

AMADOR WATER AGENCY

Board of Directors

Regular Meeting

12800 Ridge Road, Sutter Creek, CA 95685

April 22, 2021

9:00 a.m.

BOARD OF DIRECTORS

Susan Peters, President	District 4
Gary Thomas, Vice President	District 2
Richard Farrington, Director	District 3
Paul Molinelli, Jr., Director	District 1
Randy Livingston, Director	District 5

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

The Board President may take items out of order to accommodate the public or to promote the order of the meeting.

In order to accommodate the social distancing practices required to reduce the risk of spreading COVID-19 and provide for the safety of the public, our employees and Board of Directors, the Agency will conduct its public meetings via teleconference until further notice.

This meeting will be recorded

1. OPEN SESSION WILL BE CALLED AT 9:00 a.m.

The Board President will call for public comment on each agenda item at the appropriate time to ensure that the public may be heard and all votes by the Board will be taken by roll call.

Members of the public who wish to participate in the meeting may do so by using the information below:

Join Zoom Meeting

<https://us05web.zoom.us/j/82913990312>

Meeting ID: 829 1399 0312

Dial by your location

833 548 0276 US Toll-free

833 548 0282 US Toll-free

877 853 5247 US Toll-free

888 788 0099 US Toll-free

Meeting ID: 829 1399 0312

2. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

3. ADDITIONS TO AGENDA

- A. Items added to the agenda must be approved by the Board pursuant to Government Code Section 54954.2

4. PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA

Any person may address the Board at this time upon any subject within the jurisdiction of Amador Water Agency; however, no action may be taken on matters not on this agenda. 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

5. 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).

6. SAFETY TOPIC

7. AGENCY GENERAL

A. Jackson Valley Irrigation District Water Purchase Request

Consider JVID's request for an agreement to allow it to purchase up to 5,000 acre-feet of raw water as an emergency supply for the 2021 season.

B. Rate Study

Raftelis will provide information for the Board to discuss regarding the development of recommended water and wastewater rates.

8. GENERAL MANAGER REPORT

- 9. 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.

Watershed & Regional Collaboration (4/9/2021)
Budget & Finance Committee (4/14/2021)

- 10. FUTURE AGENDA TOPICS-** This item is to provide the Board Members an opportunity to request items to be placed on future agendas.

11. CLOSED SESSION

A. Conference with Agency's real property negotiator, Larry McKenney, regarding negotiating the price and terms of the purchase, sale, lease or exchange of real property designated as Amador County APN 033-800-021 with Ciro Toma. Government Code Sections 54954.5(b) and 54956.8.

12. ADJOURNMENT - the adjournment time for this meeting is 12:00 p.m. or earlier.

**AMADOR WATER AGENCY
CONSENT AGENDA
April 22, 2021**

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 April 8, 2021
- B. Approval of minutes of the Special Board Meeting of April 12, 2021
- C. Approval of minutes of the Special Board Meeting of April 15, 2021

Upcoming Meetings:

April 27, 2021 – Outreach & Legislation Committee

May 5, 2021 – Planning Operations Engineering Committee

May 12, 2021 – Budget & Finance Committee

May 13, 2021 – Regular Board Meeting

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 Karen Gish 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 on the Agency's website at www.amadorwater.org

**AMADOR WATER AGENCY
Board of Directors
Regular Meeting**

April 8, 2021

MINUTES

In order to accommodate the social distancing practices required to reduce the risk of spreading COVID-19 and provide for the safety of the public, our employees and Board of Directors, the Agency will conduct its public meetings via teleconference until further notice.

OPEN SESSION

CALL TO ORDER at 9:01 a.m.

