

# **SAN JUAN WATER DISTRICT**

Board of Director's Board Meeting Minutes  
February 26, 2020 – 6:00 p.m.

## **BOARD OF DIRECTORS**

Ted Costa	President
Pam Tobin	Vice President (absent)
Marty Hanneman	Director
Ken Miller	Director
Dan Rich	Director

## **SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF**

Paul Helliker	General Manager
Donna Silva	Director of Finance
Lisa Brown	Customer Service Manager
Adam Larsen	Interim Field Services Manager
Andrew Pierson	Engineering Services Manager
Teri Grant	Board Secretary/Administrative Assistant
Jennifer Buckman	Legal Counsel

## **OTHER ATTENDEES**

Alan Driscoll	Forsgren Associates Inc.
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## **AGENDA ITEMS**

- I. Roll Call**
- II. Public Forum**
- III. Consent Calendar**
- IV. Old Business**
- V. New Business**
- VI. Information Items**
- VII. Directors' Reports**
- VIII. Committee Meetings**
- IX. Upcoming Events**
- X. Closed Session**
- XI. Open Session**
- XII. Adjourn**

President Costa called the meeting to order at 6:02 p.m.

### **I. ROLL CALL**

The Board Secretary took a roll call of the Board. The following directors were present: Ted Costa, Marty Hanneman, Ken Miller and Dan Rich. Vice President Pam Tobin was absent.

### **II. PUBLIC FORUM**

There were no public comments.

President Costa inquired if there were any changes to the agenda. No changes were made.

### **III. CONSENT CALENDAR**

All items under the consent calendar are considered to be routine and are approved by one motion. There will be no separate discussion of these items unless a member of the Board, audience, or staff request a specific item removed after the motion to approve the Consent Calendar.

#### **1. Minutes of the Board of Directors Meeting, January 22, 2020 (W & R)**

*Recommendation: Approve draft minutes*

#### **2. 520/524 Fort Rock Ct – Easement Encroachment Request (R)**

*Recommendation: To approve an easement encroachment request and direct staff to execute the necessary agreement with the property owner*

#### **3. Annual Installation Services Agreement Amendment with Rawles Engineering Inc. (R)**

*Recommendation: To approve Authorization and approval of Amendment #1 to the Annual Installation Services agreement with Rawles Engineering Inc. for FY 2019/20*

#### **4. Treasurers Report – Quarter Ending December 31, 2019 (W & R)**

*Recommendation: Receive and File*

President Costa removed Consent Calendar item 1 for discussion.

***Director Rich moved to approve Consent Calendar items 2-4. Director Hanneman seconded the motion and it carried with 4 Aye votes (Director Tobin absent).***

Director Hanneman explained that the meeting minutes referred to President Rich opening the meeting when it should have read President Costa.

***Director Hanneman moved to approve Consent Calendar item 1 as amended. Director Miller seconded the motion and it carried with 4 Aye votes (Director Tobin absent).***

### **IV. PUBLIC HEARING**

President Costa opened the Public Hearing at 6:06 pm. The Board Secretary confirmed that this item was duly posted and published with no written or oral comments received prior to the public hearing.

#### **1. Adoption of Ordinance 20-01 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinance 10000 of the District Code of Ordinances (R)**

Mr. Larsen explained that this is the second reading of the ordinance and there are no changes since the first reading.

There were no public comments.

President Costa closed the Public Hearing at 6:08 p.m.

***Director Hanneman moved to waive the second reading of Ordinance No. 20-01 and adopt Ordinance 20-01 which amends Ordinance 10000 to reflect the District's policy regarding backflow prevention assembly testing. Director Miller seconded the motion and it carried with 4 Aye votes (Director Tobin absent).***

Director Miller suggested that the District ordinances include verbiage regarding any state mandates when appropriate.

## V. OLD BUSINESS

### 1. Collaboration/Integration Study (W & R)

GM Helliker provided the Board with a staff report which will be attached to the meeting minutes. He reported that the General Managers of the participating Agencies recommend the Raftelis/Tully & Young team (RTY) as the consultant for the study. He explained that the proposed cost submitted by RTY is approximately \$194,264, and expects the District's cost to participate in the joint project to be a maximum amount of \$54,000. He explained that should an agency not participate, then the amount could change.

GM Helliker informed the Board that the Citrus Heights Water District will hold a study session on March 2<sup>nd</sup> and then they will vote on the MOU at their March meeting. GM Helliker reported that the study scope of work is included in the MOU and the study should take approximately nine months to complete. The Board discussed the study and cost allocation of the study.

***Director Hanneman moved to approve the Memorandum of Understanding among agencies participating in Collaboration/Integration Study. Director Rich seconded the motion and it carried with 4 Aye votes (Director Tobin absent).***

## VI. NEW BUSINESS

### 1. ACWA JPIA Professional Development Program Certification Award to Adam Larsen

GM Helliker presented Mr. Adam Larsen with the ACWA JPIA Professional Development Program Certification award. He commended Mr. Larsen for completing the program in two years instead of the normal four years. The Board congratulated Mr. Larsen.

## **2. Legal Service Agreement (W & R)**

Ms. Jennifer Buckman, Legal Counsel, excused herself from the room during discussion of this agenda item. GM Helliker reported that, at the January 22<sup>nd</sup> Board meeting, the Board President established an Ad Hoc Committee, composed of Directors Hanneman and Rich, to review the legal services agreement. The committee worked with Joshua Horowitz, Legal Counsel, to review and revise the 2000 agreement. GM Helliker explained that there were two significant revisions – a provision regarding the billing rates to be reviewed and approved by the Board prior to implementation, and the contract term, which is five years. The Board discussed the revisions and independent contractor vs. attorney-client relationship.

*Director Hanneman moved to approve revisions to legal services agreement with Bartkiewicz, Kronick and Shanahan, LLC. Director Rich seconded the motion and it carried with 4 Aye votes (Director Tobin absent).*

## **3. Central Valley Project Water Service and Facilities Repayment Contract (W)**

GM Helliker provided a staff report which will be attached to the meeting minutes. He explained that the Water Infrastructure Improvements for the Nation (WIIN) Act was signed in 2016 which authorized Reclamation to enter into negotiations with any Central Valley Project contractor who desired to convert their existing “water service” contract into a “repayment” contract. He reported that staff has been working with Legal Counsel on a new contract with Reclamation.

*Director Hanneman moved to adopt Resolution 20-02 Authorizing the Board President to Execute a Contract Between the United States and San Juan Water District Providing for Project Water Service and Facilities Repayment. Director Miller seconded the motion and it carried with 4 Aye votes (Director Tobin absent).*

# **VII. INFORMATION ITEMS**

## **1. GENERAL MANAGER'S REPORT**

### **1.1 General Manager's Monthly Report (W & R)**

GM Helliker provided the Board with a written report for January which will be attached to the meeting minutes. He mentioned that deliveries and water sales are on track with the projections.

### **1.2 Miscellaneous District Issues and Correspondence**

GM Helliker reported that Folsom Reservoir storage is about 47% full and 85% of average. He reported that there is a below normal probability for precipitation for the next three months, with the temperature forecast above normal.

GM Helliker reported that Reclamation's allocation is 50% for Sacramento Valley agriculture contractors and 75% for M&I contractors north of the

Delta; therefore, the District's allocation is approximately 750 acre feet of CVP water.

GM Helliker reviewed the flows on the American River at the Fair Oaks gaging station which shows the flows below 2,000 cfs, with no flood releases since the beginning of the rainy season. He reported that precipitation is 51% of normal and the snow pack is 49% of average statewide. He stated that, based on the unimpaired flow to Folsom Reservoir, he does not expect to invoke the water shortage contingency plan.

GM Helliker reported that the state water contractors are interested in water transfers this year. He explained that he is working with the other agencies in the area and will provide a proposal by April 13<sup>th</sup>. In addition, the Antelope Pump Station may need to be used so clarifying language is being drafted into the operating agreement with Sacramento Suburban Water District to better define the purposes of the Antelope Pump Station. He stated that this will be reviewed at the next Board meeting and he will be meeting with the wholesale customer agencies on March 18<sup>th</sup> to discuss the changes to the agreement.

GM Helliker reported that there are a couple workshops coming up regarding state regulations on the water supply and demand report, and staff will begin working on the Urban Water Management Plan. He will attend the Northern California Water Association annual meeting on March 6<sup>th</sup>, and the ACWA Legislative Symposium is March 12<sup>th</sup> which Mr. Zlotnick will be attending. In addition, the District sponsors the California Water Policy Conference which is April 2-3, 2020, in Davis, and there are a couple free registrations available.

GM Helliker informed the Board that the March Board meeting agenda will include the Antelope Pump Station MOU, a shortage agreement with the wholesale customer agencies, some policy/ordinance revisions, mid-year budget review, some fees updates, and the GM performance review. GM Helliker announced that Mr. Andrew Pierson was promoted to Engineering Services Manager, and there is a recruitment to replace the engineer position.

## **2. DIRECTOR OF FINANCE'S REPORT**

### **2.1 Miscellaneous District Issues and Correspondence**

Ms. Silva reported that staff is working on the mid-year budget review and those results, along with assumptions for FY 2020-21 budget, will be brought to the March Board meeting.

## **3. OPERATION MANAGER'S REPORT**

### **3.1 Miscellaneous District Issues and Correspondence**

No report.

#### **4. ENGINEERING SERVICES MANAGER'S REPORT**

- 4.1 Miscellaneous District Issues and Correspondence**  
No report.

#### **5. LEGAL COUNSEL'S REPORT**

- 5.1 Legal Matters**

President Costa inquired about setting up our own governance under the groundwater sustainability legislation. Ms. Buckman explained that the existing JPA would need to vote on any changes to the existing structure.

### **VIII. DIRECTORS' REPORTS**

#### **1. SGA**

President Costa reported that SGA met on February 13<sup>th</sup> and discussed the status of the groundwater bank.

#### **2. RWA**

Director Hanneman provided the Board with written notes which will be attached to the meeting minutes. He reported that the RWA Executive Committee met on February 19<sup>th</sup>, and on the 21<sup>st</sup> there was a Strategic Planning meeting.

#### **3. ACWA**

- 3.1 ACWA - Pam Tobin**  
No report.

- 3.2 JPIA - Pam Tobin**  
No report.

- 3.3 Energy Committee - Ted Costa**

Director Costa reported that the Energy Committee met on February 7, 2020.

#### **4. CVP WATER ASSOCIATION**

No report.

#### **5. OTHER REPORTS, CORRESPONDENCE, COMMENTS, IDEAS AND SUGGESTIONS**

There were no other matters discussed.

### **IX. COMMITTEE MEETINGS**

#### **1. Engineering Committee – February 14, 2020**

The committee meeting minutes will be attached to the original board minutes.

#### **2. Finance Committee – February 25, 2020**

The committee meeting minutes will be attached to the original board minutes.

## X. UPCOMING EVENTS

1. **2020 ACWA Legislative Symposium**  
March 12, 2020  
Sacramento, CA
2. **2020 ACWA Spring Conference**  
May 5-8, 2020  
Monterey, CA
3. **2020 Cap To Cap – Metro Chamber**  
April 25-29, 2020  
Washington DC

**President Costa to call for Closed Session at 7:21 p.m.**

## XI. CLOSED SESSION

1. Public employee performance evaluation involving the General Manager; Government Code sections 54954.5(e) and 54957.
2. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(d)(4); potential for litigation involving the State Water Resources Control Board's proceedings related to the California Water Fix and the Bay-Delta Water Quality Control Plan Update; Government Code sections 54954.5(c) and 54956.9(a).

## XII. OPEN SESSION

There was no reportable action from the closed session.

## XIII. ADJOURN

**The meeting was adjourned at 8:20 p.m.**

ATTEST:

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EDWARD J. "TED" COSTA, President  
Board of Directors  
San Juan Water District

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TERI GRANT, Board Secretary

## STAFF REPORT

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To: Board of Directors  
From: Andrew Pierson, Engineering Services Manager  
Date: February 26, 2020  
Subject: 524 Fort Rock Court – Easement Encroachment Request

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### RECOMMENDED ACTION

Staff recommends approval of an easement encroachment request for 524 Fort Rock Court and direct staff to execute the necessary agreement with the property owner. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

### BACKGROUND

The District has two existing 54-inch transmission pipelines located within easements transecting a portion of the property owner's parcel at 524 Fort Rock Court. In June of 2017, the property owner entered into a prior encroachment agreement with the District for improvements including a driveway that crossed these pipelines. To facilitate that prior encroachment, the District required the owner to construct a reinforced concrete cap over the pipelines to protect them from heavy vehicle loading. Now the property owner desires to build an entry gate and fencing improvements where the District's easement is located within their parcel. Therefore, the property owner is requesting a second encroachment agreement to construct fencing and entry gate improvements within the District's easement area on their parcel. Attached is a figure depicting the easement and proposed property improvements.

### STATUS AND JUSTIFICATION

Staff has reviewed the requested easement encroachment and has considered the extent of the improvements and the potential impact on the District's ability to operate, maintain, repair, or replace the affected pipelines. Staff has concluded that the owner's requested encroachment, with the appropriate engineering of the improvements and cautions implemented to protect the pipelines during construction, will not have a detrimental effect on the District's short-term or long-term requirements to operate, maintain, repair, or replace the pipelines.

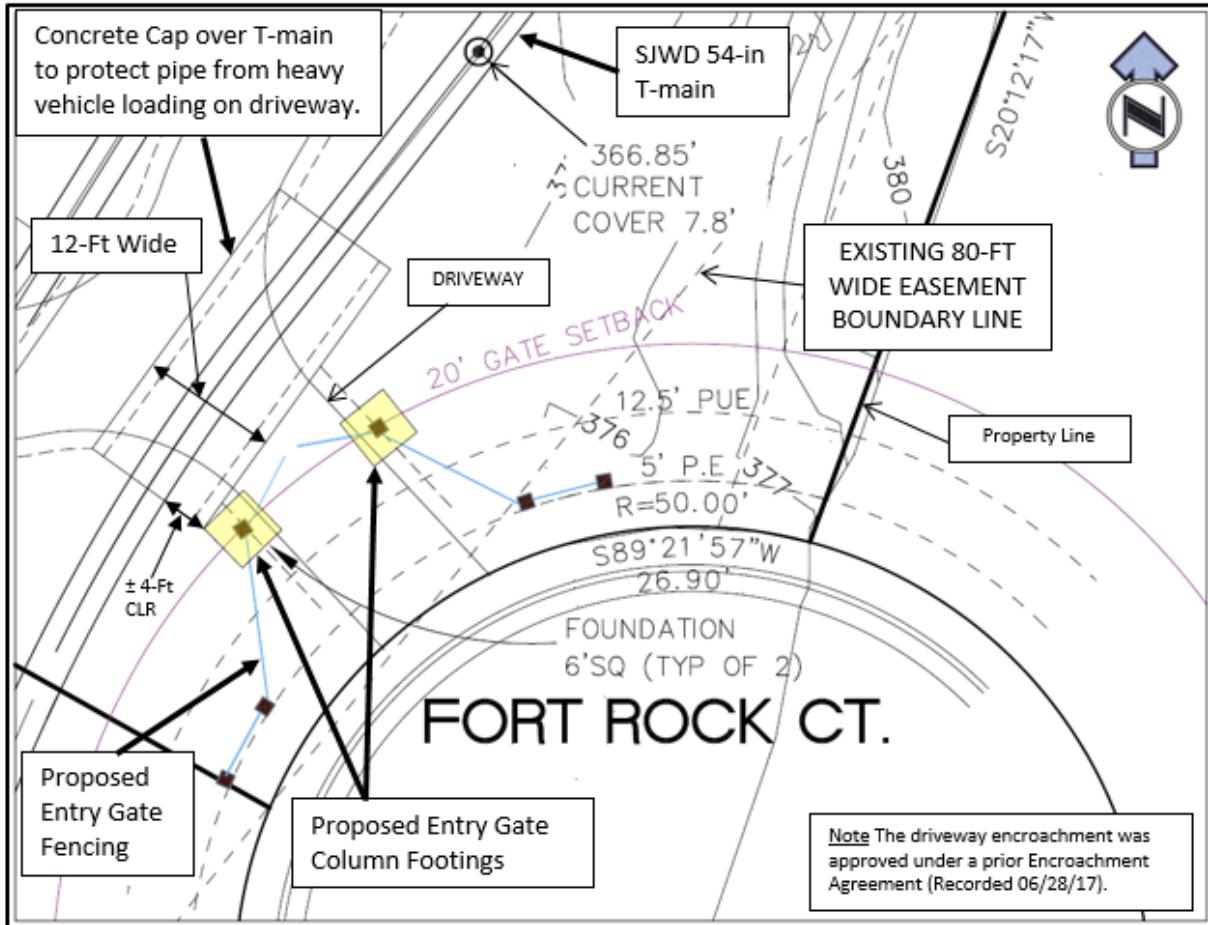
### BUDGET IMPACT

No impact.

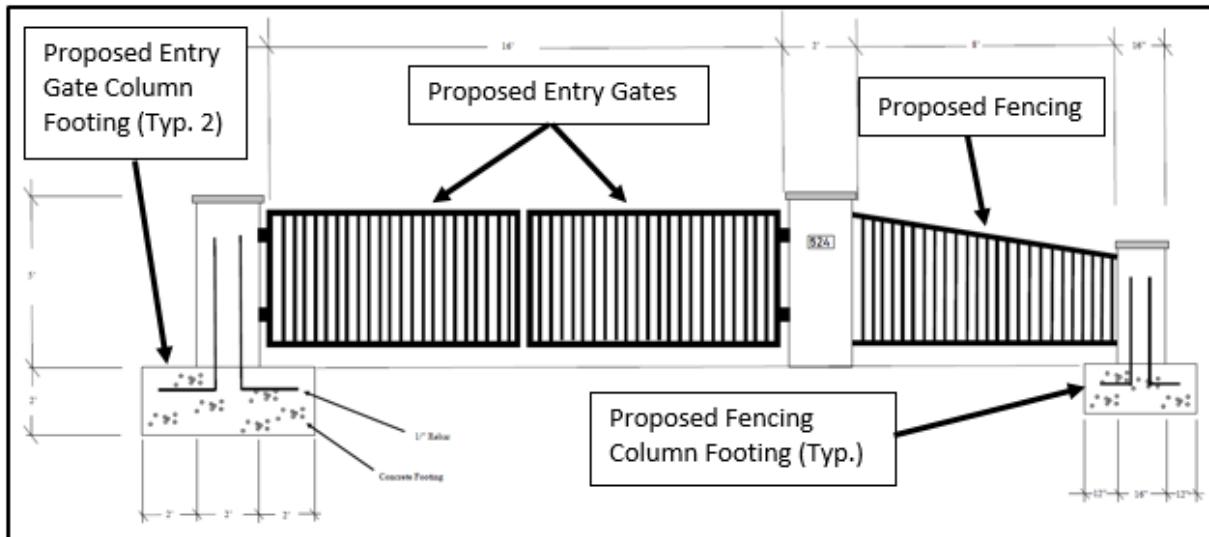
## EXHIBIT A

### **524 FORT ROCK COURT – ENTRY GATE ENCROACHMENT AGREEMENT**

PLAN VIEW - PROPOSED ENTRY GATE AND FENCING LOCATION



PROFILE VIEW - PROPOSED ENTRY GATE AND FENCING DETAILS



# STAFF REPORT

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To: Board of Directors  
From: Adam Larsen, Interim Field Services Manager  
Date: February 26, 2020  
Subject: Authorization and approval of Amendment #1 to the Annual Installation Services contract for FY 2019/20

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## RECOMMENDED ACTION

Authorization and approval of Amendment #1 to the Annual Installation Services Agreement with Rawles Engineering Inc. for FY 2019/20, net increase \$281,060. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

## BACKGROUND

On June 26, 2019, the Board approved a contract with Rawles Engineering Inc. in the amount of \$217,940 for work during FY 2019/20. The contractor's work complements the District's Field Services staff and provides an additional resource for installation projects. Staff is requesting Amendment #1 for additional work, up to 30 service lateral installations, including 5 Fire Hydrants and 5 Air Vacuum Release Valves. The current contract is valid through June 30, 2020.

The following detail summarizes the current agreement and proposed additions:

Contract/Amendment	Date	Total	Duration	Completion Date
Original Contract	6/26/2019	\$ 217,940	365 Days	6/30/2020
<b>Amendment 1</b>	<b>2/26/2020</b>	<b>\$ 281,060</b>	<b>0</b>	<b>6/30/2020</b>
Proposed Revised Contract		\$ 499,000	365 Days	6/30/2020

Rawles' installation work has been good to date and supportive of our schedule.

Staff is requesting authorization and approval to increase the contract by \$281,060 to meet the additional installation requirements, the revised contract total for FY 2019/20 will be \$499,000 after Board review and approval.

## FINANCIAL CONSIDERATIONS

This additional work is forecasted and included in the FY 2019/20 retail operations budget and CIP retail budget.

## ATTACHMENT:

Rawles Engineering Contract Change order #1

**San Juan Water District**  
**9935 Auburn Folsom Road**  
**Granite Bay, CA 95746**



## Change Order No. 1

**Contractor:**

Rawles Engineering Inc  
P.O. Box 5 Folsom CA  
Folsom, CA 95763

**Project Name:**

Annual Installation Services FY2019/20

**Date:** February 26, 2020**Project Manager:** Adam Larsen

Upon mutual acceptance and execution of this document by San Juan Water District, hereinafter referred to as "District," and Rawles Engineering Inc. hereinafter referred to as "Contractor," Contractor is hereby directed to make the following described changes from the plans and specifications or do the following described work not included in the plans and specifications of this contract. All new work shall be done in accordance with the applicable provisions of the plans and specifications, except as specifically modified by this contract change order. NOTE: This change will be in effect after approved by the District.

**DESCRIPTION OF THE CHANGES:**

ITEM #	DESCRIPTION	CREDIT/COST
1	Contract change order 1 is as follows :  Authorizes a contract increase of \$281,060, the revised contract total is \$499,000 for work authorized during FY2019/20. Increases to the number of installations during FY2019/20.	\$281,060.00
<b>NET CHANGE ORDER ADJUSTMENT</b>		<b>\$281,060.00</b>

**CONTRACT TIME SUMMARY:**

	Days	Completion Date
Original Contract:	356	June 30, 2020
This Change Order (365 Calendar Days):	0	June 30, 2020
Revised Contract Total Days:	356	

<b>ORIGINAL CONTRACT AMOUNT</b>	\$ 217,940.00
Contract adjustment by this change order (1)	\$ 281,060.00
<b>NEW CONTRACT AMOUNT (including all change orders)</b>	<b>\$ 499,000.00</b>

Acceptance of this Change Order constitutes acceptance of the Change Order as full and complete satisfaction of any direct or indirect additional costs incurred to you in connection with performance of the changed work. The time for performance of the contract will be extended by **0 calendar days** by reason of the performance of the work required by this Change Order. Except as hereinabove expressly provided, Contractor further agrees that the performance of the work specified in this Change Order or the rescheduling of other project work made necessary by this Change Order, shall not constitute a delay which will extend the time limit for completion of the work as said term is used in the Contract between the District and Contractor for the project.

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree. If this change order is approved, we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

**SJWD:**

Approved By: \_\_\_\_\_  
Paul Helliker, General Manager

Date: \_\_\_\_\_

**Contractor:** Rawles Engineering Inc.

Approved By: \_\_\_\_\_  
Carrie Rawles - President Rawles Engineering Inc.

Date: \_\_\_\_\_

## STAFF REPORT

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To: Board of Directors  
From: Donna Silva, Director of Finance  
Date: February 26, 2020  
Subject: Treasurer's Report – Quarter Ending December 31, 2019

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### **RECOMMENDED ACTION**

This report is for information only and will be filed with the meeting minutes.

### **BACKGROUND**

The purpose of the treasurer's report is to update the Board and the public on the status of the District's cash balances and investments, and highlight material changes from one period to another. The scope of this report covers the second quarter of fiscal year 2019-2020, ending December 31, 2019.

The District's investment objectives are established by the Board approved Investment Policy. The Investment Policy is guided and constrained by the California Government Code. The Board periodically reviews and adjusts the Investment Policy to ensure ongoing compliance with the government code and to maximize investment flexibility as permitted. The current Investment Policy has the following objectives for the portfolio:

1. Safety
2. Liquidity
3. Yield

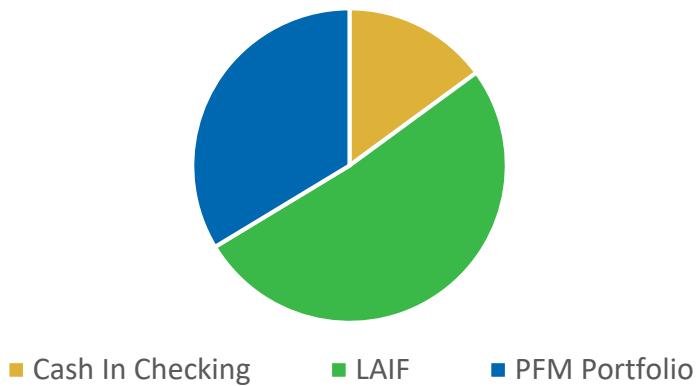
Attached is the quarterly Treasurer's Report for the three months ended December 31, 2019.

At September 30, 2019, the end of the previous quarter, the value of the District's total portfolio was \$26.4 million. Since that time, the value of the District's portfolio increased by about \$1.79 million for an ending balance of \$28.2 million as of December 31, 2019. Cash and short-term investments increased by \$1.9 million. Medium term investments decreased by \$275,588 and long-term investments increased by \$151,018.

The funds are currently held as follows:

Cash at Banking Institutions	\$ 4,214,806
Local Agency Investment Fund (LAIF)	14,505,736
PFM Managed Investment Portfolio	<u>9,497,344</u>
	<u>\$ 28,217,886</u>

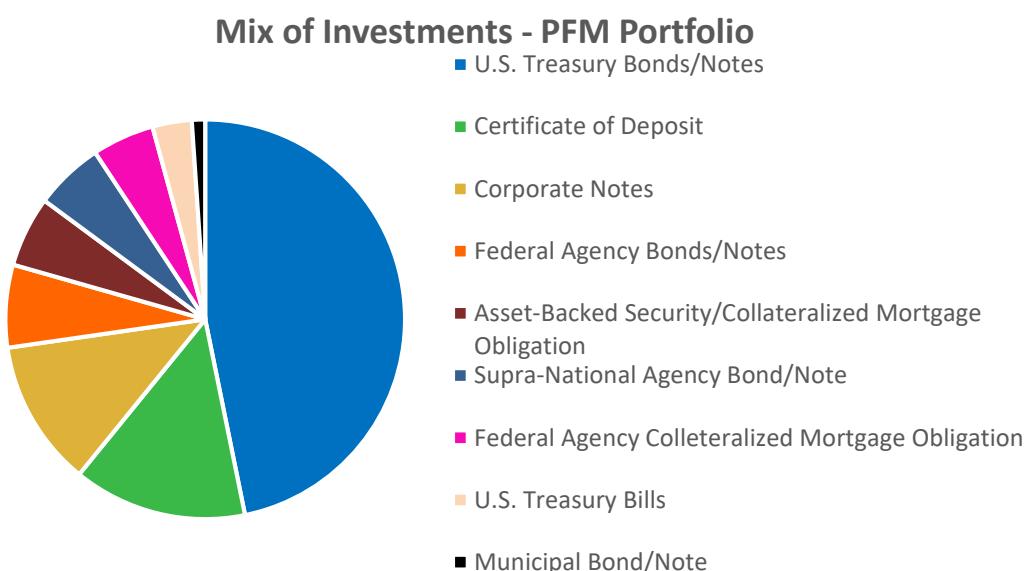
## Distribution of Investments San Juan Water District

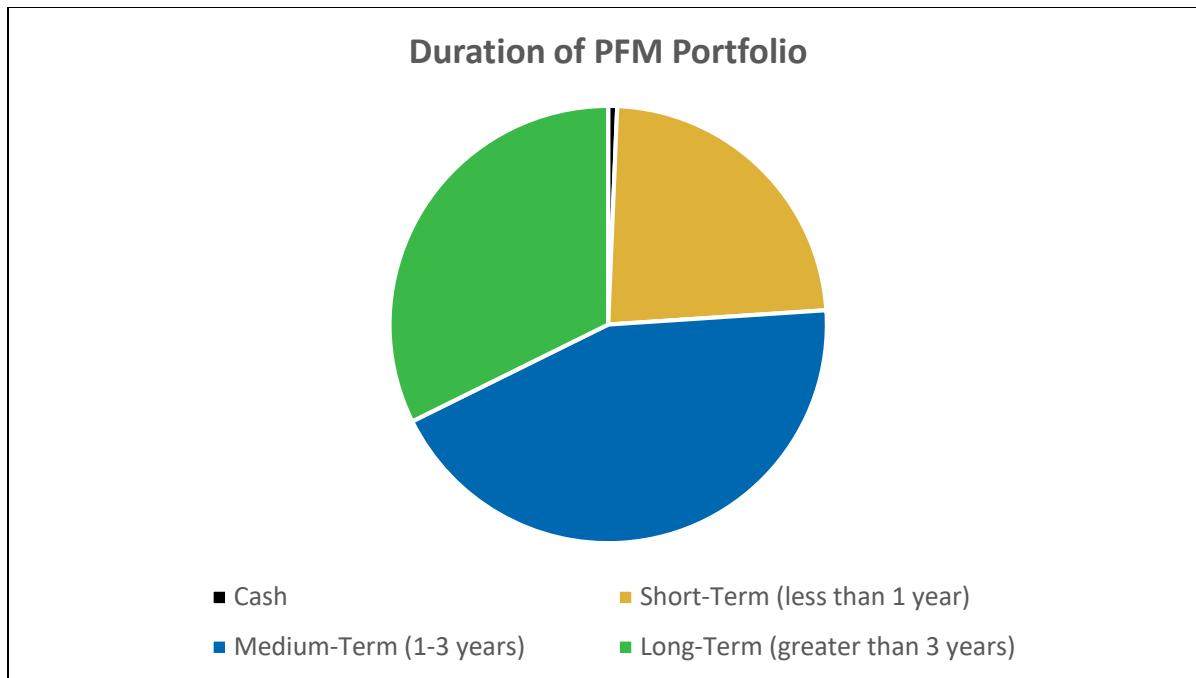


The overall portfolio is diversified with 34% invested in marketable securities (PFM Portfolio), 51% invested in short-term investments that are considered liquid (LAIF) and 15% on deposit with US Bank. Staff, in conjunction with your financial advisors, periodically review the mix of liquid and long-term investments and adjusts the portfolio according to the market conditions and the District's short term cash needs. The checking account has a higher than normal balance at December 31<sup>st</sup> due to upcoming debt service payments.

All securities held are in conformance with those permitted by the District's Investment Policy. There are sufficient funds to meet the District's expenditure requirements for the next six months.

The mix and duration of investments are displayed in the following charts:





After two rate cuts in the previous quarter, the Federal Open Market Committee (FOMC) cut the overnight fed funds target rate again in October to the new range of 1.50% to 1.75%. The dynamics supporting the rate cuts were similar to those cited for the first two, including weakness in global growth, ongoing trade uncertainty and muted inflation. The Fed is expected to hold their target range steady over the near-term absent “a material reassessment of their outlook”. Bond yields ended the year down, boosting fixed income returns. U.S. equity markets continued to rally to new record highs. The District’s portfolio managers will continue to maintain a portfolio duration in line with the benchmark in order to minimize risk and optimize performance relative to the benchmark in the event yields continue to decline.

The portfolio is performing well and continues to outperform the benchmark (Bank of America Merrill Lynch “BAML” 0-5 year Treasury Index) on an historical basis.

Total Returns – period ending December 31, 2019

	Duration (years)	Quarter Ending 12/31/2019	Past Year	Since Inception
San Juan Water District	2.07	.42%	4.15%	1.85%
BAML 0-5 Year Treasury Index	2.09	.39%	3.85%	1.58%

**San Juan Water District**  
**Treasurer's Report**  
**December 31, 2019**

	<b>Yield %</b>	<b>Par Value</b>	<b>Cost</b>	<b>Current Market Value</b>	<b>Maturity Date</b>
CASH & DEMAND DEPOSITS - US Bank:	na	4,214,806.49	4,214,806.49	4,214,806.49	na
LOCAL AGENCY INVESTMENT FUND (LAIF)	2.29%	14,505,736.04	14,505,736.04	14,505,736.04	na
PFM MONEY MARKET ACCOUNT	na	62,561.98	62,561.98	62,561.98	na
<b>LONG-TERM INVESTMENTS (PFM Investment Portfolio):</b>					
<i>U.S. Treasury Bonds/Notes:</i>					
US Treasury Notes	1.23%	80,000.00	81,328.13	79,996.88	7/31/2020
US Treasury Notes	1.42%	130,000.00	137,261.72	130,782.08	8/15/2020
US Treasury Notes	1.63%	160,000.00	161,218.75	160,962.56	8/15/2020
US Treasury Notes	1.64%	135,000.00	136,313.09	136,133.73	11/15/2020
US Treasury Notes	1.15%	170,000.00	176,189.06	170,697.34	2/28/2021
US Treasury Notes	1.85%	50,000.00	49,005.86	49,847.65	4/30/2021
US Treasury Notes	1.81%	5,000.00	4,919.34	4,984.77	5/31/2021
US Treasury Notes	1.67%	400,000.00	395,671.88	398,781.20	5/31/2021
US Treasury Notes	1.71%	55,000.00	53,768.95	54,589.65	7/31/2021
US Treasury Notes	1.75%	45,000.00	44,084.18	44,729.28	10/31/2021
US Treasury Notes	1.78%	150,000.00	150,591.80	150,878.85	1/31/2022
US Treasury Notes	2.10%	85,000.00	84,206.44	85,541.20	3/31/2022
US Treasury Notes	2.82%	200,000.00	193,437.50	201,273.40	3/31/2022
US Treasury Notes	2.75%	250,000.00	242,626.95	251,591.75	3/31/2022
US Treasury Notes	1.83%	150,000.00	152,044.92	151,980.45	6/30/2022
US Treasury Notes	1.74%	250,000.00	253,095.70	252,578.00	7/31/2022
US Treasury Notes	2.76%	85,000.00	81,530.27	85,341.96	9/30/2022
US Treasury Notes	2.80%	115,000.00	111,163.67	116,262.36	10/31/2022
US Treasury Notes	2.74%	185,000.00	175,027.34	184,356.76	2/28/2023
US Treasury Notes	2.44%	155,000.00	149,290.43	154,436.89	3/31/2023
US Treasury Notes	2.28%	95,000.00	90,977.34	93,727.19	7/31/2023
US Treasury Notes	2.44%	160,000.00	151,993.75	157,856.32	7/31/2023
US Treasury Notes	2.25%	45,000.00	46,183.01	46,998.63	9/30/2023
US Treasury Notes	2.52%	150,000.00	151,517.58	156,123.00	11/15/2023
US Treasury Notes	2.52%	155,000.00	152,226.95	157,760.86	11/30/2023
US Treasury Notes	2.56%	15,000.00	15,044.53	15,559.58	12/31/2023
US Treasury Notes	1.90%	125,000.00	125,566.41	126,713.88	4/30/2024
US Treasury Notes	1.78%	150,000.00	151,546.88	152,080.05	6/30/2024
US Treasury Notes	1.39%	125,000.00	129,379.88	127,431.63	7/31/2024
US Treasury Notes	1.83%	160,000.00	162,237.50	163,112.48	7/31/2024
US Treasury Notes	1.53%	100,000.00	102,832.03	102,000.00	9/30/2024
US Treasury Notes	1.57%	145,000.00	149,740.82	148,794.94	10/31/2024
US Treasury Notes	1.70%	100,000.00	102,035.16	102,043.00	11/30/2024
	Subtotal	4,380,000.00	4,364,057.82	4,415,948.32	
<i>US Treasury Bill</i>					
US Treasury Bill	1.68%	100,000.00	99,595.81	100,000.00	1/2/2020
US Treasury Bill	1.54%	200,000.00	199,717.67	199,962.00	1/7/2020
	Subtotal	300,000.00	299,313.48	299,962.00	

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	<b>Yield %</b>	<b>Par Value</b>	<b>Cost</b>	<b>Current Market Value</b>	<b>Maturity Date</b>
<b>...continued</b>					
<i>Supra-National Agency Bond/Note</i>					
Int'l Bank of Reconstruction & Dev Notes	1.64%	180,000.00	179,568.00	180,037.80	9/12/2020
Inter-American Development Bank	1.81%	175,000.00	176,622.09	175,583.80	11/9/2020
International Finance Corp Note	2.35%	80,000.00	79,764.80	80,479.52	1/25/2021
Int'l Bank of Reconstruction & Dev Notes	2.83%	90,000.00	89,789.40	91,496.25	7/23/2021
Subtotal		525,000.00	525,744.29	527,597.37	
<i>Municipal Bond/Note</i>					
CAST Taxable GO Bonds	1.87%	100,000.00	102,001.00	101,575.00	10/1/2023
<i>Federal Agency Collateralized Mortgage Obligation</i>					
FNA 2018-M5 A2	2.27%	64,485.35	65,768.04	65,128.01	9/25/2021
FHLMC Multi-family Structured P	2.20%	100,000.00	100,625.00	101,283.84	1/25/2022
FHLMC Multi-family Structured P	2.46%	100,000.00	100,250.00	101,473.80	6/25/2022
FHLMC Series K721 A2	2.61%	100,000.00	100,851.56	102,107.66	8/25/2022
FannieMae - ACES	1.04%	100,000.00	104,859.38	104,249.21	3/25/2024
Subtotal		464,485.35	472,353.98	474,242.52	
<i>Federal Agency Bonds/Notes:</i>					
FNMA Notes	1.60%	170,000.00	169,484.90	169,841.56	7/30/2020
Fannie Mae Notes	2.55%	100,000.00	99,851.00	101,166.30	4/13/2021
Fannie Mae Notes	2.98%	260,000.00	258,770.20	271,402.82	9/12/2023
Federal Home Loan Bank Notes	2.72%	50,000.00	51,485.00	53,113.80	12/8/2023
Fannie Mae Notes	2.58%	35,000.00	34,869.80	36,082.80	2/5/2024
Subtotal		615,000.00	614,460.90	631,607.28	
<i>Corporate Notes:</i>					
Cisco Systems Inc Corp Notes	2.81%	155,000.00	152,327.80	155,907.22	2/28/2021
PEPSICO Inc. Corp (Callable) Note	2.01%	55,000.00	54,989.00	55,156.92	4/15/2021
Bank of New Year Mellon Corp	1.99%	175,000.00	178,101.00	176,210.13	4/15/2021
Bank of America Corp Note	2.40%	90,000.00	90,674.10	90,824.58	4/19/2021
Goldman Sachs Group Corp Notes	2.53%	80,000.00	87,671.20	83,953.60	7/27/2021
American Honda Finance Corp Notes	1.84%	130,000.00	129,112.10	129,794.99	9/9/2021
Citigroup Inc Corp (Callable) Note	2.72%	90,000.00	90,614.70	91,479.06	12/8/2021
Apple Inc Bonds	3.01%	130,000.00	128,070.80	131,961.05	2/9/2022
American Express Credit (Callable) Notes	3.29%	100,000.00	97,840.00	101,678.70	3/3/2022
Amazon.com Inc. Bonds	2.66%	100,000.00	99,037.00	101,778.40	2/22/2023
Subtotal		1,105,000.00	1,108,437.70	1,118,744.65	
<i>Certificate of Deposit:</i>					
Credit Suisse New York Cert Depos	2.67%	100,000.00	100,000.00	100,101.50	2/7/2020
Bank of Nova Scotia Houston CD	3.10%	150,000.00	149,943.00	150,920.85	6/5/2020
Bank of Montreal Chicago Cert Depos	3.23%	160,000.00	160,000.00	161,088.00	8/3/2020
Westpac Banking Corp NY CD	2.05%	195,000.00	195,000.00	195,457.47	8/3/2020
Sumitomo Mitsui Bank NY Cert Depos	3.46%	90,000.00	89,877.60	91,233.72	10/16/2020
Swedbank (New York) Cert Depos	2.30%	180,000.00	180,000.00	180,491.58	11/16/2020
MUFG Bank LTD/NY Cert Depos	2.99%	100,000.00	100,000.00	101,497.90	2/26/2021
Nordea Bank ABP New York	1.87%	135,000.00	135,000.00	135,219.92	8/26/2022
Skandinav Enskilda Bank LT	1.88%	140,000.00	140,000.00	140,264.74	8/26/2022
DNB Bank ASA/NY LT CD	2.04%	70,000.00	70,000.00	69,924.82	
Subtotal		1,320,000.00	1,319,820.60	1,326,200.50	

continued next page.....

