

EXHIBIT 10-A

UNDERWRITING AGREEMENT

BETWEEN

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AND RAYMOND
JAMES & ASSOCIATES, INC.**

THIS AGREEMENT (“Agreement”) is by and between the Monterey Peninsula Water Management District (“Client”) and Raymond James & Associates, Inc. (“Raymond James”).

WHEREAS, Client wishes to avail itself of the underwriting services of Raymond James with respect to the Client’s anticipated Water Rate Relief Revenue Bonds (the “Bonds”) to fund its public contribution (the “Financing”) to the California American Water Company’s (“Cal Am”) proposed Monterey Peninsula Water Supply Project (the “Project”); and Raymond James, through its Public Finance Department, is engaged in the business of providing, and is authorized under applicable Federal and State statutes to provide, such services;

NOW THEREFORE, it is agreed by all parties signing this Agreement that:

I. SCOPE OF SERVICES OF RAYMOND JAMES

- 1) Raymond James, in cooperation with the District’s bond counsel and financial advisor, will:
 - Advise and consult with the Client on strategic, tactical and finance matters relating to the Project including, but not limited to: taxable and tax exempt issues; fixed rate and variable rate issues; current and forecasted interest rates; bond market conditions and other capital market developments; new and innovative methods of finance; and any other matters as reasonably requested by the Client to enable the Client to make fully informed decisions pertaining to the size, timing, sources, and related issues for funding of the Project.
 - In conjunction with the Client’s financial advisor, develop a securitization model required to obtain a rating indication from one or more nationally recognized rating agencies to assist the Client in demonstrating the ratepayer benefits of the Bonds as required by Senate Bill 396 of 2014.
 - Assist the Client in making presentations concerning the Project to the various internal and external groups whose approval will be required. Support shall include, but is not limited to, creation and presentation, as requested, of appropriate presentation materials and assistance to the Client.
 - Provide to the Client (and periodically update as requested) one or more analytic computer models showing key financial assumption and alternative

financing mixes, including alternatives that detail flexible and cost-effective combinations of funding mechanisms.

- Assist in the preparation of a Public Offering Memorandum, Private Placement Memorandum or other applicable information and offering material (the “Memorandum”). Responsibility for the contents of such Memorandum shall be solely that of Client and any issuer of the Bonds.
 - Review all related Bond documents.
 - Manage, structure, arrange for and participate in all discussions with nationally recognized rating agencies for obtaining public ratings on the Bonds, if appropriate.
 - Assist in presentations to potential investors.
 - Engage in the marketing and underwriting of the Bonds.
 - Submit a bond purchase agreement for the purchase of the Bonds.
- 2) Any services in connection with the Project and Financing with respect to reinvestment of proceeds or swaps or derivative products shall not be included within the scope of this Agreement and shall be governed by a separate Agreement.

II. UNDERTAKINGS AND REPRESENTATIONS BY THE CLIENT

- 1) The Client shall make available to Raymond James financial and other data and information concerning the Client, the Project and its operations. Client management and staff shall cooperate with Raymond James in collecting and assembling the documentation essential to its financing activities and disclosure responsibilities.
- 2) As relevant, the Client shall work with legal counsel who shall issue an approving legal opinion to accompany the issuance of any debt, and appropriate legal counsel with respect to any loans. The Client shall also retain counsel to advise it as to the adequacy of disclosure and to assist in the preparation of any offering documents, as relevant, and to assist in all matters related to any proposed debt.
- 3) In order that Client and the Raymond James can best coordinate efforts to effect a financing satisfactory to Client, Client grants Raymond James sole and exclusive right and authority to perform the underwriting services described herein and agrees that it will not initiate or participate in any discussions relating to the financing with any person other than Raymond James.

- 4) The Client understands that the consummation of the transaction will be based upon, among other things, the truth, accuracy and completeness of the information included in the Memorandum or otherwise provided to Raymond James. The Client agrees that all such information will be true, correct and complete, and that it will update such information during the course of the underwriting, or placement, as appropriate, and that all projections provided to Raymond James will have been prepared in good faith and based upon reasonable assumptions. The Client acknowledges and agrees that Raymond James will rely upon such information and projections without independent verification. Any bond purchase or placement agreement entered into between Raymond James and Client will, to the extent permitted by law, contain customary indemnification and contribution provisions to indemnify Raymond James and its affiliates and their officers, directors, employees and agents and any person controlling any of the foregoing.

