AMADOR WATER AGENCY
Board of Directors
Regular Meeting
12800 Ridge Road, Sutter Creek, CA 95685
October 27, 2016
9:00 a.m.
Website Address: www.amadorwater.org

Please Note: Members of the public will have the opportunity to directly address the Agency Board of Directors concerning any item listed on the Agenda below before or during consideration of that item. There is a three minute time limit per person.

In order to better accommodate members of the public, specific times above for Agenda Items will be heard at the specified time or soon thereafter. Agenda Items without specific times may be rearranged to accommodate the Board’s schedule.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. ADDITIONS TO AGENDA
   a. Items added to the agenda must be approved by the Board pursuant to Government Code Section 54954.2.

3. PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA
   A. Discussion items only, no action to be taken. Any person may address the Board at this time upon any subject within the jurisdiction of Amador Water Agency; however, any matter that requires action will be referred to Staff for a report and action at a subsequent Board meeting. Please note there is a three (3) minute time limit per person.

4. CONSENT AGENDA
   Items listed on the consent agenda (see attached) are considered routine and may be enacted by one motion. Any item may be removed for discussion and made a part of the regular agenda at the request of a Board member(s).

5. WATER SYSTEMS
   A. 2006 Certificates of Participation
      1. Presentation regarding the refunding of the 2006 Certificates of Participation by Robert Porr, Senior Vice President, Fieldman Rolapp and Associates

         2. Discussion and possible action to adopt Resolution No. 2016-23, a resolution authorizing the issuance of water revenue refunding bonds and approving the execution and delivery of certain documents in connection therewith (including an indenture of trust, escrow agreement, preliminary official statement, continuing disclosure certificate, and bond purchase agreement), and authorizing certain other matters to implement the refunding schedule.

Board of Directors
Robert Manassero, President       Gary Thomas, Vice President       Paul Molinelli       Art Toy       Rich Farrington
B. Water Sales and Production
   1. Update regarding current water sales and water production

C. Governor’s Executive Order B-37-16 -Making Conservation a California Way of Life
   1. Discussion and possible action to prepare a letter regarding the Water Agency’s position on the Proposed Long Term Conservation Framework

D. Buckhorn Disinfection By-Products Project
   1. Discussion and possible action to authorize the General Manager to execute a contract with Peterson, Brustad Inc. for Construction Management Services

E. Ione Water Treatment Plant Upgrade Project
   1. Discussion and possible action to authorize the General Manager to execute Amendment 3 to the contract with Peterson, Brustad Inc. for design services for the Ione Water Treatment Plant Upgrade Project

F. State Water Board Releases “Draft Flow Objectives for San Joaquin River; Salinity Objectives for the Southern Delta”
   1. Discussion and possible action regarding the State Water Board’s media release

6. AGENCY GENERAL
   A. California Disaster Assistance Act (CDAA) Funding for Tree Mortality
      1. Discussion and possible action to authorize staff to apply for funding through Cal OES and the CDAA in order to remove dead trees killed by drought that threaten Agency infrastructure

7. PROJECT UPDATES

8. COMMITTEE REPORTS
   A. Engineering Committee (10-20-16)
   B. Fire Protection Committee (10-25-16)

9. GENERAL MANAGER’S REPORT
   General discussion of various items in progress within each area of responsibility. This is for informational and communication purposes. Discussion only, no formal action will be taken. Any matter requiring action will be placed on an upcoming agenda for consideration

10. ASSISTANT GENERAL MANAGER’S REPORT
    General discussion of various items in progress within each area of responsibility. This is for informational and communication purposes. Discussion only, no formal action will be taken. Any matter requiring action will be placed on an upcoming agenda for consideration

11. BOARD OF DIRECTOR DISTRICT REPORTS, COMMITTEE REPORTS AND DIRECTOR COMMENTS - The Board Members may report on various activities, meetings, etc. that they have been involved in. Discussion only, no formal action will be taken. Any matter requiring action will be placed on an upcoming agenda for consideration.

Robert Manassero, President       Gary Thomas, Vice President       Paul Molinelli     Art Toy       Rich Farrington

BOARD OF DIRECTORS
12. FUTURE AGENDA TOPICS - This item is to provide the Board Members an opportunity to request items to be placed on future agendas.

13. CLOSED SESSION
   A. Conference with Legal Counsel Pursuant to Government Code Section 54956.9(a) – Pending Litigation: Amador Water Agency v. Lazy Creek Family Trust, et al. (Amador Superior Court Case No. 15-CV-9203).

   B. Conference with Legal Counsel Pursuant to Government Code Sections 54956.9(a) and (d)(1) -- Existing Litigation – Howard Jarvis Taxpayers Association, et al. v. Amador Water Agency, et al. (Amador Superior Court Case No. 16-CVC-09564/Third District Court of Appeal Case No. C081757).

14. ADJOURNMENT
Items listed on the consent agenda are considered routine and may be enacted by one motion. Any item may be removed for discussion and made a part of the regular agenda at the request of a Board member(s).

1. MINUTES
   A. Approval of minutes of the Regular Board Meeting of October 13, 2016

2. MISCELLANEOUS APPROVALS
   A. Approval of Accounts Payable for September, 2016

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, then please contact Cris Thompson at (209) 223-3018 or (209) 257-5281 (fax). Requests must be made as early as possible, and at least two-full business days before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the Amador Water Agency Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 12800 Ridge Rd, Sutter Creek CA 95685
AMADOR WATER AGENCY
Board of Directors
Regular Meeting
October 13, 2016

MINUTES

Directors Present: Robert Manassero, President
Gary Thomas, Vice President
Richard Farrington
Paul Molinelli
Art Toy

Staff Present: Gene Mancebo, General Manager
Cris Thompson, Assistant General Manager
Damon Wyckoff, Operations Manager

CALL TO ORDER - President Manassero called the meeting to order at 9:00 a.m.

ADDITIONS TO THE AGENDA – None

PUBLIC COMMENT: Mr. Anders Stenstedt

CONSENT AGENDA ITEMS

MOTION: It was moved by Director Farrington, seconded by Director Thomas, and unanimously carried to approve consent agenda 1.A Minutes of the Regular Board Meeting of September 22, 2016, 1.B Minutes of the Special Board Meeting of September 21, 2016, and 2.A Authorization to staff to begin the process to fill the Inspector/ GIS CAD position due to the upcoming retirement of Bob Valdez November 30, 2016

DEPARTMENT REPORTS (00:20:01- 24:58)
Staff Reports will be provided by Department Heads to update the Board of Directors on current activities within their areas of responsibility.
Administration/Finance
Operations

WATER SYSTEMS (24:58- 32:30)
CAWP Water Rights (32:36-41:20)
Authorization to General Manager to execute Amendment 1 to the contract between Amador Water Agency and Wagner Bonsignore

MOTION: It was moved by Director Farrington, seconded by Director Molinelli and unanimously carried to Authorization to General Manager to execute Amendment 1 to the contract between Amador Water Agency and Wagner Bonsignore

Discussion and possible action to authorize the Board President to execute a loan between Amador Water Agency and Amador County in the amount of $300,000 for completion of the CAWP Water Right Application

MOTION: It was moved by Director Farrington, seconded by Director Thomas, and unanimously carried to authorize the Board President to execute a loan between Amador Water Agency and Amador County in the amount of $300,000 for completion of the CAWP Water Right Application

AGENCY GENERAL (41:25-45:20)
Quarterly Investment Report

Administrative Office Hours (45:15-50:30)
Authorization to staff to proceed with the change of office hours from 8:00 to 5:00 to 8:00 a.m. to 4:30 p.m.

MOTION: It was moved by Director Thomas, seconded by Director Molinelli and unanimously carried to authorize Authorization to staff to proceed with the change of office hours from 8:00 to 5:00 to 8:00 to 4:30 beginning December 1, 2016

AGENCY COUNSEL REPORT (no report)
Legislative Report
Other Legal Matters

BOARD OF DIRECTOR DISTRICT REPORTS, COMMITTEE REPORTS AND DIRECTOR COMMENTS (50:50- 1:10:10)

PERSONNEL COMMITTEE (1:10:17- 1:27:15)
BUDGET AND FINANCE COMMITTEE

FUTURE AGENDA TOPICS (1:27:27- 1:28:29)

RECESS was called at 10:21 a.m. SESSION resumed at 10:34 a.m.
CLOSED SESSION was called at 10:49 a.m.

Conference with Legal Counsel Pursuant to Government Code Sections 54956.9(a) and (d)(1) - Existing Litigation – Howard Jarvis Taxpayers Association, et al. v. Amador Water Agency, et al. (Amador Superior Court Case No. 16-CVC-09564/Third District Court of Appeal Case No. C081757).

Conference with Legal Counsel Pursuant to Government Code Section 54956.9(a) – Pending Litigation- Amador Water Agency v. Lazy Creek Family Trust, et al. (Amador Superior Court Case No. 15-CV-9203).

OPEN SESSION RESUMED at 11:18 a.m. with nothing to report

ADJOURNMENT
President Manassero adjourned the meeting at 11:18 a.m.

Cris Thompson
Clerk of the Board of Directors
Approved: _______________________________

Regular Board Meeting
October 13, 2016
Page 3
### Accounts Payable

**Checks by Date - Summary by Check Date**

**User:** dvonloehr  
**Printed:** 10/4/2016 3:24 PM

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Total for 9/22/2016:

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Total for 9/23/2016:

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79057 2105 Amador Ledger Dispatch 09/26/2016 1,187.52
79058 1030 AT&T 09/26/2016 1,022.13
79059 1102 Liam Bailey 09/26/2016 22,787.50
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79061 1215 City Of Sutter Creek 09/26/2016 21,404.45
79062 UB*00309 STEPHEN DAVIS 09/26/2016 6.05

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Total for 9/29/2016: 923.40

Report Total (116 checks): 573,889.69
STAFF REPORT

Water Sales and Production
September 2016

Requested Action:

No requested action, update only

Background:

As discussed during the budget process, staff will be providing water service revenue and production comparisons to the Board on a monthly basis following Board action to lift the mandatory conservation requirements. The attached water service revenue spreadsheet compares current September water revenue (August water usage billed in September) to fiscal years 14-15 and 15-16. Current water revenues are $1,525 below September of 2015. Water Production totals continue to be less than produced in 2013 however production has increased by an overall 14% over 2015. (see attached) Overall Water Production is 18% less in 2016 than 2013. Sales revenues are $722,866 as compared to $741,709 in 2013.

Alternatives: There are no alternatives recommended

Fiscal Impact: None

Reviewed by Committee: No

Recommendation: None - Update only

Prepared by: Cris L. Thompson, Assistant General Manager
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STAFF REPORT

2006 Certificates of Participation

Requested Action:

Presentation regarding the refunding of the 2006 Certificates of Participation by Robert Porr, Senior Vice President, Fieldman Rolapp and Associates

Discussion and possible action to adopt Resolution No. 2016-23, a resolution authorizing the issuance of water revenue refunding bonds along with other loans and approving the execution and delivery of certain documents in connection therewith (including an indenture of trust, escrow agreement, preliminary official statement, continuing disclosure certificate, and bond purchase agreement), and authorizing certain other matters to implement the refunding

Background:

In January, 2006 the Agency Board of Directors authorized the execution and delivery of the Amador Water System Revenue Certificates of Participation, 2006 Series A, primarily for construction of the Amador Transmission Pipeline. During the past two years, staff, along with the Budget and Finance Committee, have been reviewing options to refinance or refund those bonds in an effort to lower the interest rate thereby reducing the Agency’s debt service expense. In November of 2015, the Agency entered into an agreement with Fieldman Rolapp and Associates to provide financial advisory services for refunding the 2006 Certificates of Participation. In addition to the 2006 Certificates of Participation, the Water Agency can also refund varies USDA loans and provide additional savings for the Water Agency through lower interest rates.

Alternatives: Elect to hold off on any refunding of some or all of the proposed Certificates of Deposits and loans at this time with the potential to review in the future.

Fiscal Impact: Refunding the 2006 COP’s will save the Agency approximately $140,000 annually
Reviewed by Committee: Yes, the Budget and Finance Committee heard the presentation at the October 11, 2016 Committee Meeting and concurs with the process to refund the bonds.

Recommendation:

Adoption of Resolution No. 2016-23, a resolution authorizing the issuance of water revenue refunding bonds and approving the execution and delivery of certain documents in connection therewith (including an indenture of trust, escrow agreement, preliminary official statement, continuing disclosure certificate, and bond purchase agreement), and authorizing certain other matters to implement the refunding

Prepared by: Cris L. Thompson, Assistant General Manager
RESOLUTION NO. 2016-23

OF THE BOARD OF DIRECTORS OF THE AMADOR WATER AGENCY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $28,000,000 WATER REVENUE REFUNDING BONDS AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

WHEREAS, the Amador Water Agency (the “Agency”), a public agency duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “State”), has previously financed certain facilities of the Agency; and

WHEREAS, this Board has determined that it is in the best interest of the Agency to refinance the outstanding Amador Water System Revenue Certificates of Participation, 2006 Series A (the “2006 COPs”) and all or portions of installment purchase agreements with the United States Department of Agriculture (the “USDA”), as assignee, dated November 20, 2003, November 10, 2004 and December 4, 2008 (the “USDA Loans”), previously executed and delivered to refinance such facilities in order to realize debt service savings, and to approve certain documents in connection with such refinancing;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Amador Water Agency as follows:

1. The Indenture of Trust, in substantially the form attached hereto as Exhibit A and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President or Vice President of the Board or the designee thereof are each hereby authorized and directed to execute and deliver the Indenture of Trust with such changes, insertions and omissions as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”) and approved by the officers executing the same, said execution being conclusive evidence of such approval.

2. The Escrow Agreement (2006A Certificates) (the “Escrow Agreement”), in substantially the form attached hereto as Exhibit A and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President and Vice President of the Board or the designee thereof are each hereby authorized and directed to execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval.