	<b>Yield %</b>	<b>Par Value</b>	<b>Cost</b>	<b>Current Market Value</b>	<b>Maturity Date</b>
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...continued

<i>Asset-Backed Security/Collateralized Mortgage Obligation:</i>					
Harot 2017-4 A3	2.06%	27,822.43	27,818.52	27,838.12	11/21/2021
Harot 2019-1 A3	2.83%	100,000.00	99,997.32	101,533.30	3/20/2023
Hyundai Auto Receivalbes Trust	2.67%	40,000.00	39,994.74	40,429.63	6/15/2023
Harot 2019-2 A3	2.52%	100,000.00	99,996.27	101,187.17	6/21/2023
Narot 2019-A A3	2.91%	65,000.00	64,990.15	66,014.75	10/15/2023
Narot 2019-B A3	2.51%	100,000.00	99,977.39	101,006.99	11/15/2023
Copar 2019-1 A3	2.52%	100,000.00	99,979.74	100,894.70	11/15/2023
	Subtotal	532,822.43	532,754.13	538,904.66	
TOTAL LONG TERM INVESTMENTS		9,342,307.78	9,338,943.90	9,434,782.30	
<b>TOTAL CASH &amp; INVESTMENTS AT 09/30/2019</b>		<b>37,767,720.06</b>	<b>37,760,305.79</b>	<b>28,217,886.81</b>	

## STAFF REPORT

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To: Board of Directors

From: Adam Larsen, Interim Field Services Manager

Date: February 26, 2020

Subject: Adoption of Ordinance 20-01 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinance No. 10000 of the District Code of Ordinances

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### **RECOMMENDED ACTION**

Adopt Ordinance 20-01 “An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinance No. 10000 of the District Code of Ordinances”. Read the full text of the proposed ordinance or waive such reading by motion of the Board.

### **BACKGROUND**

The Board approved changes to the Fees, Charges and Deposits at the December 11, 2019, Board of Directors meeting as a result of the recent *User Fee Study* conducted by MGT Consulting. In order to be consistent with the revised Schedule of Fees, Charges and Deposits, staff is recommending that Ordinance 10000 be amended to reflect the District’s policy regarding the charging for services related to backflow prevention assembly testing. The current ordinance specifies no fee will be charged for the annual backflow testing. In accordance with the Board’s policy of full cost recovery, the ordinance needs to be amended to reference the fee in the Schedule of Rates, Charges, Fees, and Deposits. The ordinance currently requires repairs to be completed within 30 days of notice and staff recommends amending the language to read within the timeframe specified by the District at the time of failure.

### **PROCESS**

The District must follow a multi-step process to adopt or amend an ordinance. The first step, which happened at the January 22, 2020, meeting of the Board, was the introduction of the proposed ordinance. The full title of the ordinance was read and the board waived reading the full text of the ordinance by motion approved by a majority vote of the Board.

At least 5 days before the ordinance is adopted, the Board Secretary must publish a summary of the ordinance in a newspaper published in both Sacramento and Placer Counties (the Sacramento Bee) and notify the public of the time and place of the public hearing at which adoption of the ordinance will be considered. The full text of the ordinance must be posted at the District office. The summary was published in the Sacramento Bee on February 12, 2020, along with a notice of this evenings meeting.

Within 15 days after adoption, the Board Secretary must publish a summary of the adopted ordinance. This summary must include the names of Board members who voted for or against. The summary must be published once in a newspaper published in Sacramento and Placer counties. The ordinance amendments will take effect on March 27, 2020 (30 days after adoption).

Attachments:

Proposed Ordinance 20-01  
Current Ordinance 10000

## ORDINANCE NO. 20-01

### **AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT AMENDING ORDINANCE NO. 10000 OF THE DISTRICT CODE OF ORDINANCES**

The Board of Directors of the San Juan Water District ordains as follows:

**Section 1. Purpose and Authority.** The purpose of this ordinance is to amend the Cross-Connections and Backflow Prevention Assemblies testing provisions contained in the District's Code of Ordinances to reference the District's revised Schedule of Fees, Charges and Deposits. This ordinance is adopted pursuant to Government Code section 61060, and other applicable law.

**Section 2. Amendments.** Ordinance No. 10000 (Non-Responsibility of District) of the District Code of Ordinances is amended to read as follows:

#### **Section 3.**

A. Section 10000.04 (Cross-Connections and Backflow Prevention Assemblies) is amended to read as follows:

##### **10000.04 Cross-Connections and Backflow Prevention Assemblies**

The following cross-connection control program shall apply and be enforced in the District:

###### **10000.04.1 Definitions**

For purposes of this Section, the definitions in California Code of Regulations, Title 17, Section 7583 shall apply.

###### **10000.04.2 Responsible Officer**

The General Manager, or personnel authorized by the General Manager, shall be responsible to protect the District's public water supply from contamination by cross-connections and to carry out and implement this policy. Authorized Personnel must be certified in the State of California by a District-approved entity.

###### **10000.04.3 General Regulations and Prohibitions**

Each Customer and water user shall comply with this Section and all applicable federal and state laws and regulations concerning the separation of dual water systems, protection against cross-connections with auxiliary water supplies, and protection from contamination due to backpressure and backflow from the customer's premises. There shall be no physical interconnection between an auxiliary water supply and the District's water supply without a District approved backflow prevention assembly on any property served by the District. Any water user with an auxiliary water supply on the water user's Premises shall (1) install and maintain at the water user's sole cost and expense a reduced pressure principle backflow prevention assembly on the Premises, or (2) demonstrate to the satisfaction of the District that the auxiliary water supply is not connected and cannot readily be connected to the District water system. However, any water user with a private well shall install an approved backflow prevention assembly on the service lateral at the point of service near the property line.

**10000.04.4 Backflow Prevention Assemblies Protection**

The District recommends that a thermal blanket for freeze protection be installed on all backflow prevention assemblies exposed to the elements.

**10000.04.5 Backflow Prevention Assembly Standards**

The type, location, and size of the backflow prevention assembly required by this Section shall be approved by the District Engineer or authorized District personnel prior to installation. In approving such assemblies, the District shall follow the standards established by California Code of Regulations, Title 17, Sections 7583 to 7605, and applicable AWWA standards.

**10000.04.6 Installation of Backflow Prevention Assemblies**

Upon completion of installation of a backflow prevention assembly, the backflow prevention assembly shall be inspected by authorized District personnel. If the inspection determines that the assembly is not installed properly, the Customer, at his or her sole cost and expense, shall correct the installation and call for a re-inspection within the timeframe specified by the District at the time of failure.

**10000.04.7 Surveys**

Authorized personnel shall, from time to time, conduct surveys of water users in the District to identify water user Premises where auxiliary water supplies and/or cross-connections without approved backflow prevention assemblies are likely to occur. If, as a result of such survey or by other means, the authorized personnel learns of an auxiliary water supply or cross-connection without a backflow prevention assembly in the District, then he or she shall give written notice to the Customer on whose Premises such auxiliary water supply or cross-connection is found informing such user that he or she must install an appropriate backflow prevention assembly. The customer shall, within the timeframe specified by the District at the time of failure, and at his or her sole cost and expense, either install an approved backflow prevention assembly or remove the auxiliary water supply to the satisfaction of the District.

**10000.04.8 Testing**

After the installation of any backflow prevention assembly required under this Section, the District or authorized representative shall test and inspect the assembly on an annual basis, or more frequently if determined necessary. A fee shall be charged to the Customer for the test per the current Schedule of Rates, Charges, Fees and Deposits. If the testing and inspection reveals that the backflow prevention assembly is not working properly, then the Customer, at his or her sole cost and expense, shall cause such assembly to be repaired or replaced within the timeframe specified by the District at the time of failure. The Customer shall have the device retested by a certified backflow assembly tester and return the District provided test form along with the gauge calibration certification to the District. If the District is required to test the device, a retesting fee (as set forth in the District's current Schedule of Rates, Charges, Fees, and Deposits) shall be paid to the District by the owner of record.

**10000.04.9 District Inspections**

Authorized personnel and/or designated representatives shall inspect on an annual basis all Premises known to have an auxiliary water supply to confirm that the auxiliary water supply is not interconnected with the District's approved

water supply. Such an on-site inspection of the Premises shall also be made by authorized personnel upon any change of ownership of a Premises known to have an auxiliary water supply.

**10000.04.10 Recordkeeping**

The District shall keep and maintain written records of locations of auxiliary water supplies and backflow prevention assemblies, backflow prevention assembly installation and repair records, written statements concerning auxiliary water supplies, and survey, testing and inspection reports.

**10000.04.11 District Access to Premises**

Authorized personnel and designated representatives, shall have reasonable access to a Customer's Premises for purposes of making inspections and surveys for cross-connection control, inspections of installed backflow prevention assemblies, and as otherwise necessary to protect the public water supply against cross-connections. If any Customer refuses entry, or hinders or prevents inspection by authorized personnel or designated representatives, then the District may discontinue water service to the Premises until entry is allowed or device is in a location where District Staff has access.

**10000.04.12 Enforcement**

In addition to any other remedy provided by this Code or by law, if a Customer fails to comply with any provision of this Section within the timeframe specified by the District at the time of notification, then the District may discontinue water service, in accordance with Section 11000.02, to Customer's Premises until the Customer fully complies with this Section to the satisfaction of the District.

**Section 4. Effective Date.** This ordinance shall take effect 30 days after its adoption.

**Section 5. Publication.** Within 15 days from the date of adoption of this ordinance, the Board Secretary shall publish it once in a newspaper of general circulation published and circulated within the District.

INTRODUCED by the Board of Directors on the 22nd day of January 2020.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District at a regular meeting on the 26th day of February 2020 by the following vote:

AYES:

NOES:

ABSENT:

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EDWARD J. "TED" COSTA  
President, Board of Directors

Attest:

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TERI GRANT  
Board Secretary



# Code of Ordinances

Ordinance Type	<b>District Operations</b>	Date Adopted	<b>June 28, 2006</b>
Ordinance Number & Title	<b>10000 - Non-Responsibility of District</b>	Date Amended	<b>June 25, 2008</b>

The District will exercise reasonable care and diligence to deliver to its Customers a continuous sufficient supply of water under pressure at the District connection to the Customer's Premises. The District is not, and will not, be liable, however, for any loss, injury, damage or inconvenience to any Customer or other Person by reason of shortage, insufficiency, suspension, discontinuance, increase or decrease of water supply, water pressure, or by a water quality problem. The District also reserves the right to discontinue water service for maintenance or repair purposes. Customers shall be required to accept such conditions of water service and pressure as are provided by the distribution system at the location of the particular service connection, and to hold the District harmless from any loss, injury, damage or inconvenience arising out of low pressure or high pressure water service conditions, water quality, or from any interruptions in service. Customers dependent upon a continuous water supply should provide for their own emergency storage.

The Customer, at its own risk and expense, shall furnish, install, operate, maintain and keep in good and safe condition all equipment and facilities that may be required for receiving, controlling, applying and utilizing water on the Premises of the Customer. The District shall not be responsible for any loss, damage or injury caused by the improper installation of such equipment, or the negligence or wrongful act of the Customer or of any of its tenants, agents, employees, contractors, licensees, permittees, guests or invitees in installing, maintaining or operating such equipment and facilities. The Customer is responsible for all water facilities from the Customer's side of the meter box up to, and including, the water facilities within any structure or irrigation system receiving District water service on the Customer's property.

The Customer shall be liable for any damage to District-owned water service facilities when such damage is caused by an act of the Customer or its tenant, agent, employee, contractor, licensee, permittee, guest or invitee, or when such damage is from a cause originating on the Customer's Premises by an act of the Customer or its tenant, agent, employee, contractor, licensee, permittee, guest or invitee. The District shall be reimbursed by the Customer for any such damage promptly on presentation of a bill.

The full responsibility and risk for the carriage, handling, storage, disposal and use of District water shall transfer from the District to the Customer at the Customer side of the District service box, discharge nozzle of a District fire hydrant, backflow prevention assembly, or check valve assembly.

## **10000.01      Interruptions of Water Service**

The District does not guarantee continuous delivery of water on demand. From time to time it may be necessary for the District to shut off the flow of water in any part of its water systems. Except in emergencies, such water outages will not be made without prior notice to the Customers affected. The District shall not assume any responsibility for loss or damages that may occur due to interruption of water service.

## **10000.02      Privately-Owned Water Lines**

The District assumes no responsibility for the delivery of water through privately-owned pipelines or systems, nor shall the District assume any responsibility for damages resulting from the operation of any such system even though water may be received from a District water distribution system. In cases where a District water meter is installed at some point on a privately-owned water line, the District is liable only for the water meter, meter box, and the fittings required to attach and operate the meter. The fact that a water meter is installed on a privately-owned water line does not create an express or implied dedication to public use of a private water line or impose any obligation or liability on the District to operate, maintain, repair, remove, or replace any portion of that water line.

## **10000.03      Water Pressure Regulation**

### **10000.03.1    Customer Responsibility**

The District shall assume no responsibility for water pressure regulation within a Customer's service area. The Customer shall be responsible for providing adequate safeguard measures for the Customer's water system wherever pressure regulation is necessary. The Customer shall be required to install an appropriate pressure regulation device for such service where static pressure exceeds 80 psi at the service connection (UPC Code 1007 and California State Plumbing Code).

### **10000.03.2    Requirement for Installation in New Construction**

Customers making application for water service for new construction for residential, commercial or industrial use shall be required to install an approved meter and appropriate pressure regulation device for such service where static pressure exceeds 80 psi at the service connection (UPC Code 1007 and California State Plumbing Code).

## **10000.04      Cross-Connections and Backflow Prevention Assemblies**

The following cross-connection control program shall apply and be enforced in the District:

### **10000.04.1    Definitions**

For purposes of this Section, the definitions in California Code of Regulations, Title 17, Section 7583 shall apply.

### **10000.04.2    Responsible Officer**

The General Manager, or personnel authorized by the General Manager~~designated authorized personnel~~his or her designee (the "Cross-Connection Officer"), shall be responsible to protect the District's public water supply from contamination by cross-connections and to carry out and implement this policy. The Cross-Connection Officer Authorized Personnel must be certified in the State of California by a District-approved entity.

#### **10000.04.3 General Regulations and Prohibitions**

Each Customer and water user shall comply with this Section and all applicable federal and state laws and regulations concerning the separation of dual water systems, protection against cross-connections with auxiliary water supplies, and protection from contamination due to backpressure and backflow from the customer's premises. There shall be no physical interconnection between an auxiliary water supply and the District's water supply without a District approved backflow prevention assembly on any property served by the District. Any water user with an auxiliary water supply on the water user's Premises shall (1) install and maintain at the water user's sole cost and expense a reduced pressure principle backflow prevention assembly on the Premises, or (2) demonstrate to the satisfaction of the District that the auxiliary water supply is not connected and cannot readily be connected to the District water system. However, any water user with a private well shall install an approved reduced pressure principle backflow prevention assembly on the service lateral at the point of service near the property line.

#### **10000.04.4 Backflow Prevention Assemblies Protection**

A The District recommends that a thermal blanket for freeze protection shall be required installed on all backflow prevention assemblies exposed to the elements.

#### **10000.04.5 Backflow Prevention Assembly Standards**

The type, location, and size of the backflow prevention assembly required by this Section shall be approved by the District Engineer or Cross-Connection Officer authorized District personnel prior to installation. In approving such assemblies, the District shall follow the standards established by California Code of Regulations, Title 17, Sections 7583 to 7605, and applicable AWWA standards.

#### **10000.04.6 Installation of Backflow Prevention Assemblies**

Upon completion of installation of a backflow prevention assembly, the backflow prevention assembly shall be inspected by the Cross-Connection Officer or designee authorized District personnel. If the inspection determines that the assembly is not installed properly, the Customer, at his or her sole cost and expense, shall correct the installation and call for a re-inspection within 30 days the timeframe specified by the District at the time of failure.

#### **10000.04.7 Surveys**

The Cross-Connection Officer Authorized personnel shall, from time to time, conduct surveys of water users in the District to identify water user

Premises where auxiliary water supplies and/or cross-connections without approved backflow prevention assemblies are likely to occur. If, as a result of such survey or by other means, the ~~Cross-Connection Officer authorized personnel~~ learns of an auxiliary water supply or cross-connection without a backflow prevention assembly in the District, then he or she shall give written notice to the Customer on whose Premises such auxiliary water supply or cross-connection is found informing such user that he or she must install an appropriate backflow prevention assembly. The customer shall, within ~~45 days from the date of such notice the timeframe specified by the District at the time of failure~~, and at his or her sole cost and expense, either install an approved backflow prevention assembly or remove the auxiliary water supply to the satisfaction of ~~the Cross-Connection Officer authorized personnel the District~~.

#### 10000.04.8 Testing

After the installation of any backflow prevention assembly required under this Section, the District ~~or authorized representative~~ shall test and inspect the assembly on an annual basis, or more frequently if determined necessary, ~~at no charge~~. ~~A fee shall be charged to the Customer for the test per the current Fee Schedule Schedule of Rates, Charges, Fees and Deposits.~~ If the testing and inspection reveals that the backflow prevention assembly is not working properly, then the Customer, at his or her sole cost and expense, shall cause such assembly to be repaired or replaced within ~~30 days the timeframe specified by the District at the time of failure~~. The Customer shall ~~call for a retest have the device retested by a certified backflow assembly tester and return the District provided test form along with the gauge calibration certification to the District. The repaired or replaced backflow prevention assembly will be retested by the District. If the District is required to test the device, a~~ A retesting fee (as set forth in the District's current Schedule of Rates, Charges, Fees, and Deposits) shall be paid to the District by the owner of record.

#### 10000.04.9 District Inspections

~~The Cross Connection Officer Authorized personnel and/or designated representatives~~ shall inspect on an annual basis all Premises known to have an auxiliary water supply to confirm that the auxiliary water supply is not interconnected with the District's approved water supply. Such an on-site inspection of the Premises shall also be made by ~~the Cross-Connection Officer authorized personnel~~ upon any change of ownership of a Premises known to have an auxiliary water supply.

#### 10000.04.10 Recordkeeping

The District shall keep and maintain written records of locations of auxiliary water supplies and backflow prevention assemblies, backflow prevention assembly installation and repair records, written statements concerning auxiliary water supplies, and survey, testing and inspection reports.

#### **10000.04.11 District Access to Premises**

The Cross Connection Officer, and the designated representatives  
Authorized personnel and designated representatives, shall have reasonable access to a Customer's Premises for purposes of making inspections and surveys for cross-connection control, inspections of installed backflow prevention assemblies, and as otherwise necessary to protect the public water supply against cross-connections. If any Customer refuses entry, or hinders or prevents inspection by the Cross-Connection Officer or the representative authorized personnel or designated representatives, then the District may discontinue water service to the Premises until entry is allowed or device is in a location where District Staff has access.

#### **10000.04.12 Enforcement**

In addition to any other remedy provided by this Code or by law, if a Customer fails to comply with any provision of this Section within 45 days from date of notification the timeframe specified by the District at the time of notification, then the District may discontinue water service, in accordance with Section 11000.02, to Customer's Premises until the Customer fully complies with this Section to the satisfaction of the District.

#### **Revision History:**

Revision Date	Description of Changes	Requested By
6/25/08	Ord. 08-001 repealed all prior ordinances	

## STAFF REPORT

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To: Board of Directors  
From: Paul Helliker, General Manager  
Date: February 26, 2020  
Subject: Collaboration/Integration Study Memorandum of Understanding

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### **RECOMMENDED ACTION**

Authorize the General Manager to sign the Collaboration/Integration Study Memorandum of Understanding (MOU), to participate in the joint project for a maximum amount of \$54,000.

### **DOCUMENTS**

The MOU is intended to serve as the cost-sharing agreement among the participants in the project, which are called the Parties. The methodology used to allocate the costs was to pro-rate the total cost proportionally to the relative operating budgets of the Parties. In the cost table (Exhibit 2 to the MOU), Del Paso Manor Water District is currently listed as participating at \$0, because their status is uncertain, but if they do participate, it will reduce the costs commensurately for the other Parties.

The proposed agreement between SSWD (the Administrator for the project) and Raftelis/Tully and Young is included as Exhibit 1 to the MOU. It includes the Scope of Work for the Study (Exhibit A of the draft agreement, pp. 11-15), the budget breakdown (p. 6 of Exhibit D) and the schedule (p. 8 of Exhibit D). The purpose of the study is listed in Section 3 of the Agreement, which is a condensed version of this language in the Study Request for Proposals:

**STUDY OBJECTIVE:** Identify ways the Agencies can become more efficient in working together to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies. As part of the Study, the selected consultant should identify opportunities for coordinating or integrating policies, programs, services, projects and activities to create efficiencies, improve results and achieve an overall cost benefit to the Agencies' customers. The Scope of Work is a threshold study of the range of alternatives, including no change to existing operations, contracts between agencies, joint powers agreements, potential integration of selected projects, programs and services, as well as integration or consolidation of two or more of the Agencies into a single organization.

## BACKGROUND

At the request of the San Juan Board, in March, 2018, I wrote to Sacramento Suburban Water District (SSWD) to inquire about the status of the merger discussions previously conducted by SSWD and SJWD. This inquiry led to the re-establishment of the Ad-Hoc SSWD/SJWD 2X2 Water Management/Re-Organization Ad Hoc Committee (Committee). The Committee met thereafter and in October, 2018, directed the SSWD and SJWD General Managers to extend an invitation to all General Managers in the Sacramento Region with the objective of identifying ways the agencies can become more efficient in working together to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies.

The following Agencies have been participating in the ongoing discussions: SSWD, SJWD, Citrus Heights Water District, Carmichael Water District, Rio Linda / Elverta Community Water District, Del Paso Manor Water District, and City of Folsom. The Fair Oaks Water District and Orange Vale Water Company have chosen to not participate in the subject study.

These Agencies developed a Request for Proposal (RFP) for a Sacramento Region Water Utility Collaboration/Integration Study (Study). As part of the analysis, it is the intent of the selected consultant to identify opportunities for coordinating or integrating policies, programs, services, projects and activities to create efficiencies, improve results and achieve an overall cost benefit to the Agencies' customers. The Scope of Work is intended to determine a range of alternatives, which include potential integration of selected projects, programs and services, up to and including integration or consolidation of two or more of the Agencies into a single organization.

As reported to the Board in December 2019, five consulting firms responded to the RFP. Of the five consulting firms, four were selected to be interviewed on December 17, 2019 by the General Managers of the participating Agencies. Upon conclusion of the interviews, the panel unanimously recommended to continue discussions with the Rafetelis/Tully & Young team (RTY).

The Agencies met with RTY on January 22, 2020 to discuss the Study, and finalize the workplan. The proposed cost submitted by RTY is approximately \$194,264, which is under the original estimate of \$250,000. SSWD will serve as the lead, or coordinating agency, for the subject Study. They are in the process of establishing a Professional Services Agreement with RTY, to conduct the Study.

A Memorandum of Understanding Regarding Collaboration/Integration Study (MOU) is attached, which includes the cost allocation spreadsheet. The cost allocation is based proportionally on the annual operating budget of each participating Agency. As noted, the cost of the Study is \$194,264, but the costs allocated in the Allocation Table (Exhibit 2 of the MOU) include a contingency of an additional \$5,736, or approximately 3% of the contract amount, bringing the total budget to \$200,000. Currently, the cost per

agency of this budget is as low as \$5,387 and as high as \$56,914. San Juan's cost at this point is \$51,634. We had budgeted \$60,000 for this study in the current fiscal year.

Each participating Agency will bring this MOU to their Boards for approval in February 2020. This will allow SSWD to initiate the contract with RTY in early March 2020.

Once the agreement is executed, as previously noted, SSWD will be responsible for administration of the project, and will be the primary contact for RTY. The project will be overseen by a Management Committee, composed of at least one executive from each of the participating Agencies. RTY will meet with the Management Committee as necessary, but at least once to initiate the project, and then at the end of each Activity phase. In addition, during the analysis phase of RTY's work, they will need to communicate with each agency's subject matter expert staff as required.

RTY will also need to plan to present the results of each Activity phase to an ad hoc committee of members of each Board of Directors or City Council of each of the participating Agencies (3 meetings total). RTY will present the final results of the study to a facilitated joint meeting of the Boards of Directors/City Councils of the Agencies. The Study is anticipated to be completed in November/December 2020.

**DRAFT**

**MEMORANDUM OF UNDERSTANDING REGARDING  
SACRAMENTO REGION WATER UTILITY  
COLLABORATION/INTEGRATION STUDY**

THIS MEMORANDUM OF UNDERSTANDING ("Amendment") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between the Carmichael Water District, Citrus Heights Water District, Rio Linda/Elverta Community Water District, City of Folsom, Del Paso Manor Water District, Sacramento Suburban Water District, and San Juan Water District (individually, "Party" and collectively "Parties").

**TERMS**

The above parties in consideration of the mutual promises set forth in this Amendment, agree as follows:

1. **Selection of Consultant and Approval of Study.** Sacramento Suburban Water District (SSWD) shall execute the Professional Services Agreement with Raftelis/Tully & Young to perform the Study. The Professional Services Agreement shall be substantially in the form as set forth in Exhibit 1 of this Amendment and incorporated by this reference.
2. **Participation in Study.** All parties to this Agreement shall agree to provide Raftelis/Tully & Young with the information necessary to prepare the Study.
3. **Funding Provisions.** The total estimated cost to complete the Study is estimated at \$194,264. The respective share of the cost for each Party to this Agreement are further described in Exhibit 2, attached hereto. Failure to timely remit a Party's share of the funding may result in excluding that Party from the Study or suspension or termination of the Study at SSWD's election. At the conclusion of the Study, SSWD will provide a final accounting to all Parties and return any unused share of Study funds to each Party based on each Party's proportionate share. A not-to-exceed estimate of \$200,000 was established to allow for a contingency in the event of unanticipated expenses. San Juan Water District's expenses for this Study will include both wholesale and retail expenses, which will be accounted for per that District's standard cost allocation methodology.
4. **Cost Accounting.** Raftelis/Tully & Young shall separately track the expenses associated with the analysis of the option of consolidation/merger of two or more agencies in Work Activity 3, which is subject to a separate cost allocation that will be agreed to by the Parties.

5. Term. This MOU shall terminate upon completion of the Study and no later than December 31, 2020, except by mutual agreement of the Parties.
6. Ownership of Materials Related to Services. The Parties agree that any materials prepared and delivered by Raftelis/Tully & Young in the course of conducting the Study shall be considered works made for hire. All rights, title and interests of such materials shall be and are assigned to Sacramento Suburban Water District. The remaining Parties shall have an irrevocable, perpetual, non-exclusive license to use such materials for any purpose. Notwithstanding the foregoing, the Parties recognize that performance of Raftelis/Tully & Young hereunder will require the skills of Raftelis/Tully & Young and therefore, Raftelis/Tully & Young shall retain the right to use, without fee and for any purpose, such "know-how", ideas, techniques and concepts used or developed by Raftelis/Tully & Young in the course of conducting the Study for the Parties.
7. Dispute Resolution. If the Parties disagree on a specific issue and a tie vote ensues on a decision on that issue, the Parties shall meet and confer and negotiate in good faith to resolve the issue. If the Parties are unable to resolve the specific issue in dispute after good faith negotiations, they shall agree to engage an outside mediator to attempt to resolve the disputed issue.
8. Consultant Payment Schedule. SSWD shall pay all costs incurred under the Consultant Agreement according to the schedule set forth in Exhibit A, Appendix C of the Professional Services Agreement. SSWD shall forward all invoices for costs attributable to each Party within fifteen (15) days of receipt. Such Party shall promptly review the invoice and notify SSWD of any objections within thirty (30) days of transmittal of the invoice by SSWD. If a Party has no objections, SSWD shall pay the invoice from funds provided by that Party under the schedule set forth in Exhibit A, Appendix C.

IN WITNESS WHEREOF, this MOU was executed by the parties hereto as of the date first above written.

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Lynette Moreno  
Interim General Manager  
Carmichael Water District

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Hillary Straus  
General Manager  
Citrus Heights Water District

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Marcus Yasutake  
Environmental and Water Resources Director  
City of Folsom

---

John Lenahan  
Board President  
Del Paso Manor Water District

---

Tim Shaw  
General Manager  
Rio Linda/Elverta Community Water District

---

Dan York  
General Manager  
Sacramento Suburban Water District

---

Paul Helliker  
General Manager  
San Juan Water District

## EXHIBIT 1

### Professional Services AGREEMENT

### DRAFT

### **PROFESSIONAL SERVICES AGREEMENT BETWEEN SACRAMENTO SUBURBAN WATER DISTRICT AND RAFTELIS/TULLY & YOUNG**

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Sacramento Suburban Water District (hereinafter referred to as "SSWD"), in conjunction with six neighboring water supply agencies in the Sacramento Region; Carmichael Water District, Citrus Heights Water District, City of Folsom, Del Paso Manor Water District, Rio Linda/Elverta Community Water District and San Juan Water District (collectively, "Agencies"), and Raftelis/Tully & Young, (hereinafter referred to as "Consultant").

### **RECITALS**

SSWD requires the services of Consultant to: See attached Scope of Work as Exhibit A.

Consultant warrants it possesses the distinct professional skills, qualifications, experience, and facilities necessary to timely perform the services described in this Agreement. Consultant acknowledges that Agencies have relied upon said warranties to retain Consultant.

### **AGREEMENT**

**NOW, THEREFORE,** SSWD and Consultant hereby agree that the aforementioned recitals are true and correct and further agree as follows:

**1. Retention as Consultant.** SSWD hereby retains Consultant on behalf of Agencies, and Consultant hereby accepts such engagement, to perform the services described in Section 3 below and subject to the terms and conditions contained in this Agreement.

**2. Relationship of Parties – Independent Contractors.** The relationship of the parties shall be that of independent contractors. In no event shall Consultant, or its agents, representatives, employees, consultants, contractors or subcontractors be considered an officer, agent, servant or employee of the SSWD or Agencies. Consultant shall be solely responsible for any workers' compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the performance of the services under this Agreement.

**3. Description of Services.** Consultant shall provide professional services to identify ways the Agencies can become more efficient in working together to deliver water services to our communities; look for ways to expand coordination and cooperation as well as identify opportunities for integrating programs, services, and activities to create efficiencies, improve results and achieve an overall cost benefit to the community; and study the potential of service coordination and integration as more particularly set forth in Exhibit "A" attached hereto.

**4. Consultant's Responsibilities.** In the performance of services under this Agreement, Consultant shall:

(a) Diligently perform all services required under this Agreement and continuously furnish the necessary personnel to complete such services in a timely manner;

(b) Perform all services under this Agreement in a manner commensurate with industry, professional, and community standards in Consultant's profession;

(c) At its own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted;

(d) Obtain and keep in effect during the term of this Agreement, at its sole cost and expense, all necessary licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession and to provide the services under this Agreement;

(e) Be readily available to the Management Committee to answer any and all questions, inquiries and correspondence from Agencies or interested persons referred to Consultant by the Management Committee related to the performance of the services under this Agreement;

(f) Discuss and review all matters related to the performance of services under this Agreement with the Management Committee in advance of all critical decision points in order to ensure the work proceeds in a manner consistent with the Agencies' goals and policies; and,

(g) Consultant shall keep and maintain records and invoices related to services provided under this Agreement for a minimum period of three (3) years from the date of final payment to Consultant, or for a longer period as may be required by law. Such records and invoices shall include, but not be limited to, financial records, time sheets, work progress reports, bills and project records. All

such records and invoices shall be clearly identifiable, and organized in a reasonable manner.

- (1) Consultant shall make such records and invoices immediately available to SSWD or Agencies upon delivery of a written request to examine, audit, or copy such records and invoices.
- (2) Within three (3) business days of the delivery of a written notice by the Management Committee, Consultant shall prepare and submit a written report to SSWD, with copies for all of the Agencies, identifying the work in progress, charges incurred to date, and the anticipated cost of completion.
- (3) Consultant shall give SSWD thirty (30) days written notice of its intent to destroy or otherwise dispose of the records and invoices to allow SSWD or Agencies an opportunity to take possession.

## 5. Compensation and Payment.

(a) The total compensation payable by SSWD to Consultant for services described in this Agreement **SHALL NOT EXCEED** the sum of \$194,264.00 (hereinafter "not to exceed amount" detailed in "Exhibit A, Appendix C") excluding any subsequently agreed to tasks per Optional Task 4 (see "Exhibit A, Appendix B"), except for such extra services as may be authorized pursuant to Section 6 below. Compensation shall be earned as provided in "Exhibit A, Appendix D".

(b) SSWD shall pay Consultant no later than 30 days after SSWD receives and verifies a written invoice from Consultant in a form satisfactory to the Management Committee. At a minimum, Consultant's invoice shall contain a description of the services performed and/or the specific task completed from Exhibit "A". Consultant shall not submit invoices to SSWD more frequently than once a calendar month.

(c) The compensation set forth in this Agreement shall constitute the total compensation for all costs of the services provided by Consultant, including, but not limited to, direct costs of labor of employees engaged by Consultant, travel expenses, telephone charges, typing, duplication, computer time, and any and all other costs, expenses, and charges incurred by Consultant, its agents and employees to provide the services described in this Agreement.

6. **Extra Services.** Consultant shall provide, and SSWD shall pay for, such extra services agreed to in writing by the parties that are not reasonably included within the services described in Section 3 above. The total cumulative compensation for all extra services under this Agreement (excluding the costs for any optional tasks detailed in "Exhibit A, Appendix B" that are subsequently agreed

to) shall not be more than 10% of the not to exceed amount.

**7. Term.** The term of this Agreement shall commence on date this agreement is executed by both parties and extend for a period of nine months from the date of execution. The term may be extended by mutual agreement of both parties. For a detailed schedule please see "Exhibit A, Appendix E".

**8. Termination by SSWD or Agencies.** Upon thirty (30) calendar days written notice to Consultant, SSWD or Agencies may terminate any portion or all of the services described in this Agreement. In the event of such termination, Consultant shall have the right and obligation to immediately assemble all work in progress for the purpose of winding up the terminated services. All compensation for actual work performed and charges outstanding at the time of termination shall be payable in accordance with Section 5(b) above.

**9. No Assignment.** No portion of this Agreement shall be assigned or subcontracted by Consultant without SSWD's or Agencies' express written consent. The term "assignment" shall include any sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or party to a joint venture, which results in a change of control of Consultant. Control means fifty percent or more of the voting power, or twenty-five percent or more of the assets of the corporation, partnership or joint-venture.

**10. Project Manager.** Consultant's services under this Agreement shall be performed under the general direction of a Management Committee comprised of representatives from the Agencies, Dan York, or such person as the Agencies may designate.

**11. Ownership of Documents.** All drawings, designs, data, photographs, reports and other documentation prepared or obtained by Consultant in the performance of the services contemplated by this Agreement shall be the property of the Agencies and shall be delivered to the Agencies upon demand.

**12. Confidentiality.** Consultant shall not disclose confidential or proprietary information or knowledge received directly or indirectly from the Agencies to anyone other than Consultant's employees necessary to perform the services described in this Agreement. This obligation shall survive termination and remain in full force and effect until the records kept and maintained pursuant to Section 4(g)(3) above, and any copies thereof, are destroyed or returned to the Agencies.

**13. Hold Harmless and Indemnity.** Consultant agrees to defend, indemnify and hold Agencies, their elected officials, officers, directors, employees, agents and designated volunteers harmless from and against any and all loss, liability,

damage, including but not limited to reasonable attorney, consultant and expert fees and/or court costs, caused by (a) the negligent or grossly negligent acts or willful misconduct of Consultant or (b) the failure by Consultant to properly perform under this Agreement, except for the gross negligence and willful misconduct of Agencies, their elected officials, officers, directors, employees, agents and designated volunteers.

In addition to the above indemnification obligations, Consultant shall correct, at its own expense, all errors in the services provided. Should Consultant fail to make such correction in a timely manner, Agencies shall make the correction and charge the cost thereof to Consultant.

**14. Insurance.** For the duration of this agreement, Consultant shall procure and maintain, at its own cost, insurance in the amounts and under the terms set forth in Exhibit "B" attached hereto against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work to provide the services described in this Agreement by Consultant, its agents, representatives, or employees. Consultant agrees to comply with any changes in the amounts and terms of such insurance as may be required from time to time by the Agencies, upon reasonable written notice.

**15. Acceptance of Final Payment.** Consultant's acceptance of final payment made under this Agreement, by negotiating SSWD's check or otherwise, shall release SSWD and Agencies from all claims and liabilities for compensation under this Agreement.

**16. Acceptance of Work.** The approval, payment and/or acceptance of the work or services performed under this Agreement by SSWD, shall not constitute or be deemed a release of the responsibility or liability of Consultant, its agents, employees, consultants, contractors, and/or subcontractors for the accuracy and competency of the services performed and/or information provided under this Agreement; nor shall such action be deemed an assumption of Consultant's responsibility or liability by SSWD or Agencies for any defect or error in Consultant's services.

**17. Waiver; Remedies.** A party's failure to insist upon the strict performance of any provision of this Agreement by the other party ("breaching party"), irrespective of the length of time for which such failure continues, shall not constitute a waiver of the non-breaching party's right to demand strict compliance in the future. A waiver shall not be effective or binding unless made in writing by the non-breaching party, and may not be implied from any omissions by the non-breaching party. A written waiver shall not constitute a continuing waiver of any subsequent breach of the same or a different provision of this Agreement.

All of the remedies permitted or available under this Agreement, or at law or in

equity, shall be cumulative and alternative, and the invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other available right of remedy.

**18. Notice.** Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail with copies for all Agencies, postage prepaid, and addressed as follows:

TO SSWD:                   Attention: Dan York  
                                 General Manager  
                                 Sacramento Suburban Water District  
                                 3701 Marconi Avenue  
                                 Sacramento, California 95821

TO CONSULTANT: Raftelis \_\_\_\_\_

Seth Garrison \_\_\_\_\_

Either party may change such address or contact person by written notice by registered mail to the other.

19. Conflict of Interest. Consultant is unaware of any Agency employee or official that has a financial interest in Consultant's business. During the term of this Agreement and/or as a result of being awarded this Agreement, Consultant shall not offer, encourage, or accept any financial interest in Consultant's business by any Agency employee or official.

**20. Construction of Language.** The provisions of this Agreement have been arrived at through negotiation and each party had a full and fair opportunity to revise the provisions and have them reviewed by legal counsel. The parties agree that any ambiguities in construing or interpreting this Agreement shall not be resolved against either party as the drafting party. In the event of an inconsistency or conflict between the language of this Agreement and an attachment hereto, the language of the Agreement shall control.

