



JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, OCTOBER 18, 2017 6:30 PM

HELEN GRAY CENTER, 6601 WHITE FEATHER ROAD, JOSHUA TREE, CA 92252

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **DETERMINATION OF A QUORUM**
4. **APPROVAL OF AGENDA**
5. **PUBLIC COMMENT**

This is the time set aside for public comment on any District-related matter not appearing on the agenda. Government Code prohibits the Board from taking action on these items, but they may be referred for future consideration. Please state your name and limit your comments to 3 minutes.
6. **CONSENT CALENDAR**

Matters on the Consent Calendar are considered routine in nature and will be enacted in a single motion without discussion. Any Board member or member of the public may request that an item be removed from the Consent Calendar and acted on separately.

 - Approve Draft Minutes of the October 4, 2017 Regular Meeting of the Board of Directors.
7. **CLAUDIA SAUL OF THE MORONGO BASIN CONSERVATION ASSOCIATION-** Recommend that the Board receive for information only.
8. **APPROVE RESOLUTION NO. 17-980, AMENDING ADMINISTRATIVE CODE TO CLARIFY GENERAL MANAGER'S AUTHORITY TO EXPEND FUNDS IN AN EMERGENCY-** Recommend the Board approve Resolution No. 17-980.
9. **RATE STUDY PRESENTATION AND DISCUSSION** – Recommend that the Board receive information and provide direction for ongoing rate study.
10. **AWARD AGREEMENT FOR ORGANIZATIONAL ASSESSMENT** -Recommend that the Board award Agreement to the most responsive bidder, to be determined.
11. **DRAFT AGREEMENT WITH MWA FOR WATER SUPPLY CONNECTION AND TRANSFER FACILITIES AT RECHARGE TURN OUT** – Recommend that the Board receive for information, discuss and advise GM on any items of concern.
12. **DISCUSSION ON DRAFT WATER STORAGE AGREEMENT WITH MOJAVE WATER AGENCY** - Recommend that the Board receive for information, discuss and advise GM on any items of concern.

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13. **DISTRICT GENERAL COUNSEL REPORT -**
14. **GENERAL MANAGER REPORT -**
15. **DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS – (All comments should pertain to current Agenda items only)**
 - Mojave Water Agency Technical Advisory Committee (TAC) – October 5, 2017 – President Luckman
 - Mojave Water Agency – October 12, 2017- Director Floen
 - Public Outreach Consultant – Kathleen Radnich
16. **FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES –**
 - ASBCSD - East Valley Water District Board Room– October 16, 2017
 - Mojave Water Agency Board of Directors Meeting – October 26, 2017 at 4:30 p.m.- Director Hund
 - Finance Committee Meeting – October 30, 2017 at 9:00 a.m.- Vice President Johnson and Director Floen
 - Water Resources and Operations Committee Meeting – November 1, 2017 at 10:00 a.m. President Luckman and Vice President Johnson (Please note date change)
17. **ADJOURNMENT**

INFORMATION

The public is invited to comment on any item on the agenda during discussion of that item. Any person with a disability who requires accommodation in order to participate in this meeting should telephone Joshua Basin Water District at (760) 366-8438, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the District's office located at 61750 Chollita Road, Joshua Tree, California 92252 during normal business hours.

JOSHUA BASIN WATER DISTRICT

Minutes of the October 4, 2017

SPECIAL JOINT MEETING OF THE BOARD OF DIRECTORS &
CITIZENS ADVISORY COMMITTEE

October 4, 2017

1. CALL TO ORDER: 6:30 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM: Mickey Luckman Present
Bob Johnson Present
Geary Hund Present
Rebecca Unger Present
Tom Floen Present

STAFF PRESENT: Susan Greer, Assistant General Manager
Randy Mayes, Interim Director of Water Resources & Ops.
Keith Faul, GIS Coordinator
Beverly Waszak, Executive Assistant

CONSULTANTS PRESENT: Gil Granito, Redwine & Sherrill

GUESTS 3

4. APPROVAL OF AGENDA –

MSC/Hund/Unger 5/0 to approve the Regular Meeting of the Board of Directors of October 4, 2017.

Floen Aye
Hund Aye
Luckman Aye
Johnson Aye
Unger Aye

5. PUBLIC COMMENT –

Al Marquez, Joshua Tree, commented that it has taken 18 months and counting to get Well 14 back online with \$400K already spent.

PUBLIC COMMENT CLOSED

6. CONSENT CALENDAR

Items on the Consent Calendar are considered routine in nature and will be adopted in total by one action of the Board of Directors unless any Board Member, individual or organization interested in one or more consent calendar items wishes to be heard.

- Approve Draft Minutes of the September 12, 2017 Special Joint Meeting of the Board of Directors and the Citizens Advisory Committee
- Approve July – August 2017 Check Registers (reviewed by Finance Committee on September 25, 2017).

