

State of California – Department of Water Resources

Notice of Retention of Independent Registered Municipal Advisor

By publicly posting the following written disclosure, Department of Water Resources (DWR) intends that market participants receive and use it for purposes of the independent registered municipal advisor exemption to the Securities and Exchange Commission's Municipal Advisor Rule.

June 27, 2016

DWR has retained an independent registered municipal advisor. DWR is represented by and will rely on municipal advisors Montague DeRose and Associates, LLC (MDA) to provide advice on proposals from financial services firms concerning the issuance of municipal securities and municipal financial products, including interest rate swap transactions.

The individuals listed below are on our retained team at Montague DeRose and Associates, LLC. DWR agrees to provide you with notice of any changes to this team going forward, so you can verify their continuing independence.

- Jim Bemis, Principal
- Doug Montague, Principal
- Frank Perdue, Principal
- Chia Jung-Yang, Managing Director
- Natalie Perkins, Managing Director
- Shaun Rai, Managing Director
- Brian Grubbs, Senior Vice President
- Douglas Charchenko, Senior Vice President
- Michael Kremer, Senior Vice President *
- Matthew Kirschenman, Vice President **
- Griselda Blackburn, Vice President
- William Laws, Vice President
- Corey McCullough, Vice President
- June Cabatu, Associate
- Lindsay Smith, Analyst

Proposals may be addressed to Perla Netto-Brown, Chief of Division of Fiscal Services at Perla.Netto-Brown@water.ca.gov. For the proposal to be considered by DWR, it will be shared with our municipal advisor. Please note, that aside from regulatorily mandated correspondence between an underwriter and municipal advisor, the underwriter should not speak directly with or send documents directly to the municipal advisor unless specifically directed to by DWR.

* (see page 2)

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* Based on written representations from MDA, there is a current employee of MDA, Michael Kremer, who was employed within the last two years (until March 1, 2016) by Hilltop Securities Inc. MDA has advised DWR that until March 1, 2018, such employee will not participate in the review of any solicited or unsolicited proposals received by Hilltop Securities Inc. or any other municipal advisory activity for DWR in which Hilltop Securities Inc. is relying on the IRMA Exemption.

** Based on written representations from MDA, there is a current employee of MDA, Matthew Kirschenman, who was employed within the last two years (until November 13, 2015) by JP Morgan Chase Bank, NA. MDA has advised DWR that until November 13, 2017, such employee will not participate in the review of any solicited or unsolicited proposals received by JP Morgan Securities LLC or any other municipal advisory activity for DWR in which JP Morgan Securities LLC is relying on the IRMA Exemption.