

STANISLAUS REGIONAL WATER AUTHORITY

P.O. Box 642, Modesto, CA 95353
(209) 577-5213 FAX (209) 577-5477

Special Board Meeting Agenda

October 29, 2015

10:00 a.m.

2nd Floor – Room 2001

1010 Tenth Street, Modesto CA

**Chair
Chris Vierra**

**Vice Chair
Gary Soiseth**

**Director
Bill Zoslocki**

**Interim General Manager
Steve Stroud**

**Board Secretary
Judy Rosa / Jennifer Land**

**Interim Legal Counsel
Phaedra A. Norton**

NOTICE REGARDING NON-ENGLISH SPEAKERS: The Stanislaus Regional Water Authority (SRWA) meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

EQUAL ACCESS POLICY: If you have a disability which affects your access to public facilities or services, please contact the Board Secretary. The Board is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the Board to process and respond to your request.

NOTICE: Pursuant to California Government Code Section 54954.3, any member of the public may directly address the Stanislaus Regional Water Authority Board on any item appearing on the agenda, including Consent Calendar and Scheduled items, before or during the Board's consideration of the item.

AGENDA PACKETS: Prior to the Stanislaus Regional Water Authority Board meeting, a complete Agenda Packet is available for review on the SRWA's website at www.stanrwa.org and in the Board Secretary's Office at 156 S. Broadway, Suite 230, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Board after distribution of the Agenda Packet are also available for public inspection in the Board Secretary's Office. Such documents may be available on the SRWA's website subject to staff's ability to post the documents before the meeting.

- 1. A. CALL TO ORDER**

- 2. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS: None**

- 3. A. SPECIAL BRIEFINGS: None**

B. STAFF UPDATES
 1. Interim General Manager's Report (Stroud)
 2. Finance Manager's Report (Genereux)

C. PUBLIC PARTICIPATION

This is the time set aside for members of the public to directly address the Stanislaus Regional Water Authority Board on any item of interest to the public that is within the subject matter jurisdiction of the SRWA and to address the Board on any item on the agenda, including Consent Calendar items. You will be allowed five (5) minutes for your comments. If you wish to speak regarding an item on the agenda, you may be asked to defer your remarks until the Board addresses the matter.

No action or discussion may be undertaken on any item not appearing on the posted agenda, except that the Board may refer the matter to staff or request it be placed on a future agenda.

4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS

5. CONSENT CALENDAR

Information concerning the consent items listed hereinbelow has been forwarded to each Board member prior to this meeting for study. Unless the Chair, a Board member or member of the audience has questions concerning the Consent Calendar, the items are approved at one time by the Board. The action taken by the Board in approving the consent items is set forth in the explanation of the individual items.

A. *Motion:* Accepting minutes of Regular Meeting of September 24, 2015

6. PUBLIC HEARINGS: None

7. SCHEDULED MATTERS

A. Request to approve an agreement between the Stanislaus Regional Water Authority (SRWA) and Bartkiewicz, Kronick & Shanahan for special legal services and authorize the Board Chair to execute said agreement; and amend the Fiscal Year 2015-16 budget to allocate an additional \$100,000 to account number 6301-80400-53450 "Legal Services."
(Stroud)

Recommended Action:

Motion: Approving an agreement between the Stanislaus Regional Water Authority (SRWA) and Bartkiewicz, Kronick & Shanahan for special legal services and authorizing the Board Chair to execute said agreement

Resolution: Amending the Fiscal Year 2015-16 budget to allocate an additional \$100,000 to account number 6301-80400-53450 "Legal Services"

- B. Request to approve an agreement between the Stanislaus Regional Water Authority (SRWA) and Horizon Water and Environment, LLC for environmental impact assessment services for the SRWA Surface Water Project and authorize the Board Chair to execute said agreement; and amend the Fiscal Year 2015-16 budget to allocate an additional \$442,035 to account number 6301-80400-53300 "Professional Services." (*Stroud*)

Recommended Action:

Motion: Approving an agreement between the Stanislaus Regional Water Authority (SRWA) and Horizon Water and Environment, LLC for environmental impact assessment services for the SRWA Surface Water Project and authorizing the Board Chair to execute said agreement

Resolution: Amending the Fiscal Year 2015-16 budget to allocate an additional \$442,035 to account number 6301-80400-53300 "Professional Services"

- C. Request to approve amendments to the SRWA Bylaws and Joint Powers Authority (JPA) Agreement; and direct staff to initiate the process of updating and restating the JPA Agreement in anticipation of the next phase of the Project. (*Stroud*)

Recommended Action:

Motion: Approving amendments to the SRWA Bylaws and Joint Powers Authority (JPA) Agreement

Motion: Directing staff to initiate the process of updating and restating the JPA Agreement in anticipation of the next phase of the Project

- D. Request to review the Policy for New SRWA Members and Customers adopted May 31, 2012 and provide direction to staff regarding the Board's decision to reaffirm, modify, revoke, or make other changes to the Policy. (*Stroud*)

Recommended Action:

Reviewing the Policy for new SRWA Members and Customers adopted May 31, 2012 and providing direction to staff regarding the Board's decision to reaffirm, modify, revoke, or make other changes to the Policy.

- E. Request to authorize a search for a Contract Program Manager to provide SRWA general manager functions. (*Stroud*)

Recommended Action:

Motion: Authorizing a search for a Contract Program Manager to provide SRWA general manager functions

- F. Request to direct staff to arrange site visits/tours of water treatment plants, including both basic types of filtration systems and all three types of procurement paths. (*Stroud*)

Recommended Action:

Motion: Directing staff to arrange site visits/tours of water treatment plants, including both basic types of filtration systems and all three types of procurement paths

8. MATTERS TOO LATE FOR THE AGENDA

9. BOARD ITEMS FOR FUTURE CONSIDERATION

10. BOARD COMMENTS


Board members may provide a brief report on notable topics of interest. The Brown Act does not allow discussion or action by the legislative body.

11. NEXT MEETING DATE: November 19, 2015

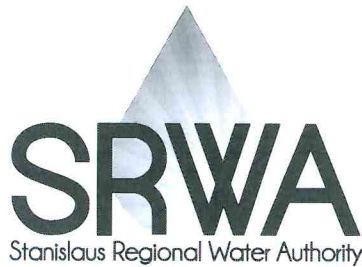
12. CLOSED SESSION: None

13. ADJOURNMENT

The foregoing meeting is hereby called by Chair Vierra at the above mentioned date and time pursuant to California Government Code §54956.



Chris Vierra, Chair



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3B1

DATE: October 29, 2015
TO: SRWA Board
FROM: Steve Stroud, Interim General Manager
SUBJECT: General Manager's Report

I am pleased to present the General Manager's Report to keep the SRWA Board informed of SRWA activities and progress in key areas. This report will be posted on the SRWA website to facilitate public access.

Technical Advisory Committee (TAC) Activities

TAC met in Modesto on October 12, 2015. All SRWA member agencies were represented and key SRWA staff was present at the meeting.

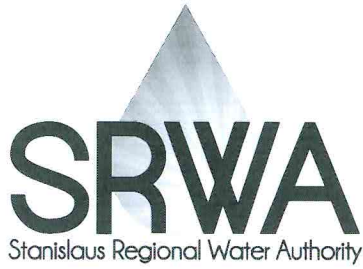
TAC evaluated two proposals for environmental impact assessment services for the SRWA Water Supply Project – from Horizon Water and Environment, LLC and ICF Jones & Stokes, Inc. The proposal from Horizon Water and Environment was judged to be the most closely tailored to the SRWA Project and the most responsive to the Request For Proposals, so TAC recommended executing a contract with Horizon Water and Environment. TAC also recommended a 10% (approx.) contingency and an amendment to the SRWA 2015/16 budget to provide necessary resources. Additional details will be included in the staff report for this agenda item.