MSC/Unger/Johnson 5/0 to approve the Consent Calendar.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

7. ANNUAL CAPACITY FEE REPORTS – Review Capacity Fee reports and recommend that the Board accept and file (reviewed by the Finance Committee on September 25, 2017).

AGM Greer stated that Capacity Fees are one-time charges to fund capital improvements necessary for the expansion of the water system as a result of a new connection. Capacity fees reflect the property’s pro-rata share for the infrastructure costs that were built or that will need to be built to serve the new connection. A brief discussion with the Board followed.

MSC/Johnson/Floen 5/0 to accept and file the Capacity Fee Reports.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

8. AQUATIC INSPECTIONS PROPOSAL DATED SEPTEMBER 15, 2017 FOR WET CLEANING, INSPECTION, AND SPOT COATING REPAIR OF RESERVOIRS C-1, D-1, E01, E-2, AND J-1. Recommend that the Board authorize the District to enter into a contract with Aquatic Inspections for a cost not to exceed \$24,000.

Interim DRWO Mayes stated that the District obtained a cost proposal from Aquatic Inspections, Inc. (“Aquatic”) to have the following (5) reservoirs inspected, cleaned, and spot repaired as necessary: C-1, D-1, E01, E-2, AND J-1, as part of the District’s ongoing reservoir maintenance program. This is in response to the recommendation by the State Water Resources Control Board (“SWRCB”) in the District’s most recent Sanitary Survey. The work is scheduled for January 2018. A brief discussion with the Board followed.

MSC/Johnson/Floen 5/0 to approve the Aquatic Inspections proposal dated September 15, 2017 for wet cleaning, inspection, and spot coating repair of reservoirs C-1, D-1, E01, E-2, AND J-1. for a cost not to exceed \$24,000.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

9. APPROVE RESOLUTION NO. 17-979, AMENDING THE ADMINISTRATIVE CODE TO CLARIFY GENERAL MANAGER'S AUTHORITY TO EXPEND FUNDS IN AN EMERGENCY AND TO REVISE JOB DESCRIPTIONS – Recommend that the Board approved Resolution No. 17-979. A long discussion followed with the Board with the updated changes to the Resolution attached to the minutes at the District.

PUBLIC COMMENT

Johnnie Painter, Joshua Tree stated that the word “unlimited” makes him very nervous, however, there is language that is reference that wasn't mentioned, which states, that the GM (in an emergency) also notifies the President of the Board. Mr. Painter assumes that it would mean what the expenditures are and maybe the President of the Board will talk with the other Board members. The language we are talking about does not actually specify that.

Gil Granito, Legal Counsel responded that the Board President has the power to call an emergency Board meeting if the need arises.

Al Marquez, Joshua Tree stated that he has a problem with the discretionary spending of the General Manager in an emergency. The Board is supposed to give the General Manager direction with the Board having the last word on everything that goes on in the District. Mr. Marquez also asked for the definition of major and minor emergencies.

AGM Greer responded that Mr. Marquez confused major and minor job descriptions with major and minor emergencies.

PUBLIC COMMENT CLOSED

Director Unger responded to Mr. Marquez that yes the Board is the boss of the General Manager so it is important that the Board choose a trustworthy, reliable, intelligent General Manager, which is a huge responsibility.

Motion by Director Hund to approve Resolution No. 17-979 with the minor amendments to Article 4.04.01 revised job descriptions are generally ok but change Committee “approved” to “review” and AFSCME “approval” to “concurrence”. Article 4.04.07 minor change to add after General Manager “his/her designee” and a minor spelling correction from “manger” to “manager”, with the context that the entire Article 4 will be reviewed by staff and brought back to the Board with more refinements.

Vice President Johnson commented that if it will be brought back to the Board with the changes, we should bring it back all at once.

President Luckman asked Vice President Johnson if he would like to table it and then asked AGM Greer to finish what she was saying.

AGM Greer responded that she was ok with the elimination of “unlimited” if that is the sticking point with the Board. However, she would really like the Board to give authority to the General Manager or his/her designee, which is the most important. A short discussion followed with Legal Counsel and the Board.

MSC/Johnson/Floen 4/1 to approve the original motion from Director Hund described above, without including the word “unlimited”.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	No
Unger	Aye

10. DISTRICT GENERAL COUNSEL REPORT - None
11. GENERAL MANAGER REPORT- Assistant General Manager Greer stated that because of the inability to fill our tanks at night, because of the July 28 leak, we had to turn the pumps on during the day at SCE peak time. However, because of the installation of Soft Start on each of the wells it reduces the significant power demand required to start the wells, which in turn, reduces the cost of the daytime pumping penalty. A copy of AGM Greer's full report is attached to the minutes at the District.
12. DIRECTOR REPORTS ON MEETINGS ATTENDED, COMMENTS AND FUTURE AGENDA ITEMS – (All comments should pertain to current Agenda items only)

Director Unger gave a brief overview of the MWA Board meeting she attended on September 14, 2017. President Luckman gave a summary on the MWA Board meeting she attended on September 28, 2017.