3. The preparation, sale and delivery by the Agency of refunding revenue bonds (the “Bonds”) in an aggregate principal amount not to exceed $28,000,000 is hereby approved in accordance with the provisions of the Indenture of Trust (except that such amount may be increased with the approval of the General Manager to provide for original issue discount to the extent that such original issue discount will result in a lower interest rate or yield to maturity with respect to the Bonds).
4. The preparation and distribution of the Preliminary Official Statement, in substantially the form attached hereto as Exhibit B, is hereby approved. The General Manager of the Agency or the designee thereof is hereby authorized to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Preliminary Official Statement and the President or Vice President of the Board or the General Manager or the designee thereof is hereby authorized and directed to execute, approve and deliver the Official Statement in substantially the form of the Preliminary Official Statement which, upon execution as authorized below, is made a part hereof as though set forth in full herein, with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval. The underwriter is hereby authorized to distribute copies of said Preliminary Official Statement to persons who may be interested in the initial purchase of the Bonds and is directed to deliver copies of any final Official Statement to all actual initial purchasers of the Bonds.

5. The Continuing Disclosure Certificate, in substantially the form attached hereto as Exhibit C and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President or Vice President of the Board or the designee thereof are each hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval.

6. The Bond Purchase Agreement with Stifel Nicolaus & Company, Incorporated, in substantially the form attached hereto as Exhibit D, is hereby approved. The President, Vice-President or General Manager or the designee thereof are hereby authorized and directed to execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the person executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the principal amount of the Bonds exceed $28,000,000, nor shall the underwriter’s discount exceed 0.40% of the principal amount of the Bonds, nor shall the true interest cost of the Bonds exceed 4.50%.

7. In the event that not all of the obligation issued or incurred under the the Installment Purchase Agreement, dated November 20, 2003, by and between the Agency and the USDA, as assignee, as supplemented by the Supplemental Installment Purchase Agreement, dated November 10, 2004, as further supplemented by the Supplemental Installment Purchase Agreement, dated September 26, 2013 (collectively, the “Buckhorn Installment Purchase Agreement”) are refunded, Amendment No. 1 to Installment Purchase Agreement (the “Amendment to Buckhorn Installment Purchase Agreement”), amending the Buckhorn Installment Purchase Agreement, in substantially the form attached hereto as Exhibit E and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President and Vice President of the Board or the designee thereof are each hereby authorized and directed to execute and deliver the Amendment to Buckhorn Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval.

8. In the event that the Installment Purchase Agreement, dated December 4, 2008, by and between the Agency and the USDA, as assignee (the “Plymouth Pipeline Installment Purchase Agreement”), is not refunded, Amendment No. 1 to Installment Purchase Agreement (the “Amendment to Plymouth Pipeline Installment Purchase Agreement”), amending the Plymouth
Pipeline Installment Purchase Agreement, in substantially the form attached hereto as Exhibit F and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President and Vice President of the Board or the designee thereof are each hereby authorized and directed to execute and deliver the Amendment to Plymouth Pipeline Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval.

9. In the event that the Loan Agreement, dated March 9, 2006, between the Agency and USDA (the “La Mel Loan Agreement”) is not refunded, Amendment No 1 to Loan Agreement (the “Amendment to La Mel Loan Agreement”), amending the La Mel Loan Agreement, in substantially the form attached hereto as Exhibit G and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President and Vice President of the Board or the designee thereof are each hereby authorized and directed to execute and deliver the Amendment to La Mel Loan Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officers executing the same, said execution being conclusive evidence of such approval.

10. The Board of Directors of the Agency hereby authorizes the General Manager to select a municipal bond insurer to insure payments of principal of and interest on all or a portion of the Bonds so long as the General Manager determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity with respect to such Bonds. Bond Counsel is hereby directed to make all changes to the Indenture of Trust, the Escrow Agreement, the Preliminary Official Statement, the Bond Purchase Agreement and the Continuing Disclosure Certificate, as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

11. In the event that a reserve fund is established with respect to the Bonds, the Board of Directors of the Agency hereby authorizes the General Manager to select a municipal bond insurer to provide a reserve fund surety bond to be deposited into the reserve fund for the Bonds, so long as the General Manager determines that obtaining the reserve fund surety will be cost effective to the Agency. Bond Counsel is hereby directed to make changes to the Indenture of Trust, the Escrow Agreement, the Preliminary Official Statement, the Bond Purchase Agreement and the Continuing Disclosure Certificate as are necessary to reflect the selection of a municipal bond insurer providing a reserve fund surety bond and the reasonable comments thereof. The President or Vice President of the Board or the designee thereof are hereby authorized to execute and deliver any customary agreement with the municipal bond insurer providing the reserve fund surety bond.

12. The Bank of New York Mellon Trust Company, N.A., is hereby appointed to act as trustee under the Indenture of Trust, and as escrow agent under the Escrow Agreement.

13. The President or Vice President of the Board or the General Manager or the designee and any other proper officer of the Agency, acting singly, are hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture of Trust, the Escrow Agreement, the Continuing Disclosure Certificate, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Amendment to Buckhorn Installment Purchase Agreement, the Amendment to Plymouth Pipeline Installment Purchase
Agreement, the Amendment to La Mel Loan Agreement and this resolution, including but not limited to documents necessary or desirable to effect the refunding of the 2006 COPs and the USDA Loans.

14. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture of Trust unless the context otherwise clearly requires.

15. This resolution shall take effect immediately.
The foregoing resolution was duly passed and adopted by the Board of Directors of the Amador Water Agency at a regular meeting held on this 27th day of October, 2016 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  

Signed and approved by me after its passage this 27th day of October, 2016.

By: ________________________________

Robert Manassero, President
Board of Directors

ATTEST:

Cris Thompson
Clerk of the Board of Directors
Executive Order
B-37-16
Making Water Conservation a California Way of Life

Requested Action:
Discussion and possible action to prepare a letter regarding the Water Agency’s position on the Proposed Long Term Conservation Framework.

Background:
In response to the Governor’s declaration of a drought emergency in 2013 and subsequent executive orders, particularly the May 9, 2016 Executive Order B-37-16 entitled “Making Conservation a California Way of Life” (EO B-37-16), the State Water Resources Control Board (State Water Board) continues to administer emergency drought regulations and the Department of Water Resources (DWR), State Water Board, and other parts of the Administration are developing a long-term conservation policy framework.

The State Water Board was required by EO B-37-16 to adjust and extend the emergency regulation for urban water conservation through the end of January 2017. On May 18 the State Water Board adopted the updated and extended statewide water conservation emergency regulation with a new option for urban water suppliers (water agencies serving 3,000 or more connections or 3,000 or more acre feet) to self-certify the level of available water supplies assuming three additional dry years and then implement an agency-specific conservation standard that would address any deficiencies (the so-called “stress test”). Any water supply “gap” becomes that urban water supplier’s new mandatory demand reduction conservation standard. The Water Agency confirmed there was adequate water supplies and no continued conservation requirements were necessary.
Long Term Conservation Framework

The Governor’s May 9 Executive Order, in addition to direction to further extend emergency regulations through 2017 if there are indications of a dry winter, also directs development of a longer-term water conservation policy that covers both the urban and agricultural sectors, including a process to develop new permanent water use targets based on strengthened standards and water shortage contingency plans, permanent monthly water use reporting, and permanent prohibition of specific water wasting practices. The new water use targets are expected to provide for improved water conservation and efficiency in the years ahead based on climate, population, and business types, which are expected to supersede the percentage reductions from a given baseline as prescribed under the current “20x2020” water conservation requirements. The new framework will also include permanent prohibitions on wasteful water use, improved drought planning, and enhanced leak detection and repair requirements.

By January 10, 2017 DWR and the State Water Board, in consultation with the California Public Utilities Commission, the California Energy Commission (CEC), and the California Department of Food and Agriculture (CDFA), and using a stakeholder-based processes, are directed to develop a long-term conservation framework, with draft requirements and proposed statutory changes, to implement the long-term policy elements of the Executive Order.

In early August DWR and the State Water Board named members of an Urban Advisory Group (UAG) to provide input on the Framework for implementing the executive order, and on August 15 convened the first UAG meeting to frame the EO B-37-16 requirements for the long Term Conservation Framework.

During the August 15 UAG meeting and in subsequent workshops the scope of the urban water use elements of the framework have been outlined. These include:

1) **Revise Water Use Targets.** The EO directs new water use efficiency targets for urban water suppliers that will “go beyond” the SB X7-7 20% reduction in per capita urban water use and are to be “customized to fit the unique conditions of each water supplier”, “shall
generate more statewide conservation than existing requirements”, and shall be based on “strengthened standards” for:

- indoor residential per capita water use,
- outdoor landscape irrigation water use,
- commercial, industrial and institutional water use, and
- water lost through leaks.

An extremely controversial aspect of the staff’s current proposal is to limit water supplier target-setting to **only one budget-based method** to set targets (based essentially on Method #2 in the 20x2020 requirements). Staff indicated plans to provide possible statewide landscape coverage and analysis to help the many water suppliers that do not have such data. A number of ACWA member agencies have already indicated significant concerns with this approach and have expressed interest in developing one or more alternative methods for consideration (see ACWA Advocacy, below).

2) **Revise Requirements for Water Shortage Contingency Plans (WSCPs).** The EO directs “stronger standards” for WSCPs, including an extension of the drought planning requirement to five years, provisions to address more frequent and severe periods of drought, and provisions to ensure that these plans are actionable in response to drought.

3) **Address Water Loss for Distribution System Leaks.** The State Water Board and DWR will be identifying actions to implement water system leak loss audit programs, prioritize funding for leak loss reduction projects, direct actions to minimize leaks from water systems, and to direct urban and agricultural suppliers to accelerate data collection, improve water system management, and prioritize capital projects to reduce water waste.

4) **Certify Water Loss Detection and Control Technologies for Energy Saving.** The CEC is directed to certify water loss detection and control technologies for energy saving through one or more regulatory processes.

5) **Propose New Reporting, Compliance and Enforcement (RCE) Methods.** The State Water Board, DWR and CPUC are directed to develop enforcement mechanisms and technical and financial assistance methods to ensure compliance with the new targets and water management plan requirements.
6) **Develop County-based Water Shortage Planning for Smaller Suppliers.** DWR is directed to work with counties to improve drought planning for small water suppliers and rural communities that are not required to have WSCPs, possibly using existing disaster planning mechanisms in consultation with the Office of Emergency Services.

7) **Require Permanent Monthly Reporting.** DWR and the State Water Board are to implement permanent requirements for monthly reporting of water use, conservation, and enforcement by urban water suppliers. The State Water Board has indicated that this will be the subject of a separate rule-making process starting in Spring 2017.

8) **Implement Permanent Prohibitions on Wasteful Water Use Practices.** The State Water Board is directed, to implement permanent prohibitions on wasteful water use practices to include hosing off hardscapes, washing cars with hoses not equipped with a shut-off nozzle, and allowing runoff from landscape irrigation. The State Water Board has indicated that this will be the subject of a separate rule-making process starting in Spring 2017.

Water Agency staff is monitoring the development of the Long Term Water Conservation Framework through ACWA., Mountain Counties, and the UAG. Currently, the most alarming issue is the potential requirement for water suppliers to use only a single budget based method for water supply targets. There seems to be some belief by State staff that this is the only method that fully complies with the Executive Order B-37-16 regarding using water more wisely. Agency staff believes that there should be alternatives to meet water use targets that may be set.

Attached is a letter prepared by the UAG members which reflects some concerns and comments regarding the framework being developed. I understand that draft State’s proposal is planned for release on November 4, 2016 and subsequent comments.

**Alternatives:** Wait until the State releases the proposed plan on November 4, 2016 before developing a comment letter.

**Fiscal Impact:** None
Reviewed by Committee: No

Recommendation: Discussion and possible action to prepare a letter regarding the Water Agency’s position on Long Term Conservation Framework.

Prepared by: Gene Mancebo, General Manager
WHEREAS California has suffered through a severe multi-year drought that has threatened the water supplies of communities and residents, devastated agricultural production in many areas, and harmed fish, animals and their environmental habitats; and

WHEREAS Californians responded to the drought by conserving water at unprecedented levels, reducing water use in communities by 23.9% between June 2015 and March 2016 and saving enough water during this period to provide 6.5 million Californians with water for one year; and

WHEREAS severe drought conditions persist in many areas of the state despite recent winter precipitation, with limited drinking water supplies in some communities, diminished water for agricultural production and environmental habitat, and severely-depleted groundwater basins; and

WHEREAS drought conditions may persist in some parts of the state into 2017 and beyond, as warmer winter temperatures driven by climate change reduce water supply held in mountain snowpack and result in drier soil conditions; and

WHEREAS these ongoing drought conditions and our changing climate require California to move beyond temporary emergency drought measures and adopt permanent changes to use water more wisely and to prepare for more frequent and persistent periods of limited water supply; and

WHEREAS increasing long-term water conservation among Californians, improving water use efficiency within the state's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change; and

WHEREAS these activities are prioritized in the California Water Action Plan, which calls for concrete, measurable actions that "Make Conservation a California Way of Life" and "Manage and Prepare for Dry Periods" in order to improve use of water in our state.
NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California, in particular California Government Code sections 8567 and 8571, do hereby issue this Executive Order, effective immediately.

IT IS HEREBY ORDERED THAT:

The orders and provisions contained in my January 17, 2014 Emergency Proclamation, my April 25, 2014 Emergency Proclamation, Executive Orders B-26-14, B-28-14, B-29-15, and B-36-15 remain in full force and in effect except as modified herein.

State agencies shall update temporary emergency water restrictions and transition to permanent, long-term improvements in water use by taking the following actions.

USE WATER MORE WISELY

1. The State Water Resources Control Board (Water Board) shall, as soon as practicable, adjust emergency water conservation regulations through the end of January 2017 in recognition of the differing water supply conditions across the state. To prepare for the possibility of another dry winter, the Water Board shall also develop, by January 2017, a proposal to achieve a mandatory reduction in potable urban water usage that builds off of the mandatory 25% reduction called for in Executive Order B-29-15 and lessons learned through 2016.