TAC discussed options for replacing the Interim General Manager. Basic options include an employee or contracting for the services. The consensus recommendation to the Board is hiring a Program Manager via contract. Additional details will be included the staff report for this agenda item.

TAC discussed options for potential site tours or visits to water treatment facilities. Treatment plants typically use either membrane or conventional (i.e. rapid sand) filtration. Treatment plants are typically acquired through conventional Design-Bid-Build, Design-Build, or Modified Design-Build procedures. TAC recommends visits to at least one plant with each type of filtration and at least plant one of each type of procurement process. Each visit should include time with both management and staff plant operators to facilitate addressing policy questions and operational issues. Several treatment plants are available within driving distance. Most facilities enjoy showing their facilities and explaining how their facility came together. Additional details will be included the staff report for this agenda item.

Financial

No significant changes during this period.



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Professional Services

No consulting services during this period.

Turlock Irrigation District Update

No significant changes during this period.

Oakdale Irrigation District

No new information.

Public Outreach Activities

Aside from normal postings on the SRWA website, there was no activity during this reporting period.

Legislative & Regulatory Update

No Legislative activity during this reporting period.

Other Topics

None.

3B2



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DATE: October 19, 2015
TO: SRWA Board
FROM: Gloriette Genereux, Finance Director
SUBJECT: Finance Director's Quarterly Report

The purpose of the monthly Finance Director's report is to keep the SRWA Governing Board fully informed of SRWA financial activities. This reporting period covers the 1st quarter of fiscal year 2016.

**JPA - Stanislaus Regional Water Authority
Fund Operating Revenues and Expenses
Fiscal Year 2015-2016**

Revenue	Sep-15 Qtr.1	Dec-15 Qtr.2	Mar-16 Qtr.3	Jun-16 Qtr.4	YTD	Budget
City of Ceres (22%)	\$ 3,519	\$ -	\$ -	\$ -	\$ -	\$ 3,519
City of Modesto (22%)	\$ 3,519	\$ -	\$ -	\$ -	\$ -	\$ 3,519
City of Turlock (56%)	\$ 8,957	\$ -	\$ -	\$ -	\$ -	\$ 8,957
Total Revenue	\$ 15,995	\$ -	\$ -	\$ -	\$ -	\$ 15,995
Expense	Sep-15 Qtr.1	Dec-15 Qtr.2	Mar-16 Qtr.3	Jun-16 Qtr.4	YTD	Budget
Legal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
Training Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000
Business Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Professional Services	\$ 5,459	\$ -	\$ -	\$ -	\$ 5,459	\$ 83,572
ISF - Mail Services - Inside	\$ 8	\$ -	\$ -	\$ -	\$ 8	\$ 30
City of Modesto Services	\$ 10,528	\$ -	\$ -	\$ -	\$ 10,528	\$ 31,976
Total Expenses	\$ 15,995	\$ -	\$ -	\$ -	\$ 15,995	\$ 126,278

* Costs thru 09/30/15



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5A

SRWA Governing Board Meeting Minutes

September 24, 2015

The Stanislaus Regional Water Authority (SRWA) Governing Board met on September 24, 2015, at the City of Modesto, 1010 10th Street, 2nd Floor Conference Room 2001, Modesto, California.

Directors Present: Chris Vierra (Ceres), Bill Zoslocki (Modesto), Gary Soiseth (Turlock)
 Staff Present: SRWA: Gloriette Genereux, Phaedra Norton, Judy Rosa, Jennifer Land
 Ceres: Daryl Jordan
 Modesto: Larry Parlin, Adam Lindgren, Will Wong, Thomas Hedegard, Leslie Vaughn
 Turlock: Michael Cooke
 Others Present: RMC – Lyndel Melton, AECOM – Andrea Shephard, Black Water Consulting – Jeff Black

