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VIA OVERNIGHT DELIVERY

SAN DIEGO RWQCB

2017 JUN 14 AM 8:55

June 13, 2017

Mr. David Gibson, Executive Officer
**CALIFORNIA REGIONAL WATER QUALITY
CONTROL BOARD – SAN DIEGO REGION**
2375 Northside Drive, Suite 100
San Diego, CA 92108

**SUBJECT: ORDER NO. 94-92 – ASSIGNMENT TO SANTA ROSA
REGIONAL RESOURCES AUTHORITY**

Dear Mr. Gibson:

Rancho California Water District ("RCWD") is the permittee under Order No. 94-92 issued by the California Regional Water Quality Control Board for the San Diego Region, which sets forth Waste Discharge Requirements for RCWD's wastewater reclamation facilities in Riverside County. Order No. 94-92 includes the Santa Rosa Wastewater Reclamation Facility, Riverside County ("SRWRF") among the facilities to which that order applies.

Over the past several years, negotiations took place with respect to the possible formation of a regional authority to own and operate the SRWRF. Those negotiations culminated with the formation on November 12, 2015 of the Santa Rosa Regional Resources Authority ("SRRRA"), a joint powers authority consisting of RCWD, Elsinore Valley Municipal Water District, and Western Municipal Water District. On November 13, 2015, a Facilities Acquisition Agreement (the "FAA") was entered into by RCWD and SRRRA under which RCWD would transfer the SRWRF to SRRRA upon the satisfaction of various conditions, including the procurement of financing that SRRRA would use to pay off RCWD's existing debt related to the SRWRF (a copy of the FAA is enclosed). Those conditions are now nearing satisfaction, as SRRRA is in the process of issuing municipal bonds to finance its acquisition of the SRWRF from RCWD, with an expected closing date for those bonds of August 17, 2017.

The upcoming transfer of ownership of the SRWRF from RCWD to SRRRA necessitates the transfer to SRRRA of Order No. 94-92, as to the ownership and operation of the SRWRF only. Pursuant to Section F.6 of Order No. 94-92, this letter constitutes RCWD's notice to you, as the San Diego Regional Water Quality Control Board's Executive Officer, of the proposed transfer of that Order as to the SRWRF.

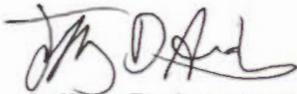
Mr. David Gibson, Executive Officer
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Control Board – San Diego Region
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The details regarding the specific date for transfer of the SRWRF to SRRRA (i.e., the "Closing Date") is defined in Section 7(C) of the FAA as the date upon which SRRRA is able to pay the defined "Acquisition Price," which is now contemplated to be August 17, 2017, the date on which the above-referenced municipal bonds will close. The FAA also allocates the obligation for operation of the SRWRF between RCWD and SRRRA, as set forth in Section 10 of the FAA. Under those indemnification provisions, RCWD has responsibility with respect to any liabilities arising from operation of the SRWRF prior to the Closing Date and SRRRA has such responsibility after the Closing Date. The liabilities referenced in Section 10 of the FAA are broadly defined and would include liability for any violations of Order No. 94-92.

Please let us know of any additional actions that may be necessary to effectuate this transfer of Order No. 94-92 as to the SRWRF. Please do not hesitate to contact me with any questions or if you need any additional information.

Sincerely,

RANCHO CALIFORNIA WATER DISTRICT



Jeffrey D. Armstrong
General Manager

Enclosure

cc: Mr. Richard Aragon, Administrator, SRRRA
Ms. Brenda Dennstedt, Chair, SRRRA
Mr. John Hoagland, Vice Chair, SRRRA
Mr. Andy Morris, Director, SRRRA