2. The Department of Water Resources (Department) shall work with the Water Board to develop new water use targets as part of a permanent framework for urban water agencies. These new water use targets shall build upon the existing state law requirements that the state achieve a 20% reduction in urban water usage by 2020. (Senate Bill No. 7 (7th Extraordinary Session, 2009-2010).) These water use targets shall be customized to the unique conditions of each water agency, shall generate more statewide water conservation than existing requirements, and shall be based on strengthened standards for:

   a. Indoor residential per capita water use;
   b. Outdoor irrigation, in a manner that incorporates landscape area, local climate, and new satellite imagery data;
   c. Commercial, industrial, and institutional water use; and
   d. Water lost through leaks.

The Department and Water Board shall consult with urban water suppliers, local governments, environmental groups, and other partners to develop these water use targets and shall publicly issue a proposed draft framework by January 10, 2017.
3. The Department and the Water Board shall permanently require urban water suppliers to issue a monthly report on their water usage, amount of conservation achieved, and any enforcement efforts.

ELIMINATE WATER WASTE

4. The Water Board shall permanently prohibit practices that waste potable water, such as:
   - Hosing off sidewalks, driveways and other hardscapes;
   - Washing automobiles with hoses not equipped with a shut-off nozzle;
   - Using non-recirculated water in a fountain or other decorative water feature;
   - Watering lawns in a manner that causes runoff, or within 48 hours after measurable precipitation; and
   - Irrigating ornamental turf on public street medians.

5. The Water Board and the Department shall direct actions to minimize water system leaks that waste large amounts of water. The Water Board, after funding projects to address health and safety, shall use loans from the Drinking Water State Revolving Fund to prioritize local projects that reduce leaks and other water system losses.

6. The Water Board and the Department shall direct urban and agricultural water suppliers to accelerate their data collection, improve water system management, and prioritize capital projects to reduce water waste. The California Public Utilities Commission shall order investor-owned water utilities to accelerate work to minimize leaks.

7. The California Energy Commission shall certify innovative water conservation and water loss detection and control technologies that also increase energy efficiency.

STRENGTHEN LOCAL DROUGHT RESILIENCE

8. The Department shall strengthen requirements for urban Water Shortage Contingency Plans, which urban water agencies are required to maintain. These updated requirements shall include adequate actions to respond to droughts lasting at least five years, as well as more frequent and severe periods of drought. While remaining customized according to local conditions, the updated requirements shall also create common statewide standards so that these plans can be quickly utilized during this and any future droughts.

9. The Department shall consult with urban water suppliers, local governments, environmental groups, and other partners to update requirements for Water Shortage Contingency Plans. The updated draft requirements shall be publicly released by January 10, 2017.
10. For areas not covered by a Water Shortage Contingency Plan, the Department shall work with counties to facilitate improved drought planning for small water suppliers and rural communities.

**IMPROVE AGRICULTURAL WATER USE EFFICIENCY AND DROUGHT PLANNING**

11. The Department shall work with the California Department of Food and Agriculture to update existing requirements for Agricultural Water Management Plans to ensure that these plans identify and quantify measures to increase water efficiency in their service area and to adequately plan for periods of limited water supply.

12. The Department shall permanently require the completion of Agricultural Water Management Plans by water suppliers with over 10,000 irrigated acres of land.

13. The Department, together with the California Department of Food and Agriculture, shall consult with agricultural water suppliers, local governments, agricultural producers, environmental groups, and other partners to update requirements for Agricultural Water Management Plans. The updated draft requirements shall be publicly released by January 10, 2017.

The Department, Water Board and California Public Utilities Commission shall develop methods to ensure compliance with the provisions of this Executive Order, including technical and financial assistance, agency oversight, and, if necessary, enforcement action by the Water Board to address non-compliant water suppliers.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this order.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 9th day of May 2016.

EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State
October 18, 2016

The Honorable Mark Cowin, Director  
California Department of Water Resources  
P.O. Box 942836, Room 1115-1  
Sacramento, CA 94236-0001

The Honorable Felicia Marcus, Chair  
State Water Resources Control Board  
1001 I Street, 24th Floor  
Sacramento, CA 95814

SUBJECT: Comments on Current State Agency Draft Response to Executive Order B-37-16

Dear Director Cowin and Chair Marcus:

As urban retail and wholesale water suppliers serving tens of millions of Californians throughout the State, we have invested in water supplies for many years to reliably serve our residential, commercial, and industrial customers. We collectively responded to help achieve Governor Brown's goal of 25% water conservation in 2015 in response to the ongoing drought. We appreciate the State's recognition of water suppliers' past investments in water supply resiliency that resulted in the vast majority of the suppliers passing the State's "stress test," demonstrating their capacity to meet customer demand in the event of an ongoing drought.

The undersigned water suppliers and associations comprise designated members of the Urban Advisory Group (UAG) convened by the State to provide input on the framework for implementation of Executive Order B-37-16 (EO) and additional participants in the recent stakeholder outreach process. As such, we wish to express our appreciation for the extensive opportunities to understand and provide comments on the State's proposed implementation and we have provided substantial feedback. We are committed to helping define a successful framework to help California prepare for and respond to future droughts, and to improve the long-term efficiency of water use. We share the goal articulated by your staff in the UAG meetings to date of developing an implementation proposal that can be translated into a legislative package that we can all support.

The purpose of this letter is to identify the elements of the State agencies' current proposal that we support that will improve water management in the future, and to provide specific feedback to improve the proposal. We have the following areas of continued concern, which are described in more detail in Attachment 1, and which we look forward to addressing as the proposal is refined in coming weeks:

- Five-year Drought Period. We support the shift to planning for a five-year drought period based on historical hydrologic data, but suggest that the option remain to plan for a shorter period if it represents a more severe drought. We urge the State to continue with the current proposal with that adjustment and include that requirement as an element of the Urban Water Management Plan, rather than an annual assessment. More detailed comments on the Water Shortage
Contingency Plan proposal are included in Attachment 2 to this letter, which we anticipate are now closely aligned with the pending revisions to the staff proposal.

- Adequate Process to Develop Standards. We strongly urge the State to proceed with caution as it develops standards, outdoor water use standards, in particular. The State is proposing major changes in water management requirements, some of which are based on emerging methodologies. A large amount of data and technical assistance will be required to implement these standards. The process and methods to obtain and disseminate the data will need to be transparent and technically sound in order to ensure credibility with the public. We urge the State to take a deliberate and iterative approach that allows sufficient time to test the proposed standards and make refinements as necessary. Attachment 3 contains detailed comments on the standard and target-setting proposal.

- Alternative Target-Setting Approach. We urge the State to include additional approaches to the standards-based water budget target-setting process which build on the elements of SB x7-7, as directed by the EO. Expansion of the State agencies’ proposal to provide for alternative target-setting approaches should be equally effective in reducing water use and would allow for more a cost effective means to reduce water demands. This is particularly important for water agencies that lack resources or capacity, or for water agencies that would benefit from additional flexibility. More detailed suggestions for alternative target-setting are included in Attachment 4.

- Incentives to Support Continued Supply Investments. We urge the State to develop and implement a framework that incorporates incentives for the development of drought resilient water supplies, including recycled water and potable reuse, desalination, storage and conjunctive use, stormwater capture, groundwater and other alternatives. Similarly, the State must ensure that the framework does not result in any adverse impacts to water rights.

- Support for 2025 Schedule. We support the State’s proposal for full compliance of the permanent long-term water use efficiency targets in 2025, as documented in a 2026 compliance report and 2025 Urban Water Management Plan. The Urban water suppliers need adequate time to get the tools and resources in place to achieve the target. (i.e., water rate structure, water use efficiency programs, etc.)

- Expand the Focus and the Tools. To make conservation a way of life in California, significant and sustained behavioral changes by nearly 40 million residents will be required. Regulatory standards set on urban water suppliers alone will not be enough to achieve the desired results. We urge the State to use the proposed framework to expand its financial commitment for outreach and technical assistance for water conservation for water suppliers, as well as identifying other mechanisms at the State’s disposal to effect changes by end-users of water.

Thank you for the opportunity to comment. We look forward to continued collaboration with staff of the State agencies to develop a framework by the January 2017 deadline that meets the objectives of the EO while preserving local water supplier authority and providing flexibility in implementation.
Sincerely,

David Bolland  
Director of State Regulatory Relations  
Association of California Water Agencies

John Woodling  
Executive Director  
Regional Water Authority

Deven Upadhyay  
Group Manager, Water Resource Management  
Metropolitan Water District of Southern California

John Rossi  
General Manager  
Western Municipal Water District

David Eggerton  
General Manager  
Calaveras County Water District

Maureen Stapleton  
General Manager  
San Diego County Water Authority

Jim Smyth  
General Manager  
Sweetwater Authority

Gary Arant  
General Manager  
Valley Center Municipal Water District

Brett Sanders  
General Manager  
Lakeside Water District

David W. Pedersen, P.E.  
General Manager  
Las Virgenes Municipal Water District

Chris Garner  
General Manager  
Long Beach Water

Danielle Blacet  
Director for Water  
California Municipal Utilities Association

Jim Peifer  
Policy and Legislation Manager  
City of Sacramento Department of Utilities

Linda Reed  
Interim Director  
Santa Rosa Water

Joe Berg  
Director of Water Use Efficiency  
Municipal Water District of Orange County

Jim Barrett  
General Manager  
Coachella Valley Water District

Alex Coate  
General Manager  
East Bay Municipal Utility District

Jack Hawks  
Executive Director  
California Water Association

Paul Helliker  
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Paul Shoenberger  
General Manager  
Mesa Water District

Jerry Brown  
General Manager  
Contra Costa Water District

Hilary Straus  
Assistant General Manager  
Citrus Heights Water District
Mike Markus  
General Manager  
Orange County Water District

Greg Thomas  
General Manager  
Rincon Del Diablo Municipal Water District

Harry Starkey  
General Manager  
West Kern Water District

Keven Hunt  
General Manager  
Central Basin Municipal Water District

Einar Maisch  
General Manager  
Placer County Water Agency

Shauna Lorance  
General Manager  
San Juan Water District

Mark Kinsey  
General Manager  
Monte Vista Water District

Martin Zvirbulis  
General Manager  
Cucamonga Valley Water District

David Hull  
General Manager  
Humboldt Community Services District

Grant Davis  
General Manager  
Sonoma County Water Agency

Kenneth V. Payne, P.E.  
Interim General Manager  
El Dorado County Water Agency

Marc Marcantonio  
General Manager  
Yorba Linda Water District

Paul Kelley  
Executive Director  
CalDesal

Allen Carlisle  
CEO/General Manager  
Padre Dam Municipal Water District

Paul Jones  
General Manager  
Eastern Municipal Water District

Paul Cook  
General Manager  
Irvine Ranch Water District

Richard Solbrig  
General Manager  
South Tahoe Public Utilities District

Leslie A. Bryan  
Management Analyst  
Redding Electric Utility Legislative & Regulatory Program

Wendy Chambers  
General Manager  
Carlsbad Municipal Water District

Robert Roscoe  
General Manager  
Sacramento Suburban Water District

Chris DeGabriele  
General Manager  
North Marin Water District

Toby Goddard  
Administrative Services Manager  
Santa Cruz Water Department

Brian Crane  
Public Works Director  
City of Redding – Public Works Department

Marcus Yasutake  
Environmental and Water Resources Director  
City of Folsom
Robert R. Hill
General Manager
El Toro Water District

Thomas D. Cumpston
Acting General Manager
El Dorado Irrigation District

Tommy Esqueda
Director of Public Utilities
City of Fresno

Donald M. Zdeba
General Manager
Indian Wells Valley Water District

Gregory P. Orsini
General Manager
McKinleyville Community Services District

Donald M. Zdeba
General Manager
Indian Wells Valley Water District

Nicole M. Sandkulla
Chief Executive Officer/General Manager
Bay Area Water Supply and Conservation Agency

Mark Andre
Environmental Services Director
City of Arcata

Robert Shaver
General Manager
Alameda County Water District

Steve Cole
General Manager
Newhall County Water District

Carrie Pollard
W.A. Principal Programs Specialist
Sonoma-Marin Saving Water Partnership

Ralph Felix
General Manager
Rio Linda/Elverta CWD

Tony Stafford
General Manager
Camrosa Water District

Lisa Koehn
Assistant Public Utilities Director
City of Clovis

Doug Culbert
Utilities Director
City of Fortuna

Brian Gerving
Director of Public Works
City of Eureka

Kimberly A. Thorner
General Manager
Olivenhain Municipal Water District

Cc:
The Honorable Frances Spivy-Weber, Vice Chair, State Water Resources Control Board
The Honorable Dorene D’Adamo, Member, State Water Resources Control Board
The Honorable Tam Doduc, Member, State Water Resources Control Board
The Honorable Steven Moore, Member, State Water Resources Control Board
Ms. Kim Craig, Deputy Cabinet Secretary, Office of Governor Edmund G. Brown Jr.
Mr. Tom Howard, Executive Director, State Water Resources Control Board
Mr. Eric Oppenheimer, Chief Deputy Director, State Water Resources Control Board
Mr. Gary B. Bardin, Deputy Director, Integrated Water Management, Department of Water Resources
Mr. Kamyar Guivetchi, Manager, Statewide Integrated Water Management, Department of Water Resources
Attachment 1

Comments on the Development of the Framework for
Implementation of Executive Order B-37-16

The comments below include fundamental areas of agreement as well as a number of concerns with the current direction of the State's proposals. The comments are arranged under the topical areas defined in the Executive Order (EO): Eliminate Water Waste, Strengthen Local Drought Resilience, and Use Water More Wisely; as well as the Reporting, Compliance and Enforcement element defined by State staff. In some cases, additional detail is provided in attachments.

Eliminate Water Waste

- We support EO Directive 4 that permanently prohibits practices that waste potable water.
- We support the State's intention to continue the ongoing process for implementation of SB 555, passed in 2015, in satisfaction of this element of the EO.