**21. Non-Exclusive Agreement.** SSWD and Agencies reserve the right to engage other consultants in connection with the services described in this Agreement.

**22. Entire Agreement.** This Agreement, including the attachments hereto, supersede any other agreements, either oral or written, between the parties with respect to the described services, and this Agreement contains all of the covenants and agreements between the parties with respect to said services. Any modification to this Agreement must be in writing and signed by both parties.

**23. Partial Invalidity.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have caused this Agreement to be executed on the date first written above.

**CONSULTANT:**

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By:  
Title:

**SSWD:**

---

Dan York  
General Manager

Exhibits and Further Attachments:

- Exhibit A – Scope of Work (includes Appendices A through E)
- Exhibit B – Insurance Coverage, Amounts and Terms
- Exhibit C – Problem Statement (from RFP)
- Exhibit D - Appendices

## Exhibit A

### SCOPE OF WORK

#### **REQUESTED SCOPE OF WORK:**

##### 1. SERVICES DESIRED:

#### **SCOPE OF WORK ACTIVITY 1**

##### *Describe the Current Environment*

##### **Task 1.1: Project Initiation**

We will use the kick-off meeting to identify important project outcomes and, more importantly, to create a shared vision with engagement. This will happen through the creation of a Collaboration Steering Committee, or Management Committee as described in the RFP, that will be charged with developing a mission statement, key tasks and milestones, and non-negotiables, and identifying potential areas for cooperation.

The Committee will help identify goals related to potential service delivery and successes to build on – this becomes common ground to talk about the development of models of collaboration.

It's critical that the Committee help identify what areas we should focus on outside of the water resource areas, and what areas may be too challenging to attempt right away. The nexus of effort and reward will guide which areas to address first. Quick wins are often better to attempt in the beginning than hard-fought big wins. We will use the Committee to identify the right participants and will maintain communication to ensure all parties are represented and their opinions are reflected in the outcome. By being inclusive at the outset, we will create transparency and advocacy that will help manage change in later phases.

Our team will develop a project plan including an organizational chart and timeline, and a charter to clearly identify expectations, goals, in-scope and out-of-scope activities, success factors and potential risks, key participants, and constraints. Getting buy-in on the project plan and charter from stakeholders and the Committee will be a critical success factor.

##### **Task 1.2: Describe the Utilities and Inventory Services Offered by Each**

A big part of collaboration is understanding what each party does and how they do it. In this task, our team will review and document how each organization operates, including size, structure, governance, and most importantly, culture. Our team has found that simply knowing what services are provided is insufficient. We need to know how the entities do business.

### **Task 1.3: Understand Current Collaborations**

Our team will document the current collaborations and understand how they are working. This exercise will allow us to help the agencies understand what is working and what's not working. The lessons learned will be critical for future tasks.

### **Task 1.4: Document Existing Information and Approaches**

Our team will collect baseline organization, financial and operational information for each agency through a structured process using an information collection template, augmented by follow-up contact with each agency to clarify data. This information will include items such as, but not limited to, the following listed in Appendix A to this document.

### **Task 1.5: Identify Stakeholders and Develop Communications Plan**

Organizations are made up of people, and it's vital to understand the impact change will have on customers, governing bodies, disadvantaged communities, and the workforce. Our team will identify stakeholders and map their interest so we can ensure that we maintain trust, reciprocity, and effective communication.

After identifying and mapping stakeholders, our team will develop a communications plan to ensure that the agencies speak with one voice and through a designated spokesperson when discussing the project with stakeholders.

Further, once the project plan is defined and approved by the Committee; the Participating Agencies may invite other regional agencies to participate. The development of the project plan will include a method to gauge the interest of other governments/utilities that will be used to define how successful participation will be measured. Our team will develop a presentation that can be used to make other stakeholders aware of the project and invite them to participate, as desired.

Other utilities that are customers of the participating entities that chose not to participate in the Study initially will be engaged through information sharing, as approved by the Committee, and will be encouraged to participate in the study. This process will include steps, such as, but not limited to the following:

- Gather available information from public domain sources (see Section 1.4 for examples).
- Meet with agencies to share information and determine where they may have interest in participating.
- Offer the agencies the ability to work through Raftelis to fill in information request gaps, and to participate in the Study. Should the agencies choose not to participate, the final work products of the Study will be shared with them, and they may participate in the presentations to the Ad-hoc Board committee.

Note: If Orange Vale Water Company and Fair Oaks Water District become participants, Raftelis reserves the right to revise the contract proportionately to accommodate the costs of additional analysis.

### **Task 1.6: Review and Revise Project Charter (Problem Statement)**

Our team will work closely with the Committee to reevaluate the initial problem statements (see Exhibit C) defined by the Agencies and recommend any additions or edits as the project progresses, which we will reflect in the project charter.

### **SCOPE OF WORK ACTIVITY 2**

#### ***Conduct Benchmarking***

### **Task 2.1: Identify Performance Measures and Conduct Peer Benchmarking**

Our team has conducted benchmarking with dozens of water-sector utilities across the country and is responsible for helping to create the AWWA Benchmarking for Performance Indicators guide, as well as the AMWA and NACWA financial benchmark studies. We will use this knowledge to assist the Committee in determining appropriate benchmarks to compare the agencies. The benchmarks will encompass organizational/management, legal/governance, financial, and operational areas.

Using these measures, our team will compare the agencies against selected peers as well as national metrics, after consulting with the Committee about suitable peers.

### **SCOPE OF WORK ACTIVITY 3**

#### ***Identify Opportunities for Collaboration***

### **Task 3.1: Review Organizational and Governance Structures, Impacts, and Policies**

Working closely with the Committee, our team will review organizational structures, policies, and procedures to identify and quantify the service and redundancies that may exist among the parties, along with the inconsistencies that would need to be resolved associated with recommended changes to service provision. This will include analyzing the efficiency of the Partner Agencies, identifying performance gaps, and providing comments on policy, facilities, staffing, compensation, and maintenance practices. We will also review governance within the framework of decision-making as we assess who will be responsible for service level agreements, performance standards, and monitoring.

For each entity, we will offer to conduct a validation meeting to confirm our preliminary findings and discuss alternatives.

## **Task 3.2: Evaluate the Business Case for Cost Savings Through Shared Services**

Raftelis will identify the potential areas for shared services and discuss them with the Committee. We will then quantify the potential efficiencies that could be gained for each identified activity or service. This effort will consist of comparing the level of effort and resource costs that are needed under various shared service approaches versus the status quo. A Business Case Evaluation (BCE) summary will be prepared that documents the current as-is state, the opportunity for efficiencies under various shared service approaches, the advantages and disadvantages, the potential estimated cost savings, and the potential risks to consider. Raftelis will provide draft BCEs to the Committee for review and comment. After receipt of consolidated comments from the Collaboration Steering Committee, a BCE summary will be finalized. The summary will include the following:

- Identify service delivery strengths and outcomes for each participating organization
- Evaluate gains (estimated cost savings and efficiencies) per participant, and associated potential high-level impact on customers, such as rate impacts
- Quantify increased quality of service, focus on innovation, and increased capacity
- Analyze water resources management opportunities and savings

The spectrum of shared service alternatives may include options ranging from joint contracting with third parties, to shared staff, materials, or equipment, contracted service provision amongst the parties, or full utility consolidation. The financial analysis will give participants an impartial idea of the relative magnitude of savings that each alternative is estimated to offer and will be consistent with the level of analysis used as part of the Phase 1 High-Level Feasibility Analysis for Water Supply Reliability conducted by SJWD and SSWD in 2014.

Raftelis will not develop multi-year consolidated financial or rate models nor associated cost allocations, nor will Raftelis develop detailed transaction costs, or solicit formal bids from third party contractors. Rather, the goal will be to determine what short-term action items appear to balance collective feasibility, savings, and service level improvements. These financial analyses will consider a range of factors, including current water supply capacity rights, paid-in capital, available information on system infrastructure conditions, capital plans, outstanding debt service, and operational expenses and redundancies, in addition to the ratepayer base available to fund these revenue requirements under the alternatives.

Raftelis will identify potential concerns over control and an approach to navigating them. It is critical to set out a change management process – moving from local to shared services may be interpreted as a loss for employees and governing boards. Continued communications efforts supported by Raftelis will encompass: 1) assessing each affected organizations' willingness, readiness,

and ability to change; 2) developing a strategy for change management to address perceived or real losses of identity, control, and jobs; and 3) ensuring that the potential misperception of less responsive services when moving from local to regional provision is addressed.

## **DELIVERABLES**

As noted in the RFP, Raftelis will provide to the Committee a report at the completion of each of the three activities in the scope of work, detailing the information collected, the analysis conducted, and the results and recommendations. The consultant shall also provide the Committee a final report, integrating the results of the three activities and a summary of the complete project. For each deliverable, the Committee will have the opportunity to provide one round of consolidated comments from all the parties and revision requests on a preliminary draft version marked as “classified work product”. Reports will be marked “final” following the round of revisions. Participants may choose to make materials public at the Committee’s discretion.

## **PROPOSED FEES**

In Appendix C, we provide a full budget broken down by task. Our proposed fee is \$194,264 (not including optional tasks detailed in Appendix B), inclusive of all fees and expenses.

## Exhibit B

### **INSURANCE COVERAGE**

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

#### **Minimum Scope of Insurance**

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

#### **Minimum Limits of Insurance**

Consultant shall maintain limits no less than:

1. General Liability, including operations, products and completed operations, as applicable:  
**\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability:  
**\$1,000,000** per accident for bodily injury and property damage.
3. Employer's Liability:  
**\$1,000,000** per accident for bodily injury or disease.

#### **Deductibles and Self-Insured Retention**

Any deductibles or self-insured retention must be declared to and approved by SSWD. At the option of the Agencies, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agencies, their officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to SSWD guaranteeing payment of losses and related investigations, claim administration and defense expenses.

#### **Other Insurance Provisions**

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Agencies, their officers, officials, employees and designated volunteers are to be covered as insureds as respects: liability arising

out of activities performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agencies, their officers, officials, employees or volunteers.

2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Agencies, their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agencies, their officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect coverage provided to the Agencies, their officers, officials, employees or volunteers.
4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agencies.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to SSWD.

Verification of Coverage

Consultant shall furnish SSWD certificates of insurance and endorsement(s) effecting coverage to the Agencies for approval. The endorsements shall be on forms acceptable to SSWD. All certificates and endorsements are to be received and approved by SSWD before work commences. The Agencies reserve the right to require complete, certified copies of all insurance policies required by this section.

## **Exhibit C** **Initial List of Problem Statements**

### **Problem Statements**

1. Water supplies in the American River basin are becoming more variable and likely less reliable than in the past, due in part to climate change, environmental regulatory requirements and competing demands.
2. The areas served by the participating agencies were extensively developed during the second half of the last century and the water supply infrastructure installed at that time is in need of repair and replacement.
3. During normal to wet years, various water agencies in the Sacramento region have more water available under their water rights and contracts than necessary to meet customer demands, and use of this surplus water is not optimized.
4. Water supply infrastructure among the agencies in this analysis has varying levels of underutilized collection, treatment, storage and delivery capacity.
5. The agencies in this analysis face various financial and operational challenges in providing services to their customers and performing business functions.
6. The agencies in this analysis face increasing operational costs.
7. The sizes of the agencies in this analysis limit their ability to dedicate staff time to legislative, policy and regulatory issues.

### **Goals**

The participating agencies will collaborate to:

1. Enhance water supply reliability by optimizing the use of surface water and groundwater supplies. Plan for and develop resilient responses to changes in water supplies that result from climate change and new regulatory requirements.
2. Repair, replace and improve water supply infrastructure and related agency assets in the most efficient and cost-effective manner possible.
3. Provide excellent service and the best value to customers.
4. Achieve more effective advocacy and the best outcomes possible on legislation and regulations in both Sacramento and Washington, D.C.

# **Exhibit D Appendices**

## **Appendix A: Initial Request for Information**

- System Overview
  - Overview description of the water system
  - Water planning information and documents
  - Number and type of facilities
  - Summary asset information
  - Capacity (including any water supply agreements)
  - Demand and demand projections
- Services
  - # Customers/accounts
  - Services that are self-provided (operational and support)
  - Services that are contracted (operational and support)
  - Services that are centralized or joint contracted across participants
  - Services that are “wish-list” services
- Governance
  - Utility chartering documents and any associated legislation
  - Water rights, Settlement agreements, Other water supply contracts
  - Memoranda of understanding with other water suppliers
- Financial
  - Budgets (past 3 years including operational expenses and debt service)
  - Comprehensive Annual Financial Reports showing actual performance (3 years)
  - Budget structure documentation (including any cost allocation approach employed internally or by customer base)
  - Capital improvement plans
  - Official statements for debt issuances
  - Summary of fiscal policies
  - Salaries and benefits
- Organization and Staffing
  - Number of staff and position titles
  - Organizational structure (chart with titles)
  - Any organizational performance reports
  - Organizational performance metrics, data, studies, etc.
  - Relevant prior studies and reports looking at collaboration
  - A list of available standard operating procedures (SOPs)

## **Appendix B: Recommended Follow on Tasks**

### **Further Suggestions**

The RFP asked the consulting team to provide “further suggestions to make this study a success.” There are several learnings that we have from prior efforts that we feel are important to communicate. Our experience with implementation of collaborative efforts, in particular, has encouraged us to add the suggested Work Activity 4 elements shown here, which are geared specifically to make this effort a sustainable success.

### **Water Resources Management**

The American River watershed region has taken tremendous strides forward in managing regional water assets. The region has collaborated to protect the Lower American River through the Water Forum process, has reversed the sustained groundwater overdraft that once occurred in the Sacramento Groundwater Basin by establishing the Sacramento Groundwater Authority, and created the Regional Water Authority to open communications among participating entities and better pursue political, regulatory, and financial objectives. The great work that continues to happen under all these efforts will be supported by this collaboration/integration study. The design of our firm’s study seeks to build upon these previous successes, not disturb them. Moreover, the study will consider other details facing the Participating Agencies – like the migration of the Aerojet-Rocketdyne contamination plume, taste and odor issues associated with differing sources of water, and the potential groundwater management changes associated with the Sustainable Groundwater Management Act. Taken together, these broad collaborative processes and subtle water management details will be thoughtfully considered in the context of this study.

### **Implementation Activities**

We find that a lot of conceptual plans for collaboration sit on shelves without a deliberate effort to move them forward. In places like Green Bay and Charlotte, part of the success we have had in moving various efforts forward is helping the participating entities through the first steps of implementation. With this suggested Work Activity 4, the agencies can consider completing independently or with our assistance. It’s offered as a guide to the next steps that might be undertaken.

## **WORK ACTIVITY 4: ENHANCEMENT AND IMPLEMENTATION ACTIVITIES CAN BE UNDERTAKEN AT THE CONCLUSION OF THE FIRST THREE ACTIVITIES, AS DESIRED BY THE AGENCIES.**

### **SCOPE OF WORK ACTIVITY 4**

#### ***Enhancement and Implementation***

Raftelis will identify and prioritize the potential improvements and shared services to tackle first and will prepare recommendations and an implementation plan. The intent is to achieve the desired breakthrough performance through innovative and creative solutions. Together with the Committee, Raftelis will establish measures of success to help the parties influence the outcome of the shared service effort and provide implementation assistance as needed.

#### **Task 4.1: Develop Service Standards (Optional)**

While every utility has differences in how they operate, there are several common performance

measures that can be used to provide objective comparisons with peers and between Participating Agencies that quantify more than direct costs and include qualitative measures. Our team will have collected available information to quantify the service standards of the agencies. We will create a business model with a framework for linking partner satisfaction to cost. In this model, value is derived when the utility is accountable for delivering some quality of service for a given cost.

### **Task 4.3: Identify the Shared Services Delivery Model (Optional)**

As we narrow down the options for collaboration and sharing services, we will develop an evaluation process to arrive at a recommended method(s) for implementation, and how the activity will be governed. This process will create a weighted scorecard that ranks each opportunity on:

- Improved quality of service/customer satisfaction
- Reduced and avoided costs
- Improved efficiency
- Innovation
- Potential for new revenue streams
- Transfer of knowledge and skills
- Improved working relationships

It will be important to circle back to solidify legal requirements, required changes to governance, and control elements. In addition, we will ensure that risks are identified, discuss these risks with the Committee, and identify and evaluate challenges to achieving desired cost efficiencies. If needed, we will use our human resources expert to consider staffing implications.

### **Task 4.4: Identify Potential Pilot Projects (Optional)**

Throughout this process there will likely be opportunities that can make agreements more feasible. Sometimes these moments create small windows of opportunity – for example, a building lease is expiring, and shared office space could be facilitated; changes in leadership occur through attrition; or service contracts are up for bid and there is a potential for a cooperative purchase. These “striking moments” should be readily sought and identified. Together with the Committee, Raftelis will identify potential pilot projects that can build a track record for future expansion. Pilot projects allow for the project to provide service on a temporary basis to see if a long-term shared service model is desirable and can help test an approach to implementation to determine if a phased, parallel, or cutover method is the most advantageous.

### **Task 4.5: Prepare Shared Services Report (Optional)**

Raftelis will develop a document detailing the strategy that outlines what the partner entities can accomplish through mutually beneficial collaboration. The document will focus on what is achievable. Specifically, it will address governance, finance, management, and operations and provide a recommended strategy to improve services and facilitate economic efficiencies.

We will document the business case evaluation results, the priority of shared service opportunities, the recommended delivery models to employ, and the potential pilot projects to implement first. The document will summarize a plan for public participation and input. Public participation in the process of decision-making about shared services and collaboration is a best practice and an opportunity for public officials to be responsive to the varied views of constituents and stakeholders. Raftelis will lead

a discussion with the Committee about what level of participation is desired (inform, consult, or involve), and develop a public participation plan to add to the communications plan developed and implemented throughout the project.

#### **Task 4.6: Present Recommended Plan to Participating Entities' Governing Bodies (Optional)**

Our team will prepare a presentation of the recommended plan to participating governing bodies. The presentation will be provided to the Committee.

#### **Task 4.7: Develop Transition and Implementation Plan (Optional)**

Raftelis will work with the Committee to develop a transition plan that includes the recommendation of governance options and organizational structures providing clear roles and responsibilities. The transition and implementation plan will:

- Include phased implementation over time
- Discuss and document responsibilities with partners
- Identify and call out critical path milestones
- Identify additional resources that may be needed to implement the recommended organizational structure and schedule such as federal and state labor laws, liquidation of accrued time, union coordination, etc.
- Define entry and exit conditions and build in triggers that prompt review
- Include specific expectations about how services will be delivered and how performance will be measured in the contract or MOU and include an issue resolution framework
- Create a plan for flexibility by recognizing budget constraints, public expectations, and other conditions that may change over time, and develop a way to raise those issues early so they don't threaten the cooperative relationship
- Include in the plan details about how a termination of the shared service would be implemented, including how assets would be dispensed
- Define a dispute resolution process
- Determine who assumes control during emergencies

#### **Task 4.8: Communicate Collaboration (Optional)**

Trust, reciprocity, transparency, and effective communication are critical to the ongoing success of a shared service relationship. Together with the Committee, we will create a plan to discuss the shared service relationship on an ongoing basis including a set of guiding principles and service expectations for the relationship so all parties can have predictable expectations.

Raftelis will work to update the communications plan and develop an internal and external outreach component to ensure that all stakeholder audiences are aware and knowledgeable of the expectations of the implementation phase of the project.

#### **Task 4.9: Develop Process to Attract New Collaborative Opportunities (Optional)**

Throughout the project we will be looking for "striking moments" where new collaborative opportunities can be incorporated. Here we will revisit and formalize the path we developed to gauge the interest of other local governments/utilities and include criteria for future expansion to other local

water utilities. The ENGAGE – ASSESS – COMPARE – ENHANCE process is intended to be an iterative process that can result in continuous improvement over time. As such, as we work with the agencies and other stakeholders during the project, we will transfer knowledge regarding the evaluation and implementation process so that the organizations can continue to effectively identify and implement other shared services opportunities in the future.

#### **Task 4.10: Implement Change Management Plan (Optional)**

Building on the elements of change management that have been incorporated thus far, we will implement the change management plan and create a way for the partner agencies to track progress including evaluating experiences and addressing lessons learned.

#### **Task 4.11: Implementation Assistance (Optional)**

Raftelis will provide as-needed communication and outreach planning, change management, assistance with service level agreements, process mapping, and updates to the web portal so that the project is easily understood and transferrable to new leadership, elected officials, and governing board members.

## Appendix C: Revised Detailed Budget

Tasks	Number of Meetings	Hours												Total Fees & Expenses
		SG	JA	DB	GT	TY	JM	TC	ZG	ME	LW	Admin	Total	
Work Activity 1: Describe the Current Environment	4	58	10	3	52	24	14	68	54	26	6	7	322	\$92,192
TASK 1.1: PROJECT INITIATION	1	16	8	1	12	4	2	20	4	2	0	2	71	\$21,038
TASK 1.2: DESCRIBE THE UTILITIES AND INVENTORY SERVICES OFFERED BY EACH		4	0	0	4	4	0	8	8	0	0	2	30	\$6,770
TASK 1.3: UNDERSTAND CURRENT COLLABORATIONS	1	16	0	0	16	4	2	16	16	2	2	0	74	\$21,293
TASK 1.4: DOCUMENT EXISTING FINANCIAL INFORMATION AND APPROACHES		8	0	0	8	8	6	16	16	0	0	1	63	\$15,085
TASK 1.5: IDENTIFY STAKEHOLDERS AND DEVELOP COMMUNICATIONS PLAN (Optional, but recommended)	1	10	1	1	8	0	4	6	10	20	2	2	64	\$19,583
TASK 1.6: REVIEW AND REVISE PROJECT CHARTER (PROBLEM STATEMENT)	1	4	1	1	4	4	0	2	0	2	2	0	20	\$8,423
Work Activity 2: Conduct Benchmarking	1	16	2	1	4	0	2	30	8	0	0	2	65	\$18,988
TASK 2.1: IDENTIFY PERFORMANCE MEASURES AND CONDUCT PEER BENCHMARKING	1	16	2	1	4	0	2	30	8	0	0	2	65	\$18,988
Work Activity 3: Identify Opportunities for Collaboration	3	48	4	1	60	52	14	40	64	10	4	6	303	\$83,084
TASK 3.1: TASK 3.1: REVIEW ORGANIZATIONAL AND GOVERNANCE STRUCTURES, IMPACTS, AND POLICIES	1	32	2	0	48	40	6	20	32	2	0	2	184	\$47,743
TASK 3.2: EVALUATE THE BUSINESS CASE FOR COST SAVINGS THROUGH SHARED SERVICES	2	16	2	1	12	12	8	20	32	8	4	4	119	\$35,341
														Total Proposed Fees \$160,300
														Total Proposed Expenses \$33,964
														Total Proposed Fees & Expenses \$194,264
														Consolidation Related Fees and Expenses (included in Total Proposed Fees and Expenses) \$22,445
Work Activity 4: Optional Activities	3	68	14	1	24	4	2	80	72	34	0	8	307	\$84,924
TASK 4.1: DEVELOP SERVICE STANDARDS	1	8	0	0	2	0	0	12	6	0	0	0	28	\$10,103
TASK 4.3: IDENTIFY THE SHARED SERVICES DELIVERY MODEL		8	0	0	2	0	0	6	6	0	0	0	22	\$5,370
TASK 4.4: IDENTIFY POTENTIAL PILOT PROJECTS		8	0	0	0	0	0	4	8	0	0	0	20	\$4,900
TASK 4.5: PREPARE SHARED SERVICES REPORT		4	1	0	4	2	2	16	8	2	0	0	39	\$9,375
TASK 4.6: PRESENT RECOMMENDED PLAN TO PARTICIPATING ENTITIES' GOVERNING BODIES	1	8	4	0	4	2	0	8	4	0	0	0	30	\$10,913
TASK 4.7: DEVELOP TRANSITION AND IMPLEMENTATION PLAN	1	8	1	1	0	0	0	16	24	6	0	4	60	\$17,223
TASK 4.8: COMMUNICATE COLLABORATION		4	0	0	2	0	0	2	2	8	0	4	22	\$5,050
TASK 4.9: DEVELOP PROCESS TO ATTRACT NEW COLLABORATIVE OPPORTUNITIES		4	2	0	6	0	0	4	2	6	0	0	24	\$6,120
TASK 4.10: IMPLEMENT CHANGE MANAGEMENT PLAN		12	2	0	2	0	0	8	8	4	0	0	36	\$9,080
TASK 4.11: IMPLEMENTATION ASSISTANCE		4	4	0	2	0	0	4	4	8	0	0	26	\$6,790
														Fees and Expenses for Optional Activities and Tasks (not included in Total Proposed Fees and Expenses)
														Total Optional Fees \$71,705
														Total Optional Expenses \$13,219
														Total Optional Fees & Expenses \$84,924

**Note:** Changes from initial proposal include:

- 1.5 & 1.6 combined.
- 1.7 changed to 1.6.

## **Appendix D: Compensation**

Compensation shall be on a time and expense basis. Reimbursable expenses shall be billed and paid at cost. Total compensation for Task 1 through Task 3 shall not exceed \$194,264 and for Task 4 shall not exceed \$84,924. Optional Task 4 will be authorized by SSWD if needed. The combined cost of all tasks shall not exceed \$279,188 without prior written authorization from SSWD.

Raftelis Financial Consultants, Inc. Compensation Table is as follows:

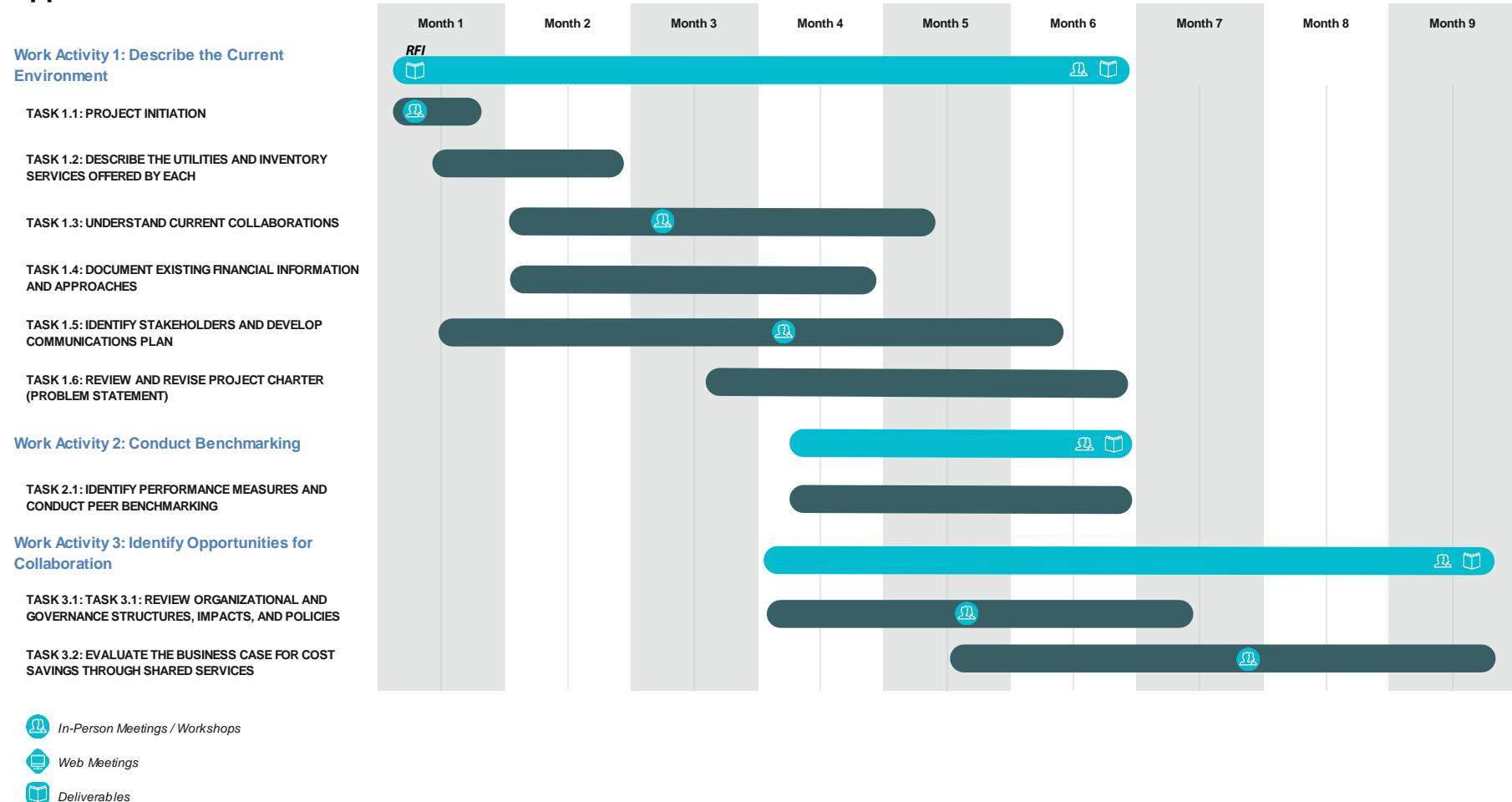
### **Raftelis' 2020 Standard Hourly Billing Rates**

<b><u>Position</u></b>	<b><u>Hourly Billing Rate **</u></b>
Vice President/Principal Consultant	\$295
Senior Manager	\$265
Manager	\$245
Senior Consultant	\$215
Consultant	\$185
Associate	\$155
Analyst	\$110
Administration	\$85
Technology/Communications Charge*	\$10

\* Technology/Communications Charge – this is an hourly fee charged monthly for each hour worked on the project to recover telephone, facsimile, computer, postage/overnight delivery, conference calls, electronic/computer webinars, photocopies, etc.

\*\* For services related to the preparation for and participation in deposition and trial/hearing, the standard billing rates listed above will be increased by 50%.

## Appendix E: Revised Schedule



**Note:** Changes from initial proposal include:

- RFI deliverable added.
- No other deliverables were added but a note in the proposal now confirms that all 3 primary deliverables will be delivered as draft confidential work products with a round of review before going final.

- 1.5 & 1.6 combined. 1.5 extended timeframe to account for more intensive 1.6 activities now included which will start earlier in the project to begin attempts to engage Orange Vale and Fair Oaks.
- 1.7 changed to 1.6.
- Work Activity 2 (Task 2.1) shifted out to end at the end of month 6.
- Raftelis will be providing monthly project status updates with invoices and each community may choose to update their board using these tools, or as each deliverable is provided. No board presentations or meetings prior to the final were added.
- Web meetings or calls as part of normal project flow can be scheduled as needed within reason beyond the in-person meetings noted.

## EXHIBIT 2

### COST ALLOCATION

Regional Collaboration/Integration Project

Cost Allocation – All Portions of the Study Except Those Subject to  
Section 4

1/28/20

Project Cost: \$194,264

Project Cost with 3% Contingency: \$200,000

Agency – retail and wholesale	Operating budget	%Share by Ops Budget	Cost for Agency – by Budget	Tier	%Share by Tier	Cost for Agency – by Tier
Carmichael Water District	\$7,869,668	9.64	\$19,272	2	9.75	\$19,500
Citrus Heights Water District	\$13,073,299	16.01	\$32,015	3	16.75	\$33,500
City of Folsom	\$14,201,768	17.39	\$34,778	3	16.75	\$33,500
Del Paso Manor WD		0.00	\$0		0.00	
Rio Linda/Elverta CWD	\$2,200,000	2.69	\$5,387	1	2.75	\$5,500
Sacramento Suburban WD	\$23,241,000	28.46	\$56,914	4	27.00	\$54,000
San Juan Water District	\$21,084,900	25.62	\$51,634	4	27.00	\$54,000
<b>Totals</b>		100.00	\$200,000		100.00	\$200,000

## STAFF REPORT

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To: Board of Directors  
From: Paul Helliker, General Manager  
Date: February 26, 2020  
Subject: New Legal Services Agreement

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### **RECOMMENDED ACTION**

Approve the new Legal Services Agreement.

### **BACKGROUND**

At the January 22 Board meeting, the Board established an ad hoc committee to review and propose revisions to the District's legal services agreement with Bartkiewicz, Kronick and Shanahan (BKS). Directors Hanneman and Rich were appointed to this committee. The committee has had several discussions with District general counsel Josh Horowitz and they have jointly developed the proposed Agreement for Legal Services, which is attached.

This agreement would update the current agreement, which dates to 2000, with more detailed information for many of the terms that are in the current agreement, such as Scope, Duties, Termination, Insurance and others. The new agreement would also add standard contractual provisions concerning Indemnification, Assignees, No Third Party Beneficiaries, Independent Contractor Status, etc.

Some changes in the terms include an update of billing rates and a specification that annual rate changes will be approved by the Board, and the creation of a term for the agreement (5 years). BKS will also provide a listing of the issues/tasks for which they split charges among multiple clients separately from this report.

**BARTKIEWICZ, KRONICK & SHANAHAN**  
**A Professional Corporation**  
**1011 Twenty-Second Street**  
**Sacramento, CA 95816-4907**  
**Tel: (916) 446-4254**  
**Fax: (916) 446-4254**  
**Email: [jmh@bkslawfirm.com](mailto:jmh@bkslawfirm.com)**

**AGREEMENT FOR LEGAL SERVICES WITH  
SAN JUAN WATER DISTRICT**

This Agreement is made as of February \_\_\_\_2020 by and between Bartkiewicz, Kronick & Shanahan, a California professional corporation (“Attorneys”), and San Juan Water District, a California public agency (“District”), who agree as follows:

**1. Scope of Engagement.** District retains Attorneys to provide general counsel legal services to District, including providing advice on District water right and water supply issues, governance, legal compliance, rates, fees and charges, public works and other contracts, operations, and other matters as District may request. District and Attorneys may modify this scope of legal services by mutual agreement, which may be informal. Joshua M. Horowitz (“Shareholder”) will be the principal attorney representing District under this Agreement. He will be assisted as needed by Ryan S. Bezerra, Jennifer T. Buckman, and other attorneys in the firm. If requested by District and agreed to by Attorneys, Attorneys will represent District in other matters as may be requested by District from time to time.

**2. Duties of Attorneys and District.** Attorneys will provide those legal services reasonably required to represent District in the matters referred to in Section 1. Attorneys will take reasonable steps to keep District informed of progress and significant developments in a timely matter and bill the District only for those legal matters requested for. The District’s requests for services may be informal through verbal direction, telephone conversations, or email exchanges with responsible District officers and employees. District will cooperate with Attorneys, keep Attorneys informed of developments and changed circumstances, abide by this Agreement, and pay Attorneys’ bills in a timely manner. An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between Attorneys and District are confidential and protected by the attorney-client privilege.

**3. Relationship of District and Attorney.** The District, acting through its Board of Directors, is Attorneys’ client. Attorneys shall provide those legal services requested by the District through its Board of Directors or General Manager. The Directors and staff of District individually are not clients of Attorneys, and Attorneys may advise individual Directors or staff members only for purposes of advancing, implementing and enforcing Board direction and duly adopted District ordinances, resolutions, regulations, and policies.

**4. Billing Rates.** District agrees to pay for legal services at the hourly rates of \$315 per hour for Principal I attorneys, \$280 per hour for Principal II attorneys, \$235 per hour for Associate I attorneys, and \$210 per hour for Associate II attorneys, for services provided

pursuant to this Agreement. Attorneys charge in minimum one-quarter hour units. Attorneys' rates are subject to adjustment annually as of January 1, with prior written notice to District of the adjustment. Attorneys will provide District with written notice of any proposed change in its billing rates for the following year by no later than December 1 of the current year, for approval by the Board. Upon request, Attorneys will meet with the Board or any designated Board committee to discuss any proposed rate change.

**5. Costs and Expenses.** Whenever practical, District agrees to pay directly for costs and expenses by either advancing such costs or expenses to Attorneys, or by paying third parties directly. In all other cases, District will reimburse Attorneys for all necessary and actual costs and expenses incurred by Attorneys, including, but not limited to, the following: costs of serving pleadings; filing fees and other charges assessed by courts and other public agencies; court reporter's fees; jury and witness fees; long distance telephone charges; messenger and other delivery fees; postage; photocopying (at \$.20/page black and white and \$.30 for color); parking; mileage (at the current IRS rate); computer-assisted research charges; consultant and expert witness fees; and other out-of-pocket expenses incurred by Attorneys. Attorneys will itemize all costs incurred on each monthly statement.

**6. Statements.** Attorneys will send District a statement for fees and costs incurred every month, except that when the fees and costs for a particular month are minimal, they may be carried over to the next month's statement. Upon District's request, Attorneys will provide a statement within 10 days. District will pay Attorneys' statements within 30 days after each statement's date. Attorneys' statements will clearly state the basis of the charges, including the amount, rate and basis for calculation of Attorneys' fees. Unless otherwise directed, Attorneys will send statements for legal services to District as follows:

San Juan Water District  
Attn: General Manager  
P.O. Box 2157  
Granite Bay, CA 95746

**7. Disclaimer of Guarantee.** Attorneys have made no promises or guarantees to District about the outcome of District's matters, and nothing in this Agreement will be construed as such a promise or guarantee. Attorneys' comments about the outcome of District's matters are expressions of opinion only.

**8. Termination.** Either party may terminate this Agreement upon written notice to the other party. Upon termination by either party, Attorneys shall be paid for services rendered to the District up to the date of termination. Attorneys and District each agree to sign any documents reasonably necessary to complete Attorneys' discharge or withdrawal. Attorneys will comply with Rule 1.16 of the Rules of Professional Conduct of the State Bar of California in terminating this Agreement. When Attorneys' services conclude, all unpaid charges will become immediately due and payable. After Attorneys' services conclude, Attorneys will, upon District's request, deliver District's files to District, along with any District funds or property in Attorneys' possession.

**9. Indemnification.** Attorneys will indemnify, defend, protect, and hold harmless District from and against any and all liability, losses, claims, damages, expenses, demands, and costs (including, but not limited to, attorneys' and expert witness fees, and litigation

costs) arising out of Attorneys' performance of the work under this Agreement and caused by any negligent act or omission, willful misconduct or violation of law of or by Attorneys, except where caused by the active negligence, sole negligence or willful misconduct of District or as otherwise provided or limited by law.

**10. Insurance.** Attorneys, at their sole cost and expense, will procure and maintain for the duration of this Agreement the following types and minimum limits of insurance: commercial general liability, \$1,000,000 per occurrence; professional liability, \$3,000,000 per claim; and workers' compensation, statutory limits. Upon request, Attorneys will provide to District a certificate or certificates of insurance evidencing this insurance coverage.

**11. Disclosure of Other Clients.** Attorneys disclose that they represent Sacramento Suburban Water District as general legal counsel, and the Cities of Folsom and Roseville as special legal counsel. At this time, Attorneys are not aware of a conflict of interest in Attorneys' representation of District and the ongoing representation of Attorneys' pre-existing clients. However, in the event that such a conflict is identified or arises in the future, District and Attorneys agree that (a) Attorneys will, as soon as possible, make a full written disclosure to District and the other affected client about the potential conflict of interest; (b) fully discuss with District and the other affected client the potential conflict and appropriate ways to address the conflict; and (c) Attorneys will confirm in writing the procedure that has been agreed to by District and Attorneys with respect to addressing the potential conflict of interest. Attorneys may continue to represent the clients referenced above, and Attorneys may withdraw from representing District in the matter or matters in which such a conflict arises if the conflict cannot otherwise be resolved.

