

**AGENDA
COMMISSION MEETING OF THE
CHINO BASIN REGIONAL FINANCING AUTHORITY**

**WEDNESDAY, APRIL 20, 2022
9:50 A.M.**

**VIEW THE MEETING LIVE ONLINE AT IEUA.ORG
TELEPHONE ACCESS: (415) 856-9169 / Conf Code: 885 499 122#**

PURSUANT TO AB361 AND RESOLUTION NO. 2022-3-2, ADOPTED BY THE CBRFA COMMISSIONERS ON MARCH 16, 2022, CBRFA MEETINGS WILL CONTINUE TO BE CONDUCTED THROUGH TELECONFERENCE IN AN EFFORT TO PROTECT PUBLIC HEALTH AND PREVENT THE SPREAD OF COVID-19. THERE WILL BE NO PUBLIC LOCATION AVAILABLE FOR ATTENDING THE MEETING IN PERSON.

The public may participate and provide public comment during the meeting by dialing the number provided above. Comments may also be submitted by email to the Board Secretary/Office Manager Denise Garzaro at dgarzaro@ieua.org prior to the completion of the Public Comment section of the meeting. Comments will be distributed to the Commissioners.

CALL TO ORDER OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Commission on any item that is within the jurisdiction of the Commission; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Commission on any matter, whether or not it appears on the agenda, are requested to email the Board Secretary/Office Manager prior to the public comment section or request to address the Commission during the public comments section of the meeting. Comments will be limited to three minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. **ACTION ITEMS**

A. **ADOPTION OF RESOLUTION NO. 2022-4-2, MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING SPECIAL RULES FOR CONDUCTING MEETINGS THROUGH TELECONFERENCE**

It is recommended that the Commissioners adopt Resolution No. 2022-4-2, making certain findings and determinations regarding special rules for conducting meetings through teleconference for a period of 30 days.

B. **MINUTES**

Approve minutes of March 16, 2022 Chino Basin Regional Financing Authority Commission meeting.

C. **AUTHORIZATION AND APPROVAL OF WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT LOAN AGREEMENT**

It is recommended that the Commissioners:

1. Adopt Resolution No. 2022-4-1, authorizing the WIFIA Loan Agreement; and
2. Authorize the General Manager to execute such amendments, subject to non-substantive changes.

ADJOURN

Declaration of Posting

I, Denise Garzaro, CMC, Board Secretary/Office Manager of the Inland Empire Utilities Agency*, a Municipal Water District, hereby certify that, per Government Code Section 54954.2, a copy of this agenda has been posted at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA and on the Agency's website at www.ieua.org at least seventy-two (72) hours prior to the meeting date and time above.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary at (909) 993-1736 or dgarzaro@ieua.org, 48 hours prior to the scheduled meeting so that IEUA can make reasonable arrangements to ensure accessibility.

ACTION ITEM
1A

CHINO BASIN REGIONAL FINANCING AUTHORITY

Date: April 20, 2022

To: The Honorable Commissioners

From: Shivaji Deshmukh *SD*
General Manager

Subject: Adoption of Resolution No. 2022-4-2, Making Certain Findings and Determinations Regarding Special Rules for Conducting Meetings through Teleconference

RECOMMENDATION

It is recommended that the Board of Commissioners Adopt Resolution No. 2022-4-2, Making Certain Findings and Determinations Regarding Special Rules for Conducting Meetings through Teleconference.

BACKGROUND

On March 4, 2020, Governor Newsom declared a state of emergency pursuant to Government Code 8625 due to the COVID-19 pandemic and recommended, together with local officials, measures for social distancing to assist in abating the spread of COVID-19; and on March 17, 2020, the Governor issued Executive Order N-29-20 which, among other things, suspended certain Brown Act rules governing the use of teleconferencing of local agency board meetings. Executive Order N-29-20 expired on September 30, 2021, while the state of emergency is still in place.

In response to the ongoing COVID-19 pandemic, the California legislature has enacted, and the Governor signed into law, AB 361 amending portions of Government Code 54953, allowing for the continued use of teleconferencing for local agency board meetings while suspending the conditions and restrictions of Government Code 54953(b)(3) if the legislative body of the local agency makes certain findings. The legislative body must make these findings every 30 days to continue the use of teleconferencing.