1. A. CALL TO ORDER - The Board meeting was called to order at 10:03 a.m.
2. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS: None
3. A. SPECIAL BRIEFINGS: None
- B. STAFF UPDATES
 1. Interim General Manager’s Report - Michael Cooke provided an update on the two Technical Advisory Committee (TAC) meetings held since the last Board meeting. The main focus of these meetings were updating the existing CEQA documents to reflect the changes as listed below:
 - Project description (if needed)
 - Addition of offset water
 - Addition of Turlock terminal facilities
 - Ceres and Modesto not sharing site for terminal facilities due to property no longer available
 - Ceres to be at the sports complex on Hatch Road
 - Modesto’s site to be determined through Water Master Plan update
 - Environmental impact of cleaning the infiltration gallery

Michael stated that by requesting additional CEQA work now, staff’s hope is that this will reduce the amount needed at the backend. This was recommended by the staff at the Woodland-Davis facility. He also advised that a TID representative is now part of the TAC and has stated TID will do its part related to CEQA. TID needs to amend its permit to appropriate water from the Tuolumne River for municipal and industrial uses, which will require a complete CEQA document.

The RFP for the CEQA consultant was sent out on 9/23/15 to ten pre-qualified firms and responses are due on October 8th. The TAC will review the responses on October 12th, and an item will be included on the Board’s October 22nd meeting agenda for approval of the agreement with the



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selected firm. A budget amendment will need to be brought to the Board to cover the cost of the agreement.

2. Finance Director's Report – Gloriette Genereux recommended that each cities' staff notify their finance departments about the need for the budget amendment for consultant services, and to make sure funds are available.

C. PUBLIC PARTICIPATION: None

4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS: None

5. CONSENT CALENDAR

- A. *Motion:* Accepting the minutes of the Regular Meeting of August 27, 2015 and the Special Meeting of September 3, 2015. Motion by Vice Chair Soiseth, seconded by Director Zoslocki, unanimously approved. Vice Chair Soiseth commented that he appreciated that the minutes were very good and detailed and that going forward, he believed that would be very helpful and beneficial.

6. PUBLIC HEARINGS: None

7. SCHEDULED MATTERS

- A. Request to approve an agreement between the City of Turlock and Stanislaus Regional Authority (SRWA) for interim legal services and authorize the Board Chair to execute said agreement - Michael Cooke advised that the Board, at its September 3, 2015 meeting appointed the City of Turlock's City Attorney Phaedra Norton as the interim legal counsel for six months. The Turlock City Council approved an agreement on September 8, 2015 to provide those services, and the agreement is now before the Board for consideration.

Director Zoslocki requested the following wording changes to the agreement:

1. Scope of Services – Where appropriate, Attorney may, from time to time, recommend ~~that the SRWA Board use of special counsel and SRWA shall engage the use of special counsel when recommended by Attorney.~~

This change was recommended so it clearly states that the Attorney would not hire special counsel outside of the Board meeting.

- 13. Professional Responsibilities – Duty of Loyalty, Ethical Conflicts of Interests – ...SRWA AND TURLOCK acknowledge their respective understanding of and waive these ~~potential~~ conflicts of interests and provide their informed written consent to Attorney's simultaneous and separate representation of each Party.

Interim General Counsel (IGC) Phaedra Norton stated that these were not material changes. She stated she would always bring these issues before the board. She stated it is her best practice to return to the Turlock City Council,



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and then bring it back to the Board for approval. This would not delay the representation of legal counsel. Modesto City Attorney Adam Lindgren agreed with this practice, and stated that these requested changes would not delay the Board moving forward because these changes do not represent anything coming before the Board in the near future. Ms. Norton also stated that one other correction needed to be made on the email address of Judy Rosa as it has a typographical error (correct address is jrosa@modestogov.com).

It was moved by Vice Chair Soiseth, seconded by Director Zoslocki, and carried unanimously to accept the changes brought forth by Director Zoslocki and to also correct Judy Rosa's email in the current Agreement for interim legal services.

- B. Request to approve the Electronic Transmittal Authorization Form and authorizing the Board Secretary to obtain a completed authorization form from each current and future Director.