Public Outreach Consultant, Kathleen Radnich was absent but President Luckman gave a brief update.

13. FUTURE DIRECTOR MEETINGS AND TRAINING OPPORTUNITIES –
 - Mojave Water Agency Technical Advisory Committee (TAC) -October 5, 2017 at 10 a.m. President Luckman
 - Mojave Water Agency Board of Directors Meeting – October 12, 2017 at 4:30 p.m. Director Unger
 - ASBCSD - East Valley Water District – October 16, 2017 Place to be determined.
 - Finance Committee Meeting – October 30, 2017 at 9:00 a.m.- Vice President Johnson and Director Floen
 - Water Resources and Operations Committee Meeting – October 30, 2017 at 10:00 a.m. President Luckman and Vice President Johnson
14. MSC/Johnson/Unger/5/0 to adjourn the Regular Meeting of the Board of Directors at 8:15 p.m.

Floen	Aye
Hund	Aye
Luckman	Aye
Johnson	Aye
Unger	Aye

Respectfully submitted:

Curt Sauer, General Manager

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

October 18, 2017

Report to: President and Members of the Board

Prepared by: Susan Greer

TOPIC:

APPROVE RESOLUTION NO. 17-980, AMENDING ADMINISTRATION CODE TO CLARIFY GENERAL MANAGER'S AUTHORITY TO EXPEND FUNDS IN AN EMERGENCY

RECOMMENDATION:

Approve Resolution No. 17-980

ANALYSIS:

This is continued discussion of the update to the Administration Code that was presented at the 10/4/17 meeting.

At the last meeting, some changes to Article 4.04.07 of the Administration Code, Expenditure of Funds for Emergencies, were made to allow the GM *or his/her designee* to spend funds in an emergency. There was some concern about the request to expend "unlimited funds" in the event of an emergency, which language was the recommendation of the consultant.

I circled back with the consultant, who now felt that there were other options to this language, and I've provided another option for your consideration. Note that the concern is that FEMA is looking for reasons that we don't qualify for reimbursement after a disaster, and they will look to our own policies as the Board's "law," which provides our GM's authority to spend funds. If we don't abide by our own policies, that's the excuse they are looking for not to pay us. Note that the rules related to this are incorporated within three sections of Article 4 of the Administration Code, which I've pasted below. The first Article, about Budget, says that the GM must adhere to the budget. The second Article, about Purchasing, says that the GM can spend money on capital assets, up to \$20,000, but when that amount is over \$20,000, the Board of Directors must approve, and any amount over \$10,000 approved by the GM must be presented to the Board at the next meeting, with explanation. The third Article, about Expenditure of Funds for Emergencies, provides authorization in the event of an emergency.

As currently written, this third Article, *when taken in conjunction with the Purchasing section*, does still require that the GM get approval for any amount over \$20,000, even in the case of an emergency. That is the conflict that needs to be rectified.

CURRENT LANGUAGE

4.04.05 Budget. It is the duty of the General Manager to prepare the annual budget and submit it to the Board of Directors. The Manager shall adhere to the budget unless otherwise directed by the

Board and shall establish a system of accounting for expenditures. The Manager shall regularly review the status of the budget with the Board and propose appropriate corrective action if revenues or expenditures vary materially from the approved budget.

4.04.06 Purchasing. It is the duty of the General Manager to be responsible for the purchase of all supplies and equipment for the District. All expenditures for items classified as capital assets, such as auto equipment, office machines, etc., shall be submitted to the Board of Directors for approval when the cost is in excess of \$20,000. Any amount over \$10,000 that the General Manager approves must be presented to the Board at the next Board Meeting, with explanation.

4.04.07 Expenditure of Funds for Emergencies. It shall be the duty of the General Manager, or his/her designee, to expend the funds necessary to correct an emergency situation. The General Manager, or his/her designee, shall notify the President of the Board as soon as possible as to the nature of the emergency and the estimated funds required to remedy

Here is some OPTIONAL LANGUAGE to replace Article 4.04.07.

4.04.07 Expenditure of Funds for Emergencies. It shall be the duty of the General Manager, or his/her designee, to expend the funds necessary to correct an emergency situation, notwithstanding the purchasing limits outlined in Article 4.04.06, above. The General Manager, or his/her designee, shall notify the President of the Board as soon as possible as to the nature of the emergency and the estimated funds required to remedy the situation. Actual funds spent shall be reported to the Board within one week.

There are many other options for this language; the important point is that our own policies can't contradict one another, and they do currently.

