

# **SAN JUAN WATER DISTRICT**

Board of Director's Board Meeting Minutes  
February 22, 2023 – 6:00 p.m.

## **BOARD OF DIRECTORS**

Dan Rich	President (absent)
Manuel Zamorano	Vice President
Ted Costa	Director
Ken Miller	Director
Pam Tobin	Director

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

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Director of Operations
Andrew Pierson	Director of Engineering
Devon Barrett	Customer Service Manager
Adam Larsen	Field Services Manager
Greg Zlotnick	Water Resources Manager
Teri Grant	Board Secretary/Administrative Assistant
Ryan Jones	General Counsel

## **OTHER ATTENDEES**

Attendee

## **AGENDA ITEMS**

- I. Roll Call
- II. Public Forum and Comments
- III. Consent Calendar
- IV. Old Business
- V. New Business
- VI. Information Items
- VII. Directors' Reports
- VIII. Committee Meetings
- IX. Upcoming Events
- X. Adjourn

Vice President Zamorano called the meeting to order at 6:00 p.m.

### **I. ROLL CALL**

The Board Secretary took a roll call of the Board. The following directors were present: Ted Costa, Ken Miller and Manuel Zamorano. President Rich was absent. Director Pam Tobin arrived after the vote on Agenda Item III.

### **II. PUBLIC FORUM**

There were no public comments.

### 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 25, 2023 (W & R)**  
*Recommendation: Approve draft minutes*
2. **Treasurer's Report – Quarter Ending December 31, 2022 (W & R)**  
*Recommendation: Receive and file*
3. **Finance Committee Meeting Dates (W & R)**  
*Recommendation: Revise Finance Committee Charter*
4. **Placer Retirement Residence Development Project Pipeline Easement Grant to SJWD (R)**  
*Recommendation: Adopt Resolution 23-01 accepting a dedicated easement for a new pipeline installation to supply the Placer Retirement Residence development project, and authorize staff to accept and process the documents from the property owner*

***Vice President Zamorano moved to approve the Consent Calendar. Director Costa seconded the motion and it carried with 3 Ayes and 2 Absent (Rich and Tobin).***

### IV. OLD BUSINESS

1. **Eureka Road Pipeline Replacement Project – Installment Sale Agreement (R)**  
Ms. Silva provided the Board with a written staff report which will be attached to the meeting minutes. She explained that the installment agreement for the Eureka Road Pipeline Replacement Project is for a term of 30 years at 1.1% for a maximum amount of \$3,995,000. In addition, the agreement requires the establishment of a Restricted Reserve Fund in the amount of one year of debt service payments.

***Vice President Zamorano moved to approve Resolution 23-02 authorizing the District to Execute an Installment Sale Agreement with the California State Water Resources Control Board to provide funding for the Eureka Road Pipeline Replacement Project. Director Costa seconded the motion and it carried with 4 Ayes and 1 Absent (Rich).***

2. **FY 2022-23 Operations Plan Report Card (W & R)**  
GM Helliker reviewed the 2<sup>nd</sup> quarter progress on the FY 2022-23 Operations Plan Report Card. He reviewed a few items that have been delayed.
3. **2023 Hydrology and Operations Update (W & R)**  
GM Helliker reviewed data on Folsom Reservoir, which included the current storage level at 110% of historical average, data on releases, temperature and precipitation

outlooks, storage levels and projections, and current reservoir conditions across the state.

GM Helliker reported that precipitation levels are still above normal and the snow levels are at 186% of the April 1<sup>st</sup> average for the American River watershed (Central). He reviewed the forecast for total run-off and the incoming atmospheric rivers. He reviewed the Drought Monitor Main Map and the Drought Monitor Better Maps and informed the Board that he has been advocating for the media to use the latter since it is a better indicator of the actual drought situation related to urban water supplies.

GM Helliker reviewed the Folsom Reservoir Flood Control Curve chart and anticipates Folsom Reservoir filling over the next few months. He reviewed the water temperature at the dam. In addition, he informed the Board that the CVP water allocation was released today and indicated that the settlement contractors who received 18% last year are expected to receive 100% this year. San Juan's allocation is 75% of historic use (which is 0).

#### **4. Conjunctive Use and Groundwater Banking Activities Update (W & R)**

GM Helliker informed the Board that Citrus Heights Water District (CHWD) indicates that they are unable to meet regarding conjunctive use and groundwater banking for a few months. Director Costa informed the Board that Fair Oaks Water District (FOWD) is drafting a response to Director Miller's October, 2022 letter and it should be received in the next couple of days, and that FOWD appointed two directors to meet with two SJWD directors to discuss this topic. GM Helliker informed the Board that President Rich appointed Director Costa and himself to represent the District on the FOWD 2x2 committee. In addition, GM Helliker will provide the Board with the options document that is being discussed with SSWD and Orangevale.

In response to Director Miller's comment, GM Helliker informed the Board that there are other options available to the District for groundwater banking and the District is not limited to partnering with FOWD or CHWD only. Director Miller urged the committee to recommend a sunset date for FOWD and CHWD to decide if they would like to pursue a partnership regarding this topic. In addition, the Board discussed the District constructing its own groundwater well and GM Helliker commented that since the District is not in the business of operating and maintaining wells, it might be best if a partnership with an agency that does operate wells were established.

## **V. NEW BUSINESS**

#### **1. ACWA JPIA Executive Committee Nomination (W & R)**

Director Tobin informed the Board that there are four seats open for election on the ACWA JPIA Executive Committee, and she would like to be nominated.

*Director Miller moved to adopt Resolution 23-03 nominating Pam Tobin to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority. Director Costa seconded the motion and it carried with 4 Ayes and 1 Absent (Rich).*

## **2. Legislation (W & R)**

GM Helliker requested that the Board delay any action on Initiative 21-0042A1 until a future meeting. He informed the Board that SB 366 is the bill that the Solve the Water Crisis group is working on; however, he asked that a position on this bill be delayed as well, since the bill as introduced is only a spot bill. Director Tobin stated that ACWA is also working on these items and she suggested that the Board wait to take a position. Vice President Zamorano agreed that the Board should wait to take a position, especially since SB 366 is a spot bill.

***Director Miller moved to adopt an oppose position on Initiative 21-0042A1. Director Tobin seconded the motion. The vote began with a No vote from Director Costa and an Aye vote from Director Miller; however, Director Tobin questioned the motion, then with clarification from Legal Counsel Jones, Director Miller withdrew his motion and Director Tobin withdrew her second to the motion.***

Vice President Zamorano asked under New Business to make a motion for a one-time rebate of \$5 for residential customers - the \$5 rebate is to be deducted from a designated monthly bill - refer this motion to the Finance Committee and back to the Board for consideration. In response to Director Miller, Vice President Zamorano explained that since the Board is willing to give COLAs of 5-6% totaling \$70-80,000 in perpetuity then a small rebate to residential customers is a way to show respect to the customers and that the Board is looking out for their best interest.

## **VI. 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.

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

GM Helliker reported that the Water Forum is developing its budget for next fiscal year starting in July which includes two elements – the Habitat Management and the Water Forum Successor Effort. He explained that, for the last three years, the group has been working on updating the Water Forum agreement, which terminates in 2030. The Water Forum staff is estimating that it will take until 2026 to finalize the agreement at a cost of approximately \$1.5 million. In addition, the County of Sacramento wants to reduce their commitment, which is about half of the amount that is charged to the whole region. The Water Forum participants are discussing the budget and looking for areas to reduce costs and expect to have this resolved by July.

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

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

No report.

### **3. DIRECTOR OF OPERATIONS' REPORT**

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

### **4. DIRECTOR OF ENGINEERING SERVICES' REPORT**

- 4.1 Hinkle Reservoir Replacement Project Update (W)**  
Mr. Pierson provided an update on the progress of the Hinkle Reservoir Replacement Project.
- 4.2 Miscellaneous District Issues and Correspondence**  
Mr. Pierson informed the Board that work on the Eureka Road Pipeline Replacement Project started last week.

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

- 5.1 Legal Matters**  
No report.

## **VII. DIRECTORS' REPORTS**

### **1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)**

Director Costa reported that SGA met February 9th.

### **2. REGIONAL WATER AUTHORITY (RWA)**

No report.

### **3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)**

**3.1 ACWA - Pam Tobin**

Director Tobin reviewed her written report that was included in the Board packet.

**3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin**

Director Tobin reviewed her written report that was included in the Board packet.

**3.3 Energy Committee - Ted Costa**

No report.

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

No report.

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

There were no other matters discussed.

## VIII. COMMITTEE MEETINGS

### 1. Finance Committee – February 21, 2023

Director Costa informed the Board that the Finance Committee will start meeting the Tuesday the week prior to the Board meeting so that the meeting minutes can be included in the Board packet. The committee meeting minutes will be attached to the original board minutes.

## IX. UPCOMING EVENTS

### 1. ACWA DC2023 Conference

February 28 – March 1, 2023  
Washington, DC

### 2. 2023 ACWA Legislative Symposium

March 23, 2023  
Sacramento

### 3. 2023 ACWA Spring Conference

May 9-11, 2023  
Monterey, CA

## X. ADJOURN

The meeting was adjourned at 7:22 p.m.

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DAN RICH, President  
Board of Directors  
San Juan Water District

ATTEST:

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TERI GRANT, Board Secretary

# AGENDA ITEM III-2

## STAFF REPORT

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To: Board of Directors  
From: Donna Silva, Director of Finance  
Date: February 22, 2023  
Subject: Treasurer's Report – Quarter Ending December 31, 2022

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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 2022-2023, ending December 31, 2022.

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:

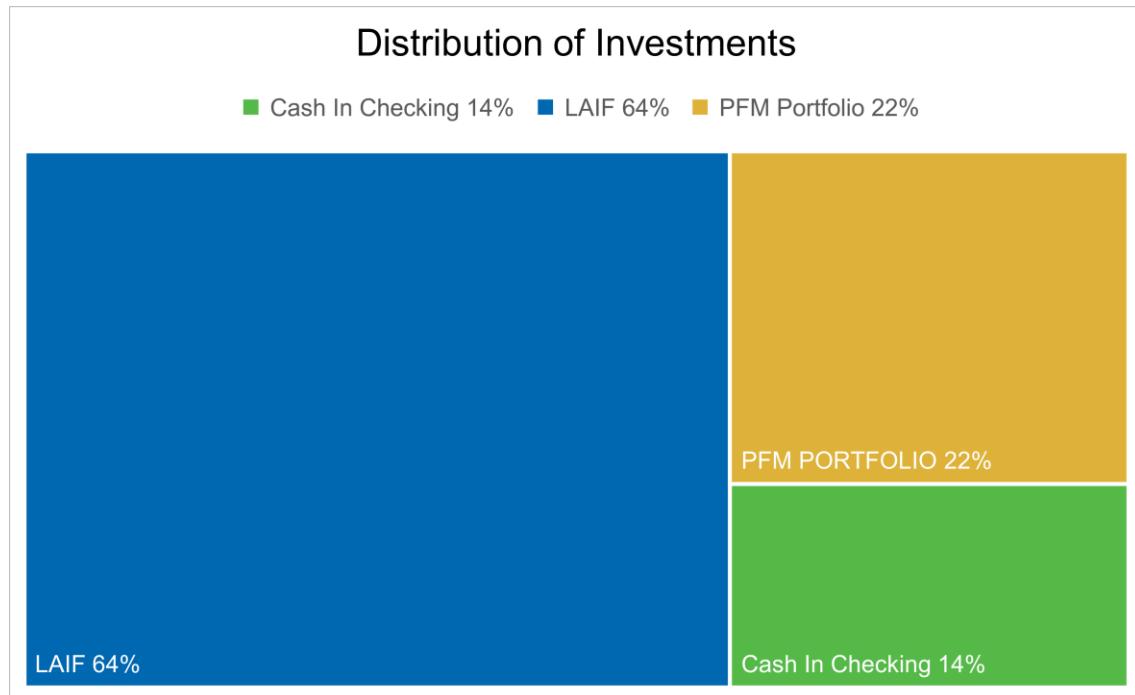
1. Safety
2. Liquidity
3. Yield

Attached is the quarterly Treasurer's Report for the three months ended December 31, 2022.

At September 30, 2022, the end of the previous quarter, the value of the District's total portfolio was \$37.64 million. Since that time, the value of the District's portfolio increased by \$4.6 million for an ending balance of \$42.2 million as of December 31, 2022. Cash and short-term investments increased by \$5,005,811. Medium term investments decreased by \$2.1 million and long-term investments increased by \$1.7 million.

The funds are currently held as follows:

Cash at Banking Institutions	\$ 5,790,226
Local Agency Investment Fund (LAIF)	26,997,538
PFM Managed Investment Portfolio	<u>9,459,596</u>
	<u>\$ 42,247,360</u>

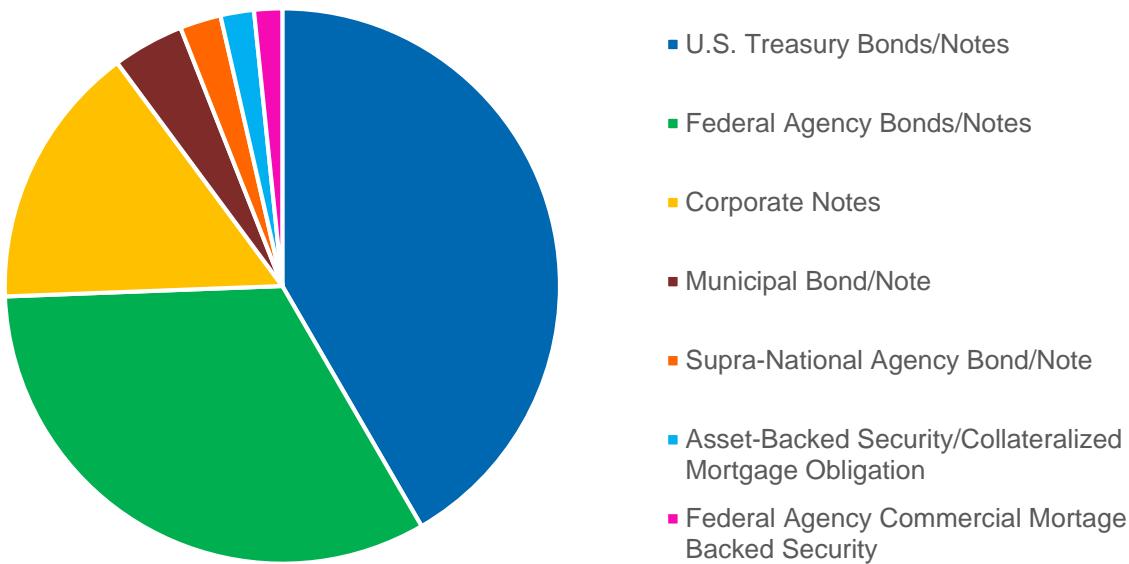


The overall portfolio is diversified with 22% invested in marketable securities (PFM Portfolio), 64% invested in short-term investments that are considered liquid (LAIF) and 14% on deposit with US Bank. Staff, in conjunction with your financial advisors, periodically review the mix of liquid and long-term investments and adjusts the portfolio according to the market conditions and the District's short term cash needs. Absent the need to keep cash readily available for the Hinkle Reservoir project, staff would be transferring excess funds out to LAIF and/or the managed portfolio.

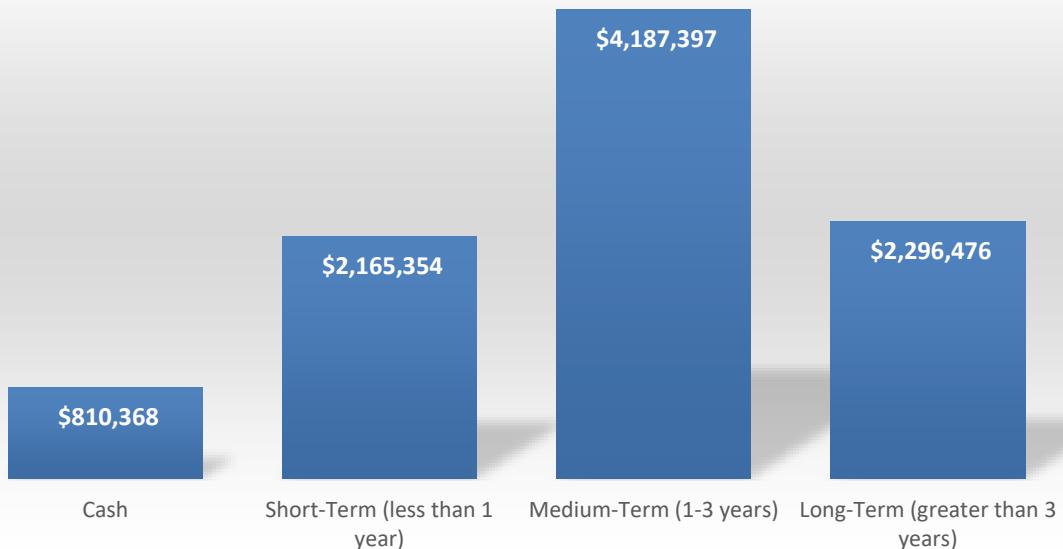
All securities held are in conformance with those permitted by the District's Investment Policy. There are sufficient funds to meet the District's expenditure requirements for the next six months.

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

### Mix of Investments - PFM Portfolio



### Duration of PFM Portfolio



In spite of continued rate hikes, inflation remains an economic challenge. The Fed continued its rate hikes this quarter. In response to those rate hikes interest rates on investments have continued to increase, creating an opportunity for the District to add higher yielding investments to the portfolio.

The portfolio is still performing well relative to the benchmark (Bank of America Merrill Lynch "BAML" 0-5 year Treasury Index) on an historical basis.

Total Returns – period ending December 31, 2022

	Duration (years)	Quarter Ending 12/31/2022	Past Year	Since Inception
San Juan Water District	2.01	.93%	-3.59 %	1.11%
BAML 0-5 Year Treasury Index	1.97	.93%	-3.71%	.84%

**San Juan Water District**  
**Treasurer's Report**  
**December 31, 2022**

	<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	5,790,226.35	5,790,226.35	5,790,226.35	na
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.365%	26,997,537.74	26,997,537.74	26,997,537.74	na
PFM MONEY MARKET ACCOUNT	na	810,368.43	810,368.43	810,368.43	na
LONG-TERM INVESTMENTS (PFM Investment Portfolio):					
<i>U.S. Treasury Bonds/Notes:</i>					
US Treasury Notes	2.44%	155,000.00	149,290.43	153,885.94	3/31/2023
US Treasury Notes	2.28%	95,000.00	90,977.34	93,129.69	7/31/2023
US Treasury Notes	2.44%	160,000.00	151,993.75	156,850.00	7/31/2023
US Treasury Notes	2.25%	45,000.00	46,183.01	44,423.44	9/30/2023
US Treasury Notes	2.52%	150,000.00	151,517.58	147,421.88	11/15/2023
US Treasury Notes	2.52%	155,000.00	152,226.95	151,415.63	11/30/2023
US Treasury Notes	2.56%	15,000.00	15,044.53	14,695.31	12/31/2023
US Treasury Notes	0.35%	34,000.00	35,751.80	33,112.81	2/29/2024
US Treasury Notes	0.34%	150,000.00	149,619.14	142,218.75	3/15/2024
US Treasury Notes	1.90%	125,000.00	125,566.41	120,605.48	4/30/2024
US Treasury Notes	1.78%	150,000.00	151,546.88	144,187.50	6/30/2024
US Treasury Notes	1.39%	15,000.00	15,525.59	14,428.13	7/31/2024
US Treasury Notes	0.33%	30,000.00	31,327.73	28,415.63	10/31/2024
US Treasury Notes	2.72%	190,000.00	181,954.69	177,739.07	1/15/2025
US Treasury Notes	0.64%	120,000.00	118,715.63	109,500.00	4/30/2025
US Treasury Notes	0.67%	145,000.00	142,564.45	130,160.15	9/30/2025
US Treasury Notes	0.78%	100,000.00	97,882.81	89,406.25	10/31/2025
US Treasury Notes	1.02%	175,000.00	170,515.63	156,515.63	11/30/2025
US Treasury Notes	0.77%	125,000.00	122,753.91	11,640.63	12/31/2025
US Treasury Notes	2.95%	250,000.00	227,343.75	222,343.75	1/31/2026
US Treasury Notes	3.19%	260,000.00	235,381.25	231,237.50	1/31/2026
US Treasury Notes	1.15%	310,000.00	301,644.53	276,142.17	2/28/2026
US Treasury N/B Notes	0.81%	85,000.00	84,731.05	75,796.10	5/31/2026
US Treasury N/B Notes	2.99%	135,000.00	123,725.39	120,382.04	5/31/2026
US Treasury N/B Notes	0.79%	200,000.00	199,562.50	178,343.76	5/31/2026
US Treasury N/B Notes	2.77%	135,000.00	124,300.20	119,854.69	9/30/2026
US Treasury Notes	3.21%	160,000.00	140,662.50	136,824.99	6/30/2027
US Treasury Notes	3.40%	130,000.00	123,251.17	120,229.69	8/15/2027
US Treasury N/B Notes	4.27%	100,000.00	99,371.09	100,343.75	9/30/2027
Subtotal		3,899,000.00	3,760,931.69	3,501,250.36	
<i>Supra-National Agency Bond/Note</i>					
Int'l Bk Recon & Develop Corp Notes	0.32%	75,000.00	74,838.75	72,075.83	11/24/2023
Inter-American Devel Bk Notes	0.52%	145,000.00	144,892.70	135,114.63	9/23/2024
Subtotal		220,000.00	219,731.45	207,190.46	

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	<b>Yield %</b>	<b>Par Value</b>	<b>Cost</b>	<b>Current Market Value</b>	<b>Maturity Date</b>
...continued					
<i>Municipal Bonds/Notes</i>					
CA ST Taxable GO Bonds	1.87%	100,000.00	102,001.00	98,227.00	10/1/2023
Mississippi St-A-Txbl Municipal Bonds	0.57%	100,000.00	100,000.00	92,296.00	11/1/2024
OR ST Dept Trans Txbl Rev Bonds	0.57%	70,000.00	70,000.00	64,638.70	11/15/2024
FL ST Board of Admin Txbl Rev Bonds	1.11%	20,000.00	20,141.40	18,279.60	7/1/2025
FL ST Board of Admin Txbl Rev Bonds	1.26%	55,000.00	55,000.00	50,268.90	7/1/2025
Los Angeles CCD, CA Taxable GO Bonds	0.77%	40,000.00	40,000.00	36,299.60	8/1/2025
	Subtotal	385,000.00	387,142.40	360,009.80	
<i>Federal Agency Commercial Mortgage-Backed Security</i>					
Fannie Mae - ACES	2.14%	45,249.75	47,448.59	44,651.85	3/1/2024
FHMS K043 A2	1.95%	100,000.00	104,953.13	96,879.12	12/1/2024
	Subtotal	145,249.75	152,401.72	141,530.97	
<i>Federal Agency Bonds/Notes:</i>					
Federal Home Loan Bank Notes	1.44%	130,000.00	129,760.80	129,482.34	2/17/2023
Fannie Mae Notes	0.35%	145,000.00	144,563.55	142,491.65	5/22/2023
Freddie Mac Notes	0.35%	80,000.00	79,766.40	78,263.60	6/26/2023
Fannie Mae Notes	0.32%	135,000.00	134,709.75	131,863.95	7/10/2023
Freddie Mac Notes	0.28%	90,000.00	89,908.20	87,397.29	8/24/2023
Fannie Mae Notes	2.98%	260,000.00	258,770.20	256,447.36	9/12/2023
Fannie Mae Notes (Callable)	0.31%	125,000.00	124,987.50	120,150.25	11/16/2023
Fannie Mae Notes	0.20%	100,000.00	100,152.00	95,918.50	11/27/2023
Freddie Mac Notes	0.28%	45,000.00	44,955.45	43,124.58	12/4/2023
Federal Home Loan Bank Notes	2.72%	50,000.00	51,485.00	49,294.65	12/8/2023
Freddie Mac Notes	1.52%	250,000.00	249,807.50	235,132.50	2/12/2025
Federal Home Loan Bank Notes	0.60%	100,000.00	99,504.00	91,548.80	4/14/2025
Fannie Mae Notes	0.67%	125,000.00	124,742.50	114,676.50	4/22/2025
Fannie Mae Notes	0.61%	160,000.00	160,118.40	146,785.92	4/22/2025
Fannie Mae Notes	0.54%	145,000.00	144,699.85	131,981.90	6/17/2025
Freddie Mac Notes	0.48%	90,000.00	89,551.80	81,438.30	7/21/2025
Fannie Mae Notes	0.47%	100,000.00	99,532.00	90,177.40	8/25/2025
Fannie Mae Notes	0.49%	135,000.00	134,269.65	121,739.49	8/25/2025
Fannie Mae Notes (Callable)	4.00%	315,000.00	314,684.25	308,509.11	8/28/2025
Freddie Mac Notes	0.44%	140,000.00	139,578.60	125,833.68	9/23/2025
Freddie Mac Notes	0.47%	175,000.00	174,177.50	157,292.10	9/23/2025
Fannie Mae Notes	0.51%	105,000.00	104,960.10	94,343.87	11/7/2025
	Subtotal	3,000,000.00	2,994,685.00	2,833,893.74	
<i>Corporate Notes:</i>					
American Honda Finance	1.96%	100,000.00	99,963.00	98,795.00	5/10/2023
Morgan Stanley Corp Notes	0.73%	10,000.00	10,000.00	9,851.60	4/5/2024
Morgan Stanley Corp Notes	0.69%	40,000.00	40,050.40	39,406.40	4/5/2024
Bank of America Corp Note	0.81%	75,000.00	75,000.00	71,932.35	10/24/2024
John Deere Capital Corp Corp Notes	2.17%	75,000.00	73,105.50	70,080.83	1/10/2025
Toyota Motor Credit Corp Corp Notes	1.58%	30,000.00	30,293.10	28,254.60	2/13/2025
Toyota Motor Credit Corp Corp Notes	1.58%	45,000.00	45,439.65	42,381.90	2/13/2025
Amazon.com Inc. Corp Notes	3.06%	50,000.00	49,920.50	48,235.50	4/13/2025
Citigroup Inc Corp (Callable) Notes	0.98%	25,000.00	25,000.00	23,383.68	5/1/2025
Citigroup Inc Corp (Callable) Notes	0.91%	25,000.00	25,066.25	23,383.67	5/1/2025
Goldman Sachs Group Inc. Corp Notes	0.94%	65,000.00	72,616.70	62,757.63	5/22/2025
JP Morgan Chase & Co. Corp Notes	0.77%	90,000.00	90,000.00	83,016.63	8/9/2025

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	<b>Yield %</b>	<b>Par Value</b>	<b>Cost</b>	<b>Current Market Value</b>	<b>Maturity Date</b>
...continued					
JP Morgan Chase & Co Corp Notes (Callable)	3.83%	100,000.00	92,292.00	92,240.70	8/9/2025
Bristol-Myers Squibb Co Corporate Notes	0.98%	35,000.00	34,651.40	31,421.53	11/13/2025
Bank of America Corp Notes (Callable)	3.38%	70,000.00	70,000.00	66,761.17	4/2/2026
Target Corp Corporate Notes	1.99%	15,000.00	14,974.50	13,605.80	1/15/2027
Target Corp Corporate Notes	1.96%	60,000.00	59,963.40	54,423.18	1/15/2027
Bank of New York Mellon Corp	1.98%	100,000.00	100,322.00	89,776.70	1/26/2027
Adobe Inc (Callable) Corp Note	4.20%	100,000.00	92,310.00	91,120.80	2/1/2027
PNC Financial Services Corp Notes (Callable)	4.69%	105,000.00	98,590.80	98,158.31	5/19/2027
PNC Financial Services Corp Notes (Callable)	4.80%	110,000.00	102,786.20	102,832.51	5/19/2027
Amazon.com Inc. (Callable) Corp Notes	3.56%	110,000.00	98,514.90	95,234.04	6/3/2027
	Subtotal	1,435,000.00	1,400,860.30	1,337,054.53	
<i>Asset-Backed Security/Collateralized Mortgage Obligation:</i>					
Taot 2020-A A3	1.66%	19,554.93	19,553.52	19,440.98	5/15/2024
Harot 2021-I A3	0.27%	17,531.06	17,530.74	16,973.74	4/21/2025
Hart 2021-A A3	0.38%	18,697.98	18,686.01	18,074.38	9/15/2025
Carmx 2021-1 A3	0.34%	11,130.98	11,128.79	10,743.31	12/15/2025
TAOT 2021-C A3	0.43%	35,000.00	34,997.21	33,193.07	1/15/2026
Carmx 2021-2 A3	0.52%	28,897.13	28,890.91	27,814.10	2/17/2026
Hart 2021-C A3	0.74%	15,000.00	14,996.65	14,134.78	5/15/2026
DCENT 2021-A1 A1	0.58%	30,000.00	29,993.58	27,923.24	9/15/2026
	Subtotal	175,812.08	175,777.41	168,297.60	
<b>TOTAL LONG TERM INVESTMENTS</b>		<b>9,260,061.83</b>	<b>9,091,529.97</b>	<b>8,549,227.46</b>	
<b>TOTAL CASH &amp; INVESTMENTS AT 12/31/2022</b>		<b>42,858,194.35</b>	<b>42,689,662.49</b>	<b>42,147,359.98</b>	

# AGENDA ITEM III-3

## STAFF REPORT

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To: Board of Directors  
From: Donna Silva, Director of Finance  
Date: February 22, 2023  
Subject: Finance Committee Meeting Dates (W & R)

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### **RECOMMENDED ACTION**

Staff is recommending a revision to the Finance Committee Charter to reflect a change in the monthly meeting date to the Tuesday of the week prior to the Board meeting at 4:00 pm instead of the day before the Board meeting. This item will be reviewed by the Finance Committee on February 21, 2023.

### **BACKGROUND**

The Finance Committee has been meeting the Tuesday prior to the Board meeting on a monthly basis as reflected in the Finance Committee Charter. The Finance Committee was meeting on this schedule in order to capture all bills and claims for payment at the latest date possible prior to the Board's approval of those bills and claims. However, on August 23, 2017, the Board amended Ordinance 4000 – Purchasing and Payments, which eliminated the need for Board approval prior to payment of bills, and required the General Manager to provide the Board with a listing of all payments made on a monthly basis.

### **CURRENT STATUS**

Currently, the Finance Committee meeting minutes are completed by the day of the Board meeting and the online Board Packet is updated and an email is sent out notifying the Board and the Board mailing distribution list that the packet was updated. By moving the committee meeting to the Tuesday the week prior to the Board meeting, the committee minutes can be completed and included in the Board packet which is usually distributed on the Thursday prior to the Board meeting.

#### **Attachments:**

Finance Committee Charter

## Board of Directors – Standing Committee Charters **2020**

### Finance Committee Charter

Chair: Ken Miller

Vice Chair: Dan Rich

Alternate: Ted Costa

The purpose of the Finance Committee is to discuss and make recommendations to the Board on matters related to the District's finances such as rates, fiscal policies, debt issuance, District budget, and review and recommend approval of contracts associated with these topics. The Board President may assign additional topics as needed. The committee serves as the Audit Oversight Committee for purposes of the annual audit. This committee generally meets monthly on the Tuesday of the week prior to before the Board meeting at 4:00 p.m.

# AGENDA ITEM III-4

## STAFF REPORT

**To:** Board of Directors  
**From:** Andrew Pierson, P.E.  
Director of Engineering Services  
**Date:** February 22, 2023  
**Subject:** Placer Retirement Residence Pipeline Easement Grant to SJWD

### RECOMMENDATION ACTION

Staff recommends a motion to adopt resolution 23-01 and approve and accept a waterline easement in accordance with District Ordinances for a new water distribution pipeline to serve the planned Placer Retirement Residence development project.