PRIOR COMMISSION ACTION

The Commission adopted Resolution No. 2022-3-2, Making Certain Findings and Determinations Regarding Special Rules for Conducting Meetings through Teleconference on March 16, 2022. On December 8, 2021, and January 5, 2022, the Commission approved Resolution Nos. 2021-12-1 and 2022-1-1, respectively, Making Certain Findings and Determinations Regarding Special Rules for Conducting Meetings through Teleconference.

IMPACT ON BUDGET

None

RESOLUTION NO. 2022-4-2

A RESOLUTION OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY, MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING SPECIAL RULES FOR CONDUCTING MEETINGS THROUGH TELECONFERENCE

WHEREAS, the Chino Basin Regional Financing Authority (the “Authority”), a joint exercise of powers authority duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, all meetings of the Commission of the Authority (the “Commission”) are conducted in open and public settings in compliance with the Ralph M. Brown Act (Brown Act) so that any member of the public may attend, participate and watch the Authority’s Commission conduct their business; and

WHEREAS, on March 4, 2020, the Governor declared a state of emergency pursuant to Government Code 8625 due to the COVID-19 pandemic and has recommended, together with local officials, measures for social distancing to assist in abating the spread of COVID-19; and

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20 which, among other things, suspended certain Brown Act rules governing the use of teleconferencing of local agency board meetings; and

WHEREAS, Executive Order N-29-20 expired on September 30, 2021; and

WHEREAS, the California legislature has enacted, and the Governor has signed into law, AB 361 amending portions of Government Code 54953, allowing for the continued use of teleconferencing for local agency board meetings while suspending the conditions and restrictions of Government Code 54953(b)(3) if the legislative body of the local agency makes certain findings;

WHEREAS, On December 8, 2021 the Commissioners of Chino Basin Regional Financing Authority approved Resolution 2021-12-1 making certain factual findings, and authorizing the continued use of teleconferencing for CBRFA Commission meetings for an effective period of 30 days; and

WHEREAS, On January 5, 2022 the Commissioners of Chino Basin Regional Financing Authority approved Resolution 2022-1-1 making certain factual findings, and authorizing the continued use of teleconferencing for CBRFA Commission meetings for an effective period of 30 days; and

WHEREAS, On March 16, 2022 the Commissioners of Chino Basin Regional Financing Authority approved Resolution 2022-3-2 making certain factual findings, and authorizing the continued use of teleconferencing for CBRFA Commission meetings for an effective period of 30 days; and

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Chino Basin Regional Financing Authority hereby make the following findings and determinations:

SECTION 1. The Governor has proclaimed a state of emergency on March 4, 2020 which continues.

SECTION 2. The Governor and local officials have promoted the use of social distancing as a method to abate the spread of COVID-19 within the community. The Commission finds that conducting in person meetings of the Commission of the Chino Basin Regional Financing Authority would be inimical to social distancing and would present imminent risks to the health or safety of the attendees and conducting meetings by teleconference would diminish that risk.

SECTION 3. The Commission will continue to conduct Commission meetings by teleconference in compliance with Government Code 54953(e) until such time as the Governor has terminated the state of emergency and the risk to health and safety of meeting attendees is sufficiently diminished or as otherwise required by law. Notice of meetings and posted agendas will contain information which allows members of the public to access the meeting and address the Commission and offer public comment including an opportunity for all persons to attend via a call-in option or an internet-based service option.

SECTION 4. This Resolution shall take effect immediately upon its adoption and shall be effective for 30 days or until such time as the Commission adopts a subsequent resolution in accordance with Government Code 54953(e)(3) to extend the time during which meetings of the Commission may be conducted by teleconference without compliance with Government Code 54953(3)(b).

ADOPTED this 20th day of April, 2022.

Steven J. Elie
President of the Chino Basin Regional
Financing Authority and the
Board of Commissioners thereof

ATTEST:

Marco Tule
Secretary of the Chino Basin Regional
Financing Authority and the
Board of Commissioners thereof

ACTION ITEM
1B

**MINUTES OF THE
COMMISSION MEETING OF
THE CHINO BASIN REGIONAL FINANCING AUTHORITY
MARCH 16, 2022**

COMMISSIONER PRESENT:

Steven J. Elie, President
Marco Tule, Secretary

COMMISSIONERS PRESENT via Video/Teleconference:

Michael Camacho, Vice President
Jasmin A. Hall, Commissioner
Paul Hofer, Commissioner

STAFF PRESENT:

Shivaji Deshmukh, P.E., General Manager
Christiana Daisy, P.E., Deputy General Manager
Denise Garzaro, Board Secretary/Office Manager
Jesse Pompa, Manager of Grants
Daniel Solorzano, Network Administrator