Resolution No. 17-980 authorizing the changes is attached.

FISCAL IMPACT:

No direct cost, although failure to make changes to Article 4.04.07 might result in non-reimbursement of costs incurred for a declared emergency that would otherwise be eligible for FEMA grant assistance.

RESOLUTION NO. 17-980

A RESOLUTION OF THE BOARD OF DIRECTORS

OF THE JOSHUA BASIN WATER DISTRICT,

AMENDING ARTICLE 4, SECTION 4.04.07 OF THE ADMINISTRATION CODE

WHEREAS, Joshua Basin Water District has previously adopted an Administration Code; and

WHEREAS, the Board of Directors desires to amend the Administration Code to clarify the General Manager’s authority to revise expend funds in an emergency.

NOW THEREFORE BE IT RESOLVED, as follows:

RESOLVED, that Article 4, Section 4.04.07, is amended as follows:

4.04.07 Expenditure of Funds for Emergencies. It shall be the duty of the General Manager, or his/her designee, to expend the funds necessary to correct an emergency situation, notwithstanding the purchasing limits outlined in Article 4.04.06, above. The General Manager, or his/her designee, shall notify the President of the Board as soon as possible as to the nature of the emergency and the estimated funds required to remedy the situation. Actual funds spent shall be reported to the Board within one week.

ADOPTED, SIGNED AND APPROVED ON THIS 18TH DAY OF OCTOBER 2017.

Tom Floen _____
Geary Hund _____
Robert Johnson _____
Mickey Luckman _____
Rebecca Unger _____

Mickey Luckman, President, Board of Directors

Curt Sauer, Secretary, Board of Directors

JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT

Meeting of the Board of Directors

October 18, 2017

Report to: President and Members of the Board

Prepared by: Susan Greer 

TOPIC:
RATE STUDY PRESENTATION AND DISCUSSION

RECOMMENDATION:
Receive information, provide direction for ongoing rate study

ANALYSIS:
Our rate study consultant, Alex Handlers, will be back to provide a status report and the first look at the draft financial projections and water rates. The long-term financial plan is taking shape and we will present the first set of draft financial projections and rates, based on our first three scenarios. We want to discuss the rate *structure* at this meeting as well, which refers to the factors that are utilized to compute charges, currently the Basic Fee plus water usage charges. We believe the current rate structure is working well and meets all legal requirements. However, we did want to discuss potential modifications and receive input to make sure the final rate recommendations reflect Board and CAC objectives. We also want to discuss fund *reserves* which are an important part of our overall financial strategy and financial management. We will be developing a reserve policy, and want to discuss the approach.

This meeting will be informational, updating the Board on the current status of the rate study, and then getting direction from the Board on issues as they arise during this very dynamic process. The CAC will receive a similar presentation from the consultant at their 1:00 meeting on the same day.

Alex won't have his presentation completed until Monday, 10/16, and we will distribute it as soon as received so there is time to preview before the meeting.

FISCAL IMPACT:
N/A

**JOSHUA BASIN WATER DISTRICT
MEETING AGENDA REPORT**

Meeting of the Board of Directors

October 18, 2017

Report to: President and Members of the Board

Prepared by: Susan Greer 

**TOPIC:
AWARD AGREEMENT FOR ORGANIZATIONAL ASSESSMENT**

RECOMMENDATION:
Award agreement to the most responsive bidder, to be determined.

ANALYSIS:
As requested by the Board of Directors, a Request for Proposals (RFP) for an Organizational Assessment (OA) was prepared and submitted to five different consultants. Proposals were received from three consultants, Koff & Associates, Westin Technology Solutions and CPS HR Consulting, and those proposals are currently under review by Staff.

From the RFP, the purpose of the OA is “to use the assessment results to improve effectiveness and efficiency in a way that is fiscally responsible while providing the desired level of service.” The OA will include an organizational evaluation, staffing/workforce analysis and succession planning.

Staff will provide a recommendation no later than the meeting time, hopefully sooner.

FISCAL IMPACT:
Budget for the project is \$30,000 and all three proposals received are less than that amount.

JOSHUA BASIN WATER DISTRICT
STAFF REPORT

Meeting of the Board of Directors

October 18, 2017

Report to: President and Members of the Board

Prepared by: Curt Sauer

TOPIC: Draft Agreement with MWA for Water Supply Connection and Transfer of Facilities at Recharge Turn Out

RECOMMENDATION: That the Board receive for information, discuss and advise GM on any items of concern.

ANALYSIS:

When the Recharge Pipeline was constructed in the 1990's, Mojave Water Agency (MWA) built and owned all facilities from the Turn Out located on Linda Lee in Yucca Valley to the first pressure reduction station on Yucca Mesa Road.

In 2012/13, when the District extended the pipeline and constructed the recharge ponds, the facilities within the Turn Out were replaced by the District, and the District retained ownership of the equipment in the vault.