### BACKGROUND

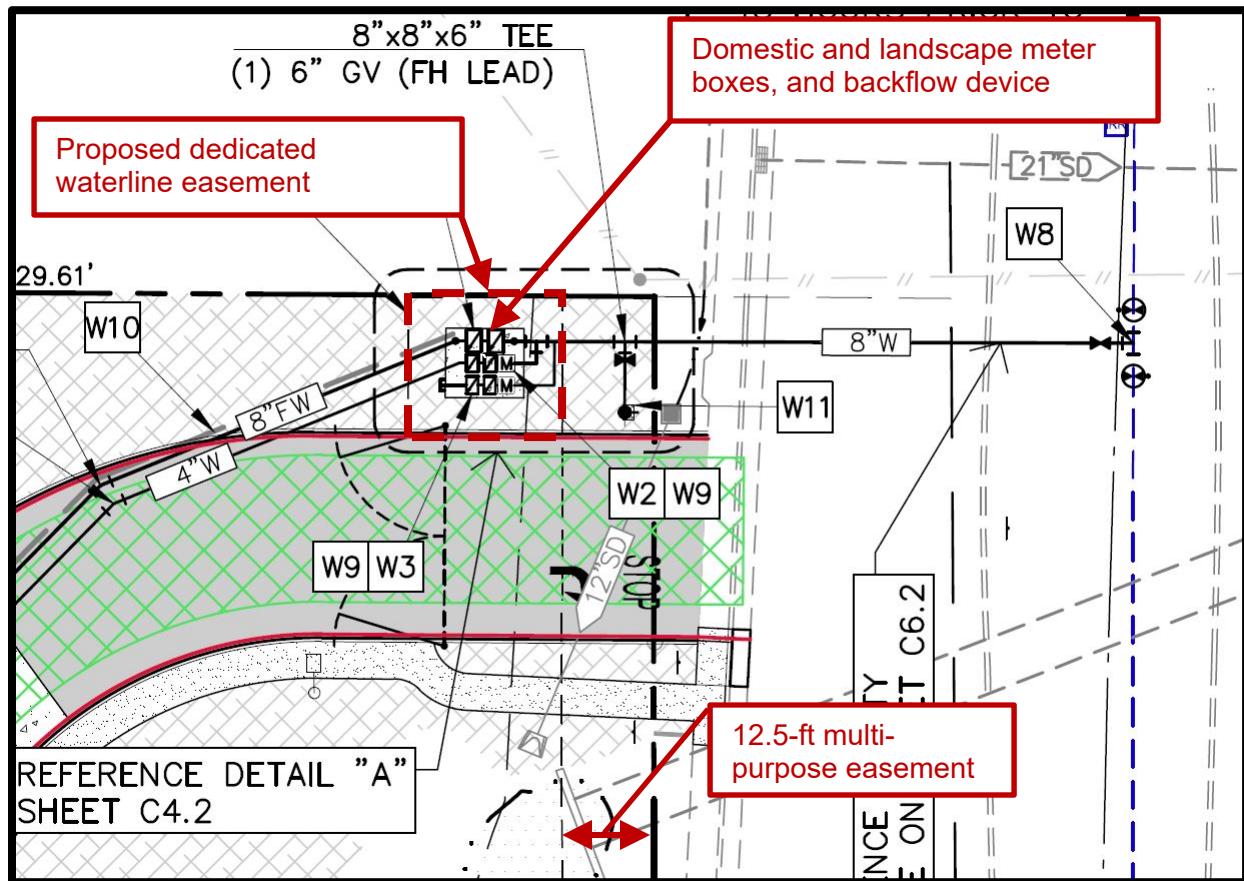
The Placer Retirement Residence project is a residential care facility for seniors consisting of a single, three-story building containing 145 residential suites located on a 8.7-acre (gross area) parcel on the north-west corner of Old Auburn Road and Sierra College Blvd (APN: 468-060-052-000). The following figure provides an aerial representation of the project location.



The Owner of the project has requested water service from the District to supply domestic, landscape, and fire response demands. The fire department required multiple fire hydrants to be installed within the project site, therefore the District determined the Owner would be required to provide two 8-inch waterline connections to supply the fire service, one to the existing 12-inch pipeline located on Sierra College

Blvd, and the second to the existing 10-inch pipeline located on Old Auburn Road. Because all onsite piping within the property boundary will be privately owned, the District's responsibility for operation and maintenance of the new water facilities will terminate at the new meter boxes for both the domestic and landscape services, and at the two new backflow devices that will serve the fire service line per District Ordinances and Standards.

The new domestic and landscape meter boxes, and one backflow device will be installed off the new 8-inch waterline connection on Sierra College Blvd, and the second backflow device will be installed off the new 8-inch waterline connection on Old Auburn Road. The backflow device on Old Auburn Road will be installed within a proposed 12.5-ft multi-purpose easement, however, the domestic and landscape meter boxes and the backflow device on Sierra College Blvd will be installed outside the proposed 12.5-ft multi-purpose easement. Therefore, a dedicated waterline easement encompassing all District owned facilities is required per District Ordinances and Standards. The following figure shows the location of the domestic and landscape meter boxes, the backflow device, the 12.5-ft multi-purpose easement, and the dedicated waterline easement on Sierra College Blvd.



## STATUS

The improvement plans for the Placer Retirement Residence development project have already been approved by both the City of Roseville and the District, and construction of this project has already commenced. As a condition of District approval and acceptance of the Placer Retirement Residence project, the acceptance of the requested water pipeline easement is now needed. The attached Exhibits provide the description of the planned easement to be conveyed to the District.

District staff have reviewed the easement documents and the design plans and have determined that the proposed easement is designed in accordance with the District's development and engineering Standards.

#### **BUDGET IMPACT**

Other than a potential for minor costs associated with recordation of the easement documents (typically there is no charge), there is no anticipated budget impact associated with a Board decision to accept this easement.

## **RESOLUTION NO. 23-01**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT APPROVING A GRANT OF EASEMENT AND RIGHT OF WAY**

WHEREAS, Placer County Retirement Residence LP, ("Owner") is the record owner of the real property located at 3905 Old Auburn Road, Granite Bay, California, and designated Placer County Assessor's Parcel Number 468-060-052-000 (the "Property");

WHEREAS, Owner is willing to transfer the Grant of Easement and Right of Way to the San Juan Water District ("District");

WHEREAS, the District's Board of Directors finds and determines that it is in the public interest for the District to acquire and accept the Grant of Easement and Right of Way because it is necessary to operating the District's water system and therefore should be owned solely by the District for the benefit of its customers.

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

1. The Agreement for the District's acquisition of the Grant of Easement and Right of Way in the form shown in Exhibit 1 attached to this resolution and incorporated herein in full (the "Agreement"), is hereby approved.
2. The General Manager is hereby authorized to acquire and accept on behalf of the District the Grant of Easement and Right of Way in the form attached to this resolution and incorporated herein in full. The real property interest subject to this resolution is more fully described in the legal description and plat map attached to Exhibit 1.
3. The General Manager is authorized and directed to file the Grant of Easement and Right of Way for recording with the Placer County Recorder's Office as soon as practicable.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on this 22<sup>nd</sup> day of February, 2023 by the following vote:

AYES:

NOES:

ABSENT:

By:

---

DAN RICH  
President, Board of Directors

ATTEST:

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TERI GRANT  
Secretary, Board of Directors

**EXHIBIT 1**  
(Consisting of 7 pages)

Recording requested by:

**San Juan Water District**

When recorded, mail to:

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

No recording fee per  
Government Code §§ 6103 & 27383

APN(s): 468-060-052-000

..This Space for Recorder's Use Only--

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**GRANT OF EASEMENT AND RIGHT-OF-WAY**  
(To San Juan Water District)

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No Documentary Transfer Tax per Revenue Taxation Code section 11922

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For a valuable consideration, receipt of which is hereby acknowledged, **Placer County Retirement Residence LP**, a Washington Limited Partnership (hereinafter referred to as "Grantor"), hereby grants to **San Juan Water District**, a California community services district (hereinafter referred to as "District"), and its successors and assigns:

A permanent Easement for public utilities and appurtenances ("Easement"), including but not limited to rights to survey, install, construct, enlarge, alter, operate, patrol, remove, relocate, replace, repair, improve, and maintain water transmission and distribution pipelines, markers, manholes, valves, metal, fiber optic or other cables and conduit, fencing and all related incidents, fixtures, appurtenances and other facilities for all District purposes (collectively the "District Facilities"). District's right also shall include the right to excavate and refill ditches or trenches for the location of said pipelines, water mains and appurtenances, and to remove trees, bushes, undergrowth, ground covering, pavement, and any other obstructions interfering with the location, construction, installation, operation, maintenance, repair, modification, replacement and removal of said pipelines, water mains and appurtenances. The easements granted herein shall be in, over, on, through, within, under, along, and across the Easement Area as defined in this Grant of Easement.

The "Real Property" burdened by this easement is located in the County of Placer, State of California, and is described as follows:

**See Exhibit "A", attached to and made a part of this  
Grant of Easement and Right-of-Way**

The "Easement Area" is described as follows:

**See Exhibits "B" and "C", attached to and made a part of this  
Grant of Easement and Right-of-Way**

The permanent easements and rights-of-way described herein shall be SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. District shall have for all purposes set forth herein the right of ingress and egress from the nearest public road for personnel, vehicles, and construction equipment to, from, and along the Easement area at any time, without prior notice, together with rights to use lanes, drives,

rights-of-way, and roadways within the Real Property which now exist or which hereinafter may be constructed, as shall be convenient and necessary for the purpose of exercising the rights herein set forth; provided, however, that nothing in this Grant of Easement shall prevent or limit Grantor's rights to close such roadways, lanes, or rights-of-way, and to provide District with comparable alternative access to the Easement Area.

2. Subsequent to the grant of this Easement Deed, Grantor shall not grant any easements of any kind whatsoever to others in, over, on, through, within, under and across the Easement Area without the prior written approval of the District.
3. The easement granted herein is non-exclusive and Grantor reserves the right to utilize the Easement Area subject to the terms and restrictions provided in this Grant of Easement. District's easement is subject to all pre-existing structures, facilities, and encumbrances. Except as provided in the preceding sentence, Grantor shall not construct or install or permit others to construct or install within, and the District shall have the right to clear and to keep clear from the Easement Area, any explosives, wells, reservoirs, buildings, structures, walls and other facilities, earth cover or stockpile of material placed without District's written consent, which may interfere in any way with District's use of the Easement Area. In addition to any other legal and equitable remedies for violations of this paragraph, District shall have the right to do all things necessary and proper to remove any vegetation, explosives, structures, improvements and materials within the Easement Area at Grantor's sole expense.
4. This Grant of Easement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns to the parties hereto, and shall run with the Real Property. District's rights and obligations herein are assignable and transferable by District, in whole or in part, to District's successors and assigns.
5. Grantor warrants that it is the owner of the Real Property and that its representatives signing below are the authorized signatories to execute and bind Grantor to the terms and conditions of this Grant of Easement and to grant the easement rights herein conveyed.

Executed on \_\_\_\_\_, 20\_\_\_\_\_.

GRANTOR, Placer County Retirement Residence LP, a Washington Limited Partnership

By: Hawthorn IL GP, LLC, its General Partner

By: Hawthorn IL Propco, LP, its Limited Partner

By: \_\_\_\_\_

Name: Eric Mulligan

Title: Authorized Signatory

**CERTIFICATE OF ACKNOWLEDGMENT BY NOTARY PUBLIC**  
[California Civil Code § 1189]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
 )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_\_\_ before me, \_\_\_\_\_, a notary public,  
personally appeared \_\_\_\_\_, who proved to me on the  
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within  
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized  
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity  
upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**CERTIFICATE OF ACCEPTANCE OF INTEREST IN REAL PROPERTY**  
**(Gov't Code, § 27281)**

This is to certify that San Juan Water District, a political subdivision of the State of California, acting by and through its General Manager, hereby accepts for public purposes the interest in real property, conveyed by the Quitclaim Deed to which this Certificate of Acceptance is attached, and consents to the recording of this instrument, pursuant to authority conferred on the General Manager by the Board of Directors of the San Juan Water District in Resolution No. 23-01 adopted at a public meeting held on February 22, 2023.

Dated: \_\_\_\_\_

SAN JUAN WATER DISTRICT

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

**CERTIFICATE OF ACKNOWLEDGMENT BY NOTARY PUBLIC**  
[California Civil Code § 1189]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California                         )  
County of Placer                             )

On \_\_\_\_\_, 20\_\_\_\_ before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in her authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**EXHIBIT "A"**  
**"REAL PROPERTY"**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF PLACER, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

The Southeast Quarter of the Southeast Quarter of the Northeast Quarter of Section 17, Township 10 North, Range 7 East, M.D.M., according to the Official Plat thereof.

Excepting Therefrom all that portion thereof granted to Fred E. Alexander, et ux in Deed recorded December 1, 1955, in Book 690, Page 555, Official Records.

Also excepting therefrom all those portions thereof granted to the County of Placer, in those certain Deeds recorded July 21, 1964, in Book 1024, Pages 185 and 187, both Official Records.

And further excepting therefrom all that portion thereof granted to Quentin R. Long, et ux in Deed recorded January 29, 1980, in Book 2219, Page 519, Official Records, which Deed was given pursuant to that certain resolution to approve a minor boundary line adjustment recorded simultaneously therewith in said Book, at Page 517.

**EXHIBIT "B"**  
**WATER PIPELINE EASEMENT**

That certain real property located in the Southeast one-quarter of the Southeast one-quarter of the Northeast one-quarter of Section 17, Township 10 North, Range 7 East, M.D.M., Placer County, California, being a portion of the parcel of land described in the Grant Deed to Placer County Retirement Residence LP, recorded on October 30, 2019 as Instrument No. 2019-0085787, Official Records of Placer County, being more particularly described as follows:

**BEGINNING** at a point located on the westerly line of Sierra College Boulevard, said point being the Northeast corner of said parcel of land described in said Grant Deed; thence from said **POINT OF BEGINNING**, along said westerly line, along a curve to the left, having a radius of 20042.00 feet, the radius point of which bears South 89°49'00" East, through a central angle of 00°03'14", with an arc length of 18.81 feet; thence, leaving said westerly line, North 89°38'48" West, 33.50 feet; thence along a non-tangent curve to the right, having a radius of 20075.50 feet, the radius point of which bears South 89°52'12" East, through a central angle of 00°03'13", with an arc length of 18.80 feet to the northerly boundary of said parcel of land; thence, along said northerly boundary, South 89°39'10" East, 33.50 feet to the **POINT OF BEGINNING**; containing 630 square feet, more or less.

END OF DESCRIPTION

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Signature

Date



WATER PIPELINE EASEMENT - 630± S.F.

R=20075.50' Δ=0°03'13" L=18.80'

S89°52'12"E  
N89°38'48"W 33.50'

S89°39'10"E  
33.50'  
P.O.B.

S89°49'00"E(R)

SIERRA COLLEGE BOULEVARD

DEEDED TO PLACER COUNTY PER  
1012/185, O.R. & 1024/187, O.R.

R=20042.00' Δ=0°03'14" L=18.81'

PLACER COUNTY  
RETIREMENT RESIDENCE LP  
DOC-2019-0085787. O.R.P.C.

APN #468-060-052

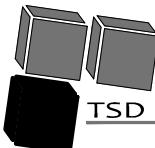
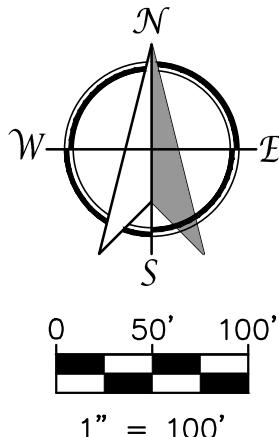
LEGEND:

POINT OF BEGINNING . . . . . P.O.B.

OFFICIAL RECORDS OF PLACER COUNTY . . . O.R.P.C.

RADIAL LINE . . . . . (R)

SQUARE FEET . . . . . S.F.



785 Orchard Drive, Suite #110  
Folsom, CA 95630  
Phone: (916) 608-0707  
Fax: (916) 608-0701

TSD ENGINEERING, INC.  
expect more.

EXHIBIT "C" - PLAT TO ACCOMPANY  
WATER PIPELINE EASEMENT DESCRIPTION  
PORTION OF THE S.E. 1/4 OF THE S.E. 1/4 OF  
THE N.E. 1/4 OF SEC. 3, T.10 N., R.6 E., M.D.M.  
COUNTY OF PLACER, STATE OF CALIFORNIA

SCALE:  
1''=100'

DATE:  
02/08/2023

SHEET  
1 OF 1

# AGENDA ITEM IV-1

## STAFF REPORT

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To: Board of Directors  
From: Donna Silva, Director of Finance  
Date: February 22, 2023  
Subject: Eureka Road Transmission Pipeline Replacement – Installment Sale Agreement

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### **RECOMMENDED ACTION**

Approve Resolution 23-02 authorizing the District execute an Installment Sale Agreement with the California State Water Resources Control Board (SWRCB) to provide funding for the Eureka Road Transmission Pipeline Replacement Project.

### **BACKGROUND**

This project includes replacing approximately 850 linear feet of 18 inch and 3,070 linear feet of 16 inch, existing, old and leaking steel water pipeline with new 18-inch ductile iron pipeline on Eureka Road between Barton Road and Providence Lane in Granite Bay. The project also includes the replacement of water services and installation of valves, fittings, hydrants, concrete blocking, and appurtenances along the new water pipeline. The existing pipeline is aged steel pipe that has reached the end of its service life.

While the majority of the District's capital projects are funded from accumulated reserves (pay-go), the Retail Financial Plan recommended financing this project. The District has been working for the past two years to secure a low interest rate loan from the State Drinking Water Revolving Fund administered by the State Water Resources Control Board. Utilizing this funding source secures a lower interest rate than can be obtained through the traditional bond market, saving rate payers approximately \$2.5 million over the life of the debt.

On May 26, 2021 the Board of Directors approved Resolution 21-03 stating the Districts' intent and reasonable expectation to be reimbursed for expenditures paid prior to the issuance of funds from the Drinking Water State Revolving Fund or the approval by the State Water Board of the project. This preserved the District's ability to be reimbursed from these loan proceeds for expenses incurred prior to the execution of the loan agreement. Resolution 21-04, also approved on May 26, 2021 named the Director of Finance as the authorized representative for signing applications, certifications and agreement related to the financing.

## **STAFF REPORT**

*Eureka Road Transmission Pipeline Replacement – Installment Sale Agreement  
Donna Silva*

---

### **CURRENT STATUS**

The final action needed to secure this low interest rate financing is adoption of Resolution 23-02 approving the form of the Installment Sale Agreement (the loan document) and the terms of the financing, which are as follows.

**Term:** 30 years

**Interest Rate:** 1.1%

**Maximum Loan Amount:** \$3,995,000

**Restricted Reserve Fund:** equal to one year of debt service, if required

**Required Debt Coverage Ratio:** net revenues must be equal to the sum of at least 120% of the maximum annual debt service with respect to all outstanding obligations.

### **Attachments:**

Good Faith Estimate

Resolution 23-02 Closing Resolution

Draft Form of Installment Sale Agreement

## GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Installment Sale Agreement with California State Water Resources Control Board in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the District by Urban Futures, Inc., as municipal advisor to the District (the “Municipal Advisor”), each with respect to the Installment Sale Agreement.

**Principal Amount.** The Municipal Advisor has informed the District that, based on the District’s Project Cost, its good faith estimate of the principal amount of the Installment Sale Agreement is \$3,995,000 (the “Estimated Principal Amount”).

**True Interest Cost of the Installment Sale Agreement.** The Municipal Advisor has informed the District that, based on the interest rate provided by the California State Water Resources Control Board at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Installment Sale Agreement, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the proceeds received from the Installment Sale Agreement, is 1.1%.

**Finance Charge of the Installment Sale Agreement.** The Municipal Advisor has informed the District that its good faith estimate of the finance charge for the Installment Sale Agreement, which means the sum of all fees and charges paid to third parties (or costs associated with the Installment Sale Agreement), is \$25,000.

**Amount of Proceeds to be Received.** The Municipal Advisor has informed the District that, assuming the Estimated Principal Amount, its good faith estimate of the amount of proceeds expected to be received by the District is \$3,995,000.

**Total Payment Amount.** The Municipal Advisor has informed the District that, assuming the Estimated Principal Amount, and based on the interest rate provided by the California State Water Resources Control Board at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Installment Sale Agreement, plus the finance charge for the Installment Sale Agreement, as described above, not paid with the proceeds of the Installment Sale Agreement, calculated to the final maturity of the Installment Sale Agreement, is \$4,749,934.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Installment Sale Agreement, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual closing date being different than the date assumed for purposes of such estimates, (b) the actual original principal amount being different from the Estimated Principal Amount, (c) the actual debt service payments on the Installment Sale Agreement being different than the debt service payments assumed for purposes of such estimates, (d) the actual interest rate being different than the interest rate estimated for purposes of such estimates, (e) other market conditions, or a combination of such factors. The actual closing date of the Installment Sale Agreement and the actual principal amount will be determined by the District based on the timing of the need for proceeds and other factors.

**RESOLUTION NO. 23-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SAN JUAN WATER DISTRICT AUTHORIZING AN INSTALLMENT  
SALE AGREEMENT WITH THE CALIFORNIA STATE WATER RESOURCES  
CONTROL BOARD FOR THE EUREKA ROAD TRANSMISSION PIPELINE  
REPLACEMENT PROJECT**

WHEREAS, the Eureka Road Transmission Pipeline is a critical facility of the districts' water delivery system; and

WHEREAS, it has been determined that a section of the Eureka Road Transmission Pipeline and other ancillary parts are at the end of their useful life; and

WHEREAS, the District is in need of financing to fund the approximate \$4,000,000 project; and

WHEREAS, the District has submitted applications to the State Water Resources Control Board for financial assistance from the Drinking Water State Revolving Fund (SRF); and

WHEREAS, it is in the best interest of the ratepayers of the San Juan Water District to obtain a low interest rate loan through the SRF; and

WHEREAS, the San Juan Water District Board of Directors previously passed Resolution 21-03 stating the District's intention to spend monies on the project prior to approval of the loan agreement, preserving the District's ability to get reimbursed for monies expended prior to loan execution; and

WHEREAS, the San Juan Water District board of directors also passed Resolution 21-04 naming the Director of Finance as the authorized representative for signing applications, certifications and agreements related to the financing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT (the "Entity"), AS FOLLOWS:

Section 1. Approval of the Installment Sale Agreement: The Director of Finance (or their designee) of the San Juan Water District is authorized to enter into the Installment Sale Agreement, the form of which is attached to this Resolution as Attachment A, with the State Water Resources Control Board. The state loan evidenced by the Installment Sale Agreement shall be payable from a pledge of the Revenues, as described in the agreement) of the district on a parity lien with the payment of other parity obligations of the District.

**STAFF REPORT**

*Eureka Road Transmission Pipeline Replacement – Installment Sale Agreement  
Donna Silva*

---

The Board of Directors hereby approves the terms of the Installment Sale Agreement as follows:

- a) Interest rate not to exceed 1.1%
- b) Term not to exceed 30 years
- c) Loan amount not to exceed \$3,995,000
- d) Establishment of a restricted reserve fund equal to one year of debt service, if required
- e) Debt coverage ratio requirement: net revenues must be equal to the sum of at least 120% of the maximum annual debt service with respect to all outstanding obligations of the District.

The final agreement may be modified as approved by the General Manager or the Director of Finance, in consultation with the District's legal counsel, provided such changes or modifications do not materially increase the financial risk to the District.

Section 2. SB 450 Compliance. The District acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this resolution is approved.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 22nd day of February 2023, by the following vote:

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

ATTEST

---

DAN RICH  
President, Board of Directors  
San Juan Water District

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TERI GRANT  
Board Secretary



## State Water Resources Control Board

January 25, 2023

San Juan Water District  
Attn: Donna Silva – Director of Finance  
9935 Auburn Folsom Road  
Granite Bay, CA 95746

Agreement Number: D2202010  
Project Number: 3410021-004C

Please review, and if appropriate, electronically sign the signature page of the Agreement via Adobe Sign. Once electronically signed, the Agreement will be routed automatically to the next signer. You will automatically receive a copy of the fully executed Agreement via Adobe Sign once the final signer has signed. This Agreement cannot be considered binding by either party until executed by the State Water Resources Control Board (State Water Board).

For the Funding Agreement to be executed by the State Water Board, the following items **must also be returned electronically with the signed signature pages**: The Opinion will need to be dated and signed on or after the date the agreement is signed. Counsel can file and attach the letters and submit them back to Adobe.

1. Opinion of General Counsel.
2. Bond Counsel Letter.

Any questions about the General Counsel Opinion Letter and Bond Counsel Letter should be directed by your legal counsel to Lindsey Harms, at (916) 327-8709 or email at [lindsey.harms@waterboards.ca.gov](mailto:lindsey.harms@waterboards.ca.gov).

Be aware that all projects receiving funding must comply with all applicable implementing guidelines and regulations adopted by the California Department of Industrial Relations (DIR), regarding state prevailing wage requirements. You must contact DIR for guidance on how to comply. Information can be found at: <http://www.dir.ca.gov/lcp.asp>.

Additional Compliance Requirements:

Davis Bacon Compliance:

[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/davisbacon.shtml](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/davisbacon.shtml)

Disadvantaged Business Enterprise (DBE)

[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/docs/policy0513/dbe\\_compliance\\_instructions.pdf](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/policy0513/dbe_compliance_instructions.pdf)

We strive to provide superior service to our recipients and would appreciate your feedback on the application process. Please assist us in completing a 5-minute Customer Satisfaction Survey at <https://www.surveymonkey.com/s/DWSRFSatisfaction> so we can continue to improve on our service and process. Your comments are valuable to the success of the DWSRF Program. Thank you for your time and we look forward to continuing to work with you.

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

Your Agreement may be funded with Federal Capitalization Grants ([DW Catalog of Federal Domestic Assistance No. 66.468](#)). If your financing agreement is funded with a Federal Capitalization Grant, you must comply with the rules and regulations in Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. These requirements include the submission of a single or program audit if you expend \$750,000 or more of Federal funds during your fiscal year. The receipt of Federal funds may be directly from the Federal government or via a pass-through entity such as the State Water Resources Control Board. In addition to other reporting requirements, ***your Single Audit Report must be submitted to the State Controller's Office and to the State Water Resources Control Board, Division of Financial Assistance within nine months after the end of your fiscal year.***

David Bruglia may be contacted at (916) 449-5640 or [David.Bruglia@waterboards.ca.gov](mailto:David.Bruglia@waterboards.ca.gov).

Enclosures

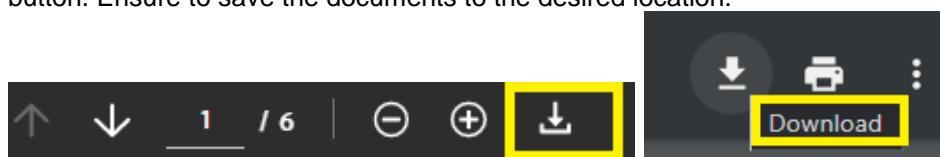
## Documents Transmitted back to Adobe by the Recipient:

Steps:

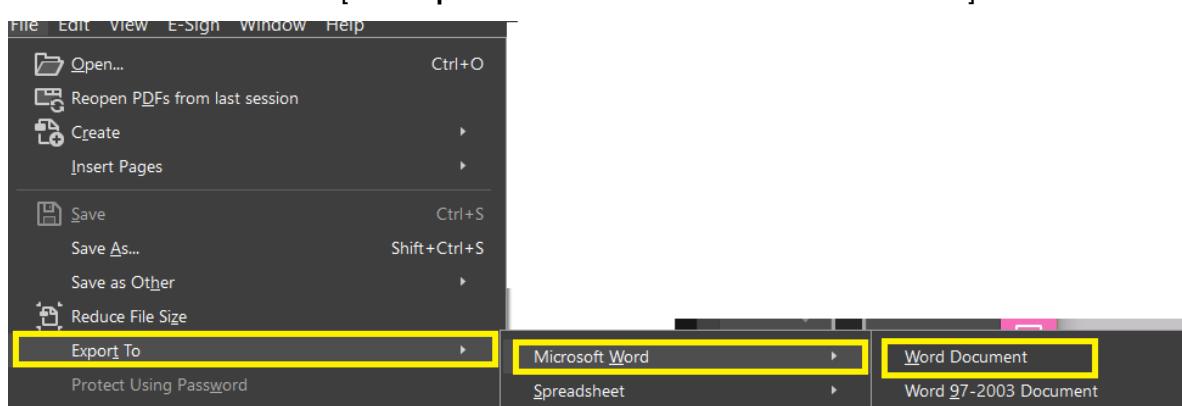
- Once the Adobe notification has been received, the Recipient will open Adobe. The Recipient must checkmark the box to agree to the Consumer Disclosure. Click on [Accept]



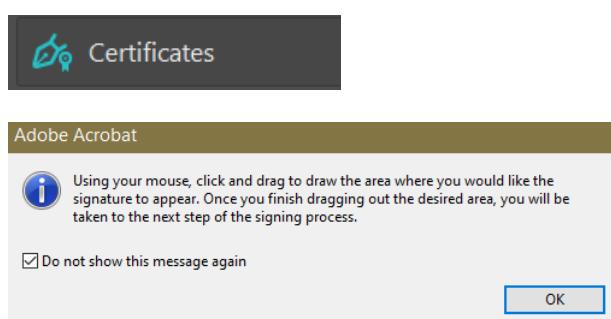
- The Recipient will need to download the (PDF) documents by selecting the corresponding radio button. Ensure to save the documents to the desired location.



- Once you have saved the documents to the desired location, the Recipient will proceed with generating the required closing documents. For the documents to be edited, you must save your file in Word format. Click on [File-Export To-Microsoft Word – Word Document]



- Once the Recipient has completed the closing documents, the file must be saved as "Adobe PDF" for their respective digital signatures to be entered.
- The Recipient will select [Certificates] from the tools field and using your mouse, click and drag to draw the area where you would like the signature to appear. A dialogue message box will display your Digital ID press [Continue] and click on [Sign]. [Save]



6. The Recipient will attach the signed documents to Adobe by clicking the [**Click to Attachment**] and downloading the signed document(s).

[Click to Attach ...](#)

7. Once the closing document(s) have been attached, the Recipient will click on the [**Click to Sign**] button.

By signing, I agree to the terms of this agreement and to do business electronically with  
CALEPA - State Water Resources Control Board.

[Click to Sign](#)



## DRINKING WATER

SAN JUAN WATER DISTRICT  
AND  
CALIFORNIA STATE WATER RESOURCES CONTROL BOARD



CONSTRUCTION  
INSTALLMENT SALE AGREEMENT  
PROJECT NO. 3410021-004C  
EUREKA ROAD TRANSMISSION LINE REPLACEMENT

AGREEMENT NO. D2202010

PROJECT FUNDING AMOUNT: \$3,995,000.00  
ESTIMATED REASONABLE PROJECT COST: \$3,995,000.00

ELIGIBLE WORK START DATE: JUNE 3, 2021  
ELIGIBLE CONSTRUCTION START DATE: APRIL 19, 2022

COMPLETION OF CONSTRUCTION DATE: DECEMBER 31, 2025  
FINAL REIMBURSEMENT REQUEST DATE: JUNE 30, 2026  
FINAL PAYMENT DATE: DECEMBER 31, 2055  
RECORDS RETENTION END DATE: DECEMBER 31, 2061

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## AGREEMENT

### 1. AUTHORITY.

(a) The State Water Resources Control Board (State Water Board) is authorized, and implements its authority, to provide financial assistance under this Agreement pursuant to Section 116760 et seq. of the Health and Safety Code, and Resolution Nos. 2019-0065 and 2022-0041.

(b) The Recipient is authorized to enter into this Installment Sale Agreement Agreement (Agreement) pursuant to Resolution No. 21-04.

### 2. INTENTION.

(a) The Recipient desires to receive financial assistance for and undertake work required for the drinking water construction Project according to the terms and conditions set forth in this Agreement.

(b) The State Water Board proposes to assist in providing financial assistance for eligible costs of the Project in the amount set forth in Exhibit B, according to the terms and conditions set forth in this Agreement, with the expectation that the Recipient shall repay all of the financial assistance to the State Water Board.

(c) The Recipient intends to evidence its obligation to submit Payments to the State Water Board and secure its obligation with Net Revenues of its water enterprise, as set forth in Exhibit B, according to the terms and conditions set forth in this Agreement.

(d) The Recipient intends to certify and evidence its compliance with the Tax Covenants set forth in Exhibit F.

### 3. AGREEMENT, TERM, DOCUMENTS INCORPORATED BY REFERENCE.

In consideration of the mutual representations, covenants and agreements herein set forth, the State Water Board and the Recipient, each binding itself, its successors and assigns, do mutually promise, covenant, and agree to the terms, provisions, and conditions of this Agreement.