III. PAYMENT TO RAYMOND JAMES

- 1) For performance of the services enumerated under Article I, the Client will compensate Raymond James with (a) initial payment of \$45,000 for services performed to date, upon presentation of invoice; (b) upon issuance of a Financing Order by the Public Utilities Commission of the State of California, payment of \$50,000 shall be made upon receipt of an invoice.
- 2) As relevant, compensation for Raymond James' underwriter's services hereunder Client will pay an underwriting fee equal to .6% of the par amount of the bonds (\$6/\$1,000 bond), exclusive of Raymond James' out-of-pocket expenses, assuming the Client retains separate disclosure counsel, and assuming a minimum rating of BBB- and a term not to exceed 30 years.
- 3) The Client and Raymond James expressly agree that Raymond James' services will be fully performed and such underwriting fee will be due and payable only upon issuance of the bonds, whether or not the issuance of the bonds was arranged or underwritten by Raymond James or such issuance occurs subsequent to the expiration of this Agreement.
- 4) The Client agrees to pay Raymond James's out-of-pocket expenses in connection with any services provide hereunder, which shall include, but not be limited to, travel, delivery and similar charges, and fees and expenses of Raymond James' legal counsel.

IV. PAYMENT OF COSTS OF ISSUANCE

Regardless of the plan of Financing selected, the Client shall be responsible for payment of all the costs of issuing bonds or other debt instruments and completing a financing, including but not limited to:

- a) Printing and distribution of any offering documents (as relevant);

- b) Other printing costs;
- c) Counsel fees;
- d) Financial advisory fees
- e) Auditor fees;
- f) Feasibility Consultant fees;
- g) Rating Agency fees;
- h) Bond Trustee fees;
- i) Letter of Credit fees;
- j) Bank fees and expenses as required (for loans or bank-qualified bonds); and
- k) Bond insurance premiums, if any.

V. GENERAL PROVISIONS

- 1) Client acknowledges and agrees that this Agreement does not constitute a guarantee by Raymond James to underwrite or place any bonds or other financing. It is understood that Raymond James' obligations under this agreement are to use reasonable efforts throughout the term of this agreement to perform the services described herein. This agreement is not intended to confer rights or benefits on any member, affiliate, shareholder or creditor of Client or any other person or entity or to provide Client or any other person with any assurances that the transaction will be consummated. Raymond James will enter into a definitive agreement to underwrite or place bonds if and only if the security, structure, disclosure and other aspects of the issue are satisfactory in all respects to Raymond James. Without limiting the generality of the foregoing, the approval of Raymond James management and its appropriate internal credit committee(s), based upon independent internal credit review and analysis of the bonds and the Financing, will be required for Raymond James to serve as underwriter or placement agent for the bonds. Client acknowledges and agrees that if either Raymond James management or the appropriate Raymond James internal credit committee does not approve such underwriting or private placement, Raymond James' obligations under this agreement will terminate immediately, with no liability to Raymond James. Upon such termination Client shall be obligated to pay any unreimbursed out of pocket expenses described above.
- 2) Client should be aware that Raymond James or its affiliates may have trading and other business relationships with public agencies within Cal Am's Monterey Service District, or other participants in the proposed transaction, including financial services firms engaged by Cal Am. These relationships include, but may not be limited to, trading lines, frequent purchases and sales of securities and other engagements through which Raymond James may have, among other things, an economic interest. Raymond James is involved in a wide range of activities from which conflicting interests or duties may arise. Information which is held elsewhere within Raymond James, but of which none of Raymond James' personnel involved in the proposed transaction actually has knowledge, will not for any purpose be taken into account in determining Underwriter's responsibilities to the Client.