This has left a 2,000 feet section of recharge pipeline that is currently owned by the MWA. MWA has requested that we take ownership of that pipeline. According to MWA this is an oversight of past management activities, as their intention was to have JBWD take ownership of all facilities downstream of the Master meter, located in the Turn Out vault.

This is the same agreement they have with Hi Desert Water District.

There are no costs associated with taking ownership and the State has confirmed there is no impact to the loan agreements if change in ownership occurs. The loan has been paid by MWA.

Future costs, in 50 to 75 years, when the pipeline needs to be replaced, is roughly estimated to be on the order of \$400,000. This would be done at the same time we replace the other 3+ miles of pipeline from Yucca Mesa Road to the recharge facility.

JOSHUA BASIN WATER DISTRICT
STAFF REPORT

Meeting of the Board of Directors

October 18, 2017

Report to: President and Members of the Board

Prepared by: Curt Sauer

TOPIC: Discussion on Draft Water Storage Agreement with Mojave Water Agency

RECOMMENDATION: That the Board receive for information, discuss and advise GM on any items of concern.

ANALYSIS: At the direction of the Board, the General Manager has been negotiating a Water Storage Agreement with Mojave Water Agency. The draft presented tonight represents several iterations and is close to being finished, so that both the JBWD Board and the MWA Board can consider and approve a final agreement.

Section 1 of the Agreement covers ownership of the stored water (MWA), until requested by JBWD.

Section 2 covers JBWD's authority to prevent additional water storage should operations under this Agreement adversely affect JBWD.

Sections 3 thru 8 speak to how the water will be stored, what amount of "water loss" will be debited from the stored water account, and MWA's ability to meet JBWD's annual requests for state water from "stored water" rather than delivering it through the pipeline.

Sections 9 and 10 speak to indemnifications.

Section 11 covers term of contract, which is an annual automatic renewal unless terminated by either Party.

Section 12 stipulates JBWD responsibility of acquiring all stored water, due and payable at time of termination. This item will be specifically discussed at the Board meeting, as it potentially creates a large financial debt upon termination of the agreement. However, this potential debt can be controlled by JBWD as the Parties must mutually agree to the amount of water to be stored each year.

The General Manager recommends that Section 12 be written similarly as Section 13, which covers MWA's responsibilities should MWA terminate the agreement.

End of Report

Draft WJB 09/07/2017
MWA 09/12/2017

**AGREEMENT
BETWEEN
MOJAVE WATER AGENCY
AND
JOSHUA BASIN WATER DISTRICT**

This AGREEMENT is made this ____ day of _____, 2017, by and between the Mojave Water Agency (hereinafter MWA) and Joshua Basin Water District (hereinafter JBWD).

RECITALS

- A. JBWD is a County Water District organized and operating pursuant to California Water Code section 30000, et seq.
- B. MWA is organized and operating pursuant to California Water Code, Appendix 97, et seq.
- C. The primary purposes of this Agreement are to more efficiently use the water supplies available to MWA and JBWD, and to make supplemental water supplies available to JBWD.

DEFINITIONS

JBWD - Joshua Basin Water District.

Groundwater basin – DWR Bulletin 118 Groundwater Basin, Joshua Tree 7-62, as shown in Exhibit A attached hereto.

MWA- Mojave Water Agency.

MWA Storage Water- Water delivered to the Point of Delivery by MWA in excess of water ordered by JBWD on an annual basis shown on Exhibit B attached hereto.

MWA Storage Water Account- State Water Project water delivered by MWA pursuant to this Agreement shall be credited to a MWA Storage Water account. MWA will be responsible for recording and maintaining the storage water in the account subject to review and approval of Joshua Basin Water District on an annual basis.

Point of Delivery- The location at which MWA Storage Water is delivered and measured, as established pursuant to Section 6 of this Agreement as shown on Exhibit B

AGREEMENT

In consideration of the foregoing recitals and the covenants contained herein, the Parties to this Agreement hereby agree as follows:

Section 1. Delivery, Amount, and Ownership of Stored Water. Subject to the conditions of this Agreement, MWA may deliver State Water Project water to be stored in the basin as defined in Exhibit A, until such time as requested by JBWD. MWA will have the exclusive option of meeting the annual JBWD request for SWP water by transferring MWA banked water to JBWD or delivering SWP water directly to JBWD. The amount of water to be stored in the basin for MWA hereunder shall not be limited, upon mutual agreement by JBWD and MWA.