(a) The Recipient hereby sells to the State Water Board and the State Water Board hereby purchases from the Recipient the Project. Simultaneously therewith, the Recipient hereby purchases from the State Water Board, and the State Water Board hereby sells to the Recipient, the Project in accordance with the provisions of this Agreement. All right, title, and interest in the Project shall immediately vest in the Recipient on the date of execution and delivery of this Agreement by both parties without further action on the part of the Recipient or the State Water Board.

(b) Subject to the satisfaction of any condition precedent to this Agreement, this Agreement shall become effective upon the signature of both the Recipient and the State Water Board. Conditions precedent are not limited to the following:

- i. The Recipient must deliver to the Division a resolution authorizing this Agreement.
- ii. The Recipient must deliver an opinion of bond counsel and general counsel satisfactory to the State Water Board's counsel dated on or after the date that the Recipient signs this Agreement.

(c) Upon execution, the term of the Agreement shall begin on the Eligible Work Start Date and extend through the Final Payment Date.

(d) This Agreement includes the following exhibits and attachments thereto:

- i. EXHIBIT A – SCOPE OF WORK
- ii. EXHIBIT B – FUNDING TERMS
- iii. EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS
- iv. EXHIBIT D – SPECIAL CONDITIONS
- v. EXHIBIT E – PAYMENT SCHEDULE
- vi. EXHIBIT F – TAX CERTIFICATE

(e) This Agreement includes the following documents incorporated by reference, as well as any documents incorporated by reference in Exhibit D:

- i. the Final Plans & Specifications, dated March 16, 2022, which are the basis for the construction contract to be awarded by the Recipient;;
- ii. the Drinking Water System Permit No. : 01-09-13-PER-001, and any amendments thereto;
- iii. the Recipient's Reimbursement Resolution No. 21-03 dated May 26, 2021;
- iv. the Recipient's Tax Questionnaire dated May 24, 2021.
- v. the Davis-Bacon requirements found at:

[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/docs/2022/2022-dwsrf-governmental-entities-public.pdf](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/2022/2022-dwsrf-governmental-entities-public.pdf)

(f) This Agreement, and any amendments hereto, may be executed and delivered in any number of counterparts, each of which when delivered shall be deemed to be an original, but such counterparts shall together constitute one document. The parties may sign this Agreement, and any amendments hereto, either by an electronic signature using a method approved by the State Water Board or by a physical, handwritten signature. The parties mutually agree that an electronic signature using a method approved by the State Water Board is the same as a physical, handwritten signature for the purposes of validity, enforceability, and admissibility.

#### 4. PARTY CONTACTS

State Water Board		San Juan Water District	
Section:	Division of Financial Assistance		
Name:	Maria Pang, Project Manager	Name:	Donna Silva, Director of Finance
Address:	1001 I Street, 16 <sup>th</sup> Floor	Address:	9935 Auburn Folsom Road
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	Granite Bay, CA 95746
Phone:	(916) 319-8256	Phone:	(916) 791-6907
Fax:		Fax:	
Email:	maria.pang@waterboards.ca.gov	Email:	dsilva@sjwd.org

The Recipient may change its contact upon written notice to the Division, which notice shall be accompanied by authorization from the Recipient's Authorized Representative. The State Water Board will notify the Recipient of any changes to its contact.

While the foregoing are contacts for day-to-day communications regarding Project work, the Recipient shall provide official communications and events of Notice as set forth in Exhibit C to the Division's Deputy Director.

## 5. DEFINITIONS.

Unless otherwise specified, each capitalized term used in this Agreement has the following meaning:

"Additional Payments" means the reasonable extraordinary fees and expenses of the State Water Board, and of any assignee of the State Water Board's right, title, and interest in and to this Agreement, in connection with this Agreement, including all expenses and fees of accountants, trustees, staff, contractors, consultants, costs, insurance premiums and all other extraordinary costs reasonably incurred by the State Water Board or assignee of the State Water Board.

"Additional Revenues" means, with respect to the issuance of additional parity or subordinate debt in accordance with requirements set forth in Section B.4, an allowance for Net Revenues, arising from any increase in rates, fees, and charges for the services of the System which has become effective in the most recent Fiscal Year and is expected to continue for the duration of such proposed additional parity or subordinate debt, and which the Recipient has begun to collect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in rates, fees, and charges had been in effect during the whole of such Fiscal Year, minus the actual amount by which the Net Revenues have been increased since such increase in rates, fees, and charges in the most recent Fiscal Year became effective.

"Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.

"Agreement" means this agreement, including all exhibits and attachments hereto.

"Authorized Representative" means the duly appointed representative of the Recipient as set forth in the certified original of the Recipient's authorizing resolution that designates the authorized representative by title.

"Bank" means the California Infrastructure and Economic Development Bank.

"Bond Funded Portion of the Project Funds" means any portion of the Project Funds which was or will be funded with Bond Proceeds.

"Bond Proceeds" means original proceeds, investment proceeds, and replacement proceeds of Bonds.

"Bonds" means any series of bonds issued by the Bank, the interest on which is excluded from gross income for federal tax purposes, all or a portion of the proceeds of which have been, are, or will be applied by the State Water Board to fund all or any portion of the Project Costs or that are secured in whole or in part by Payments paid hereunder.

"Charge In Lieu of Interest" means any fee or charge in lieu of some or all of, but not to exceed, the interest that would otherwise be owed under this Agreement, as set forth in Exhibit E.

"Code" as used in Exhibit F of this Agreement means the Internal Revenue Code of 1986, as amended, and any successor provisions and the regulations of the U.S. Department of the Treasury promulgated thereunder.

"Completion of Construction" means the date, as determined by the Division after consultation with the Recipient, that the work of building and erection of the Project is substantially complete, and is identified in Exhibit A of this Agreement.

"Cover Page" means the front page of this Agreement.

"Days" means calendar days unless otherwise expressly indicated.

"Debt Service" means, as of any date, with respect to outstanding System Obligations and, in the case of the additional debt tests in Exhibit B of this Agreement, any System Obligations that are proposed to be outstanding, the aggregate amount of principal and interest scheduled to become due (either at maturity or by mandatory redemption), together with any Charge In Lieu of Interest on this Obligation or other System Obligations to the State Water Board, calculated with the following assumptions:

- a. Principal payments (unless a different subdivision of this definition applies for purposes of determining principal maturities or amortization) are made in accordance with any amortization schedule published for such principal, including any minimum sinking fund payments;
- b. Interest on a variable rate System Obligation that is not subject to a swap agreement and that is issued or will be issued as a tax-exempt obligation under federal law, is the average of the SIFMA Municipal Swap Index, or its successor index, during the 24 months preceding the date of such calculation;
- c. Interest on a variable rate System Obligation that is not subject to a swap agreement and that is issued or will be issued as a taxable obligation under federal law, is the average of SOFR, or its successor index, during the 24 months preceding the date of such calculation;
- d. Interest on a variable rate System Obligation that is subject to a swap agreement is the fixed swap rate or cap strike rate, as appropriate, if the variable rate has been swapped to a fixed rate or capped pursuant to an interest rate cap agreement or similar agreement;
- e. Interest on a fixed rate System Obligation that is subject to a swap agreement such that all or a portion of the interest has been swapped to a variable rate shall be treated as variable rate debt under subdivisions (b) or (c) of this definition of Debt Service;
- f. Payments of principal and interest on a System Obligation are excluded from the calculation of Debt Service to the extent such payments are to be paid from amounts then currently on deposit with a trustee or other fiduciary and restricted for the defeasance of such System Obligations;
- g. If 25% or more of the principal of a System Obligation is not due until its final stated maturity, then principal and interest on that System Obligation may be projected to amortize over the lesser of 30 years or the Useful Life of the financed asset, and interest may be calculated according to subdivisions (b)-(e) of this definition of Debt Service, as appropriate.

"Deputy Director" means the Deputy Director of the Division.

"District Office" means District Office of the Division of Drinking Water of the State Water Board.

"Division" means the Division of Financial Assistance of the State Water Board or any other segment of the State Water Board authorized to administer this Agreement.

"Division of Drinking Water" means the Division of Drinking Water of the State Water Board.

"Eligible Construction Start Date" means the date set forth on the Cover Page of this Agreement, establishing the date on or after which construction costs may be incurred and eligible for reimbursement hereunder.

"Eligible Work Start Date" means the date set forth on the Cover Page of this Agreement, establishing the date on or after which any non-construction costs may be incurred and eligible for reimbursement hereunder.

"Enterprise Fund" means the enterprise fund of the Recipient in which Revenues are deposited.

"Event of Default" means the occurrence of any of the following events:

- a) Failure by the Recipient to make any payment required to be paid pursuant to this Agreement, including Payments;
- b) A representation or warranty made by or on behalf of the Recipient in this Agreement or in any document furnished by or on behalf of the Recipient to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;
- c) A material adverse change in the condition of the Recipient, the Revenues, or the System, which the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement.
- d) Failure by the Recipient to comply with the additional debt test or reserve fund requirement, if any, in Exhibit B or Exhibit D of this Agreement;
- e) Failure to operate the System or the Project without the Division's approval;
- f) Failure by the Recipient to observe and perform any covenant, condition, or provision in this Agreement, which failure shall continue for a period of time, to be determined by the Division;
- g) The occurrence of a material breach or event of default under any System Obligation that results in the acceleration of principal or interest or otherwise requires immediate prepayment, repurchase or redemption;
- h) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the Recipient's property by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; the Recipient's entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the Recipient's existence, or any action in furtherance of any of the foregoing;
- i) A determination pursuant to Gov. Code section 11137 that the Recipient has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code; or
- j) Loss of the Recipient's rights, licenses, permits, or privileges necessary for the operation of the System or the Project, or the occurrence of any material restraint on the Recipient's enterprise by a government agency or court order.

"Final Payment Date" is the date by which all principal and accrued interest due under this Agreement is to be paid in full to the State Water Board and is specified on the Cover Page of this Agreement.

"Final Reimbursement Request Date" means the date set forth as such on the Cover Page of this Agreement, after which date, no further Project Funds disbursements may be requested.

"Fiscal Year" means the period of twelve (12) months terminating on June 30 of any year, or any other annual period selected and designated by the Recipient as its Fiscal Year in accordance with applicable law.

"Force Account" means the use of the Recipient's own employees, equipment, or resources for the Project.

"GAAP" means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable,

the standards set forth by the Governmental Accounting Standards Board or its successor, or the Uniform System of Accounts, as adopted by the California Public Utilities Commission for water utilities.

"Initiation of Construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project.

"Listed Event" means, so long as the Recipient has outstanding any System Obligation subject to Rule 15c2-12, any of the events required to be reported with respect to such System Obligation pursuant to Rule 15c2-12(b)(5).

"Material Obligation" means an obligation of the Recipient that is material to this transaction, including System Obligations.

"Maximum Annual Debt Service" means the maximum amount of Debt Service due on System Obligations in a Fiscal Year during the period commencing with the Fiscal Year for which such calculation is made and within the next five years in which Debt Service for any System Obligations will become due.

"Net Revenues" means, for any Fiscal Year, all Revenues received by the Recipient less the Operations and Maintenance Costs for such Fiscal Year.

"Obligation" means the obligation of the Recipient to make Payments (including Additional Payments) as provided herein, as evidenced by the execution of this Agreement, proceeds of such obligations being used to fund the Project as specified in the Project Description in Exhibit A and Exhibit B and in the documents thereby incorporated by reference.

"Operations and Maintenance Costs" means the reasonable and necessary costs paid or incurred by the Recipient for maintaining and operating the System, determined in accordance with GAAP, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all reasonable and necessary administrative costs of the Recipient that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses, and charges to operate the System and insurance premiums; but excluding, in all cases depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles.

"Parity Obligation" means a debt obligation of the Recipient on parity with this Obligation. The Recipient's Parity Obligations are these:

- Installment Purchase Agreement by and between the San Juan Water District and California State Water Resources Control Board, dated May 6, 2022 (Agreement No. D21-02003).
- Loan Agreement by and between the San Juan Water District and Sterling National Bank, dated January 31, 2022.
- Indenture of Trust by and between the MUFG Union Bank, N.A., as Trustee, and San Juan Water District, dated June 1, 2017 (San Juan Water District Water Revenue Refunding Bonds, Series 2017)

"Payment" means any payment due to the State Water Board from the Recipient pursuant to this Agreement.

"Policy" means the State Water Board's "Policy for Implementing the Drinking Water State Revolving Fund," as amended from time to time, including the Intended Use Plan in effect as of the execution date of this Agreement.

"Project" means the Project financed by this Agreement as described in Exhibits A and B and in the documents incorporated by reference herein.

"Project Completion" means the date, as determined by the Division after consultation with the Recipient, that operation of the Project is initiated or is capable of being initiated, whichever comes first.

"Project Costs" means the incurred costs of the Recipient which are eligible for financial assistance under this Agreement, which are allowable costs as defined under the Policy, and which are reasonable, necessary and allocable by the Recipient to the Project under GAAP, and may include capitalized interest.

"Project Funds" means all moneys disbursed to the Recipient by the State Water Board for eligible Project Costs pursuant to this Agreement.

"Recipient" means the San Juan Water District.

"Records Retention End Date" means the last date that the Recipient is obligated to maintain records and is set forth on the Cover Page of this Agreement.

"Regional Water Quality Control Board" or "Regional Water Board" means the appropriate Regional Water Quality Control Board.

"Reimbursement Resolution" means the Recipient's reimbursement resolution identified and incorporated by reference in this Agreement.

"Reserve Fund" means the reserve fund required pursuant to Exhibit B of this Agreement.

"Revenues" means, for each Fiscal Year, all gross income and revenue received or receivable by the Recipient from the ownership or operation of the System, determined in accordance with GAAP, including all rates, fees, and charges (including connection fees and charges) as received by the Recipient for the services of the System, and all other income and revenue howsoever derived by the Recipient from the ownership or operation of the System or arising from the System, including all income from the deposit or investment of any money in the Enterprise Fund or any rate stabilization fund of the Recipient or held on the Recipient's behalf, and any refundable deposits made to establish credit, and advances or contributions in aid of construction, but excluding customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the Recipient, and any proceeds of taxes or assessments restricted by law to be used by the Recipient to pay bonds or other obligations heretofore or hereafter issued.

"Rule 15c2-12(b)(5)" means Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

"Senior Obligation" means a debt obligation of the Recipient that is senior to this Obligation. There are no Senior Obligations.

"SRF" means the Drinking Water State Revolving Fund.

"State" means State of California.

"State Water Board" means the State Water Resources Control Board.

"Subordinate Obligation" means a debt obligation of the Recipient that is subordinate to this Obligation. There are no Subordinate Obligations.

“System” means all drinking water collection, transport, treatment, storage, and delivery facilities, including land and easements thereof, owned by the Recipient, including the Project, and all other properties, structures, or works hereafter acquired and constructed by the Recipient and determined to be a part of the System, together with all additions, betterments, extensions, or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.

“System Obligation” means any obligation of the Recipient payable from the Revenues, including but not limited to this Obligation, any Parity Obligation, any Subordinate Obligation, and such additional obligations as may hereafter be issued in accordance with the provisions of such obligations and this Agreement.

“Useful Life” means the economically useful life of the Project beginning at Completion of Construction and is set forth in Exhibit A.

“Year” means calendar year unless otherwise expressly indicated.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

SAN JUAN WATER DISTRICT:

By: \_\_\_\_\_  
Name: Donna Silva  
Title: Director of Finance

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

STATE WATER RESOURCES CONTROL BOARD:

By: \_\_\_\_\_  
Name: Christopher Stevens  
Title: Assistant Deputy Director  
Division of Financial Assistance

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

## EXHIBIT A – SCOPE OF WORK

### A.1. PROJECT DESCRIPTION, USEFUL LIFE, AND SCOPE OF WORK.

- (a) The Project is the project set forth on the Cover Page of this Agreement.
- (b) The Useful Life of this Project is at least 30 years.
- (c) Scope of Work.

The Recipient agrees to replace approximately 850 linear-ft of 18-inch diameter and 3,070 linear-ft of 16-inch diameter steel water pipeline with a new 18-inch diameter ductile iron pipeline on the north side of Eureka Road between Barton Road and Providence Lane in Granite Bay. The Recipient will also construct and install the following:

- Isolation valves, combination air valves, and blow-offs
- Connections to existing pipelines on both east and west ends of the new pipeline
- Connections to existing distribution (lateral) pipelines ranging in size from 6 inch to 12 inch diameter
- Residential and commercial service connections (2 inch diameter)
- Fire hydrant connections
- Abandonment of the existing pipelines being replaced.

### A.2. STANDARD PROJECT REQUIREMENTS.

#### A.2.1 Acknowledgements.

The Recipient shall include the following acknowledgement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

“Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board.

California’s Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds.

The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.”

#### A.2.2 Reports

##### A.2.2.1 Progress Reports.

- (a) The Recipient must provide a progress report to the Division each quarter, beginning no later than 90 days after execution of this Agreement.
- (b) The Recipient must provide a progress report with each reimbursement request. Failure to provide a complete and accurate progress report may result in the withholding of Project Funds, as set forth in Exhibit B.
- (c) A progress report must contain the following information:

- i. A summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed;
- ii. A description of compliance with environmental requirements;
- iii. A listing of change orders including amount, description of work, and change in contract amount and schedule; and
- iv. Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.

#### A.2.2.2 Project Completion Report.

(a) The Recipient must submit a Project Completion Report to the Division with a copy to the appropriate District Office on or before the due date established by the Division and the Recipient at the time of final project inspection. The Project Completion Report must include the following:

- i. Description of the Project,
- ii. Description of the water quality problem the Project sought to address,
- iii. Discussion of the Project's likelihood of successfully addressing that water quality problem in the future, and
- iv. Summary of compliance with applicable environmental conditions.

(b) If the Recipient fails to submit a timely Project Completion Report, the State Water Board may stop processing pending or future applications for new financial assistance, withhold disbursements under this Agreement or other agreements, and begin administrative proceedings.

#### A.2.2.3 As Needed Reports.

The Recipient must provide expeditiously, during the term of this Agreement, any reports, data, and information reasonably required by the Division, including but not limited to material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the state or federal government.

#### A.2.2.4 DBE Reports for SRF Projects.

The Recipient must report Disadvantaged Business Enterprise (DBE) utilization to the Division on the DBE Utilization Report, State Water Board Form DBE UR334. The Recipient must submit such reports to the Division annually within ten (10) calendar days following October 1 until such time as the "Notice of Completion" is issued. The Recipient must comply with 40 CFR § 33.301 and require its contractors and subcontractors on the Project to comply.

#### A.2.3 Signage.

The Recipient shall place a sign at least four feet tall by eight feet wide made of  $\frac{3}{4}$  inch thick exterior grade plywood or other approved material in a prominent location on the Project site and shall maintain the sign in good condition for the duration of the construction period. The Recipient is encouraged to use recycled or recovered materials when procuring signs, and must comply with 2 CFR 200.323 if applicable. The sign must include the following disclosure statement and color logos (available from the

Division) and be consistent with the requirements at <https://www.whitehouse.gov/wp-content/uploads/2022/08/Building-a-Better-America-Brand-Guide.pdf>, including the requirement for a larger sign if located in a highway right-of-way.



PRESIDENT JOE BIDEN

## BUILDING A BETTER AMERICA

BUILD.GOV

a.

b. "Funding for this Eureka Road Transmission Line Replacement project has been provided in full or in part by the Drinking Water State Revolving Fund and President Biden's Bipartisan Infrastructure Law through an agreement with the State Water Resources Control Board. California's Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds."

c. The Project sign may include another agency's required promotional information so long as the above logos and disclosure statement are equally prominent on the sign. The sign shall be prepared in a professional manner.

d. The Recipient is encouraged to translate the sign (excluding logos) into the appropriate non-English language(s).

### A.2.4 Commencement of Operations.

Upon Completion of Construction of the Project, the Recipient must expeditiously initiate Project operations.

### A.3 DATES & DELIVERABLES.

- (a) Time is of the essence.
- (b) The Recipient must expeditiously proceed with and complete construction of the Project.
- (c) The following dates are established as on the Cover Page of this Agreement:
  - i. Eligible Work Start Date
  - ii. Eligible Construction Start Date
  - iii. Completion of Construction Date
  - iv. Final Reimbursement Request Date
  - v. Records Retention End Date
  - vi. Final Payment Date
- (d) The Recipient must award the prime construction contract timely.
- (e) The Recipient agrees to start construction no later than March 31, 2022.
- (f) The Recipient must deliver any request for extension of the Completion of Construction date no less than 90 days prior to the Completion of Construction date.
- (g) The undisbursed balance of this Agreement will be deobligated if the Recipient does not provide its final reimbursement request to the Division on or before the Final Reimbursement Request Date.

A.4 SCHEDULE.

Failure to provide items by the due dates indicated in the table below may constitute a material violation of this Agreement. The Project Manager may adjust the dates in the "Estimated Due Date" column of this table, but Critical Due Date adjustments will require an amendment to this Agreement. The Recipient must complete and submit all work in time to be approved by the Division prior to Project Completion. As applicable for specific submittals, the Recipient must plan adequate time to solicit, receive, and address comments prior to submitting the final submittal. The Recipient must submit the final reimbursement request prior to the Final Reimbursement Request Date set forth on the Cover Page.

ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A – SCOPE OF WORK			
A.	ADDITIONAL SUBMITTAL(S) TO DIVISION		
1.	Final Budget Approval Package		June 30, 2023
2.	Construction Completion	December 31, 2025	
B.	REPORTS		
1.	Progress Reports		Quarterly
2.	Final Inspection and Certification		December 31, 2025
3.	Project Completion Report		June 30, 2026
4	As Needed Reports		TBD
EXHIBIT B – REIMBURSEMENTS, BUDGET DETAIL, AND REPORTING PROVISIONS			
A.	REIMBURSEMENTS		
1.	Reimbursement Requests		Quarterly
2.	Final Reimbursement Request	June 30, 2026	

## EXHIBIT B – FUNDING TERMS

### B.1. FUNDING AMOUNTS AND REIMBURSEMENTS

#### B.1.1 Funding Contingency and Other Sources.

(a) If this Agreement's funding for any fiscal year expires due to reversion or is reduced, substantially delayed, or deleted by the Budget Act, by Executive Order, or by order or action of the Department of Finance, the State Water Board has the option to either cancel this Agreement with no liability accruing to the State Water Board, or offer an amendment to the Recipient to reflect the reduced amount.

(b) If funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient must notify the Division. The Recipient may retain such funding up to an amount which equals the Recipient's share of Project Costs. To the extent allowed by requirements of other funding sources, excess funding must be remitted to the State Water Board to be applied to Payments due hereunder, if any.

#### B.1.2 Estimated Reasonable Cost.

The estimated reasonable cost of the total Project, including associated planning and design costs is three million nine hundred ninety-five thousand dollars and no cents (\$3,995,000.00).

#### B.1.3 Project Funding Amount.

Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds not to exceed the amount of the Project Funding Amount set forth on the Cover Page of this Agreement.

#### B.1.4 [Reserved]

#### B.1.5 Budget Costs.

(a) Estimated budget costs are contained in the Summary Project Cost Table below:

LINE ITEM	TOTAL ESTIMATED COST	PROJECT FUNDING AMOUNT
Construction	\$2,600,000	\$2,600,000
Pre-Purchased Material/Equipment	\$0	\$0
Purchase of Land/Easements	\$0	\$0
Change Order Contingency	\$750,000	\$750,000
Force Account	\$0	\$0
Allowances (Soft Costs)	\$645,000	\$645,000
<b>TOTAL</b>	<b>\$3,995,000</b>	<b>\$3,995,000</b>

The Division's Final Budget Approval and related Form 259 and Form 260 will document a more detailed budget of eligible Project Costs and Project funding amounts.

Upon written request by the Recipient, the Division may adjust the line items of the Summary Project Cost Table at the time of Division's Final Budget Approval. Upon written request by the Recipient, the Division may also adjust the line items of the Summary Project Cost Table as well as the detailed budget at the time of Recipient's submittal of its final claim. Any line item adjustments to the Summary Project Cost Table that are due to a change in scope of work will require an Agreement amendment. The sum of adjusted line items in both the Summary Project Cost Table and the detailed budget must not exceed the Project Funding Amount. The Division may also propose budget adjustments.

(b) Under no circumstances may the sum of line items in the budget approved through the Final Budget Approval process exceed the Project Funding Amount. Any increase in the Project Funding Amount will require an Agreement amendment.

B.1.6 Contingent Disbursement.

(a) The State Water Board's disbursement of funds hereunder is contingent on the Recipient's compliance with the terms and conditions of this Agreement.

(b) The State Water Board's obligation to disburse Project Funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of Project Funds, the State Water Board shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other entity. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding.

(c) Construction costs and disbursements are not available until after the Division has approved the final budget form submitted by the Recipient.

(d) No costs incurred prior to the Eligible Work Start Date are eligible for reimbursement.

(e) Construction costs incurred prior to the Eligible Construction Start Date are not eligible for reimbursement.

(f) Failure to proceed according to the timelines set forth in this Agreement may require the Recipient to repay to the State Water Board all disbursed Project Funds.

(g) The Recipient agrees to ensure that its final reimbursement request is received by the Division no later than the Final Reimbursement Request Date. If the final reimbursement request is not received timely, the undisbursed balance of this Agreement will be deobligated.

(h) The Recipient is not entitled to interest earned on undisbursed funds.

B.1.7 Reimbursement Procedure.

Except as may be otherwise provided in this Agreement, disbursement of Project Funds will be made as follows:

- (a) Upon execution and delivery of this Agreement by both parties, the Recipient may request immediate reimbursement of any eligible incurred planning and design allowance costs through submission to the State Water Board of the Reimbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed.
- (b) The Recipient must submit a reimbursement request for costs incurred prior to the date this Agreement is executed by the State Water Board no later than ninety (90) days after this Agreement is executed by the State Water Board. Late reimbursement requests may not be honored.

- (c) The Recipient may request reimbursement of eligible construction and equipment costs consistent with budget amounts approved by the Division in the Final Budget Approval.
- (d) Additional Project Funds will be promptly disbursed to the Recipient upon receipt of reimbursement request Form 260 and Form 261, or any amendment thereto, duly completed and executed by the Recipient for incurred costs consistent with this Agreement, along with receipt of progress reports due under Exhibit A.
- (e) The Recipient must not request reimbursement for any Project Cost until such cost has been incurred and is currently due and payable by the Recipient, although the actual payment of such cost by the Recipient is not required as a condition of reimbursement request. Supporting documentation (e.g., receipts) must be submitted with each reimbursement request. The amount requested for administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Disbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented, and accurately addressed reimbursement request. Reimbursement requests submitted without supporting documents may be wholly or partially withheld at the discretion of the Division.
- (f) The Recipient must spend Project Funds within 30 days of receipt. If the Recipient earns interest earned on Project Funds, it must report that interest immediately to the State Water Board. The State Water Board may deduct earned interest from future disbursements.
- (g) The Recipient shall not request a reimbursement unless that Project Cost is allowable, reasonable, and allocable.
- (h) Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, policies, or regulations.
- (i) No work or travel outside the State of California is permitted under this Agreement unless the Division provides prior written authorization. Failure to comply with this restriction may result in termination this Agreement, pursuant to Exhibit C. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>, as of the date costs are incurred by the Recipient.

#### B.1.8 Withholding of Disbursements.

Notwithstanding any other provision of this Agreement, the State Water Board may withhold all or any portion of the Project Funds upon the occurrence of any of the following events:

- (a) The Recipient's failure to maintain reasonable progress on the Project as determined by the Division;
- (b) Placement on the ballot or passage of an initiative or referendum to repeal or reduce the Recipient's taxes, assessments, fees, or charges levied for operation of the System or payment of debt service on System Obligations;
- (c) Commencement of litigation or a judicial or administrative proceeding related to the Project, System, or Revenues that the State Water Board determines may impair the timely satisfaction of Recipient's obligations under this Agreement;
- (d) Any investigation by the State Water Board, District Attorney, California State Auditor, Bureau of State Audits, United States Environmental Protection Agency's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;

- (e) A material adverse change in the condition of the Recipient, the Revenues, or the System, that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement, or any other event that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement;
- (f) The Recipient's material violation of, or threat to materially violate, any term of this Agreement;
- (g) Suspicion of fraud, forgery, embezzlement, theft, or any other misuse of public funds by the Recipient or its employees, or by its contractors or agents regarding the Project or the System;
- (h) An event requiring Notice as set forth in Exhibit C;
- (i) An Event of Default or an event that the Division determines may become an Event of Default.

#### B.1.9 Fraud and Misuse of Public Funds; Enforcement.

All requests for reimbursement submitted must be accurate and signed by the Recipient's Authorized Representative under penalty of perjury. All costs submitted pursuant to this Agreement must only be for the work or tasks set forth in this Agreement. The Recipient must not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is improper and will not be compensated. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements and, notwithstanding any other section in this Agreement, the termination of this Agreement requiring the repayment of all Project Funds disbursed hereunder. Additionally, the Deputy Director of the Division may request an audit; refer the matter for appropriate administrative action, including but not limited to the recovery of financial assistance provided and the imposition of civil penalties; and/or refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. A person who knowingly makes or causes to be made any false statement, material misrepresentation, or false certification in any submittal may be subject to a civil penalty, criminal fine, or imprisonment. (Wat. Code, § 13490 et seq.)

### B.2 RECIPIENT'S PAYMENT OBLIGATION, PLEDGE, AND RESERVE

#### B.2.1 Project Costs.

The Recipient must pay any and all costs connected with the Project including, without limitation, any and all Project Costs and Additional Payments. If the Project Funds are not sufficient to pay the Project Costs in full, the Recipient must nonetheless complete the Project and pay that portion of the Project Costs in excess of available Project Funds, and shall not be entitled to any reimbursement therefor from the State Water Board.

#### B.2.2 Estimated Principal Payment Due.

The estimated amount of principal that will be due to the State Water Board from the Recipient under this Agreement is three million nine hundred ninety-five thousand dollars and no cents (\$3,995,000.00).

#### B.2.3 Interest Rate and In-Lieu of Interest Charges.

- (a) The Recipient agrees to make all Payments according to the schedule in Exhibit E, and as otherwise set forth herein, at an interest rate of one and one tenth percent (1.10%) per annum.

(b) Interest will accrue beginning with each disbursement.

(c) In lieu of, and not to exceed, interest otherwise due under this Agreement, the Recipient agrees to pay the following charge(s), as further set forth in Exhibit E:

- an Administrative Service Charge
- a Drinking Water Small Community Emergency Grant Fund Charge

B.2.4 [Reserved]

B.2.5 Obligation Absolute.

The obligation of the Recipient to make the Payments and other payments required to be made by it under this Agreement, from the Net Revenues and/or other amounts legally available to the Recipient therefor, is absolute and unconditional, and until such time as the Payments and Additional Payments have been paid in full, the Recipient must not discontinue or suspend any Payments or other payments required to be made by it hereunder when due, whether or not the Project, or any related part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such Payments and other payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

B.2.6 Payment Timing.

(a) The Recipient must pay interest annually, by December 31 of each year, until one year after Completion of Construction. Beginning no later than one year after Completion of Construction, the Recipient must make annual Payment of the principal of the Project Funds, together with all interest accruing thereon by December 31. The Recipient must make Payments fully amortizing the total principal of the Project by the Final Payment Date. Payments are based on a standard fully amortized assistance amount with equal annual payments.

(b) The remaining balance is the previous balance, plus the disbursements, plus the accrued interest on both, plus any Charge In Lieu of Interest, less the Payment. Payment calculations will be made beginning one (1) year after Completion of Construction. Exhibit E is a payment schedule based on the provisions of this Exhibit and an estimated disbursement schedule. Actual payments will be based on actual disbursements.

(c) Upon Completion of Construction and submission of necessary reports by the Recipient, the Division will prepare an appropriate payment schedule and supply the same to the Recipient. The Division may amend this schedule as necessary to accurately reflect amounts due under this Agreement. The Division will prepare any necessary amendments to the payment schedule and send them to the Recipient. The Recipient must make each Payment on or before the due date therefor. A ten (10) day grace period will be allowed, after which time a penalty in the amount of costs incurred by the State Water Board will be assessed for late payment. These costs may include, but are not limited to, lost interest earnings, staff time, bond debt service default penalties, if any, and other related costs. For purposes of penalty assessment, payment will be deemed to have been made if payment is deposited in the U.S. Mail within the grace period with postage prepaid and properly addressed. Any penalties assessed will not be added to the assistance amount balance, but will be treated as a separate account and obligation of the Recipient. The interest penalty will be assessed from the payment due date.