STAFF PRESENT via Video/Teleconference:

Javier Chagoyen-Lazaro, Acting Assistant General Manager
Adham Almasri, Principal Engineer
Joshua Aguilar, Senior Engineer
Kevin Asprer, P.E, Associate Engineer
Pietro Cambiaso, Acting Director of Planning & Resources
Robert Delgado, Manager of Operations & Maintenance
Lucia Diaz, Manager of Facilities & Water System Programs
Julianne Frabizio, Engineering Consultant
Warren Green, Manager of Contracts & Procurement
Branden Hodges, Environmental Resources Planner II
Elizabeth Hurst, Chino Basin Program Manager
Jennifer Hy-Luk, Administrative Assistant II
Jason Marseilles, Manager of Engineering
William McDonnell, Manager of Engineering
Sapna Nangia, Senior Internal Auditor
Randy Lee, Director of Operations & Maintenance
Eddie Lin, Senior Engineer
Kanes Pantayatiwong, Manager of Information Technology
Cathleen Pieroni, Senior Policy Advisor
Brent Ritzinger, RW/Groundwater Operations & Maintenance Specialist
Jeanina Romero, Executive Assistant
Sandra Salazar, E.I.T, Associate Engineer
James Spears, Senior Engineer
Travis Sprague, Principal Engineer
Yvonne Taylor, Administrative Assistant II
Gary Te, Business Systems Analyst II
Wilson To, Technology Specialist II
Teresa Velarde, Manager of Internal Audit

OTHERS PRESENT:

Jean Cihigoyenette, JC Law Firm
Paul Mitchell, Redistricting Partners

A Commission meeting of the Chino Basin Regional Financing Authority (CBRFA) was held at the Inland Empire Utilities Agency Headquarters, 6075 Kimball Avenue, Bldg. A, Chino, California and via video/teleconference on the above date.

CALL TO ORDER

Commissioner Elie called the meeting to order at 9:48 a.m. Records Specialist Hannah Hatter led the Pledge of Allegiance. Board Secretary/Office Manager Denise Garzaro took roll call and established that a quorum was present.

Commissioner Elie provided directions on how the public may address the Commission. There were no public comments received. There were no additions or deletions to the agenda.

1. ACTION ITEMS

A. ADOPTION OF RESOLUTION NO. 2022-3-2, MAKING CERTAIN FINDING AND DETERMINATIONS REGARDING SPECIAL RULES FOR CONDUCTING MEETINGS THROUGH TELECONFERENCE

MOVED BY COMMISSIONER HALL, SECONDED BY COMMISSIONER CAMACHO, THE COMMISSION ADOPTED RESOLUTION NO. 2022-3-2, MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING SPECIAL RULES FOR CONDUCTING MEETINGS THROUGH TELECONFERENCE, BY THE FOLLOWING VOTE:

Ayes: Camacho, Elie, Hall, Hofer, Tule
Noes: None
Absent: None

B. MINUTES

MOVED BY COMMISSIONER CAMACHO, SECONDED BY COMMISSIONER TULE, THE COMMISSION APPROVED THE MINUTES OF THE JANUARY 5, 2022 CHINO BASIN REGIONAL FINANCING AUTHORITY COMMISSION MEETING, BY THE FOLLOWING VOTE:

Ayes: Camacho, Elie, Hall, Hofer, Tule
Noes: None
Absent: None

C. AUTHORIZATION AND APPROVAL OF WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT LOAN AGREEMENT

Manager of Grants Jesse Pompa provided the staff presentation.

MOVED BY COMMISSIONER HOFER, SECONDED BY COMMISSIONER TULE, THE COMMISSION ADOPTED RESOLUTION NO. 2022-3-1, AUTHORIZING THE WIFIA LOAN AGREEMENT BETWEEN THE INLAND EMPIRE UTILITIES AGENCY (AGENCY), THE CHINO BASIN REGIONAL FINANCING AUTHORITY (AUTHORITY) AND THE US ENVIRONMENTAL PROTECTION AGENCY TO

FINANCE A PORTION OF THE PROJECT FOR A NOT-TO-EXCEED AMOUNT OF \$120,000,000, EXCLUDING INTEREST AND OTHER RELATED COSTS, EFFECTIVE MARCH 23, 2022, AND A FINAL MATURITY OF NOVEMBER 1, 2060; APPROVED THE WIFIA INSTALLMENT PURCHASE AGREEMENT BETWEEN THE AUTHORITY AND THE AGENCY FOR THE ACQUISITION OF THE WIFIA PORTION OF THE PROJECT, AND OTHER RELATED SUBSTANTIALLY FINAL DRAFTS OF THE FINANCING DOCUMENTS THAT HAVE BEEN PREPARED; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE SUCH DOCUMENTS, SUBJECT TO NON-SUBSTANTIVE CHANGES, BY THE FOLLOWING VOTE:

Ayes: Camacho, Elie, Hall, Hofer, Tule
Noes: None
Absent: None

ADJOURNMENT

With no further business, Commissioner Elie adjourned the meeting at 10:03 a.m.