Section 2. Implementation of Agreement. Notwithstanding any other provisions of this Agreement, the Parties hereto recognize that implementation of this Agreement may be restricted or terminated if it is determined that operations authorized under this Agreement would adversely affect JBWD. Adverse effects include, but are not limited to, high groundwater levels, subsidence or permanent loss of storage capacity due to compaction of water-bearing soils, or due to a continuous decline of water levels. If any Party is informed or believes that implementation of this Agreement or any part hereof may adversely affect the basin as shown in Exhibit A, that Party shall give notice to the other Party containing a general description of the First party's information or belief. The Parties hereto shall meet and confer within ten (10) business days after written notice by the First Party.

Section 3. MWA Storage Water. From time to time, MWA may have opportunity to receive water from the State Water Project in excess of JBWD's annual request for any given year. MWA, in conjunction with JBWD, will store this excess water in the basin, as described in Exhibit A, in accordance with this Agreement, upon mutual agreement by JBWD and MWA. All costs associated with delivering the water including the cost of the water to the point of delivery shall be borne by MWA. MWA shall notify JBWD at least thirty (30) days in advance of intent to deliver to the MWA Storage Water Account. MWA and JBWD shall mutually agree on delivery schedules. The MWA Storage Water Account deliveries shall not interfere with delivery of JBWD's annual request. All State Water Project water, less losses pursuant to Section 4, provided by MWA and delivered to the basin as described in Exhibit A for storage will be credited to the MWA Storage Water Account.

Section 4. Storage Water Losses. MWA agrees to the provision for water losses, based on a 15% loss factor for its stored water. Cumulative deliveries shall be reduced by a 15% loss factor on a per acre-foot basis and shall be debited from the MWA Storage Account.

EXAMPLE

Year	Delivery AF	15% Loss AF	Total Storage AF
One	1,250.00	187.50	1,062.50
Two	1,000.00	150.00	850.00
Three	1,250.00	187.50	1,062.50
Totals	3,500.00	525.00	2,975.00

Section 5. Water Available to MWA. MWA Storage Water shall be available to MWA in a cumulative amount equal to the amount of water credited to the MWA Storage Water Account, minus the Provision for Water Losses.

Section 6. Point of Delivery. MWA Storage Water shall be delivered to and measured at the MWA flow meter on the Morongo Basin Pipeline at the JBWD pipeline extension connection, as defined in Exhibit B.

Section 7. Protection of Other MWA Water Users. It is the objective of MWA and JBWD that this Agreement shall not adversely affect the rights of other water users within MWA.

Section 8. MWA Storage Water Account Withdrawals. Requests for State Water Project water by JBWD will be submitted to MWA. At the sole discretion of MWA, MWA's contractual delivery requirements to JBWD, as requested by JBWD through its water order, may be met in total or part by allocating a portion of the water stored in the MWA Storage Account providing, however, that an adverse condition does not exist as provided for in Section 2. In the event of an adverse condition, the Parties shall meet and confer pursuant to Section 2. As a result of the transfer and sale of stored water to JBWD, MWA's account shall be debited by an equal amount. MWA shall submit this accounting on an annual basis to JBWD. Water in the MWA Storage Water Account shall be deemed transferred to JBWD upon MWA's written notification to JBWD of the transfer and payment to MWA at a price equal to the then current purchase price established by MWA for water delivered to JBWD pursuant to the water rates set by MWA. It is hereby agreed that there is no charge, rent, assessment or expense incurred by MWA by reasons of its spreading and storing the MWA Storage Water Account pursuant to this Agreement. No easement, license, or other right is granted by this Agreement for the use of pipelines, wells, flood control channels, spreading basins, or any other physical facilities or land.

Section 9. JBWD Indemnification. JBWD agrees to indemnify, defend and hold harmless MWA, its directors, officers, employees, and agents from any and all claims including, but not limited to, property damage, personal injury or death arising or alleged to arise out of or connected with JBWD physical control, carriage, handling, use or distribution of storage water made available by MWA once said water has been delivered to delivery point, except for the active negligence or willful misconduct of MWA. JBWD shall be responsible for any documentation required under the California Environmental Quality Act (CEQA).

Section 10. MWA Indemnification. MWA agrees to indemnify, defend, and hold harmless JBWD, its directors, officers, employees, and agents from any and all claims, whether filed in a court of law or with an administrative agency, arising or alleged to arise out of or connected with the storage program implemented pursuant to this Agreement, including, but not limited to, claims contesting the legal validity of the program, excepting the active or willful negligence of JBWD.

Section 11. Term of Contract. This Agreement shall become effective as of the date first written above, and shall automatically renew annually as of the date of this Agreement unless terminated by one of the Parties pursuant to Sections 12 or 13.

Section 12. Termination by JBWD. In the event that JBWD terminates this Agreement, JBWD agrees to pay MWA for the water in the MWA Storage Water Account, except Provision for Water Losses, at a price equal to the then current price established by MWA for water delivered to JBWD. Such repayments by JBWD for termination under this Section are due and payable upon termination. JBWD may terminate this Agreement with One-Hundred Eighty (180) days written notice to MWA.