(d) The Recipient is obligated to make all payments required by this Agreement to the State Water Board, notwithstanding any individual default by its constituents or others in the payment to the Recipient of fees, charges, taxes, assessments, tolls or other charges ("Charges") levied or imposed by the Recipient. The Recipient must provide for the punctual payment to the State Water Board of all amounts which become

due under this Agreement and which are received from constituents or others in the payment to the Recipient. In the event of failure, neglect or refusal of any officer of the Recipient to levy or cause to be levied any Charge to provide payment by the Recipient under this Agreement, to enforce or to collect such Charge, or to pay over to the State Water Board any money collected on account of such Charge necessary to satisfy any amount due under this Agreement, the State Water Board may take such action in a court of competent jurisdiction as it deems necessary to compel the performance of all duties relating to the imposition or levying and collection of any of such Charges and the payment of the money collected therefrom to the State Water Board. Action taken pursuant hereto shall not deprive the State Water Board of, or limit the application of, any other remedy provided by law or by this Agreement.

(e) Each Payment must be paid in lawful money of the United States of America by check or other acceptable form of payment set forth at [www.waterboards.ca.gov/make\\_a\\_payment](http://www.waterboards.ca.gov/make_a_payment). The Recipient must pay Payments and Additional Payments from Net Revenues and/or other amounts legally available to the Recipient therefor.

#### B.2.7 Pledged Revenues.

##### B.2.7.1 Establishment of Enterprise Fund and Reserve Fund.

In order to carry out its System Obligations, the Recipient covenants that it shall establish and maintain or shall have established and maintained the Enterprise Fund. All Revenues received shall be deposited when and as received in trust in the Enterprise Fund. As required in this Exhibit, the Recipient must establish and maintain a Reserve Fund.

##### B.2.7.2 Pledge of Revenues, Enterprise Fund, and Reserve Fund.

The Obligation hereunder shall be secured by a lien on and pledge of the Enterprise Fund, Revenues, and any Reserve Fund on parity with the Parity Obligations. The Recipient hereby pledges and grants such lien on and pledge of the Enterprise Fund, Revenues, and any Reserve Fund to secure the Obligation, including payment of Payments and Additional Payments hereunder. The Enterprise Fund, Revenues in the Enterprise Fund, and any Reserve Fund shall be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Recipient.

##### B.2.7.3 Application and Purpose of the Enterprise Fund.

Subject to the provisions of any outstanding System Obligation, money on deposit in the Enterprise Fund shall be applied and used first, to pay Operations and Maintenance Costs, and thereafter, all amounts due and payable with respect to the System Obligations in order of priority. After making all payments hereinabove required to be made in each Fiscal Year, the Recipient may expend in such Fiscal Year any remaining money in the Enterprise Fund for any lawful purpose of the Recipient.

#### B.2.8 No Prepayment.

Pursuant to State Water Board's Debt Management Policy, adopted on October 3, 2017, the Recipient may not prepay any portion of the principal and interest due under this Agreement without the written consent of the Deputy Director of the Division.

#### B.2.9 Reserve Fund.

Prior to Completion of Construction, the Recipient must establish a restricted Reserve Fund, held in its Enterprise Fund, equal to one year's Debt Service on this Obligation. The Recipient must maintain the Reserve Fund throughout the term of this Agreement. The Reserve Fund is subject to lien and pledged

as security for this Obligation, and its use is restricted to payment of this Obligation during the term of this Agreement.

**B.3 RATES, FEES AND CHARGES.**

- (a) The Recipient must, to the extent permitted by law, fix, prescribe and collect rates, fees and charges for the System during each Fiscal Year which are reasonable, fair, and nondiscriminatory and which will be sufficient to generate Revenues in the amounts necessary to cover Operations and Maintenance Costs, and must ensure that Net Revenues are equal to the sum of (i) at least 120% of the Maximum Annual Debt Service with respect to all outstanding System Obligations senior to and on parity with the Obligation and (ii) at least 100% of the Maximum Annual Debt Service with respect to all outstanding System Obligations subordinate to the Obligation, so long as System Obligations other than this Obligation are outstanding. Upon defeasance of all System Obligations other than this Obligation, this ratio must be at least 120%, except where System Obligations are defeased pursuant to refunding obligations.
- (b) The Recipient may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Net Revenues from such reduced rates, fees, and charges will at all times be sufficient to meet the requirements of this section.
- (c) Upon consideration of a voter initiative to reduce Revenues, the Recipient must make a finding regarding the effect of such a reduction on the Recipient's ability to satisfy the rate covenant set forth in this Section. The Recipient must make its findings available to the public. The Recipient's Authorized Representative must request, if necessary, the authorization of the Recipient's decision-maker or decision-making body to file litigation to challenge any such initiative that it finds will render it unable to satisfy the rate covenant set forth in this Agreement and its obligation to operate and maintain the Project for its Useful Life. The Recipient must diligently pursue and bear any and all costs related to such challenge. The Recipient must notify and regularly update the State Water Board regarding the status of any such challenge.

**B.4 ADDITIONAL DEBT.**

- (a) The Recipient's future debt that is secured by Revenues pledged herein may not be senior to this Obligation.
- (b) The Recipient may issue additional parity or subordinate debt only if all of the following conditions are met:
- i. No Event of Default (or no event with respect to which notice has been given and which, once all notice of grace periods have passed, would constitute an Event of Default) has occurred and is continuing;
  - ii. Net Revenues in the most recent Fiscal Year, excluding transfers from a rate stabilization fund, if any, meet the ratio for rate covenants set forth in this Exhibit with respect to any outstanding and proposed additional obligations;
  - iii. The Recipient is in compliance with any reserve fund requirement of this Obligation.

**B.5 NO LIENS.**

The Recipient must not make any pledge of or place any lien on the Project, System, or Revenues except as otherwise provided or permitted by this Agreement.

## EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS

### C.1 REPRESENTATIONS & WARRANTIES.

The Recipient represents, warrants, and commits to the following as of the Eligible Work Start Date and continuing thereafter for the term of this Agreement.

#### C.1.1 Application and General Recipient Commitments.

The Recipient has not made any untrue statement of a material fact in its application for this financial assistance, or omitted to state in its application a material fact that makes the statements in its application not misleading.

The Recipient agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents.

The Recipient agrees to fulfill all assurances, declarations, representations, and commitments in its application, accompanying documents, and communications filed in support of its request for funding under this Agreement.

#### C.1.2 Authorization and Validity.

The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient. Upon execution by both parties, this Agreement constitutes a valid and binding obligation of the Recipient, enforceable in accordance with its terms, except as such enforcement may be limited by law.

#### C.1.3 No Violations.

The execution, delivery, and performance by Recipient of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date of execution of this Agreement by the Recipient, or result in any breach or default under any contract, obligation, indenture, or other instrument to which Recipient is a party or by which Recipient is bound as of the date of execution of this Agreement by the Recipient.

#### C.1.4 No Litigation.

There are, as of the date of execution of this Agreement by the Recipient, no pending or, to Recipient's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect the financial condition or operations of the Recipient, the System, the Revenues, and/or the Project.

There are no proceedings, actions, or offers by a public entity to acquire by purchase or the power of eminent domain the System or any of the real or personal property related to or necessary for the Project.

#### C.1.5 Property Rights and Water Rights.

The Recipient owns or has sufficient property rights in the Project property for the longer of the Useful Life or the term of this Agreement, either in fee simple or for a term of years that is not subject to third-party revocation during the Useful Life of the Project.

The Recipient possesses all water rights necessary for this Project.

C.1.6 Solvency and Insurance.

None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of Recipient. The Recipient is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Recipient is able to pay its debts as they become due. The Recipient maintains sufficient insurance coverage considering the scope of this Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.

C.1.7 Legal Status and Eligibility.

The Recipient is duly organized and existing and in good standing under the laws of the State of California. Recipient must at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. The Recipient acknowledges that changes to its legal or financial status may affect its eligibility for funding under this Agreement and commits to maintaining its eligibility. Within the preceding ten years, the Recipient has not failed to demonstrate compliance with state or federal audit disallowances.

C.1.8 Financial Statements and Continuing Disclosure.

The financial statements of Recipient previously delivered to the State Water Board as of the date(s) set forth in such financial statements: (a) are materially complete and correct; (b) present fairly the financial condition of the Recipient; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements, there has been no material adverse change in the financial condition of the Recipient, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by Recipient and approved in writing by the State Water Board.

The Recipient is current in its continuing disclosure obligations associated with its material debt, if any.

C.1.9 System Obligations

The Recipient has no System Obligations other than those defined in this Agreement.

C.1.10 No Other Material Debt.

The Recipient has no Material Obligations other than System Obligations.

C.1.11 Compliance with State Water Board Funding Agreements.

The Recipient represents that it is in compliance with all State Water Board funding agreements to which it is a party.

**C.2 DEFAULTS AND REMEDIES**

In addition to any other remedy set forth in this Agreement, the following remedies are available under this Agreement.

C.2.1 Return of Funds; Acceleration; and Additional Payments.

Notwithstanding any other provision of this Agreement, if the Division determines that an Event of Default has occurred, the Recipient may be required, upon demand, immediately to do each of the following:

- i. return to the State Water Board any grant or principal forgiveness amounts received pursuant to this Agreement;
- ii. accelerate the payment of any principal owed under this Agreement, all of which shall be immediately due and payable;
- iii. pay interest at the highest legal rate on all of the foregoing; and
- iv. pay any Additional Payments.

C.2.3 Administrative remedies.

Whenever the State Water Board determines that the Recipient, the Recipient's contractor, consultant, employee, agent, assignee, or grantee has violated any requirement or term of the Agreement, the State Water Board may impose civil penalties in accordance with Water Code, section 13497. The State Water Board may impose civil liability administratively against the Recipient or the Recipient's consultant or contractor or other agent furnishing any information related to funds disbursed or costs claimed for reimbursement if the Recipient or the Recipient's consultant or contractor or other agent fails to personally attest that the information is true, accurate, and complete the best of one's knowledge. (Wat. Code, § 13498.) The State Water Board may impose civil liability administratively against any person who makes a misrepresentation in any submittal to the State Water Board, including, but not limited to, an application, report, certification, record, invoice, form, or other document that is submitted to the State Water Board relating to a financial assistance agreement. (Wat. Code, § 13499.)

C.2.4 Judicial remedies.

Whenever the State Water Board determines that an Event of Default shall have occurred, the State Water Board may enforce its rights under this Agreement by any judicial proceeding, whether at law or in equity. Without limiting the generality of the foregoing, the State Water Board may:

- i. by suit in equity, require the Recipient to account for amounts relating to this Agreement as if the Recipient were the trustee of an express trust;
- ii. by mandamus or other proceeding, compel the performance by the Recipient and any of its officers, agents, and employees of any duty under the law or of any obligation or covenant under this Agreement, including but not limited to the imposition and collection of rates for the services of the System sufficient to meet all requirements of this Agreement; and
- iii. take whatever action at law or in equity as may appear necessary or desirable to the State Water Board to collect the Payments then due or thereafter to become due, or to enforce performance of any obligation or covenant of the Recipient under this Agreement.

Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the State Water Board under this Agreement, the State Water Board may make application for the appointment of a receiver or custodian of the Revenues, pending such proceeding, with such power as the court making such appointment may confer.

C.2.5 Termination.

Upon an Event of Default, the State Water Board may terminate this Agreement. Interest shall accrue on all amounts due at the highest legal rate of interest from the date that the State Water Board delivers notice of termination to the Recipient.

C.2.6 Damages for Breach of Tax-Exempt Status.

In the event that any breach of any of the provisions of this Agreement by the Recipient results in the loss of tax-exempt status for any bonds of the State or any subdivision or agency thereof, or if such breach

results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government by reason of any arbitrage profits, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

C.2.7 Damages for Breach of Federal Conditions.

In the event that any breach of any of the provisions of this Agreement by the Recipient results in the failure of Project Funds to be used pursuant to the provisions of this Agreement, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

C.2.8 Remedies and Limitations.

None of the remedies available to the State Water Board shall be exclusive of any other remedy, and each such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. The State Water Board may exercise any remedy, now or hereafter existing, without exhausting and without regard to any other remedy.

Any claim of the Recipient is limited to the rights and remedies provided to the Recipient under this Agreement and is subject to the claims procedures provided to the Recipient under this Agreement.

C.2.9 Non-Waiver.

Nothing in this Agreement shall affect or impair the Recipient's Obligation to pay Payments as provided herein or shall affect or impair the right of the State Water Board to bring suit to enforce such payment. No delay or omission of the State Water Board in the exercise of any right arising upon an Event of Default shall impair any such right or be construed to be a waiver of any such Event of Default. The State Water Board may exercise from time to time and as often as shall be deemed expedient by the State Water Board, any remedy or right provided by law or pursuant to this Agreement.

C.2.10 Status Quo.

If any action to enforce any right or exercise any remedy shall be brought and either discontinued or determined adversely to the State Water Board, then the State Water Board shall be restored to its former position, rights and remedies as if no such action had been brought.

### C.3 STANDARD CONDITIONS

C.3.1 Access, Inspection, and Public Records.

The Recipient must ensure that the State Water Board, the Governor of the State, the United States Environmental Protection Agency, the Office of Inspector General, any member of Congress, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of the Agreement. The Recipient acknowledges that, except for a subset of information regarding archaeological records, the Project records and locations are public records, including but not limited to all of the submissions accompanying the application, all of the documents incorporated into this Agreement by reference, and all reports, reimbursement requests, and supporting documentation submitted hereunder.

C.3.2 Accounting and Auditing Standards; Financial Management Systems; Records Retention.

- (a) The Recipient must maintain project accounts according to GAAP as issued by the Governmental Accounting Standards Board (GASB) or its successor. The Recipient must maintain GAAP-compliant project accounts, including GAAP requirements relating to the reporting of infrastructure assets.
- (b) The Recipient must comply with federal standards for financial management systems. The Recipient agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal government and tracking of Project funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal or state law or the terms of this Agreement. To the extent applicable, the Recipient is bound by, and must comply with, the provisions and requirements of the federal Single Audit Act of 1984 and 2 CFR Part 200, subpart F, and updates or revisions, thereto.
- (c) Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient must:
- i. Establish an official file for the Project which adequately documents all significant actions relative to the Project;
  - ii. Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all assistance funds received under this Agreement;
  - iii. Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to assistance funds disbursed under this Agreement;
  - iv. Establish an accounting system which will accurately depict final total costs of the Project, including both direct and Indirect Costs;
  - v. Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
  - vi. If Force Account is used by the Recipient for any phase of the Project, other than for planning, design, and construction engineering and administration provided for by allowance, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee. Indirect costs from Force Account are not eligible for funding.

(d) The Recipient must maintain separate books, records and other material relative to the Project. The Recipient must also retain such books, records, and other material for itself and for each contractor or subcontractor who performed or performs work on this project for a minimum of thirty-six (36) years after Completion of Construction. The Recipient must require that such books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the California State Auditor, the Bureau of State Audits, the United States Environmental Protection Agency (USEPA), the Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned. The Recipient must allow and must require its contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the term of this Agreement.

C.3.3 Amendment.

No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by both the Recipient and the Deputy Director or designee.

Requests for amendments must be in writing and directed to the contact listed in Section 4 and to the Division's Chief of Loans and Grants Administration Section.

C.3.4 Assignability.

This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

C.3.5 Audit.

(a) The Division may call for an audit of financial information relative to the Project if the Division determines that an audit is desirable to assure program integrity or if an audit becomes necessary because of state or federal requirements. If an audit is called for, the audit must be performed by a certified public accountant independent of the Recipient and at the cost of the Recipient. The audit must be in the form required by the Division.

(b) Audit disallowances must be returned to the State Water Board.

C.3.6 Bonding.

Where contractors are used, the Recipient must not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00.

C.3.7 Competitive Bidding

Recipient must adhere to any applicable state law or local ordinance for competitive bidding and applicable labor laws.

C.3.8 Compliance with Applicable Laws, Rules, and Requirements.

The Recipient must, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, to the extent applicable, the Recipient must:

- (a) Comply with the provisions of the adopted environmental mitigation plan, if any, for the term of this Agreement;
- (b) Comply with the Policy; and
- (c) Comply with and require compliance with the state and federal requirements set forth elsewhere in this Agreement.

C.3.9 Computer Software.

The Recipient certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

C.3.10 Conflict of Interest.

The Recipient certifies that its owners, officers, directors, agents, representatives, and employees are in compliance with applicable state and federal conflict of interest laws.

C.3.11 Continuous Use of Project; No Lease, Sale, Transfer of Ownership, or Disposal of Project.

The Recipient agrees that, except as provided in this Agreement, it will not abandon, substantially discontinue use of, lease, sell, transfer ownership of, or dispose of all or a significant part or portion of the Project during the Useful Life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all disbursed Project Funds or all or any portion of all remaining funds covered by this Agreement together with accrued interest and any penalty assessments that may be due.

C.3.12 Data Management.

The Recipient will undertake appropriate data management activities so that Project data can be incorporated into statewide data systems.

C.3.13 Disputes.

(a) The Recipient may appeal a staff decision within 30 days to the Deputy Director of the Division or designee, for a final Division decision. The Recipient may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.

(b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.

(c) Recipient must continue with the responsibilities under this Agreement during any dispute.

(d) This section relating to disputes does not establish an exclusive procedure for resolving claims within the meaning of Government Code sections 930 and 930.4.

C.3.14 [Reserved]

C.3.15 Environmental Clearance.

(a) No work that is subject to CEQA or NEPA may proceed under this Agreement unless the State Water Board has provided environmental clearance. The State Water Board may require changes in the scope of work or additional mitigation as a condition to providing construction or implementation funding under this Agreement. Recipient shall not perform any work subject to CEQA and/or NEPA before the State Water Board completes its environmental review and specifies any changes in scope or additional mitigation that may be required. Proceeding with work subject to CEQA and/or NEPA without approval by the State Water Board shall constitute a breach of a material provision of this Agreement.

(b) If this Project includes modification of a river or stream channel, the Recipient must fully mitigate environmental impacts resulting from the modification. The Recipient must provide documentation that the environmental impacts resulting from such modification will be fully mitigated considering all of the

impacts of the modification and any mitigation, environmental enhancement, and environmental benefit resulting from the Project, and whether, on balance, any environmental enhancement or benefit equals or exceeds any negative environmental impacts of the Project.

C.3.16 Governing Law.

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

C.3.17 Income Restrictions.

The Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient under this Agreement must be paid by the Recipient to the State Water Board, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State Water Board under this Agreement.

C.3.18 Indemnification and State Reviews.

The parties agree that review or approval of Project plans and specifications by the State Water Board is for administrative purposes only, including conformity with application and eligibility criteria, and expressly not for the purposes of design defect review or construction feasibility, and does not relieve the Recipient of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless the State Water Board, the Bank, and any trustee, and their officers, employees, and agents for the Bonds, if any (collectively, "Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the System or the Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the System or the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System or the Project; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Recipient for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement, except those arising from the gross negligence or willful misconduct of the Indemnified Persons. The Recipient must also provide for the defense and indemnification of the Indemnified Persons in any contractual provision extending indemnity to the Recipient in any contract let for the performance of any work under this Agreement, and must cause the Indemnified Persons to be included within the scope of any provision for the indemnification and defense of the Recipient in any contract or subcontract. To the fullest extent permitted by law, the Recipient agrees to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section survive the term of this Agreement.

C.3.19 Independent Actor.

The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.

C.3.20 Integration.

This Agreement constitutes the complete and final agreement between the parties. No oral or written understanding or agreement not incorporated in this Agreement shall be binding on either party.

C.3.21 Leveraging Covenants.

- (a) Notwithstanding any other provision hereof, the Recipient covenants and agrees that it will comply with the Tax Covenants set forth in Exhibit F of this Agreement.
- (b) The Recipient covenants to furnish such financial, operating and other data pertaining to the Recipient as may be requested by the State Water Board to: (i) enable the State Water Board to cause the issuance of Bonds and provide for security therefor; or (ii) enable any underwriter of Bonds issued for the benefit of the State Water Board to comply with Rule 15c2-12(b)(5).
- (c) The Recipient further covenants to provide the State Water Board with copies of all continuing disclosure documents or reports that are disclosed pursuant to (i) the Recipient's continuing disclosure undertaking or undertakings made in connection with any outstanding System Obligation, (ii) the terms of any outstanding System Obligation, or (iii) a voluntary disclosure of information related to an outstanding System Obligation. The Recipient must disclose such documents or reports to the State Water Board at the same time such documents or reports are submitted to any dissemination agent, trustee, nationally recognized municipal securities information repository, the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website or other person or entity.

C.3.22 No Discrimination.

- (a) The Recipient must comply with Government Code section 11135 and the implementing regulations (Cal. Code Regs, tit. 2, § 11140 et seq.), including, but not limited to, ensuring that no person is unlawfully denied full and equal access to the benefits of, or unlawfully subjected to discrimination in the operation of, the Project or System on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation as such terms are defined under California law, for as long as the Recipient retains ownership or possession of the Project.
- (b) If Project Funds are used to acquire or improve real property, the Recipient must include a covenant of nondiscrimination running with the land in the instrument effecting or recording the transfer of such real property.
- (c) The Recipient must comply with the federal American with Disabilities Act of 1990 and implementing regulations as required by Government Code section 11135(b).
- (d) The Recipient's obligations under this section shall survive the term of this Agreement.
- (e) During the performance of this Agreement, Recipient and its contractors and subcontractors must not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital

status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status.

(f) The Recipient, its contractors, and subcontractors must ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

(g) The Recipient, its contractors, and subcontractors must comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subds. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

(h) The Recipient, its contractors, and subcontractors must comply with all applicable federal civil rights regulations, including statutory and national policy requirements. (2 CFR § 200.300). This includes, to the greatest extent practicable and to the extent permitted by law, the requirement to respect and protect the freedom of persons and organizations to engage in political and religious speech. (Executive Order 13798).

(i) The Recipient, its contractors, and subcontractors must give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

(j) The Recipient must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

#### C.3.23 No Third Party Rights.

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein.

#### C.3.24 No Obligation of the State.

Any obligation of the State Water Board herein contained shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys encumbered pursuant to this Agreement.

#### C.3.25 Notice.

Upon the occurrence of any of the following events, the Recipient must provide notice as set forth below.

- (a) Within 24 hours of the following, the Recipient must notify the Division by phone at (916) 327-9978 and by email to [PM email address and senior email address] and [DrinkingWaterSRF@waterboards.ca.gov](mailto:DrinkingWaterSRF@waterboards.ca.gov):
  - i. The seizure of, or levy on, any Revenues securing this Agreement;
  - ii. Any discovery of any potential tribal cultural resource and/or archaeological or historical resource. Should a potential tribal cultural resource and/or archaeological or historical resource be discovered during construction or Project implementation, the Recipient must ensure that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Division has determined what actions should be taken to protect and preserve the resource. The Recipient must implement appropriate actions as directed by the Division.
- (b) Within five (5) business days, the Recipient must notify the Division by phone at (916) 327-9978; by email to [Lance.Reese@waterboards.ca.gov](mailto:Lance.Reese@waterboards.ca.gov), [Maria.Pang@waterboards.ca.gov](mailto:Maria.Pang@waterboards.ca.gov), [Uyen.Trinh-Le@waterboards.ca.gov](mailto:Uyen.Trinh-Le@waterboards.ca.gov), and

[DrinkingWaterSRF@waterboards.ca.gov](mailto:DrinkingWaterSRF@waterboards.ca.gov); and by mail to the contact address set forth in Section 4 of this Agreement of the occurrence of any of the following events:

- i. Bankruptcy, insolvency, receivership or similar event of the Recipient, or actions taken in anticipation of any of the foregoing;
  - ii. Change of ownership of the Project or the System or change of management or service contracts, if any, for operation of the System;
  - iii. Loss, theft, damage, or impairment to Project, the Revenues or the System;
  - iv. Failure to meet any debt service coverage test in Exhibit B of this Agreement;
  - v. Draws on the Reserve Fund;
  - vi. Listed Events and Events of Default, except as otherwise set forth in this section;
  - vii. Failure to observe or perform any covenant or comply with any condition in this Agreement;
  - viii. An offer from a public entity to purchase the Project or the System or any portion thereof, or any of the real or personal property related to or necessary for the Project;
  - ix. A proceeding or action by a public entity to acquire the Project or the System by power of eminent domain;
  - x. Incurrence of a System Obligation or other Material Obligation by the Recipient; or
  - xi. A default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a System Obligation or other Material Obligation of the Recipient, any of which reflect financial difficulties.
- (c) Within ten (10) business days, the Recipient must notify the Division by phone at (916) 327-9978, by email to [Maria.Pang@waterboards.ca.gov](mailto:Maria.Pang@waterboards.ca.gov), [Uyen.Trinh-Le@waterboards.ca.gov](mailto:Uyen.Trinh-Le@waterboards.ca.gov), and [DrinkingWaterSRF@waterboards.ca.gov](mailto:DrinkingWaterSRF@waterboards.ca.gov); and by mail to the contact address set forth in Section 4 of this Agreement of the following events:
- i. Material defaults on Material Obligations, other than this Obligation;
  - ii. Unscheduled draws on material debt service reserves or credit enhancements, reflecting financial difficulties;
  - iii. Substitution of credit or liquidity providers, if any or their failure to perform;
  - iv. Any litigation pending or threatened with respect to the Project or the Recipient's technical, managerial or financial capacity to operate the System or the Recipient's continued existence;
  - v. Circulation of a petition to repeal, reduce, or otherwise challenge the Recipient's rates for services of the System;
  - vi. Consideration of dissolution, or disincorporation, or any other event that could materially impair the Revenues;
  - vii. Adverse tax opinions, the issuance by the Internal Revenue Service or proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of any tax-exempt bonds;
  - viii. Rating changes on outstanding System Obligations, if any;
  - ix. Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board; or
  - x. Any investigation by the District Attorney, California State Auditor, Bureau of State Audits, United States Environmental Protection Agency's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;

- (d) The Recipient must notify the Division promptly by phone at (916) 327-9978, by email to [Maria.Pang@waterboards.ca.gov](mailto:Maria.Pang@waterboards.ca.gov), [Uyen.Trinh-Le@waterboards.ca.gov](mailto:Uyen.Trinh-Le@waterboards.ca.gov), and [DrinkingWaterSRF@waterboards.ca.gov](mailto:DrinkingWaterSRF@waterboards.ca.gov); and by mail to the contact address set forth in Section 4 of this Agreement of any of the following events:
- i. The discovery of a false statement of fact or representation made in this Agreement or in the application to the Division for this financial assistance, or in any certification, report, or request for reimbursement made pursuant to this Agreement, by the Recipient, its employees, agents, or contractors;
  - ii. Any substantial change in scope of the Project. The Recipient must undertake no substantial change in the scope of the Project until prompt written notice of the proposed change has been provided to the Division and the Division has given written approval for the change;
  - iii. Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
  - iv. Any circumstance, combination of circumstances, or condition, which is expected to or does delay Completion of Construction for a period of ninety (90) days or more;
  - v. Discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during construction of the Project, the Recipient agrees to promptly notify the Division. This notification is in addition to the Recipient's obligations under the federal Endangered Species Act;
  - vi. Any Project monitoring, demonstration, or other implementation activities required in Exhibit A or Exhibit D of this Agreement, if any;
  - vii. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by state representatives with at least ten (10) working days' notice to the Division;
  - viii. Any allegation of research misconduct involving research activities that are supported in whole or in part with EPA funds under this Project, as required by Exhibit C.4.3(xxvii);
  - ix. Any events requiring notice to the Division pursuant to the provisions of this Agreement;
  - x. Completion of Construction of the Project, and actual Project Completion;
  - xi. The award of the prime construction contract for the Project;
  - xii. Initiation of construction of the Project.

### C.3.26 Operation and Maintenance; Insurance.

The Recipient agrees to sufficiently and properly staff, operate and maintain all portions of the System during the Useful Life of the Project in accordance with all applicable state and federal laws, rules, and regulations.

The Recipient will procure and maintain or cause to be maintained insurance on the System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the System) as are usually covered in connection with systems similar to the System. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Recipient of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the

damaged or destroyed portion of the System. The Recipient must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the System must be free and clear of all claims and liens. If such net proceeds are insufficient to reconstruct, repair, or restore the System to the extent necessary to enable the Recipient to pay all remaining unpaid principal portions of the Payments, if any, in accordance with the terms of this Agreement, the Recipient must provide additional funds to restore or replace the damaged portions of the System.

Recipient agrees that for any policy of insurance concerning or covering the construction of the Project, it will cause, and will require its contractors and subcontractors to cause, a certificate of insurance to be issued showing the State Water Board, its officers, agents, employees, and servants as additional insured; and must provide the Division with a copy of all such certificates prior to the commencement of construction of the Project.

#### C.3.27 Permits, Subcontracting, and Remedies.

Recipient must procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses must be submitted to the Division before any construction begins.

The Recipient must not contract or allow subcontracting with excluded parties. The Recipient must not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized. For any work related to this Agreement, the Recipient must not contract with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which funding under this Agreement is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at

[http://www.waterboards.ca.gov/water\\_issues/programs/enforcement/fwa/dbp.shtml](http://www.waterboards.ca.gov/water_issues/programs/enforcement/fwa/dbp.shtml)

#### C.3.28 Professionals.

The Recipient agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, architectural, or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code, sections 5536.1, 6735, 7835, and 7835.1. To demonstrate compliance with California Code of Regulations, title 16, sections 415 and 3065, all technical reports must contain a statement of the qualifications of the responsible registered professional(s). As required by these laws, completed technical reports must bear the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.

#### C.3.29 Prevailing Wages.

The Recipient agrees to be bound by all applicable provisions of State Labor Code regarding prevailing wages. The Recipient must monitor all agreements subject to reimbursement from this Agreement to ensure that the prevailing wage provisions of the State Labor Code are being met.

In addition, the Recipient agrees to comply with the Davis-Bacon provisions incorporated by reference in Section 3 of this Agreement.

C.3.30 Public Funding.

This Project is publicly funded. Any service provider or contractor with which the Recipient contracts must not have any role or relationship with the Recipient, that, in effect, substantially limits the Recipient's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances.

C.3.31 Recipient's Responsibility for Work.

The Recipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project. The State Water Board will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.

C.3.32 Related Litigation.

Under no circumstances may the Recipient use funds from any reimbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against the State Water Board or any Regional Water Quality Control Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to repay all of the disbursed funds plus interest in the event that Recipient does not complete the project.

C.3.33 Rights in Data.

The Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient may copyright the same, except that, as to any work which is copyrighted by the Recipient, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient upon request.

C.3.34 State Water Board Action; Costs and Attorney Fees.

Any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Recipient, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.

C.3.35 Timeliness.

Time is of the essence in this Agreement.

C.3.36 Unenforceable Provision.

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

C.3.37 Venue.

Any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

C.3.38 Waiver and Rights of the State Water Board.

Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.

#### C.4 MISCELLANEOUS STATE AND FEDERAL REQUIREMENTS

C.4.1 [Reserved]

C.4.2 State Cross-Cutters.

Recipient represents that, as applicable, it complies and covenants to maintain compliance with the following for the term of the Agreement:

- i. The California Environmental Quality Act (CEQA), as set forth in Public Resources Code 21000 et seq. and in the CEQA Guidelines at Title 14, Division 6, Chapter 3, Section 15000 et seq.
- ii. Water Conservation requirements, including regulations in Division 3 of Title 23 of the California Code of Regulations.
- iii. Monthly Water Diversion Reporting requirements, including requirements set forth in Water Code section 5103.
- iv. Public Works Contractor Registration with Department of Industrial Relations requirements, including requirements set forth in Sections 1725.5 and 1771.1 of the Labor Code.
- v. Volumetric Pricing & Water Meters requirements, including the requirements of Water Code sections 526 and 527.
- vi. Urban Water Management Plan requirements, including the Urban Water Management Planning Act (Water Code, § 10610 et seq.).
- vii. Urban Water Demand Management requirements, including the requirements of Section 10608.56 of the Water Code.
- viii. Delta Plan Consistency Findings requirements, including the requirements of Water Code section 85225 and California Code of Regulations, title 23, section 5002.
- ix. Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.
- x. Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.