Pledge of Allegiance

ROLL CALL

Board of Directors:

Director Peters, President
Director Thomas, Vice President
Director Molinelli, Jr. (9:04 a.m.)
Director Livingston
Director Farrington

Staff in Attendance:

Larry McKenney, General Manager
Karen Gish, HR Risk Management Manager/Clerk of the Board
Rick Ferriera, Operations & Engineering Manager
Joshua Horowitz, Agency Counsel
Lucy Hackett, Public Relations
Russ Branson, Financial Consultant
Jeff Meyer, Financial Consultant
Elizabeth Atkins, Customer Service Supervisor
Jessi Bylund, Acting Clerk of the Board

Regular Board Meeting
April 8, 2021

ADDITIONS TO THE AGENDA-Supplemental packet information posted

PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA- none

INTRODUCE NEW EMPLOYEE – Brian Hess, Meter Reader/CST

CONSENT AGENDA (9:06 a.m.)

MOTION: It was moved by Director Molinelli, Jr., seconded by Director Thomas, to approve the consent agenda by the following roll call vote:

Roll Call Vote:

AYES: Directors Farrington, Livingston, Molinelli, Jr., Thomas, Peters

NOES: None

ABSENT: None

ABSTAIN: None

SAFETY TOPIC (9:07 a.m.)

Contractor Safety Training Requirements

AGENCY GENERAL

Voluntary Agreements (9:13 a.m.) – Information report on the status of negotiations regarding voluntary agreements as an alternative to the State Water Resources Control Board’s proposed Water Quality Control Plan Update based on “unimpaired flows”

Public Comment:

Gene Mancebo

Jose Setka, EBMUD

Jackson Valley Irrigation District Water Purchase Request (10:03 a.m.) –

Consideration of JVID’s request for an agreement to allow JVID to purchase up to 5,000 acre-feet of raw water as an emergency supply for the 2021 season. Direction was provided to the General Manager to enter into agreement discussions with JVID.

Public Comment:

Steven Fredrick, JVID

Ed Gonzalez, JVID

RECESS was called at 11:03 a.m.; **SESSION RESUMED** at 11:13 a.m.

Rate Study – Financial Plan Development (11:13 a.m.) – Raftelis presented information on the development of the 5-year financial plan associated with the development of rate recommendations

Public Comment

Regular Board Meeting

April 8, 2021

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Trevor Hoaas, City of Jackson

Drought Planning (12:38 p.m.) – The Board received information about water conditions and Agency planning for potential shortage – implementation to be discussed at a future meeting.

Positions on Legislation (12:59 p.m.) – The Outreach & Legislation Committee recommended:

AB 418	WATCH
AB 602	WATCH
AB 697	SUPPORT
AB 1434	OPPOSE
AB 1500	WATCH
SB 45	WATCH
SB 223	OPPOSE
SB 427	SUPPORT

MOTION: It was moved by Director Farrington, seconded by Director Molinelli, Jr., to adopt the Outreach & Legislation Committee recommendations and carried by the following roll call vote:

Roll Call Vote:

AYES: Directors Farrington, Molinelli Jr, Livingston, Thomas, Peters
NOES: None
ABSTAIN: None
ABSENT: None

LEGAL COUNSEL’S REPORT

Legislative Report – Nothing to report.

Other Legal Matters – None

DEPARTMENT REPORTS (1:08 p.m.)

Customer Service/Finance
Human Resources/Risk Management
Operations & Engineering

GENERAL MANAGER REPORT (1:41 p.m.)

The General Manager updated the Board on current activities of the Agency

Regular Board Meeting
April 8, 2021

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**BOARD OF DIRECTOR DISTRICT REPORTS, COMMITTEE REPORTS AND
DIRECTOR COMMENTS (1:48 p.m.)**

Outreach and Legislation Committee – 3/30/2021

Planning Operations & Engineering – 4/6/2021

FUTURE AGENDA TOPICS (1:58 P.M.)

Presentation on water treatments plants

Risk Management Progress report

Add future meetings to Agenda

ADJOURNMENT

President Peters adjourned the meeting at 2:00 p.m.

