52%	2383
*TB	Federal National Assn	3135G0ZR7	9/6/2024	\$1,488,050	\$1,462,588	2.625%	5/25/2016	8.26%	1795
*TB	Federal Home Loan MTG Corp	3137EADB2	1/13/2022	\$683,584	\$674,279	2.375%	5/1/2016	3.81%	842
*TB	US Treasury Note	912828WE6	11/15/2023	\$770,037	\$800,442	2.750%	12/13/2013	4.52%	1504
Total in Gov't Sec. (11-00-1055-00&1065)				\$17,879,931	\$17,705,247			99.98%	
Total Certificates of Deposit: (11.13506)				\$0	\$0			0.00%	
**	LAIF as of: (11-00-1050-00)		N/A	\$470	\$470	2.57%	Estimated	0.00%	
***	COVI as of: (11-00-1060-00)		N/A	\$2,959	\$2,959	2.57%	Estimated	0.02%	
TOTAL FUNDS INVESTED				\$17,883,360	\$17,708,676			100.00%	
Total Funds Invested last report				\$17,883,360	\$17,845,629				
Total Funds Invested 1 Yr. Ago				\$20,890,107	\$19,847,526				
****	CASH IN BANK (11-00-1000-00) EST.			\$4,641,131	\$4,641,131				
	CASH IN Custodial Money Market			\$66,713	\$66,713	0.30%			
TOTAL CASH & INVESTMENTS				\$22,591,204	\$22,416,520				
TOTAL CASH & INVESTMENTS 1 YR AGO				\$23,764,625	\$22,722,043				

- *CD CD - Certificate of Deposit
- *TB TB - Federal Treasury Bonds or Bills
- ** Local Agency Investment Fund
- *** County of Ventura Investment Fund
- Estimated interest rate, actual not due at present time.
- **** Cash in bank

No investments were made pursuant to subdivision (i) of Section 53601, Section 53601.1 and subdivision (i) Section 53635 of the Government Code.
All investments were made in accordance with the Treasurer's annual statement of investment policy.