Michael Cooke stated by completing this proposed form the Board members are agreeing to receive the Board materials electronically. The goal is to get the information to the Board a week prior to the Board meeting, and that if it is not received, to let staff know. Also, should an email address change, it would be the responsibility of the Board member to notify SRWA staff.

It was moved by Director Zoslocki, seconded by Vice Chair Soiseth, and carried unanimously to approve the Electronic Transmittal Authorization Form, and authorize the Board Secretary to obtain a completed authorization form from each current and future Director.

- C. Review the SRWA Bylaws and Joint Powers Authority Agreement and provide direction to staff regarding any recommended changes.

Michael Cooke stated with the advancement of the project it seemed like a good time to review the Bylaws and the Joint Powers Authority Agreement (JPA) to do some updating. He stated there had already been one informal change with the meetings now being held just in Modesto due to all the Board members working in Modesto, as opposed to rotating each month to each of the cities. Another item for discussion was the unanimous voting currently required in the JPA and the Bylaws. Mr. Cooke asked the Board to provide direction to staff on any recommended changes, which are shown below:

ByLaws Recommended Changes:

Chair Vierra stated that he would like to see the voting changed from 3-0 to 2-1. Vice Chair Soiseth was in agreement with this change. A question was raised whether this change would need to go back to the cities for approval. Ms. Norton stated that since it was in the Bylaws and the JPA Agreement, an amendment to the JPA Agreement would need to go back for approval by each cities' Council.



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Vice Chair Soiseth stated that the meetings being held in Modesto works for the current Board; however, there should be a caveat stating that the Board can choose an alternate meeting location as this might not be as beneficial for future Boards.

Vice Chair Soiseth also stated he was glad that the Bylaws give flexibility in meeting more than the designated fourth Thursday of the month at 10 a.m. He stated that he would prefer to meet more than once a month, the second and fourth Thursday of each month since things are moving rather quickly now. Chair Vierra recommended that the standard meeting schedule be updated to the second and fourth Thursday, with the understanding that if there were not enough agenda items, the meeting would be cancelled. IGC Norton stated that this item will be brought back to the Board as this is for discussion only, and at that time the Board can establish a starting date of the new meeting schedule.

Vice Chair Soiseth stated that it says that the Chair of the Board will be rotated on an annual basis, and he didn't feel this was necessary, that the Board could decide if it wanted to change Chairs. The change recommended is to say "the Chair of the Board shall be elected annually by the Board." It was also recommended to "add the first meeting of the year." Chair Vierra asked that this be left more flexible, and not this specific.

Vice Chair Soiseth's next recommendation was to change from records being housed at the City of Modesto offices to the City offices corresponding with the SRWA Secretary at that time, and Finance Director Genereux confirmed that the financial records should be housed with the Finance Director of the SRWA. Chair Vierra asking for some wording to be added so that when the SRWA becomes its own entity, that SRWA will hire a Finance Director and that's where the financial records will be housed.

Vice Chair Soiseth asked if there needed to be language added to talk about how other entities might become a part of the SRWA. IGC Norton stated that the changes being suggested now are more on the technical side and that in approximately six months the JPA Agreement needs to be looked at holistically about where the project is at, and at that time, the addition of other entities can be addressed. She stated that Woodland-Davis does have participating agencies that are not part of the JPA. She stated at that time there would be a need to hire special counsel to make sure the Board is headed down the right path and being given the options they need to make informed decisions.

Chair Vierra stated that he would even like to go a step further to protect the founding JPA members so when other agencies join, the rate payers of the founding agencies that originally paid for the project will be compensated for some of their costs. Vice Chair Soiseth agreed that this should be added as a standardized way that any agency wanting to join would be treated the same. IGC Norton stated that this issue would be brought back at the appropriate time for discussion.

Vice Chair Soiseth asked that under Article IV Governing Board of Directors that 2 a. be removed as it refers to a tie, and since the Board has an odd number of members there would be no tie. He also recommended under Article VI. Officers that letter "f" be added stating that the Board Chair is the official spokesperson of the SRWA instead of the General Manager.