Karen L. Gish

Clerk of the Board of Directors

Approved: _____

Regular Board Meeting
April 8, 2021

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**AMADOR WATER AGENCY BOARD OF DIRECTORS
Special Board Meeting
April 12, 2021**

MINUTES

Directors Present: Susan Peters, President
Gary Thomas, Vice President
Rich Farrington
Paul Molinelli, Jr.
Randy Livingston

Directors Absent: None

Staff Present: Larry McKenney, General Manager
Rick Ferreira, Operations & Engineering Manager
Lucy Hackett, Public Relations
Jeff Meyer, Financial Consultant
Russ Branson, Financial Consultant
Sanja Gaur, Raftelis Consultant

CALL TO ORDER President Peters called the Special Board meeting to order at 10:00 a.m.

AGENCY GENERAL

Rate Study Workshop – Presentation provided by Raftelis on Status of Study, Capacity Fees and next steps

Public Comment:

ADJOURNMENT- President Peters adjourned the meeting at 11:32 a.m.

Karen L. Gish
Clerk of the Board of Directors

Approved: _____

Special Board Meeting
April 12, 2021
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**AMADOR WATER AGENCY BOARD OF DIRECTORS
Special Board Meeting
April 19, 2021**

MINUTES

Directors Present: Susan Peters, President
Gary Thomas, Vice President
Rich Farrington
Paul Molinelli, Jr.
Randy Livingston

Directors Absent: None

Staff Present: Larry McKenney, General Manager
Rick Ferreira, Operations & Engineering Manager
Lucy Hackett, Public Relations
Jeff Meyer, Financial Consultant
Sanja Gaur, Raftelis Consultant

CALL TO ORDER President Peters called the Special Board meeting to order at 10:00 a.m.

AGENCY GENERAL

Rate Study Workshop – Presentation provided by Raftelis on Status of Study, Capacity Fees and next steps

Public Comment:

ADJOURNMENT- President Peters adjourned the meeting at 11:50 a.m.

Karen L. Gish
Clerk of the Board of Directors

Approved: _____

Special Board Meeting
April 15, 2021
Page 1

STAFF REPORT: JACKSON VALLEY IRRIGATION DISTRICT WATER PURCHASE REQUEST

Recommended Action:

Approve agreement transfer up to 5,000 acre-feet of conserved water to JVID during 2021.

Report:

As the Board discussed at its prior meeting, JVID has requested an agreement to transfer water during 2021 to meet emergency conditions created by the critically dry year the region is experiencing. JVID's request, provided to the Board at its April 8th meeting, notes that JVID has already declared a water supply emergency and has informed its customers of the possibility of rationing. In order to mitigate impacts on its customers, allow growers to make decisions about the coming season, and protect the projected water level of Lake Amador, JVID seeks an agreement for AWA to transfer up to 5,000 acre-feet of water from AWA's conserved PG&E water.

The proposed transfer agreement's terms are substantially similar to previous agreements the AWA and JVID have executed, except for the proposed price. Transfer agreements were developed in 2014, 2015, 2018, and 2020. Actual transfers and payments have not occurred in every case. The price term per acre-foot in those agreements was sometimes \$12 and sometimes \$25. There is no stated basis for those price terms in AWA records that I have found, and it has been suggested that the term was calculated from funds JVID represented that it had available. AWA also previously entered into a transfer agreement with EBMUD with a price term of \$25 per acre-foot.

Water AWA could transfer to JVID does not move through AWA's system, but would be requested by AWA, released by PG&E, and would flow down the Mokelumne River to Pardee Reservoir where JVID would extract it. This transaction is therefore not related to the cost of service study that is the foundation for AWA's other rates. AWA does not have an established rate for untreated wholesale service.

AWA has conserved PG&E water available for transfer. Conserved water is water to which AWA has a contractual right from PG&E's pre-1914 water rights for the AWS supply, but which AWA does not intend to use this year. The California Water Code provides that such conserved water may be transferred to other users without diminishing AWA's right.