**12. Entire Agreement.** Attorneys and District intend this writing to be the sole, final, complete, exclusive and integrated expression and statement of the terms of their contract concerning the subject matter addressed in the Agreement. This Agreement supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to the subject matter of this Agreement, except those other documents that may be expressly referenced in this Agreement.

**13. Assignees.** No party may assign, delegate, transfer or subcontract any of its rights, duties, obligations or other interests in this Agreement without the other party's prior written consent. Any assignment, delegation, transfer or subcontract in violation of this provision is null and void and grounds for the other party to terminate this Agreement.

**14. No Third-Party Beneficiaries.** This agreement is a personal services agreement exclusive to District and no third-party beneficiaries are intended or created by this Agreement.

**15. Independent Contractor.** Attorneys' relationship to District is that of an independent contractor. All persons hired by Attorneys and performing work under this Agreement will be Attorneys' employees. Attorneys and their employees are not District employees, and they are not entitled to District employment salary, wages or benefits. Attorneys will pay, and District will not be responsible in any way for, the salary, wages, workers' compensation, unemployment insurance, disability insurance, tax withholding, and benefits to and on behalf of Attorneys' employees.

**16. Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of California.

**17. Effective Date; Term.** This Agreement will take effect when District returns a signed copy of this Agreement and shall remain in effect for five years after that date. The term of this Agreement may be extended beyond its five-year term by a written amendment signed by both parties.

SAN JUAN WATER DISTRICT

By: \_\_\_\_\_  
Edward J. "Ted" Costa  
President, Board of Directors

BARTKIEWICZ, KRONICK & SHANAHAN  
A Professional Corporation

By: \_\_\_\_\_  
Joshua M. Horowitz  
Shareholder

## STAFF REPORT

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To: Board of Directors  
From: Greg Zlotnick, Water Resources Manager  
Date: February 26, 2020  
Subject: Central Valley Project Water Service and Facilities Repayment Contract

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### RECOMMENDED ACTION

Adopt Resolution 20-02 accepting, and authorize the Board President to sign, a new *Central Valley Project Water Service and Facilities Repayment Contract* to supersede the District's existing Central Valley Project water service contract.

### BACKGROUND

On December 16, 2016, the President signed the Water Infrastructure Improvements for the Nation (WIIN) Act. Under Section 4011, Congress authorized the Bureau of Reclamation (Reclamation) to enter into negotiations with any Central Valley Project contractor who desired to convert their existing "water service" contract into a "repayment" contract.

The first CVP-wide negotiation session occurred in May of 2019, with multiple subsequent CVP-wide and American River Division only sessions taking place since then. District staff and Counsel participated in those meetings. Negotiations wrapped up last month.

Counsel reviewed proposed terms for the new contracts throughout the process and, in coordination with staff, provided critical input to the process to ensure acceptable terms.

Counsel has reviewed the final version of the proposed contract now before the Board and concurs in the recommendation to adopt the resolution and sign the new contract.

The primary benefits of converting to this new contract are that the District: (1) will pay-off its capital obligation to the CVP ten years prior to the existing 2030 deadline, likely resulting in a cost savings; and (2) the District's CVP contract becomes permanent; removing the need to renew its current CVP Water Service contract prior to its 2045 expiration date.

The Board may recall that staff was previously able to recoup funds that had been paid to Reclamation that had created a significant credit balance in the District's CVP capital account. While Reclamation previously provided a large reimbursement to the District, some funds were held by Reclamation in that capital account to cover the District's estimated outstanding capital obligation through 2030 based upon potential, relatively small volumes of future average annual deliveries of CVP water to the District. Consequently, unlike many other CVP contractors seeking to convert their contracts, the District has no payment due, let alone a large one, to execute this conversion. In fact, there is a chance the District could even recoup some of the credit balance presently in its capital account.

## **RESOLUTION NO. 20-02**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT**

### **AUTHORIZING THE BOARD PRESIDENT TO EXECUTE A CONTRACT BETWEEN THE UNITED STATES AND SAN JUAN WATER DISTRICT PROVIDING FOR PROJECT WATER SERVICE AND FACILITIES REPAYMENT**

WHEREAS, San Juan Water District currently has a long-term water service contract with the United States Bureau of Reclamation for Central Valley Project water; and

WHEREAS, the existing CVP water service contract will expire on February 8, 2045; and

WHEREAS, the WIIN Act authorizes contractors to convert their water service contracts to repayment contracts, and the proposed repayment contract will not have an expiration date; and

WHEREAS, by converting the water service contract to a permanent repayment contract, the District will avoid future costs that would otherwise be incurred to renew the water service contract, such as legal and environmental review costs; and

WHEREAS, the District has no unpaid construction costs of the Central Valley Project and has fully discharged and paid all construction costs owed to the Bureau of Reclamation. Therefore, there will be no amount owing to the Bureau of Reclamation under the WIIN Act upon the conversion of this contract; and

WHEREAS, the agreement will be in a form acceptable to the District's counsel; and

WHEREAS, the District's conversion from a water service contract to a Repayment Contract does not increase the amount of water the District receives, nor does it change any water project operations or deliveries. This is merely a legal and financial transaction that will not cause any physical impact on the environment. Consequently, approval of this Repayment Contract does not trigger environmental review under the California Environmental Quality Act;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Juan Water District as follows:

1. The Board authorizes the Board President to execute a contract between the United States and San Juan Water District providing for project water service and facilities repayment; and,

2. The Board acknowledges that non-substantive corrections may occur after the time the Board takes action on this item and before presentation of the proposed Repayment Contract for execution by the United States. If, in the opinion of the District Counsel, any subsequent changes did not change substantive terms of the contract, such as changes of a technical or clerical nature, the Board authorizes the District Counsel to make and approve such edits without further Board action being required.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 26th day of February 2020, by the following vote:

AYES: DIRECTORS:  
NOES: DIRECTORS:  
ABSENT: DIRECTORS:

---

EDWARD J. "TED" COSTA  
President, Board of Directors

---

TERI GRANT  
Secretary, Board of Directors

M&I Only

Contract No.  
6-07-20-W1373-LTR1-P

CCAO 11-15-2019  
CCAO 11-20-2019  
CCAO 12-02-2019  
CCAO 12-11-2019  
CCAO 12-16-2019  
CCAO 01-08-2020

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
American River Division, Central Valley Project, California

CONTRACT BETWEEN THE UNITED STATES  
AND  
SAN JUAN WATER DISTRICT  
PROVIDING FOR PROJECT WATER SERVICE  
AND FACILITIES REPAYMENT

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Exhibit A – Map of Contractor’s Service Area

Exhibit B – Rates and Charges

Exhibit C – Existing Capital Obligation

1                           UNITED STATES  
2                           DEPARTMENT OF THE INTERIOR  
3                           BUREAU OF RECLAMATION  
4                           American River Division, Central Valley Project, California

5                           CONTRACT BETWEEN THE UNITED STATES  
6                           AND  
7                           SAN JUAN WATER DISTRICT  
8                           PROVIDING FOR PROJECT WATER SERVICE  
9                           AND FACILITIES REPAYMENT

10                  THIS CONTRACT, made this this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, in  
11                  pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or  
12                  supplementary thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844),  
13                  as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,  
14                  June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050),  
15                  as amended, November 3, 1990 (104 Stat. 2087), as amended, Title XXXIV of the Act of  
16                  October 30, 1992 (106 Stat. 4706), and the Water Infrastructure Improvements for the Nation  
17                  Act (Public Law 114-322, 130 Stat. 1628), Section 4011 (a-d) and (f) ("WIIN Act"), all  
18                  collectively hereinafter referred to as Federal Reclamation law, between the UNITED STATES  
19                  OF AMERICA, hereinafter referred to as the United States, represented by the officer executing  
20                  this Contract, hereinafter referred to as the Contracting Officer, and SAN JUAN WATER  
21                  DISTRICT, hereinafter referred to as the Contractor, a public agency of the State of California,  
22                  duly organized, existing, and acting pursuant to the laws thereof,

23                  WITNESSETH, That:

24                           EXPLANATORY RECITALS

25                  [1<sup>st</sup>]       WHEREAS, the United States has constructed and is operating the Central Valley  
26                  Project (Project), California, for diversion, storage, carriage, distribution and beneficial use, for

27 flood control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection  
28 and restoration, generation and distribution of electric energy, salinity control, navigation and  
29 other beneficial uses, of waters of the Sacramento River, the American River, the Trinity River,  
30 and the San Joaquin River and their tributaries; and

31 [2<sup>nd</sup>] WHEREAS, the United States constructed Folsom Dam and Reservoir,  
32 hereinafter collectively referred to as the American River Division, which will be used in part for  
33 the furnishing of water to the Contractor pursuant to the terms of this Contract; and

34 [3<sup>rd</sup>] WHEREAS, the rights to Project Water were acquired by the United States  
35 pursuant to California law for operation of the Project; and

36 [3.1] WHEREAS, the Contractor succeeded to the rights of the North Fork Ditch  
37 Company as set forth in Contract No. DA-04-167-eng-610, dated April 12, 1954, between the  
38 United States and the Company, which contract is separate and apart from Contract 14-06-200-  
39 152A and remains in full force and effect by its own terms; and

40 [3.2] WHEREAS, Contract No. DA-04-167-eng-610 provides, among other things for the  
41 delivery to the Contractor by the United States of not to exceed 33,000 acre-feet of water each  
42 Calendar Year, referred to as the Contractor's Water Rights Water; and

43 [4<sup>th</sup>] WHEREAS, the Contractor and the United States entered into Contract No. 14-  
44 06-200-152A, dated June 19, 1962, as amended, which contract established terms for the  
45 delivery to the Contractor of Project Water from the American River Division from June 19,  
46 1962, through February 28, 1995; and

47 [4.1] WHEREAS, both Contract No. 14-06-200-152A and Contract No. DA-04-167-  
48 eng-610 provide that Project Water and the Contractor's Water Rights Water, respectively, be  
49 delivered to Hinkle Reservoir; and

50        [5<sup>th</sup>]    WHEREAS, the Contractor and the United States subsequently entered into  
51    interim renewal contract(s) identified as Contract No(s). 14-06-200-152A-IR1, 14-06-200-152A-  
52    IR2, 14-06-200-152A-IR3, 14-06-200-152A-IR4, 14-06-200-152A-IR5, 14-06-200-152A-1R6,  
53    14-06-200-152A-IR7, and 14-06-200-152A-IR8, which provided for the continued water service  
54    to the Contractor from through February 28, 2006; and

55        [5.1]    Omitted

56        [5.2]    WHEREAS, the Contractor and the United States entered into Contract No. 6-07-  
57    20-W1373, dated April 8, 1999, pursuant to Section 206(b) of Public Law 101-514 (104 Stat.  
58    2087), which provides for the delivery to the Contractor of up to 13,000 acre-feet per year of  
59    Project Water from Folsom Reservoir, hereinafter referred to as the P. L. 101-514 CVP Contract;  
60    and

61        [5.3]    WHEREAS, the P. L. 101-514 CVP Contract provides that, at the time of the  
62    long-term renewal of Contract No. 14-06-200-152A, the P. L. 101-514 CVP Contract would be  
63    amended to conform to the provisions of the long-term renewal (LTR) Contract. As part of the  
64    long-term renewal, the United States and the Contractor facilitated contract administration by  
65    combining the quantity of Project Water provided for in the P. L. 101-514 Project Contract with  
66    the quantity of Project Water in the LTR Contract, thereby making the LTR Contract the sole  
67    long-term contract for Project Water service between the United States and the Contractor, and  
68    superseding and replacing the P. L. 101-514 Project Contract; and

69        [6<sup>th</sup>]    WHEREAS, on February 28, 2006, the United States and the Contractor entered  
70    into LTR Contract No. 6-07-20-W1373-LTR1 (the Existing Contract), which established terms  
71    for the delivery of Project Water and Water Rights Water to the Contractor from the American  
72    River Division, and was in effect on the date the WIIN Act was enacted; and

73 [7<sup>th</sup>] WHEREAS, on December 16, 2016, the 114th Congress of the United States of  
74 America enacted the WIIN Act; and

75 [8<sup>th</sup>] WHEREAS, WIIN Act, Section 4011(a)(1) provides that “upon request of the  
76 contractor, the Secretary of the Interior shall convert any water service contract in effect on the  
77 date of enactment of this subtitle and between the United States and a water users’ association  
78 [Contractor] to allow for prepayment of the repayment contract pursuant to paragraph (2) under  
79 mutually agreeable terms and conditions.”; and

80 [9<sup>th</sup>] WHEREAS, WIIN Act, Section 4011(a)(1) further provides that “the manner of  
81 conversion under this paragraph shall be as follows: (A) Water service contracts that were  
82 entered into under section (e) of the Act of August 4, 1939 (53 Stat. 1196), to be converted under  
83 this section shall be converted to repayment contracts under section 9(d) of that Act (53 Stat.  
84 1195); and “(B) Water service contracts that were entered under subsection (c)(2) of section 9  
85 of the Act of August 4, 1939 (53 Stat. 1194), to be converted under this section shall be  
86 converted to a contract under subsection (c)(1) of section 9 of that Act (53 Stat. 1195).”; and

87 [10<sup>th</sup>] WHEREAS, WIIN Act, Section 4011(a)(4)(C) further provides all contracts  
88 entered into pursuant to WIIN Act, Section 4011(a)(1), (2), and (3) shall “not modify other water  
89 service, repayment, exchange and transfer contractual rights between the water users’ association  
90 [Contractor], and the Bureau of Reclamation, or any rights, obligations, or relationships of the  
91 water users’ association [Contractor] and their landowners as provided under State law.”; and

92 [11<sup>th</sup>] WHEREAS, WIIN Act, Section 4011(d)(3) and (4) provides that “implementation  
93 of the provisions of this subtitle shall not alter... (3) the priority of a water service or repayment  
94 contractor to receive water; or (4) except as expressly provided in this section, any obligations  
95 under the reclamation law, including the continuation of Restoration Fund charges pursuant to

96 section 3407(d) (Public Law 102-575), of the water service and repayment contractors making  
97 prepayments pursuant to this section.”; and

98 [12<sup>th</sup>] WHEREAS, upon the request of the Contractor, the WIIN Act directs the  
99 Secretary to convert municipal and industrial (M&I) water service contracts into repayment  
100 contracts, amend existing repayment contracts, and allow contractors to prepay their construction  
101 cost obligations pursuant to applicable Federal Reclamation law; and

102 [13<sup>th</sup>] WHEREAS, the Contractor requested that its Existing Contract be converted  
103 under the WIIN Act, and the United States and the Contractor have agreed to convert the  
104 Existing Contract into this repayment contract, consistent with the Federal Reclamation law; and

105 [14<sup>th</sup>] WHEREAS, consistent with the WIIN Act, in entering into this Contract, the  
106 Parties do not intend to change or delete any terms or provisions of the Existing Contract except  
107 as expressly set forth in this Contract; and

108 [15<sup>th</sup>] WHEREAS, the Contractor has requested the conversion of the Existing Contract,  
109 pursuant to the WIIN Act and other Federal Reclamation law; and

110 [16<sup>th</sup>] WHEREAS, the United States has determined that the Contractor has fulfilled all  
111 of its obligations under the Existing Contract and under the P. L. 101-514 Project Contract; and

112 [17<sup>th</sup>] WHEREAS, the Contractor has demonstrated to the satisfaction of the  
113 Contracting Officer that the Contractor has utilized the Project Water supplies available to it for  
114 reasonable and beneficial use and/or has demonstrated projected future demand for water use  
115 such that the Contractor has the capability and expects to utilize fully for reasonable and  
116 beneficial use the quantity of Project Water to be made available to it pursuant to this Contract;  
117 and

118 [18<sup>th</sup>] WHEREAS, water obtained from the Project has been relied upon by urban areas  
119 within California for more than 50 years, and is considered by the Contractor as an essential  
120 portion of its water supply; and

121 [19<sup>th</sup>] WHEREAS, the economies of regions within the Project, including the  
122 Contractor's, depend upon the continued availability of water, including water service from the  
123 Project; and

124 [19.1] WHEREAS, in the California Bay-Delta Program (CALFED) Programmatic  
125 Record of Decision, dated August 28, 2000, the United States and the State of California adopted  
126 a general target of continuously improving Delta water quality for all uses. The CALFED  
127 Agencies' target for providing safe, reliable, and affordable drinking water in a cost-effective  
128 way, is to achieve either: "(a) average concentrations at Clifton Forebay and other southern and  
129 central Delta drinking water intakes of 50 ug/L bromide and 3.0 mg/L total organic carbon, or (b)  
130 an equivalent level of public health protection using a cost-effective combination of alternative  
131 source waters, source control and treatment technologies;" and

132 [20<sup>th</sup>] WHEREAS, the Secretary of the Interior (Secretary) intends through  
133 coordination, cooperation, and partnerships to pursue measures to improve water supply, water  
134 quality, and reliability of the Project for all Project purposes; and the parties intend by this  
135 Contract to develop a more cooperative relationship in order to achieve their mutual goals; and

136 [20.1] WHEREAS, the Contractor and the water users in its Service Area have  
137 improved and will continue to improve water use efficiency through water conservation, water  
138 reclamation, and other Best Management Practices; however, implementing these measures has  
139 reduced and will continue to reduce the ability of the Contractor and the water users in its  
140 Service Area to withstand a Condition of Shortage; and

141 [21<sup>st</sup>] WHEREAS, the mutual goals of the United States and the Contractor include: to  
142 provide for reliable Project Water supplies; to control costs of those supplies; to achieve  
143 repayment of the Project as required by law; to guard reasonably against Project Water  
144 shortages; to achieve a reasonable balance among competing demands for use of Project Water;  
145 and to comply with all applicable environmental statutes, all consistent with the legal obligations  
146 of the United States relative to the Project; and

147 [22<sup>nd</sup>] WHEREAS, the parties intend by this Contract to develop a more cooperative  
148 relationship in order to achieve their mutual goals; and

149 [22.1] WHEREAS, the Contractor is a signatory to the Water Forum Agreement, dated  
150 April 14, 2000, which has the co-equal objectives to (1) provide a reliable and safe water supply  
151 for the Sacramento region's economic health and planned development through the year 2030,  
152 and (2) preserve the fishery, wildlife, recreational and aesthetic values of the lower American  
153 River; and

154 [22.2] WHEREAS, the Contracting Officer is in support of the co-equal objectives of the  
155 Water Forum Agreement and intends to work cooperatively with the Contractor to investigate  
156 actions that they could take to implement the objectives of the Water Forum Agreement, which,  
157 if agreed to, would be the subject of a separate agreement between them; and

158 [22.3] WHEREAS, the Contractor now requires that the water provided pursuant to the  
159 above said contracts be delivered to a higher elevation at its Sidney N. Peterson Water Treatment  
160 Plant (hereinafter referred to as the Contractor's Water Treatment Plant); and

161 [22.4] WHEREAS, in San Juan Suburban Water District v. United States, Civ. 124 No.  
162 S-83-1621-LKK (E.D. Cal.), the District Court ruled that the United States was not obligated to

163 deliver Project Water or the Contractor's Water Rights Water to the higher elevation at the  
164 Contractor's Water Treatment Plant; and

165 [23<sup>rd</sup>] WHEREAS, the United States and the Contractor are willing to enter into this  
166 Contract pursuant to Federal Reclamation law for the delivery of both Project Water and the  
167 Contractor's Water Rights Water to the Contractor's Water Treatment Plant on the terms and  
168 conditions set forth below; and

169 [24<sup>th</sup>] WHEREAS, the United States and the Contractor agree that this Contract  
170 complies with WIIN Act, Section 4011.

171 NOW, THEREFORE, in consideration of the mutual and dependent covenants herein  
172 contained, it is hereby mutually agreed by the parties hereto as follows:

173 DEFINITIONS

174 1. When used herein unless otherwise distinctly expressed, or manifestly  
175 incompatible with the intent of the parties as expressed in this Contract, the term:

176 (a) "Calendar Year" shall mean the period January 1 through December 31,  
177 both dates inclusive;

178 (b) "Charges" shall mean the payments required by Federal Reclamation law  
179 in addition to the Rates and Tiered Pricing Component specified in this Contract as determined  
180 annually by the Contracting Officer pursuant to this Contract;

181 (c) "Condition of Shortage" shall mean a condition respecting the Project  
182 during any Year such that the Contracting Officer is unable to deliver sufficient water to meet  
183 the Contract Total;

184                         (d)     “Contracting Officer” shall mean the Secretary’s duly authorized  
185     representative acting pursuant to this Contract or applicable Federal Reclamation law or  
186     regulation;

187                         (e)     “Contract Total” shall mean the maximum amount of water to which the  
188     Contractor is entitled under subdivision (a) of Article 3 of this Contract;

189                         (f)     “Contractor's Service Area” shall mean the area to which the Contractor is  
190     permitted to provide Project Water under this Contract as described in Exhibit “A” attached  
191     hereto, which may be modified from time to time in accordance with Article 34 of this Contract  
192     without amendment of this Contract;

193                         (g)     “CVPIA” shall mean the Central Valley Project Improvement Act, Title  
194     XXXIV of the Act of October 30, 1992 (106 Stat. 4706);

195                         (h-i)    Omitted;

196                         (j)     “Full Cost Rate” shall mean an annual rate as determined by the  
197     Contracting Officer that shall amortize the expenditures for construction properly allocable to the  
198     Project Irrigation or municipal and industrial (M&I) functions, as appropriate, of facilities in  
199     service including all operation and maintenance (O&M) deficits funded, less payments, over  
200     such periods as may be required under Federal Reclamation law, or applicable contract  
201     provisions. Interest will accrue on both the construction expenditures and funded O&M deficits  
202     from October 12, 1982, on costs outstanding at that date, or from the date incurred in the case of  
203     costs arising subsequent to October 12, 1982, and shall be calculated in accordance with  
204     subsections 202(3)(B) and (3)(C) of the Reclamation Reform Act of 1982 (RRA). The Full-Cost  
205     Rate includes actual operation, maintenance, and replacement costs consistent with Section 426.2  
206     of the Rules and Regulations for the RRA;

207 (k-l) Omitted;

208 (m) "Irrigation Water" shall mean the use of Project Water to irrigate land  
209 primarily for the production of commercial agricultural crops or livestock, and domestic and  
210 other uses that are incidental thereto;

211 (n) Omitted;

212 (o) "Municipal and Industrial Water" ("M&I Water") shall mean the use of  
213 Project Water for municipal, industrial, and miscellaneous other purposes not falling under the  
214 definition of Irrigation Water or within another category of water use under an applicable Federal  
215 authority.

216 Water uses established before [effective date of Contract] and known to the Contracting  
217 Officer and the Contractor are deemed to be authorized uses of M&I Water;

218 (p) "M&I Full Cost Water Rate" shall mean the Full Cost Rate applicable to  
219 the delivery of M&I Water;

220 (q) "Operation and Maintenance" or "O&M" shall mean normal and  
221 reasonable care, control, operation, repair, replacement (other than capital replacement), and  
222 maintenance of Project facilities;

223 (r) Omitted;

224 (s) "Project" shall mean the Central Valley Project owned by the United  
225 States and managed by the Department of the Interior, Bureau of Reclamation;

226 (t) "Project Contractors" shall mean all parties who have contracts for water  
227 service for Project Water from the Project with the United States pursuant to Federal  
228 Reclamation law;

229 (u) "Project Water" shall mean all water that is developed, diverted, stored, or  
230 delivered by the Secretary in accordance with the statutes authorizing the Project and in  
231 accordance with the terms and conditions of water rights acquired pursuant to California law;

234                         (v)     “Rates” shall mean the payments determined annually by the Contracting  
235     Officer in accordance with the then-current applicable water ratesetting policies for the Project,  
236     as described in subdivision (a) of Article 7 of this Contract;

237                         (w)     “Recent Historic Average” shall mean the most recent five year average  
238     of the final forecast of Water Made Available to the Contractor pursuant to this Contract or its  
239     preceding contract(s).

240                         (x)     “Secretary” shall mean the Secretary of the Interior, a duly appointed  
241     successor, or an authorized representative acting pursuant to any authority of the Secretary and  
242     through any agency of the Department of the Interior;

243                         (y)     “Tiered Pricing Component” shall be the incremental amount to be paid  
244     for each acre-foot of Water Delivered as described in Article 7 of this Contract;

245                         (z)     “Water Delivered” or “Delivered Water” shall mean Project Water  
246     diverted for use by the Contractor at the point(s) of delivery approved by the Contracting  
247     Officer;

248                         (aa)    “Water Made Available” shall mean the estimated amount of Project  
249     Water that can be delivered to the Contractor for the upcoming Year as declared by the  
250     Contracting Officer, pursuant to subdivision (a) of Article 4 of this Contract;

251                         (bb)    “Water Scheduled” shall mean Project Water made available to the  
252     Contractor for which times and quantities for delivery have been established by the Contractor  
253     and Contracting Officer, pursuant to subdivision (b) of Article 4 of this Contract;

254                         (cc)    “Year” shall mean the period from and including March 1 of each  
255     Calendar Year through the last day of February of the following Calendar Year;

256                             (dd) “Additional Capital Obligation” shall mean construction costs or other  
257 capitalized costs incurred after [effective date of Contract] or not reflected in the Existing Capital  
258 Obligation as defined herein and in accordance with WIIN Act, Section 4011, subsection

259 (a)(3)(B);

268                                 (ff)     “Repayment Obligation” shall mean the amount due and payable to the  
269     United States, pursuant to Section 4011(a)(3)(A) of the WIIN Act.

## TERM OF CONTRACT

271           2.       (a)      This Contract shall be effective [effective date] , supersedes the Existing  
272      Contract, and shall continue so long as the Contractor pays applicable Rates and Charges under  
273      this Contract, consistent with Section 9(d) or 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1195)  
274      as applicable, and applicable law;

279 diligently commence and maintain full curative payments satisfactory to the Contracting Officer  
280 within the sixty (60) calendar days' notice period;

281                         (2)     Provided further, That the Contracting Officer shall not seek to  
282 suspend making water available or declaring Water Made Available pursuant to this Contract for  
283 non-compliance by the Contractor with the terms of this Contract or Federal law, unless the  
284 Contracting Officer has first provided at least thirty (30) calendar days written notice to the  
285 Contractor and the Contractor has failed to cure such non-compliance, or to diligently commence  
286 curative actions satisfactory to the Contracting Officer for a non-compliance that cannot be fully  
287 cured within the thirty (30) calendar days' notice period. If the Contracting Officer has  
288 suspended making water available pursuant to this paragraph, upon cure of such noncompliance  
289 satisfactory to the Contracting Officer, the Contracting Officer shall resume making water  
290 available and declaring Water Made Available pursuant to this Contract;

291                         (3)     Provided further, That this Contract may be terminated at any time  
292 by mutual consent of the parties hereto.

293                         (b)     Upon complete payment of the Repayment Obligation by the Contractor,  
294 and notwithstanding any Additional Capital Obligation that may later be established, the acreage  
295 limitations, reporting, and the Full Cost pricing provisions of the Reclamation Reform Act of  
296 1982 shall no longer be applicable to the Contractor pursuant to this Contract.

297                         (c)     Omitted.

298                         (d)     Notwithstanding any provision of this Contract, the Contractor reserves  
299 and shall have all rights and benefits, under the Act of June 21, 1963 (77 Stat. 68), to the extent  
300 allowed by law.

301

302        **WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR**

303            3.        (a)      During each Year, consistent with all applicable State water rights,  
304      permits, and licenses, Federal law, and subject to the provisions set forth in Articles 3(b), 11 and  
305      12 of this Contract, the Contracting Officer shall make available for delivery to the  
306      Contractor 24,200 acre-feet of Project Water for M&I purposes. Water Delivered to the  
307      Contractor in accordance with this subdivision shall be scheduled and paid for pursuant to the  
308      provisions of Articles 4 and 7 of this Contract.

309            (b)     Because the capacity of the Project to deliver Project Water has been  
310      constrained in recent years and may be constrained in the future due to many factors including  
311      hydrologic conditions and implementation of Federal and State laws, the likelihood of the  
312      Contractor actually receiving the amount of Project Water set out in subdivision (a) of this  
313      Article in any given Year is uncertain. The Contracting Officer's modeling referenced in the  
314      programmatic environmental impact statement required by Section 3409 of the CVPIA projected  
315      that the Contract Total set forth in this Contract will not be available to the Contractor in many  
316      years. During the most recent five years, the Recent Historic Average of Water Made Available  
317      to the Contractor was 10,864 acre feet (based on the non-P. L. 101-514 CVP Contract total of  
318      11,200 acre feet). Nothing in subdivision (b) of this Article shall affect the rights and obligations  
319      of the parties under any provision of this Contract.

320            (c)     The Contractor shall utilize the Project Water in accordance with all  
321      applicable legal requirements.

322            (d)     The Contractor shall make reasonable and beneficial use of all water  
323      furnished pursuant to this Contract. Groundwater recharge programs (direct, indirect, or in lieu),  
324      ground-water banking programs, surface water storage programs, and other similar programs

325 utilizing Project Water, Contractor's Water Rights Water, or other water furnished pursuant to  
326 this Contract conducted within the Contractor's Service Area which are consistent with  
327 applicable State law and result in use consistent with Federal Reclamation law will be allowed;  
328 Provided, That any direct recharge program(s) is (are) described in the Contractor's water  
329 conservation plan submitted pursuant to Article 25 of this Contract; Provided further, That such  
330 water conservation plan demonstrates sufficient lawful uses exist in the Contractor's Service  
331 Area so that using a long-term average, the quantity of Delivered Water is demonstrated to be  
332 reasonable for such uses and in compliance with Federal Reclamation law. Ground-water  
333 recharge programs, ground-water banking programs, surface water storage programs, and other  
334 similar programs utilizing Project Water, Contractor's Water Rights Water, or other water  
335 furnished pursuant to this Contract conducted outside the Contractor's Service Area may be  
336 permitted upon written approval of the Contracting Officer, which approval will be based upon  
337 environmental documentation, Project Water rights, and Project operational concerns. The  
338 Contracting Officer will address such concerns in regulations, policies, or guidelines.

339 (e) Omitted.

340 (f) Following the declaration of Water Made Available under Article 4 of this  
341 Contract, the Contracting Officer will make a determination whether Project Water, or other  
342 water available to the Project, can be made available to the Contractor in addition to the Contract  
343 Total under Article 3 of this Contract during the Year without adversely impacting other Project  
344 Contractors. At the request of the Contractor, the Contracting Officer will consult with the  
345 Contractor prior to making such a determination. If the Contracting Officer determines that  
346 Project Water, or other water available to the Project, can be made available to the Contractor,  
347 the Contracting Officer will announce the availability of such water and shall so notify the

348 Contractor as soon as practical. The Contracting Officer will thereafter meet with the Contractor  
349 and other Project Contractors capable of taking such water to determine the most equitable and  
350 efficient allocation of such water. If the Contractor requests the delivery of any quantity of such  
351 water, the Contracting Officer shall make such water available to the Contractor in accordance  
352 with applicable statutes, regulations, guidelines, and policies.

353 (g) The Contractor may request permission to reschedule for use during the  
354 subsequent Year some or all of the Water Made Available to the Contractor during the current  
355 Year, referred to as "carryover." The Contractor may request permission to use during the  
356 current Year a quantity of Project Water which may be made available by the United States to  
357 the Contractor during the subsequent Year, referred to as "preuse." The Contracting Officer's  
358 written approval may permit such uses in accordance with applicable statutes, regulations,  
359 guidelines, and policies.

360 (h) The Contractor's right pursuant to Federal Reclamation law and applicable  
361 State law to the reasonable and beneficial use of Water Delivered pursuant to this Contract shall  
362 not be disturbed, and this Contract shall continue so long as the Contractor pays applicable Rates  
363 and Charges under this Contract consistent with Section 9(d) or 9(c)(1) of the Act of August 4,  
364 1939 (53 Stat. 1195) as applicable, and applicable law. Nothing in the preceding sentence shall  
365 affect the Contracting Officer's ability to impose shortages under Article 11 or subdivision (b) of  
366 Article 12 of this Contract.

367 (i) Project Water furnished to the Contractor pursuant to this Contract may be  
368 delivered for purposes other than those described in subdivision (o) of Article 1 of this Contract  
369 upon written approval by the Contracting Officer in accordance with the terms and conditions of  
370 such approval.

## TIME FOR DELIVERY OF WATER

380           4.       (a)      On or about February 20 of each Calendar Year, the Contracting Officer  
381      shall announce the Contracting Officer's expected declaration of the Water Made Available.  
382      Such declaration will be expressed in terms of both Water Made Available and the Recent  
383      Historic Average and will be updated monthly, and more frequently if necessary, based on then-  
384      current operational and hydrologic conditions and a new declaration with changes, if any, to the  
385      Water Made Available will be made. The Contracting Officer shall provide forecasts of Project  
386      operations and the basis of the estimate, with relevant supporting information, upon the written  
387      request of the Contractor. Concurrently with the declaration of the Water Made Available, the  
388      Contracting Officer shall provide the Contractor with the updated Recent Historic Average.

394 to deliver Project Water and Contractor's Water Rights Water according to the approved  
395 schedule for the Year commencing on such March 1.

396 (c) The Contractor shall not schedule Project Water in excess of the quantity  
397 of such waters the Contractor intends to put to reasonable and beneficial use within the  
398 Contractor's Service Area or to sell, transfer, or exchange pursuant to Article 9 of this Contract  
399 during any Year.

400 (d) Subject to the conditions set forth in subdivision (a) of Article 3 of this  
401 Contract, the United States shall deliver Project Water and Contractor's Water Rights Water to  
402 the Contractor in accordance with the initial schedule submitted by the Contractor pursuant to  
403 subdivision (b) of this Article, or any written revision(s), satisfactory to the Contracting Officer,  
404 thereto submitted within a reasonable time prior to the date(s) on which the requested change(s)  
405 is/are to be implemented.

#### POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

407 5. (a) Project Water scheduled pursuant to subdivision (b) of Article 4 of this  
408 Contract and the Contractor's Water Rights Water shall be delivered to the Contractor at the  
409 Contractor's Water Treatment Plant and any additional point or points of delivery either on  
410 Project facilities or another location or locations mutually agreed to in writing by the Contracting  
411 Officer and the Contractor.

412 (b) Omitted.

413 (c) The Contractor shall not deliver Project Water to land outside the  
414 Contractor's Service Area unless approved in advance by the Contracting Officer.

415 (d) All Water Delivered to the Contractor pursuant to this Contract shall be  
416 measured and recorded with equipment furnished, installed, operated, and maintained by the

417       United States, or other appropriate entity as designated by the Contracting Officer at the  
418       point or points of delivery established pursuant to subdivision (a) of this Article. Upon the  
419       request of either party to this Contract, the Contracting Officer shall investigate, or cause to be  
420       investigated, the accuracy of such measurements and shall take any necessary steps to adjust any  
421       errors appearing therein. For any period of time when accurate measurements have not been  
422       made, the Contracting Officer shall consult with the Contractor prior to making a final  
423       determination of the quantity delivered for that period of time.

424                 (e)       The Contracting Officer shall not be responsible for the control, carriage,  
425       handling, use, disposal, or distribution of Water Delivered and/or Contractor's Water Rights  
426       Water Delivered to the Contractor pursuant to this Contract beyond the delivery points specified  
427       in subdivision (a) of this Article. The Contractor shall indemnify the United States, its officers,  
428       employees, agents, and assigns on account of damage or claim of damage of any nature  
429       whatsoever for which there is legal responsibility, including property damage, personal injury, or  
430       death arising out of or connected with the control, carriage, handling, use, disposal, or  
431       distribution of such Water Delivered and/or Contractor's Water Rights Water Delivered beyond  
432       such delivery points, except for any damage or claim arising out of: (i) acts or omissions of the  
433       Contracting Officer or any of its officers, employees, agents, or assigns with the intent of  
434       creating the situation resulting in any damage or claim; (ii) willful misconduct of the Contracting  
435       Officer or any of its officers, employees, agents, or assigns; (iii) negligence of the Contracting  
436       Officer or any of its officers, employees, agents, or assigns; or (iv) damage or claims resulting  
437       from a malfunction of facilities owned and/or operated by the United States.

438                 (f)       Solely for the purposes of accounting required by this Contract, if the total  
439       amount of water delivered to the Contractor in a given day is 149 acre-feet or less, all such water,

440 not to exceed 33,000 acre-feet per Calendar Year, shall be considered to be the Contractor's  
441 Water Rights Water and shall not be subject to the Rates and Charges defined in this Contract  
442 except those charges provided for in subdivision (o) of Article 7 of this Contract. All water  
443 delivered to the Contractor in a given day in excess of 149 acre-feet shall be considered to be  
444 Delivered Water and shall be subject to the Rates and Charges provided for in Article 7 hereof.

445 **MEASUREMENT OF WATER WITHIN THE SERVICE AREA**

446 6. (a) The Contractor has established a measuring program satisfactory to the  
447 Contracting Officer, and the Contractor shall ensure that all surface water delivered for M&I  
448 purposes is measured at each M&I service connection. The water measuring devices or water  
449 measuring methods of comparable effectiveness must be acceptable to the Contracting Officer.  
450 The Contractor shall be responsible for installing, operating, and maintaining and repairing all  
451 such measuring devices and implementing all such water measuring methods at no cost to the  
452 United States. The Contractor shall use the information obtained from such water measuring  
453 devices or water measuring methods to ensure its proper management of the water, to bill water  
454 users for water delivered by the Contractor; and, if applicable, to record water delivered for M&I  
455 purposes by customer class as defined in the Contractor's water conservation plan provided for  
456 in Article 25 of this Contract. Nothing herein contained, however, shall preclude the Contractor  
457 from establishing and collecting any charges, assessments, or other revenues authorized by  
458 California law. The Contractor shall include a summary of all its annual surface water deliveries  
459 in the annual report described in subdivision (c) of Article 25.

460 (b) To the extent the information has not otherwise been provided, upon  
461 execution of this Contract, the Contractor shall provide to the Contracting Officer a written  
462 report describing the measurement devices or water measuring methods being used or to be used

463 to implement subdivision (a) of this Article and identifying the M&I service connections or  
464 alternative measurement programs approved by the Contracting Officer, at which such  
465 measurement devices or water measuring methods are being used, and, if applicable, identifying  
466 the locations at which such devices and/or methods are not yet being used including a time  
467 schedule for implementation at such locations. The Contracting Officer shall advise the  
468 Contractor in writing within 60 days as to the adequacy and necessary modifications, if any, of  
469 the measuring devices or water measuring methods identified in the Contractor's report and if the  
470 Contracting Officer does not respond in such time, they shall be deemed adequate. If the  
471 Contracting Officer notifies the Contractor that the measuring devices or methods are  
472 inadequate, the parties shall within 60 days following the Contracting Officer's response,  
473 commence to negotiate in good faith how, and the earliest practicable date by which, the  
474 Contractor shall modify said measuring devices and/or measuring methods as required by the  
475 Contracting Officer to ensure compliance with subdivision (a) of this Article.

476 (c) All new surface water delivery systems installed within the Contractor's  
477 Service Area after the effective date of this Contract shall also comply with the measurement  
478 provisions described in subdivision (a) of this Article.

479 (d) The Contractor shall inform the Contracting Officer and the State of  
480 California in writing by April 30 of each Year of the monthly volume of surface water delivered  
481 within the Contractor's Service Area during the previous Year.

482 (e) The Contractor shall inform the Contracting Officer on or before the 20th  
483 calendar day of each month of the quantity of M&I Water taken during the preceding month.