#### C.4.3 Federal Requirements and Cross-Cutters for SRF Funding.

The Recipient acknowledges, warrants compliance with, and covenants to continuing compliance with the following federal terms and conditions for the Useful Life of the Project:

- i. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient shall not purchase "iron and steel products" produced outside of the United States on this Project. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient hereby certifies that all "iron and steel products" used in the Project were or will be produced in the United States. For purposes of this section, the term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. "Steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.
- ii. The Recipient acknowledges that funds received under this Agreement are subject to the Build America Buy America (BABA) requirements of Public Law 117-58 (the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law (BIL), signed into law on November 15, 2021), which are in addition to "iron and steel products" requirements described in section C.4.3 (i) above. Specifically, unless (1) the Recipient has requested and obtained a waiver from USEPA on file with the State Water Board pertaining to the Project or the Project is otherwise covered by a general applicability waiver, as confirmed in writing by the State Water Board; or (2) the State Water Board and, to the extent the Project is co-funded by any other agency using federal funds subject to BABA requirements, each such agency, has advised the Recipient in writing that the BABA requirements are not applicable to the Project, the Recipient shall ensure and certifies that, as these terms are defined within and made applicable by Public Law 117-58:
  - a. all iron and steel used in the Project are produced in the United States;
  - b. the manufactured products used in the Project are produced in the United States; and
  - c. the construction materials used in the Project are produced in the United States.

The Recipient must comply and require its contractors and subcontractors to comply with all applicable BABA requirements and reporting and must inform the State Water Board immediately of any information regarding a violation of the foregoing.

Based on representations made by the Recipient and corresponding evidence on file with the State Water Board, the Project qualifies for the "Adjustment Period Waiver of Section 70914(a) of P.L. 117-58, Build America, Buy America Act, 2021 for SRF Projects that have Initiated Design Planning", found at [EPA - SRF - Final Waiver - Adjustment Period September 2022 - Signed.pdf](#). This waiver applies to projects that have initiated project design planning prior to May 14, 2022, the statutory effective date of the BABA requirements, and permits the use of non-domestic manufactured products and construction materials that would otherwise be prohibited under the BABA requirements. This program waiver does not waive the iron and steel requirements under BABA. Sections 70917(a) and (b) of BIL provide a savings provision for existing statutory requirements that meet or exceed BABA requirements, such as the "iron and steel products" requirements applicable to SRF funded projects referenced in section C.4.3 (i) above, which will continue to apply as part of BABA requirements.

- iii. The Recipient must include in full the Wage Rate Requirements (Davis-Bacon) language incorporated by reference in Section 3 of this Agreement in all construction contracts and subcontracts.
- iv. The Recipient must comply with the signage requirements set forth in Exhibit A.
- v. The Recipient shall notify the State Water Board and the USEPA contact of public or media events publicizing the accomplishment of significant events related to this Project and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.
- vi. The Recipient shall comply with applicable USEPA general terms and conditions found at <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2022-or-later>.
- vii. No Recipient may receive funding under this Agreement unless it has provided its Unique Entity Identifier, assigned by the System for Award management, to the State Water Board.
- viii. The Recipient represents and warrants that it and its principals are not excluded or disqualified from participating in this transaction as such terms are defined in Parts 180 and 1532 of Title 2 of the Code of Federal Regulations (2 CFR). If the Recipient is excluded after execution of this Agreement, the Recipient shall notify the Division within ten (10) days and shall inform the Division of the Recipient's exclusion in any request for amendment of this Agreement. The Recipient shall comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR. Such compliance is a condition precedent to the State Water Board's performance of its obligations under this Agreement. When entering into a covered transaction as defined in Parts 180 and 1532 of 2 CFR, the Recipient shall require the other party to the covered transaction to comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR.
- ix. To the extent applicable, the Recipient shall disclose to the State Water Board any potential conflict of interest consistent with USEPA's Final Financial Assistance Conflict of Interest Policy at <https://www.epa.gov/grants/epas-final-financial-assistance-conflict-interest-policy>. A conflict of interest may result in disallowance of costs.
- x. USEPA and the State Water Board have the right to reproduce, publish, use and authorize others to reproduce, publish and use copyrighted works or other data developed under this assistance agreement.
- xi. Where an invention is made with Project Funds, USEPA and the State Water Board retain the right to a worldwide, nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention owned by the Recipient. The Recipient must utilize the Interagency Edison extramural invention reporting system at <http://iEdison.gov> and shall notify the Division when an invention report, patent report, or utilization report is filed.
- xii. The Recipient agrees that any reports, documents, publications or other materials developed for public distribution supported by this Agreement shall contain the Disclosure statement set forth in Exhibit A.
- xiii. The Recipient acknowledges that it is encouraged to follow guidelines established under Section 508 of the Rehabilitation Act, codified at 36 CFR Part 1194, with respect to enabling individuals with disabilities to participate in its programs supported by this Project.
- xiv. The Recipient, its employees, contractors and subcontractors and their employees warrants that it will not engage in severe forms of trafficking in persons, procure a commercial sex act during

the term of this Agreement, or use forced labor in the performance of this Agreement. The Recipient must include this provision in its contracts and subcontracts under this Agreement. The Recipient must inform the State Water Board immediately of any information regarding a violation of the foregoing. The Recipient understands that failure to comply with this provision may subject the State Water Board to loss of federal funds. The Recipient agrees to compensate the State Water Board for any such funds lost due to its failure to comply with this condition, or the failure of its contractors or subcontractors to comply with this condition. The State Water Board may unilaterally terminate this Agreement if the Recipient that is a private entity is determined to have violated the foregoing.

xv. The Recipient certifies to the best of its knowledge and belief that:

- a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, and notify the State Water Board.

The Recipient shall require this certification from all parties to any contract or agreement that the Recipient enters into and under which the Recipient incurs costs for which it seeks reimbursements under this Agreement.

xvi. The Recipient must comply with the following federal non-discrimination requirements:

- a. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, and national origin, including limited English proficiency (LEP).
- b. Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities.
- c. The Age Discrimination Act of 1975, which prohibits age discrimination.
- d. Section 13 of the Federal Water Pollution Control Act Amendments of 1972, which prohibits discrimination on the basis of sex.
- e. 40 CFR Part 7, as it relates to the foregoing.

xvii. Executive Order No. 11246. The Recipient shall include in its contracts and subcontracts related to the Project the following provisions:

*"During the performance of this contract, the contractor agrees as follows: "(a) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.*

*"(b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.*

*"(c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*

*"(d) The contractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.*

*"(e) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.*

*"(f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.*

*"(g) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."*

- xviii. The Recipient agrees to comply with the requirements of USEPA's Program for Utilization of Small, Minority and Women's Business Enterprises.
- xix. Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368. Except where the purpose of this Agreement is to remedy the cause of the violation, the Recipient may not procure goods, services, or materials from suppliers excluded under the federal System for Award Management: <http://www.sam.gov/> .
- xx. Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655. The Recipient must comply with the Act's implementing regulations at 49 CFR 24.101 through 24.105.

- xxi. The Recipient agrees that if its network or information system is connected to USEPA networks to transfer data using systems other than the Environmental Information Exchange Network or USEPA's Central Data Exchange, it will ensure that any connections are secure.
- xxii. All geospatial data created pursuant to this Agreement that is submitted to the State Water Board for use by USEPA or that is submitted directly to USEPA must be consistent with Federal Geographic Data Committee endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).
- xxiii. If the Recipient is a water system that serves 500 or fewer persons, the Recipient represents that it has considered publicly-owned wells as an alternative drinking water supply.
- xxiv. The Recipient represents that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and it is not a corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.
- xxv. The Recipient agrees to immediately notify the Project Manager in writing about any allegation of research misconduct involving research activities that are supported in whole or in part with EPA funds under this Project, including fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results, or ordering, advising, or suggesting that subordinates engage in research misconduct.
- xxvi. The Recipient agrees to comply with, and require all contractors and subcontractors to comply with, EPA's Scientific Integrity Policy, available at <https://www.epa.gov/osa/policy-epa-scientific-integrity>, when conducting, supervising, and communicating science and when using or applying the results of science. For purposes of this condition scientific activities include, but are not limited to, computer modelling, economic analysis, field sampling, laboratory experimentation, demonstrating new technology, statistical analysis, and writing a review article on a scientific issue.

The Recipient shall not suppress, alter, or otherwise impede the timely release of scientific findings or conclusions; intimidate or coerce scientists to alter scientific data, findings, or professional opinions or exert non-scientific influence on scientific advisory boards; knowingly misrepresent, exaggerate, or downplay areas of scientific uncertainty; or otherwise violate the EPA's Scientific Integrity Policy. The Recipient must refrain from acts of research misconduct, including publication or reporting, as described in EPA's Policy and Procedures for Addressing Research Misconduct, Section 9.C, and must ensure scientific findings are generated and disseminated in a timely and transparent manner, including scientific research performed by contractors and subcontractors.
- xxvii. The Recipient agrees to comply with the Animal Welfare Act of 1966 (7 USC 2131-2156). Recipient also agrees to abide by the "U.S. Government Principles for the Utilization and Care of Vertebrate Animals used in Testing, Research, and Training," available at <http://grants.nih.gov/grants/olaw/references/phspol.htm#USGovPrinciples>.
- xxviii. The Recipient certifies that no Project Funds will be used on:
  - a. Video surveillance or telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities), telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

- b. Telecommunications or video surveillance services produced by such entities;
- c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country; or
- d. Other telecommunications or video surveillance services or equipment in violation of [2 CFR 200.216](#).

## EXHIBIT D – SPECIAL CONDITIONS

### Technical:

New water mains shall follow requirements in accordance with Title 22 Code Of Regulations Chapter 16. California Waterworks Standards Article 4. Materials And Installation Of Water Mains And Appurtenances (enclosed) and §64575. Flushing.

### Environmental:

1. The documents identified below are incorporated by reference and the Recipient shall comply with the conditions and recommendations therein:
  - The Updated Final Biological Report prepared for the Project dated January 27, 2022. The Recipient shall implement all design and construction provisions therein.
2. The Recipient shall make no changes in the Project, construction area, or special conditions, without obtaining the appropriate and necessary prior approval(s) from the State Water Board and the OHP.
3. Reporting to the State Water Board
  - In the Recipient's Progress Reports and the Project Completion Report, submitted pursuant to this Agreement, the Recipient shall include a discussion of the status of its compliance with all environmental measures identified in this Exhibit D, with separate sections clearly labeled with section titles, discussing the status of Recipient's compliance with:
    - Updated Final Biological Report prepared for the Project dated January 27, 2022.

### Executive Order N-6-22 — Russian Sanctions.

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State Water Board determine Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State Water Board shall provide Recipient advance written notice of such termination, allowing Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State Water Board.

The Recipient represents that the Recipient is not a target of economic sanctions imposed in response to Russia's actions in Ukraine imposed by the United States government or the State of California. The Recipient is required to comply with the economic sanctions imposed in response to Russia's actions in Ukraine, including with respect to, but not limited to, the federal executive orders identified in California Executive Order N-6-22, located at <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf> and the sanctions identified on the United States Department of the Treasury website (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>). The Recipient is required to comply with all applicable reporting requirements regarding compliance with the economic sanctions, including, but not limited to, those reporting requirements set forth in California Executive Order N-6-22 for all Recipients with one or more agreements with the State of California with an aggregated value of Five Million Dollars (\$5,000,000) or more. Notwithstanding any other provision in this Agreement, failure to comply with the economic sanctions and all applicable reporting requirements may result in termination of this Agreement.

For Recipients with an aggregated agreement value of Five Million Dollars (\$5,000,000) or more with the State of California, reporting requirements include, but are not limited to, information related to steps taken in response to Russia's actions in Ukraine, including but not limited to:

1. Desisting from making any new investments or engaging in financial transactions with Russian institutions or companies that are headquartered or have their principal place of business in Russia;
2. Not transferring technology to Russia or companies that are headquartered or have their principal place of business in Russia; and
3. Direct support to the government and people of Ukraine.

**EXHIBIT E – PAYMENT SCHEDULE**

See the attached preliminary Payment Schedule. The final Payment Schedule will be forwarded to the Recipient after all disbursements have been paid and construction of the Project has been completed.

## EXHIBIT F – TAX CERTIFICATE

### F.1 Purpose.

The purpose of this Exhibit F is to establish the reasonable expectations of the Recipient regarding the Project and the Project Funds, and is intended to be and may be relied upon for purposes of Sections 103, 141 and 148 of the Code and as a certification described in Section 1.148-2(b)(2) of the Treasury Regulations. This Exhibit F sets forth certain facts, estimates and circumstances which form the basis for the Recipient's expectation that neither the Project nor the Bond Funded Portion of the Project Funds is to be used in a manner that would cause the Obligation to be classified as "arbitrage bonds" under Section 148 of the Code or "private activity bonds" under Section 141 of the Code.

### F.2 Tax Covenant.

The Recipient agrees that it will not take or authorize any action or permit any action within its reasonable control to be taken, or fail to take any action within its reasonable control, with respect to the Project which would result in the loss of the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code.

### F.3 Governmental Unit.

The Recipient is a state or local governmental unit as defined in Section 1.103-1 of the Treasury Regulations or an instrumentality thereof (a "Governmental Unit") and is not the federal government or any agency or instrumentality thereof.

### F.4 Financing of a Capital Project.

The Recipient will use the Project Funds to finance capital expenditures it has incurred or will incur for the construction, reconstruction, installation or acquisition of the Project in accordance with the terms of this Agreement. Such expenditures shall not have previously been financed with the proceeds of any other issue of indebtedness except for interim financing by the Recipient, the date of maturity, prepayment or redemption of which is within thirty (30) days of the date of disbursement of Project Funds under this Agreement. All Project Funds shall be allocated to expenditures by the Recipient within thirty (30) days of the date of disbursement, including (if at all) Project Funds allocated to repay interim financing of the Recipient. For purposes of this Section F.4, "interim financing" means notes, commercial paper, loans, lines of credit and other forms of short-term borrowing.

### F.5 Ownership and Operation of Project.

The Recipient exclusively owns and, except as provided in Section F.12 hereof, operates the Project.

### F.6 Temporary Period.

The Recipient reasonably expects that at least eighty-five percent (85%) of the Bond Funded Portion of the Project Funds will be allocated to expenditures for the Project within three (3) years of the earlier of the effective date of this Agreement or the date the Bonds are issued ("Applicable Date"). The Recipient has incurred, or reasonably expects that it will incur within six (6) months of the Applicable Date, a substantial binding obligation (i.e., not subject to contingencies within the control of the Recipient or a related party) to a third party to expend at least five percent (5%) of the Bond Funded Portion of the Project Funds on Project Costs. The completion of acquisition, construction, improvement and equipping of the Project and the allocation of the Bond Funded Portion of the Project Funds to Project Costs will proceed with due diligence.

### F.7 Working Capital.

No operational expenditures of the Recipient or any related entity are being, have been or will be financed or refinanced with Project Funds.

F.8 Expenditure of Proceeds.

The Bond Funded Portion of the Project Funds shall be used exclusively for the following purposes: (i) Reimbursement Expenditures (as defined in Section F.20 below), (ii) Preliminary Expenditures (as defined in Section F.20 below) in an aggregate amount not exceeding twenty percent (20%) of the Bond Funded Portion of the Project Funds, (iii) capital expenditures relating to the Project originally paid by the Recipient on or after the date hereof, (iv) interest on the Obligation through the later of three (3) years after the Applicable Date or one (1) year after the Project is placed in service, and (v) initial operating expenses directly associated with the Project in the aggregate amount not more than five percent (5%) of the Bond Funded Portion of the Project Funds.

F.9 Private Use and Private Payments.

No portion of the Project Funds or the Project is being, has been or will be used in the aggregate for any activities that constitute a Private Use (as defined below). No portion of the principal of or interest with respect to the Payments will be secured by any interest in property (whether or not the Project) used for a Private Use or in payments in respect of property used for a Private Use, or will be derived from payments in respect of property used for a Private Use. "Private Use" means any activity that constitutes a trade or business that is carried on by persons or entities, other than a Governmental Unit. The leasing of the Project or the access by or the use of the Project by a person or entity other than a Governmental Unit on a basis other than as a member of the general public shall constitute a Private Use. Use by or on behalf of the State of California or any of its agencies, instrumentalities or subdivisions or by any local Governmental Unit and use as a member of the general public will be disregarded in determining whether a Private Use exists. Use under an arrangement that conveys priority rights or other preferential benefits is generally not use on the same basis as the general public. Arrangements providing for use that is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied do not convey priority rights or other preferential benefits. For this purpose, rates may be treated as generally applicable and uniformly applied even if (i) different rates apply to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable; or (ii) a specially negotiated rate arrangement is entered into, but only if the user is prohibited by federal law from paying the generally applicable rates, and the rates established are as comparable as reasonably possible to the generally applicable rates. An arrangement that does not otherwise convey priority rights or other preferential benefits is not treated, nevertheless, as general public use if the term of the use under the arrangement, including all renewal options, is greater than 200 days. For this purpose, a right of first refusal to renew use under the arrangement is not treated as a renewal option if (i) the compensation for the use under the arrangement is redetermined at generally applicable, fair market value rates that are in effect at the time of renewal; and (ii) the use of the financed property under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business.

F.10 No Sale, Lease or Private Operation of the Project.

The Project (or any portion thereof) will not be sold or otherwise disposed of, in whole or in part, to any person who is not a Governmental Unit prior to the final maturity date of the Obligation. The Project will not be leased to any person or entity that is not a Governmental Unit prior to the final maturity date of the Obligation. Except as permitted under Section F.12 hereof, the Recipient will not enter any contract or arrangement or cause or permit any contract or arrangement to be entered with persons or entities that are not Governmental Units if that contract or arrangement would confer on such persons or entities any right to use the Project on a basis different from the right of members of the general public. The contracts or arrangements contemplated by the preceding sentence include but are not limited to management contracts, take or pay contracts or put or pay contracts, and capacity guarantee contracts.

F.11 No Disproportionate or Unrelated Use.

No portion of the Project Funds or the Project is being, has been, or will be used for a Private Use that is unrelated or disproportionate to the governmental use of the Project Funds.

F.12 Management and Service Contracts.

The Recipient represents that, as of the date hereof, it is not a party to any contract, agreement or other arrangement with any persons or entities engaged in a trade or business (other than Governmental Units) that involve the management or operation of property or the provision of services at or with respect to the Project that does not comply with the standards of the Treasury Regulations, or Revenue Procedure 2017-13, as applicable. The Recipient represents that it will not be party to any such contract, agreement or arrangement with any person or entity that is not a Governmental Unit for the management of property or the provision of services at or with respect to the Project, while the Obligation (including any obligation or series thereof issued to refund the Obligation, as the case may be) is outstanding, except: (a) with respect to any contract, agreement or arrangement that does not constitute "private business use" of the Project under Code §141(b), or (b) with respect to any contract, agreement or arrangement that complies with (i) Revenue Procedure 97-13, 1997-1 C.B. 632, as amended by Revenue Procedure 2001-39, 2001-2 C.B. 38, and as amplified by Notice 2014-67, with respect to contracts entered into before August 18, 2017 and not materially modified or extended after August 18, 2017, or (ii) Revenue Procedure 2017-13, with respect to contracts entered into or materially modified or extended on or after August 18, 2017, or (c) with respect to any contract, agreement or arrangement that does not give rise to use of the Bond Funded Portion of the Project Funds or the Project by a non-Governmental Unit of more than the amount of such non-qualified use permitted by the Code, or (d) in the event that the Recipient receives an opinion of counsel, satisfactory to the State Water Board and the Bank and expert in the issuance of state and local government bonds the interest on which is excluded from gross income under Section 103 of the Code ("Nationally-Recognized Bond Counsel"), that such contract, agreement or arrangement will not adversely affect the exclusion of the interest on the Obligation from gross income for federal income taxation purposes.

F.13 No Disposition of Financed Property.

As of the date hereof, the Recipient does not expect to sell or otherwise dispose of any portion of the Project, in whole or in part, prior to the final maturity date of the Obligation.

F.14 Useful Life of Project.

As of the date hereof, the Recipient reasonably expects that the economic useful life of the Project, commencing at Project Completion, will be at least equal to the term of this Agreement, as set forth in Exhibit A hereto.

F.15 Payments.

Payments generally are expected to be derived from assessments, taxes, fees, charges or other current Revenues of the Recipient in each year, and such current Revenues are expected to equal or exceed the Payments during each payment period. Any amounts accumulated in a sinking fund or bona fide debt service fund to pay Payments (whether or not deposited to a fund or account established by the Recipient) will be disbursed to pay Payments within thirteen months of the initial date of accumulation or deposit. Any such fund used for the payment of Payments will be depleted once a year except for a reasonable carryover amount not exceeding the greater of earnings on such fund or one-twelfth of the Payments in either case for the immediately preceding year.

F.16 No Other Replacement Proceeds.

The Recipient will not use any of the Bond Funded Portion of the Project Funds to replace or substitute other funds of the Recipient that were otherwise to be used to finance the Project or which are or will be used to acquire securities, obligations or other investment property reasonably expected to produce a yield that is materially higher than the yield on the Bonds.

F.17 No Sinking or Pledged Fund.

Except as set forth in Section F.18 below, the Recipient will not create or establish any sinking fund or pledged fund which will be used to pay Payments on the Obligation within the meaning of Section 1.148-1(c) of the Treasury Regulations. If any sinking fund or pledged fund comes into being with respect to the Obligation before

the Obligation has been fully retired which may be used to pay the Payments, the Recipient will invest such sinking fund and pledged fund moneys at a yield that does not exceed the yield on the Bonds.

F.18 Reserve Amount.

The State Water Board requires that the Recipient maintain and fund a separate account in an amount equal to one (1) year of debt service with respect to the Obligation (the "Reserve Amount") as set forth in Exhibit B. The Recipient represents that the Reserve Amount is and will be available to pay debt service with respect to the Obligation, if and when needed. The Reserve Amount consists solely of revenues of the Recipient and does not include any proceeds of any obligations the interest on which is excluded from gross income for federal income tax purposes or investment earnings thereon. The aggregate of the Reserve Amount, up to an amount not exceeding the lesser of (i) ten percent of the aggregate principal amount of the Obligation, (ii) the maximum annual debt service with respect to the Obligation, or (iii) 125 percent of the average annual debt service with respect to the Obligation, will be treated as a reasonably required reserve fund.

F.19 Reimbursement Resolution.

The "reimbursement resolution" adopted by the Recipient is incorporated herein by reference.

F.20 Reimbursement Expenditures.

Reimbursements are disallowed, except as specifically authorized in Exhibit B or Exhibit D of this Agreement. To the extent so authorized, a portion of the Bond Funded Portion of the Project Funds may be applied to reimburse the Recipient for Project Costs paid before the date hereof, so long as the Project Cost was (i) not paid prior to sixty (60) days before the Recipient's adoption of a declaration of official intent to finance the Project, (ii) not paid more than eighteen (18) months prior to the date hereof or the date the Project was placed-in-service, whichever is later, and (iii) not paid more than three (3) years prior to the date hereof (collectively, "Reimbursement Expenditures"), unless such cost is attributable to a "preliminary expenditure." Preliminary expenditure for this purpose means architectural, engineering, surveying, soil testing and similar costs incurred prior to the commencement of construction or rehabilitation of the Project, but does not include land acquisition, site preparation and similar costs incident to the commencement of acquisition, construction or rehabilitation of the Project. Preliminary expenditures may not exceed 20% of the Bond Funded Portion of the Project Funds.

F.21 Change in Use of the Project.

The Recipient reasonably expects to use all of the Bond Funded Portion of the Project Funds and the Project for the entire stated term to maturity of the Obligation. Absent an opinion of Nationally-Recognized Bond Counsel to the effect that such use of the Bond Funded Portion of the Project Funds will not adversely affect the exclusion from federal gross income of interest on the Bonds pursuant to Section 103 of the Code, the Recipient will use the Bond Funded Portion of the Project Funds and the Project solely as set forth in this Agreement.

F.22 Rebate Obligations.

If the Recipient satisfies the requirements of one of the spending exceptions to rebate specified in Section 1.148-7 of the Treasury Regulations, amounts earned from investments, if any, acquired with the Bond Funded Portion of the Project Funds will not be subject to the rebate requirements imposed under Section 148(f) of the Code. If the Recipient fails to satisfy such requirements for any period, it will notify the State Water Board and the Bank immediately and will comply with the provisions of the Code and the Treasury Regulations at such time, including the payment of any rebate amount calculated by the State Water Board or the Bank.

F.23 No Federal Guarantee.

The Recipient will not directly or indirectly use any of the Bond Funded Portion of the Project Funds in any manner that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code, taking into account various exceptions including any guarantee related to investments during an initial temporary period until needed for the governmental purpose of the Bonds, investments as part of a bona fide debt

service fund, investments of a reasonably required reserve or replacement fund, investments in bonds issued by the United States Treasury, investments in refunding escrow funds or certain other investments permitted under the Treasury Regulations.

F.24 Amendments.

The provisions in this Exhibit may be amended, modified or supplemented at any time to reflect changes in the Code upon obtaining written approval of the State Water Board and the Bank and an opinion of Nationally-Recognized Bond Counsel to the effect that such amendment, modification or supplement will not adversely affect the exclusion from federal gross income of interest on the Bonds pursuant to Section 103 of the Code.

F.25 Reasonable Expectations.

The Recipient warrants that, to the best of its knowledge, information and belief, and based on the facts and estimates as set forth in the tax covenants in this Exhibit, the expectations of the Recipient as set forth in this Exhibit are reasonable. The Recipient is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representation made in the provisions in this Exhibit.

F.26 Assignment.

The Recipient consents to any pledge, sale, or assignment to the Bank or a trustee for the benefit of the owners of the Bonds, if any, at any time of any portion of the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement and the right to make all related waivers and agreements in the name and on behalf of the State Water Board, as agent and attorney-in-fact, and to perform all other related acts which are necessary and appropriate under this Agreement, if any, and the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement to Payments (but excluding the State Water Board's rights to Additional Payments and to notices, opinions and indemnification under each Obligation).

# California DWSRF Payment Schedule

Project No. 3410021-004C - San Juan Water District

Agreement: D2202010 - based on Actual + Projected Disbursements

Principal is paid over: 30 Years

Interest rate: 1.10000%

Eureka Road Transmission Line Replacement

Ref Num	Due Date	Date Received	Principal Payment	Interest Rate%	Interest Payment	Total P and I Payment	Total Payment	Ending Balance	CPI Interest
1	12/31/2023		0.00	1.100	12,834.51	12,834.51	12,834.51	2,207,606.00	0.00
2	12/31/2024		0.00	1.100	0.00	0.00	0.00	3,462,329.00	0.00
3	12/31/2025		0.00	1.100	0.00	0.00	0.00	3,995,000.00	0.00
4	12/31/2026		113,124.98	1.100	43,945.00	157,069.98	157,069.98	3,881,875.02	0.00
5	12/31/2027		114,369.35	1.100	42,700.63	157,069.98	157,069.98	3,767,505.67	0.00
6	12/31/2028		115,627.42	1.100	41,442.56	157,069.98	157,069.98	3,651,878.25	0.00
7	12/31/2029		116,899.32	1.100	40,170.66	157,069.98	157,069.98	3,534,978.93	0.00
8	12/31/2030		118,185.21	1.100	38,884.77	157,069.98	157,069.98	3,416,793.72	0.00
9	12/31/2031		119,485.25	1.100	37,584.73	157,069.98	157,069.98	3,297,308.47	0.00
10	12/31/2032		120,799.59	1.100	36,270.39	157,069.98	157,069.98	3,176,508.88	0.00
11	12/31/2033		122,128.38	1.100	34,941.60	157,069.98	157,069.98	3,054,380.50	0.00
12	12/31/2034		123,471.79	1.100	33,598.19	157,069.98	157,069.98	2,930,908.71	0.00
13	12/31/2035		124,829.98	1.100	32,240.00	157,069.98	157,069.98	2,806,078.73	0.00
14	12/31/2036		126,203.11	1.100	30,866.87	157,069.98	157,069.98	2,679,875.62	0.00
15	12/31/2037		127,591.35	1.100	29,478.63	157,069.98	157,069.98	2,552,284.27	0.00
16	12/31/2038		128,994.85	1.100	28,075.13	157,069.98	157,069.98	2,423,289.42	0.00
17	12/31/2039		130,413.80	1.100	26,656.18	157,069.98	157,069.98	2,292,875.62	0.00
18	12/31/2040		131,848.35	1.100	25,221.63	157,069.98	157,069.98	2,161,027.27	0.00
19	12/31/2041		133,298.68	1.100	23,771.30	157,069.98	157,069.98	2,027,728.59	0.00
20	12/31/2042		134,764.97	1.100	22,305.01	157,069.98	157,069.98	1,892,963.62	0.00
21	12/31/2043		136,247.38	1.100	20,822.60	157,069.98	157,069.98	1,756,716.24	0.00
22	12/31/2044		137,746.10	1.100	19,323.88	157,069.98	157,069.98	1,618,970.14	0.00
23	12/31/2045		139,261.31	1.100	17,808.67	157,069.98	157,069.98	1,479,708.83	0.00
24	12/31/2046		140,793.18	1.100	16,276.80	157,069.98	157,069.98	1,338,915.65	0.00
25	12/31/2047		142,341.91	1.100	14,728.07	157,069.98	157,069.98	1,196,573.74	0.00
26	12/31/2048		143,907.67	1.100	13,162.31	157,069.98	157,069.98	1,052,666.07	0.00
27	12/31/2049		145,490.65	1.100	11,579.33	157,069.98	157,069.98	907,175.42	0.00
28	12/31/2050		147,091.05	1.100	9,978.93	157,069.98	157,069.98	760,084.37	0.00
29	12/31/2051		148,709.05	1.100	8,360.93	157,069.98	157,069.98	611,375.32	0.00
30	12/31/2052		150,344.85	1.100	6,725.13	157,069.98	157,069.98	461,030.47	0.00
31	12/31/2053		151,998.64	1.100	5,071.34	157,069.98	157,069.98	309,031.83	0.00
32	12/31/2054		153,670.63	1.100	3,399.35	157,069.98	157,069.98	155,361.20	0.00
33	12/31/2055		155,361.20	1.100	1,708.97	157,070.17	157,070.17	0.00	0.00
			<b>3,995,000.00</b>		<b>729,934.10</b>	<b>4,724,934.10</b>		<b>0.00</b>	

**[FORM OF OPINION OF GENERAL COUNSEL]**

**[DATE]**

State Water Resources Control Board  
Division of Financial Assistance  
Attn: Anabel Ruiz  
1001 I St., 16<sup>th</sup> floor  
Sacramento, CA 95814

Re: [Insert Name of Applicant ]("City/County/District") – [Name of Project] – Project No.[xxxxxxxxxx] ("Project") – Agreement No. [XXXXXXXXXXXXXX] ("Agreement")

Ladies and Gentlemen:

This firm serves as General Counsel to the [City/County/District] in connection with the Project. This opinion is delivered to the State Water Resources Control Board ("State Water Board") at the request of the [City/County/District]. In connection therewith, I have examined the laws pertaining to the [City/County/District], originals of the Agreement, between the [City/County/District] and the State Water Board ("Agreement"), the [City/County/District]'s authorized representative resolution [number] adopted on [DATE], the [City/County/District]'s authorizing resolution [xxx] adopted on [DATE], the [City/County/District]'s reimbursement resolution [number] adopted on [DATE], the [City/County/District]'s rate-setting resolution [number] adopted on [DATE], (collectively, "the Resolutions"), the [City/County/District]'s debt management policy, documents related to each of the Material Obligations as set forth in the Agreement, and such other documents, legal opinions, instruments and records, and have made such investigation of law, as I have considered necessary or appropriate for the purpose of this opinion.

Based on the foregoing, it is my opinion that:

- a. The [City/County/District], a [general law city/charter city/county/special district/joint powers authority] of the State of California duly organized, validly existing under the laws of the State of California pursuant to [INSERT SPECIFIC LEGAL AUTHORITY], has the requisite legal right, power, and authority to execute and deliver the Agreement and carry out and consummate all transactions contemplated therein.

[and if charter city] [The [City/County/District] is a charter city, the governing board of which is not prohibited, limited or constrained in any way from adopting, requiring, or utilizing a project labor agreement that includes all taxpayer protection provisions of Public Contract Code section 2500.]

[AND IF JOINT POWERS AUTHORITY][None of the [City/County/District]'s member charter cities is prohibited, limited or

constrained in any way from adopting, requiring, or utilizing a project labor agreement that includes all taxpayer protection provisions of Public Contract Code section 2500.]