Section 13. Termination by MWA. In the event that MWA terminates or is unable to fulfill its obligations under this Agreement, water remaining in the MWA Storage Water Account, except Provision for Water Losses, shall be available for use by JBWD upon payment to MWA at a price calculated in accordance with Section 8. The remaining balance in the MWA Storage Water Account shall be liquidated in volumetric amounts not to exceed the annual requests made by JBWD, or as otherwise mutually agreed upon by the Parties. Notwithstanding any other provision in this Agreement, MWA may terminate this Agreement with One-Hundred Eighty (180) days written notice to JBWD.

Section 14. Notices. Any notice, tender or delivery to be given hereunder by any Party hereto to the other shall be effected by personal delivery in writing or electronic mail transmittal or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated as of mailing or in case of personal delivery or electronic mail, as of actual

Draft WJB 09/07/2017
MWA 09/12/2017

receipt. Mailed notices shall be addressed as set forth below, but each Party may change its address by written notice in accordance with this section.

To JBWD: General Manager
 JOSHUA BASIN WATER DISTRICT
 PO Box 675
 Joshua Tree, California 92252

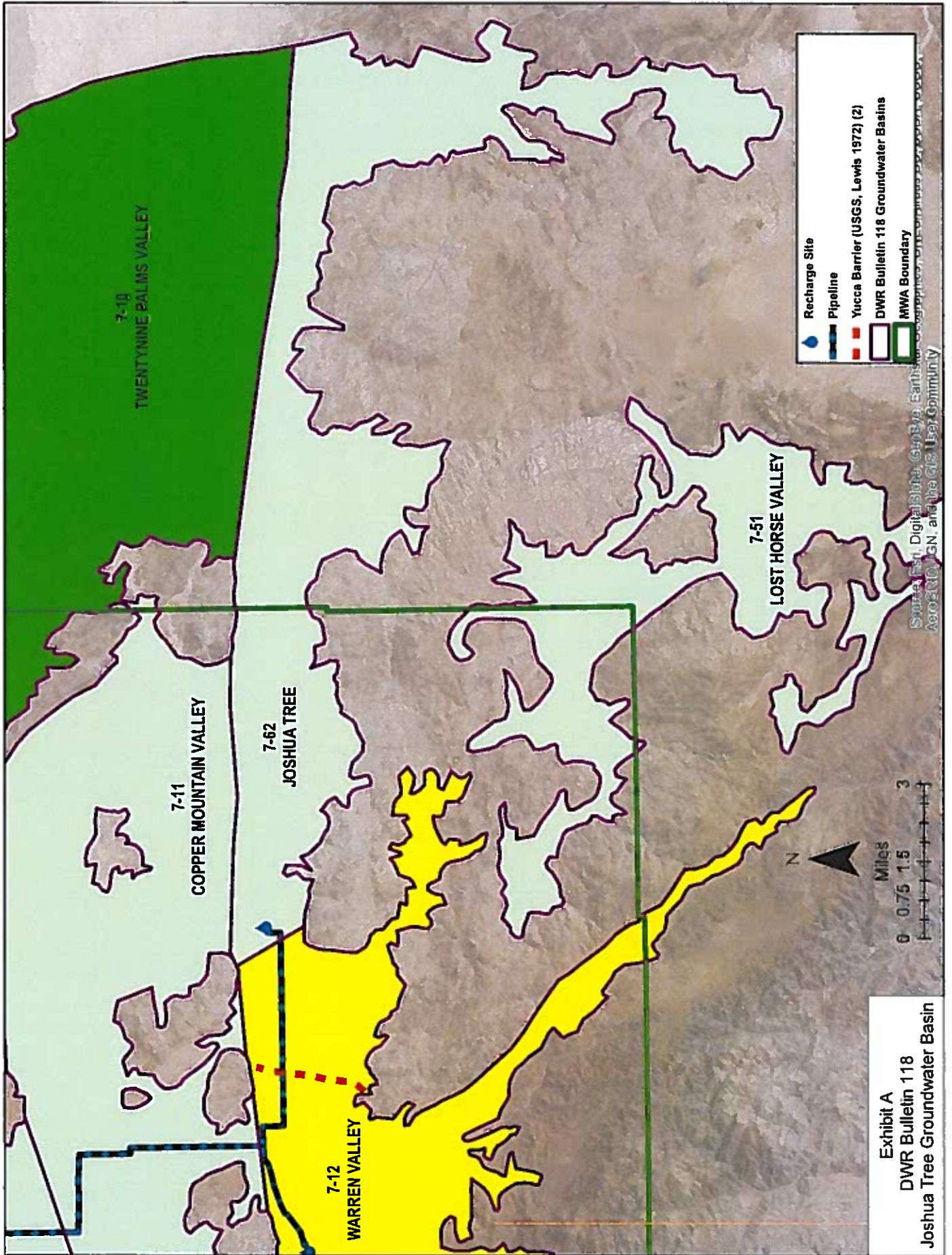
To MWA: General Manager
 MOJAVE WATER AGENCY
 13846 Conference Center Drive
 Apple Valley, California 92307

Section 15. Attorney Fees. Each Party will bear its own attorney fees and costs.