484

485                   RATES, METHOD OF PAYMENT FOR WATER  
486                   AND ACCELERATED REPAYMENT OF FACILITIES  
487

488       7.       (a)      Notwithstanding the Contractor's full prepayment of the Repayment  
489      Obligation pursuant to Section 4011, subsection (a)(3)(A) of the WIIN Act, as set forth in  
490      Exhibit C, and any payments required pursuant to Section 4011, subsection (b) of the WIIN Act,  
491      to reflect the adjustment for the final cost allocation as described in this Article, subsection (b),  
492      the Contractor's Project construction and other cost obligations shall be determined in  
493      accordance with: (i) the Secretary's ratesetting policy for Irrigation Water adopted in 1988 and  
494      the Secretary's then-existing ratesetting policy for M&I Water, consistent with the WIIN Act,  
495      and such ratesetting policies shall be amended, modified, or superseded only through a public  
496      notice and comment procedure; (ii) applicable Federal Reclamation law and associated rules and  
497      regulations, or policies; and (iii) other applicable provisions of this Contract. Payments shall be  
498      made by cash transaction, electronic funds transfer, or any other mechanism as may be agreed to  
499      in writing by the Contractor and the Contracting Officer. The Rates, Charges, and Tiered Pricing  
500      Component applicable to the Contractor upon execution of this Contract are set forth in Exhibit  
501      “B,” as may be revised annually.

502                   (1)     The Contractor shall pay the United States as provided for in this  
503      Article of this Contract for all Delivered Water at Rates, Charges, and Tiered Pricing Component  
504      in accordance with policies for M&I Water. The Contractor's Rates shall be established to  
505      recover its estimated reimbursable costs included in the operation & maintenance component of  
506      the Rate and amounts established to recover deficits and other charges, if any, including  
507      construction costs as identified in the following subdivisions.

508                   (2)     In accordance with the WIIN Act, the Contractor's allocable share  
509      of Project construction costs will be repaid pursuant to the provisions of this Contract.

515 Notwithstanding any Additional Capital Obligation that may later be established, receipt of the  
516 Contractor's payment of the Repayment Obligation to the United States shall fully and  
517 permanently satisfy the Existing Capital Obligation.

533 to the Contractor shall be repaid not more than five (5) years after the Contracting Officer  
534 notifies the Contractor of the Additional Capital Obligation; Provided, That the reference to the  
535 amount of five million dollars (\$5,000,000) shall not be a precedent in any other context.

536 (2) If the collective Additional Capital Obligation  
537 properly assignable to the contractors exercising conversion under Section 4011 of the WIIN Act  
538 is equal to or greater than five million dollars (\$5,000,000), then the portion of such costs  
539 properly assignable to the Contractor shall be repaid as provided by applicable Federal  
540 Reclamation law and Project ratesetting policy; Provided, That the reference to the amount of  
541 five million dollars (\$5,000,000) shall not be a precedent in any other context.

542 (b) In the event that the final cost allocation referenced in Section 4011(b) of  
543 the WIIN Act determines that the costs properly assignable to the Contractor are greater than  
544 what has been paid by the Contractor, the Contractor shall be obligated to pay the remaining  
545 allocated costs. The term of such additional repayment contract shall be not less than one (1)  
546 year and not more than ten (10) years, however, mutually agreeable provisions regarding the rate  
547 of repayment of such amount may be developed by the Contractor and Contracting Officer. In  
548 the event that the final cost allocation indicates that the costs properly assignable to the  
549 Contractor are less than what the Contractor has paid, the Contracting Officer shall credit such  
550 overpayment as an offset against any outstanding or future obligations of the Contractor, with the  
551 exception of Restoration Fund charges pursuant to Section 3407(d) of Public Law 102-575.

552 (c) The Contracting Officer shall notify the Contractor of the Rates, Charges,  
553 and Tiered Pricing Component as follows:

554 (1) Prior to July 1 of each Calendar Year, the Contracting Officer shall  
555 provide the Contractor an estimate of the Charges for Project Water that will be applied to the

556 period October 1, of the current Calendar Year, through September 30, of the following Calendar  
557 Year, and the basis for such estimate. The Contractor shall be allowed not less than two months  
558 to review and comment on such estimates. On or before September 15 of each Calendar Year,  
559 the Contracting Officer shall notify the Contractor in writing of the Charges to be in effect during  
560 the period October 1 of the current Calendar Year, through September 30, of the following  
561 Calendar Year, and such notification shall revise Exhibit "B."

562 (2) Prior to October 1 of each Calendar Year, the Contracting Officer  
563 shall make available to the Contractor an estimate of the Rates and Tiered Pricing Component  
564 for Project Water for the following Year and the computations and cost allocations upon which  
565 those Rates are based. The Contractor shall be allowed not less than two months to review and  
566 comment on such computations and cost allocations. By December 31 of each Calendar Year,  
567 the Contracting Officer shall provide the Contractor with the final Rates and Tiered Pricing  
568 Component to be in effect for the upcoming Year, and such notification shall revise Exhibit "B."

569 (d) At the time the Contractor submits the initial schedule for the delivery of  
570 Project Water and/or Contractor's Water Rights Water for each Year pursuant to subdivision (b)  
571 of Article 4 of this Contract, the Contractor shall make an advance payment to the United States  
572 equal to the total amount payable pursuant to the applicable Rate(s) set under subdivision (a) of  
573 this Article, for the Project Water and/or Contractor's Water Rights Water scheduled to be  
574 delivered pursuant to this Contract during the first two calendar months of the Year. Before the  
575 end of the first month and before the end of each calendar month thereafter, the Contractor shall  
576 make an advance payment to the United States, at the Rate(s) set under subdivision (a) of this  
577 Article, for the Water Scheduled to be delivered pursuant to this Contract during the second  
578 month immediately following. Adjustments between advance payments for Water Scheduled

579 and payments at Rates due for Water Delivered shall be made before the end of the following  
580 month; Provided, That any revised schedule submitted by the Contractor pursuant to Article 4 of  
581 this Contract which increases the amount of Water Delivered pursuant to this Contract during  
582 any month shall be accompanied with appropriate advance payment, at the Rates then in effect,  
583 to assure that Project Water and/or Contractor's Water Rights Water is not delivered to the  
584 Contractor in advance of such payment. In any month in which the quantity of Water Delivered  
585 to the Contractor pursuant to this Contract equals the quantity of Water Scheduled and paid for  
586 by the Contractor, no additional Project Water and/or Contractor's Water Rights Water shall be  
587 delivered to the Contractor unless and until an advance payment at the Rates then in effect for  
588 such additional Project Water and/or Contractor's Water Rights Water is made. Final adjustment  
589 between the advance payments for the Water Scheduled and payments for the quantities of Water  
590 Delivered during each Year pursuant to this Contract shall be made as soon as practicable but no  
591 later than April 30th of the following Year, or 60 days after the delivery of Project Water carried  
592 over under subdivision (f) of Article 3 of this Contract if such water is not delivered by the last  
593 day of February.

594 (e) The Contractor shall also make a payment in addition to the Rate(s) in  
595 subdivision (c) of this Article to the United States for Water Delivered, at the Charges and the  
596 appropriate Tiered Pricing Component then in effect, before the end of the month following the  
597 month of delivery. The payments shall be consistent with the quantities of M&I Water Delivered  
598 as shown in the water delivery report for the subject month prepared by the Contracting Officer.  
599 The water delivery report shall be deemed a bill for the payment of Charges and the applicable  
600 Tiered Pricing Component for Water Delivered. Adjustment for overpayment or underpayment  
601 of Charges shall be made through the adjustment of payments due to the United States for

602 Charges for the next month. Any amount to be paid for past due payment of Charges and the  
603 Tiered Pricing Component shall be computed pursuant to Article 19 of this Contract.

604 (f) The Contractor shall pay for any Water Delivered under subdivision (a),  
605 (f), or (g) of Article 3 of this Contract as determined by the Contracting Officer pursuant to  
606 applicable statutes, associated regulations, and any applicable provisions of guidelines or  
607 ratesetting policies; Provided, That the Rate for Water Delivered under subdivision (f) of Article  
608 3 of this Contract shall be no more than the otherwise applicable Rate for M&I Water under  
609 subdivision (a) of this Article.

610 (g) Payments to be made by the Contractor to the United States under this  
611 Contract may be paid from any revenues available to the Contractor.

612 (h) All revenues received by the United States from the Contractor relating to  
613 the delivery of Project Water or the delivery of non-Project water through Project facilities shall  
614 be allocated and applied in accordance with Federal Reclamation law and the associated rules or  
615 regulations, and the then-current Project ratesetting policy for M&I Water.

616 (i) The Contracting Officer shall keep its accounts pertaining to the  
617 administration of the financial terms and conditions of its long-term and perpetual contracts, in  
618 accordance with applicable Federal standards, so as to reflect the application of Project costs and  
619 revenues. The Contracting Officer shall, each Year upon request of the Contractor, provide to  
620 the Contractor a detailed accounting of all Project and Contractor expense allocations, the  
621 disposition of all Project and Contractor revenues, and a summary of all water delivery  
622 information. The Contracting Officer and the Contractor shall enter into good faith negotiations  
623 to resolve any discrepancies or disputes relating to accountings, reports, or information.

624                     (j)     The parties acknowledge and agree that the efficient administration of this  
625     Contract is their mutual goal. Recognizing that experience has demonstrated that mechanisms,  
626     policies, and procedures used for establishing Rates, Charges, and Tiered Pricing Component,  
627     and/or for making and allocating payments, other than those set forth in this Article may be in  
628     the mutual best interest of the parties, it is expressly agreed that the parties may enter into  
629     agreements to modify the mechanisms, policies, and procedures for any of those purposes while  
630     this Contract is in effect without amending this Contract.

631                     (k)     1.     Beginning at such time as deliveries of Project Water in a Year exceed 80  
632     percent of the Contract Total, then before the end of the month following the month of delivery  
633     the Contractor shall make an additional payment to the United States equal to the applicable  
634     Tiered Pricing Component. The Tiered Pricing Component for the amount of Water Delivered  
635     in excess of 80 percent of the Contract Total, but less than or equal to 90 percent of the Contract  
636     Total, shall equal one-half of the difference between the Rate established under subdivision (a)  
637     of this Article and the M&I Full Cost Water Rate. The Tiered Pricing Component for the  
638     amount of Water Delivered which exceeds 90 percent of the Contract Total shall equal the  
639     difference between (i) the Rate established under subdivision (a) of this Article and (ii) the M&I  
640     Full Cost Water Rate.

641                     (2)     Omitted.

642                     (3)     For purposes of determining the applicability of the Tiered Pricing  
643     Component pursuant to this Article, Water Delivered shall include Project Water that the  
644     Contractor transfers to others but shall not include Project Water transferred to the Contractor,  
645     nor shall it include the additional water provided to the Contractor under the provisions of  
646     subdivision (f) of Article 3 of this Contract.

647                         (l)     Rates under the respective ratesetting policies will be established to  
648     recover only reimbursable O&M (including any deficits) and capital costs of the Project, as those  
649     terms are used in the then-current Project ratesetting policies, and interest, where appropriate,  
650     except in instances where a minimum Rate is applicable in accordance with the relevant Project  
651     ratesetting policy. Changes of significance in practices which implement the Contracting  
652     Officer's ratesetting policies will not be implemented until the Contracting Officer has provided  
653     the Contractor an opportunity to discuss the nature, need, and impact of the proposed change.

654                         (m)    Except as provided in subsections 3405(a)(1)(B) and 3405(f) of the  
655     CVPIA, the Rates for Project Water transferred by the Contractor shall be the Contractor's Rates  
656     adjusted upward or downward to reflect the changed costs, if any, incurred by the Contracting  
657     Officer in the delivery of the transferred Project Water to the transferee's point of delivery in  
658     accordance with the then-applicable Project ratesetting policy.

659                         (n)    Omitted.

660                         (o)    The Contractor shall be responsible for the payment for all incremental  
661     power required to pump Project Water and the Contractor's Water Rights Water to the  
662     Contractor's Water Treatment Plant in lieu of Hinkle Reservoir. Each month, the Contracting  
663     Officer will determine the quantity of said incremental power used during the preceding month  
664     and provide the number of kilowatt-hours so used to the supplier of the incremental power and  
665     the Contractor.

666                         (p)    With respect to the Rates for M&I water, the Contractor asserts that it is  
667     not legally obligated to pay any Project deficits claimed by the United States to have accrued as  
668     of the date of this Contract or deficit-related interest charges thereon. By entering into this  
669     Contract, the Contractor does not waive any legal rights or remedies that it may have with

670 respect to such disputed issues. Notwithstanding the execution of this Contract, and payments  
671 made hereunder, the Contractor may challenge in the appropriate administrative or judicial  
672 forums: (1) the existence, computation, or imposition of any deficit charges accruing during the  
673 term of the Existing Contract and any preceding interim renewal contracts, if applicable; (2)  
674 interest accruing on any such deficits; (3) the inclusion of any such deficit charges or interest in  
675 the Rates; (4) the application by the United States of payments made by the Contractor under its  
676 Existing Contract and any preceding interim renewal contract, if applicable; and (5) the  
677 application of such payments in the Rates. The Contracting Officer agrees that the Contractor  
678 shall be entitled to the benefit of any administrative or judicial ruling in favor of any other  
679 Project M&I contractor on any of these issues, and credits for payments heretofore made,  
680 Provided, That the basis for such ruling is applicable to the Contractor.

681                         (q)      The Contractor and the Contracting Officer concur that, as of the effective  
682 date of this Contract, there is no O&M deficit under the P. L. 101-514 Project Contract.

683                         NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

684                         8.      Omitted.

685                         SALES, TRANSFERS, OR EXCHANGES OF WATER

686                         9.      (a)     The right to receive Project Water provided for in this Contract may be  
687 sold, transferred, or exchanged to others for reasonable and beneficial uses within the State of  
688 California if such sale, transfer, or exchange is authorized by applicable Federal and State laws,  
689 and applicable guidelines or regulations then in effect; Provided, That the portion of the Contract  
690 Total originally attributable to the P. L. 101-514 Project Contract (13,000 acre-feet) may only be  
691 sold, transferred, or exchanged to others for reasonable and beneficial uses within the Counties  
692 of Sacramento and El Dorado, State of California.. No sale, transfer, or exchange of Project

693 Water under this Contract may take place without the prior written approval of the Contracting  
694 Officer, except as provided for in subdivision (b) of this Article, and no such sales, transfers, or  
695 exchanges shall be approved absent all appropriate environmental documentation, including but  
696 not limited to, documents prepared pursuant to NEPA and ESA. Such environmental  
697 documentation should include, as appropriate, an analysis of ground-water impacts and  
698 economic and social effects, including environmental justice, of the proposed water transfers on  
699 both the transferor and transferee.

700 (b) In order to facilitate efficient water management, among Project  
701 Contractors located within the same geographical area, by means of water transfers and to allow  
702 the Contractor to participate in an accelerated water transfer program during the term of this  
703 Contract, the Contracting Officer shall prepare, as appropriate, all necessary environmental  
704 documentation including, but not limited to, documents prepared pursuant to NEPA and ESA  
705 analyzing annual transfers within such geographical areas and the Contracting Officer shall  
706 determine whether such transfers comply with applicable law. Following the completion of the  
707 environmental documentation, such transfers addressed in such documentation shall be  
708 conducted with advance notice to the Contracting Officer, but shall not require prior written  
709 approval by the Contracting Officer. Such environmental documentation and the Contracting  
710 Officer's compliance determination shall be reviewed every five years and updated, as necessary,  
711 prior to the expiration of the then-existing five-year period. All subsequent environmental  
712 documentation shall include an alternative to evaluate not less than the quantity of Project Water  
713 historically transferred within the same geographical area.

714 (c) For a water transfer to qualify under subdivision (b) of this Article, such  
715 water transfer must: (i) be for irrigation purposes for lands irrigated within the previous three

716 years, or to be delivered to established cropland, wildlife refuges, ground-water basins, or M&I  
717 use; (ii) occur within a single Year; (iii) occur between a willing seller and a willing buyer; (iv)  
718 convey water through existing Project facilities with no new construction or modifications to  
719 Project facilities and be between existing Project Contractors and/or the Contractor and the  
720 United States, Department of the Interior; and (v) comply with all applicable Federal, State, and  
721 local or tribal laws and requirements imposed for protection of the environment and Indian Trust  
722 Assets, as defined under Federal law. Such water transfers must not lead to land conversion.

723 (d) Solely for the purpose of determining whether Section 3405(a)(1)(M) of  
724 the CVPIA applies to the Contractor as a transferor or transferee of Project Water, the  
725 Contracting Officer acknowledges that the Contractor is within a county, watershed or other area  
726 of origin, as those terms are utilized under California law, of water that constitutes the natural  
727 flow of the American River and its tributaries above the confluence of the American and  
728 Sacramento Rivers.

729

730                   APPLICATION OF PAYMENTS AND ADJUSTMENTS

731                 10. (a) The amount of any overpayment by the Contractor or the Contractor's  
732 O&M, capital, and deficit (if any) obligations for the Year shall be applied first to any current  
733 liabilities of the Contractor arising out of this Contract then due and payable. Overpayments of  
734 more than \$1,000 shall be refunded at the Contractor's request. In lieu of a refund, any amount  
735 of such overpayment, at the option of the Contractor, may be credited against amounts to become  
736 due to the United States by the Contractor. With respect to overpayment, such refund or  
737 adjustment shall constitute the sole remedy of the Contractor or anyone having or claiming to  
738 have the right to the use of any of the Project Water supply provided for herein. All credits and  
739 refunds of overpayments shall be made within 30 days of the Contracting Officer obtaining  
740 direction as to how to credit or refund such overpayment in response to the notice to the  
741 Contractor that it has finalized the accounts for the Year in which the overpayment was made.

742                 (b) All advances for miscellaneous costs incurred for work requested by the  
743 Contractor pursuant to Article 24 of this Contract shall be adjusted to reflect the actual costs  
744 when the work has been completed. If the advances exceed the actual costs incurred, the  
745 difference will be refunded to the Contractor. If the actual costs exceed the Contractor's  
746 advances, the Contractor will be billed for the additional costs pursuant to Article 24.

747                   TEMPORARY REDUCTIONS--RETURN FLOWS

748                 11. (a) Subject to: (i) the authorized purposes and priorities of the Project and the  
749 requirements of Federal law and (ii) the obligations of the United States under existing contracts,  
750 or renewals thereof, providing for water deliveries from the Project, the Contracting Officer shall  
751 make all reasonable efforts to optimize Project Water deliveries to the Contractor as provided in this  
752 Contract.

753                             (b)     The Contracting Officer may temporarily discontinue or reduce the  
754     quantity of Water Delivered to the Contractor as herein provided for the purposes of  
755     investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or  
756     any part thereof necessary for the delivery of Project Water and/or Contractor's Water Rights  
757     Water to the Contractor, but so far as feasible the Contracting Officer will give the Contractor  
758     due notice in advance of such temporary discontinuance or reduction, except in case of  
759     emergency, in which case no notice need be given; Provided, That the United States shall use its  
760     best efforts to avoid any discontinuance or reduction in such service. Upon resumption of  
761     service after such reduction or discontinuance, and if requested by the Contractor, the United  
762     States will, if possible, deliver the quantity of Project Water and/or Contractor's Water Rights  
763     Water which would have been delivered hereunder in the absence of such discontinuance or  
764     reduction.

765                             (c)     The United States reserves the right to all seepage and return flow water  
766     derived from Water Delivered to the Contractor hereunder which escapes or is discharged  
767     beyond the Contractor's Service Area; Provided, That this shall not be construed as claiming for  
768     the United States any right to seepage or return flow being put to reasonable and beneficial use  
769     pursuant to this Contract within the Contractor's Service Area by the Contractor or those  
770     claiming by, through, or under the Contractor.

#### CONSTRAINTS ON THE AVAILABILITY OF WATER

772                             12.    (a)    In its operation of the Project, the Contracting Officer will use all  
773     reasonable means to guard against a Condition of Shortage in the quantity of water to be made  
774     available to the Contractor pursuant to this Contract. In the event the Contracting Officer  
775     determines that a Condition of Shortage appears probable, the Contracting Officer will notify the  
776     Contractor of said determination as soon as practicable.  
777

778                             (b)    If there is a Condition of Shortage because of inaccurate runoff forecasting  
779     or other similar operational errors affecting the Project; drought and other physical or natural

780 causes beyond the control of the Contracting Officer; or actions taken by the Contracting Officer  
781 to meet current and future legal obligations then, except as provided in subdivision (a) of Article  
782 17 of this Contract, no liability shall accrue against the United States or any of its officers,  
783 agents, or employees for any damage, direct or indirect, arising therefrom.

784 (c) Omitted.

785 (d) Project Water furnished under this Contract will be allocated in  
786 accordance with the then-existing Project M&I Water Shortage Policy. Such policy shall be  
787 amended, modified, or superseded only through a public notice and comment procedure.

788 **UNAVOIDABLE GROUNDWATER PERCOLATION**

789 13. Omitted.

790 **RULES, REGULATIONS AND DETERMINATIONS**

791 14. (a) The parties agree that the delivery of Project Water or the use of Federal  
792 facilities pursuant to this Contract is subject to Federal Reclamation law, as amended and  
793 supplemented, and the rules and regulations promulgated by the Secretary of the Interior under  
794 Federal Reclamation law.

795 (b) The Contracting Officer shall have the right to make determinations  
796 necessary to administer this Contract that are consistent with its expressed and implied  
797 provisions, the laws of the United States and the State of California, and the rules and regulations  
798 promulgated by the Secretary of the Interior. Such determinations shall be made in consultation  
799 with the Contractor.

800 801 **PROTECTION OF WATER AND AIR QUALITY**

802 15. (a) The United States will care for, operate and maintain reserved works in a  
803 manner that preserves the quality of the water at the highest level possible as determined by the  
804 Contracting Officer. The United States does not warrant the quality of the water delivered to the  
805 Contractor and is under no obligation to furnish or construct water treatment facilities to  
806 maintain or improve the quality of water delivered to the Contractor.

807 808 (b) The Contractor will comply with all applicable water and air pollution  
809 laws and regulations of the United States and the State of California, and will obtain all required  
810 permits or licenses from the appropriate Federal, State, or local authorities necessary for the  
811 delivery of water by the Contractor; and shall be responsible for compliance with all Federal,  
812 State, and local water quality standards applicable to surface and subsurface drainage and/or  
813 discharges generated through the use of Federal or Contractor facilities or Project Water  
814 provided by the Contractor within its Project Water Service Area.

817                   WATER ACQUIRED BY THE CONTRACTOR  
818                   OTHER THAN FROM THE UNITED STATES

819                 16. (a) Omitted.

820                 (b) Water or water rights now owned or hereafter acquired by the Contractor,  
821 other than from the United States may be stored, conveyed, and/or diverted through Project  
822 facilities, subject to the completion of appropriate environmental documentation, with the  
823 approval of the Contracting Officer and the execution of any contract determined by the  
824 Contracting Officer to be necessary, consistent with the following provisions:

825                   (1) The Contractor may introduce non-Project water into Project  
826 facilities and deliver said water to lands within the Contractor's Service Area, subject to payment  
827 to the United States of an appropriate rate as determined by the applicable Project ratesetting  
828 policy and the Project use power policy, if such Project use power policy is applicable, each as  
829 amended, modified, or superseded from time to time. In addition, if electrical power is required  
830 to pump non-Project water through the facilities, the Contractor shall be responsible for  
831 obtaining the necessary power and paying the necessary charges therefore.

832                   (2) Delivery of such non-Project water in and through Project facilities  
833 shall only be allowed to the extent such deliveries do not: (i) interfere with other Project  
834 purposes as determined by the Contracting Officer; (ii) reduce the quantity or quality of water  
835 available to other Project Contractors; (iii) interfere with the delivery of contractual water  
836 entitlements to any other Project Contractors; or (iv) interfere with the physical maintenance of  
837 the Project facilities; Provided, that nothing in this Article is intended to preclude the United  
838 States from passing the Contractor's Water Rights Water through Project storage facilities to the  
839 extent required to satisfy the Contractor's water rights that are senior to those of the Project  
840 under the applicable provisions of California water law. Provided further, that the United States

841 has determined that the delivery of non-Project water in and through Project facilities pursuant to  
842 Warren Act Contract No. 6-07-20-W1315 between the United States and the Contractor, as it  
843 now exists and may be amended, extended, or renewed in the future, satisfies the requirements of  
844 this Article.

845 (3) The United States shall not be responsible for control, care, or  
846 distribution of the non-Project water before it is introduced into or after it is delivered from the  
847 Project facilities. The Contractor hereby releases and agrees to defend and indemnify the United  
848 States and their respective officers, agents, and employees, from any claim for damage to  
849 persons or property, direct or indirect, resulting from the acts of the Contractor, its officers,  
850 employees, agents or assigns, in (i) extracting or diverting non-Project water from any source, or  
851 (ii) diverting such non-Project water into Project facilities.

852 (4) Diversion of such non-Project water into Project facilities shall be  
853 consistent with all applicable laws, and if involving groundwater, consistent with any applicable  
854 ground-water management plan applicable to the Contractor for the area from which it was  
855 extracted.

856 (5) After Project purposes are met, as determined by the Contracting  
857 Officer, the United States and the Contractor shall share priority to utilize the remaining capacity  
858 of the facilities declared to be available by the Contracting Officer for conveyance and  
859 transportation of non-Project water prior to any such remaining capacity being made available to  
860 non-Project Contractors.

861 OPINIONS AND DETERMINATIONS

862 17. (a) Where the terms of this Contract provide for actions to be based upon the  
863 opinion or determination of either party to this Contract, said terms shall not be construed as

864 permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or  
865 determinations. Both parties, notwithstanding any other provisions of this Contract, expressly  
866 reserve the right to seek relief from and appropriate adjustment for any such arbitrary, capricious,  
867 or unreasonable opinion or determination. Each opinion or determination by either party shall be  
868 provided in a timely manner. Nothing in subdivision (a) of Article 17 of this Contract is  
869 intended to or shall affect or alter the standard of judicial review applicable under Federal law to  
870 any opinion or determination implementing a specific provision of Federal law embodied in  
871 statute or regulation.

872

#### COORDINATION AND COOPERATION

873           18. (a) In order to further their mutual goals and objectives, the Contracting  
874 Officer and the Contractor shall communicate, coordinate, and cooperate with each other, and  
875 with other affected Project Contractors, in order to improve the O&M of the Project. The  
876 communication, coordination, and cooperation regarding operations and management shall  
877 include, but not be limited to, any action which will or may materially affect the quantity or  
878 quality of Project Water supply, the allocation of Project Water supply, and Project financial  
879 matters including, but not limited to, budget issues. The communication, coordination, and  
880 cooperation provided for hereunder shall extend to all provisions of this Contract. Each party  
881 shall retain exclusive decision making authority for all actions, opinion, and determinations to be  
882 made by the respective party.

883           (b) Within 120 days following the effective date of this Contract, the  
884 Contractor, other affected Project Contractors, and the Contracting Officer shall arrange to meet  
885 with interested Project Contractors to develop a mutually agreeable, written Project-wide

887 process, which may be amended as necessary separate and apart from this Contract. The goal of  
888 this process shall be to provide, to the extent practicable, the means of mutual communication  
889 and interaction regarding significant decisions concerning Project O&M on a real-time basis.

890 (c) In light of the factors referred to in subdivision (b) of Article 3 of this  
891 Contract, it is the intent of the Secretary to improve water supply reliability. To carry out this  
892 intent:

893 (1) The Contracting Officer will, at the request of the Contractor,  
894 assist in the development of integrated resource management plans for the Contractor. Further,  
895 the Contracting Officer will, as appropriate, seek authorizations for implementation of  
896 partnerships to improve water supply, water quality, and reliability.

897 (2) The Secretary will, as appropriate, pursue program and project  
898 implementation and authorization in coordination with Project Contractors to improve the water  
899 supply, water quality, and reliability of the Project for all Project purposes.

900 (3) The Secretary will coordinate with Project Contractors and the  
901 State of California to seek improved water resource management.

902 (4) The Secretary will coordinate actions of agencies within the  
903 Department of the Interior that may impact the availability of water for Project purposes.

904 (5) The Contracting Officer shall periodically, but not less than  
905 annually, hold division level meetings to discuss Project operations, division level water  
906 management activities, and other issues as appropriate.

907 (d) Without limiting the contractual obligations of the Contracting Officer  
908 under the other Articles of this Contract, nothing in this Article shall be construed to limit or  
909 constrain the Contracting Officer's ability to communicate, coordinate, and cooperate with the

910 Contractor or other interested stakeholders or to make decisions in a timely fashion as needed to  
911 protect health, safety, or the physical integrity of structures or facilities.

912 **CHARGES FOR DELINQUENT PAYMENTS**

913 19. (a) The Contractor shall be subject to interest, administrative and penalty  
914 charges on delinquent payments. If a payment is not received by the due date, the Contractor  
915 shall pay an interest charge on the delinquent payment for each day the payment is delinquent  
916 beyond the due date. If a payment becomes 60 days delinquent, the Contractor shall pay, in  
917 addition to the interest charge, an administrative charge to cover additional costs of billing and  
918 processing the delinquent payment. If a payment is delinquent 90 days or more, the Contractor  
919 shall pay, in addition to the interest and administrative charges, a penalty charge for each day the  
920 payment is delinquent beyond the due date, based on the remaining balance of the payment due  
921 at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt  
922 collection services associated with a delinquent payment.

923 (b) The interest charge rate shall be the greater of the rate prescribed quarterly  
924 in the Federal Register by the Department of the Treasury for application to overdue payments,  
925 or the interest rate of 0.5 percent per month. The interest rate charged will be determined as of  
926 the due date and remain fixed for the duration of the delinquent period.

927 (c) When a partial payment on a delinquent account is received, the amount  
928 received shall be applied first to the penalty charges, second to the administrative charges, third  
929 to the accrued interest, and finally to the overdue payment.

930 **EQUAL EMPLOYMENT OPPORTUNITY**

931 20. During the performance of this Contract, the Contractor agrees as follows:

932 (a) The Contractor will not discriminate against any employee or applicant for  
933 employment because of race, color, religion, sex, sexual orientation, gender identity, or national  
934 origin. The Contractor will take affirmative action to ensure that applicants are employed, and  
935 that employees are treated during employment, without regard to their race, color, religion, sex,  
936 sexual orientation, gender identity, or national origin. Such action shall include, but not be  
937 limited to, the following: employment, upgrading, demotion, or transfer; recruitment or  
938 recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and  
939 selection for training, including apprenticeship. The Contractor agrees to post in conspicuous  
940 places, available to employees and applicants for employment, notices to be provided by the  
941 Contracting Officer setting forth the provisions of this nondiscrimination clause.

942 (b) The Contractor will, in all solicitations or advertisements for employees  
943 placed by or on behalf of the Contractor, state that all qualified applicants will receive  
944 consideration for employment without discrimination because of race, color, religion, sex, sexual  
945 orientation, gender identity, or national origin.

947                         (c)     The Contractor will not discharge or in any other manner discriminate  
 948 against any employee or applicant for employment because such employee or applicant has  
 949 inquired about, discussed, or disclosed the compensation of the employee or applicant or another  
 950 employee or applicant. This provision shall not apply to instances in which an employee who  
 951 has access to the compensation information of other employees or applicant as part of such  
 952 employee's essential job functions discloses the compensation of such other employees or  
 953 applicants to individuals who do not otherwise have access to such information unless such  
 954 disclosure is in response to a formal complaint or charge, in furtherance of an investigation,  
 955 proceeding, hearing, or action, including an investigation conducted by the employer, or is  
 956 consistent with the contractor's legal duty to furnish information.

957  
 958                         (d)     The Contractor will send to each labor union or representative of workers  
 959 with which it has a collective bargaining agreement or other contract or understanding, a notice,  
 960 to be provided by the Contracting Officer, advising the labor union or workers' representative of  
 961 the Contractor's commitments under Section 202 of Executive Order 11246 of September 24,  
 962 1965, and shall post copies of the notice in conspicuous places available to employees and  
 963 applicants for employment.

964                         (e)     The Contractor will comply with all provisions of Executive Order No.  
 965 11246 of Sept 24, 1965, as amended, and of the rules, regulations, and relevant orders of the  
 966 Secretary of Labor.

967                         (f)     The Contractor will furnish all information and reports required by  
 968 amended Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and  
 969 orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records,  
 970 and accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation  
 971 to ascertain compliance with such rules, regulations, and orders.

972                         (g)     In the event of the Contractor's noncompliance with the nondiscrimination  
 973 clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be  
 974 canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared  
 975 ineligible for further Government contracts in accordance with procedures authorized in  
 976 amended Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed  
 977 and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by  
 978 rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

979                         (h)     The Contractor will include the provisions of paragraphs (a) through (h) in  
 980 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the  
 981 Secretary of Labor issued pursuant to Section 204 of amended Executive Order No 11246 of  
 982 September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor.  
 983 The Contractor will take such action with respect to any subcontract or purchase order as may be  
 984 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions  
 985 for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or  
 986 is threatened with, litigation with a subcontractor or vendor as a result of such direction, the  
 987 Contractor may request the United States to enter into such litigation to protect the interests of  
 988 the United States.

989                   GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

990                 21. (a) The obligation of the Contractor to pay the United States as provided in  
991 this Contract is a general obligation of the Contractor notwithstanding the manner in which the  
992 obligation may be distributed among the Contractor's water users and notwithstanding the default  
993 of individual water users in their obligations to the Contractor.

994                 (b) The payment of charges becoming due hereunder is a condition precedent  
995 to receiving benefits under this Contract. The United States shall not make water available to the  
996 Contractor through Project facilities during any period in which the Contractor may be in arrears  
997 in the advance payment of water rates due the United States. The Contractor shall not deliver  
998 water under the terms and Conditions of this Contract for lands or parties that are in arrears in the  
999 advance payment of water rates as levied or established by the Contractor.

1000  
1001                 (c) With respect to subdivision (b) of this Article, the Contractor shall have no  
1002 obligation to require advance payment for water rates which it levies.

1003                   COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

1004                 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964  
1005 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as  
1006 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135,  
1007 Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub.  
1008 L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the  
1009 applicable implementing regulations and any guidelines imposed by the U.S. Department of the  
1010 Interior and/or Bureau of Reclamation.

1011  
1012                 (b) These statutes prohibit any person in the United States from being  
1013 excluded from participation in, being denied the benefits of, or being otherwise subjected to  
1014 discrimination under any program or activity receiving financial assistance from the Bureau of  
1015 Reclamation on the grounds of race, color, national origin, disability, or age. By executing this  
1016 Contract, the Contractor agrees to immediately take any measures necessary to implement this  
1017 obligation, including permitting officials of the United States to inspect premises, programs, and  
1018 documents.

1019  
1020                 (c) The Contractor makes this agreement in consideration of and for the  
1021 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other  
1022 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of  
1023 Reclamation, including installment payments after such date on account of arrangements for  
1024 Federal financial assistance which were approved before such date. The Contractor recognizes  
1025 and agrees that such Federal assistance will be extended in reliance on the representations and  
1026 agreements made in this Article, and that the United States reserves the right to seek judicial  
1027 enforcement thereof.

1028                             (d)      Complaints of discrimination against the Contractor shall be investigated  
1029      by the Contracting Officer's Office of Civil Rights.

1030                             PRIVACY ACT COMPLIANCE

1031                         23.      Omitted.

1032                             CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

1033                         24.      In addition to all other payments to be made by the Contractor pursuant to this  
1034      Contract, the Contractor shall pay to the United States, within 60 days after receipt of a bill and  
1035      detailed statement submitted by the Contracting Officer to the Contractor for such specific items  
1036      of direct cost incurred by the United States for work requested by the Contractor associated with  
1037      this Contract plus indirect costs in accordance with applicable Bureau of Reclamation policies  
1038      and procedures. All such amounts referred to in this Article shall not exceed the amount agreed  
1039      to in writing in advance by the Contractor. This Article shall not apply to costs for routine  
1040      contract administration.

1041                             WATER CONSERVATION

1042                         25.      (a)     Prior to the delivery of water provided from or conveyed through federally  
1043      constructed or federally financed facilities pursuant to this Contract, the Contractor shall develop  
1044      a water conservation plan, as required by subsection 210(b) of the Reclamation Reform Act of  
1045      1982 and 43 C.F.R. 427.1 (Water Conservation Rules and Regulations).

1046                         Additionally, an effective water conservation and efficiency program shall be based on the  
1047      Contractor's water conservation plan that has been determined by the Contracting Officer to meet  
1048      the conservation and efficiency criteria for evaluating water conservation plans established under  
1049      Federal law. The water conservation and efficiency program shall contain definite water  
1050      conservation objectives, appropriate economically feasible water conservation measures, and  
1051      time schedules for meeting those objectives. Continued Project Water delivery pursuant to this  
1052      Contract shall be contingent upon the Contractor's continued implementation of such water

1054 conservation program. In the event the Contractor's water conservation plan or any revised water  
1055 conservation plan completed pursuant to subdivision (d) of Article 25 of this Contract have not  
1056 yet been determined by the Contracting Officer to meet such criteria, due to circumstances which  
1057 the Contracting Officer determines are beyond the control of the Contractor, water deliveries  
1058 shall be made under this Contract so long as the Contractor diligently works with the Contracting  
1059 Officer to obtain such determination at the earliest practicable date, and thereafter the Contractor  
1060 immediately begins implementing its water conservation and efficiency program in accordance  
1061 with the time schedules therein.

1062 (b) Should the amount of M&I Water delivered pursuant to subdivision (a)  
1063 of Article 3 of this Contract equal or exceed 2,000 acre-feet per Year, the Contractor shall  
1064 implement the Best Management Practices identified by the time frames issued by the Mid-  
1065 Pacific Region's then-existing conservation and efficiency criteria for such M&I Water unless  
1066 any such practice is determined by the Contracting Officer to be inappropriate for the Contractor.

1067 (c) The Contractor shall submit to the Contracting Officer a report on the  
1068 status of its implementation of the water conservation plan on the reporting dates specified in the  
1069 then-existing conservation and efficiency criteria established under Federal law.

1070 (d) Prior to the expiration of the currently approved water conservation plan,  
1071 and thereafter at five-year intervals, the Contractor shall revise its water conservation plan to  
1072 reflect the then-existing conservation and efficiency criteria for evaluating water conservation  
1073 plans established under Federal law and submit such revised water conservation plan to the  
1074 Contracting Officer for review and evaluation. The Contracting Officer will then determine if  
1075 the water conservation plan meets the Bureau of Reclamation's then-existing conservation and  
1076 efficiency criteria for evaluating water conservation plans established under Federal law.

1077                         (e)     If the Contractor is engaged in direct ground-water recharge, such activity  
1078     shall be described in the Contractor's water conservation plan.

1079                         EXISTING OR ACQUIRED WATER OR WATER RIGHTS

1080                 26.     Except as specifically provided in Article 16 of this Contract, the provisions of  
1081     this Contract shall not be applicable to or affect non-Project water or water rights now owned or  
1082     hereafter acquired by the Contractor or any user of such water within the Contractor's Service  
1083     Area. Any such water shall not be considered Project Water under this Contract. In addition,  
1084     this Contract shall not be construed as limiting or curtailing any rights which the Contractor or  
1085     any water user within the Contractor's Service Area acquires or has available under any other  
1086     contract pursuant to Federal Reclamation law.

1087                         OPERATION AND MAINTENANCE BY THE OPERATING NON-FEDERAL ENTITY

1088                 27.     Omitted.

1089                         CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

1090                 28.     The expenditure or advance of any money or the performance of any obligation of  
1091     the United States under this Contract shall be contingent upon appropriation or allotment of  
1092     funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any  
1093     obligations under this Contract. No liability shall accrue to the United States in case funds are  
1094     not appropriated or allotted.