Commissioner Tule, CBRFA Secretary

APPROVED: APRIL 20, 2022

ACTION ITEM
1C

CHINO BASIN REGIONAL FINANCING AUTHORITY

Date: April 20, 2022

To: The Honorable Commissioners

From: Jesse Pompa, P.E., BCEE
Manager of Grants

Subject: Authorization and Approval of Water Infrastructure Finance and Innovation Act Loan Agreement

RECOMMENDATION

It is recommended that the Board of Commissioners:

1. Adopt Resolution No. 2022-4-1, authorizing the WIFIA Loan Amendment; and
2. Authorize the General Manager to execute such amendments, subject to non-substantive changes.

BACKGROUND

On May 20, 2020, the Board approved the loan agreement of a U.S. Environmental Protection Agency (USEPA) Water Infrastructure Finance and Innovation Act (WIFIA) loan for the Regional Plant No. 5 Expansion Project (RP-5 Project) for a maximum of 49 percent of eligible project costs, not to exceed \$225,000,000. On March 16, 2022, the Board approved a second WIFIA loan to finance 49 percent of IEUA's Regional Wastewater System Improvements Program (Regional Program) for a not-to-exceed amount of \$120,000,000.

During the negotiation of the second WIFIA loan, the Regional Financing Authority's bond counsel recognized language within the RP-5 Project agreement that was inconsistent with language in the Regional Program agreement. This amendment, which clarifies that a failure to make a debt service payment within 30 days does not warrant termination of the agreement, ensures that the language in both WIFIA contracts is consistent and safeguard the Authority.

Further, this amendment resolution allows for future non-substantive amendments to be executed by the General Manager without a Board resolution, similar to other funding agreements.

PRIOR BOARD ACTION

On May 20, 2020, the Board of Commissioners approved Resolution No. 2020-5-1, authorizing the execution of the WIFIA loan for a not-to-exceed amount of \$225,000,000.

Authorization and Approval of Water Infrastructure Finance and Innovation Act Loan
Agreement
April 20, 2022
Page 2

On March 16, 2022, the Board of Commissioners approved Resolution No. 3-1, authorizing the execution of IEUA's Regional Wastewater System Improvements WIFIA loan for a not-to-exceed amount of \$120,000,000.

IMPACT ON BUDGET

None.



Adoption of Resolution No. 2022-4-1, Authorizing the Amendment of a WIFIA Loan Agreement

Jesse Pompa, P.E., BCEE
Manager of Grants
April 20, 2022

Water Infrastructure Finance and Innovation Act (WIFIA) Funding

- May 2020 – IEUA and CBRFA executed \$196.4 million agreement to finance 44% of RP-5 Expansion costs
- March 2022 – IEUA and CBRFA executed \$120 million agreement to finance 49% of Regional Wastewater System Improvements Program
- Amendment to May 2020 loan agreement is required to be consistent with updated language in March 2022 agreement regarding Bankruptcy Related Events



Staff Recommendation

Staff recommends that the Board of Commissioners:

1. Adopt Resolution No. 2022-4-1, authorizing the WIFIA Loan Amendment; and
2. Authorize the General Manager to execute such amendments, subject to non-substantive changes.

Leveraging low-interest borrowing is consistent with the IEUA Business Goal of Fiscal Responsibility to ensure capital projects are completed at the lowest cost to ratepayers.