AWA has sought to conserve water in order to transfer it as a source of revenue, in addition to improving its own reliability through making demands more efficient. One significant source of conserved water is the calculated reduction in water loss from implementation of the Amador Transmission Project. Comparing ongoing debt service payments for that project to the calculated conserved water produced provides a cost higher than \$300 per acre-foot.

AWA is in the midst of a cost of service and rates study. The Board has recognized the challenges the Agency faces in terms of aging infrastructure, inadequate levels of maintenance, and increasing costs. The Board will soon be considering significant rate adjustments for all of its own customers, which will undoubtedly be the subject of significant public discussion.

At the same time, AWA is involved in the regional discussions about Delta outflow and proposed "Voluntary Agreements," in which AWA is offering to contribute conserved water to secure greater security of its water supply. The discussion with the State has included a request for compensation for the offered flow contribution in the range of \$250 per acre-foot or more.

This year, the water agencies involved in the market for transfer water from Northern California to the State and Federal water contractors are discussing a transfer price of \$625 per acre-foot.

Last week, AWA provided to JVID the draft agreement before you here. The draft agreement offers a price term of \$32.50 per acre-foot. That term is based on the previously used \$25 price as a "going rate" for an in-county transfer, with a 30% adjustment added to reflect the board's current discussions about upcoming revenue requirements and potential adjustments for its own customers' rates. The proposed price is less than the amount that JVID's general manager described on April 8th as pushing JVID's out-of-district customers' price beyond affordability.

On April 14th, the JVID board approved the agreement except for the price term. JVID has reiterated its request that AWA consider the transfer agreement with a price term of \$12.

Prepared by: Larry McKenney, General Manager

**AGREEMENT FOR A DROUGHT WATER
SUPPLY BETWEEN AMADOR WATER
AGENCY AND JACKSON VALLEY
IRRIGATION DISTRICT**

This Agreement is entered as of April ____, 2021 by and between Amador Water Agency ("Agency") and the Jackson Valley Irrigation District ("District"), both California public agencies. The Agency and the District also are referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS:

WHEREAS, the District possesses a post-1914 appropriative water right to directly divert up to 3,850 acre-feet per year from the Mokelumne River, which the District diverts from Pardee Reservoir under an agreement with the East Bay Municipal Utility District ("EBMUD");

WHEREAS, California is experiencing a second consecutive dry year, with precipitation in the Mokelumne watershed this year tracking among the driest years on record;

WHEREAS, on March 30, 2021, the District Board of Directors declared a water emergency;

WHEREAS, the District will not have sufficient water supplies to meet normal customer demands without a supplemental supply;

WHEREAS, projected water level decline in District's reservoir poses serious concerns for District's ability to meet all customer needs if dry conditions persist;

WHEREAS, District intends to maintain its water emergency declaration even with an agreement for supplemental supply from Agency unless precipitation increases to normal levels;

WHEREAS, the Agency owns a contractual entitlement for 15,000 acre-feet of raw water per year under Pacific Gas & Electric Company's pre-1914 appropriative water rights in the Mokelumne River watershed, which PG&E will likely be able to supply regardless of any future curtailment order that the SWRCB may issue against pre-1914 appropriators; and

WHEREAS, Agency will not use all of its contractual entitlement from PG&E in 2021 and is willing to temporarily make up to 5,000 acre-feet of its conserved water ("PG&E Water") available this year for sale and transfer as an emergency supplemental drought supply for beneficial use by the District on the terms and conditions set forth in this Agreement.

AGREEMENT:

1. **Term of Agreement.** This Agreement shall become effective on the date set forth above and expire on December 31, 2021, unless terminated sooner as provided herein; provided, however, that any obligations under this Agreement to be performed after December 31, 2021, shall survive the expiration of the term of this Agreement and shall be fully enforceable.