Strengthen Local Drought Resilience

- We strongly support the State's stated objective to create a framework for water shortage contingency planning to be implemented by urban water suppliers that will mitigate the future need for emergency water conservation mandates from the State. Further, we support the State's proposed position that specific actions to be taken to respond to real or potential shortages should be entirely at the discretion of individual water suppliers in their own service areas.
- We support the proposal to assess the impact of a five-year drought period in the urban water management plan (UWMP) process, which will be updated every five years.
- We support an annual drought risk assessment that looks at current year supplies as the basis for making the local decision to implement demand reduction measures. These annual assessments will provide the necessary information on potential shortages to determine specifically which urban water suppliers are in a drought concern area and require technical and/or financial assistance from the State.
- We support the State addressing the needs of small water suppliers that do not meet the statutory threshold to prepare and adopt urban water management plans. The small suppliers may not have the resources to plan for, acquire and manage the necessary water supplies in their community. Indeed, some small suppliers suffered enormously in the past couple of years. It should be acknowledged that urban water agencies have had access to planning and guidance documents prepared by the State, as well as utilizing their own planning and financial resources which have resulted in urban water agencies being well prepared during this drought. We look forward to collaborating in the continued development of tools and resources for small water suppliers.
- Attachment 2 has been provided to State staff and offers additional specific feedback on the State's proposal for Strengthening Local Drought Resilience.
Use Water More Wisely

- While we recognize that the EO calls for standards to be developed for indoor residential water use, outdoor irrigation, CII water use, and water loss, we offer additional mechanisms that fit within the methodology to set targets. Much like in SBX7-7, we believe multiple target setting mechanisms can be developed to provide flexibility to water suppliers, while meeting the goal of increased water savings beyond the 2020 requirements. We also believe the regional compliance approach allowed in SBx7-7 should be maintained as an option. Attachment 4 provides more detail on potential compliance mechanisms.

- We appreciate the State’s recognition that a standardized percentage reduction for CII water use would be potentially damaging to the State’s economy. We look forward to working with the State to develop performance standards for water use for various business types in fulfillment of the EO’s CII water use element.

- The proposed standards for indoor water use of 55 gallons per person per day (GPCD) and outdoor water use that is a function of landscape area and evapotranspiration are a useful starting point for discussion. However, this method requires a large amount of landscape information that will require validation and indoor standards either need to reflect the unique conditions of the community such as widespread use of swamp coolers or the age of the housing stock, or provide a variance process. We offer detailed feedback on the State’s proposal in Attachment 3.


- In order to develop a permanent framework that supports the state’s goals for long-term water use efficiency as outlined in the EO, we recommend an iterative process that allows sufficient time to test the proposed standards for each of the sector budgets and to make refinements as necessary. The long-term water use efficiency framework should provide a broad policy outline on the approach to calculating the new water use targets and include the potential for alternative methods. The state should then allow sufficient time to pilot test the proposed target-setting methodology with water suppliers and incorporate needed refinements.

- Recycled water should also be recognized as an efficient alternative to the use of potable water. We understand that all water should be used efficiently, and the use of recycled water is already highly regulated under the Regional Water Quality Control Board National Pollutant Discharge Elimination System permits that prohibits certain practices, such as runoff or ponding. The efficient use of recycled water should not be limited. Recycled water is by its nature an efficient use of water and barriers to its use should be minimized. The state’s proposal on water waste prohibitions should remain consistent with the intent of the Executive Order.

- If California is to be successful in making conservation a California way of life, a much more comprehensive set of actions must be implemented beyond establishing regulatory water use efficiency targets. The State is proposing enforceable standards applied to water suppliers as the sole mechanism by which to achieve the targets set through the process, and neglecting the opportunity to effect change with end users. We urge the State to consider other mechanisms, both incentives and disincentives, that more directly focus on specific uses and users of water including: State investment in water conservation messaging and outreach, the role of land use agencies in residential and commercial landscaping, and appropriate requirements on businesses and other water users.
Water suppliers have identified a number of potential unintended consequences of decreasing urban water use that must be more fully evaluated prior to standard and target setting, including, reduced flows that impact the effective operation of wastewater collection and treatment systems; reduced flows that impact drinking water quality, and the higher costs of water efficiency measures that will necessitate increased water rates, further exacerbating affordability issues in urban disadvantaged communities.

**Reporting, Compliance and Enforcement**

- We appreciate the State's commitment to streamlining both existing and new reporting requirements to minimize the burden on water suppliers.
- The State is proposing a significant paradigm shift in water efficiency requirements from that in SBX7-7. We support the State's proposal to provide a period of five years or more for implementation of new standards and targets before enforcement action is considered. We believe the enforcement timeline must also reflect the need for the State to meet its commitments to provide necessary validated irrigable landscape data, and technical and financial assistance to reduce water loss.
- We urge the State to support collaboration of water suppliers by considering mechanisms by which compliance can be achieved regionally.
Attachment 2

Proposed Drought Planning and Response Structure

The table below identifies a framework for drought planning and response in California and identifies the roles and responsibilities of urban water suppliers and state agencies. The structure includes: Planning – the preparation of Urban Water Management Plans and their specific elements related to potential shortages; Assessment – an annual evaluation by the water supplier of demand, supplies, and potential shortages; and Response – specific actions identified to reduce demand. As the structure is in response to the directives in Executive Order B-37-16, it does not address planning for potential water shortages that result from causes other than drought. Such shortages can be readily incorporated into the structure by each urban water supplier depending on their specific conditions.

<table>
<thead>
<tr>
<th>Planning/Response Element</th>
<th>Urban Water Supplier</th>
<th>State Agencies</th>
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<tbody>
<tr>
<td>Urban Water Management Plan (UWMP)</td>
<td>* Includes long-term “drought risk assessment” consistent with Water Code (WC) 10631(c), 10632(a)(2) and 10635(a):  o Revise WC 10632(a)(2) to require agencies to evaluate drought lasting at least five years; suppliers will analyze supply and demand for five years from the year of the UWMP forward, assuming conditions equivalent to supplier’s five consecutive historic driest years.  o Suppliers will analyze at least five dry years, as part of the multiple dry year assessments in WC 10631(c) and 10635, assuming conditions equivalent to supplier’s five consecutive historic hydrologic driest years.  o Suppliers should be able to utilize a shorter period if it represents a more severe drought than the five-year period.</td>
<td>* DWR prepares UWMP Guidebook.  * As part of Guidebook, DWR provides guidance on characterizing the five-year drought cycle.  * DWR receives and reviews UWMP for completeness and compliance with statutory requirements.</td>
</tr>
<tr>
<td>Water Shortage Contingency Plan (WSCP) Required element of UWMP</td>
<td>* Revise WC 10632 to expand the elements of the current water shortage contingency analysis to require a water shortage contingency plan which would include:  o Stages of water shortages and actions that would be taken by suppliers to address each stage.  o Conditions which would trigger each stage of water shortage.  o The supplier’s communications strategy to implement the plan.  o A discussion of the supplier’s WSCP implementation</td>
<td>* As part of UWMP Guidebook, DWR works with stakeholders to develop potential actions that will accomplish the demand reductions:  o Include updated range of savings from water use restrictions and consumption reduction methods, taking into account results from implementation of long-term water use targets.</td>
</tr>
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</table>

This proposal focuses the drought planning aspect of WSCP. The planning for catastrophic events remains unchanged.
### Annual Drought Risk Assessment

- Urban water suppliers will be required to prepare an annual water supply assessment (Add a new section to WC)
  - Prepare by May 30th of each year
  - Include projected demand and total supplies available for the upcoming year, which includes any supply augmentation.
  - If assessment shows a shortage of supply in the year analyzed, the agencies must identify the appropriate water shortage stage and associated responses to manage the shortage.
- Suppliers can submit the assessment on a regional basis, based on a region identified by water suppliers.

### Implement Water Shortage Contingency Plan

- Suppliers will submit their annual drought assessment to DWR by May 30th.
- Should a water supplier identify a shortage in their assessment, the supplier shall implement the relevant stage of response actions in its WSCP (including the communications, reporting, and customer compliance elements)
- In the Supplier's SWRCB monthly report, the supplier shall provide information on implementation of its WSCP, until the hydrologic condition triggering the WSCP actions dissipates

### Actions

- DWR offers technical assistance for the development of WSCPs for agencies requesting it.
- DWR reviews WSCP for completeness and compliance with statutory requirements.

### As part of DWR Guidebook, DWR provides common standards on preparation of the assessments and the supply and demand documentation required to verify availability of the supply. (e.g., contracts, agreements, etc.)
<table>
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<tr>
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<th>manage the drought.</th>
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<tr>
<td></td>
<td></td>
<td>DWI/SWRCB monitor</td>
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<td>implementation of WSCP through</td>
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<td>monthly reporting.</td>
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**Attachment 3**

**Analysis of State Proposed Long Term Conservation Target Framework**

*(September 20, 2016 UAG Meeting)*

**UPDATED – October 17, 2016**

<table>
<thead>
<tr>
<th>Overall Requirements</th>
<th>Proposed Response</th>
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<tbody>
<tr>
<td><strong>State Agency Proposal:</strong></td>
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<tr>
<td>• State would allow suppliers to achieve the target in aggregate, and would not regulate or require targets for suppliers’ individual customer groups or classes.</td>
<td><strong>Support the proposal with the following changes:</strong></td>
</tr>
<tr>
<td>• The effective start date of the reporting and compliance period would be six months after the State agencies provide each urban water supplier:</td>
<td></td>
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<tr>
<td>• The data base of measured irrigable area for all residential and separately metered irrigable landscape areas</td>
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<tr>
<td><strong>State Agency Requirements:</strong></td>
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<tr>
<td>• Provide a functioning data portal with downloadable reference evapotranspiration data for representative climate zones for each supplier.</td>
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<tr>
<td>• Provide a data base of validated aerial imagery with measured irrigable area for all residential and separately metered irrigable landscape areas correlated at the assessor parcel level.</td>
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<tr>
<td>• Provide a calculated target for suppliers requesting state assistance.</td>
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<tr>
<td>• Specific compliance dates included in the State’s proposal would be extended to reflect the length of any delay in providing these items.</td>
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</table>
1. Indoor Residential Water Use Standard

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<thead>
<tr>
<th>State Agency Proposal:</th>
<th>Proposed Response:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- The indoor residential water use standard is a volume of water used by each person per day. The standard is in units of gallons per capita per day (GPCD).</td>
<td>- Support the initial standard of 55 GPCD.</td>
</tr>
<tr>
<td>- The provisional standard is proposed as 55 GPCD beginning in 2018.</td>
<td>- Indoor target of 55 GPCD standard multiplied by the population in the year of compliance (to adjust for growth).</td>
</tr>
<tr>
<td>- Revised downward in 2018, to be achieved by 2025</td>
<td>- Suppliers’ produced Potable Reuse water is excluded from supply when calculating and reporting compliance with the total target.</td>
</tr>
<tr>
<td>- State will reevaluate standard every five years, beginning in 2025.</td>
<td>- Develop and adopt a variance process for water agencies with a workgroup to address special conditions such as the age of the housing stock, use of swamp coolers, seasonal population, etc.</td>
</tr>
<tr>
<td>- The standard will be revised downward to reflect increased usage of efficient fixtures and appliances in 2025 and 2030.</td>
<td>- Develop a stakeholder workgroup to consider the impact of lower indoor GPCD standards on wastewater systems and recycled water prior to revising standards starting in 2025.</td>
</tr>
</tbody>
</table>
## 2. Outdoor Water Use Standard

**State Agency Proposal:**
- Using the landscape area option selected by the State above, the outdoor water use budget is calculated as the sum of the individual budgets for all parcels within that landscape area, using a provisional Evapotranspiration Adjustment Factor (ETAF) as follows:
  1. Landscape area for parcels developed pre-2010 \( x 0.8 \text{ ETo} \);
  2. Landscape area for parcels developed between 2010 and 2015 \( x 0.7 \text{ ETo} \);
  3. Landscape area for parcels developed post 2015 \( x 0.55 \text{ ETo} \) (0.45 for Commercial landscape); and
  4. Special Landscapes (parks, fields) area \( x 1.0 \text{ ETo} \).
- A pilot study will be conducted with 30 agencies.
- The outdoor standard will be revised lower based on the results of DWR’s review of existing budgets and a study of landscape irrigation use in a representative statewide sample of suppliers. Revised standards will be available from the state in 2018.
- Compliance with standards required in 2025
- Standards based on irrigable area.
- State will reevaluate every 5 years, beginning in 2025.

**Proposed Response:**
- Support initial proposed structure and pilot study with the following conditions:
  - Inclusion of an additional ETAF of 1.0 ETo for pre-1992 installed landscapes.
  - Standards will only be revised in 2018 if total statewide targets are not lower than the current SBX7-7 target.
  - Landscape areas irrigated with recycled water and commercial agriculture are excluded from suppliers’ outdoor water use portion of target.
- Outdoor target in the year of compliance adjusted for landscape area increases due to growth that occurred during reporting period. Target adjustment based upon supplier submitted increased landscape area and irrigation data, or percentage population increase.
- Recommend mixed use CII and outdoor water use other than irrigation (i.e. construction water) be handled separately (see below).

**State Agency Requirements:**
- Provide a database of third-party validated aerial imagery with measured irrigable area for all residential and separately metered irrigable landscape areas, and age of parcels correlated at the assessor parcel level.
  - Aerial imagery data shall be suitable such that it provides for the appropriate amount of irrigation for a variety of vegetation (i.e. large trees, irrigable area under native tree canopy, etc.).
- Provide a data portal that contains downloadable reference evapotranspiration data with representative climate zones for all urban water suppliers in the State.
- Provide the computation of the supplier level outdoor irrigation water target for any urban water supplier requesting State assistance due to inadequate resources.
- Provide updated aerial imagery and measured irrigable area at least by 2025 and every five years thereafter.
- Through a workgroup process, develop and adopt:
  - Standards and processes for developing the landscape area data;
  - A variance process for water agencies with special conditions of outdoor use. Special conditions could include livestock, food production, or water used for firefighting; and
  - Guidelines for calculating areas for Special Landscapes.
### 3. CII Water Use Performance Measures

**State Agency Proposal:**
- All dedicated irrigation accounts will be on a budget using outdoor standards.
- Require classification using the North American Industry Classification System (NAICS) by 2021, develop benchmarks.
- Require all mixed meter accounts to split off landscape greater than a size threshold to dedicated irrigation accounts (or equivalent technology) by 2021.
- Audits and water management plans for reporting efficiency in CII water use.
  - Audits and plans for subset of CII customers, based on volume, percentage, or number.
- CII reporting requirements.