RESOLUTION NO. 2022 –4-1

RESOLUTION OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A WIFIA LOAN AMENDMENT AND CERTAIN DOCUMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Chino Basin Regional Financing Authority (the “Authority”), a joint exercise of powers authority duly organized and existing under and pursuant to the Constitution and laws of the State of California, has been requested to assist Inland Empire Utilities Agency (the “Agency”) to undertake the acquisition of certain improvements to the Agency’s wastewater system; and

WHEREAS, on May 27, 2020, the Agency, the Authority and the EPA, acting by and through the Administrator of the Environmental Protection Agency (the “WIFIA Lender”), entered into that certain WIFIA Loan Agreement for the Regional Plant 5 Expansion Project (WIFIA-N18124CA) (the “RP-5 Expansion WIFIA Loan Agreement”); and

WHEREAS, the parties thereto desire to amend the RP-5 Expansion WIFIA Loan Agreement as set forth in a first amendment thereto (“Amendment No. 1 to RP-5 Expansion WIFIA Loan Agreement”).

NOW, THEREFORE, the Commission of the Chino Basin Regional Financing Authority hereby finds, determines, declares and resolves as follows:

1. Amendment No. 1 to RP-5 Expansion WIFIA Loan Agreement in substantially the form on file with the Authority is hereby approved. The President, Vice President, Treasurer, or General Manager, or the designee thereof are each hereby individually authorized and directed to execute and deliver Amendment No.1 to RP-5 Expansion WIFIA Loan Agreement with such changes, insertions and omissions as may be recommended by the General Counsel or Bond Counsel and approved by the person executing the same, said execution being conclusive evidence of such approval.
2. The President, Vice-President, Treasurer, General Manager, or Secretary or the designee thereof and any other proper officer of the Authority, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Amendment No. 1 to RP-5 Expansion WIFIA Loan Agreement and this Resolution.
3. The General Manager or in his absence, his designees are hereby authorized and directed to execute any additional amendments to the RP-5 Expansion WIFIA Loan Agreement following the execution and delivery of Amendment No. 1 to RP-5 Expansion WIFIA Loan Agreement or any amendments to WIFIA Loan Agreement for the Regional Wastewater System Improvements Program (WIFIA-N20111CA), dated as of March 24, 2022, by and among the Agency, the Authority and the WIFIA Lender.

4. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in Amendment No. 1 to RP-5 Expansion WIFIA Loan Agreement unless the context otherwise clearly requires.

5. This Resolution shall take effect immediately.

ADOPTED this 20th day of April, 2022.

Steven J. Elie
President of the Chino Basin Regional
Financing Authority and the
Board of Commissioners thereof

ATTEST:

Marco Tule
Secretary of the Chino Basin Regional
Financing Authority and the
Board of Commissioners thereof

(SEAL)

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN BERNARDINO)

I, Marco Tule, Secretary of the Chino Basin Regional Financing Authority, DO HEREBY CERTIFY that the foregoing Resolution being No. 2022-4-1, was adopted at a regular Commission Meeting on April 20, 2022, of said Authority by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marco Tule
Secretary of the Chino Basin Regional
Financing Authority and the
Board of Commissioners thereof

AMENDMENT NO. 1 to WIFIA LOAN AGREEMENT

dated as of [___], 2022

among

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY,**

CHINO BASIN REGIONAL FINANCING AUTHORITY and

INLAND EMPIRE UTILITIES AGENCY

in connection with the

**WIFIA Loan Agreement, dated as of May 27, 2020, among the
United States Environmental Protection Agency, acting by and
through the Administrator of the Environmental Protection Agency,
Chino Basin Regional Financing Authority and Inland Empire
Utilities Agency, for the Regional Plant 5 Expansion Project
(WIFIA ID – 18124CA)**

AMENDMENT NO. 1 to WIFIA LOAN AGREEMENT

THIS AMENDMENT NO. 1 TO WIFIA LOAN AGREEMENT (this “**Amendment**”), dated as of [●], 2022, is by and among **CHINO BASIN REGIONAL FINANCING AUTHORITY**, a joint powers authority duly organized and existing under and by virtue of the laws of the State, with an address at 6075 Kimball Avenue, Chino, CA 91708 (the “**Borrower**”), **INLAND EMPIRE UTILITIES AGENCY**, a municipal water district duly organized and existing under and by virtue of the laws of the State of California (the “**State**”), with an address at 6075 Kimball Avenue, Chino, CA 91708 (the “**Agency**”), and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “**Administrator**”), with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the “**WIFIA Lender**”).