Vice Chair Soiseth also asked that the voting rights of the Board be confirmed, so that what can be voted on by the Board and what needs to go back to the cities' Councils for final approval.

Michael Cooke summarized the recommended changes:

- Page 3 #13 – which decisions by the SRWA are binding, and which need to go to the cities' Councils for final approval
- Page 3 #2a and b – to be stricken
- Page 4 – Article V
 - 3 – change regular meetings to be held now on the second and fourth Thursday of the month, and strike – which will be scheduled on a rotating basis.
 - 4 – strike – rotated in the following order
 - 5 – change voting from unanimous to simple majority
- Page 4 – Article VI.1 – strike – on a rotating basis
- Page 5 – Article VI
 - add "VI.1.f" Board Chair is the official spokesperson for the SRWA
 - 5.j – strike City of Modesto offices and add "SRWA Secretary's respective City offices
 - 6.b. – strike – in, and replace with "no later than January", and adding in "until such time as the SRWA has its own Finance Director"
- General provision to protect the founding JPA members.

A question was asked about the Bylaws referencing the City of Modesto Policies and Procedures for purchases. IGC Norton stated that she would make sure the provisions are followed, because when the JPA was formed, it made sense to use Modesto Policies and Procedures because it's a charter City and there were some advantages to that.

Vice Chair Soiseth asked about the JPA Agreement that has similar language and inconsistencies that needs to be changed for consistency. IGC Norton stated the changes will be shown in track changes so they are easily identified. Once the changes are adopted, the JPA Agreement will be taken back to the cities' Councils for consideration.

On page 13 of the JPA Agreement it was agreed to remove the City Manager's specific names and just list the titles.



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8. MATTERS TOO LATE FOR THE AGENDA: None
9. BOARD ITEMS FOR FUTURE CONSIDERATION – Replacement of General Manager. Michael Cooke stated that with Steve Stroud transitioning out at the end of the year, he recommended the possibility of hiring a consultant to be a program manager. The cost would be increased and the workload is expected to increase also. Michael will discuss with the TAC members prior to bringing back to the Board.

Vice Chair Soiseth recommended TAC also develop a list of facilities that the Board members could tour and talk with Board members from the facilities at a future date, and bring back some options at the next meeting.

10. BOARD COMMENTS – IGC Norton advised that with the RFPs for CEQA consultants are due on 10/8, and an agreement being brought back to the Board, and also the review of the JPA Agreement, there is a need for special counsel to be brought on board. She would like to bring that back to the Board at its next meeting, and also the budget amendment. She also asked the Board to consider cancelling the October 22 meeting and calling a special meeting on October 29 as she will not be available on October 22 due to vacation scheduled and feels it's necessary that she be at the next meeting.
11. NEXT MEETING DATE: October 22, 2015 was cancelled and a special meeting will be called on October 29, 2015.
12. CLOSED SESSION: None
13. ADJOURNMENT: The meeting adjourned 11:03 a.m.

From: Steve Stroud, Interim General Manager

Prepared by: Phaedra Norton, Interim Legal Counsel

1. ACTION RECOMMENDED:

Motion: Approving an agreement between the Stanislaus Regional Water Authority (SRWA) and Bartkiewicz, Kronick & Shanahan for special legal services and authorizing the Board Chair to execute said agreement

Resolution: Amending the Fiscal Year 2015-16 budget to allocate an additional \$100,000 to account number 6301-80400-53450 "Legal Services"

2. DISCUSSION OF ISSUE:

On May 28, 2015, the SRWA Board adopted the FY 2015-16 budget. As stated in the Action Agenda Summary (Exhibit A), the adopted budget was a minimalist work plan based upon the assumption that the SRWA would not be able to get an adequate commitment for a raw water supply during FY 2015-16.

Fortunately, the SRWA and TID entered into a Water Sales Agreement dated July 28, 2015, which provides the SRWA with a water supply pursuant to the terms and conditions of the Water Sales Agreement. Since the approval of the Water Sales Agreement, the SRWA Board has also directed staff to move forward with completion of the environmental work for the project.