**Proposal Response:**
- Support the proposal and the development of performance measures using the following process
  - Form a CII Technical Workgroup comprised of industry representatives, economic development and business community leaders, water agencies and state agencies. The Workgroup will be tasked with the following requirements:
    - Develop appropriate CII classifications.
      - Complete defining classifications for reporting by 2019; and
      - Support using appropriate NAICS classifications as baseline.
      - Classifications should be detailed enough to include uses of water that are not normally thought of as CII sector water (example: dust control for grading).
    - Develop applicable performance measures for CII classifications by 2021.
      - In developing the performance measures, the Workgroup would gather the data deemed necessary to develop the measures, such as water use, and utilize recommendations from the 2013 CII Task Force Water Use Best Management Practices Report to the Legislature.
    - Water suppliers would be required to request that representative industries in the top 5% of their CII users participate in audits and water management plans for each of the CII classifications by 2021, with State reimbursement for suppliers’ costs.
      - Suppliers not staffed to conduct audits can request and have audits conducted directly by the State, subject to supplier review.

**State Agency Requirements:**
- Supply staff resources and funding assistance to develop classifications and performance measures for CII uses within the timelines.
- Through a workgroup process, assess the feasibility criteria and cost-effectiveness of splitting mixed use meters and options, including costs, for installing equivalent technologies.
  - Provide grant funding to split mixed use meters or to install new equivalent technology
  - Provide grant funding and technical support for audits and management plans.
### 4. Water Loss Standard

**State Agency Proposal:**
- The standard for water system loss will be established through the SB 555 process, and will be expressed in terms of a volume per capita or volume per connection, accounting for relevant factors such as infrastructure age and condition.
- Will include real and apparent losses.
- The water system loss standard will be set by 2019, to be achieved by 2025.
- State will reevaluate standard every five years, beginning in 2025.

**Proposal Response:**
Support the development of appropriately measured standards through the SB 555 process.
- Base the target water loss standard on relevant factors identified through the SB 555 process.
- Water system loss standard will be for potable water systems only.

**State Agency Requirements:**
- Provide financial assistance to address data gathering and water loss prevention efforts.

### 5. Reporting, Compliance and Enforcement

**State Agency Requirements:**
- Meet target deadlines for data and guidance as proposed.

**Proposal Response:**
- Support the proposed timeline with the requirement that all data (i.e. landscape area data, reference evapotranspiration data portal, etc.) and guidance targets dates are met, as proposed.
- Need more specificity on proposed State Board enforcement process.
Conceptual Approach to “Use Water More Wisely”

Executive Order
Governor Brown’s Executive Order 8-37-16 #02 directs the Department of Water Resources and the State Water Resources Control Board to work together to develop new water use targets that build on the goal defined in SB x7-7 of 20% reduction in statewide water use by 2020. The Order further states that the targets will be customized to the unique conditions of each water agency, shall generate more statewide water conservation than existing requirements and will be based on strengthened standards for indoor water use, outdoor irrigation, CII uses and water loss through leaks.

Proposed Approach

- Water agencies will support a stronger statewide goal – a new water use target – that builds on and goes beyond 20% reduction statewide by 2020. The goal would be based on achieving reductions compared to the existing baselines developed pursuant to SB x7-7. Further revisions to a statewide goal would be developed after analyzing progress in 2030, and would be implemented via new legislation.

- In SBX 7-7 four methods were originally developed to provide mechanisms for water agencies to contribute to achieving the 2020 statewide goal – these methods allow for the creation of targets that are customized to the unique conditions of each water agency – allowing water agencies to select the most effective, and cost-effective means of reducing water use.

- These methods accommodate the diversity of hydrologies, individual water system and service area characteristics, sources of supply, demand patterns and investments already made by water agencies in alternative sources and demand reduction and should be maintained and each made more stringent.

- These methods will be strengthened, per the direction provided in the Executive Order. Every water agency will demonstrate that it will achieve greater reductions in water use than would otherwise be achieved under the current requirements of SB x7-7, no matter what method is chosen.

- These alternate methods do not rely solely on remote sensing data and provide the necessary flexibility to avoid the adverse unintended consequences on recycled water supplies, as well as wastewater collection systems.

- Each water agency will evaluate the four alternate methods of compliance and select the most appropriate method for their agency’s local conditions and unique circumstances.
Attachment 4

Compliance Methods

- Method 1 would be modified to reflect the EO requirement to achieve greater water savings than existing requirements. Building on the 20% reduction required in SBX7 7, Method 1 would apply enhanced numerical water use reduction targets for the years 2025 and 2030 to the existing baseline water use (for example 25% by 2025).

- Method 2 (efficiency standards for indoor and outdoor use, CII and leaks) is proposed to be modified per the language in the document entitled "Analysis of State Proposed Long Term Conservation Target Framework – Method 2". This method requires significant time and expense to determine outdoor use standards, but may become more viable after considerable effort is invested to refine, test and validate it.

- Method 3 would be modified to include an updated regional hydrologic target, and agencies would be required to achieve a 5% reduction from this regional target by 2025. In 2025 an updated regional hydrologic target would be set and agencies would be required to meet an objective 5% reduction from this new regional target by 2030.
STAFF REPORT

Buckhorn Disinfection Byproducts Project

Requested Action:

Approve and authorize the General Manager to execute a contract with Peterson, Brustad Inc. ('PBI') for Construction Management and Inspection Services in the amount of $163,438.00 for the Buckhorn Disinfection Byproducts Project.

Background:

This Project has receive a Loan with 100% Principal Forgiveness (commonly considered a “Grant”), from the California State Water Resources Control Board ('SWRCB') for $1,947,869.00. Per the General Manager's discussions with SWRCB, this amount may be subject to increase depending upon bids received and other costs incurred.

During the development of the Capital Projects list and budget, it was determined that there was insufficient Agency Staff to perform the Construction Management and Inspection for this Project. As such, a proposal was solicited from PBI which includes $55,380 for Construction Management and $108,058 for Inspection, for a total of $163,438. The amount of $175,000 was included in the CIP Budget for the current fiscal year in anticipation of this approximate expense and is included in the Loan amount of $1,947,869.00.

Alternatives:

- Perform the Construction Management and/or Inspection with Agency Staff and shift a different project workload to consultants.
- Retain additional Agency Staff to perform the Construction Management and/or Inspection.

Fiscal Impact:

$163,438 funded by the SWRCB Grant.

Reviewed by Committee:

Yes, Engineering Committee.
Recommendation:

That the Board authorizes the General Manager to execute a contract with Peterson, Brustad Inc. ('PBI') for Construction Management and Inspection Services in the amount of $163,438.00 for the Buckhorn Disinfection Byproducts Project.

Engineering / Construction Analysis Prepared by:

Erik M. Christeson, P.E.
AGREEMENT BETWEEN AMADOR WATER AGENCY AND PETERSON BRUSTAD INC. FOR SERVICES RELATING TO CONSTRUCTION MANAGEMENT SERVICES FOR THE BUCKHORN WATER TREATMENT PLANT DISINFECTION BYPRODUCT COMPLIANCE/BACKWASH WATER REUSE PROJECT
JC #600810

THIS AGREEMENT is made this ___________, 2016, in Sutter Creek, California, between the Amador Water Agency ("Agency"), a public agency formed by special act of the California legislature, and Peterson Brustad Inc., a California Corporation ("Consultant"), concerning Construction Management Services for the Buckhorn Water Treatment Plant Disinfection Byproduct Compliance/Backwash Water Reuse Project (the "Work"). The parties agree as follows:

1. **Scope of Work.** Consultant shall perform the work described in Exhibit A attached hereto and incorporated herein, and described as follows: Construction Management Services for the Buckhorn Water Treatment Plant Disinfection Byproduct Compliance/Backwash Water Reuse Project (the "Work"). Consultant shall: (a) provide all labor, equipment, material and supplies required or necessary to properly, competently, and completely perform the Work under this Agreement; and (b) determine the method, details and means of doing the Work.

2. **Compensation.**

   a. In exchange for the Work, Agency shall pay to Consultant a fee based on Consultant’s actual time and expenses necessarily and actually expended on the Work in accordance with Consultant’s fee schedule, attached hereto as Exhibit B and incorporated herein.

   b. The total fee for the Work shall not exceed $163,438. There shall be no compensation for extra or additional work or services by Consultant unless approved in advance in writing by Agency. Consultant’s fee shall include all of Consultant’s costs and expenses related to the Work.

   c. At the end of each month, Consultant shall submit to Agency an invoice for the Work performed during the preceding month. The invoice shall include a brief description of the Work performed, the dates of Work, number of hours worked and by whom (if payment is based on time), and an itemization of any reimbursable expenditures. If the Work is satisfactorily completed and the invoice is accurately computed, Agency shall pay the invoice within 30 days of its receipt.

3. **Term and Termination.**

   a. This Agreement shall take effect on the above date and continue in effect until completion of the Work, unless sooner terminated as provided below. Time is of the essence in this Agreement. Consultant shall complete the Work no later than December 31, 2017. This deadline may be extended by Agency, and at the Agency’s sole discretion, for good cause shown by Consultant.

   b. This Agreement may be terminated at any time by Agency upon five days’ advance written notice to Consultant. In the event of such termination, Consultant shall be fairly compensated for all work performed to the date of termination as calculated by Agency based on the above fee and payment provisions. Compensation under this subsection shall not include any termination-related expenses, cancellation or demobilization charges, or lost profit associated with the expected
completion of the Work or other such similar payments relating to Consultant’s claimed benefit of the bargain.

4. **Professional Ability of Consultant.** Consultant represents that it is specially trained and experienced, and possesses the skill, ability, knowledge and certification, to competently perform the Work provided by this Agreement. Agency has relied upon Consultant’s training, experience, skill, ability, knowledge and certification as a material inducement to enter into this Agreement. All Work performed by Consultant shall meet the standard of care and quality ordinarily to be expected of competent professionals in Consultant’s field.

5. **Conflict of Interest.** Consultant (including its principals, associates and professional employees) represents and acknowledges that: (a) it does not now and shall not acquire any direct or indirect investment, interest in real property or source of income in the area covered by this Agreement or that would be affected in any manner or degree by the performance of Consultant’s services under this Agreement; and (b) no person having any such interest shall perform any portion of the Work. The parties agree that Consultant is not a designated employee within the meaning of the Political Reform Act and Agency’s conflict of interest code because Consultant will perform the Work independent of the control and direction of the Agency or of any Agency official, other than normal contract monitoring, and Consultant possesses no authority with respect to any Agency decision beyond the rendition of information, advice, recommendation or counsel. Consultant shall not engage in any conduct or other employment or business that would be incompatible with or unreasonably interfere with its obligations under this Agreement, that would create a conflict of interest, or that would reflect unfavorably upon the interests of Agency.

6. **Consultant Records.**

   a. Consultant shall keep and maintain all ledgers, books of account, invoices, vouchers, canceled checks, and other records and documents evidencing or relating to the Work and charges for services, expenditures and disbursements for the Work for a minimum period of three years (or for any longer period required by law) from the date of final payment to Consultant under this Agreement. Agency may inspect and audit such books and records, including source documents, to verify all charges, payments and reimbursable costs under this Agreement.

   b. In accordance with California Government Code section 8546.7, the parties acknowledge that this Agreement, and performance and payments under it, are subject to examination and audit by the State Auditor General for three years following final payment under the Agreement.

7. **Ownership of Documents.**

   a. Every report, study, spreadsheet, worksheet, plan, blueprint, specification, drawing, map, photograph, computer model, computer disk, magnetic tape, CAD data file, GIS data file, computer software and any other document or thing prepared by Consultant under this Agreement and provided to Agency (“Work Product”) shall be the sole and exclusive property of Agency, and Agency shall have the perpetual, world-wide right to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Consultant or any other party. Consultant may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and prepare derivative and additional documents or works based on any Work Product; provided, however, that Consultant shall not provide any Work Product to any third party without Agency’s prior written approval, unless compelled to do so by legal process.
b. If any Work Product is copyrightable, Consultant may copyright the same, except that, as to any Work Product that is copyrighted by Consultant, Agency reserves a royalty-free, nonexclusive, world-wide, and irrevocable license to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product. If Agency reuses or modifies any Work Product for a use or purpose other than that intended by the scope of work under this Agreement, then Agency shall hold Consultant harmless against all claims, damages, losses and expenses arising from such reuse or modification.

c. For Work Product provided to Agency in paper format, upon request by Agency, Consultant agrees to provide the Work Product to Agency in an appropriate and usable electronic format (e.g., Word file, Excel spreadsheet, Adobe pdf, AutoCAD file).