1095                         BOOKS, RECORDS, AND REPORTS

1096                 29.     (a)     The Contractor shall establish and maintain accounts and other books and  
1097     records pertaining to administration of the terms and conditions of this Contract, including the  
1098     Contractor's financial transactions; water supply data; project operation, maintenance, and  
1099     replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop  
1100     census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting  
1101     Officer may require. Reports shall be furnished to the Contracting Officer in such form and on  
1102     such date or dates as the Contracting Officer may require. Subject to applicable Federal laws  
1103     and regulations, each party to this Contract shall have the right during office hours to examine  
1104     and make copies of the other party's books and records relating to matters covered by this  
1105     Contract.

1106                   (b) Notwithstanding the provisions of subdivision (a) of this Article, no  
1107 books, records, or other information shall be requested from the Contractor by the Contracting  
1108 Officer unless such books, records, or information are reasonably related to the administration or  
1109 performance of this Contract. Any such request shall allow the Contractor a reasonable period of  
1110 time within which to provide the requested books, records, or information.

1111                   (c) Omitted.

1112                   ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

1113                   30. (a) The provisions of this Contract shall apply to and bind the successors and  
1114 assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest  
1115 therein by either party shall be valid until approved in writing by the other party.

1116                   (b) The assignment of any right or interest in this Contract by either party  
1117 shall not interfere with the rights or obligations of the other party to this Contract absent the  
1118 written concurrence of said other party.

1119                   (c) The Contracting Officer shall not unreasonably condition or withhold  
1120 approval of any proposed assignment.

1121                   SEVERABILITY

1122                   31. In the event that a person or entity who is neither (i) a party to a Project contract,  
1123 nor (ii) a person or entity that receives Project Water from a party to a Project contract, nor  
1124 (iii) an association or other form of organization whose primary function is to represent parties to  
1125 Project contracts, brings an action in a court of competent jurisdiction challenging the legality or  
1126 enforceability of a provision included in this Contract and said person, entity, association, or  
1127 organization obtains a final court decision holding that such provision is legally invalid or  
1128 unenforceable and the Contractor has not intervened in that lawsuit in support of the plaintiff(s),  
1129 the parties to this Contract shall use their best efforts to (i) within 30 days of the date of such

1130 final court decision identify by mutual agreement the provisions in this Contract which must be  
1131 revised and (ii) within three months thereafter promptly agree on the appropriate revision(s).  
1132 The time periods specified above may be extended by mutual agreement of the parties. Pending  
1133 the completion of the actions designated above, to the extent it can do so without violating any  
1134 applicable provisions of law, the United States shall continue to make the quantities of Project  
1135 Water and/or Contractor's Water Rights Water specified in this Contract available to the  
1136 Contractor pursuant to the provisions of this Contract which were not found to be legally invalid  
1137 or unenforceable in the final court decision.

1138                                  RESOLUTION OF DISPUTES

1139                 32.         Should any dispute arise concerning any provisions of this Contract, or the  
1140 parties' rights and obligations thereunder, the parties shall meet and confer in an attempt to  
1141 resolve the dispute. Prior to the Contractor commencing any legal action, or the Contracting  
1142 Officer referring any matter to Department of Justice, the party shall provide to the other party  
1143 30 days' written notice of the intent to take such action; Provided, That such notice shall not be  
1144 required where a delay in commencing an action would prejudice the interests of the party that  
1145 intends to file suit. During the 30-day notice period, the Contractor and the Contracting Officer  
1146 shall meet and confer in an attempt to resolve the dispute. Except as specifically provided,  
1147 nothing herein is intended to waive or abridge any right or remedy that the Contractor or the  
1148 United States may have.

1149                                  OFFICIALS NOT TO BENEFIT

1150                 33.         No Member of or Delegate to Congress, Resident Commissioner, or official of the  
1151 Contractor shall benefit from this Contract other than as a water user or landowner in the same  
1152 manner as other water users or landowners.  
1153

1154                   CHANGES IN CONTRACTOR'S SERVICE AREA OR ORGANIZATION

1155                 34. (a) While this Contract is in effect, no change may be made in the  
1156 Contractor's Service Area or organization, by inclusion or exclusion of lands or by any other  
1157 changes which may affect the respective rights, obligations, privileges, and duties of either the  
1158 United States or the Contractor under this Contract, including, but not limited to, dissolution,  
1159 consolidation, or merger, except upon the Contracting Officer's written consent.

1160                 (b) Within 30 days of receipt of a request for such a change, the Contracting  
1161 Officer will notify the Contractor of any additional information required by the Contracting  
1162 Officer for processing said request, and both parties will meet to establish a mutually agreeable  
1163 schedule for timely completion of the process. Such process will analyze whether the proposed  
1164 change is likely to: (i) result in the use of Project Water contrary to the terms of this Contract;  
1165 (ii) impair the ability of the Contractor to pay for Project Water furnished under this Contract or  
1166 to pay for any Federally-constructed facilities for which the Contractor is responsible; and  
1167 (iii) have an impact on any Project Water rights applications, permits, or licenses. In addition,  
1168 the Contracting Officer shall comply with NEPA and ESA. The Contractor will be responsible  
1169 for all costs incurred by the Contracting Officer in this process, and such costs will be paid in  
1170 accordance with Article 24 of this Contract.

1171                   FEDERAL LAWS

1172                 35. By entering into this Contract, the Contractor does not waive its rights to contest  
1173 the validity or application in connection with the performance of the terms and conditions of this  
1174 Contract of any Federal law or regulation; Provided, That the Contractor agrees to comply with  
1175 the terms and conditions of this Contract unless and until relief from application of such Federal  
1176 law or regulation to the implementing provision of the Contract is granted by a court of  
1177 competent jurisdiction.

1178

## NOTICES

1179       36. Any notice, demand, or request authorized or required by this Contract shall be  
1180       deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or  
1181       delivered to the Area Manager, Bureau of Reclamation, 7794 Folsom Dam Road, Folsom,  
1182       California 95630-1799, and on behalf of the United States, when mailed, postage prepaid, or  
1183       delivered to the General Manager of San Juan Water District, 9935 Auburn-Folsom Road,  
1184       Granite Bay, California 95746. The designation of the addressee or the address may be changed  
1185       by notice given in the same manner as provided in this Article for other notices.

1186

## CERTIFICATION OF NONSEGREGATED FACILITIES

1188       37. Omitted

1189

## MEDIUM FOR TRANSMITTING PAYMENTS

1191       38. (a) All payments from the Contractor to the United States under this Contract  
1192       shall be by the medium requested by the United States on or before the date payment is due. The  
1193       required method of payment may include checks, wire transfers, or other types of payment  
1194       specified by the United States.

1195

1196       (b) The Contractor shall furnish the Contracting Officer with the Contractor's  
1197       taxpayer's identification number (TIN). The purpose for requiring the Contractor's TIN is for  
1198       collecting and reporting any delinquent amounts arising out of the Contractor's relationship with  
1199       the United States.

## CONTRACT DRAFTING CONSIDERATIONS

1201       39. This amended Contract has been negotiated and reviewed by the parties hereto,  
1202       each of whom is sophisticated in the matters to which this amended Contract pertains. The  
1203       double-spaced Articles of this amended Contract have been drafted, negotiated, and reviewed by  
1204       the parties, and no one party shall be considered to have drafted the stated articles. Single-  
1205       spaced articles are standard articles pursuant to Reclamation policy.

1206

## CONFIRMATION OF CONTRACT

1207

1208

1209       40. Omitted

1210

1211                   IN WITNESS WHEREOF, the parties hereto have executed this Contract as of  
1212   the day and year first above written.

1213 UNITED STATES OF AMERICA

1214 By: \_\_\_\_\_  
1215 Regional Director, Mid-Pacific  
1216 Bureau of Reclamation

1217 SAN JUAN WATER DISTRICT

1218 By: \_\_\_\_\_  
1219 (SEAL) President, Board of Directors

1220 Approved as to form

1221 By: \_\_\_\_\_  
1222 District Counsel

1223 Attest:

1224 By: \_\_\_\_\_  
1225 Clerk to the Board

EXHIBIT A  
[Map or Description of Service Area]

{00165060.2}

**EXHIBIT B**  
**2011 Rates and Charges**  
**(Placeholder)**

{00165060.2}

# AGENDA ITEM VII-1.1

## STAFF REPORT

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To: Board of Directors  
From: Paul Helliker, General Manager  
Date: February 26, 2020  
Subject: General Manager's Monthly Report (January)

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### RECOMMENDED ACTION

For information only, no action requested.

### TREATMENT PLANT OPERATIONS

#### *Water Production for January*

Item	2020	2019	Difference
Monthly Production AF	1,789.31	2,185.23	-18.1%
Daily Average MG	18.81	22.97	-18.1%
Annual Production AF	48,826.97	46,684.71	4.6%

#### *Water Turbidity*

Item	January 2020	December 2019	Difference
Raw Water Turbidity NTU	1.41	1.41	0%
Treated Water Turbidity NTU	0.026	0.025	4%
Monthly Turbidity Percentage Reduction	98.22%	98.13%	

#### *Folsom Lake Reservoir Storage Level AF\**

Item	2020	2019	Difference
Lake Volume AF	509,194	330,969	54%

AF – Acre Feet

MG – Million Gallons

NTU – Nephelometric Turbidity Unit

\* Total Reservoir Capacity: 977,000 AF

#### *Other Items of Interest:*

- None

## SYSTEM OPERATIONS

### Distribution Operations:

Item	January 2020	December 2019	Difference
Leaks and Repairs	8	8	0
Mains Flushed	121	11	+110
Valves Exercised	0	6	-6
Back Flows Tested	0	0	0
Customer Service Calls	29	25	+4

### Distribution System Water Quality:

Water Quality Samples Taken	# Failed Samples	Supporting Information
40 Lab	0	
17 In-House	0	

**Leak Cumulative**

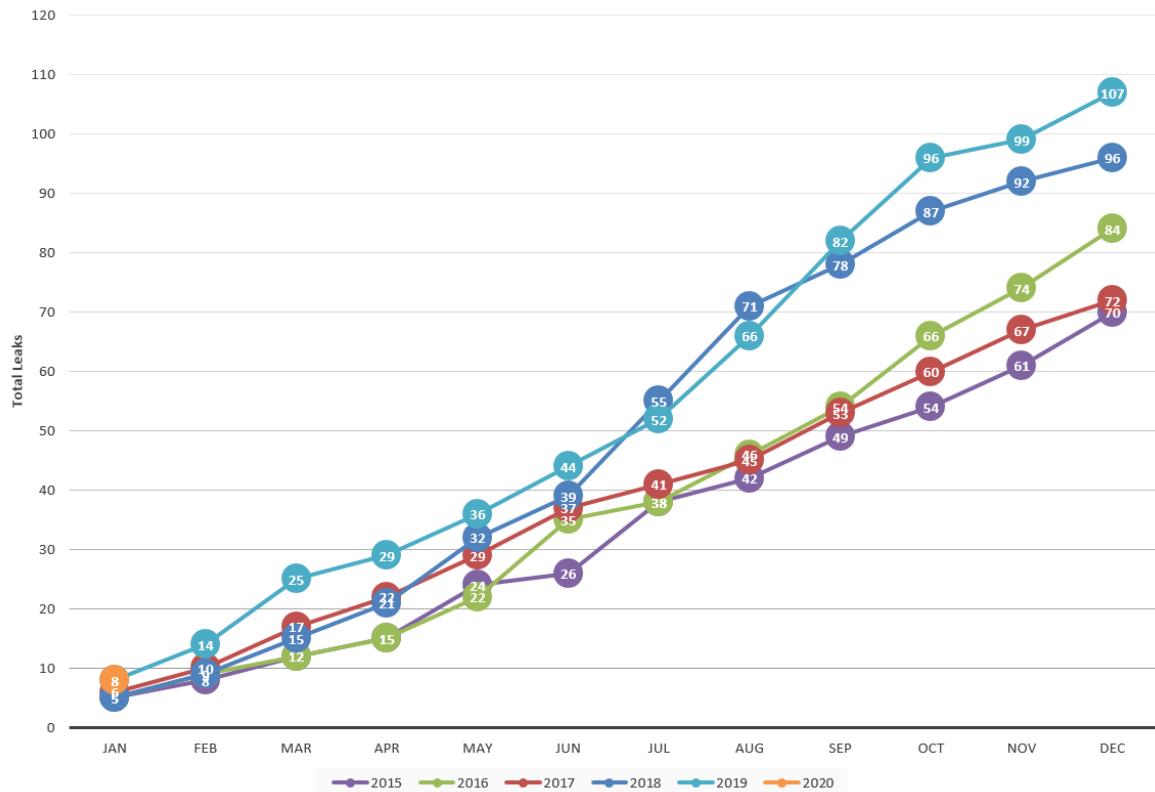


Figure 1: Annual Distribution System Leaks

### Other Items of Interest:

- None

**STAFF REPORT***General Manager's Monthly Report**Paul Helliker***CUSTOMER SERVICE ACTIVITIES***Billing Information for Month of January*

Total Number of Bills Issued	Total Number of Reminders Mailed	Total Number of Shut-off Notices Delivered	Total Number of Disconnections
5419	856	226	10

*Water Efficiency Activities*

Water Waste Complaints Received	Number of Customers Contacted for High Usage (potential leaks)	Number of Rebates Processed	Number of Meters Tested/Repaired (non-reads)
0	57	2	55

*Other Activities*

- Observed customer focus group sessions on January 16<sup>th</sup> hosted by RWA on water efficiency behaviors and tested ad campaign ideas.
- 2 customers were charged for meter box clearance work and 13 customers cleared their meters in January. A smaller amount of notices were issued due to the holidays.

**STAFF REPORT**  
*General Manager's Monthly Report*  
*Paul Helliker*

**ENGINEERING - NEW URBAN DEVELOPMENTS (SJWD Retail Service Area)**

Project Title	Description	Status	Issues / Notes
Chula Acres	4-Lot Minor Subdivision (8149 Excelsior Ave)	Approved for Construction	Grading completed, remainder on hold until spring.
Eureka at GB (former Micherra Place Proj.)	28 Condominium Units (SW Cor. Eureka & AFR)	Approved for Construction	Const. has started, installing waterlines.
GB Memory Care	Commercial Business (6400 Douglas Blvd)	In Design Review	Planning for 2020 const. start
Greyhawk III	44 high-density & 28 SFR lots (NE Cor. Eureka & SCB)	In Design Review	Planning for 2020 const. start
Wellquest Senior Living (prior Ovation)	Commercial Business (114-Unit 2-story Assisted Living Facility; 9747 Sierra College Blvd.)	In Construction	Water is done. Offsite PRS const is underway.
Placer County Retirement Residence	Commercial Business (145-Unit Multi-story Assisted Living Facility; 3865 Old Auburn Rd)	In Design Review	Planning for 2020 const. start
Pond View	Commercial Business (5620 5630 5640 Douglas Blvd)	Approved for Construction	Planning to begin const in 2020
Quarry Ridge Prof. Office Park	Comm Business (4 parcels to develop 4 gen/med office Bldgs; NE Corner of Douglas and Berg)	In Construction	Ph II piping was approved and now under construction.
Rancho Del Oro	89 Lot Subdivision (Olive Ranch & Cavitt Stallman)	Will need re-approval for Construction	On hold pending County and Envr Approvals. Developer has requested County extension.
Self Parcel Split (3600 & 3630 Allison Ave)	4 Lot Minor Subdivision (on a new street "Laura Lane", off Allison Dr.)	In Construction	Construction nearing completion, finish in 2020.
The Park at Granite Bay	56 lot Subdivision (SCB south of Annabelle)	Approved for Construction	Mass grading done. Re-start in 2020.
The Residences at GB	4-Lot Minor Subdivision (NW Cor. Barton & E Rsvl Pkwy)	In Design Review	
Ventura of GB	33-Lot Subdivision (6832 Eureka Rd)	In Design Review	
Whitehawk I	24-Lot Subdivision (Douglas, west of Barton)	In Design Review	Planning Dept review underway
Whitehawk II	56-Lot Subdivision (Douglas, west of Barton)	In Design Review	Design submitted, under review now

## ENGINEERING - CAPITAL PROJECTS

### Status Update for Current Retail Projects

Project Title	Description	Status	Issues / Notes
Retail Master Plan Update	Update the 2005/7 Retail Master Plan	Underway	
SCADA Radio Replacements – North Phase	Replace outdated 900 MHz radios with 173 MHz equipment	Under Construction	Radio router issues have now been resolved
GIS Implementation	Update the aged GIS with new software and integrate with the CMMS and FIS/CIS systems	Under Implementation, in testing phase.	Training sessions scheduled.
Spahn Ranch Rd. Main Extension	Install new pipeline; provides looped distribution network	In Design Phase	Working with property owner for easement
Cavitt Stallman 12" (Mystery Cr to Oak Pines)	Install new pipeline on Cavitt Stallman between Mystery Creek Ln and Oak Pines Ln.	In Design	Construction in FY 19/20
Woodminister Services Replacements	Replace 18 aged services	In Design	Construction in FY 19/20
Kokila (SJWD/PCWA) 12-Inch Intertie Pipeline	Interconnection with PCWA	In Design	Partial funding with RWA grant. Construction in FY 19/20
Canyon Falls Village PRS Replacement	Rehabilitation of an existing Pressure Reducing Station (PRV) located near the intersection of Canyon Falls Drive and Santa Juanita Ave.	East PRS is now completed, doing design for West PRS	Construction in FY 19/20
Douglas PRS ("Grosvenor PRS")	Rehabilitation of an existing Pressure Reducing Station (PRV) located on Douglas near Grosvenor	Completed.	Completed, ready to close.
Eastridge Dr CV Station	Design and construct CV station between Sierra and Gravity Zones. Needed to supply 3,125-gpm fire flow for the Wellquest project on SCB	In construction	Construction in FY 19/20
UGB & LGB Low Flow Pumps and LGB/CP MOV	Installation of two new low flow pumps, one each at the Lower and Upper Granite Bay pump stations	In Design. Pumps pre-purchased and onsite.	Installation and commission in FY 19/20

**STAFF REPORT**  
*General Manager's Monthly Report*  
*Paul Helliker*

**Status Update for Current Wholesale Projects**

<b>Project Title</b>	<b>Description</b>	<b>Status (% Complete)</b>	<b>Issues/ Notes</b>
WTP Thickeners Lining	Clean, repair and line the interior walls and floor of the three thickeners to eliminate leakage and protect the concrete and reinforcing from damage	In Construction.	
WTP 48-inch Hinkle Bypass Pipeline Cleaning	Clean the interior of the 48-inch Hinkle Bypass Pipeline by removing deposited filter media and disinfection.	In Construction.	
WTP Filters Improvements	R&R Filter Materials, nozzles, and resurface spalled filter floor and wall areas	In Construction.	
Hinkle Liner & Cover Repl'mt	Replace both the hypalon cover and liner.	In Design Phase. 35% Design Plans & Specs submitted and under review. (Also - Operations required Temp Storage Tanks are under design.)	Applying for SRF funding. Planning to operate WTP without Hinkle.
Lime Tower Structural Assessment	Review and inspect condition of the existing Lime Tower, also a structural evaluation.	Out to RFP	
Lime System Improvements	Improvements for the WTP's lime system control and feeder system	In Design	
WTP On-Site Residuals Management Improvement Project	Management of the WTP residuals disposal area and improvements needed to meet regulatory requirements.	In Design Phase	Const in FY 19/20

**SAFETY & REGULATORY TRAINING – January 2020**

<b>Training Course</b>	<b>Staff</b>
Bloodborne Pathogens	ALL
Forklift User Reauthorization	WTP & FS
Mobile Equipment Inspections	FS

**FINANCE/BUDGET**

*See attached*



San Juan Water District, CA

# Wholesale Operating Income Statement

## Group Summary

For Fiscal: 2019-2020 Period Ending: 01/31/2020

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 010 - WHOLESALE</b>					
<b>Revenue</b>					
41000 - Water Sales	11,157,700.00	11,157,700.00	1,593,859.50	8,242,557.76	2,915,142.24
43000 - Rebate	1,500.00	1,500.00	0.00	790.54	709.46
45000 - Other Operating Revenue	0.00	0.00	0.00	43.72	-43.72
49000 - Other Non-Operating Revenue	144,600.00	144,600.00	31,680.00	75,469.16	69,130.84
Revenue Total:	<b>11,303,800.00</b>	<b>11,303,800.00</b>	<b>1,625,539.50</b>	<b>8,318,861.18</b>	<b>2,984,938.82</b>
<b>Expense</b>					
51000 - Salaries and Benefits	3,712,900.00	3,712,900.00	256,087.13	1,960,099.36	1,752,800.64
52000 - Debt Service Expense	928,000.00	928,000.00	152,931.71	548,400.58	379,599.42
53000 - Source of Supply	1,045,900.00	1,045,900.00	130,632.61	677,364.25	368,535.75
54000 - Professional Services	735,800.00	735,800.00	7,803.97	294,930.09	440,869.91
55000 - Maintenance	547,300.00	547,300.00	44,656.11	290,319.44	256,980.56
56000 - Utilities	179,600.00	179,600.00	2,875.92	101,729.82	77,870.18
57000 - Materials and Supplies	604,600.00	604,600.00	13,380.75	275,683.16	328,916.84
58000 - Public Outreach	36,100.00	36,100.00	0.00	14,309.65	21,790.35
59000 - Other Operating Expenses	427,500.00	427,500.00	22,030.55	333,312.49	94,187.51
69000 - Other Non-Operating Expenses	1,600.00	1,600.00	1,440.50	1,440.50	159.50
69900 - Transfers Out	2,498,300.00	2,498,300.00	0.00	0.00	2,498,300.00
Expense Total:	<b>10,717,600.00</b>	<b>10,717,600.00</b>	<b>631,839.25</b>	<b>4,497,589.34</b>	<b>6,220,010.66</b>
<b>Fund: 010 - WHOLESALE Surplus (Deficit):</b>					
Total Surplus (Deficit):	<b>586,200.00</b>	<b>586,200.00</b>	<b>993,700.25</b>	<b>3,821,271.84</b>	<b>-3,235,071.84</b>

**Wholesale Operating Income Statement**

For Fiscal: 2019-2020 Period Ending: 01/31/2020

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESALE	586,200.00	586,200.00	993,700.25	3,821,271.84	-3,235,071.84
<b>Total Surplus (Deficit):</b>	<b>586,200.00</b>	<b>586,200.00</b>	<b>993,700.25</b>	<b>3,821,271.84</b>	



San Juan Water District, CA

# Wholesale Capital Income Statement

## Group Summary

For Fiscal: 2019-2020 Period Ending: 01/31/2020

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 011 - Wholesale Capital Outlay</b>					
<b>Revenue</b>					
42000 - Taxes & Assessments	1,123,000.00	1,123,000.00	625,488.64	642,893.85	480,106.15
44000 - Connection Fees	100,000.00	100,000.00	4,864.00	44,164.00	55,836.00
44500 - Capital Contributions - Revenue	43,700.00	43,700.00	10,925.00	32,775.00	10,925.00
49000 - Other Non-Operating Revenue	145,000.00	145,000.00	0.00	121,820.12	23,179.88
49990 - Transfer In	2,498,300.00	2,498,300.00	0.00	0.00	2,498,300.00
Revenue Total:	<b>3,910,000.00</b>	<b>3,910,000.00</b>	<b>641,277.64</b>	<b>841,652.97</b>	<b>3,068,347.03</b>
<b>Expense</b>					
55000 - Maintenance	934,000.00	934,000.00	0.00	1,238.18	932,761.82
61000 - Capital Outlay	8,446,400.00	8,446,400.00	354,718.71	1,913,522.74	6,532,877.26
Expense Total:	<b>9,380,400.00</b>	<b>9,380,400.00</b>	<b>354,718.71</b>	<b>1,914,760.92</b>	<b>7,465,639.08</b>
<b>Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):</b>					
Total Surplus (Deficit):	<b>-5,470,400.00</b>	<b>-5,470,400.00</b>	<b>286,558.93</b>	<b>-1,073,107.95</b>	<b>-4,397,292.05</b>

**Wholesale Capital Income Statement**

For Fiscal: 2019-2020 Period Ending: 01/31/2020

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
011 - Wholesale Capital Outlay	-5,470,400.00	-5,470,400.00	286,558.93	-1,073,107.95	-4,397,292.05
<b>Total Surplus (Deficit):</b>	<b>-5,470,400.00</b>	<b>-5,470,400.00</b>	<b>286,558.93</b>	<b>-1,073,107.95</b>	



San Juan Water District, CA

# Retail Operating Income Statement

## Group Summary

For Fiscal: 2019-2020 Period Ending: 01/31/2020

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 050 - RETAIL</b>					
<b>Revenue</b>					
41000 - Water Sales	12,399,400.00	12,399,400.00	1,044,508.99	5,747,552.42	6,651,847.58
45000 - Other Operating Revenue	363,200.00	363,200.00	16,450.60	169,174.08	194,025.92
49000 - Other Non-Operating Revenue	154,400.00	154,400.00	21,450.00	81,872.90	72,527.10
Revenue Total:	<b>12,917,000.00</b>	<b>12,917,000.00</b>	<b>1,082,409.59</b>	<b>5,998,599.40</b>	<b>6,918,400.60</b>
<b>Expense</b>					
51000 - Salaries and Benefits	5,040,100.00	5,040,100.00	344,659.17	2,694,444.24	2,345,655.76
52000 - Debt Service Expense	516,200.00	516,200.00	83,037.60	304,989.83	211,210.17
53000 - Source of Supply	3,075,500.00	3,075,500.00	520,981.00	2,191,925.74	883,574.26
54000 - Professional Services	1,267,100.00	1,267,100.00	14,499.30	290,228.84	976,871.16
55000 - Maintenance	213,800.00	213,800.00	52,528.80	246,577.43	-32,777.43
56000 - Utilities	293,700.00	293,700.00	2,793.04	212,182.64	81,517.36
57000 - Materials and Supplies	334,200.00	334,200.00	36,146.78	247,846.47	86,353.53
58000 - Public Outreach	80,500.00	80,500.00	0.00	43,683.15	36,816.85
59000 - Other Operating Expenses	584,200.00	584,200.00	28,133.00	365,866.94	218,333.06
69000 - Other Non-Operating Expenses	1,500.00	1,500.00	1,440.50	1,440.50	59.50
69900 - Transfers Out	974,500.00	974,500.00	0.00	0.00	974,500.00
Expense Total:	<b>12,381,300.00</b>	<b>12,381,300.00</b>	<b>1,084,219.19</b>	<b>6,599,185.78</b>	<b>5,782,114.22</b>
<b>Fund: 050 - RETAIL Surplus (Deficit):</b>	<b>535,700.00</b>	<b>535,700.00</b>	<b>-1,809.60</b>	<b>-600,586.38</b>	<b>1,136,286.38</b>
<b>Total Surplus (Deficit):</b>	<b>535,700.00</b>	<b>535,700.00</b>	<b>-1,809.60</b>	<b>-600,586.38</b>	

**Retail Operating Income Statement**

For Fiscal: 2019-2020 Period Ending: 01/31/2020

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
050 - RETAIL	535,700.00	535,700.00	-1,809.60	-600,586.38	1,136,286.38
<b>Total Surplus (Deficit):</b>	<b>535,700.00</b>	<b>535,700.00</b>	<b>-1,809.60</b>	<b>-600,586.38</b>	



San Juan Water District, CA

# Retail Capital Income Statement

## Group Summary

For Fiscal: 2019-2020 Period Ending: 01/31/2020

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 055 - Retail Capital Outlay</b>					
<b>Revenue</b>					
42000 - Taxes & Assessments	1,123,000.00	1,123,000.00	625,488.64	642,893.85	480,106.15
44000 - Connection Fees	100,000.00	100,000.00	10,066.56	275,489.25	-175,489.25
49000 - Other Non-Operating Revenue	150,000.00	150,000.00	0.00	40,947.75	109,052.25
49990 - Transfer In	974,500.00	974,500.00	0.00	0.00	974,500.00
Revenue Total:	<b>2,347,500.00</b>	<b>2,347,500.00</b>	<b>635,555.20</b>	<b>959,330.85</b>	<b>1,388,169.15</b>
<b>Expense</b>					
54000 - Professional Services	308,000.00	308,000.00	0.00	5,459.82	302,540.18
61000 - Capital Outlay	3,686,300.00	3,686,300.00	82,368.00	552,833.00	3,133,467.00
Expense Total:	<b>3,994,300.00</b>	<b>3,994,300.00</b>	<b>82,368.00</b>	<b>558,292.82</b>	<b>3,436,007.18</b>
<b>Fund: 055 - Retail Capital Outlay Surplus (Deficit):</b>					
Total Surplus (Deficit):	<b>-1,646,800.00</b>	<b>-1,646,800.00</b>	<b>553,187.20</b>	<b>401,038.03</b>	<b>-2,047,838.03</b>

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
055 - Retail Capital Outlay	-1,646,800.00	-1,646,800.00	553,187.20	401,038.03	-2,047,838.03
<b>Total Surplus (Deficit):</b>	<b>-1,646,800.00</b>	<b>-1,646,800.00</b>	<b>553,187.20</b>	<b>401,038.03</b>	

**Summary****Project Summary**

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
<a href="#">171107</a>	FO 40 Transmission Pipeline Re-Lining	0.00	236,586.60	-236,586.60
<a href="#">171109</a>	GIS Assessment and Implementation	0.00	55,006.83	-55,006.83
<a href="#">175105</a>	6690-7767 Douglas Boulevard & Assoc	0.00	79,115.86	-79,115.86
<a href="#">175113</a>	7225-7355 Dambacher Drive	0.00	7,235.16	-7,235.16
<a href="#">185115</a>	Lou Place-Tray Wy to Crown Point Vist	0.00	22,466.30	-22,466.30
<a href="#">185135</a>	Upper & Lower GB Pump Stn Low Flow	0.00	92,970.09	-92,970.09
<a href="#">185140</a>	Canyon Falls Village Pressure Reducing	0.00	391.95	-391.95
<a href="#">185155</a>	Bacon Pump Station HVAC Improveme	0.00	80,100.00	-80,100.00
<a href="#">191225</a>	SCADA Improvements - Radio North Pi	0.00	4,315.43	-4,315.43
<a href="#">191235</a>	Solar Site Access Culvert Replacement	0.00	3,250.00	-3,250.00
<a href="#">191255</a>	WTP Filter Basins Rehab Project	0.00	1,477,700.42	-1,477,700.42
<a href="#">191260</a>	On-Site Residuals Management Impro	0.00	69,183.65	-69,183.65
<a href="#">191270</a>	Three ProMinet c12 Sensor and Senso	0.00	21,757.44	-21,757.44
<a href="#">191275</a>	Clarifier Wall Lining & Leakage Repairs	0.00	858.16	-858.16
<a href="#">191280</a>	Hinkle Reservoir Cover	0.00	77,352.95	-77,352.95
<a href="#">195210</a>	SCADA Radio Replacements North Phas	0.00	6,995.19	-6,995.19
<a href="#">195225</a>	Kokila SJWD/PCWA Intertie	0.00	9,003.00	-9,003.00
<a href="#">195230</a>	Redbud/Lupin/Meadowlark Svc Repla	0.00	23,019.18	-23,019.18
<a href="#">195235</a>	Sandstone & Auberry Court to Hill Roa	0.00	10,560.21	-10,560.21
<a href="#">195265</a>	Douglas Booster Pump Station Electric	0.00	0.00	0.00
<a href="#">195295</a>	Douglas (Grosvenor) PRS Improvemen	0.00	1,155.00	-1,155.00
<a href="#">201108</a>	Admin Building Integrated Life Safety I	0.00	297.14	-297.14
<a href="#">201120</a>	Tag Line Replacement for BW Hoods	0.00	5,785.60	-5,785.60
<a href="#">201129</a>	Solids Handling Building VFD Replacen	0.00	36,967.09	-36,967.09
<a href="#">201162</a>	SCADA Radio Replacements- South Ph	0.00	3,851.98	-3,851.98
<a href="#">201171</a>	CMMS Implementation	0.00	101,192.31	-101,192.31
<a href="#">201505</a>	Hinkle Reservoir 48" Bypass Pipe Clear	0.00	380.02	-380.02
<a href="#">205129</a>	Bacon #1 VFD Replacement	0.00	27,913.57	-27,913.57
<b>Project Totals:</b>		<b>0.00</b>	<b>2,455,411.13</b>	<b>-2,455,411.13</b>

**Group Summary**

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	0.00	2,454,172.95	-2,454,172.95
CIP - Expense	0.00	1,238.18	-1,238.18
<b>Group Totals:</b>	<b>0.00</b>	<b>2,455,411.13</b>	<b>-2,455,411.13</b>

**Type Summary**

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Administration	0.00	101,192.31	-101,192.31
Engineering	0.00	463,214.17	-463,214.17
Water Treatment Plant	0.00	1,891,004.65	-1,891,004.65
<b>Type Totals:</b>	<b>0.00</b>	<b>2,455,411.13</b>	<b>-2,455,411.13</b>

**GL Account Summary**

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
011-20030	Retentions Payable	0.00	90,263.53	90,263.53
011-700-57120	Maintenance - Facility	0.00	1,238.18	1,238.18
011-700-61120	Capital Outlay - Land Improve...	0.00	3,250.00	3,250.00
011-700-61140	Capital Outlay - Buildings & Im...	0.00	148.57	148.57
011-700-61145	Capital Outlay - WTP & Improv...	0.00	1,653,471.66	1,653,471.66
011-700-61150	Capital Outlay - Mains/Pipeline...	0.00	105,167.68	105,167.68
011-700-61155	Capital Outlay - Reservoirs & I...	0.00	77,352.95	77,352.95
011-700-61160	Capital Outlay - Equipment and..	0.00	5,170.43	5,170.43

**GL Account Summary**

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
011-700-61180	Capital Outlay - Software	0.00	39,049.77	39,049.77
050-300-56310	Reg Compliance / Sampling / I...	0.00	2,224.01	2,224.01
055-20030	Retentions Payable	0.00	141,719.65	141,719.65
055-700-61135	Capital Outlay - Pump Stations...	0.00	200,983.66	200,983.66
055-700-61140	Capital Outlay - Buildings & Im...	0.00	148.57	148.57
055-700-61150	Capital Outlay - Mains/Pipeline...	0.00	10,792.91	10,792.91
055-700-61160	Capital Outlay - Equipment and..	0.00	7,280.19	7,280.19
055-700-61180	Capital Outlay - Software	0.00	117,149.37	117,149.37
<b>GL Account Totals:</b>		<b>0.00</b>	<b>2,455,411.13</b>	<b>2,455,411.13</b>



San Juan Water District, CA

# Balance Sheet

## Account Summary

As Of 01/31/2020

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
<strong>Asset</strong>					
<strong>Type: 1000 - Assets</strong>					
10010 - Cash and Investments	3,830,239.79	15,250,083.61	2,112,419.58	5,888,179.85	27,080,922.83
10510 - Accounts Receivable	1,981,891.67	2,294.84	258,372.56	0.06	2,242,559.13
11000 - Inventory	0.00	0.00	147,508.09	0.00	147,508.09
12000 - Prepaid Expense	40,842.35	0.00	39,685.04	0.00	80,527.39
14010 - Deferred Outflows	3,200,491.70	0.00	3,309,974.23	0.00	6,510,465.93
17010 - Capital Assets - Work in Progress	3,299,353.34	0.00	404,708.24	0.00	3,704,061.58
17150 - Capital Assets - Land Non-depreciable	98,212.00	0.00	166,272.00	0.00	264,484.00
17160 - Capital Assets - Land Improvements	814,105.59	0.00	83,970.80	0.00	898,076.39
17200 - Capital Assets - Pump Stations & Improvements	7,047,178.00	0.00	5,946,955.73	0.00	12,994,133.73
17300 - Capital Assets - Buildings & Improvements	1,267,245.92	0.00	263,336.06	0.00	1,530,581.98
17350 - Capital Assets - Water Treatment Plant & Imp	35,573,069.88	0.00	16,000.00	0.00	35,589,069.88
17400 - Capital Assets - Mains/Pipelines & Improvements	29,272,109.94	0.00	46,068,531.54	0.00	75,340,641.48
17500 - Capital Assets - Reservoirs & Improvements	2,923,447.50	0.00	2,492,421.90	0.00	5,415,869.40
17700 - Capital Assets - Equipment & Furniture	13,655,052.49	0.00	1,106,546.03	0.00	14,761,598.52
17750 - Capital Assets - Vehicles	304,780.00	0.00	499,226.87	0.00	804,006.87
17800 - Capital Assets - Software	447,653.38	0.00	403,200.40	0.00	850,853.78
17850 - Capital Assets - Intangible	666,196.00	0.00	0.00	0.00	666,196.00
17900 - Less Accumulated Depreciation	-37,924,426.75	0.00	-28,701,186.70	0.00	-66,625,613.45
<strong>Total Type 1000 - Assets:</strong>		<strong>66,497,442.80</strong>	<strong>15,252,378.45</strong>	<strong>34,617,942.37</strong>	<strong>5,888,179.91</strong>
<strong>Total Asset:</strong>		<strong>66,497,442.80</strong>	<strong>15,252,378.45</strong>	<strong>34,617,942.37</strong>	<strong>5,888,179.91</strong>
<strong>Liability</strong>					
<strong>Type: 1000 - Assets</strong>					
10510 - Accounts Receivable	0.00	0.00	111,535.70	0.00	111,535.70
<strong>Total Type 1000 - Assets:</strong>		<strong>0.00</strong>	<strong>0.00</strong>	<strong>111,535.70</strong>	<strong>0.00</strong>
<strong>Type: 2000 - Liabilities</strong>					
20010 - Accounts Payable	82,145.33	115,099.08	53,595.77	67,203.00	318,043.18
20100 - Retentions Payable	0.00	42,077.46	0.00	0.01	42,077.47
21200 - Salaries & Benefits Payable	31,846.68	0.00	61,199.00	0.00	93,045.68
21250 - Payroll Taxes Payable	0.01	0.00	-0.01	0.00	0.00
21300 - Compensated Absences	363,585.16	0.00	483,191.25	0.00	846,776.41
21500 - Premium on Issuance of Bonds Series 2017	1,806,328.11	0.00	1,006,478.78	0.00	2,812,806.89
21600 - OPEB Liability	1,766,453.29	0.00	2,297,045.78	0.00	4,063,499.07
21700 - Pension Liability	680,652.08	0.00	884,065.34	0.00	1,564,717.42