2. **Delivery of Water.**

a. Subject to approval by PG&E and EBMUD, the Agency agrees to sell and make available to the District at the District's intake at Pardee Reservoir up to 5,000 acre-feet of PG&E Water at a maximum rate of 15 cubic feet per second on a schedule provided each month by the District. The Agency's delivery of PG&E Water to the District may begin upon execution of this agreement and end no later than December 31, 2021 unless extended by an amendment to this agreement. The Agency shall be responsible for obtaining PG&E approval for the delivery of PG&E Water as provided herein; and the District shall be responsible for obtaining EBMUD approval for said delivery.

b. The District shall provide a schedule of its desired daily diversions for each month to the Agency by no later than five days before the beginning of the month in which the schedule shall apply.

c. All facilities required by the District to divert and measure the PG&E Water at its intake at Pardee Reservoir and all facilities downstream of the intake necessary to convey and distribute the PG&E Water to District water users shall be owned, installed, operated, maintained and repaired by the District at its sole expense.

d. The Parties recognize that there is a 2% conveyance loss from PG&E's outfall from the Electra Powerhouse to the District's intake at Pardee Reservoir. Accordingly, the amount of PG&E Water conveyed from the PG&E outfall from the Electra Powerhouse shall be 102% of the PG&E Water measured at the District's intake at Pardee Reservoir. The District is responsible for compensating the Agency for conveyance loss water accordingly.

e. The District shall use all PG&E Water supplied by the Agency under this Agreement only for beneficial purposes by its existing water customers.

f. If either PG&E or EBMUD fails to approve the delivery of PG&E Water hereunder, this Agreement shall terminate as of the date of such disapproval.

3. **Purchase Price and Reimbursement of Costs.**

a. The District shall pay \$32.50 per acre-foot for all PG&E Water delivered by the Agency as measured at the District's intake at Pardee Reservoir, and conveyance losses, in accordance with Section 4 of this Agreement. The District shall pay on a monthly basis in accordance with Section 5 of this Agreement.

b. The District shall reimburse the Agency for its actual legal, administrative and engineering costs incurred in connection with the preparation of this Agreement, securing

approvals from PG&E and EBMUD, and the environmental review associated with the sale of water to JVID. The Agency shall provide JVID with an itemized bill for such costs which bill shall be paid by JVID within 30 days after its date. Interest shall accrue on any late payment at the rate of 10% per annum.

4. Measurement and Risk of Loss.

a. All PG&E Water delivered by the Agency to the District shall be metered on a real-time basis as diverted at the District's intake at Pardee Reservoir. The District shall record and provide records to the Agency of its total diversions of PG&E Water by no later than 5 days following the end of each month. The metering records shall be used by the Agency to invoice the District each month for all PG&E Water delivered.

b. Prior to the start of the Agency's deliveries of PG&E Water, the District shall calibrate the meter at its intake at Pardee Reservoir. During the term of this Agreement, the District shall maintain the meter at the intake in good working order. The District shall calibrate and maintain and repair the meter at its Pardee Reservoir intake at its sole expense. If, at any time during the term of this Agreement, the Agency believes that the District's meter is not functioning correctly, the Agency shall notify the District and the District shall immediately investigate the accuracy of the meter. If the meter is not functioning accurately, then the District shall immediately repair and recalibrate the meter at its expense to restore its accuracy, and the Agency shall adjust the amount of PG&E Water delivered to the District as nearly as possible to the correct amounts in accordance with the estimated degree of error resulting from the malfunctioning of the District's meter.

c. Once the PG&E Water is delivered at the intake at Pardee Reservoir, the District shall bear all losses associated with diverting the PG&E Water and conveying and distributing that water downstream of the intake.

5. Invoicing and Payments. After the end of each month, the Agency shall invoice the District for 102% of all PG&E Water that the Agency has made available in that month. The District shall pay each invoice for PG&E Water issued by the Agency within thirty days after the date of the Agency's invoice. Interest shall accrue at the annual interest rate of 10% on any invoices that remain unpaid after thirty days. Monthly invoices shall be for the aggregate amount of PG&E Water made available to the District by the Agency during the relevant month. The District shall pay all invoices to the Agency at the address provided in Section 14 of this Agreement.