- b. The Resolutions have been duly adopted at meetings of the [City/County/District] which were called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolutions were adopted. The Resolutions are in full force and effect and have not been amended, modified, supplemented, or rescinded, nor has the rate-setting resolution been challenged or therates become subject of a referendum or initiative or other similar process.
- c. To the best of my knowledge and based upon a reasonable investigation, all proceedings required by law or under the ordinances or bylaws of the [City/County/District] to be taken by the [City/County/District] in connection with the authorization of the Agreement and the transactions contemplated by and related thereto, and all such approvals, authorizations, consents or other orders of or filings or registrations with such public boards or bodies, if any, as may be legally required to be obtained by the [City/County/District] prior to the date hereof with respect to all or any of such matters have been taken or obtained and are in full force and effect, except that no opinion is expressed as to any approvals, obligations or proceedings which may be required under any federal securities laws or state blue sky or securities laws.
- d. To the best of my knowledge and based upon a reasonable investigation, the execution and delivery of the Agreement and the consummation of the transactions therein will not conflict with or constitute a breach of or default (with due notice or the passage of time or both) under (i) the statutes creating the [City/County/District] or any amendments thereto, (ii) the ordinances or by laws of the [City/County/District], (iii) any bond, debenture, note or other evidence of indebtedness, or any material contract, agreement or lease to which the [City/County/District] is a party or by which it or its properties are otherwise subject or bound or (iv) any applicable law or administrative regulation or any applicable court or administrative decree or order.
- e. To the best of my knowledge and based upon a reasonable investigation, the [City/County/District] has sufficient property rights in the Project property for the purposes contemplated in the Agreement and has complied with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601) with respect to any property acquired for the purposes of the Project. Project property rights extend/s in perpetuity/until [date].
- f. To the best of my knowledge and based upon a reasonable investigation, there is no action, suit, proceeding, inquiry or investigation before or by any court of federal, state, municipal or

other governmental authority pending or threatened against or affecting the [City/County/District]'s System, as defined in the Agreement, or the assets, properties or operations of the [City/County/District] relating to its System which, if determined adversely to the [City/County/District] or its interests would result in any material change in the assets or financial condition of the [City/County/District], the [City/County/District]'s System or the financial condition thereof, and the [City/County/District] is not in default with respect to any order or decree of any court or any order, regulation, or demand of any federal, state, municipal, or other governmental agency which default might have consequences that would materially and adversely affect the financial condition of the [City/County/District] or its System.

- g. No facts have come to my attention which lead me to believe that the [City/County/District]'s authorized representative has made any untrue statement of amaterial fact or omitted or omits to state a material fact or has made misleading statements in the Agreement.
- h. The Agreement has been duly authorized, executed, and delivered, and assuming dueauthorization, execution and delivery of the Agreement by the State Water Board, constitutes legal, valid, and binding obligation of the [City/County/District] enforceable against the [City/County/District] in accordance with its terms, subject tothe laws relating to bankruptcy, insolvency, reorganization, or creditors' rights generally and to the application of equitable principles, if equitable remedies are sought.

Sincerely,

General Counsel  
[City/County/District]

**[FORM OF OPINION OF BOND COUNSEL]**

**[DATE]**

State Water Resources Control Board  
Division of Financial Assistance  
Attn: Anabel Ruiz  
1001 I St., 16<sup>th</sup> floor  
Sacramento, CA 95814

Re: [Insert Name of Applicant] ("City/County/District") – [Name of Project] –  
Project No.[xxxxxxxxxx] ("Project") – Agreement No. [XXXXXXXXXXXXXX]  
("Agreement")

Ladies and Gentlemen:

This firm serves as Bond Counsel to the [City/County/District] in connection with the Project. This opinion is delivered to the State Water Resources Control Board ("State Water Board") at the request of the [City/County/District]. In connection therewith, I have reviewed originals of the Agreement between the [City/County/District] and the State Water Board, the [City/County/District]'s authorizing resolution [xxx] adopted on [date], the [City/County/District]'s reimbursement resolution [xxx] adopted on [date], documents related to each of the Material Obligations as set forth in the Agreement, the [City/County/District]'s tax questionnaire dated [date], and such other documents, legal opinions, instruments and records, and have made such investigation of law, as I have considered necessary or appropriate for the purpose of this opinion.

To the best of my knowledge and based upon a reasonable investigation, the execution and delivery of the Agreement and the consummation of the transactions therein will not conflict with or constitute a breach of or default (with due notice or the passage of time or both) under any bond, debenture, note or other evidence of indebtedness, or any material contract, agreement or lease to which the [City/County/District] is a party or by which it or its properties are otherwise subject or bound.

The Agreement has been duly authorized, executed, and delivered, and assuming due authorization, execution and delivery of the Agreement by the State Water Board, constitutes a legal, valid and binding obligation of the [City/County/District] enforceable against the [City/County/District] in accordance with its terms.

Sincerely,

## **California Environmental Quality Act (CEQA) Determination**

San Juan Water District (Applicant)  
Eureka Road Transmission Line Replacement (Project)  
Project Number: 3410021-004C

As the Assistant Deputy Director for the State Water Resources Control Board (State Water Board), Division of Financial Assistance, I have been delegated the authority to approve and execute financing agreements for this routine and non-controversial project. The execution of a financing agreement is an action that is subject to CEQA. The authority to make this CEQA determination necessarily accompanies the delegation to approve and execute the financing agreement for this Project. I hereby find the following:

1. The Applicant is the CEQA Lead Agency for a Notice of Exemption (NOE) titled Eureka Road Pipeline Replacement Project, and the State Water Board is a Responsible Agency under CEQA. The Applicant approved the NOE for the Project on October 19, 2021 and filed an NOE with the Placer County Clerk on November 4, 2021 and the Governor's Office of Planning and Research, State Clearinghouse (No. 2021110059) on November 3, 2021.
2. This Project is categorically exempt under the CEQA Guidelines, California Code of Regulations, title 14, division 6, chapter 3, article 19, sections 15302, and 15303. The Project consists of the replacement or reconstruction of existing structures, and the construction of limited numbers of new, small facilities or structures.
3. The Project will not result in any significant adverse water quality impacts.

A final copy of the NOE and records of the financing approval for the Project are available to the general public at the State Water Board, Division of Financial Assistance at 1001 I Street, 16th Floor, Sacramento, CA 95814.



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Christopher Stevens, Assistant Deputy Director  
Division of Financial Assistance

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January 23, 2023

Date

# Operations Plan Report Card FY 2022-23

On Track  
Delayed  
Issues

## ADMINISTRATION/WATER RESOURCES/IT

Task	Original Target Date	Updated Target Date	Completion Date	Comments
Update the District's Strategic Plan	6/2023			
Water Quality Control Plan – represent District interests and collaborate with regional and statewide partners to ensure the WQCP is reasonable and achievable.	Ongoing		Ongoing	
Delta conveyance – engage as necessary to protect District interests as new project developed, permits sought.	Ongoing		Ongoing	
Represent the District's interests in the implementation of groundwater banking and in the expansion of the regional groundwater bank	Ongoing		Ongoing	
Monitor and respond to regulatory proposals from the SWRCB and DWR in the "Making Conservation a Way of Life" program (water loss regulations, indoor and outdoor efficiency standards, reporting, etc.); collaborate with ACWA, RWA and others around the state to ensure regulations are reasonable	Ongoing		Ongoing	
Develop an agreement with PCWA to provide treatment and conveyance capacity for their West County water supply needs.	Subject to PCWA timeline		Subj to PCWA	
If conditions warrant and allow, complete actions necessary to implement a groundwater substitution and/or conserved water transfer	6/2023			
Prepare annual water rights reports to SWRCB and submit estimated schedule of deliveries of PCWA and CVP supplies to Reclamation	Post-14 > 2/2023 Pre-14 > 2/2023 Reclamation > 3/2023			
Prepare environmental review documents for Warren Act Contract Renewal	6/2023			
Provide Monthly summary reports to Reclamation showing usage of water rights, PCWA, and CVP supplies, as well as treatment of SSWD's PCWA deliveries	The 10 <sup>th</sup> of the following month		Ongoing	
Plan 2 <sup>nd</sup> Annual SJWD Employee Kids Day	7/2023			
Complete Board Ordinance Updates	6/2023			
Facilitate Records Inventory Process	6/2023			

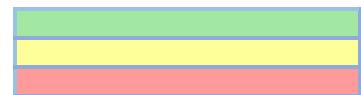
AGENDA ITEM IV-2

## CUSTOMER SERVICE

Task	Target Date	Updated Target Date	Completion Date	Comments
Cross train customer service staff to be proficient in customer service related functions to build redundancy to accommodate vacations, illnesses and staff turnover	Ongoing		Ongoing	
Work with Field Service and Water Efficiency staff to diagnose customer meter problems and repair promptly	Ongoing		Ongoing	
Work with Field Service staff to update utility billing databases for the meter replacement rollout to ensure accurate customer billing	6/2023			In Process
Improve customer messaging with better utilization of our email communication software and more timely updates on the District website	12/2022		10/2022	
Improve billing process for hydrant meter rentals. Explore adding the process to Tyler UB for better billing and tracking and collecting options	2/2023	6/2023		Delayed slightly but in process

# Operations Plan Report Card FY 2022-23

On Track  
Delayed  
Issues



## DISTRIBUTION (Field Services)

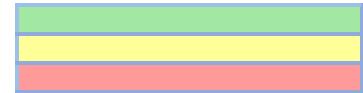
Task	Target Date	Updated Target Date	Completion Date	Comments
Complete the 2023 CO-OP Maintenance Program	6/2023			
Complete the 2022 Cross Connection Control Program	12/2022		12/14/2022	
Complete the 2023 Leak Detection Program	6/2023			
Complete the 2022 Air/Vacuum Relief Valve Program	12/2022		12/30/2022	
Complete the 2023 Dead End Flushing Program	6/2023			
Complete the 2023 Valve Exercise Program	6/2023			
Complete the 2023 Hydrant Maintenance Program	6/2023			
Implement the new District Meter Replacement and Testing Program	6/2023			

## ENGINEERING SERVICES

Task	Target Date	Updated Target Date	Completion Date	Comments
Complete construction of the Hinkle Reservoir Liner and Cover Replacement Project	5/2023			
Complete construction of the Eureka Road Pipeline Replacement Project	1/2023	6/2023		Material procurement has delayed Contractor's original schedule
Complete the design and construction of the Administration Building Electrical Service Upgrade Project	6/2023			
Complete design and construction of the Service Lines and Air Release Valves Replacement Programs	6/2023			
Complete design and construction of the Lime Tower Improvements Project	6/2023			

# Operations Plan Report Card FY 2022-23

On Track  
Delayed  
Issues



## FINANCE and HUMAN RESOURCES

Task	Target Date	Updated Target Date	Completion Date	Comments
Complete a Cost Allocation Study	12/2022	02/28/2023		In progress
Complete funding agreement for State Revolving Loan Funds for Kokila Reservoir Project	6/2023			In progress
Complete funding agreement for State Revolving Loan Funds for Eureka Road Transmission Pipeline Replacement Project	12/2022	02/28/2023		SRF reports they should be able to have agreement to the District by the end of January. If so, can take to the Board for approval in February.
Complete Wholesale Financial Plan and Rate Study	12/2022	06/30/2023		Delayed by the delay in completion of the Wholesale Master Plan.
Update Personnel Manual	12/2022	03/31/2023		Proposed changes will require board approval.
Complete improvements to the Administration Building back deck to improve outdoor meeting space	12/2022	06/30/2023		Delayed due to fallen tree
Fill any open positions within six months	6/2023			
Complete annual performance evaluations by the end of February	2/2023			
Complete revisions to Treatment Plant Shift Operators MOU	6/2023			
Review and improve Accounts Receivable billing and collection processes	6/2023			

## WATER EFFICIENCY

Task	Target Date	Updated Target Date	Completion Date	Comments
Provide 6 educational customer workshops (wholesale)	6/2023			In Process
Implement rebate incentive programs and provide on-site assistance to 100 customers to support State mandated water use reductions requirements	6/2023			In Process
Conduct a student art calendar contest to be distributed to all wholesale agencies	5/2023			In Process
Test and replace inoperable meter reading equipment upon failure and send failed meter information to Field Services for replacement.	6/2023	Ongoing		The is a ongoing process with no end date.
Engage retail and wholesale customers to increase participation in the usage reductions needed for the Hinkle replacement project	4/2023			In Process

## WATER TREATMENT

Task	Target Date	Updated Target Date	Completion Date	Comments
Complete Hinkle Reservoir Liner Replacement	5/2023			
Purchase and Add 34 Tons of Anthracite Filter Media	6/2023			
Complete Chlorine Maintenance Training	11/2022		10/2022	
Replace 28 Online Water Turbidity Meters	12/2022		12/2022	

# AGENDA ITEM V-1

## ACWA JPIA

### Nomination Procedures for Executive Committee

#### Approximately 120 Days before Election (January 9, 2023)

All ACWA JPIA Directors and Member Districts are to be notified of:

- A) Date and place of Election;
- B) Executive Committee positions and terms of office to be filled by Election;
- C) Nomination Procedures.

#### 120 to 45 Days before Election (January 9 – March 24, 2023)

- A) A district (that participates in all four of the JPIA's programs: Liability, Property, Workers' Compensation and Employee Benefits) may place into nomination its member of the Board of Directors of ACWA JPIA with the concurrence of three districts, then members of the ACWA JPIA, in addition to the nominating district.
- B) Sample resolutions are available on the ACWA JPIA website.
- C) The **district is solely responsible** for timely submission of the nominating resolution and the three additional concurring in nomination resolutions of its candidate for office.

#### 45 Days before Election (March 24, 2023)

- A) Deadline and location for receiving the nominating and concurring in nomination resolutions in the ACWA JPIA office:

**Friday – March 24, 2023 – 4:30 p.m.**

Laura Baryak  
Administrative Assistant II  
(lbaryak@acwajpia.com)  
ACWA JPIA  
P. O. Box 619082  
Roseville, CA 95661-9082

- B) Candidates' statement of qualifications must be submitted, if desired, with the nominating resolutions. The statement of qualifications must be submitted on one side of an 8½ x 11" sheet of paper suitable for reproduction and distribution to all districts. (MSWord or PDF documents preferred).

#### 14 Days before Election (April 24, 2023)

Final notice of the upcoming Election of Executive Committee members will be included as part of the Board of Directors' meeting packet. Final notice shall include:

- A) Date, Time, and Place of Election;
- B) Name and District of all qualified candidates;
- C) Candidate's statement of qualifications (if received); and
- D) Election Procedures and Rules.

**RESOLUTION NO. 23-03**

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

**NOMINATING ITS ACWA JPIA BOARD MEMBER TO THE  
EXECUTIVE COMMITTEE  
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES  
JOINT POWERS INSURANCE AUTHORITY ("JPIA")**

**WHEREAS**, this district is a member district of the ACWA JPIA that participates in all four of its Programs: Liability, Property, Workers' Compensation, and Employee Benefits; and

**WHEREAS**, the Bylaws of the JPIA provide that in order for a nomination to be made to JPIA's **Executive Committee**, the member district must place into nomination its member of the JPIA Board of Directors for such open position;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Juan Water District that its member of the JPIA Board of Directors, Pamela Tobin, be nominated as a candidate for the **Executive Committee** for the election to be held during the JPIA's spring 2023 Board of Directors' meeting.

**BE IT FURTHER RESOLVED** that the JPIA staff is hereby requested, upon receipt of the formal concurrence of three other member districts to affect such nomination.

**BE IT FURTHER RESOLVED** that the District Secretary is hereby directed to transmit a certified copy of this resolution to the JPIA at P.O. Box 619082, Roseville, CA 95661-9082, forthwith.

**PASSED AND ADOPTED** by the Board of Directors of the San Juan Water District on the 22nd day of February 2023, by the following vote:

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

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DAN RICH  
President, Board of Directors

ATTEST

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TERI GRANT  
Secretary, Board of Directors

# AGENDA ITEM V-2

## STAFF REPORT

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To: Board of Directors  
From: Paul Helliker, General Manager  
Date: February 22, 2023  
Subject: Legislation

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### **RECOMMENDED ACTION**

Consider a motion to adopt oppose position on Initiative 21-0042A1 and a support position for SB 366 (Water for All legislation)

### **BACKGROUND**

#### **Initiative 21-0042A1**

Initiative 21-0042A1, officially titled, “Limits the Ability of Voters and State and Local Governments to Raise Revenues for Government Services,” is sponsored by the California Business Roundtable, which is a consortium of major employers in California. It would raise the requirement for passage of local bond measures from a majority vote to a 2/3 approval threshold. It would also change the criterion for water rates and fees from being reasonably related to the cost of service to a scheme that restricts such fees to the “minimum amount necessary.” This term is undefined, but poses significant risk for water agencies and their ratesetting process, under which rates can be rejected by voters via the Proposition 218 protect process. Finally, the initiative would make it much more difficult to defend bond measures or rate increases in court, due to a more stringent burden of proof standard. For all of these reasons, the California Special Districts Association has already undertaken a campaign to oppose this initiative, and ACWA and the California Municipal Utilities Association are in the process of adopting positions, as well. CSDA’s blog post about this initiative is attached.

#### **SB 366**

SB 366 is the vehicle that water agencies involved in Solve the Water Crisis have developed, in conjunction with Senator Caballero (the author), to establish a statewide goal for water supply and storage improvements, to address the impacts of climate change. The bill (see attachment) is currently a spot bill, but the concept will be to make the California Water Plan an actionable strategic plan, with the State Administration being required to report regularly to the Legislature on the status of achievement of the goal. It also will include a financial plan element, to ensure that the funding that is necessary to meet the goal is identified and secured (including federal and state funds to augment the investments that continue to be made by water agencies).

#### **Attachments**

CSDA blog post  
SB 366



**California Special  
Districts Association**  
*Districts Stronger Together*

## **Initiative Will Qualify to Limit Voters' Local Control and Could Wipeout Funding for Flood, Drought, Wildfire, and other Essential Services**



By [Vanessa Gonzales](#) posted 23 days ago

By February 1, an initiative sponsored by some of the world's biggest corporations is expected to qualify for the November 2024 statewide ballot and levy the greatest threat to local control in our generation. Initiative 21-0042A1, officially titled, "Limits the Ability of Voters and State and Local Governments to Raise Revenues for Government Services," would impose a debilitating race-to-the bottom for communities seeking solutions to California's flood, drought, wildfire, and other challenges.

The initiative is bankrolled by the California Business Roundtable, a collection of major corporations such as Aera Energy, Kilroy Realty, Pacific Ethanol, Pharmaceutical Research and Manufacturers of America, Sempra Energy, State Farm Insurance, and 7-Eleven. They dub their initiative the "Taxpayer Protection and Government Accountability Act." However a more accurate label would be the "Sue Taxpayers, Give Corporations a Pass, and Lawyers Employment Act." This flawed proposal is a veritable kitchen sink of amendments to the California Constitution that benefit the corporations but hurt our communities. It seeks to make it harder for voters and those they elect to invest in flood protection, drought solutions, wildfire mitigation, roads, parks, schools, and other essential services for our communities. For example, under current law, voters in a community could place a local initiative on their ballot to fund a new park in their neighborhood, and it could pass with a simple majority vote. The corporations' voter limitation initiative would increase that threshold to a two-thirds majority, a notoriously difficult hurdle for even the most worthy of ideas. That is ironic since the corporations' initiative itself only requires a simple majority to pass.

That isn't even the worst of it, however. Under current law, water rates and other fees must be reasonably related to the cost of service. This is fair and appropriate. This corporate initiative would change this balanced approach to a scheme that restricts such fees to the "minimum amount necessary." It is fair to ask what's so bad about changing fees from "reasonable" to the "minimum amount necessary?" The simple answer is that tackling the existential challenges facing our state and our communities requires innovation and long-term investments like water recycling and storage, renewable energy, flood protection, and forest management. At this critical time in California's history, our communities cannot afford to do even less than the status quo. When we think of the kind of communities we want to leave our children and grandchildren, are we content to settle for the "minimum amount necessary?"

As a final blow, the initiative also tips the scales for lawsuits against service providers by imposing the highest burden possible in civil court on the public agencies our communities own and govern. In short the initiative invites those looking for a windfall to sue public agencies up and down the state, with the taxpayers holding the bag for all of the lawyers' fees and payouts. Worse, the initiative is *retroactive* to January 1, 2022.

Effectively, Initiative 21-0042A1 would empower corporate lawyers to invalidate the prior actions of local voters throughout California, undermining local control and voter-approved decisions about investments needed in their communities. This could put billions of dollars currently dedicated to state and local services at risk, and force cuts to public schools, fire and emergency response, law enforcement, public health, parks, libraries, affordable housing, services to support homeless residents, mental healthcare, and more, all to create constitutional loopholes that allow corporations to pay less than their fair share.

Join CSDA, Cal Cities, California State Association of Counties, California Jobs Alliance, California Professional Firefighters, and more than 150 local agencies in taking an "oppose" position on the voter limitation initiative. Download a sample board resolution and learn more at [csda.net/voterlimiations](http://csda.net/voterlimiations).

**Introduced by Senator Caballero**

February 8, 2023

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An act relating to water.

**LEGISLATIVE COUNSEL'S DIGEST**

**SB 366, as introduced, Caballero. The California Water Plan: long-term supply targets.**

Existing law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as the California Water Plan. Existing law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued in order to meet the future needs of the state.

This bill would make legislative findings and declarations and state the intent of the Legislature to enact future legislation that modernizes the California Water Plan, including the establishment of long-term water supply targets.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. The Legislature finds and declares all of the  
2     following:

1       (a) To thrive as a state, California needs a reliable supply of  
2 water for urban, agricultural, and environmental uses that is  
3 completely resilient to climate change.

4       (b) California's existing water level is highly reliant on capturing  
5 the snow melt on an annual basis. That captured water is stored in  
6 lakes, reservoirs, and groundwater basins, and is then transported  
7 around the state for environmental, residential, business, and  
8 agricultural use when needed.

9       (c) California has the most intricate and elaborate system of  
10 water conveyance in the world.

11      (d) The volume of water used by people in California for  
12 agriculture, urban, and environmental purposes ranges from  
13 60,000,000 to 90,000,000 acre-feet per year.

14      (e) Per-capita water use has declined over time, thanks to  
15 water-saving indoor plumbing fixtures and appliances, better leak  
16 detection, development of potable and nonpotable water reuse  
17 projects, and efforts to reduce outdoor water use.

18      (f) Over the last two years, scientists and water managers have  
19 been alarmed by the accelerating impacts of the warming climate  
20 on our water supply.

21      (g) Hotter and drier weather is estimated to diminish our existing  
22 water supply by 10 percent to 20 percent.

23      (h) A loss of 10 percent of our existing water supply due to  
24 hotter and drier conditions could mean the disappearance of about  
25 6,000,000 to 9,000,000 acre-feet of water.

26      (i) For comparison's sake, California's largest reservoir, the  
27 Shasta Reservoir, holds 4,500,000 acre-feet of water.

28      (j) Many rivers, lakes, and estuaries are being impacted by  
29 declining water quality, including increases in harmful algae  
30 blooms.

31      (k) The California central valley has a groundwater overdraft  
32 of 2,000,000 to 3,000,000 acre-feet of water.

33      (l) Following more than two decades of "megadrought" in the  
34 Colorado River Basin, reservoir levels are so low that near-term  
35 supply cuts are likely.

36      (m) California's precipitation is changing from seasonal snow  
37 in the Sierra Nevada Mountains to periods of substantial rainfall,  
38 including atmospheric rivers.

39      (n) The shift to drier dry years and wetter wet years makes it  
40 imperative that the State of California develop comprehensive

1 wet-year strategies that take full advantage of times of abundance,  
2 while also ensuring public safety from floods.

3 (o) It is imperative that California capture more water from  
4 atmospheric rivers and other storms that occur during dry years to  
5 help fill groundwater basins and surface storage.

6 (p) California is the nation's agricultural powerhouse, accounting  
7 for 12 percent of the nation's agricultural production in 2021,  
8 including more than 70 percent of the nation's fruits and nuts.

9 (q) The agriculture sector produces annual revenues of more  
10 than \$50 billion, employs more than 420,000 people, and supports  
11 large food and beverage processing industries.

12 (r) According to the Department of Water Resources, there is  
13 the potential for more than 13,000,000 acre-feet of groundwater  
14 recharge annually, with more than 2,500,000 acre-feet being  
15 possible using existing infrastructure.

16 (s) The Department of Water Resources describes a statewide  
17 capacity in groundwater basins in the range of 1,000,000,000  
18 acre-feet or approximately 20 times the total surface water storage  
19 capacity statewide.

20 (t) California is home to cutting-edge, job-creating industries  
21 such as those in Silicon Valley and southern California's  
22 biotechnology industry.

23 (u) It is essential for our economy, environment, and well-being  
24 that California increases the resilience of the state's water supplies.

25 (v) California must make a historic change in how water is  
26 provided for environmental, residential, business, and agricultural  
27 uses.

28 SEC. 2. It is the intent of the Legislature to enact future  
29 legislation that modernizes the California Water Plan, including  
30 the establishment of long-term water supply targets.

# STAFF REPORT

## AGENDA ITEM VI-1.1

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To: Board of Directors  
From: Paul Helliker, General Manager  
Date: February 22, 2023  
Subject: General Manager's Monthly Report (January)

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### RECOMMENDED ACTION

For information only, no action requested.

### TREATMENT PLANT OPERATIONS

#### *Water Production*

Item	2023	2022	Difference
Monthly Production AF	1,347.35	1,948.90	-30.9%
Daily Average MG	14.16	20.49	-30.9%
Annual Production AF	1,347.35	1,948.90	-30.9%

#### *Water Turbidity*

Item	January 2023	December 2022	Difference
Raw Water Turbidity NTU	20.29	5.18	292%
Treated Water Turbidity NTU	0.027	0.015	80%
Monthly Turbidity Percentage Reduction	99.69%	99.57%	

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

Item	2023	2022	Difference
Lake Volume AF	500,421	532,596	500,421

AF – Acre Feet

MG – Million Gallons

NTU – Nephelometric Turbidity Unit

\* Total Reservoir Capacity: 977,000 AF

#### *Other Items of Interest:*

- Start American River Watershed Sanitary Survey (12 month project)

## SYSTEM OPERATIONS

### Distribution Operations:

Item	January 2023	December 2022	Difference
Leaks and Repairs	6	9	-3
Mains Flushed	65	0	+65
Valves Exercised	0	0	0
Hydrants Maintenance	0	0	0
Back Flows Tested	192	0	+192
Customer Service Calls	35	42	-7

### Distribution System Water Quality:

Water Quality Samples Taken	# Failed Samples	Supporting Information
50 Lab	0	
14 In-House	0	

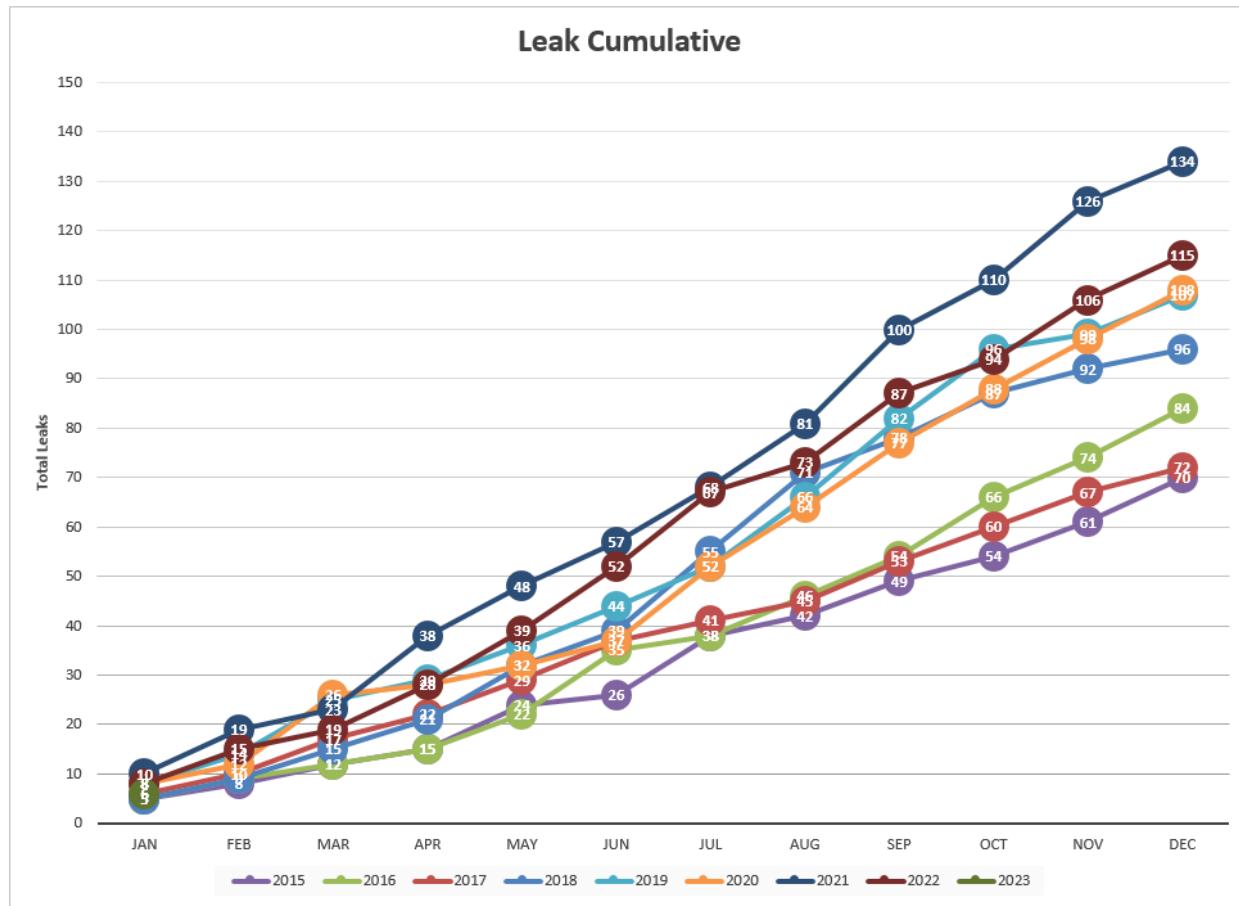


Figure 1: Annual Distribution System Leaks

### 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
5386	556	210	15

*Water Efficiency Activities for January*

Water Waste Complaints Received	Number of Customers Contacted for High Usage (potential leaks)	Number of Rebates Processed	Number of Meters Tested/Repaired (non-reads)
3	108	2	82

*Other Activities*

- None

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

Project Title	Description	Status	Issues / Notes
Chula Acres	4-Lot Minor Subdivision (8149 Excelsior Ave)	In Construction	Water main installed. Construction in process.
GB Memory Care	Commercial Business (6400 Douglas Blvd)	In Design Review	Planning to begin construction in 2022
Premier Soleil (formerly Granite Bay Townhomes)	52-Lot Subdivision (Douglas, east of Auburn Folsom)	Construction complete	In project close-out
Greenside Parcel Split (5640 Macargo)	Minor parcel split of 2.0-Ac parcel into 3 lots	Approved for Construction	Design approved
Placer County Retirement Residence (3905 Old Auburn)	Commercial Business (145-Unit Multi-story Assisted Living Facility; 3865 Old Auburn Rd)	In Construction	Construction started October 2021
Pond View	Commercial Business (5620 5630 5640 Douglas Blvd)	Approved for Construction	Planning to begin construction in 2022
The Park at Granite Bay	56 lot Subdivision (SCB south of Annabelle)	In Construction	Construction started June 2022
The Residences at GB	4-Lot Minor Subdivision (NW Cor. Barton & E Rsvl Pkwy)	In Design Review	Project on hold
Ventura of GB	33-Lot High Density Subdivision (6832 Eureka Rd)	In Construction	Initially will only have one source of supply connection, planning for a future 2 <sup>nd</sup> connection
Whitehawk II	56-Lot Subdivision (Douglas, west of Barton)	In Construction	Construction started January 2022

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

<b>Project Title</b>	<b>Description</b>	<b>Status</b>	<b>Issues / Notes</b>
Rancho Del Oro Estates	89-Lot Subdivision (Olive Ranch Rd, east of Cavitt Stallman)	Construction complete	In project close-out
Canyon Terrace Apartments	Apartment Complex (7 new buildings; 1600 Canyon Terrace Lane)	In Construction	Construction started November 2022
Sierra College Self Storage (8455 Sierra College Blvd)	New 4-building self-storage facility	In Construction	Construction started August 2022