## Balance Sheet

As Of 01/31/2020

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
22010 - Deferred Income	0.00	0.00	130,839.19	0.00	130,839.19
22050 - Deferred Inflows	1,154,523.27	0.00	1,499,553.20	0.00	2,654,076.47
24200 - 2012 Bonds Payable	5,920,393.50	0.00	3,214,606.50	0.00	9,135,000.00
24250 - Bonds Payable 2017 Refunding	15,379,200.00	0.00	8,650,800.00	0.00	24,030,000.00
<b>Total Type 2000 - Liabilities:</b>	<b>27,185,127.43</b>	<b>157,176.54</b>	<b>18,281,374.80</b>	<b>67,203.01</b>	<b>45,690,881.78</b>
<b>Total Liability:</b>	<b>27,185,127.43</b>	<b>157,176.54</b>	<b>18,392,910.50</b>	<b>67,203.01</b>	<b>45,802,417.48</b>
<b>Equity</b>					
Type: 3000 - Equity					
30100 - Investment in Capital Assets	34,786,452.14	0.00	16,134,143.55	0.00	50,920,595.69
30500 - Designated Reserves	704,591.39	16,168,309.86	691,474.70	5,419,938.87	22,984,314.82
<b>Total Type 3000 - Equity:</b>	<b>35,491,043.53</b>	<b>16,168,309.86</b>	<b>16,825,618.25</b>	<b>5,419,938.87</b>	<b>73,904,910.51</b>
<b>Total Total Beginning Equity:</b>	<b>35,491,043.53</b>	<b>16,168,309.86</b>	<b>16,825,618.25</b>	<b>5,419,938.87</b>	<b>73,904,910.51</b>
Total Revenue	8,318,861.18	841,652.97	5,998,599.40	959,330.85	16,118,444.40
Total Expense	4,497,589.34	1,914,760.92	6,599,185.78	558,292.82	13,569,828.86
<b>Revenues Over/Under Expenses</b>	<b>3,821,271.84</b>	<b>-1,073,107.95</b>	<b>-600,586.38</b>	<b>401,038.03</b>	<b>2,548,615.54</b>
<b>Total Equity and Current Surplus (Deficit):</b>	<b>39,312,315.37</b>	<b>15,095,201.91</b>	<b>16,225,031.87</b>	<b>5,820,976.90</b>	<b>76,453,526.05</b>
<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b>66,497,442.80</b>	<b>15,252,378.45</b>	<b>34,617,942.37</b>	<b>5,888,179.91</b>	<b>122,255,943.53</b>



San Juan Water District, CA

# Check Report

By Check Number

Date Range: 01/01/2020 - 01/31/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: APBNK-APBNK</b>						
01041	Afman, Todd R	01/06/2020	Regular	0.00	238.35	55072
03406	Alpha Analytical Laboratories Inc.	01/06/2020	Regular	0.00	846.00	55073
01073	Amarjeet Singh Garcha	01/06/2020	Regular	0.00	1,500.00	55074
01026	American River Ace Hardware, Inc.	01/06/2020	Regular	0.00	28.07	55075
01164	Backflow Distributors Inc	01/06/2020	Regular	0.00	789.96	55076
03104	Capital Datacorp	01/06/2020	Regular	0.00	405.63	55077
01378	Clark Pest Control of Stockton	01/06/2020	Regular	0.00	150.00	55078
01681	Golden State Flow Measurements, Inc.	01/06/2020	Regular	0.00	15,075.06	55079
03091	Granite Bay Ace Hardware	01/06/2020	Regular	0.00	60.59	55080
01733	Harris Industrial Gases	01/06/2020	Regular	0.00	56.79	55081
01915	Kirkland, Ken	01/06/2020	Regular	0.00	54.88	55082
01959	Les Schwab Tire Centers of California Inc	01/06/2020	Regular	0.00	630.14	55083
02131	Office Depot, Inc.	01/06/2020	Regular	0.00	685.02	55084
02150	Pace Supply Corp	01/06/2020	Regular	0.00	1,541.48	55085
02154	Pacific EcoRisk, Inc	01/06/2020	Regular	0.00	605.79	55086
02223	Rexel Inc (Platt - Rancho Cordova)	01/06/2020	Regular	0.00	1,657.05	55087
02328	Rocklin Windustrial Co	01/06/2020	Regular	0.00	171.50	55088
02379	Sacramento Metropolitan Chamber of Commerce	01/06/2020	Regular	0.00	1,000.00	55089
03480	Sacramento River Watershed Program	01/06/2020	Regular	0.00	1,000.00	55090
02700	Viking Shred LLC	01/06/2020	Regular	0.00	50.00	55091
01687	W. W. Grainger, Inc.	01/06/2020	Regular	0.00	143.45	55092
02716	WATER EDUCATION FOUNDATION	01/06/2020	Regular	0.00	9,000.00	55093
03759	Alboum & Associates LLC	01/13/2020	Regular	0.00	3,433.00	55094
03406	Alpha Analytical Laboratories Inc.	01/13/2020	Regular	0.00	688.00	55095
03757	Black Iris Properties LLC	01/13/2020	Regular	0.00	3,117.54	55096
01372	City of Folsom	01/13/2020	Regular	0.00	29.12	55097
02556	Costa, Ted	01/13/2020	Regular	0.00	801.84	55098
01494	Dewey Services Inc.	01/13/2020	Regular	0.00	86.00	55099
01068	Glenn C. Walker	01/13/2020	Regular	0.00	1,024.40	55100
03091	Granite Bay Ace Hardware	01/13/2020	Regular	0.00	83.69	55101
01733	Harris Industrial Gases	01/13/2020	Regular	0.00	50.45	55102
03072	HUNT & SONS INC.	01/13/2020	Regular	0.00	606.28	55103
03716	Janice D. Thompson & Associates, LLC	01/13/2020	Regular	0.00	4,480.71	55104
03755	Local Government Commission	01/13/2020	Regular	0.00	750.00	55105
01916	Miller, Ken	01/13/2020	Regular	0.00	1,801.06	55106
02649	MUFG Union Bank, N.A.	01/13/2020	Regular	0.00	1,080,368.31	55107
03756	Paul Hills Land Development LLC	01/13/2020	Regular	0.00	2,844.22	55108
03303	Paulson, Rachael	01/13/2020	Regular	0.00	1,486.01	55109
02280	Rawles Engineering, Inc	01/13/2020	Regular	0.00	13,845.00	55110
02283	Recology Auburn Placer	01/13/2020	Regular	0.00	657.88	55111
02223	Rexel Inc (Platt - Rancho Cordova)	01/13/2020	Regular	0.00	190.52	55112
02328	Rocklin Windustrial Co	01/13/2020	Regular	0.00	193.29	55113
02459	Sierra Safety Company	01/13/2020	Regular	0.00	139.43	55114
02514	State Water Resources Control Board - SWRCB	01/13/2020	Regular	0.00	34,427.80	55115
01411	SureWest Telephone	01/13/2020	Regular	0.00	1,995.64	55116
02540	Sutter Medical Foundation	01/13/2020	Regular	0.00	1,004.00	55117
02463	The New AnswerNet	01/13/2020	Regular	0.00	275.88	55118
03644	Tully & Young, Inc.	01/13/2020	Regular	0.00	6,027.50	55119
02638	Tyler Technologies, Inc.	01/13/2020	Regular	0.00	275.00	55120
02651	United Parcel Service Inc	01/13/2020	Regular	0.00	103.59	55121
02667	US Bank Corporate Payments Sys (CalCard)	01/14/2020	Regular	0.00	27,789.01	55126
	**Void**	01/14/2020	Regular	0.00	0.00	55127
	**Void**	01/14/2020	Regular	0.00	0.00	55128
	**Void**	01/14/2020	Regular	0.00	0.00	55129

## Check Report

Date Range: 01/01/2020 - 01/31/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	**Void**	01/14/2020	Regular	0.00	0.00	55130
	**Void**	01/14/2020	Regular	0.00	0.00	55131
	**Void**	01/14/2020	Regular	0.00	0.00	55132
	**Void**	01/14/2020	Regular	0.00	0.00	55133
	**Void**	01/14/2020	Regular	0.00	0.00	55134
	**Void**	01/14/2020	Regular	0.00	0.00	55135
	**Void**	01/14/2020	Regular	0.00	0.00	55136
	**Void**	01/14/2020	Regular	0.00	0.00	55137
	**Void**	01/14/2020	Regular	0.00	0.00	55138
	**Void**	01/14/2020	Regular	0.00	0.00	55139
03747	All Service Contracting Corp.	01/21/2020	Regular	0.00	146,246.76	55140
03406	Alpha Analytical Laboratories Inc.	01/21/2020	Regular	0.00	423.00	55141
01128	Ashby Communications, Inc.	01/21/2020	Regular	0.00	2,379.40	55142
01138	AT&T Mobility II LLC	01/21/2020	Regular	0.00	63.24	55143
03059	Center For Hearing Health Inc	01/21/2020	Regular	0.00	2,511.00	55144
01433	Crusader Fence Co., Inc.	01/21/2020	Regular	0.00	21,275.00	55145
03091	Granite Bay Ace Hardware	01/21/2020	Regular	0.00	340.66	55146
03682	HydroScience Engineers, Inc.	01/21/2020	Regular	0.00	7,003.75	55147
02024	MCI WORLDCOM	01/21/2020	Regular	0.00	96.06	55148
02022	Morgan, Daren P.	01/21/2020	Regular	0.00	319.05	55149
02131	Office Depot, Inc.	01/21/2020	Regular	0.00	1,118.09	55150
02150	Pace Supply Corp	01/21/2020	Regular	0.00	2,377.79	55151
02146	PG&E	01/21/2020	Regular	0.00	10.00	55152
02216	Placer County Public Works	01/21/2020	Regular	0.00	75.00	55153
03150	Professional Id Cards Inc	01/21/2020	Regular	0.00	47.50	55154
02280	Rawles Engineering, Inc	01/21/2020	Regular	0.00	4,280.00	55155
02281	Ray A Morgan Company Inc	01/21/2020	Regular	0.00	454.82	55156
02223	Rexel Inc (Platt - Rancho Cordova)	01/21/2020	Regular	0.00	605.40	55157
02293	RFI Enterprises, Inc	01/21/2020	Regular	0.00	51.34	55158
02357	Sacramento Municipal Utility District (SMUD)	01/21/2020	Regular	0.00	12,218.03	55159
02580	The Eidam Corporation	01/21/2020	Regular	0.00	3,818.00	55160
02638	Tyler Technologies, Inc.	01/21/2020	Regular	0.00	5,476.25	55161
02690	Verizon Wireless	01/21/2020	Regular	0.00	1,585.85	55162
03445	Zlotnick, Greg	01/21/2020	Regular	0.00	118.32	55163
02649	MUFG Union Bank, N.A.	01/22/2020	Regular	0.00	735,969.31	55164
03406	Alpha Analytical Laboratories Inc.	01/24/2020	Regular	0.00	463.00	55165
01138	AT&T Mobility II LLC	01/24/2020	Regular	0.00	63.24	55166
03594	Borges & Mahoney, Inc.	01/24/2020	Regular	0.00	300.66	55167
03316	Brown, Lisa	01/24/2020	Regular	0.00	28.64	55168
03678	Corotheres, Kurtis W	01/24/2020	Regular	0.00	182.33	55169
03376	Del Paso Pipe & Steel Inc.	01/24/2020	Regular	0.00	28.32	55170
03548	Digital Deployment, Inc.	01/24/2020	Regular	0.00	400.00	55171
01681	Golden State Flow Measurements, Inc.	01/24/2020	Regular	0.00	1,291.71	55172
03091	Granite Bay Ace Hardware	01/24/2020	Regular	0.00	98.75	55173
02567	Grant, Teri	01/24/2020	Regular	0.00	28.06	55174
02131	Office Depot, Inc.	01/24/2020	Regular	0.00	125.09	55175
02280	Rawles Engineering, Inc	01/24/2020	Regular	0.00	16,700.00	55176
02302	Riebes Auto Parts, LLC	01/24/2020	Regular	0.00	644.80	55177
02328	Rocklin Industrial Co	01/24/2020	Regular	0.00	251.35	55178
02363	Sacramento Local Agency Formation Commission	01/24/2020	Regular	0.00	2,881.00	55179
02514	State Water Resources Control Board - SWRCB	01/24/2020	Regular	0.00	60.00	55180
02580	The Eidam Corporation	01/24/2020	Regular	0.00	8,048.50	55181
02651	United Parcel Service Inc	01/24/2020	Regular	0.00	134.31	55182
02700	Viking Shred LLC	01/24/2020	Regular	0.00	50.00	55183
01687	W. W. Grainger, Inc.	01/24/2020	Regular	0.00	42.05	55184
01641	Sun Life Assurance Company of Canada	01/07/2020	Bank Draft	0.00	10,280.61	330784
01532	E&M Electric & Machinery, Inc.	01/06/2020	EFT	0.00	44,780.00	406421
01584	ERS Industrial Services, Inc.	01/06/2020	EFT	0.00	359,559.23	406422
01611	Ferguson Enterprises, Inc	01/06/2020	EFT	0.00	786.57	406423
03553	Mallory Safety and Supply LLC	01/06/2020	EFT	0.00	855.87	406424
03681	Allied Electronics Inc.	01/13/2020	EFT	0.00	2,839.82	406425

## Check Report

Date Range: 01/01/2020 - 01/31/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
01234	Bryce HR Consulting, Inc.	01/13/2020	EFT	0.00	1,689.00	406426
01330	CDW Government LLC	01/13/2020	EFT	0.00	227.65	406427
01521	DataProse, LLC	01/13/2020	EFT	0.00	7,578.11	406428
03593	Hanneman, Martin W	01/13/2020	EFT	0.00	460.69	406429
01917	Kennedy/Jenks Consultants, Inc.	01/13/2020	EFT	0.00	12,148.75	406430
03628	Lees Automotive Repair Inc.	01/13/2020	EFT	0.00	345.06	406431
03026	PFM Asset Management	01/13/2020	EFT	0.00	929.46	406432
02581	The Ferguson Group, LLC	01/13/2020	EFT	0.00	6,000.00	406433
02162	Tobin, Pamela	01/13/2020	EFT	0.00	220.97	406434
03387	WageWorks, Inc	01/13/2020	EFT	0.00	234.04	406435
03109	Alfa Laval Inc.	01/21/2020	EFT	0.00	536.30	406436
01199	Bentley Systems, Incorporated	01/21/2020	EFT	0.00	317.00	406437
01330	CDW Government LLC	01/21/2020	EFT	0.00	3,922.28	406438
03749	Eide Bailly LLP	01/21/2020	EFT	0.00	977.50	406439
03699	Enviromental System Research Institute, Inc.	01/21/2020	EFT	0.00	25,000.00	406440
01741	HDR Engineering, Inc.	01/21/2020	EFT	0.00	11,090.07	406441
03628	Lees Automotive Repair Inc.	01/21/2020	EFT	0.00	46.72	406442
03553	Mallory Safety and Supply LLC	01/21/2020	EFT	0.00	1,355.90	406443
02367	McClatchy Newspapers, Inc.	01/21/2020	EFT	0.00	991.47	406444
02286	Regional Water Authority	01/21/2020	EFT	0.00	12,653.00	406445
03745	Select Tech, Inc.	01/21/2020	EFT	0.00	2,987.45	406446
02710	WageWorks, Inc	01/21/2020	EFT	0.00	86.00	406447
01486	WAPA - Department of Energy	01/21/2020	EFT	0.00	158.14	406448
03713	Trillium Pumps USA, Inc.	01/21/2020	EFT	0.00	90,738.48	406449
03700	Westin Technology Solutions, LLC	01/21/2020	EFT	0.00	856.00	406450
01328	Association of California Water Agencies / Joint Powers Authority	01/24/2020	EFT	0.00	7,409.68	406451
	**Void**	01/24/2020	EFT	0.00	0.00	406452
01898	Association of California Water Agencies / JPIA	01/24/2020	EFT	0.00	44,537.52	406453
	**Void**	01/24/2020	EFT	0.00	0.00	406454
01584	ERS Industrial Services, Inc.	01/24/2020	EFT	0.00	89,929.73	406455
01611	Ferguson Enterprises, Inc	01/24/2020	EFT	0.00	227.10	406456
01721	Hach Company	01/24/2020	EFT	0.00	200.52	406457
01741	HDR Engineering, Inc.	01/24/2020	EFT	0.00	3,653.25	406458
01938	Kyle Yates, Inc.	01/24/2020	EFT	0.00	420.00	406459
02027	Mcmaster-Carr Supply Company	01/24/2020	EFT	0.00	170.04	406460
01472	Mel Dawson, Inc.	01/24/2020	EFT	0.00	4,319.99	406461
02144	Orthos Liquid Systems, Inc.	01/24/2020	EFT	0.00	210,990.91	406462
02158	Pacific Storage Company	01/24/2020	EFT	0.00	52.39	406463
02504	Starr Consulting	01/24/2020	EFT	0.00	870.00	406464
02581	The Ferguson Group, LLC	01/24/2020	EFT	0.00	141.41	406465
03387	WageWorks, Inc	01/24/2020	EFT	0.00	234.04	406466
02730	Western Area Power Administration	01/24/2020	EFT	0.00	3,093.00	406467
03077	VALIC	01/10/2020	Bank Draft	0.00	3,855.62	0007992671
03077	VALIC	01/24/2020	Bank Draft	0.00	3,855.62	0008003385
03078	CalPERS Health	01/06/2020	Bank Draft	0.00	46,577.24	1001474934
03078	CalPERS Health	01/06/2020	Bank Draft	0.00	40,936.02	1001474934
03078	CalPERS Health	01/06/2020	Bank Draft	0.00	48,646.90	1001474934
03130	CalPERS Retirement	01/14/2020	Bank Draft	0.00	34,498.27	1001484245
01366	Citistreet/CalPERS 457	01/14/2020	Bank Draft	0.00	300.00	1001484249
01366	Citistreet/CalPERS 457	01/14/2020	Bank Draft	0.00	3,669.96	1001484249
03130	CalPERS Retirement	01/24/2020	Bank Draft	0.00	34,493.29	1001489881
01366	Citistreet/CalPERS 457	01/24/2020	Bank Draft	0.00	3,697.07	1001489885
03080	California State Disbursement Unit	01/10/2020	Bank Draft	0.00	370.61	H7W0JJ06661
03080	California State Disbursement Unit	01/25/2020	Bank Draft	0.00	370.61	W42F9RY6660
03130	CalPERS Retirement	01/14/2020	Bank Draft	0.00	823.55	1001484245 A
03163	Economic Development Department	01/27/2020	Bank Draft	0.00	9,966.52	0-870-014-912
03163	Economic Development Department	01/27/2020	Bank Draft	0.00	44.80	0-870-014-912
03163	Economic Development Department	01/02/2020	Bank Draft	0.00	2,368.52	1-818-868-672
03163	Economic Development Department	01/02/2020	Bank Draft	0.00	99.22	1-818-868-672
03163	Economic Development Department	01/13/2020	Bank Draft	0.00	10,726.69	1-987-327-936
03163	Economic Development Department	01/13/2020	Bank Draft	0.00	38.40	1-987-3247-936

**Check Report**

Date Range: 01/01/2020 - 01/31/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03164	Internal Revenue Service	01/24/2020	Bank Draft	0.00	48,279.50	2700429529800
01039	American Family Life Assurance Company of Colu	01/29/2020	Bank Draft	0.00	691.28	Q3869 01-29-20
01039	American Family Life Assurance Company of Colu	01/29/2020	Bank Draft	0.00	691.28	Q3869 01-29-20
03164	Internal Revenue Service	01/10/2020	Bank Draft	0.00	47,014.01	2700410541672
03164	Internal Revenue Service	01/10/2020	Bank Draft	0.00	183.60	2700410541672
03164	Internal Revenue Service	01/24/2020	Bank Draft	0.00	214.20	2700424952980

**Bank Code APBNK Summary**

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	149	96	0.00	2,204,950.36
Manual Checks	0	0	0.00	0.00
Voided Checks	0	13	0.00	0.00
Bank Drafts	26	26	0.00	352,693.39
EFT's	69	47	0.00	956,621.11
	<b>244</b>	<b>182</b>	<b>0.00</b>	<b>3,514,264.86</b>

## All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	149	96	0.00	2,204,950.36
Manual Checks	0	0	0.00	0.00
Voided Checks	0	13	0.00	0.00
Bank Drafts	26	26	0.00	352,693.39
EFT's	69	47	0.00	956,621.11
	<b>244</b>	<b>182</b>	<b>0.00</b>	<b>3,514,264.86</b>

## Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	1/2020	<b>3,514,264.86</b>



San Juan Water District, CA

# Vendor History Report

## By Vendor Name

Posting Date Range 07/01/2019 - 01/31/2020

Payment Date Range -

Payable Number Item Description	Description	Post Date	1099	Payment Number	Payment Date	Amount	Shipping	Tax	Discount	Net	Payment
	Item Description	Units	Price	Amount	Account Number	Account Name	Dist Amount				
<b>Vendor Set: 01 - Vendor Set 01</b>											
<b>02556 - Costa, Ted</b>	Expense Reimb 12-2019	Expense&Mileage-ACWA Fall- Room & Mileag	12/31/2019	55098		<b>801.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>801.84</b>	<b>801.84</b>
	Expense&Mileage-ACWA	0.00	0.00	801.84	010-010-52110	1/13/2020	801.84	0.00	0.00	801.84	801.84
					050-010-52110	Training - Meetings, Education & Trai	400.92				
						Training - Meetings, Education & Trai	400.92				
<b>01916 - Miller, Ken</b>	Mileage Reimb	Mileage Reimbursement-Various Meetings	8/31/2019	54641		<b>1,881.18</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,881.18</b>	<b>1,881.18</b>
	Mileage Reimbursement-	0.00	0.00	31.32	010-010-52110	9/9/2019	31.32	0.00	0.00	31.32	31.32
					050-010-52110	Training - Meetings, Education & Trai	15.66				
						Training - Meetings, Education & Trai	15.66				
<b>Exp Reimb 07-2018</b>	Mileage & Parking-Various Meetings & CFO Y7/31/2019			54581		<b>8/20/2019</b>	<b>48.80</b>	<b>0.00</b>	<b>0.00</b>	<b>48.80</b>	<b>48.80</b>
	Mileage & Parking-Variou	0.00	0.00	48.80	010-010-52110	Training - Meetings, Education & Trai	24.40				
					050-010-52110	Training - Meetings, Education & Trai	24.40				
<b>Exp Reimb 12-2019</b>	Expense&Mileage-ACWA Fall Conf&Variou	l12/31/2019		55106		<b>1/13/2020</b>	<b>1,801.06</b>	<b>0.00</b>	<b>0.00</b>	<b>1,801.06</b>	<b>1,801.06</b>
	Expense&Mileage-ACWA	0.00	0.00	1,801.06	010-010-52110	Training - Meetings, Education & Trai	900.53				
					050-010-52110	Training - Meetings, Education & Trai	900.53				
<b>03092 - Rich, Dan</b>	Exp Reimb 08-2019	Mileage Reimb 08-2019 - CH Chamber Recep	8/31/2019	54706		<b>8.70</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.70</b>	<b>8.70</b>
	Mileage Reimb 08-2019 -	0.00	0.00	8.70	010-010-52110	9/23/2019	8.70	0.00	0.00	8.70	8.70
					050-010-52110	Training - Meetings, Education & Trai	4.35				
						Training - Meetings, Education & Trai	4.35				
<b>02162 - Tobin, Pamela</b>	Exp Reimb 01-2020	Mileage Reimbursement-Various Meetings	1/31/2020	406485		<b>1,759.85</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,759.85</b>	<b>1,759.85</b>
	Mileage Reimbursement-	0.00	0.00	10.35	010-010-52110	2/10/2020	10.35	0.00	0.00	10.35	10.35
					050-010-52110	Training - Meetings, Education & Trai	5.18				
						Training - Meetings, Education & Trai	5.17				
<b>Exp Reimb 07-2019</b>	Expense Reimb-Mileage Various Meetings &	.7/31/2019		406194		<b>8/14/2019</b>	<b>46.50</b>	<b>0.00</b>	<b>0.00</b>	<b>46.50</b>	<b>46.50</b>
	Expense Reimb-Mileage \	0.00	0.00	46.50	010-010-52110	Training - Meetings, Education & Trai	23.25				
					050-010-52110	Training - Meetings, Education & Trai	23.25				
<b>Exp Reimb 08-2019</b>	Mileage Expense-Various Meetings		8/31/2019	406236		<b>9/9/2019</b>	<b>81.78</b>	<b>0.00</b>	<b>0.00</b>	<b>81.78</b>	<b>81.78</b>
	Mileage-Various Meeting	0.00	0.00	81.78	010-010-52110	Training - Meetings, Education & Trai	40.89				
					050-010-52110	Training - Meetings, Education & Trai	40.89				
<b>Exp Reimb 10-2019</b>	Expense Reimb-ACWA Expenses & Mileage V	9/30/2019		406309		<b>10/22/2019</b>	<b>232.80</b>	<b>0.00</b>	<b>0.00</b>	<b>232.80</b>	<b>232.80</b>
	Expense Reimb-ACWA Ex	0.00	0.00	232.80	010-010-52110	Training - Meetings, Education & Trai	116.40				
					050-010-52110	Training - Meetings, Education & Trai	116.40				
<b>Exp Reimb 10-2019 #2</b>	Expense Reimb-Region 9 & Various Meetings	10/31/2019		406339		<b>11/12/2019</b>	<b>213.21</b>	<b>0.00</b>	<b>0.00</b>	<b>213.21</b>	<b>213.21</b>

## Vendor History Report

Posting Date Range 07/01/2019 - 01/31/2020

Payable Number	Description	Post Date	1099	Payment Number	Payment Date	Amount	Shipping	Tax	Discount	Net	Payment
Item Description	Units	Price	Amount	Account Number	Account Name		Dist Amount				
Expense Reimb-Region 9	0.00	0.00	213.21	010-010-52110	Training - Meetings, Education & Trai	106.60					
				050-010-52110	Training - Meetings, Education & Trai	106.61					
Exp Reimb 11-2019	Exp Reimb ACWA Conf, Mileage, & Meals	11/30/2019		406403	12/16/2019	954.24	0.00	0.00	0.00	954.24	954.24
Exp Reimb ACWA Conf, IV	0.00	0.00	954.24	010-010-52110	Training - Meetings, Education & Trai	477.12					
				050-010-52110	Training - Meetings, Education & Trai	477.12					
Exp Reimb 12-2019	Expense & Mileage-ACWA Fall & Various Me	12/31/2019		406434	1/13/2020	220.97	0.00	0.00	0.00	220.97	220.97
Expense & Mileage-ACW/	0.00	0.00	220.97	010-010-52110	Training - Meetings, Education & Trai	110.48					
				050-010-52110	Training - Meetings, Education & Trai	110.49					
						Vendors: (4)	Total 01 - Vendor Set 01:	4,451.57	0.00	0.00	4,451.57
						Vendors: (4)	Report Total:	4,451.57	0.00	0.00	4,451.57



Payroll Set: 01-San Juan Water District

<b>Employee Number</b>	<b>Employee Name</b>	<b>Pay Code</b>	<b># of Payments</b>	<b>Units</b>	<b>Pay Amount</b>
<a href="#"><u>0690</u></a>	Costa,Ted	Reg - Regular Hours	7	39.00	4,875.00
			<b>0690 - Costa Total:</b>	<b>39.00</b>	<b>4,875.00</b>
<a href="#"><u>1028</u></a>	Hanneman,Martin W	Reg - Regular Hours	7	35.00	4,375.00
			<b>1028 - Hanneman Total:</b>	<b>35.00</b>	<b>4,375.00</b>
<a href="#"><u>0670</u></a>	Miller,Ken	Reg - Regular Hours	7	28.00	3,500.00
			<b>0670 - Miller Total:</b>	<b>28.00</b>	<b>3,500.00</b>
<a href="#"><u>1003</u></a>	Rich,Daniel T	Reg - Regular Hours	6	21.00	2,625.00
			<b>1003 - Rich Total:</b>	<b>21.00</b>	<b>2,625.00</b>
<a href="#"><u>0650</u></a>	Tobin,Pamela	Reg - Regular Hours	7	59.00	7,375.00
			<b>0650 - Tobin Total:</b>	<b>59.00</b>	<b>7,375.00</b>
				<b>Report Total:</b>	<b>182.00</b>
					<b>22,750.00</b>



# Pay Code Report

## Account Summary

7/1/2019 - 1/31/2020

Payroll Set: 01-San Juan Water District

Account	Account Description	Units	Pay Amount
<a href="#"><u>010-010-58110</u></a>	Director - Stipend	91.00	11,375.00
		<b>010 - WHOLESALE Total:</b>	<b>91.00 11,375.00</b>
<a href="#"><u>050-010-58110</u></a>	Director - Stipend	91.00	11,375.00
		<b>050 - RETAIL Total:</b>	<b>91.00 11,375.00</b>
		<b>Report Total:</b>	<b>182.00 22,750.00</b>

**Pay Code Report**

Pay Code Summary

7/1/2019 - 1/31/2020

Payroll Set: 01-San Juan Water District

Pay Code	Description	# of Payments	Units	Pay Amount
Reg	Regular Hours	34	182.00	22,750.00
		Report Total:	<b>182.00</b>	<b>22,750.00</b>

## 2019/20 Actual Deliveries and Revenue - By Wholesale Customer Agency

	July 2019 - January 2020							
	Budgeted Deliveries	Budgeted Revenue	Actual Deliveries	Actual Revenue	Delivery Variance		Revenue Variance	
San Juan Retail	7,625.46	\$ 1,859,903	7,495.08	\$ 1,849,324	(130.38)	-1.7%	\$ (10,579)	-0.6%
Citrus Heights Water District	6,659.16	\$ 1,819,509	7,217.65	\$ 1,864,825	558.49	<b>8.4%</b>	\$ 45,316	2.5%
Fair Oaks Water District	4,752.30	\$ 1,315,174	4,804.29	\$ 1,319,392	51.99	<b>1.1%</b>	\$ 4,219	0.3%
Orange Vale Water Co.	2,528.86	\$ 629,621	2,347.72	\$ 614,923	(181.14)	-7.2%	\$ (14,698)	-2.3%
City of Folsom	746.91	\$ 183,750	748.14	\$ 183,850	1.23	0.2%	\$ 100	0.1%
Granite Bay Golf Course	204.51	\$ 8,195	171.97	\$ 6,891	(32.54)	-15.9%	\$ (1,304)	-15.9%
Sac Suburban Water District	7,540.00	\$ 1,461,894	7,604.79	\$ 1,470,749	64.79	0.9%	\$ 8,854	0.6%
<b>TOTAL</b>	<b>30,057.21</b>	<b>\$ 7,278,047</b>	<b>30,389.64</b>	<b>\$ 7,309,954</b>	<b>332.43</b>	<b>1.1%</b>	<b>\$ 31,907</b>	<b>0.4%</b>

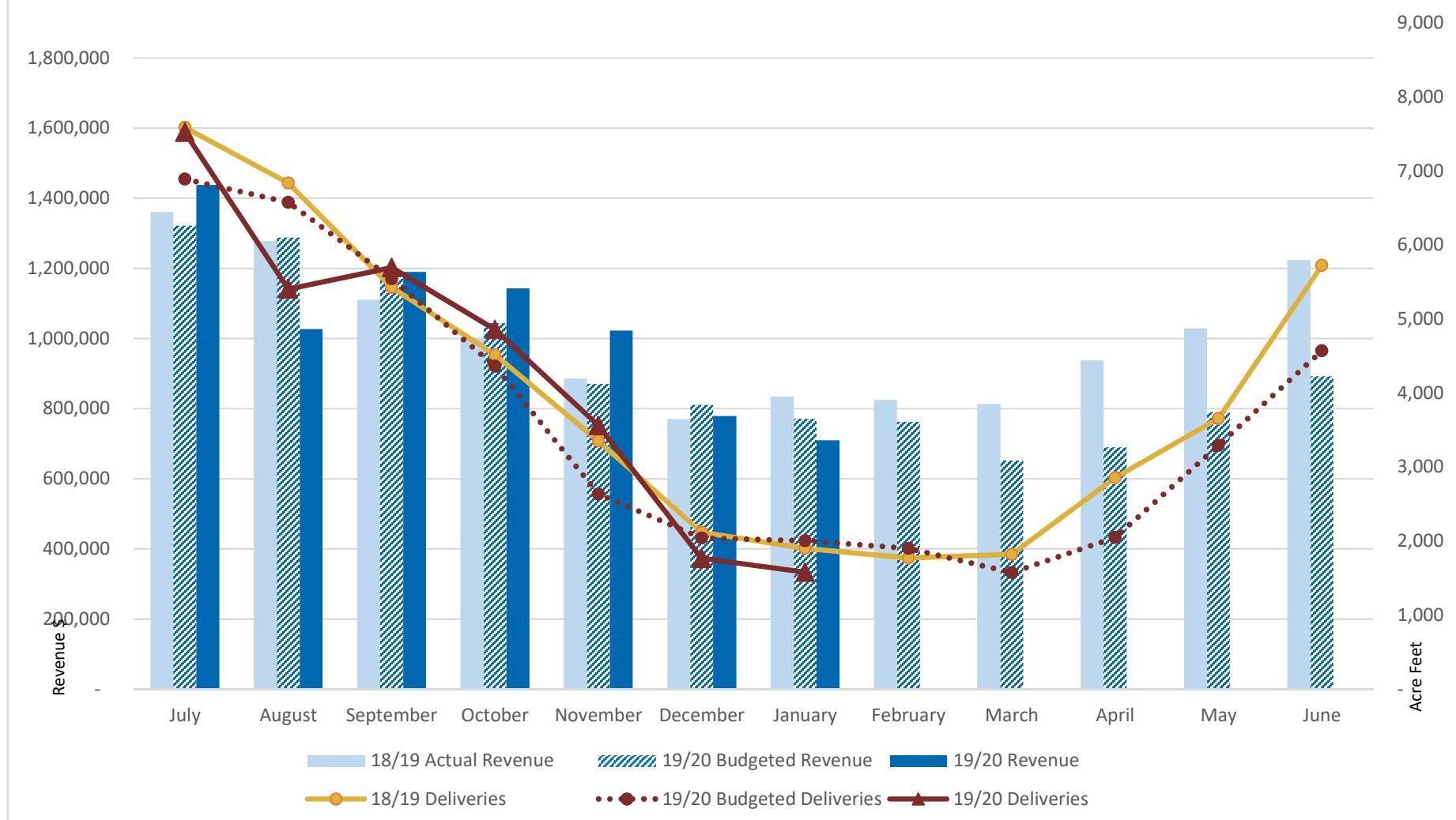
Budgeted Deliveries	30,057.21
Actual Deliveries	<u>30,389.64</u>
Difference	332.43
	1%

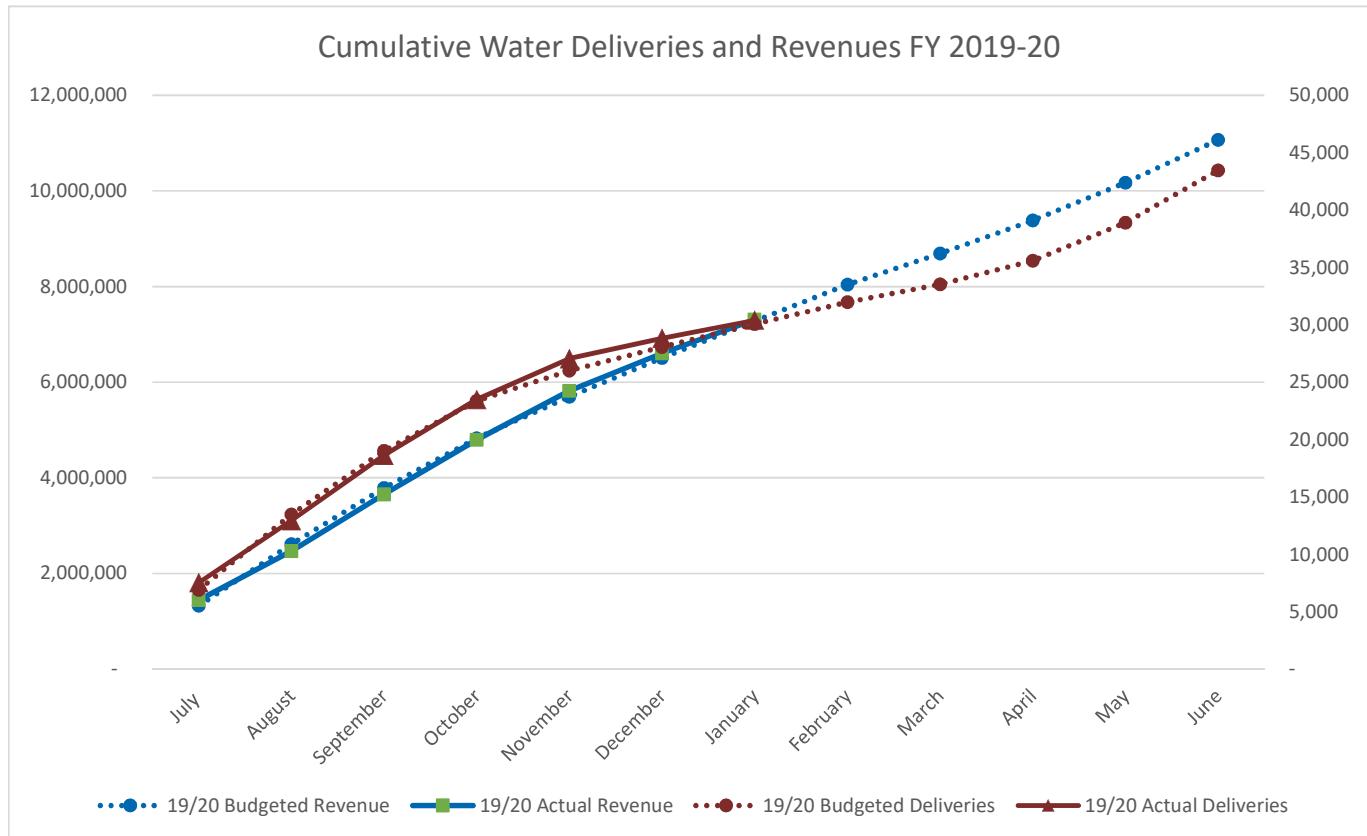
Budgeted Water Sale Revenue	\$ 7,278,047
Actual Water Sale Revenue	<u>\$ 7,309,954</u>
Difference	\$ 31,907
	0.4%

### Conclusion:

Deliveries and Revenues are tracking nicely with the budget. Total deliveries in January were slightly below budget, but gains in prior months more than offset. Citrus Heights, Fair Oaks Water and Sacramento Suburban Water Districts have all taken more water than anticipated through January 2020. San Juan Retail is on target with just a -1.7% variance on delivery. City of Folsom is also tracking well against the budget with deliveries that are .2% above expectations for this time period. As a result, deliveries in total are 1.1% greater than anticipated, generating revenues that are .4% above expectations.

## Comparison of Fiscal Year 2018/2019 Actual to 2019/2020 Projections of Deliveries and Revenue





# AGENDA ITEM IX-1

## DRAFT

### Engineering Committee Meeting Minutes San Juan Water District February 14, 2020 4:00 p.m.

**Committee Members:** Dan Rich, Chair  
Ted Costa, Director

**District Staff:** Paul Helliker, General Manager  
Tony Barela, Operations Manager  
Andrew Pierson, Engineering Services Manager  
Adam Larsen, Interim Field Services Manager  
Teri Grant, Board Secretary/Administrative Assistant

**Topics:** 520/524 Fort Rock Ct – Easement Encroachment Request (R)  
Annual Installation Services Agreement Amendment with Rawles Engineering Inc. (R)  
State of the Distribution System Presentation (R)  
Hinkle Reservoir Replacement Project Update (W)  
Other Engineering Matters  
Public Comment

#### 1. 520/524 Fort Rock Ct – Easement Encroachment Request (R)

Mr. Pierson provided the committee with a staff report which will be attached to the meeting minutes. He explained that the customer had a previous easement request in 2017 for work done on their property and that this request is to construct fencing and entry gate improvements. He stated that the encroachment should not have any effect on the District's access to the pipelines within the easement.

The Engineering Committee recommends approval of an easement encroachment request and direct staff to execute the necessary agreement with the property owner

#### 2. Annual Installation Services Agreement Amendment with Rawles Engineering Inc. (R)

Mr. Larsen provided the committee with a staff report which will be attached to the meeting minutes. He explained that the amendment to the agreement will allow Rawles Engineering to perform additional work, up to 30 service lateral installations, including 5 Fire Hydrants and 5 Air Vacuum Release Valves, through June 30, 2020.