6. Water Quality.

a. The District understands and agrees that the PG&E Water is raw, untreated water that is not fit for human consumption and other uses for which water treatment is normally required. The Agency makes no warranty or representations as to the quality or fitness for use of the PG&E Water sold and delivered to the District. The District shall be responsible for all necessary measures at its expense for the testing, treatment, and other steps required to make the PG&E Water fit for the intended uses of the District and its water users. The Agency, its officers, directors, employees and agents shall not be liable for any loss, cost (including, but not limited to, attorney's fees and litigation or arbitration costs), expense, damage, liability, suit or judgment for

damages of any nature whatsoever, including, but not limited to, property damage, personal injury or death, arising out of or in any way connected with the quality of the delivered water or its use for any purpose.

b. The District shall have sole responsibility for the water beyond the delivery point and shall indemnify, protect and hold the Agency and its officers, directors, agents and employees harmless against any and all cost (including, but not limited to attorney's fees and litigation or arbitration costs), loss, expense, claim, liability, suit or judgment for damages of any nature whatsoever, including, but not limited to, property damage, personal injury or death, arising out of or in any way connected with the control, carriage, handling, use, disposal, or distribution of the PG&E Water after it has passed the point of delivery. The District shall with due diligence reasonably defend any suit brought against an indemnified party asserting a claim covered by this indemnity. In the event the District fails to reasonably and with due diligence defend any such suit where an indemnified party is thus required to undertake its own defense, the District shall pay such indemnified party's costs and reasonable attorney's fees for such defense.

7. Curtailment of Deliveries.

a. If PG&E terminates releases of PG&E Water or such releases are enjoined or discontinued by any judicial or regulatory order or action, the Agency's obligation to deliver any additional PG&E Water to the District shall terminate at the same time as any PG&E cessation of releases or the effective date of the judicial or regulatory order or action. In the case of any such termination of delivery of PG&E Water, the Agency and the District shall meet and confer to determine if the Agreement should be terminated or if it should remain in effect in case the Agency is able to restore deliveries of PG&E Water at a later time.

b. The Agency shall use due diligence in delivering water as provided in Section 2. The Agency, its officers, directors, employees and agents shall not be liable for any damage, direct or indirect, arising from any insufficiency, interruption or curtailment of water delivery caused by acts of God, accident, fire, strikes, riots, war, water conditions, water facility malfunctions, operational constraints, actions or decisions by any governmental agency, office or court, or any condition outside of the Agency's control. Insofar as feasible, the Agency shall give the District forty-eight hours advance notice of any such insufficiency, interruption or curtailment, except in the case of an emergency, in which case no notice need be given.

c. If the Agency experiences higher flowrate or volume demands from its customers than currently anticipated; the Agency shall give the District forty-eight hours advance written notice of a curtailment or termination of the delivery to the District in order for the Agency to meet its customer water needs.

d. The District agrees to indemnify, protect and hold the Agency and its officers, directors, agents, and employees harmless against any and all cost (including, but not limited to, attorney's fees and litigation or arbitration costs), loss, damage, expense, liability, suit or judgment for damages of any nature whatsoever, including, but not limited to, property damage, personal injury or death, arising out of or in any way connected with any insufficiency, interruption, or curtailment of water pursuant to this paragraph. The District shall with due diligence reasonably

defend any suit brought against an indemnified party asserting a claim covered by this indemnity. In the event the District fails to reasonably and with due diligence defend any such suit where an indemnified party is thus required to undertake its own defense, the District shall pay such indemnified party's costs and reasonable attorney's fees for such defense.

8. Water Rights. The PG&E Water delivered to the District under this Agreement is a portion of the surface water available to the Agency under its contractual entitlement with PG&E. Consistent with the provisions of California Water Code, the water deliveries provided under this Agreement shall not confer any appropriative, public trust or other right to water on the District or any other person or entity. Nothing in this Agreement shall act as forfeiture, diminution or impairment of any rights of the Agency to its full diversion of water after the expiration of the Agreement, and this Agreement shall in no way prejudice any of the Agency's rights thereto. The Parties agree that the water transferred under this Agreement is considered a beneficial use of water under California law.