## **ENGINEERING - CAPITAL PROJECTS**

### *Status Update for Current Retail Projects*

<b>Project Title</b>	<b>Description</b>	<b>Status</b>	<b>Issues / Notes</b>
Eureka Rd Transmission Main Replacement	Replace approximately 3,925 LF of aged steel transmission pipeline	In Construction	Contractor waiting for materials. Construction postponed to February 2023.
SCADA Radio Replacements – North Phase	Replace outdated 900 MHz radios with 173 MHz equipment	In Construction	Radio router issues have now been resolved
Spahn Ranch Rd. Main Extension	Install new pipeline; provides looped distribution network	In Design	Construction in FY 24/25
Kokila Reservoir Replacement	Replace existing hypalon lined and covered reservoir with a new concrete tank	In Design	Applying for SRF funding. Construction in FY 23/24
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 22/23
Upper Granite Bay Pump Station Generator Replacement	Replacing generator at Upper Granite Bay Pump Station	In Construction	Construction in FY 22/23
Bacon Pump Station Generator Replacement	Replacing generators at Bacon Pump Station	In Construction	Construction in FY 22/23
Field Services 3-sided Parts Shelter	Construction of a 3-sided material storage shelter	On hold	Planning to rebid project in FY23/24
Service Line Replacement Projects (85/year)	Yearly program to replace 85 services per year as identified in the 2020 Retail Master Plan	In Design	Hidden Oaks (referred to as Shelborne) identified for replacement in FY22/23

**STAFF REPORT**

General Manager's Monthly Report

Paul Helliker

<b>Project Title</b>	<b>Description</b>	<b>Status</b>	<b>Issues / Notes</b>
Air Release Valve Replacements (45/year for next 20 years)	Replacement of 45 Air Release Valves per year for the next 20 years as identified in the 2020 Retail Master Plan	In Design	Construction in FY22/23
Administration Building Electrical Panel Upgrade	Replacement of the electrical service at the Administration Building (50/50 split W/R)	In Design	Construction in FY22/23

**Status Update for Current Wholesale Projects**

<b>Project Title</b>	<b>Description</b>	<b>Status (% Complete)</b>	<b>Issues/ Notes</b>
Hinkle Liner & Cover Repl'mt	Replace both the hypalon cover and liner	In Construction	Applying for SRF funding. Construction in FY 22/23
Lime System Improvements	Improvements for the WTP's lime system control and feeder system	In Design	
Baldwin Chnl Lining and Solar Field Culvert Replacement Project	Lining the Baldwin Ditch on the main campus to minimize costs for maintenance within the ditch and the replacement of the Solar Field Culvert to provide emergency discharge capacity to Baldwin Reservoir	In Construction	Construction of Solar Field Culvert underway. Construction of lining postponed until after Hinkle Reservoir is completed.
Wholesale Master Plan	Update of the 2005/07 Wholesale Master Plan	In Design	Draft document completed. Plan to be distributed to WCAs in February 2023.
Administration Building Electrical Panel Upgrade	Replacement of the electrical service at the Administration Building (50/50 split W/R)	In Design	Construction in FY22/23

**SAFETY & REGULATORY TRAINING – January 2023**

<b>Training Course</b>	<b>Staff</b>
Electrical Safety Awareness	Field Service, Treatment
Hazardous Material Business Plan	
Spill Prevention Control & Countermeasure (SPCC)	Field Service, Treatment, Customer Service, Engineering
Universal Waste Disposal	

**FINANCE/BUDGET**

See attached



San Juan Water District, CA

# Wholesale Operating Income Statement

## Group Summary

For Fiscal: 2022-2023 Period Ending: 01/31/2023

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 010 - WHOLESALE</b>					
<b>Revenue</b>					
41000 - Water Sales	11,003,900.00	11,003,900.00	1,759,864.51	7,469,908.52	3,533,991.48
43000 - Rebate	1,000.00	1,000.00	0.00	901.69	98.31
45000 - Other Operating Revenue	0.00	0.00	2.20	266.66	-266.66
49000 - Other Non-Operating Revenue	112,100.00	112,100.00	0.00	46,216.37	65,883.63
49900 - Investments in Fixed Assets	0.00	0.00	0.00	5,128.56	-5,128.56
Revenue Total:	<b>11,117,000.00</b>	<b>11,117,000.00</b>	<b>1,759,866.71</b>	<b>7,522,421.80</b>	<b>3,594,578.20</b>
<b>Expense</b>					
51000 - Salaries and Benefits	3,959,700.00	3,959,700.00	275,650.56	2,086,275.82	1,873,424.18
52000 - Debt Service Expense	686,300.00	686,300.00	275,703.75	364,716.24	321,583.76
53000 - Source of Supply	816,700.00	816,700.00	3,424.69	436,397.51	380,302.49
54000 - Professional Services	1,782,100.00	1,782,100.00	13,982.83	227,011.46	1,555,088.54
55000 - Maintenance	525,600.00	525,600.00	19,904.13	302,644.48	222,955.52
56000 - Utilities	205,000.00	205,000.00	0.00	143,306.63	61,693.37
57000 - Materials and Supplies	788,500.00	788,500.00	16,156.42	449,397.96	339,102.04
58000 - Public Outreach	56,500.00	56,500.00	0.00	28,519.29	27,980.71
59000 - Other Operating Expenses	596,600.00	596,600.00	14,871.40	370,935.89	225,664.11
69000 - Other Non-Operating Expenses	1,500.00	1,500.00	0.00	1,622.00	-122.00
69900 - Transfers Out	573,200.00	573,200.00	0.00	0.00	573,200.00
Expense Total:	<b>9,991,700.00</b>	<b>9,991,700.00</b>	<b>619,693.78</b>	<b>4,410,827.28</b>	<b>5,580,872.72</b>
<b>Fund: 010 - WHOLESALE Surplus (Deficit):</b>	<b>1,125,300.00</b>	<b>1,125,300.00</b>	<b>1,140,172.93</b>	<b>3,111,594.52</b>	<b>-1,986,294.52</b>
<b>Total Surplus (Deficit):</b>	<b>1,125,300.00</b>	<b>1,125,300.00</b>	<b>1,140,172.93</b>	<b>3,111,594.52</b>	

## Wholesale Operating Income Statement

For Fiscal: 2022-2023 Period Ending: 01/31/2023

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESALE	1,125,300.00	1,125,300.00	1,140,172.93	3,111,594.52	-1,986,294.52
<b>Total Surplus (Deficit):</b>	<b>1,125,300.00</b>	<b>1,125,300.00</b>	<b>1,140,172.93</b>	<b>3,111,594.52</b>	



San Juan Water District, CA

# Wholesale Capital Income Statement

## Group Summary

For Fiscal: 2022-2023 Period Ending: 01/31/2023

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	1,273,000.00	1,273,000.00	738,124.01	756,889.92	516,110.08
44000 - Connection Fees	200,000.00	200,000.00	1,313.00	213,135.55	-13,135.55
49000 - Other Non-Operating Revenue	126,000.00	126,000.00	0.00	117,521.22	8,478.78
49792 - Proceeds from Issuance of Debt	23,120,600.00	23,120,600.00	0.00	0.00	23,120,600.00
49990 - Transfer In	573,200.00	573,200.00	0.00	0.00	573,200.00
Revenue Total:	<b>25,292,800.00</b>	<b>25,292,800.00</b>	<b>739,437.01</b>	<b>1,087,546.69</b>	<b>24,205,253.31</b>
<b>Expense</b>					
55000 - Maintenance	70,000.00	70,000.00	0.00	39,872.98	30,127.02
61000 - Capital Outlay	25,361,900.00	25,361,900.00	0.00	4,298,861.98	21,063,038.02
Expense Total:	<b>25,431,900.00</b>	<b>25,431,900.00</b>	<b>0.00</b>	<b>4,338,734.96</b>	<b>21,093,165.04</b>
<b>Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):</b>					
Total Surplus (Deficit):	<b>-139,100.00</b>	<b>-139,100.00</b>	<b>739,437.01</b>	<b>-3,251,188.27</b>	<b>3,112,088.27</b>

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
011 - Wholesale Capital Outlay	-139,100.00	-139,100.00	739,437.01	-3,251,188.27	3,112,088.27
<b>Total Surplus (Deficit):</b>	<b>-139,100.00</b>	<b>-139,100.00</b>	<b>739,437.01</b>	<b>-3,251,188.27</b>	



San Juan Water District, CA

# Retail Operating Income Statement

## Group Summary

For Fiscal: 2022-2023 Period Ending: 01/31/2023

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 050 - RETAIL</b>					
<b>Revenue</b>					
41000 - Water Sales	15,114,200.00	15,114,200.00	1,230,571.29	6,835,963.39	8,278,236.61
45000 - Other Operating Revenue	631,500.00	631,500.00	19,837.04	279,159.12	352,340.88
49000 - Other Non-Operating Revenue	149,000.00	149,000.00	18,476.96	104,478.28	44,521.72
Revenue Total:	<b>15,894,700.00</b>	<b>15,894,700.00</b>	<b>1,268,885.29</b>	<b>7,219,600.79</b>	<b>8,675,099.21</b>
<b>Expense</b>					
41000 - Water Sales	0.00	0.00	122.04	1,874.84	-1,874.84
51000 - Salaries and Benefits	5,730,600.00	5,730,600.00	386,348.62	2,971,173.72	2,759,426.28
52000 - Debt Service Expense	406,500.00	406,500.00	183,802.50	249,817.55	156,682.45
53000 - Source of Supply	3,134,800.00	3,134,800.00	578,808.35	2,306,225.32	828,574.68
54000 - Professional Services	1,514,600.00	1,514,600.00	14,226.57	377,649.26	1,136,950.74
55000 - Maintenance	376,500.00	376,500.00	40,203.32	166,774.45	209,725.55
56000 - Utilities	412,500.00	412,500.00	3,313.00	311,981.85	100,518.15
57000 - Materials and Supplies	640,400.00	640,400.00	35,388.47	309,666.53	330,733.47
58000 - Public Outreach	80,000.00	80,000.00	0.00	14,253.75	65,746.25
59000 - Other Operating Expenses	781,400.00	781,400.00	39,010.95	501,360.68	280,039.32
69000 - Other Non-Operating Expenses	1,500.00	1,500.00	0.00	1,622.00	-122.00
69900 - Transfers Out	2,111,800.00	2,111,800.00	0.00	0.00	2,111,800.00
Expense Total:	<b>15,190,600.00</b>	<b>15,190,600.00</b>	<b>1,281,223.82</b>	<b>7,212,399.95</b>	<b>7,978,200.05</b>
<b>Fund: 050 - RETAIL Surplus (Deficit):</b>					
Total Surplus (Deficit):	<b>704,100.00</b>	<b>704,100.00</b>	<b>-12,338.53</b>	<b>7,200.84</b>	<b>696,899.16</b>

**Retail Operating Income Statement**

For Fiscal: 2022-2023 Period Ending: 01/31/2023

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
050 - RETAIL	704,100.00	704,100.00	-12,338.53	7,200.84	696,899.16
<b>Total Surplus (Deficit):</b>	<b>704,100.00</b>	<b>704,100.00</b>	<b>-12,338.53</b>	<b>7,200.84</b>	



San Juan Water District, CA

# Retail Capital Income Statement

## Group Summary

For Fiscal: 2022-2023 Period Ending: 01/31/2023

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	1,273,000.00	1,273,000.00	738,124.02	756,889.92	516,110.08
44000 - Connection Fees	500,000.00	500,000.00	0.00	2,633,719.70	-2,133,719.70
49000 - Other Non-Operating Revenue	148,800.00	148,800.00	0.00	96,162.81	52,637.19
49792 - Proceeds from Issuance of Debt	4,000,000.00	4,000,000.00	0.00	0.00	4,000,000.00
49990 - Transfer In	2,111,800.00	2,111,800.00	0.00	0.00	2,111,800.00
Revenue Total:	<b>8,033,600.00</b>	<b>8,033,600.00</b>	<b>738,124.02</b>	<b>3,486,772.43</b>	<b>4,546,827.57</b>
<b>Expense</b>					
54000 - Professional Services	210,000.00	210,000.00	0.00	0.00	210,000.00
61000 - Capital Outlay	13,472,100.00	13,472,100.00	85,346.33	2,044,759.71	11,427,340.29
Expense Total:	<b>13,682,100.00</b>	<b>13,682,100.00</b>	<b>85,346.33</b>	<b>2,044,759.71</b>	<b>11,637,340.29</b>
<b>Fund: 055 - Retail Capital Outlay Surplus (Deficit):</b>					
Total Surplus (Deficit):	<b>-5,648,500.00</b>	<b>-5,648,500.00</b>	<b>652,777.69</b>	<b>1,442,012.72</b>	<b>-7,090,512.72</b>

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
055 - Retail Capital Outlay	-5,648,500.00	-5,648,500.00	652,777.69	1,442,012.72	-7,090,512.72
<b>Total Surplus (Deficit):</b>	<b>-5,648,500.00</b>	<b>-5,648,500.00</b>	<b>652,777.69</b>	<b>1,442,012.72</b>	

**Summary****Project Summary**

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
<a href="#">191235</a>	Solar Site Access Culvert Replacement	17,675.00	393,220.31	-375,545.31
<a href="#">191255</a>	WTP Filter Basins Rehab Project	-28,605.18	31,451.99	-60,057.17
<a href="#">191280</a>	Hinkle Reservoir Cover	168,147.49	3,823,520.12	-3,655,372.63
<a href="#">195265</a>	Douglas Booster Pump Station Electric	0.00	7,126.23	-7,126.23
<a href="#">201111</a>	Hinkle Reservoir Overflow Channel Lin	0.00	2,221.57	-2,221.57
<a href="#">201144</a>	Hinkle Reservoir Temporary Tanks anc	0.00	24,917.14	-24,917.14
<a href="#">205156</a>	Field Services Sewer Lift Station	0.00	3,603.72	-3,603.72
<a href="#">211148</a>	Admin Building Electrical Improvemen	0.00	2,460.00	-2,460.00
<a href="#">215105</a>	Eureka Road 18" T-main Design	36,260.29	892,488.61	-856,228.32
<a href="#">215114</a>	Bacon Pump Station Generator Repla	0.00	38,456.00	-38,456.00
<a href="#">215117</a>	Upper Granite Bay Pump Station Gene	8,856.43	183,302.10	-174,445.67
<a href="#">215120</a>	Kokila Reservoir (Replace Hypalon witl	0.00	6,595.53	-6,595.53
<a href="#">225166</a>	Meter Replacement Program Route 6	0.00	21,660.21	-21,660.21
<a href="#">225170</a>	Meter Replacement Program Route 7	0.00	40,035.40	-40,035.40
<a href="#">225174</a>	Meter Replacement Program Route 8	0.00	46,867.47	-46,867.47
<a href="#">235104</a>	FY 2022-23 Air/Vaccum Relief Valve I	0.00	11,212.50	-11,212.50
<a href="#">235106</a>	FY 2022-23 Service Lateral Replaceme	0.00	119,222.99	-119,222.99
<a href="#">235116</a>	Hydrant Replacements FY 2022-2023	0.00	147,854.53	-147,854.53
<a href="#">235118</a>	Twin Rocks/Vogel Valley Probe Meter	0.00	4,718.49	-4,718.49
<b>Project Totals:</b>		<b>202,334.03</b>	<b>5,800,934.91</b>	<b>-5,598,600.88</b>

**Group Summary**

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	202,334.03	5,794,871.19	-5,592,537.16
CIP - Asset Unplanned	0.00	6,063.72	-6,063.72
<b>Group Totals:</b>	<b>202,334.03</b>	<b>5,800,934.91</b>	<b>-5,598,600.88</b>

**Type Summary**

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Administration	0.00	2,460.00	-2,460.00
Engineering	45,116.72	1,285,542.67	-1,240,425.95
Field Services	0.00	264,739.82	-264,739.82
Water Treatment Plant	157,217.31	4,248,192.42	-4,090,975.11
<b>Type Totals:</b>	<b>202,334.03</b>	<b>5,800,934.91</b>	<b>-5,598,600.88</b>

**GL Account Summary**

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
011-20030	Retentions Payable	-157,217.31	0.00	-157,217.31
011-700-61120	Capital Outlay - Improvements...	0.00	393,220.31	393,220.31
011-700-61140	Capital Outlay - Buildings & Im...	0.00	1,230.00	1,230.00
011-700-61145	Capital Outlay - WTP & Improv...	0.00	31,451.99	31,451.99
011-700-61155	Capital Outlay - Reservoirs & I...	0.00	3,850,658.83	3,850,658.83
055-20030	Retentions Payable	-45,116.72	0.00	-45,116.72
055-700-61135	Capital Outlay - Pump Stations...	0.00	228,884.33	228,884.33
055-700-61140	Capital Outlay - Buildings & Im...	0.00	1,230.00	1,230.00
055-700-61150	Capital Outlay - Mains/Pipeline...	0.00	1,170,778.63	1,170,778.63
055-700-61153	Capital Outlay - Meters and En...	0.00	108,563.08	108,563.08
055-700-61155	Capital Outlay - Reservoirs & I...	0.00	6,595.53	6,595.53
055-700-61160	Capital Outlay - Equipment and..	0.00	8,322.21	8,322.21
<b>GL Account Totals:</b>		<b>-202,334.03</b>	<b>5,800,934.91</b>	<b>5,598,600.88</b>



San Juan Water District, CA

**Balance Sheet**  
**Account Summary**  
As Of 01/31/2023

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
<b>Asset</b>					
<b>Type: 1000 - Assets</b>					
10010 - Cash and Investments	3,646,145.83	17,900,463.60	2,746,651.41	17,315,784.27	41,609,045.11
10510 - Accounts Receivable	1,773,585.22	0.01	562,626.45	-0.01	2,336,211.67
11000 - Inventory	4,747.47	0.00	289,120.29	92,241.69	386,109.45
12000 - Prepaid Expense	32,990.35	0.00	5,555.94	0.00	38,546.29
12850 - Lease Receivable	266,068.85	0.00	216,725.65	0.00	482,794.50
14010 - Deferred Outflows	2,490,432.85	0.00	2,576,156.97	0.00	5,066,589.82
17010 - Capital Assets - Work in Progress	1,503,075.24	0.00	1,107,805.35	0.00	2,610,880.59
17150 - Capital Assets - Land Non-depreciable	120,712.00	0.00	166,272.00	0.00	286,984.00
17160 - Capital Assets - Improvements Other Than Buildings	831,038.09	0.00	100,903.30	0.00	931,941.39
17200 - Capital Assets - Pump Stations & Improvements	7,047,178.00	0.00	6,817,987.72	0.00	13,865,165.72
17300 - Capital Assets - Buildings & Improvements	1,279,892.05	0.00	275,982.16	0.00	1,555,874.21
17350 - Capital Assets - Water Treatment Plant & Imp	41,943,155.93	0.00	16,000.00	0.00	41,959,155.93
17400 - Capital Assets - Mains/Pipelines & Improvements	28,130,034.95	0.00	49,102,548.79	0.00	77,232,583.74
17500 - Capital Assets - Reservoirs & Improvements	4,808,912.39	0.00	2,492,421.90	0.00	7,301,334.29
17700 - Capital Assets - Equipment & Furniture	13,757,726.59	0.00	1,153,254.13	0.00	14,910,980.72
17750 - Capital Assets - Vehicles	325,255.84	0.00	847,640.30	0.00	1,172,896.14
17800 - Capital Assets - Software	265,814.52	0.00	593,375.80	0.00	859,190.32
17850 - Capital Assets - Intangible	666,196.00	0.00	0.00	0.00	666,196.00
17900 - Less Accumulated Depreciation	-43,723,660.79	0.00	-31,677,772.98	0.00	-75,401,433.77
<b>Total Type 1000 - Assets:</b>	<b>65,169,301.38</b>	<b>17,900,463.61</b>	<b>37,393,255.18</b>	<b>17,408,025.95</b>	<b>137,871,046.12</b>
<b>Total Asset:</b>	<b>65,169,301.38</b>	<b>17,900,463.61</b>	<b>37,393,255.18</b>	<b>17,408,025.95</b>	<b>137,871,046.12</b>
<b>Liability</b>					
<b>Type: 1000 - Assets</b>					
10510 - Accounts Receivable	0.00	0.00	105,093.36	0.00	105,093.36
<b>Total Type 1000 - Assets:</b>	<b>0.00</b>	<b>0.00</b>	<b>105,093.36</b>	<b>0.00</b>	<b>105,093.36</b>
<b>Type: 2000 - Liabilities</b>					
20010 - Accounts Payable	125,648.48	2,544,051.38	85,230.82	5,701.09	2,760,631.77
20100 - Retentions Payable	0.00	185,822.49	0.00	53,878.92	239,701.41
20150 - Customer Deposits	2,848.65	0.00	0.00	0.00	2,848.65
21200 - Salaries & Benefits Payable	38,844.31	0.00	71,495.94	0.00	110,340.25
21250 - Payroll Taxes Payable	552.30	0.00	551.98	0.00	1,104.28
21300 - Compensated Absences	425,156.74	0.00	514,876.55	0.00	940,033.29
21373 - Deferred Inflows of Resources - Leases	257,037.09	0.00	0.00	0.00	257,037.09

## Balance Sheet

As Of 01/31/2023

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
21500 - Premium on Issuance of Bonds Series 2017	1,114,154.56	0.00	626,711.94	0.00	1,740,866.50
21600 - OPEB Liability	1,473,961.49	0.00	1,875,297.61	0.00	3,349,259.10
21700 - Pension Liability	-1,149,020.76	0.00	-1,462,390.71	0.00	-2,611,411.47
22010 - Deferred Income	0.00	0.00	165,116.64	0.00	165,116.64
22050 - Deferred Inflows	3,188,589.36	0.00	4,107,615.00	0.00	7,296,204.36
23000 - Loans Payable	470,345.35	0.00	248,868.59	0.00	719,213.94
24250 - Bonds Payable 2017 Refunding	14,195,800.00	0.00	7,944,200.00	0.00	22,140,000.00
24300 - Loan - Refunding	4,825,313.63	0.00	2,620,009.05	0.00	7,445,322.68
<b>Total Type 2000 - Liabilities:</b>	<b>24,969,231.20</b>	<b>2,729,873.87</b>	<b>16,797,583.41</b>	<b>59,580.01</b>	<b>44,556,268.49</b>
<b>Total Liability:</b>	<b>24,969,231.20</b>	<b>2,729,873.87</b>	<b>16,902,676.77</b>	<b>59,580.01</b>	<b>44,661,361.85</b>
<b>Equity</b>					
<b>Type: 3000 - Equity</b>					
30100 - Investment in Capital Assets	36,581,914.76	0.00	19,647,206.02	0.00	56,229,120.78
30500 - Designated Reserves	506,560.90	18,421,778.01	836,171.55	14,880,183.22	34,644,693.68
30600 - Restricted Fund Balance	0.00	0.00	0.00	1,026,250.00	1,026,250.00
<b>Total Type 3000 - Equity:</b>	<b>37,088,475.66</b>	<b>18,421,778.01</b>	<b>20,483,377.57</b>	<b>15,906,433.22</b>	<b>91,900,064.46</b>
<b>Total Total Beginning Equity:</b>	<b>37,088,475.66</b>	<b>18,421,778.01</b>	<b>20,483,377.57</b>	<b>15,906,433.22</b>	<b>91,900,064.46</b>
Total Revenue	7,522,421.80	1,087,546.69	7,219,600.79	3,486,772.43	19,316,341.71
Total Expense	4,410,827.28	4,338,734.96	7,212,399.95	2,044,759.71	18,006,721.90
<b>Revenues Over/Under Expenses</b>	<b>3,111,594.52</b>	<b>-3,251,188.27</b>	<b>7,200.84</b>	<b>1,442,012.72</b>	<b>1,309,619.81</b>
<b>Total Equity and Current Surplus (Deficit):</b>	<b>40,200,070.18</b>	<b>15,170,589.74</b>	<b>20,490,578.41</b>	<b>17,348,445.94</b>	<b>93,209,684.27</b>
<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b>65,169,301.38</b>	<b>17,900,463.61</b>	<b>37,393,255.18</b>	<b>17,408,025.95</b>	<b>137,871,046.12</b>



San Juan Water District, CA

# Check Report

By Vendor Name

Date Range: 01/01/2023 - 01/31/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: APBNK-APBNK</b>						
	**Void**	01/04/2023	Regular	0.00	0.00	58562
	**Void**	01/04/2023	Regular	0.00	0.00	58578
	**Void**	01/24/2023	Regular	0.00	0.00	58640
	**Void**	01/31/2023	Regular	0.00	0.00	58664
	**Void**	01/31/2023	Regular	0.00	0.00	58672
	**Void**	01/24/2023	EFT	0.00	0.00	408420
03832	A.E. Media Group, LLC	01/04/2023	EFT	0.00	3,930.00	408365
03845	All Pro Backflow, Inc.	01/31/2023	Regular	0.00	4,250.00	58662
03681	Allied Electronics Inc.	01/24/2023	EFT	0.00	490.52	408408
03406	Alpha Analytical Laboratories Inc.	01/04/2023	Regular	0.00	2,335.00	58560
03406	Alpha Analytical Laboratories Inc.	01/17/2023	Regular	0.00	1,111.00	58609
03406	Alpha Analytical Laboratories Inc.	01/24/2023	Regular	0.00	873.00	58638
03406	Alpha Analytical Laboratories Inc.	01/31/2023	Regular	0.00	2,965.00	58663
01073	Amarjeet Singh Garcha	01/04/2023	Regular	0.00	10,800.00	58561
01073	Amarjeet Singh Garcha	01/10/2023	Regular	0.00	1,500.00	58591
01039	American Family Life Assurance Company of Colu	01/30/2023	Bank Draft	0.00	298.71	Q386901-30-20:
01039	American Family Life Assurance Company of Colu	01/30/2023	Bank Draft	0.00	298.71	Q386901-30-20:
03838	Aria Service Group	01/24/2023	EFT	0.00	1,564.00	408409
01328	Association of California Water Agencies / Joint P	01/04/2023	EFT	0.00	7,531.62	408366
01898	Association of California Water Agencies / JPIA	01/31/2023	EFT	0.00	16,250.03	408427
01027	Association of California Water Agencies	01/31/2023	Regular	0.00	2,803.89	58665
03789	Banner Bank	01/04/2023	Regular	0.00	19,336.68	58563
03899	Bennett Engineering Services Inc	01/04/2023	EFT	0.00	29,361.50	408367
03899	Bennett Engineering Services Inc	01/17/2023	EFT	0.00	8,792.50	408397
03807	Blue Mountain Construction	01/31/2023	Regular	0.00	1,765.79	58666
03594	Borges & Mahoney, Inc.	01/04/2023	Regular	0.00	862.71	58564
03594	Borges & Mahoney, Inc.	01/10/2023	Regular	0.00	2,063.36	58592
03594	Borges & Mahoney, Inc.	01/24/2023	Regular	0.00	6,281.29	58639
03853	Brower Mechanical CA LLC	01/24/2023	EFT	0.00	383.00	408410
01234	Bryce HR Consulting, Inc.	01/31/2023	EFT	0.00	3,485.00	408429
01235	BSK Associates	01/10/2023	EFT	0.00	200.00	408383
01505	California Department of Motor Vehicles - DMV	01/17/2023	Regular	0.00	10.00	58610
03690	California Department of Tax and Fee Administrat	01/24/2023	Regular	0.00	32,775.46	58641
01289	California Special Districts Association	01/04/2023	Regular	0.00	225.00	58565
03080	California State Disbursement Unit	01/06/2023	Bank Draft	0.00	1.50	PAY000000000004
03080	California State Disbursement Unit	01/06/2023	Bank Draft	0.00	1,741.26	PAY000000000004
03080	California State Disbursement Unit	01/20/2023	Bank Draft	0.00	1.50	PAY000000000004
03080	California State Disbursement Unit	01/20/2023	Bank Draft	0.00	1,741.26	PAY000000000004
03078	CalPERS Health	01/09/2023	Bank Draft	0.00	49,864.75	1002278388
03078	CalPERS Health	01/09/2023	Bank Draft	0.00	46,016.44	1002278388
03078	CalPERS Health	01/09/2023	Bank Draft	0.00	52,766.38	1002278388
03130	CalPERS Retirement	01/09/2023	Bank Draft	0.00	37,458.42	1002278391
03130	CalPERS Retirement	01/09/2023	Bank Draft	0.00	409.77	1002278392
03130	CalPERS Retirement	01/20/2023	Bank Draft	0.00	37,189.76	1002286931
03130	CalPERS Retirement	01/20/2023	Bank Draft	0.00	570.03	1002286932
03130	CalPERS Retirement	01/20/2023	Bank Draft	0.00	122.93	1002286933
03226	Capitol Sand and Gravel Co.	01/17/2023	Regular	0.00	881.18	58611
01330	CDW Government LLC	01/10/2023	EFT	0.00	6,371.50	408384
01330	CDW Government LLC	01/24/2023	EFT	0.00	10,902.06	408411
03059	Center For Hearing Health Inc	01/10/2023	Regular	0.00	3,588.75	58593
01366	Citistreet/CalPERS 457	01/09/2023	Bank Draft	0.00	7,751.15	1002278394
01366	Citistreet/CalPERS 457	01/20/2023	Bank Draft	0.00	7,215.86	1002286934
01366	Citistreet/CalPERS 457	01/20/2023	Bank Draft	0.00	550.00	1002286934
01372	City of Folsom	01/24/2023	Regular	0.00	45.87	58642

## Check Report

Date Range: 01/01/2023 - 01/31/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
01378	Clark Pest Control of Stockton	01/04/2023	Regular	0.00	95.00	58566
01378	Clark Pest Control of Stockton	01/24/2023	Regular	0.00	432.00	58643
03882	Clark, Jared R	01/04/2023	Regular	0.00	156.00	58567
03836	Clyde G. Steagall, Inc.	01/31/2023	EFT	0.00	11,596.41	408430
03895	Coating Specialists and Inspection Services, Inc.	01/04/2023	Regular	0.00	3,650.00	58568
03235	Construction Supply Holdings II, LLC	01/24/2023	Regular	0.00	76.76	58644
02214	County of Placer Engineering & Surveying	01/04/2023	Regular	0.00	71.34	58569
02214	County of Placer Engineering & Surveying	01/31/2023	Regular	0.00	856.02	58667
03890	Datalink Networks, Inc.	01/17/2023	EFT	0.00	9.00	408398
03890	Datalink Networks, Inc.	01/24/2023	EFT	0.00	1,400.00	408412
01521	DataProse, LLC	01/17/2023	EFT	0.00	8,022.74	408399
01521	DataProse, LLC	01/24/2023	EFT	0.00	992.06	408413
03865	Davis Farr LLP	01/10/2023	EFT	0.00	18,500.00	408385
03891	DC Solar Electric Inc	01/10/2023	EFT	0.00	6,770.05	408386
01509	Domenichelli & Associates, Inc.	01/04/2023	EFT	0.00	3,188.32	408368
01509	Domenichelli & Associates, Inc.	01/10/2023	EFT	0.00	3,407.50	408387
01509	Domenichelli & Associates, Inc.	01/31/2023	EFT	0.00	825.00	408431
01532	E&M Electric & Machinery, Inc.	01/10/2023	EFT	0.00	53,660.00	408388
03163	Economic Development Department	01/20/2023	Bank Draft	0.00	11,067.70	0-150-153-952
03163	Economic Development Department	01/09/2023	Bank Draft	0.00	11,655.95	0-628-237-024
03163	Economic Development Department	01/06/2023	Bank Draft	0.00	150.73	1-165-458-656
03163	Economic Development Department	01/06/2023	Bank Draft	0.00	80.04	1-165-458-656
03775	ECORP Consulting, Inc.	01/04/2023	Regular	0.00	160.00	58570
03776	EETS Inc.	01/10/2023	EFT	0.00	7,683.60	408389
03749	Eide Bailly LLP	01/24/2023	EFT	0.00	2,186.50	408414
01569	Employee Relations, Inc.	01/17/2023	EFT	0.00	23.00	408400
01574	Endress + Hauser, Inc.	01/31/2023	EFT	0.00	15,320.66	408432
01611	Ferguson Enterprises, Inc	01/17/2023	EFT	0.00	684.51	408401
01611	Ferguson Enterprises, Inc	01/24/2023	EFT	0.00	522.34	408415
01611	Ferguson Enterprises, Inc	01/31/2023	EFT	0.00	1,654.09	408433
03702	Flowline Contractors, Inc.	01/04/2023	Regular	0.00	3,030.40	58571
03702	Flowline Contractors, Inc.	01/10/2023	Regular	0.00	16,505.00	58594
03702	Flowline Contractors, Inc.	01/17/2023	Regular	0.00	75,944.00	58612
03702	Flowline Contractors, Inc.	01/31/2023	Regular	0.00	3,313.00	58668
01630	FM Graphics, Inc.	01/17/2023	Regular	0.00	2,799.23	58613
03173	Foley, Jacqueline	01/04/2023	Regular	0.00	60.00	58572
03870	Genuine Parts Company	01/10/2023	Regular	0.00	40.91	58595
03790	Global Machinery International West LLC	01/31/2023	EFT	0.00	80.71	408434
03091	Granite Bay Ace Hardware	01/04/2023	Regular	0.00	148.26	58573
03091	Granite Bay Ace Hardware	01/17/2023	Regular	0.00	249.57	58614
03091	Granite Bay Ace Hardware	01/24/2023	Regular	0.00	35.75	58645
03804	Guy Rents, Inc	01/10/2023	Regular	0.00	269.38	58596
01721	Hach Company	01/04/2023	EFT	0.00	1,108.65	408369
01721	Hach Company	01/17/2023	EFT	0.00	586.46	408402
03687	HD Supply Facilities Maintenance Ltd.	01/04/2023	EFT	0.00	207.82	408370
01741	HDR Engineering, Inc.	01/04/2023	EFT	0.00	37,098.23	408371
01741	HDR Engineering, Inc.	01/10/2023	EFT	0.00	11,188.33	408390
01741	HDR Engineering, Inc.	01/31/2023	EFT	0.00	42,760.32	408435
01763	Holt of California	01/17/2023	Regular	0.00	5,274.95	58615
01763	Holt of California	01/24/2023	Regular	0.00	837.50	58646
03910	Howard E. Hutching Co Inc.	01/24/2023	Regular	0.00	3,943.73	58647
01416	ICONIX Waterworks (US) Inc.	01/17/2023	EFT	0.00	780.78	408403
03383	Inferrera Construction Management Group, Inc.	01/04/2023	Regular	0.00	41,882.50	58574
03383	Inferrera Construction Management Group, Inc.	01/10/2023	Regular	0.00	1,860.00	58597
03383	Inferrera Construction Management Group, Inc.	01/24/2023	Regular	0.00	60,839.42	58648
01796	Insomniac Productions Inc.	01/10/2023	Regular	0.00	1,465.04	58598
01796	Insomniac Productions Inc.	01/17/2023	Regular	0.00	4,280.89	58616
01796	Insomniac Productions Inc.	01/24/2023	Regular	0.00	217.72	58649
03164	Internal Revenue Service	01/06/2023	Bank Draft	0.00	51,763.30	2703406516228
03164	Internal Revenue Service	01/06/2023	Bank Draft	0.00	616.10	2703406728298
03164	Internal Revenue Service	01/06/2023	Bank Draft	0.00	342.00	2703406728298