The Engineering Committee recommends authorization and approval of Amendment #1 to the Annual Installation Services agreement with Rawles Engineering Inc. for FY 2019/20

#### 3. State of the Distribution System Presentation (R)

Mr. Barela conducted a presentation on *The State of the Distribution System* and a copy of the presentation will be attached to the meeting minutes. He reviewed the overall retail distribution system, the program preventative maintenance goals and achievements, the program efficiencies and deficiencies, system leaks, pump station electrical improvements, hydraulic/safety improvements, and contractor assistance costs. In addition, he reviewed the 2020 program goals and explained that the program goals are on a calendar-year basis. He informed the committee that he will present this to the Board in March and then in July/August he will conduct a similar presentation on the wholesale distribution system.

#### **4. Hinkle Reservoir Replacement Project Update (W)**

Mr. Pierson reported that GM Helliker sent an email to the Board regarding the new timeline for the Hinkle Reservoir Replacement Project. He explained that the covers of the Hinkle and Kokila reservoirs will be tested to assure that they can withstand one more year without failure.

Mr. Barela informed the committee that the purchase price for the temporary water storage tanks has not been determined. Once the design is provided to staff, a request for bids should be released in the next couple of weeks. He explained that the cost of the tanks will be included in the SRF funding.

#### **5. Other Engineering Matters**

Director Costa commented that there is a pipeline at Antelope and Auburn Blvd. that has been damaged several times and suggested that staff contact the planning commission to inform them that the District wants to be notified when there is construction being completed. GM Helliker stated that the pipeline is within the SSWD boundaries and he will relay the information to them.

Director Rich informed staff that Sacramento has been taking measures to prevent vandalism to their facilities. Mr. Barela informed the committee that the District has started to put in place more security measures.

#### **6. Public Comment**

There were no public comments.

The meeting was adjourned at 5:20 p.m.

# STATE OF THE DISTRIBUTION SYSTEM

## FEBRUARY 14, 2020



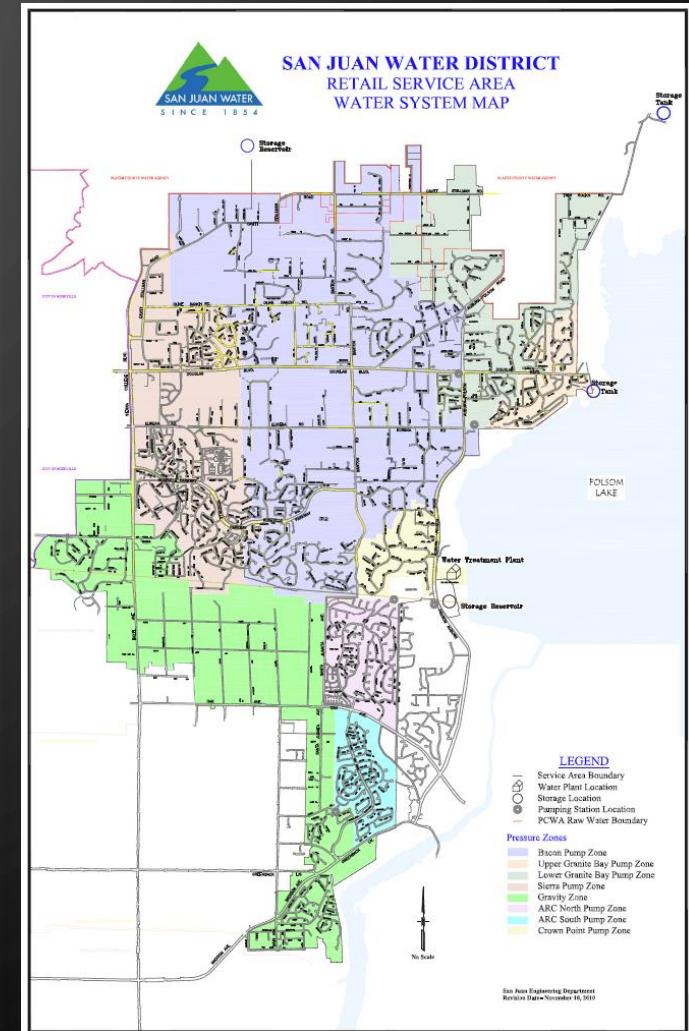
# STATE OF THE DISTRIBUTION SYSTEM

## MISSION

OUR MISSION IS TO ENSURE THE DELIVERY OF A RELIABLE WATER SUPPLY OF THE HIGHEST QUALITY AT THE LOWEST REASONABLE PRICE.

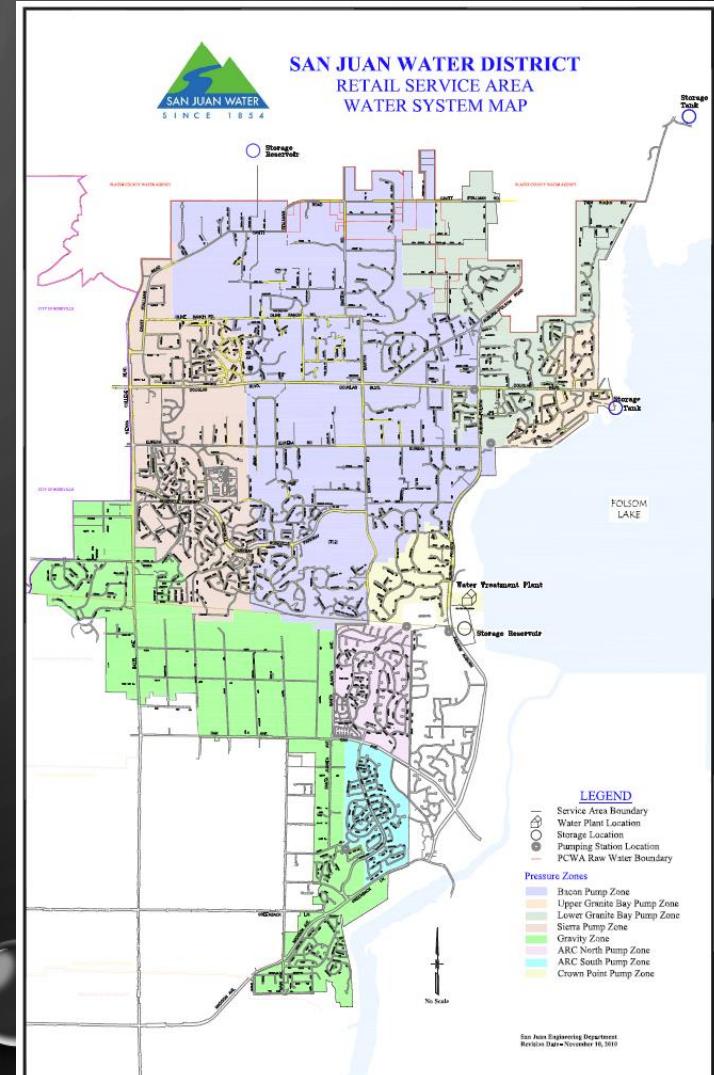
## VISION

TO BE A RECOGNIZED INDUSTRY LEADER IN THE TREATMENT AND DISTRIBUTION OF A RELIABLE SUPPLY OF SAFE AND CLEAN DRINKING WATER, WHILE PROTECTING AND RETAINING THE DISTRICT'S WATER RIGHTS AND SUPPLY



# SYSTEM AT A GLANCE

System Appurtenance	Quantity
Connections	10,700
Pipeline	206 Miles
Main Line Valves	2700
Hydrants & Lead Valve	1470
Air Release Valves	840
Blow-Off Valves	850
Pump Stations	7
Reservoirs & Tanks	3 (6.3 Mgal)

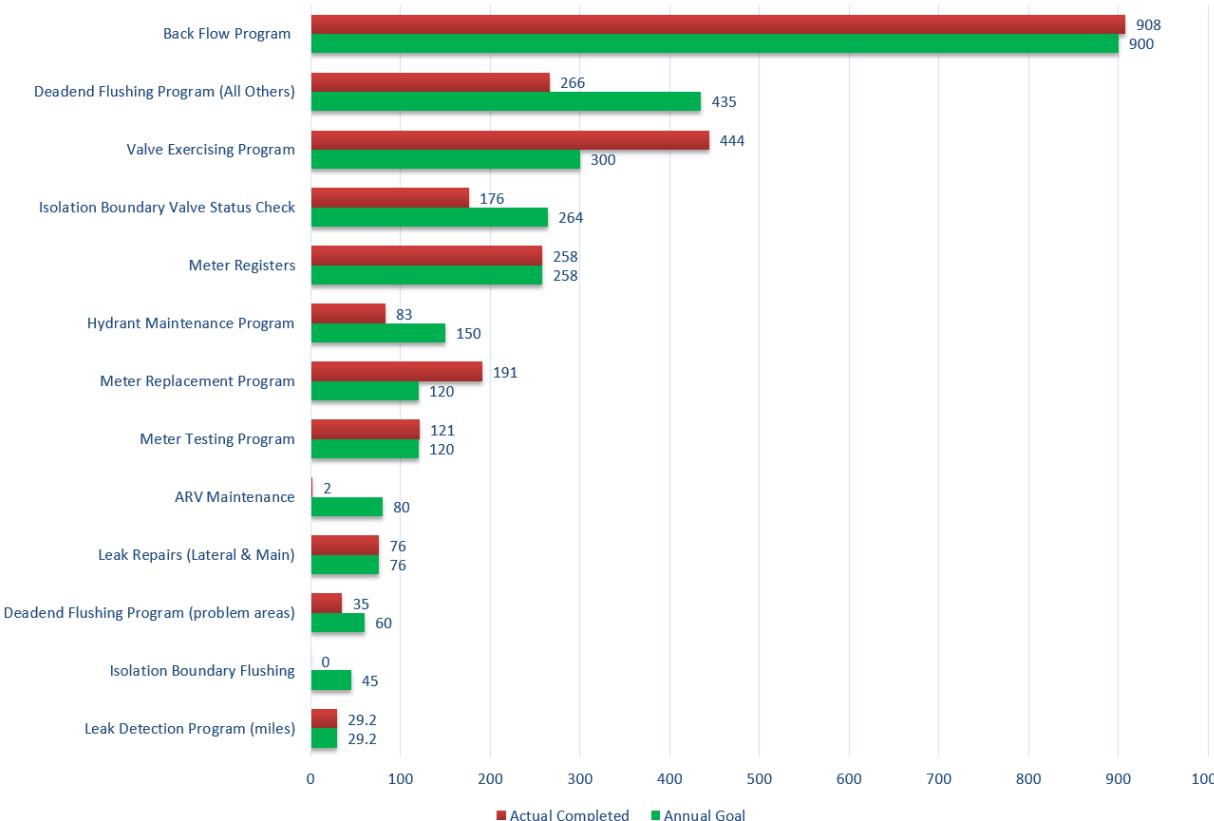


# PROGRAM PREVENTATIVE MAINTENANCE GOALS

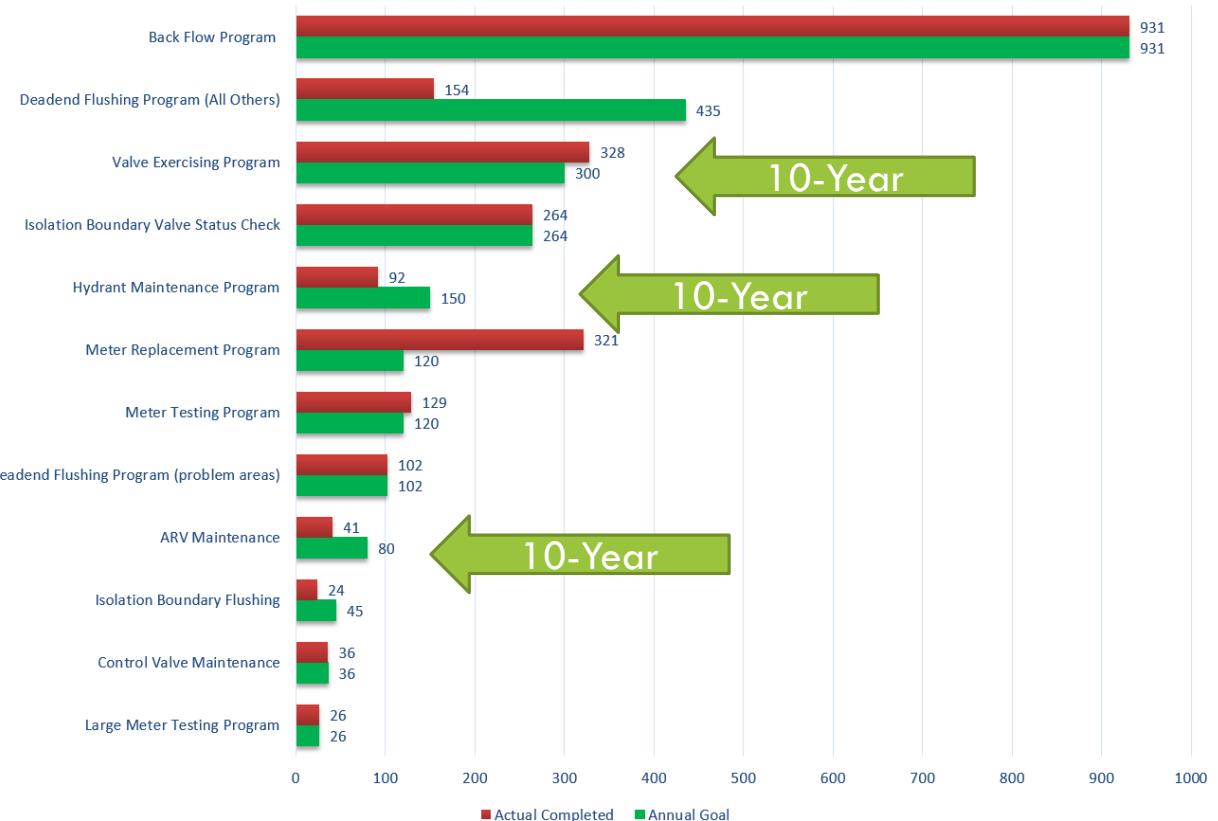
<b>Program</b>	<b>2018 Maint. Cycle</b>	<b>AWWA Best Practices Maintenance Period</b>		<b>2019 Maintenance Period</b>
Valve Exercising	10-Year	5-Years	M44: Distribution Valves: Selection, Installation, Field Testing, and Maintenance	5-Years
Hydrant Testing/Maintenance	10-Year	Annually	M17: Installation, Field Testing and Maintenance of Fire Hydrants	5-Years
Air Release Valve Testing/Maint.	10-Year	Annually	M51 Air Release, Air/Vacuum and Combination Valves	5-Years
Backflow Testing	Annually	Annually	Title 22, §64600. Water System Operations and Maintenance	Annually
Flushing	Monthly/Annually	As Needed	Title 22, §64575. Flushing	Monthly/Annually
Meter Replacement/Testing	100-years (1%)			20-Years

# 2017 & 2018 RESULTS 10-YEAR CYCLE

**2017 Performance Evaluation**

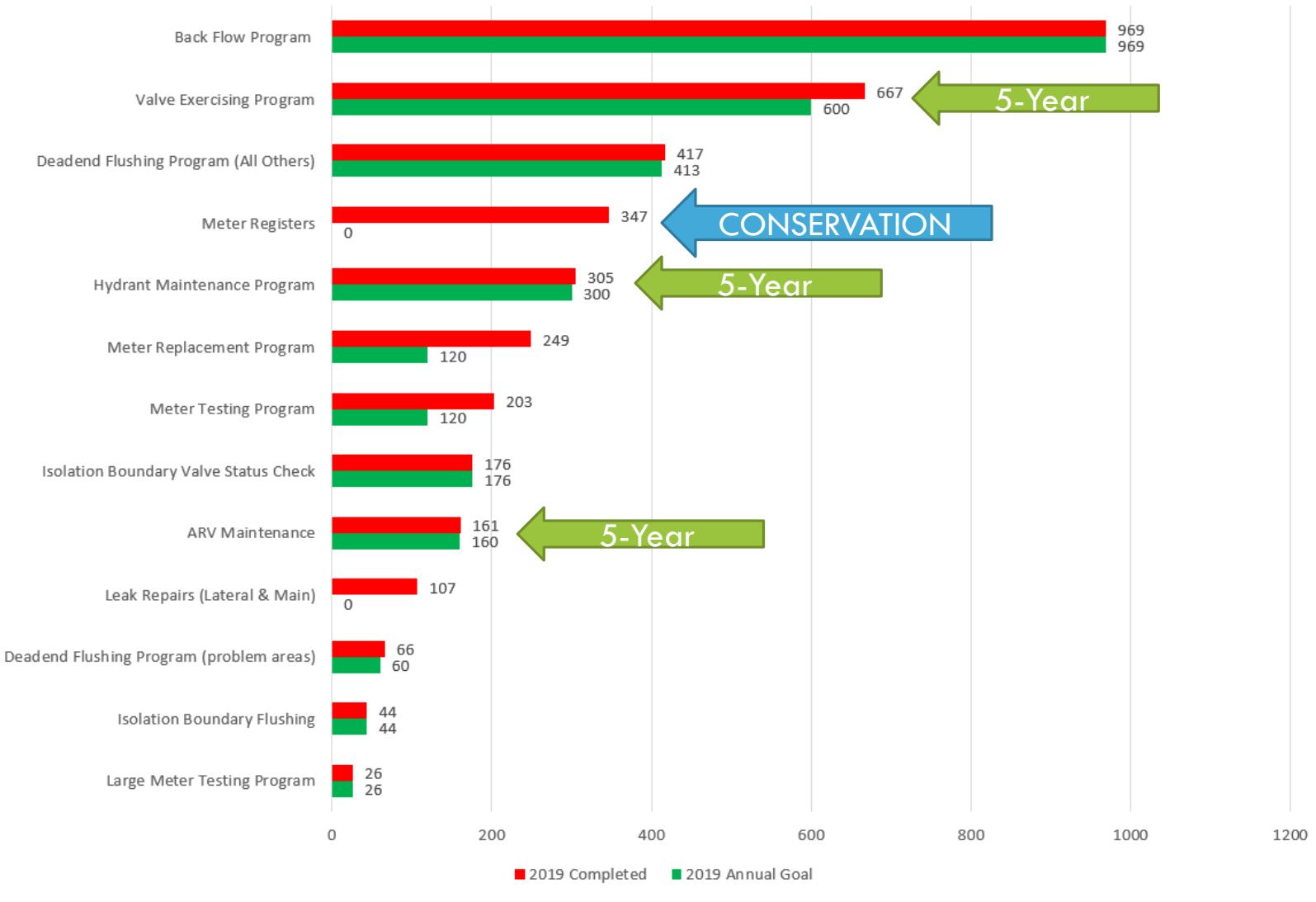


**2018 Program Evaluation**



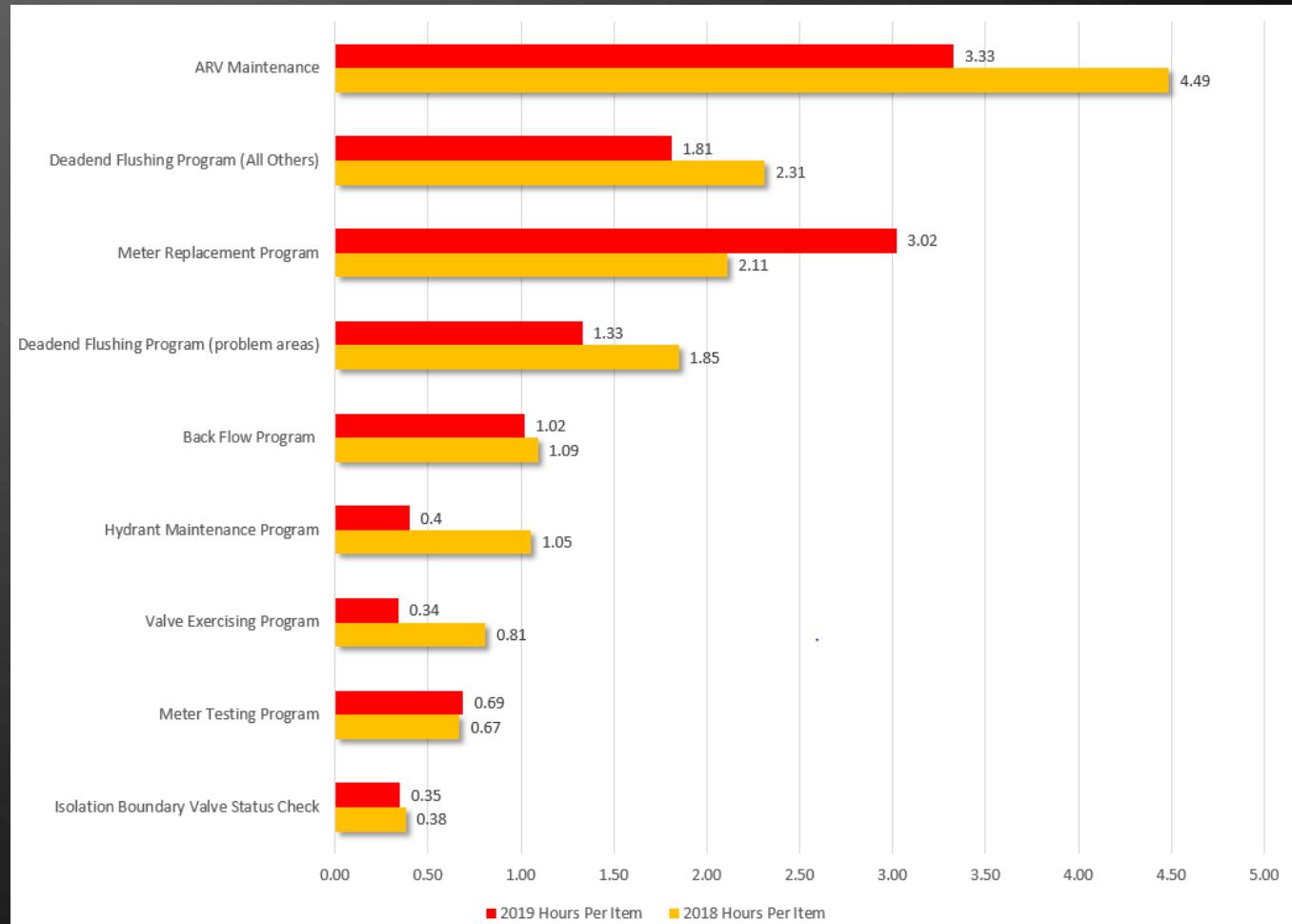
# 2019 ACHIEVEMENTS

## 2019 Program Evaluation



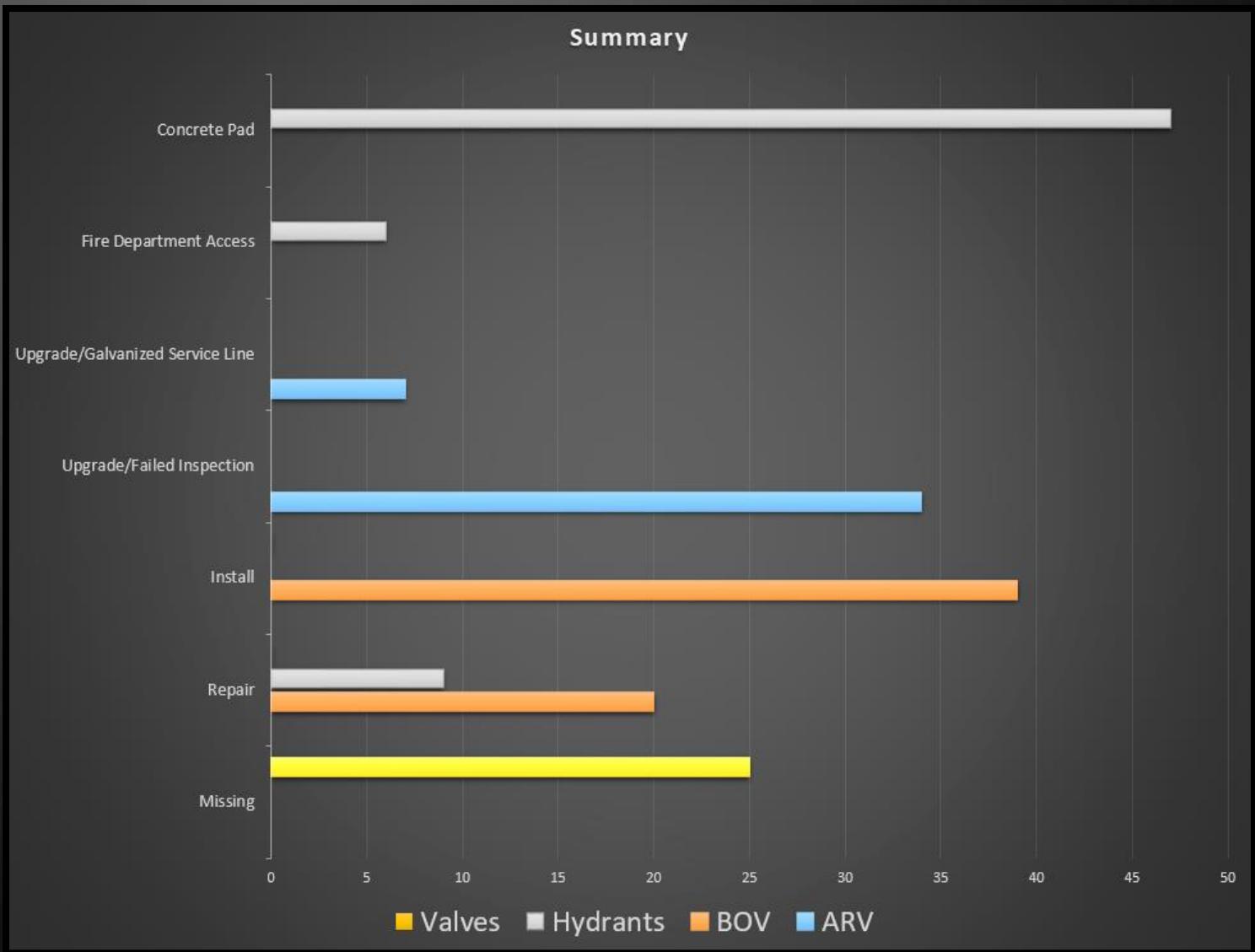
# THE CHANGE...

- PROGRAM EFFICIENCIES
- OUTSIDE ASSISTANCE
  - HYDRANT AND VALVE - EXERCISING AND MAINTENANCE
  - BACKFLOW TESTING
  - ON-CALL CONTRACTOR ASSISTANCE



# DEFICIENCY LIST

DEFICIENCY TYPE	TOTAL
AIR RELEASE VALVES	41
BLOW-OFF VALVES	59
FIRE HYDRANTS	62
VALVES	25
<b>DEFICIENCIES REPAIRED</b>	<b>44</b>
<b>DEFICIENCIES REMAINING</b>	<b>143</b>



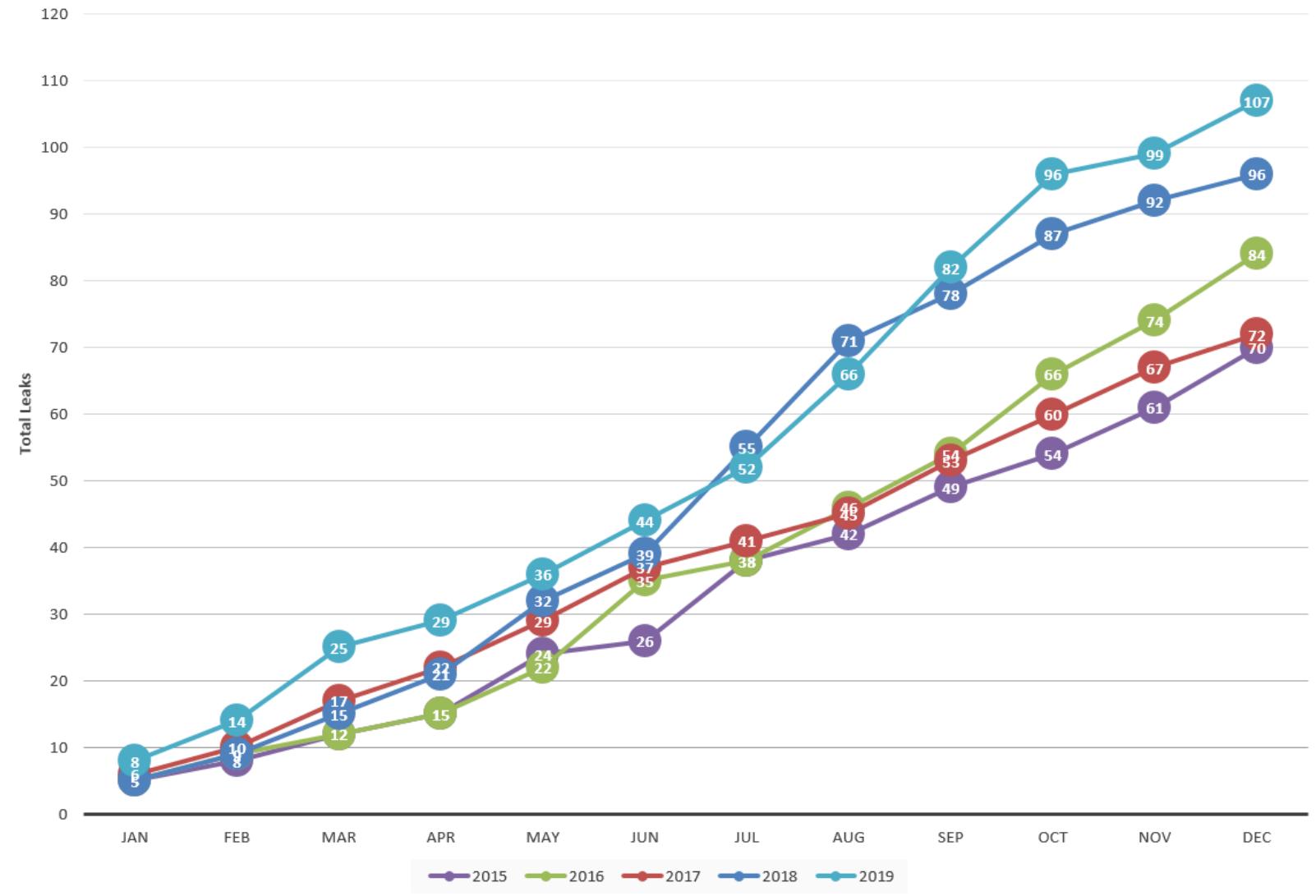
# WHAT IS A LEAK?

- SERVICE LATERAL BREAK
  - REPAIR OR REPLACE
  - SERVICE SADDLE FAILURE
- MAINLINE LEAK



# SYSTEM LEAKS

## Leak Cumulative



# PUMP STATION ELECTRICAL IMPROVEMENTS

- PUMP STATION CONTROL PANELS

- ARC-FLASH IMPROVEMENTS (BREAKER REPLACEMENTS, SAFETY DEVICES, NFPA 70E REQUIREMENTS)
- REGULAR VARIABLE FREQUENCY DRIVE (VFD) MAINTENANCE (END OF LIFE REPLACEMENT)
- CLIMATE CONTROL IMPROVEMENTS (HVAC, HEATERS)

- SYSTEM COMMUNICATIONS

- BACON FIBER CONNECTION
- RADIO SURVEY (173 MHZ/CELLULAR)



173MHz Radio Ping Quality Tests

Site Name	Site Antenna To	RSSI (dBm)	SNR(db)	Ping Quality %	Notes
Antelope Pump Station (ANT)	Kokila Reservoir	-86.22	31.79	89.950%	Antenna located at corner of PS, on ground facing trees
Sierra College/West Ranch (SCW)	Kokila Reservoir	-63.45	31.83	88.164%	Had both Central & KOK Radios, On, Transmitting (2) ways (40Minute Mark)
Sierra College/West Ranch (SCW)	Kokila Reservoir	-63.88	32.03	92.435%	Had only KOK Radio, Transmitting (1) ways (60minute mark)
Douglas Pump Station (DPS)	Central	-84.14	31.35	96.840%	Antenna located in front of PS on Ground
Granite Bay Upper (GBU)	Central	-77.74	31.29	96.941%	Antenna located in front of PS on Ground facing wall of trees
Kokila Reservoir (KOK)	Central	-76.97	33.17	95.823%	Antenna mounted on Solar Array Setup
Los Lagos Tank (LLT)	Kokila Reservoir	-74.88	31.44	89.861%	Antenna mounted on ground in front of Tank
Los Lagos Tank (LLT)	Central	-85.13	32.88	85.000%	Antenna mounted on ground in front of Tank (Transmitting to two radios, so Quality is lower)
Mooney Tank (MOO)	Kokila Reservoir	-79.07	32.34	82.791%	Antenna Mounted on ground in front of PS. (Transmitting with two radios on, so quality is lower) Antenna facing Kokila Reservoir
Mooney Tank (MOO)	Central	-59.06	32.31	81.818%	Antenna Mounted on ground in front of PS. (Transmitting with two radios on, so quality is lower) Antenna facing WTP

# HYDRAULIC/SAFETY IMPROVEMENTS

- CONTROL VALVE STATION IMPROVEMENTS
  - REPLACING END OF LIFE CONTROL VALVES
  - CROSS CONNECTION POTENTIAL
- ELIMINATING CONFINED SPACES
  - RAISING VALVES
  - WORKING WITH CUSTOMERS

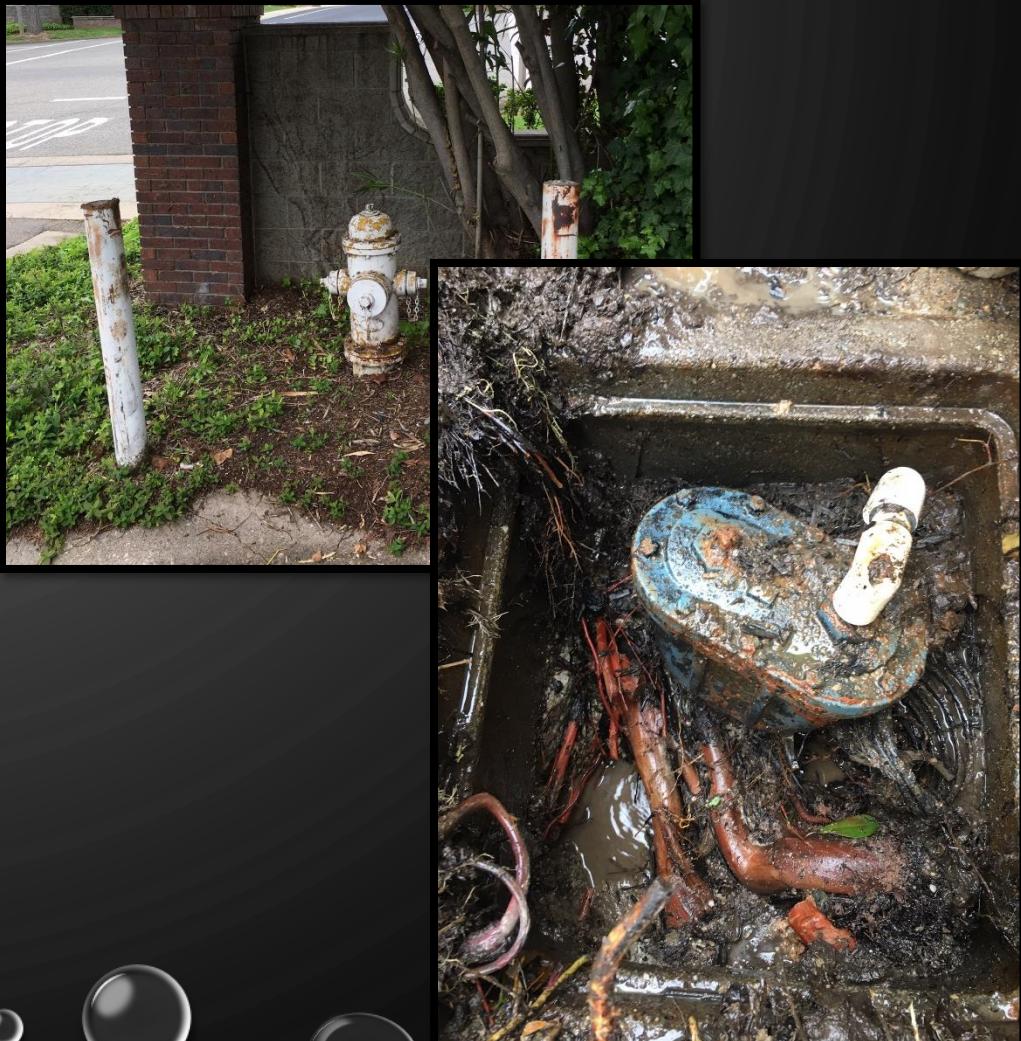


# CONTRACTOR ASSISTANCE COSTS

Type	2019 # Completed	2020 # Estimated
Backflow Testing	58	950
Valve & Hydrant Maintenance	273 Valves 298 Hydrants	700 Valves 300 Hydrants & Lead Valves
On-Call Contractor	44 Leaks/Laterals 1 Hydrant 6 ARVs	55 Leaks/Laterals 10 Hydrants 10 ARVs
<b>Budget CY19:</b>	<b>\$549,000</b>	<b>Estimated Cost FY20/21: \$630,950</b>
<b>Total Spent CY19:</b>	<b>\$347,800</b>	

# 2020 PROGRAM GOALS

- ACHIEVE 5-YEAR CYCLE GOALS
- DEFINE CIP PROJECTS FOR DEFICIENCIES AND LEAK TRENDS
- CONTINUE OUTSIDE CONTRACTOR ASSISTANCE
- IMPLEMENT CITYWORKS AND GIS FOR OPERATIONAL EFFICIENCIES
- CONTINUE STAFF & MANAGEMENT OUT OF THE BOX THINKING FOR EFFICIENCIES



# STATE OF THE DISTRIBUTION SYSTEM



# AGENDA ITEM IX-2

DRAFT

## Finance Committee Meeting Minutes San Juan Water District February 25, 2020 4:00 p.m.

**Committee Members:** Ken Miller, Director (Chair)  
Dan Rich, Director

**District Staff:** Paul Helliker, General Manager  
Donna Silva, Finance Director  
Teri Grant, Board Secretary/Administrative Assistant

**Members of the Public:** Jerry Legg, CTP, Five Star Bank

Director Miller moved Agenda Item 5 to the beginning of the meeting; however, the meeting minutes will remain in the original order.

**1. Review General Manager Reimbursements (W & R)**

There was no reimbursement request from the General Manager.

**2. Review Check Register from January 2020 (W & R)**

The committee reviewed the January 2020 check register and found it to be in order.

**3. Treasurers Report – Quarter Ending December 31, 2019 (W & R)**

Ms. Silva provided a staff report which was included in the Board packet. She explained that the purpose of the treasurer's report is to update the Board and the public on the status of the District's cash balances and investments.

**4. Other Finance Matters (W & R)**

In response to Director Rich's question regarding dry conditions and increased revenue, Ms. Silva explained that the mid-year budget is being completed and she is working with staff to project water sales for the rest of this fiscal year. GM Helliker explained that, unlike 2015 when there was a state mandate after a two-year drought, this year the hydrological conditions do not warrant emergency measures since the reservoirs in the state are pretty full.

Director Miller commented that there should be some public outreach on the recently updated rates and fees such as the one regarding the back flow devices, and emphasis should be made when there is a state mandated fee.

**5. Public Comment**

Mr. Jerry Legg from Five Star Bank addressed the committee and provided information regarding their banking services. GM Helliker will review the information and follow up as appropriate.

The meeting was adjourned at 4:25 p.m.

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