8. Compliance with Laws; Safety of Work.

a. Consultant shall perform the Work in compliance with all applicable federal, California, and local laws and regulations, including applicable anti-discrimination and anti-harassment laws, and to give all notices required by any such law or regulation. Consultant also shall possess, maintain and comply with all federal, state and local permits, licenses, certificates, and approvals that may be required for it to perform the Work. In accordance with California Code of Regulations Title 13, section 2022.1(g), Consultant shall comply with all federal, state and local air pollution control laws and regulations applicable to the Consultant and its Work.

b. To the extent applicable to the Work, Consultant shall be solely responsible for all safety of the Work and workers under its direction and control during the performance of the Work. The requirements of this subsection 8.b shall apply continuously and not be limited to normal working hours. Consultant shall comply with all federal, state and local safety laws, regulations, ordinances, and codes applicable to the Work. All labor, materials and supplies employed by Consultant on the Work shall be in strict accordance with all applicable State, Federal and local laws, rules, regulations, and codes. Consultant shall carefully instruct all personnel working in potentially hazardous work areas as to potential dangers and shall provide such necessary safety equipment and instruction as is necessary to prevent injury to personnel and damage to property. If applicable to the Work under this Agreement, Consultant shall have at least the following safety programs in place: (i) an Injury/Illness Prevention Program that complies with the requirements of Section 3203 of Title 8 of the California Code of Regulations; (ii) a written Hazard Communication Program that complies with the requirements of Section 5194 of Title 8 of the California Code of Regulations, including the requirements of 8 C.C.R. section 5194(e) and Proposition 65; and (iii) a Confined Space Entry Program that complies with the requirements of Sections 5156-5158 of Title 8 of the California Code of Regulations. Nothing in this subsection 8.b is intended to limit Consultant’s obligations and liability for complying with any applicable federal or state safety laws, regulations, ordinances, and codes not specifically enumerated or mentioned herein.

c. Consultant may perform some of the Work pursuant to funding provided to Agency by various federal and/or state grant and/or loan agreement(s) that impose certain funding conditions on Agency and sub-recipients (the “Funding Conditions”). For any such Work, if Agency informs Consultant about the Funding Conditions, then Consultant shall comply with and be subject to the Funding Conditions that apply to Agency’s contractors and consultants performing the Work, including, but not limited to, provisions concerning record keeping, retention, and inspection, audits, state or federal government’s right to inspect Consultant’s work, nondiscrimination, workers’
compensation insurance, drug-free workplace certification, and, compliance with the Americans with Disabilities Act and related State laws.

9. **Confidentiality of Documents and Information.** Consultant shall keep in strict confidence all Work Product and other documents and information provided to, shared with or created by Consultant in connection with the performance of the Work under this Agreement or during its time as Agency consultant (collectively "Information"). Consultant shall not use any Information for any purpose other than the performance of the Work under this Agreement, unless otherwise authorized in writing by Agency. Consultant shall not disclose any Information to any person or entity not connected with the performance of the Work under this Agreement, unless otherwise authorized in advance in writing by Agency.

10. **Professional Liability Insurance.** Consultant shall maintain professional liability insurance as shall protect against claims based on alleged errors or negligent acts or omissions which may arise from the Work or from Consultant's operations or performance under this Agreement, whether any such claim is made during or subsequent to the term of this Agreement, and whether such operations or performance be by Consultant or its employees, subcontractors, agents or anyone else employed by any of the foregoing. Coverage is to be endorsed to include contractual liability. The amount of this insurance shall not be less than $2,000,000 per claim. Said policy shall be continued in full force and effect during the term of this Agreement and for a period of five years following the completion of the Work. In the event of termination of said policy, new coverage shall be obtained for the required period to insure for the prior acts of Consultant during the course of performing services under the terms of this Agreement. Consultant shall provide to Agency a certificate of insurance on a form acceptable to the Agency indicating the deductible or self-retention amounts and the expiration date of said policy, and shall provide renewal certificates within 10 days after expiration of each policy term. Any deductible or self-insured retention must not exceed $50,000, unless authorized in writing by Agency prior to Consultant beginning the Work. The insurance is to be placed with insurers licensed to do business by and in good standing with the California Department of Insurance, with a current A.M. Best’s rating of A:VII or better unless otherwise approved in advance by Agency.

11. **General Insurance.**

   a. Consultant, at its sole cost and expense, shall procure and maintain for the duration of this Agreement the following types and limits of insurance:

<table>
<thead>
<tr>
<th>Type</th>
<th>Limits</th>
<th>Scope</th>
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<tbody>
<tr>
<td>Commercial General Liability</td>
<td>Not less than $1,000,000 per occurrence, or the full per occurrence limits of the policies available; whichever is greater, for general liability, blanket contractual liability, bodily injury, personal injury and property damage.</td>
<td>At least as broad as ISO Occurrence Form CG 0001.</td>
</tr>
<tr>
<td>Automobile Liability</td>
<td>Not less than $1,000,000 per accident for bodily injury, including death, and property damage.</td>
<td>At least as broad as ISO Business Auto Coverage Form CA 0001 (Code 1,</td>
</tr>
</tbody>
</table>
b. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the Work/location (with the ISO CG 2503, or ISO CG 2504, or insurer’s equivalent endorsement provided to Agency), or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.

c. The general liability and automobile liability policies will be endorsed to name Agency, and its directors, officers, employees, authorized volunteers, and agents, as additional insureds regarding liability arising out of this Agreement using an ISO endorsement form at least as broad as CG 2010 1185 or both CG 20 37 and CG 20 38 04 13 forms (if later revisions used) as respects: liability arising out of activities performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; and automobiles owned, leased, hired or borrowed by Consultant. The policies shall contain no special limitations on the scope of protection afforded to Agency, and its directors, officers, employees, authorized volunteers, and agents.

d. Any excess/umbrella liability policy maintained by Consultant shall be deemed to be applicable up to its full limits to any claim arising from or connected to the Work under this Agreement. The insurance certificate(s) that Consultant is required to provide to the Agency under this Section 11 shall show any excess/umbrella liability coverage carried by Consultant.

e. Each insurance policy will be endorsed to state that coverage will not be canceled, except after 30 days’ prior written notice to the Agency (10 days for non-payment of premium).

f. The workers’ compensation policy will be endorsed to include a waiver of subrogation against the Agency and its directors, officers, employees, authorized volunteers, and agents.

g. If Consultant’s firm owns no motor vehicles, Consultant agrees to obtain Business Automobile liability insurance in compliance with this Agreement should any motor vehicle be acquired during the term of this Agreement. Such Business Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (3-06 ed.) Code 1, any auto. Non-Owned and Hired Automobile liability insurance is waived if Consultant’s firm does not own any motor vehicles and such coverage is provided by a hired and non-owned auto endorsement to the Commercial General Liability policy described in Section 11(a), above.

h. Consultant’s coverage will be endorsed to be primary and apply separately to each insurer against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability, and Agency’s insurance or self-insurance, if any, will be excess and will not contribute with Consultant’s insurance (at least as broad as ISO endorsement CG 20 01).
i. Insurance is to be written on policy forms acceptable to Agency and be placed with insurers with a current A.M. Best’s rating of A:VII or better and that are admitted to do business and in good standing in California, unless otherwise acceptable upon notice to and approval by Agency. In the case of Workers’ Compensation and Employer’s Liability Insurance, coverage provided by the California State Compensation Insurance Fund is acceptable.

j. No later than its execution of this Agreement and then annually thereafter, Consultant will provide to Agency the following proofs of insurance: (a) certificate(s) of insurance evidencing all required coverages under this Section 11 on Acord Form 25 or insurer’s equivalent; and (b) additional insured endorsement(s), signed by an insurer representative evidencing the required coverages and endorsements required hereunder. Consultant may not commence the Work until Agency has approved all insurance coverages and documentation, unless otherwise agreed by Agency in writing. Agency reserves the right to review and reject any certificates or endorsements that are not in compliance with this Section 11 and to require Consultant to obtain the appropriate coverages and amendatory endorsements prior to starting the Work.

k. The requirements as to the types, limits, and Agency’s approval of insurance coverage to be maintained by the Consultant are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Consultant under this Agreement. In addition, in the event any change is made in the insurance carrier, policies or nature of coverage required under this Agreement, Consultant shall notify Agency prior to making such changes.

l. Consultant shall ensure that all required insurance coverages are maintained throughout the term of this Agreement. If any of the required coverages expire during the term of this Agreement, Consultant shall deliver renewal certificates and any required endorsements to Agency at least 10 days before the expiration date.

m. Consultant’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

n. Insurance deductibles or self-insured retentions must be declared by Consultant, and such deductibles and retentions shall be approved by Agency before Consultant commences the Work. At the election of Agency, Consultant shall either: (1) reduce or eliminate such deductibles or self-insured retentions; or (2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

o. Consultant shall, upon demand of Agency, deliver to Agency such policy or policies of insurance required under this Section 11 and the receipts for payment of premiums thereon.

12. **Indemnification.**

a. To the fullest extent permitted by law, Consultant shall immediately indemnify, defend (with counsel approved by Agency), protect, and hold harmless Agency, and its directors, officers, employees, authorized volunteers, and agents from and against any and all actions, judgments, legal or administrative proceedings, arbitrations, claims, demands, damages, liabilities, interest, and costs (including, without limitation, attorney’s, expert witness and consultant fees and expenses, fines, penalties, and litigation costs and expenses) of every nature (“claims” or “claim”), arising out of, pertaining to or in any way connected with the negligence, recklessness or willful misconduct of Consultant’s, or its employees’, agents’ or subcontractors’, negligence, recklessness or willful
misconduct arising out of or in any manner directly or indirectly connected with the Work to be performed under this Agreement, however caused, regardless of any negligence of Agency, or its directors, officers, employees, authorized volunteers, or agents (including passive negligence), except if caused by the sole negligence or willful misconduct or active negligence of Agency, or its directors, officers, employees, authorized volunteers, or agents, or as otherwise provided or limited by law.

b. Consultant’s obligations under this indemnification provision shall survive the completion of Work under, or the termination of, this Agreement. Submission of insurance certificates or submission of other proof of compliance with the insurance requirements in this Agreement does not relieve Consultant from liability under this provision. The obligations of this provision shall apply whether or not such insurance policies shall have been determined to be applicable to any claims.

c. By executing this Agreement, Consultant specifically acknowledges that: (1) the duty to defend provided in this indemnification provision is a separate and distinct obligation from Consultant’s duty to indemnify Agency; (2) Consultant shall defend Agency and other indemnified parties in any legal, equitable, administrative, or special proceedings asserting a claim covered by this indemnity, including any claims under the Americans with Disabilities Act or other federal or state disability access or discrimination laws; (3) Consultant shall pay and satisfy any judgment, award or decree that may be rendered against Agency, or its directors, officers, employees, authorized volunteers, or agents, in any and all suits, actions, or other legal or administrative proceedings asserting a claim covered by this indemnity and otherwise not barred by subsection (a) of this Section 12; and (4) Consultant shall reimburse Agency, or its directors, officers, employees, authorized volunteers, or agents, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

13. **Subcontractors.** No subcontract shall be awarded nor any subcontractor engaged by Consultant without Agency’s prior written approval. Consultant shall be responsible for requiring and confirming that each approved subcontractor meets the minimum insurance requirements specified in Sections 10 and 11 of this Agreement. Any approved subcontractor shall be covered by Consultant’s insurance in accordance with the insurance requirements of Sections 10 and 11 of this Agreement or such subcontractor shall obtain the required insurance coverages and provide proof of same to Agency in the manner provided in Section 11 of this Agreement.

14. **Independent Contractor.** It is expressly understood and agreed by the parties that Consultant’s relationship to Agency is that of an independent contractor. All persons hired by Consultant and performing the Work shall be Consultant’s employees or agents. Consultant and its officers, employees, subcontractors, and agents are not Agency employees, and they are not entitled to Agency employment salary, wages or benefits. Consultant shall pay, and Agency shall not be responsible in any way for, the salary, wages, workers’ compensation, unemployment insurance, disability insurance, tax withholding, and benefits to and on behalf of Consultant’s employees. Consultant shall, to the fullest extent permitted by law, indemnify Agency, and its directors, officers, employees, authorized volunteers, and agents, from and against any and all liability, penalties, expenses and costs resulting from any adverse determination by the United States Internal Revenue Service, California Franchise Tax Board or other federal or state agency concerning Consultant’s independent contractor status.

15. **Entire Agreement.** This Agreement and the attached exhibits represent the sole, final, complete, exclusive, and integrated expression and statement of the terms of the agreement between
Agency and Consultant concerning the Work. There are no written or oral agreements, conditions, representations, warranties, or promises with respect to the subject matter of this Agreement except those contained in or referred to in this writing. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties to this Agreement.

16. **Successors and Assignment.** This Agreement shall be binding on, and inure to the benefit of, the heirs, successors, and assigns of the parties. However, Consultant agrees that it will not subcontract, assign, transfer, convey, or otherwise dispose of this Agreement or any part thereof, or its rights, title or interest therein, or its power to execute the same without the prior written consent of Agency, which shall be given or refused in the Agency’s sole discretion.

17. **Severability.** If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, provided that each party still receives the benefits of this Agreement.

18. **No Waiver of Rights.** Any waiver at any time by either Agency or Consultant of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default. No payment by Agency to Consultant shall be considered or construed to be an approval or acceptance of any Work or a waiver of any breach or default.

19. **Interpretation.** Agency and Consultant each had the opportunity to consult independent counsel in the negotiation and execution of this Agreement. For the purposes of interpretation of this Agreement, neither party will be deemed to have been its drafter.

20. **Governing Law and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California. The state superior or federal Agency court where Agency’s office is located shall be venue for any litigation concerning the enforcement or construction of this Agreement.

21. **Notices.** Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be deemed to be properly given if delivered, mailed or sent by facsimile or e-mail in the manner provided in this Section 21, to the following persons:

**Agency:**

Amador Water Agency  
Attn: Erik M. Christeson  
12800 Ridge Road  
Sutter Creek, CA 95685  
Fax: (209) 257-5281  
E-mail: echristeson@amadorwater.org

**Consultant:**

Peterson Brustad Inc.  
Attn: Karl Brustad  
1180 Iron Point Rd, Suite 260  
Folsom, CA 95630  
Fax: (916) 608-2232  
E-mail: kbrustad@pbieng.com

If sent by mail, any notice, delivery or other communication will be effective or deemed to have been given three days after it has been deposited in the United States mail, with postage prepaid, and addressed as set forth above. If sent by facsimile or e-mail, any notice, delivery or other communication will be deemed to have been given only after it has been confirmed in writing as received. If delivered personally or by commercial overnight delivery service, any such notice,
delivery or other communication will be deemed to have been given on the date of delivery. Either party may change that party's address or designated representative by giving written notice of the change to the other party in the manner provided in this Section 21.