RECITALS:

WHEREAS, pursuant to the Water Infrastructure Finance and Innovation Act (“**WIFIA**”), § 5021 *et seq.* of Public Law 113-121 (as amended, and as may be further amended from time to time, the “**Act**”), which is codified as 33 U.S.C. §§ 3901-3914, the WIFIA Lender is authorized to enter into agreements to provide financial assistance with one or more eligible entities to make secured loans with appropriate security features to finance a portion of the eligible costs of projects eligible for assistance;

WHEREAS, the Borrower, the Agency and the WIFIA Lender entered into that certain WIFIA Loan Agreement, dated as of May 27, 2020 (the “**WIFIA Loan Agreement**”), for the provision of a WIFIA Loan in a principal amount not to exceed one hundred ninety six million four hundred thirty-six thousand four hundred forty-five Dollars (\$196,436,445) (excluding interest that is capitalized in accordance with the terms thereof) to be used to pay a portion of the Eligible Project Costs related to the Project;

WHEREAS, the parties hereto have agreed to make certain amendments to the WIFIA Loan Agreement as set forth below; and

WHEREAS, the WIFIA Lender has entered into this Amendment in reliance upon, among other things, the information and representations of the Borrower and the Agency set forth in this Amendment and the supporting information provided by the Borrower and the Agency.

NOW THEREFORE, the parties to this Amendment hereby agree as follows:

Section 1. Definitions and Interpretation.

Except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings specified in the WIFIA

Loan Agreement. The provisions of Section 2 (*Interpretation*) of the WIFIA Loan Agreement shall be incorporated herein *mutatis mutandis*.

Section 2. Amendments.

This Amendment amends and supplements the WIFIA Loan Agreement and is entered into in accordance with Section 29 (*Amendments and Waivers*) of the WIFIA Loan Agreement. Each of the parties hereto hereby agrees to amend the WIFIA Loan Agreement as follows:

(a) Section 21(c) (*Events of Default and Remedies*) of the WIFIA Loan Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

“(c) Upon (i) the occurrence of any Bankruptcy Related Event (other than a Bankruptcy Related Event under clause (b)(iii) of the definition thereof) or (ii) the acceleration of any amounts under the WIFIA IPA, all obligations of the WIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the WIFIA Loan shall automatically be deemed terminated, and the Outstanding WIFIA Loan Balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the WIFIA Note or the other WIFIA Loan Documents, shall automatically become immediately due and payable, without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived.”

Section 3. Representations and Warranties.

Each of the Borrower and the Agency hereby represents and warrants as to itself that (a) the execution and delivery of this Amendment have been duly authorized; (b) this Amendment constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms; (c) the execution, delivery and performance of this Amendment do not not conflict with any provision of its charter or applicable law; (d) the information it has provided to the WIFIA Lender in connection with this Amendment is true and correct in all material respects and does not omit any information related to the matters contemplated in this Amendment, the omission of which makes such information materially misleading in any respect; and (e) as of the date hereof, there is no Default or Event of Default that has occurred and is continuing.

Section 4. Miscellaneous.

(a) Each of the parties hereto agree that:

(i) any reference in any of the WIFIA Loan Documents, or in any agreement, document or instrument contemplated thereby, to the WIFIA Loan Agreement shall be deemed to be a reference to the WIFIA Loan Agreement as amended by this Amendment;

(ii) the terms and conditions of the WIFIA Loan Agreement shall continue in full force and effect unchanged, except as expressly amended by this Amendment;

(iii) except as expressly provided in this Amendment, no provision of this Amendment shall be deemed (A) to be a consent, waiver, supplement to or modification of the term or any condition of the WIFIA Loan Agreement, any other WIFIA Loan Document or any of the instruments referred to therein, or (B) to prejudice any rights or remedies which the WIFIA Lender may have now or in the future under or in connection with the WIFIA Loan Agreement as amended by this Amendment, or any other WIFIA Loan Document; and

(iv) this Amendment shall be a WIFIA Loan Document.

(b) The provisions of Sections 22 (*Disclaimer of Warranty*) through (and including) Section 37 (*Indemnification*) of the WIFIA Loan Agreement are incorporated herein and shall apply herein, *mutatis mutandis*, as if set out in this Amendment in full (and as if each reference therein to “this Agreement” were, or included (as applicable), a reference to this Amendment.

(c) This Amendment shall be effective as of the date set forth on the first page of this Amendment.

[Signature pages follow on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**CHINO BASIN REGIONAL FINANCING
AUTHORITY**, by its authorized
representative

By: _____
Name:
Title:

INLAND EMPIRE UTILITIES AGENCY,
by its authorized representative

By: _____
Name:
Title:

**UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY**, acting by and
through the Administrator of the
Environmental Protection Agency

By: _____
Name: Jorianne Jernberg
Title: Director, WIFIA Program
Director, WIFIA Management Division