- 3) Both parties acknowledge and agree that Raymond James is not serving as a financial advisor, municipal advisor or other fiduciary to the Client, nor is the Raymond James serving as a fiduciary of any other party to the transaction. Raymond James is not providing legal or accounting advice. Client also acknowledges that Susan N. Story, a Director of Raymond James, is Senior vice President and CFO of American Water Works Company, Inc., parent of Cal Am
- 4) Either Client or Raymond James may terminate this agreement in its sole discretion upon 30 days' written notice without liability to the other except that Raymond James shall be entitled to the prompt payment of any unreimbursed out-of-pocket expenses described above, and Client shall remain obligated to Raymond James as provided in Article III, above. Client's indemnification obligation shall survive any termination of this agreement.
- 5) No opinion or advice of Raymond James shall be reproduced, disseminated, quoted or referred to at any time without the prior written consent of Raymond James. Upon the completion of the financing, Raymond James will be entitled to advertise the transaction in publications and at times selected by it at its own expense.
- 6) It is understood that any decision to enter into any Financing and acceptance of the terms and conditions of any Financing is the sole responsibility of the Client.
- 7) The Client hereby covenants and agrees that it will indemnify and hold harmless Raymond James against any and all losses, claims, demands, damages or liabilities of any kind whatsoever, arising from or out of the acts, omissions or doings of the Client, its representatives, agents or employees, or in any way relating to the Financing or other matter within the purview of this Agreement, whether pursuant to statute or at common law or otherwise (hereinafter, "Claims"), and will reimburse Raymond James for any legal or other expense reasonably incurred by it in connection with investigating or defending any such Claims or actions or proceedings arising from such Claims, whether or not resulting in any liability.
- 8) The term of this Agreement shall be for twelve months from the date shown in the signature block, below.
- 9) This Agreement embodies all the terms, agreements, conditions and rights contemplated and negotiated by Client and Raymond James, and supersedes any and all discussions and understandings, written or oral, between the Client and Raymond James regarding the subject matter hereof. Any modifications and/or amendments must be made in writing and signed by both parties.
- 10) This agreement shall be governed by and construed in accordance with the laws of the State of California without reference to any conflicts of law provisions that would require application of the law of a different jurisdiction.

- 11) Any dispute arising out of this Agreement or the performance hereof shall be resolved in binding arbitration before the American Arbitration Association, pursuant to its commercial arbitration rules. Each party, to the fullest extent permitted by law, knowingly, voluntarily and intentionally waives its right to a jury trial in any action or other legal proceeding arising out of or relating to this agreement or the performance hereof.

VI. INSURANCE

- 1) Raymond James shall obtain and keep insurance policies in full force and effect for the following form of coverage:
 1. Automobile liability including property damage and bodily injury with a combined single limit of \$300,000.
 2. Commercial General Liability (CGL) with a combined single limit of \$1,000,000.
 3. Raymond James shall add to his/her Commercial General Liability insurance policy a severability or interest clause or such similar wording if his/her policy does not automatically have this clause already written into it. Such language shall be similar to: "The insurance afforded applies separately to each insured against whom claim is made or suit is brought, including claims made or suits brought by any person included within the persons insured provision of this insurance against any other such person or organization."
- 2) Raymond James shall provide photocopies of his/her current Automobile insurance policy [or policies], including endorsements thereto, or current certificates of insurance in lieu thereof, to Client.
- 3) Raymond James shall require any subcontractor to provide evidence of the same insurance coverages specified in Section VI paragraph 1.
- 4) Raymond James shall provide notice to Client of any cancellation or material change in insurance coverage where Client has been named as additional insured, such notice to be delivered to the Client Participants at least ten (10) days before the effective date of such change or cancellation of insurance.
- 5) Evidence acceptable to Client that Raymond James has complied with the provisions of this Section VI shall be provided to Client, prior to commencement of work under this Agreement.
- 6) All policies carried by the Client shall provide primary coverage instead of any and all other policies that may be in force. Client shall not be responsible for any premium due for the insurance coverages specified in this Agreement.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE DULY CAUSED THIS AGREEMENT to be signed and sealed by their respective authorized officers this ____ day of _____, 2015.

[CLIENT]

By: _____
Name:
Title:

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Name:
Title:

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