9. Termination. In addition to any termination as provided in Sections 2f, 7 or 10 hereof, the District may terminate this Agreement without cause upon 15 days' written notice to the Agency in accordance with Section 14. Upon termination, the Parties shall thereafter have no further obligations or responsibilities hereunder and shall release each other from further obligations under this Agreement, except for payment of any costs incurred prior to the effective date of the termination.

10. Litigation. In the event of litigation or an administrative challenge related to this Agreement, the Agency and the District shall promptly meet and confer to perform a risk assessment of the litigation/challenge and cooperate in good faith to determine whether to terminate the Agreement due to the litigation/challenge. Either the Agency or the District may elect to terminate the Agreement due to any such litigation/challenge. If either the Agency or the District elects to terminate the Agreement, the District still shall be obligated to pay for all of the PG&E Water made available by the Agency prior to such termination. Regardless of whether the Agreement is terminated, if litigation is pending, the District shall take all necessary and appropriate actions at its expense to defend the Agreement on behalf of both the District and the Agency until the litigation or challenge is resolved. The Agency shall cooperate with the District in defending the litigation and participate in any proceedings related to the litigation or challenge as requested by the District.

11. Cooperation. To the extent reasonably required, each Party to this Agreement shall, in good faith, assist the other Party in preparing all necessary documents and obtaining all necessary regulatory and other approvals to effectuate this Agreement.

12. Waiver of Rights. Any waiver, at any time, by either Party of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

13. Assignment. This Agreement is entered into in reliance on water supplies available to the Agency and the need of the District's customers for water, and therefore any attempted assignment of this Agreement in whole or in part by the District without the prior written consent of the Agency shall be void.

14. Notices. All notices that are required, either expressly or by implication, to be given by either Party to the other Party under this Agreement shall be signed by an officer of the Agency and the District as each Party may, from time, authorize in writing to so act. Any notices to Parties required by this Agreement shall be delivered or mailed, United States first-class postage prepaid, addressed as follows:

AGENCY:

Amador Water Agency
Larry McKenney, General Manager 12800
Ridge Road
Sutter Creek, CA 95685 (209) 223-
3018
lmckenney@amadorwater.org

DISTRICT:

Jackson Valley Irrigation District Steven
Fredrick, General Manager 6755 Lake
Amador Drive
Ione, CA 95640
(209) 274-2037
steve@jvid.org

Notice shall be deemed given (a) two calendar days following mailing via regular or certified first-class mail, return receipt requested, (b) one business day after deposit with any one-day delivery service assuring "next day" delivery, (c) upon actual receipt of notice, or (d) upon transmission, if by e-mail confirmed by the recipient, whichever is earlier. The Parties shall promptly give written notice to each other of any change of address, and mailing or shipment to the addresses stated herein shall be deemed sufficient unless written notification of a change of address has been received.

15. Approvals. Where the terms of this Agreement provide for action to be based upon a judgment, approval, review or determination of any Party, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious or unreasonable.

16. Entire Agreement. This Agreement constitutes the entire agreement between the Agency and the District and supersedes any oral agreement, statement or promise between them relating to the subject matter of the Agreement. Any amendment, including oral modifications, must be reduced to writing and signed by both Parties to be effective.

17. General Interpretation. The terms of this Agreement have been negotiated by the Parties hereto and the language used in this Agreement shall be deemed to be the language chosen

by the Parties hereto to express their mutual intent. This Agreement shall be construed without regard to any presumption or rule requiring construction against the Party causing such document or any portion thereof to be drafted, or in favor of the Party receiving a particular benefit under the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first above written.

Amador Water Agency:

ATTEST

By: _____
By: _____

President, Board of Directors

Clerk of the Board of Directors

Jackson Valley Irrigation District:

ATTEST

By: _____
By: _____

President, Board of Directors

Clerk of the Board of Directors