22. **Labor Code Requirements** The following provisions apply to all categories of pre-construction and construction services performed by Consultant, such as design, inspection and land surveying work, which are subject to Labor Code sections 1720 and 1770, et seq. and maintenance work as defined under section 16000 of Title 8 of the California Code of Regulations ("Prevailing Wage Work"). If Consultant is unsure as to the applicability of these sections, Agency recommends that Consultant consult with its attorney or contact the Department of Industrial Relations ("DIR") for clarification. If Consultant performs Prevailing Wage Work under this Agreement, then Consultant agrees that it will comply with the following provisions:

a. **Prevailing Wages.** The prevailing rates of per diem wages shall be those determined by the DIR. If the prevailing wage for a category of work subject to the State prevailing wage laws has not been established by the DIR, the Consultant should obtain such a determination from the DIR.

Consultant agrees to pay all workers performing Prevailing Wage Work not less than the general prevailing rate of per diem wages for work of a similar character in the locality of the Agency, and not less than the general rate of per diem wages for holiday and overtime work, as established pursuant to the California Labor Code and regulations and orders issued thereunder. A copy of the applicable prevailing rate of per diem wages is available to any interested person at the administrative offices of the Agency or from the DIR. Consultant shall obtain and post a copy of such prevailing wage rates at the job site. Consultant also shall comply with the provisions of California Labor Code sections 1771, and 1774-1775, including but not limited to provisions which require the Consultant to (a) forfeit as a penalty to the Agency not more than $200 for each calendar day or portion thereof for each worker (whether employed by Consultant or any subcontractor) paid less than the applicable prevailing wage rates for any Prevailing Wage Work done under this Agreement in violation of the provisions of the California Labor Code; and (b) pay each such worker the difference between the prevailing wage rate and the amount paid to each such worker for each calendar day or portion thereof for which said worker was paid less than the prevailing rate.

The Agency will not recognize any claims for additional compensation because of the payment of the wages set forth in the Agreement. The possibility of wage increases is one of the elements to be considered by the Consultant in determining its compensation, and will not under any circumstances be considered as the basis of a claim against the Agency.

b. **Eight-Hours Day Limitation.** Consultant agrees that 8 hours labor shall constitute a day's work, and that no worker in the employ of the Consultant or any subcontractor doing or contracting to perform Prevailing Wage Work shall work more than 8 hours in any one calendar day and 40 hours in any one calendar week; provided that subject to California Labor Code section 1815, a worker may perform Prevailing Wage Work in excess of 8 hours per day or 40 hours per week at not less than one and one-half times the basic rate of pay.

Except as provided above for overtime, Consultant shall forfeit as a penalty to the Agency the sum of $25 for each worker employed in the execution of this Agreement by it or by any subcontractor under it and performing Prevailing Wage Work for each calendar day during which such worker is required or permitted to work more than 8 hours in any one day and 40 hours in any one calendar week in violation of California Labor Code sections 1810 through 1815.
c. **Payroll Records.** Consultant and each subcontractor shall keep an accurate payroll record showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyperson, apprentice, worker or other employee employed in connection with Prevailing Wage Work, and shall make such payroll records available for inspection, in accordance with the requirements of California Labor Code section 1776. Consultant shall be responsible to ensure compliance with section 1776, whose provisions are incorporated herein by this reference.

d. **Employment of Apprentices.** Consultant shall comply with, and take such actions as necessary to effectuate, the employment of apprentices requirements as set forth in California Labor Code sections 1777.5, 1777.6 and 1777.7 in connection with Prevailing Wage Work.

IN WITNESS WHEREOF, the parties execute this Agreement on the day and year first above written.

AMADOR WATER AGENCY:

**By:**

Gene Mancebo  
General Manager

PETEerson BRUStAD INC.

**By:**

Karl Brustad  
Principal
October 5, 2016

Mr. Erik Christeson
Amador Water Agency
12800 Ridge Road
Sutter Creek, CA 95685

Subject: Proposal to Provide Construction Management Services for the Buckhorn Disinfection Byproducts / Backwash Disposal Project (JC#60081)

Dear Erik:

We are pleased to provide Amador Water Agency (AWA) with this proposal to provide construction management services for the Buckhorn Disinfection Byproducts / Backwash Disposal Project. PBI is extremely familiar with the project and is currently in the process of finalizing the design documents. Our team of engineers has provided similar construction management services for many of our prior design projects including PCWA’s Electric Street Tank, PCWA’s Bowman WTP Backwash Recovery Project, Cal Am’s Walerga Tank and Pump Station along with several other similar projects.

Our team of engineers who supported the design effort will also be used to support the construction management services; Karl Brustad – Construction Manager/Project Manager, Dave Murbach, Senior Engineer, Ashley Martin and Ryan Dunn Staff Engineers. We will supplement our team of engineers with a seasoned inspector, Pat Popejoy or Fred Jackson depending on availability and timing of the project (resumes attached).

We will utilize our construction management manual and associated forms to document construction management services provided throughout the duration of the project.

This proposal includes engineering services to perform the following tasks:

**Engineering Services during Bidding & Construction.** Engineering services during bidding and construction include preparation of addenda, attendance at pre-bid conference, response to requests for information, review of submittals, and preparation of change orders as described below.

**Preparation of Addenda** – PBI will coordinate and attend the pre-bid meeting, respond to questions from prospective contractors and prepare one addenda of the bid documents during the bidding phase.

**RFI Coordination** – PBI will receive RFI’s from the Contractor in writing. PBI will review and provide a response prior to forwarding RFI’s to AWA Staff for input. PBI will consolidate comments received and provide
information to the Contractor. PBI will maintain an RFI log and submit copies on a bi-weekly basis. We assume up to 15 RFI’s will be reviewed.

Submittal Coordination – PBI will receive submittals from the Contractor, perform a technical review and forward to AWA staff for input. PBI will consolidate comments received and return submittals to Contractor. PBI will maintain a submittal log and will submit copies to AWA on a bi-weekly basis. We assume up to 50 submittals will be reviewed.

Change Orders – PBI will receive change order requests from the Contractor, perform review of merit of request, and provide cost estimate review. PBI will provide a written recommendation regarding the merit and amount of the request to AWA for review and approval. We assume up to 5 change order requests will be reviewed.

Progress Payment – PBI will review monthly progress payments submitted by the Contractor and forward payment recommendation to AWA.

Budget/Schedule Management – PBI will continually monitor the Contractor’s progress in relation to the contract budget and schedule. If any conflicts are identified, PBI will request a recovery plan from the Contractor.

Construction Progress Review Meetings – PBI will coordinate and attend construction progress review meetings with the Contractor. It is assumed that these meetings will occur on a bi-weekly basis and if appropriate they can be increased in frequency as necessary. We assume up to 12 progress meetings will be held with the Contractor and AWA. Meeting agendas and minutes will be prepared for all bi-weekly meetings.

Final Acceptance/Project Closeout – PBI will develop a final punch list upon substantial completion notification. A final inspection will be conducted to confirm all punch list items were completed. PBI will assemble project close-out documentation and submit to AWA.

On-Site Inspection Services. PBI will provide full-time on-site inspection services. We are proposing Pat Popejoy or Fred Jackson as our on-site inspector. We will comply with current prevailing wage requirements for on-site inspection services. Our on-site inspector rate of $105/hour includes travel and mileage to and from the site. Therefore, AWA will only pay the hourly rate for on-site inspection. Mileage for travel during the normal course of business while the inspector is on site will be charged at the current federal rate; example, travel to and from AWA’s office from the project site.

We will develop daily inspection reports for each day on-site and submit reports on a daily basis. We can utilize PBI’s standard daily inspection reports or another report format as desired by AWA. Our daily reports will include several pictures documenting the activities observed.

Project Assumptions:

PETE RSON . BRUST AD . INC .
- Materials testing and Surveying not included
- Substantial completion within 6 months of NTP
- Full-time inspection services based on 8 hours per day/40 hours per week for a duration of 24 weeks
- O&M manual and As-Built drawings will be developed by Contractor
- Construction Manager will be on-site every other week to attend the bi-weekly construction progress review meetings

The fee for these services is detailed in the attached work effort spreadsheet. Services will be provided on a time and materials basis.

If you have any questions or desire any further information, please do not hesitate to contact me at (916) 608-2212 x 113.

Sincerely,

[Signature]

Karl Brustad, PE, MBA
Principal

Attachments:
- Pat Popejoy Resume
- Fred Jackson Resume
- Work Effort Spreadsheet
### Estimated Work Effort and Cost

**AWA Buckhorn WTP Backwash Recovery**

<table>
<thead>
<tr>
<th>Task No</th>
<th>Task Description</th>
<th>Construction Manager/Architect</th>
<th>Resident Engineer/Executive Engineer</th>
<th>Staff Engineer 1</th>
<th>Construction Inspector 2</th>
<th>Admin 3</th>
<th>PBI Labor Hours</th>
<th>Total PBI</th>
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<td>$376</td>
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<td>General Construction Management (Progress Payment Review, Budget and Schedule Management, etc.)</td>
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<td>6</td>
<td>12</td>
<td>4</td>
<td>30</td>
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<td>$362</td>
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<td>Construction Progress Review Meetings - up to 12</td>
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<td>12</td>
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<td>$4,160</td>
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### Table 1: Task 1: Construction Management Services

<table>
<thead>
<tr>
<th>Task No</th>
<th>Task Description</th>
<th>Construction Manager/Architect</th>
<th>Resident Engineer/Executive Engineer</th>
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<td>Roy  $388.00</td>
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<td>2.1</td>
<td>On-Site Inspector (24 weeks at $65/hr)</td>
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<td>24</td>
<td>594</td>
<td>$102,312</td>
<td>$5,145</td>
<td>$107,457</td>
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<td>$5,145</td>
<td>$107,457</td>
<td></td>
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</tbody>
</table>

| Task 2: Subtotal | 0 | 0 | 0 | 960 | 24 | 594 | $102,312 | $5,145 | $107,457 |

| COLUMN TOTALS | 54 | 117 | 105 | 960 | 18 | 1,304 | $154,409 | $9,029 | $163,438 |

10/01/2016

Patterson Reklaw Inc.
STAFF REPORT

Ione WTP Upgrade Project – Taste & Odor Design

Requested Action:

Approve and authorize the General Manager to execute Amendment No. 3 for $20,177.00 to the January 2014 Contract with Peterson Brustad, Inc. ('PBI') for additional design activities to address the recurrent taste and odor issues within the Ione service area on the Ione Water Treatment Plant Upgrade Project ('Project').

Background:

In July 2016, customers with the Ione service area experienced taste and odor issues with the potable water provided by the Agency. Although this issue presented no health concerns, it is a recurrent problem and Staff decided it would be prudent to address it as part of the on-going Project. The primary reason for addressing the issue now is the economy of scale achieved by incorporating this design and construction into a larger project.

In August 2016, Staff solicited a proposal from PBI, who is already performing the Project design, to conduct a Taste & Odor Feasibility Study which would have investigated potential solutions at both the Ione Reservoir and Ione WTP. This proposal was presented to the Engineering Committee the same month. After much discussion, the Committee and Staff agreed it would be better to instead solicit a proposal from PBI to proceed straight to design at the Ione WTP in order to forego the expense and delays of a study and to satisfy the ultimate operational goals by consolidating operational efforts at the Ione WTP.

A revised proposal was requested from PBI, was received in October (see attached) and was presented to the Committee the same month. The Committee and Staff concurred with bringing this Amendment No. 3 before the Board for approval.

Alternatives:

- Perform the original Feasibility Study as solicited for $9,759.00 followed by design.
- Forego both the Study and Design until a later date.
- Forego both the Study and Design and again attempt operational changes at Ione Reservoir.
Fiscal Impact:

(1) Amendment No. 3 for $20,177.00

(2) Associated construction costs when the Project ultimately proceeds to construction. Construction is not anticipated this FY. The decision on whether to proceed to construction will likely be part of the FY 2017/2018 Capital Projects discussion by the Board.

Reviewed by Committee:

Yes, Engineering Committee.

Recommendation:

That the Board authorizes the General Manager to execute Amendment No. 3 for $20,177.00 to the January 2014 Contract with Peterson Brustad, Inc. ('PBI') for additional design activities to address the recurrent taste and odor issues within the lone service area on the lone Water Treatment Plant Upgrade Project ('Project').

Engineering / Construction Analysis Prepared by:

Erik M. Christeson, P.E.
AMENDMENT NO. 3
TO CONSULTANT AGREEMENT
BETWEEN THE AMADOR WATER AGENCY
AND
PETERSON BRUSTAD, INC.
FOR
IONE WATER TREATEMENT PLANT UPGRADE PROJECT

THIS AMENDMENT No. 3 is made this ____ day of ____________, 2016 in Amador County, California, by and between the Amador Water Agency, a public entity created by special act of the Legislature of the State of California ("Water Agency"), and Peterson Brustad, Inc. ("Consultant") to the Ione Water Treatment Plant ("WTP") Upgrade Project Agreement, dated January 2014, for consultant design services, between the parties regarding the Ione WTP Upgrade Project ("Project");

WITNESSETH:

WHEREAS, during January 2014, the Water Agency and Consultant entered into an Agreement ("Agreement") whereby Consultant agreed to perform engineering design services for the Project, which services were described in Exhibit A to the Agreement; and

WHEREAS, paragraph 1 of the Agreement further provides that the Consultant shall perform the work identified in the Scope of Work provided in Exhibit A to the Agreement and

WHEREAS, paragraph 2 of the Agreement provides that the total cost of the services, as described in paragraph 1, shall not exceed the total cost of $130,751.00 as set forth in Exhibit B to the Agreement and

WHEREAS, on March 30, 2015, the Water Agency and Consultant entered into Amendment No. 1 whereby Consultant agreed to perform additional engineering services in connection with Project, which services were described in the Agreement. The compensation was increased by $77,179.00, based on the Schedule of Charges, for an amended total compensation not to exceed $207,930.00; and

WHEREAS, on April 24, 2015, the Water Agency and Consultant entered into Amendment No. 2 whereby Consultant agreed to perform additional engineering services in connection with Project, which services were described in the Agreement. The
compensation was increased by $6,927.00, based on the Schedule of Charges, for an amended total compensation not to exceed $214,857.00; and

WHEREAS, the Water Agency and Consultant now desire to further amend the scope of work and compensation.