## Check Report

Date Range: 01/01/2023 - 01/31/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03164	Internal Revenue Service	01/20/2023	Bank Draft	0.00	53,054.99	2703420927244
01818	J. D. Pasquetti Engineering Inc.	01/04/2023	Regular	0.00	2,300.42	58575
03628	Lees Automotive Repair Inc.	01/04/2023	EFT	0.00	73.91	408372
01959	Les Schwab Tire Centers of California Inc	01/10/2023	Regular	0.00	1,319.01	58599
03754	Liebert Cassidy Whitmore	01/24/2023	Regular	0.00	114.00	58650
03553	Mallory Safety and Supply LLC	01/04/2023	EFT	0.00	550.02	408373
02024	MCI WORLDCOM	01/10/2023	Regular	0.00	53.65	58600
02027	Mcmaster-Carr Supply Company	01/24/2023	EFT	0.00	2,031.18	408416
01472	Mel Dawson, Inc.	01/17/2023	EFT	0.00	4,393.16	408404
01472	Mel Dawson, Inc.	01/24/2023	EFT	0.00	988.51	408417
02069	Motion Industries	01/24/2023	EFT	0.00	1,565.38	408418
02093	NDS Solutions, Inc	01/10/2023	Regular	0.00	2,959.24	58601
02093	NDS Solutions, Inc	01/17/2023	Regular	0.00	842.36	58617
02093	NDS Solutions, Inc	01/24/2023	Regular	0.00	3,746.24	58651
02131	ODP Business Solutions, LLC	01/04/2023	EFT	0.00	96.51	408374
02131	ODP Business Solutions, LLC	01/24/2023	EFT	0.00	3,234.53	408419
02131	ODP Business Solutions, LLC	01/31/2023	EFT	0.00	349.63	408436
02150	Pace Supply Corp	01/04/2023	Regular	0.00	13,216.11	58576
02150	Pace Supply Corp	01/17/2023	Regular	0.00	6,931.62	58618
02150	Pace Supply Corp	01/24/2023	Regular	0.00	2,857.47	58652
02150	Pace Supply Corp	01/31/2023	Regular	0.00	9,952.72	58669
02158	Pacific Storage Company	01/04/2023	EFT	0.00	85.48	408375
02158	Pacific Storage Company	01/24/2023	EFT	0.00	88.33	408421
03898	Palmieri, Thomas	01/10/2023	Regular	0.00	213.50	58602
03919	Pastore, Danielle C	01/31/2023	Regular	0.00	220.86	58670
03303	Paulson, Rachael	01/17/2023	Regular	0.00	74.01	58619
02146	PG&E	01/04/2023	Regular	0.00	164,779.78	58577
02146	PG&E	01/31/2023	Regular	0.00	12,119.61	58671
03917	Philips, April R	01/24/2023	Regular	0.00	84.17	58653
03918	Platinum Pipeline, Inc.	01/31/2023	Regular	0.00	1,089.48	58673
02281	Ray A Morgan Company Inc	01/10/2023	Regular	0.00	196.31	58603
02281	Ray A Morgan Company Inc	01/31/2023	Regular	0.00	85.62	58674
02283	Recology Auburn Placer	01/17/2023	Regular	0.00	721.59	58620
02223	Relxel Inc (Platt - Rancho Cordova)	01/04/2023	Regular	0.00	522.47	58579
02293	RFI Enterprises, Inc.	01/24/2023	EFT	0.00	52.88	408422
03782	RGM Kramer Inc	01/31/2023	Regular	0.00	6,495.00	58675
03828	Richard D. Jones, A Professional Law Corporation	01/10/2023	Regular	0.00	292.50	58604
03670	River City Painting, Inc.	01/04/2023	Regular	0.00	9,980.00	58580
02328	Rocklin Windustrial Co	01/04/2023	Regular	0.00	69.80	58581
02328	Rocklin Windustrial Co	01/24/2023	Regular	0.00	714.81	58654
03385	S J Electro Systems Inc	01/31/2023	EFT	0.00	1,921.00	408437
03584	Sac Valley Trailer Sales Inc	01/17/2023	Regular	0.00	13,998.99	58621
02357	Sacramento Municipal Utility District (SMUD)	01/04/2023	Regular	0.00	16,290.72	58582
02357	Sacramento Municipal Utility District (SMUD)	01/24/2023	Regular	0.00	12,929.14	58655
02394	Safety Center Incorporated	01/04/2023	EFT	0.00	2,300.00	408376
02452	Sierra National Construction, Inc.	01/10/2023	Regular	0.00	25,650.00	58605
02452	Sierra National Construction, Inc.	01/17/2023	Regular	0.00	49,234.37	58622
03822	SIJ Holdings LLC	01/31/2023	EFT	0.00	682.36	408438
02514	State Water Resources Control Board - SWRCB	01/04/2023	Regular	0.00	3,274.00	58583
02514	State Water Resources Control Board - SWRCB	01/04/2023	Regular	0.00	60.00	58584
02517	Steve P Rados, Inc.	01/04/2023	EFT	0.00	367,396.82	408377
03830	Stoel Rives LLP	01/10/2023	EFT	0.00	13,347.50	408391
01641	Sun Life Assurance Company of Canada	01/12/2023	Bank Draft	0.00	10,661.65	911564
01411	SureWest Telephone	01/17/2023	Regular	0.00	3,607.88	58623
02572	Thatcher Company of California, Inc.	01/04/2023	EFT	0.00	13,800.00	408378
02580	The Eidam Corporation	01/24/2023	EFT	0.00	6,136.25	408423
02581	The Ferguson Group, LLC	01/10/2023	EFT	0.00	6,750.00	408392
02581	The Ferguson Group, LLC	01/17/2023	EFT	0.00	6,750.00	408405
02589	The New Home Company	01/17/2023	Regular	0.00	1,881.92	58624
03799	Thrikettle Corporation	01/17/2023	Regular	0.00	15,696.96	58625
03799	Thrikettle Corporation	01/24/2023	Regular	0.00	43.93	58656

## Check Report

Date Range: 01/01/2023 - 01/31/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02563	Trimble Inc	01/10/2023	Regular	0.00	4,303.33	58606
03763	Trucksmart	01/04/2023	Regular	0.00	968.45	58585
03644	Tully & Young, Inc.	01/24/2023	Regular	0.00	255.00	58657
03880	TW Associates, LLC	01/04/2023	Regular	0.00	2,764.01	58586
02638	Tyler Technologies, Inc.	01/17/2023	Regular	0.00	9,140.00	58626
03846	U.S. Bancorp Asset Management, Inc.	01/24/2023	EFT	0.00	977.82	408424
02651	United Parcel Service Inc	01/04/2023	Regular	0.00	107.21	58587
02651	United Parcel Service Inc	01/17/2023	Regular	0.00	72.00	58627
02651	United Parcel Service Inc	01/24/2023	Regular	0.00	63.00	58658
03298	United Rentals (North America), Inc.	01/10/2023	EFT	0.00	4,143.31	408393
02667	US Bank Corporate Payments Sys (CalCard)	01/18/2023	Bank Draft	0.00	25,278.33	474-27915-23
02665	US BANK St. Paul	01/24/2023	EFT	0.00	1,114,506.25	408425
03077	VALIC	01/09/2023	Bank Draft	0.00	4,479.03	254078
03077	VALIC	01/20/2023	Bank Draft	0.00	4,526.09	255705
02690	Verizon Wireless	01/10/2023	Regular	0.00	3,495.76	58607
02690	Verizon Wireless	01/24/2023	Regular	0.00	2,910.46	58659
02700	Viking Shred LLC	01/04/2023	Regular	0.00	64.00	58588
02700	Viking Shred LLC	01/24/2023	Regular	0.00	99.00	58660
02706	Vortex Industries, Inc.	01/04/2023	EFT	0.00	1,830.40	408379
01687	W. W. Grainger, Inc.	01/04/2023	Regular	0.00	2,919.88	58589
01687	W. W. Grainger, Inc.	01/24/2023	Regular	0.00	167.08	58661
01687	W. W. Grainger, Inc.	01/31/2023	Regular	0.00	439.91	58676
02710	WageWorks, Inc	01/10/2023	EFT	0.00	104.00	408394
03387	WageWorks, Inc	01/04/2023	EFT	0.00	192.88	408380
03387	WageWorks, Inc	01/17/2023	EFT	0.00	369.00	408406
03387	WageWorks, Inc	01/24/2023	EFT	0.00	349.00	408426
01068	Walker, Glenn C.	01/17/2023	Regular	0.00	1,353.76	58628
01486	WAPA - Department of Energy	01/04/2023	EFT	0.00	3,409.89	408381
01486	WAPA - Department of Energy	01/10/2023	EFT	0.00	805.89	408395
01486	WAPA - Department of Energy	01/31/2023	EFT	0.00	805.89	408439
02716	Water Education Foundation	01/04/2023	Regular	0.00	11,000.00	58590
03791	Water Systems Consulting, Inc.	01/04/2023	EFT	0.00	1,970.00	408382
03791	Water Systems Consulting, Inc.	01/17/2023	EFT	0.00	16,797.50	408407
02730	Western Area Power Administration	01/10/2023	EFT	0.00	2,472.00	408396
02766	Youngdahl Consulting Group, Inc.	01/17/2023	Regular	0.00	175.00	58629
03642	Zenner Performance Meters, Inc.	01/10/2023	Regular	0.00	5,008.20	58608

## Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	211	104	0.00	752,894.66
Manual Checks	0	0	0.00	0.00
Voided Checks	0	5	0.00	0.00
Bank Drafts	29	29	0.00	417,674.34
EFT's	127	74	0.00	1,900,846.09
	<b>367</b>	<b>212</b>	<b>0.00</b>	<b>3,071,415.09</b>

## All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	211	104	0.00	752,894.66
Manual Checks	0	0	0.00	0.00
Voided Checks	0	5	0.00	0.00
Bank Drafts	29	29	0.00	417,674.34
EFT's	127	74	0.00	1,900,846.09
	<b>367</b>	<b>212</b>	<b>0.00</b>	<b>3,071,415.09</b>

## Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	1/2023	<b>3,071,415.09</b>



San Juan Water District, CA

# Vendor History Report

## By Vendor Name

Posting Date Range 07/01/2022 - 01/31/2023

Payment Date Range -

Payable Number Item Description	Description Units	Post Date Price	1099 Amount	Payment Number Account Number	Payment Date Account Name	Amount Dist Amount	Shipping	Tax	Discount	Net	Payment
<b>Vendor Set: 01 - Vendor Set 01</b>											
02556 - Costa, Ted	Mileage Riem ACWA Fall Conf 11/28-12/2/2012/2/2022	Exp Reimb 12-2022	0.00	564.10	408330 010-010-52110 050-010-52110	12/13/2022 Training - Meetings, Education & Trai Training - Meetings, Education & Trai	564.10 0.00 282.05 282.05	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	564.10	564.10
03092 - Rich, Dan	Mileage Reimb 11 & 12/2022 , ACWA Conf 11/12/1/2022	Exp Reimb 12-2022	0.00	1,408.21	408339 010-010-52110 050-010-52110	12/13/2022 Training - Meetings, Education & Trai Training - Meetings, Education & Trai	1,408.21 0.00 704.10 704.11	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	1,408.21	1,408.21
Vendors: (2)						Total 01 - Vendor Set 01:	1,972.31	0.00	0.00	0.00	1,972.31
Vendors: (2)						Report Total:	1,972.31	0.00	0.00	0.00	1,972.31



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>
<u>0690</u>	Costa, Ted	Reg - Regular Hours	7	38.00	4,750.00
			<b>0690 - Costa Total:</b>	<b>38.00</b>	<b>4,750.00</b>
<u>0670</u>	Miller, Ken	Reg - Regular Hours	6	18.00	2,250.00
			<b>0670 - Miller Total:</b>	<b>18.00</b>	<b>2,250.00</b>
<u>1003</u>	Rich, Daniel	Reg - Regular Hours	7	19.00	2,375.00
			<b>1003 - Rich Total:</b>	<b>19.00</b>	<b>2,375.00</b>
<u>0650</u>	Tobin, Pamela	Reg - Regular Hours	7	67.00	8,375.00
			<b>0650 - Tobin Total:</b>	<b>67.00</b>	<b>8,375.00</b>
<u>1039</u>	Zamorano, Manuel	Reg - Regular Hours	6	15.00	1,875.00
			<b>1039 - Zamorano Total:</b>	<b>15.00</b>	<b>1,875.00</b>
				<b>Report Total:</b>	<b>157.00</b>
					<b>19,625.00</b>

**Pay Code Report**

Account Summary

7/1/2022 - 1/31/2023

Payroll Set: 01-San Juan Water District

Account	Account Description	Units	Pay Amount
<a href="#"><u>010-010-58110</u></a>	Director - Stipend	78.50	9,812.50
		<b>010 - WHOLESALE Total:</b>	<b>78.50</b> <b>9,812.50</b>
<a href="#"><u>050-010-58110</u></a>	Director - Stipend	78.50	9,812.50
		<b>050 - RETAIL Total:</b>	<b>78.50</b> <b>9,812.50</b>
		<b>Report Total:</b>	<b>157.00</b> <b>19,625.00</b>

**Pay Code Report**

Pay Code Summary

7/1/2022 - 1/31/2023

Payroll Set: 01-San Juan Water District

Pay Code	Description	# of Payments	Units	Pay Amount
Reg - Regular Hours	Regular Hours	33	157.00	19,625.00
		Report Total:	<b>157.00</b>	<b>19,625.00</b>

## 2022/23 Actual Deliveries and Revenue - By Wholesale Customer Agency

	July 2022 - January 2023							
	Budgeted Deliveries	Budgeted Revenue	Actual Deliveries	Actual Revenue	Delivery Variance		Revenue Variance	
San Juan Retail	7,104	\$ 1,931,804	7,367	\$ 1,946,320	262	3.7%	\$ 14,517	0.8%
Citrus Heights Water District	4,672	\$ 1,611,382	4,352	\$ 1,593,603	(320)	-6.8%	\$ (17,779)	-1.1%
Fair Oaks Water District	4,187	\$ 1,203,583	2,879	\$ 1,097,883	(1,308)	-31.2%	\$ (105,700)	-8.8%
Orange Vale Water Co.	2,273	\$ 626,977	2,447	\$ 639,586	174	7.7%	\$ 12,610	2.0%
City of Folsom	719	\$ 189,889	663	\$ 184,927	(57)	-7.9%	\$ (4,962)	-2.6%
Granite Bay Golf Course	204	\$ 7,212	224	\$ 7,910	20	9.7%	\$ 698	9.7%
Sac Suburban Water District (SSWD)	1,300	\$ 286,208	2,938	\$ 888,862	1,638	126.0%	\$ 602,654	210.6%
Water Transfer	3,442	\$ 2,395,632	3,504	\$ 2,803,182	62	1.8%	\$ 407,550	17.0%
<b>TOTAL</b>	<b>23,901</b>	<b>\$ 8,252,686</b>	<b>24,373</b>	<b>\$ 9,162,273</b>	<b>472</b>	<b>2.0%</b>	<b>\$ 909,587</b>	<b>11.0%</b>

Budgeted Deliveries	23,901
Actual Deliveries	<u>24,373</u>
Difference	472
	2.0%

Budgeted Water Sale Revenue	\$ 8,252,686
Actual Water Sale Revenue	<u>\$ 9,162,273</u>
Difference	\$ 909,587
	11.0%

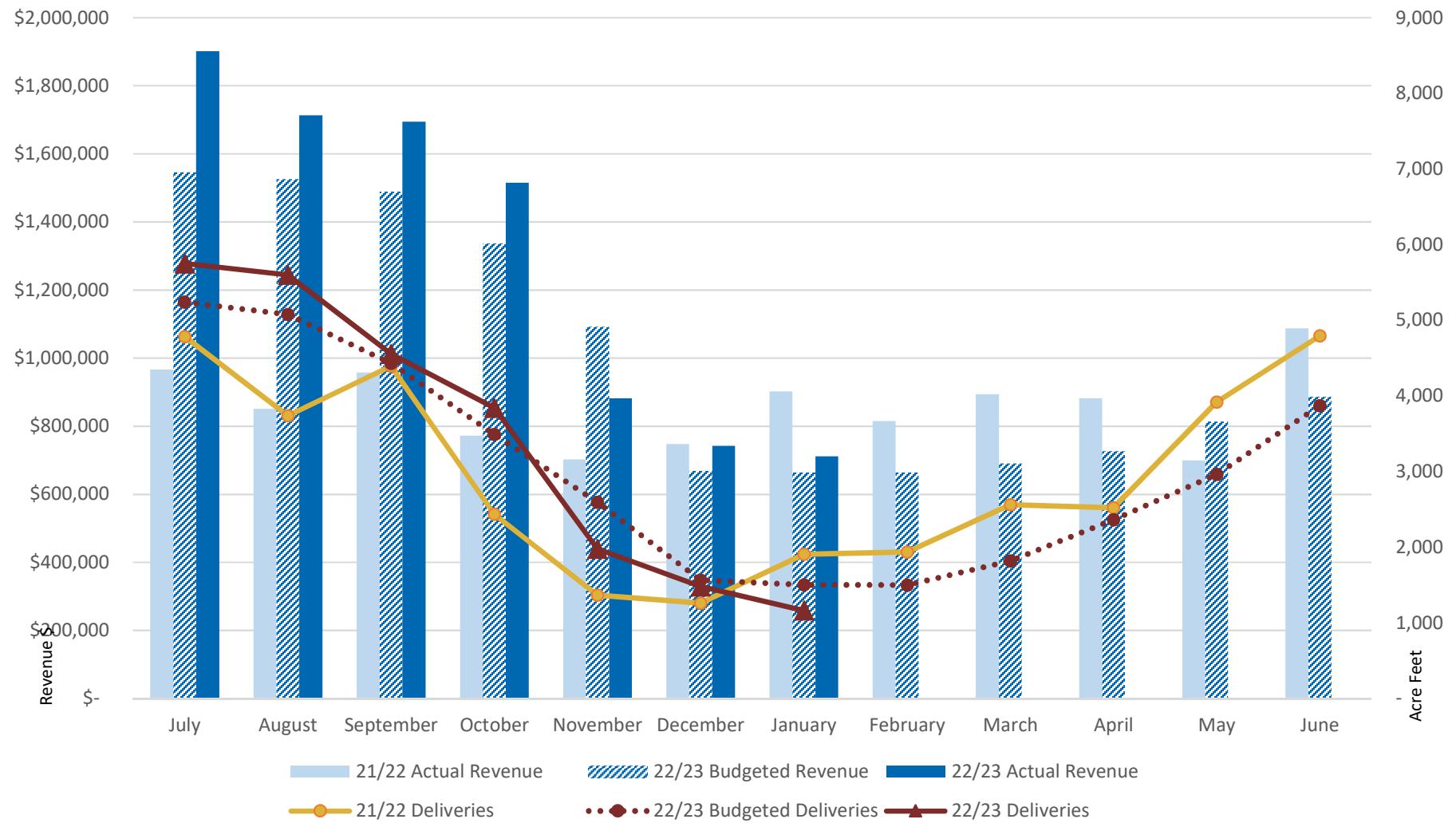
**Conclusion:**

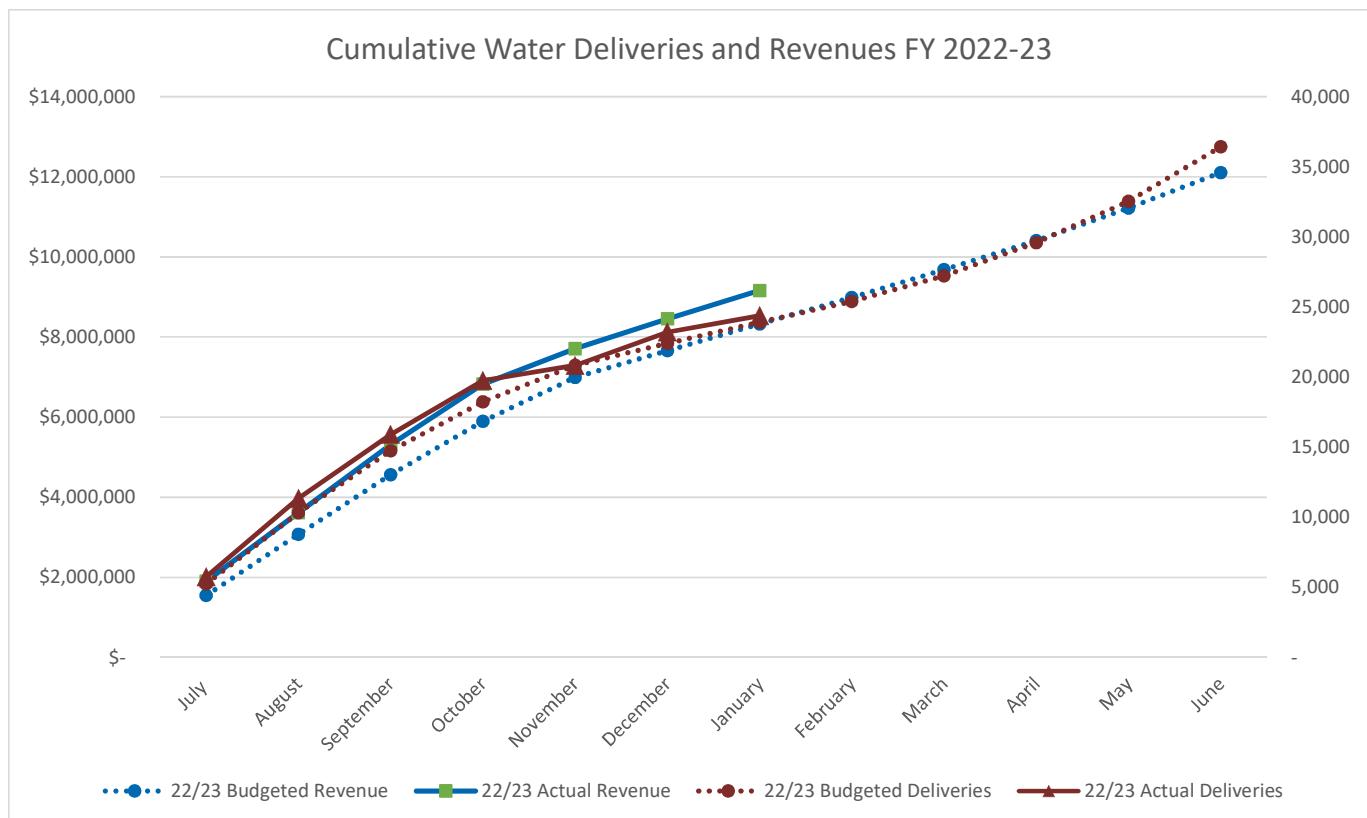
While deliveries in January were less than anticipated for the month, year to date deliveries through January were 2% greater than budget. As shown in the table above, the main drivers of the variance are the Citrus Heights Water District and the Fair Oaks Water District, both taking less than anticipated in the budget. This was offset by the year to date sale of water to SSWD being much higher than anticipated. The budget did not anticipate the sale of water to SSWD to commence until November, but it actually has been happening all year. The positive variance in deliveries results in revenues being 11% greater than expected for this time of year. Excluding SSWD and the water transfer, deliveries were 727 acre feet less than the same time period last year, a 4% decline. The budget anticipated a year over year decline of 7.25%.

Budget assumes a 7.25% decline in wholesale water demand from prior year.

See prior year workpaper for non service area revenue for SSWD and Carmichael's rates

## Comparison of Fiscal Year 2021/2022 Actuals to 2022/2023 Projections and Actuals of Deliveries and Revenue





# AGENDA ITEM VII-3.1

Pamela Tobin's Report February 22, 2023

## ACWA

- ACWA has formed a new “Infrastructure Task Force”. A workshop meeting will be scheduled soon to identify and plan the scope of work, the intended results and the priorities for infrastructure projects.
- DC Conference Feb 28-March 2, 2023
  - Securing investment for water infrastructure tops the long list in Washington D.C. and here in Sacramento, where the state faces a projected \$22.5 billion deficit.
  - ACWA has a large working group of the State Legislative Committee that are already proactively engaged in a possible natural resources/water bond.
- This year’s top priority bill, SB 23 by Senator Caballero, and sponsored by ACWA is intended to streamline the regulatory permitting processes. It takes into consideration protection for the environment and for water supply reliability due to climate change.
- In 2023, ACWA will expand the outreach of the Quench California public education campaign throughout our state.
  - The campaign clearly communicates infrastructure investment as an obvious solution.
- ACWA region events throughout 2022 attracted a total of more than 600 attendees.
- AB 2142 being signed into law. The success of this bill will reinstate the exemption for turf rebates.
- The ACWA Foundation, is now a fully operational nonprofit organization with an independent Board of Trustees.
  - Is accepting donations and is developing priorities for this year.
  - The foundation will begin work answering a critical need within our industry – helping the recruitment of the next generation of water professionals as a wave of retirements drains experience from the industry.
  - The ACWA Foundation is poised to advance workforce and leadership development in the industry while at the same time promoting diversity, equity and inclusion.
- Legislative Symposium, March 23, 2023
- ACWA-JPIA Spring Conference in Monterey, ca May 8, 2023
- Spring Conference in Monterey, CA May 9-11, 2023
- Numerous Regional Events, refer to ACWA on line calendar of events.
- This year will also provide numerous opportunities for members to connect and learn from each other through our Spring and Fall Conferences, the D.C. Conference, the Legislative Symposium, several Region events and other opportunities. I encourage you to take advantage of these opportunities to connect with your peers.

## ACWA-JPIA

### Laws that could affect member agencies beginning 2023

- AB 1949: Creates protected bereavement leave under CFRA. As of January 1, 2023, this law makes it illegal for an employer to refuse to grant up to five days of bereavement leave.
- SB 1162: Employers of 100 or more must include the median and mean hourly rate within each job category by race, ethnicity, and gender. Employers of 15 or more are now required to include the pay scale in all job postings for a position and to make pay scale information available to current employees.
- AB 2693: Extends the COVID notification requirements to January 2024. Notifications may be posted at the worksite instead of providing individual notices to each employee.
- AB 1751: Extends to January 1, 2024, the current rebuttable presumption in workers' compensation of an employee COVID related illness.
- AB 2068: Requires notices posted when Cal OSHA issues a workplace citation, written in the top seven non-English languages used in California.
- AB 2188: Taking effect January 1, 2024, this law will prohibit adverse employment action based on an employee's use of cannabis off the job and away from the workplace or if a pre-employment drug test finds no psychoactive cannabis metabolites in the applicant's hair, blood, urine, or other bodily fluids.
- AB 1041: Expands the categories of individuals for who an employee may take leave for, under CRFA, to include a designated person defined as "any individual related by blood or whose association with the employee is the equivalent of a family relationship." This includes domestic partners. Employers may limit an employee to one designated person per 12-month period.
- AB 984: Prohibits employers from using vehicle location tracking devices except during work hours and only if strictly necessary for the performance of an employee's duties. Employers must provide notice to employees about the monitoring.
- AB 2960: The time to issue a right to sue letter is tolled during any mediation organized by the Civil Rights Department.
- AB 1632: Businesses open to the public that have restrooms for employees must allow individuals who have Crohn's Disease, ulcerative colitis, IBS, or other similar medical conditions to use the employee restrooms.

### Increases in cost to Liability Program

- Due to increased costs and historical trends, and validated by actuarial analyses, the Liability Program Committee recommended, and the Executive Committee approved, a 10% rate increase for the 2022/23 Program Year.

**Finance Committee Meeting Minutes**  
**San Juan Water District**  
**February 21, 2023**  
**4:00 p.m.**

**Committee Members:** Ted Costa, Director (Chair)  
Ken Miller, Director (Member)

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

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

The committee reviewed the credit card charges for the General Manager and found them to be in order and there was no reimbursement request from the General Manager.

**2. Review Check Register from January 2023 (W & R)**

The committee reviewed the January 2023 check register and found them to be in order. GM Helliker informed the committee that the legal bills, for both general and water counsel, totaled about \$107,000 which were about half of what they were the previous year for the period from July through December 2022.

**3. Treasurer's Report – Quarter Ending December 31, 2022 (W & R)**

Ms. Silva provided a staff report which was included in the Board packet. She informed the committee that the overall portfolio increased by \$4.6 million for an ending balance of \$42.2 million as of December 31, 2022.

**4. Finance Committee Meeting Dates (W & R)**

Ms. Silva provided a staff report which will be attached to the meeting minutes. Ms. Grant informed the committee that, by moving the meeting date to the Tuesday of the week prior to the Board meeting, the committee minutes could then be incorporated into the Board packet. The committee discussed the request and confirmed that the Board could still question the bills and claims at the Board meeting if desired.

*The Finance Committee recommends revising the Finance Committee Charter to reflect the meeting date to the Tuesday of the week prior to the Board meeting at 4:00 pm.*

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

In response to Director Miller's question, Ms. Silva informed the committee that the loan agreement for the Eureka Road Pipeline Replacement Project is on the Board's agenda for Wednesday and that Legal and Bond Counsel are ready to provide their legal opinions once the Board authorizes the loan.

Director Costa voiced a desire to discuss the COLA policy at a future meeting regarding changing the policy so that COLAs are established after the budget is prepared and only done once per year. Ms. Silva explained that the second COLA discussion this year

happened at the request of the Board who wished to consider a supplemental COLA if inflation was still high in six month. GM Helliker explained that the COLA is based on the March over March CPI and incorporated into the budget assumptions which are provided to the Board in May for preparation of the budget in June and implementation of the COLA in July. After some discussion, Director Costa informed staff that further discussion of the COLA policy was not needed at this time.

**6. Public Comment**

There were no public comments.

The meeting was adjourned at 4:26 p.m.