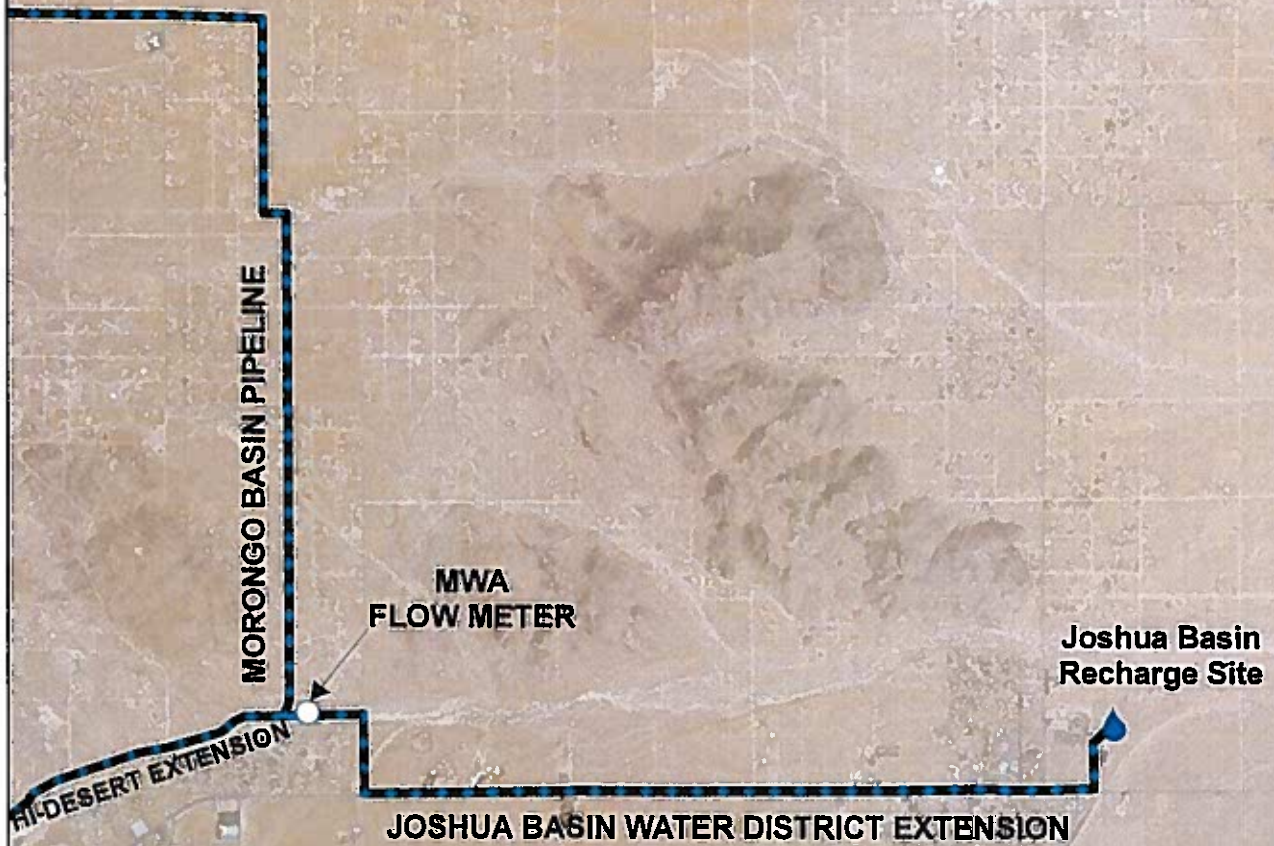
Section 16. Amendments. This is an entire Agreement and supersedes only those prior agreements oral or written between the Parties to this Agreement regarding the subject matter thereto, and cannot be amended unless in writing, with specific reference hereto, and cannot be amended unless in writing, with specific reference hereto by Parties authorized to be charged. Failure by any Party to enforce any provisions shall not constitute a waiver of said Party's right to enforce subsequent violation of the same or any other provisions.

Section 17. Inurement. This Agreement shall not be assigned by any Party without the express written consent of the other Parties hereto. This Agreement shall be binding upon and inure to the benefit of the successors of the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by its authorized officers.



Water Delivery Facilities



○	Point of Delivery
💧	Recharge
—	Pipeline



Exhibit B
Point of Delivery

Path: L:\Projects\Morongo\UBWD\Maps\ExhBPOD.mxd