NOW, THEREFORE, the parties hereto agree to amend the Agreement as follows:

1. **Additional Work**
The Consultant shall perform the additional engineering services to support the Project. All services and work as described in Exhibit A, attached hereto and incorporated herein by this reference, shall be performed as described in paragraph 1, as per the original Agreement and when requested in writing by the Agency.

2. **Changes in Compensation**
The compensation shall be increased by $20,177.00, based on the Schedule of Charges, Exhibit B, attached hereto and incorporated herein by this reference, for an amended total compensation not to exceed $235,034.00.

3. **Incorporation by Reference**
Except as specifically provided herein, the Consultant Agreement shall remain in full force and effect and its terms are incorporated herein by this reference.

IN WITNESS WHEREOF, the parties execute this Amendment No. 3 to the Agreement on the day and year first above written.

**AMADOR WATER AGENCY**

By: __________________________

Gene Mancebo, General Manager

**PETERTSON BRUSTAD, INC.**

By: __________________________

Karl Brustad, Principal
October 4, 2016

Erik M. Christeson
Amador Water Agency
12800 Ridge Road
Sutter Creek, CA 95685

Subject: Proposal for Chemical Feed Design for the Ione Water Treatment Plant Expansion Project

Dear Erik:

Please consider this proposal for providing the requested additional design services for a liquid chemical feed system. We understand the water supply source from the Ione Reservoir includes a mixing system that periodically fails, allowing hypolimnion breakthrough. The Amador Water Agency (AWA) desires to include chemical treatment for tastes and odors in the current water treatment plant upgrade. This proposal is to address the changes in scope of work and design fees regarding the Ione WTP expansion project.

The design will be amended to include the following components:

- Chemical Drum Storage
- Chemical Feed Piping
- Chemical Feed Pumps
- Flow-Paced Process Controls

The following sheets will be added to the 90% and final design of the project:

1. Chemical System Plan (Civil)
2. Chemical System Details and Sections (Civil)
3. Building Electrical Plan (Electrical)
4. Potassium Permanganate System P&ID (Instrumentation)

The project specifications will be modified to include the additional metering pump, drum scale and control description.

Our proposed fee for this additional design is detailed in the Estimated Work Effort and Cost Sheet attached.

We look forward to assisting you with this project. Please call me if you have any questions or would like additional information (916) 608-2212 x 113.

Sincerely,

Karl Brustad, PE, MBA
Principal

Attachments:
   Table 1 – Estimated Work Effort and Cost
   PBI Standard Rate Sheet – 2016
# Estimated Work Effort and Cost

Amador Water Agency - Ione WTP Chemical Feed Design

| Task No. | Task Description                      | Principal / Project Manager | Senior Engineer 2 | Staff Engineer 2 | Technician 2 | Administrative 3 | PBI Labor | Total PBI Labor ($) | ATEEM Engineering | PBI Expenses ($) | Total Cost ($) |
|----------|----------------------------------------|-----------------------------|-------------------|------------------|--------------|------------------|-----------|---------------------|-------------------|----------------|----------------|----------------|
| T1.1     | 1.1 Final Construction Plans & Specifications | 4                           | 12                | 32               | 24           | 4                | 76        | $9,839              | $9,300            | $993           | $20,177        |
|          | Subtotal Task 4                         | 6                           | 12                | 32               | 24           | 4                | 76        | $9,839              | $9,300            | $993           | $20,177        |
|          | COLUMN TOTALS                           | 6                           | 12                | 32               | 24           | 4                | 76        | $9,839              | $9,300            | $993           | $20,177        |

**TOTAL COST** $20,177
# 2016 STANDARD RATE SCHEDULE *

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<td>A1</td>
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**Expenses**
- At cost plus 10% for outside printing, plotting, copying, travel, subconsultants, and outside services and charges
- At 5% of Labor for in-house expenses including telephone, computer, and incidental copying and printing
- Auto mileage per current Federal Rates

* Rates will be modified January 1 of each year.
State Water Board Releases Draft Flow Objectives for San Joaquin River; Salinity Objectives for the Southern Delta

Requested Action:
Discussion and possible action regarding the media release.

Background:
The attached media release from the State Water Board indicates that "Currently, flows left in some of these tributaries after human diversions are frequently less than 20% of the natural, or unimpaired flow." The release goes on to say "The State Water Board’s 2010 flow criteria report concluded that 60% of unimpaired flow should be left in the river for the benefit of fish species if balancing other uses were not considered. After balancing other uses of water, the staff proposal recommends a range of between 30 and 50 percent of the unimpaired flow, with a starting point of 40%.” The staff proposal also includes a recommendation to revise salinity objectives in the southern Delta.

The Water Agency needs to monitor the implementation measures to meet this proposed objective and the potential impacts on water diversions on the Mokelumne River as a tributary to the San Joaquin River and southern Delta.

Alternatives: There are no alternatives recommended

Fiscal Impact: None

Reviewed by Committee: No

Recommendation: Discussion and possible action regarding the media release.

Prepared by: Gene Mancebo, General Manager
State Water Board Releases Draft Flow Objectives for San Joaquin River; Salinity Objectives for the Southern Delta

For Immediate Release: Sept. 15, 2016

Sacramento – The State Water Resources Control Board (State Water Board) staff today released a draft proposal to update water quality requirements for salinity in the southern Delta and water flows in major tributaries to the San Joaquin River (the Stanislaus, Tuolumne, and Merced Rivers), which drain into the southern Delta.

The refined salinity requirements reflect updated scientific information about salt levels that reasonably protect farming in the southern Delta. The new flow requirements for the San Joaquin River’s major tributaries recognize the vital role upstream water flows provide for habitat and migratory signals for native fish species. In summary, the draft proposes increasing flows for fish and wildlife and adjusts the salinity requirements to a slightly higher level to reflect updated scientific knowledge.

The Bay-Delta Plan lays out water quality protections to ensure that various water uses – drinking, irrigation, fisheries – are protected. In establishing these objectives, the State Water Board must consider all beneficial uses of water in determining how to reasonably protect any particular use, and must balance those interests.

Accompanying the proposed Bay-Delta Plan update is a comprehensive staff report, known as a Substitute Environmental Document (SED). The SED analyzes the impacts, benefits, and costs of the proposed revisions.

The San Joaquin River is a key part of the Bay-Delta system. Flow objectives on the San Joaquin River have not been updated since 1995. Since that time salmon and steelhead, including those that spawn and rear in the San Joaquin’s tributaries and migrate through the Delta to the Pacific Ocean, have steeply declined.

Scientific studies show that flow is a major factor in the survival of fish like salmon. The proposed flow objective for the Lower San Joaquin River and its tributaries is designed to reasonably protect at-risk native fish species by leaving more water in the rivers during the critical February through June time period.
Currently, flows left in some of these tributaries after human diversions are frequently less than 20 percent of natural, or unimpaired, flow. Unimpaired flow is a measure of the total amount of water that would flow down a river if it was not diverted or stored in a reservoir. The State Water Board's 2010 flow criteria report concluded that 60 percent of unimpaired flow should be left in the river for the benefit of fish species if balancing other uses were not considered.

After balancing other uses of water, the staff proposal recommends a range of between 30 and 50 percent of unimpaired flow, with a starting point of 40 percent. The State Water Board's staff analysis shows that this range will provide reasonable protection of fish and wildlife while moderating impacts to water supply for agriculture, drinking water and other uses. The proposal recognizes that although flow levels are unsustainably low at significant times on the tributaries, flow level is not the only factor affecting fish survival, and that a number of other factors degrade conditions for native fish, such as non-native species, predation, high water temperatures, barriers to fish passage, and habitat loss.

The State Water Board recognizes that water agencies and others can take actions to improve habitat and take other non-flow actions to help reasonably protect native fish. The proposal is designed with the flexibility to allow cooperative actions to make flows more functionally useful and to increase habitat, meet optimal temperatures, or cue fish migration.

Stakeholders are encouraged to work together to present the State Water Board with voluntary agreements that would implement Bay-Delta Plan objectives for fish and wildlife beneficial uses. Voluntary agreements to implement non-flow actions that improve conditions for fish and wildlife may reduce flows needed within the 30 to 50 percent range.

The staff proposal also includes a recommendation to revise salinity objectives in the southern Delta. High concentrations of salt in irrigation water can reduce crop yields. However, studies of the most salt-sensitive crops grown in the southern Delta show that the existing April through August salinity objective is lower than what is needed to reasonably protect agriculture.

Salinity is typically measured in units of decSiemens per meter (dS/m), a measure of electrical conductivity. The salinity objective would change from the current objective that varies between 0.7 dS/m in the April through August time period and 1.0 dS/m September through March, to a year-round objective of 1.0 dS/m.

The new objective, coupled with the continuation or improvement of management actions to respond to salinity, such as the maintenance of adequate water levels and requirements on federal and state water project operations, in conjunction with increased San Joaquin River flows, would provide the same or better conditions for agricultural uses in the southern Delta as currently exist.

Public involvement in shaping this decision is important to the State Water Board. The draft Bay-Delta Plan amendments and Substitute Environmental Document were released today and can be accessed on the State Water Board's web site as well as at various public libraries.
Comments on the draft SED are due on Nov. 15 of this year. A public hearing will be held over three days beginning on Nov. 2 in Sacramento, continuing Nov. 4 in the Modesto area, and concluding Nov. 10 in Sacramento. The State Water Board will then hold an additional public meeting to consider the proposed Bay-Delta Plan amendments in early 2017.

The State Water Board is in the midst of a four-phase process of developing and implementing updates to the Bay-Delta Plan and flow objectives for priority tributaries to the Delta to protect beneficial uses in the Bay-Delta Watershed. This phase (Phase I) proposes amendments to the Bay-Delta Plan involving the Lower San Joaquin River flow objectives and southern Delta salinity objectives.

In a separate process, referred to as Phase II, the State Water Board is reviewing and considering updates to other elements of the Bay-Delta Plan, including Delta outflows, Sacramento and tributary inflows (other than the San Joaquin River inflows), Suisun Marsh salinity, Delta Cross Channel Gate closure, export limits, and reverse flows in Old and Middle River. In Phase III, the State Water Board will implement changes to the Bay-Delta Plan from Phases I and II through water right actions. Phase IV focuses on the development and implementation of flows in the Sacramento River watershed to address tributary-specific public trust needs, with consideration for other beneficial uses of water, and will be integrated with the Phase II effort. A draft scientific basis report for the Phase II proceeding will be issued in the next few weeks with proposed amendments to the plan to come next year.

For more information on the draft SED and Phase 1 of the Bay-Delta Water Quality Plan update, visit [here](#). To read a high level fact sheet, visit [here](#). To read a high level 8-page summary of the Bay Delta Update Phase One executive summary, visit [here](#).

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several additional opportunities for public participation and comment as the planning process moves forward.

The State Water Board also encourages the ongoing efforts of various stakeholders to develop voluntary agreements that would implement updated Bay-Delta Plan objectives. Early voluntary agreements on both phases of the plan can help inform and expedite environmental review and implementation of the water quality objectives and provide durable solutions in the Delta watershed.

A web page with information on the Bay-Delta Plan update can be found here: http://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/

Details on the draft Phase 1 update proposal and how to comment are here: http://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/bay_delta_plan/water_quality_control_planning/index.shtml

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STAFF REPORT

California Disaster Assistance Act Funding for Tree Mortality

Requested Action:

Authorization to staff to apply for funding through California’s Office of Emergency Services (Cal OES) and the California Disaster Assistance Act (CDAA) in order to remove dead trees killed by drought that threaten Agency infrastructure.

Background:

On October 30th, 2015 Governor Brown declared a State of Emergency to expedite the removal and disposal of the estimated 29 million dead and dying hazardous trees killed by bark beetles as a result of the drought. This proclamation provides the Amador Water Agency with the opportunity to apply for funding through CAL OES and the CDAA to identify, remove, store, and dispose of, trees the Agency has identified as potentially harmful to critical infrastructure such as water storage tanks, pump stations, the open canal, etc. The State share shall not exceed 75% of total eligible costs. Therefore, the Agency will be responsible for a 25% cost share. The Agency will also receive a 10% Administrative Allowance on top of the 75% of reimbursed costs.

Much of the Agency’s service area, but particularly the Central Amador Water (CAWP) system lie within the Wildland-Urban Interface (WUI) zone. This is where homes, businesses, and public infrastructure mix with the naturally occurring vegetation of the landscape. Tree mortality is not only a concern from the perspective of falling trees damaging infrastructure, but also from a wildfire risk perspective, particularly in the WUI. It is important that this increased fuel load brought about by tree mortality is mitigated in as timely a manner as possible to reduce this risk as well.

The Tree Mortality Core Planning Group of Amador County (Core Planning Group) has estimated the average tree removal cost at $1,200 per tree. It is a known fact that Tree Mortality will be an on-going problem for some time, therefore the Core Planning Group also developed a peaking factor of 35%.
current volume of dead trees identified by the Agency is 317. A peaking factor of 35% increases this number to 428. Through the current estimation of dead trees, and the estimated cost per removal, staff estimates the total cost of the project to be $513,600 equating to an Agency 25% cost share of $128,400. This cost share amount is un-budgeted. Applying for, and being awarded this grant does not require that the Agency execute it. Nor are there minimum or maximum spending requirements. Once the project is approved for funding it is reimbursed 75% of the project cost as costs are submitted. This flexibility will allow the Agency to incorporate these grant funds (estimated at $385K) with an additional recently applied for $200K grant from CAL-Fire (should we be awarded) to optimize hazard tree removal.

**Alternatives:**

Do not apply for this assistance and rely on Agency staff, and a potential $200K grant award to remove as many hazard trees as possible.

**Fiscal Impact:**

Could depend on the amount of trees removed, but currently estimated at $128,400.

**Reviewed by Committee:**

Yes, Engineering Committee

**Recommendation:**

Authorization to staff to apply for funding through Cal OES and the CDAA in order to remove dead trees killed by drought that threaten Agency Infrastructure.

**Prepared by:**

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