As we initiate the work to complete the environmental phase of the project, it is necessary and prudent to contract with a qualified firm to provide special legal services related to the project. Staff is recommending the board engage the services of Richard Shanahan and his firm Bartkiewicz, Kronick & Shanahan to provide said services based upon their knowledge and expertise in this area.

Based upon the foregoing, the minimalist budget approved on or about May 28, 2015, will prove to be inadequate for the work proposed to be accomplished during FY 2015-16. Therefore, it is necessary to revise the budget accordingly.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Fiscal Impact: \$100,000

Budget Amendment:

Allocating an additional \$100,000 to account number 6301-80400-53450 "Legal Services."

The revenue budget from each participating agency will be amended as follows:

6301-80400-42402 (Ceres – 22%) increased from \$20,401 to \$42,401
6301-80400-42405 (Modesto – 22%) increased from \$20,401 to \$42,401
6301-80400-42410 (Turlock – 56%) increased from \$51,929 to \$107,929

In accordance with the JPA Agreement, Article IX, Section A allows the Governing Board to adopt and revise the budget. Additionally, Article XV, Sections A and B state that each participant shall contribute a percentage of the budget based on its anticipated participation and shall be responsible for paying its respective share of the budget.

4. INTERIM GENERAL MANAGER’S COMMENTS:

The Interim General Manager recommends approval.

5. ENVIRONMENTAL DETERMINATION:

N/A

6. ALTERNATIVES:

Do not authorize the Board Chair to execute the agreement between the Stanislaus Regional Water Authority and Bartkiewicz, Kronick & Shanahan for legal services.

**BARTKIEWICZ, KRONICK & SHANAHAN
AGREEMENT FOR LEGAL SERVICES
WITH STANISLAUS REGIONAL WATER AUTHORITY**

THIS AGREEMENT is entered into as of the date last signed and dated below between Bartkiewicz, Kronick & Shanahan, a professional corporation ("Attorney"), and Stanislaus Regional Water Authority, a joint powers authority ("Authority"), who agree as follows:

1. Scope and Duties. Authority retains Attorney to serve as Authority special counsel to provide counsel, advice and legal representation concerning the planning and development of the proposed Regional Surface Water Supply Project, including, but not necessarily limited to, updating the joint powers authority agreement, evaluation of procurement options, CEQA compliance, water rights and other permitting, and lands and rights-of-way acquisition (including eminent domain proceedings), and such other matters as may be requested by Authority. Attorney will provide the legal services reasonably required to represent Authority in these matters and will take reasonable steps to keep Authority informed of progress and significant developments and to respond to Authority's inquiries. Authority will be truthful with Attorney, cooperate with Attorney, keep Attorney informed of developments and changed circumstances, abide by this Agreement, and pay Attorney's bills in a timely manner.

2. Billing Rates. Authority agrees to pay for legal services provided under this Agreement at the hourly rates as shown on the attached rate schedule. Attorney's rates are subject to adjustment at the beginning of each calendar year. Attorney charges in minimum one-quarter (.25) hour units.

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

4. Statements. Attorney will send Authority a statement for fees and costs incurred every month except that when the fees and costs for a particular month are minimal, they may be carried over to the next month's statement. Authority will pay Attorney's statements within 30 days after each statement's date. Attorney's statements will clearly state the basis of the charges, including the amount, rate and basis for calculation of Attorney's fees. Authority may request a statement at intervals of no less than 30 days. Upon Authority's request, Attorney will provide a statement within 10 days.

5. Disclaimer of Guarantee. Attorney has made no promise or guarantee to Authority about the outcome of Authority's matter, and nothing in this Agreement will be construed as such a promise or guarantee. Attorney's comments about the outcome of any matter are expressions of opinion only.

6. Termination. Authority may discharge Attorney at any time by giving notice of termination to Attorney. Attorney may withdraw with Authority's consent or for good cause. Good cause includes Authority's breach of this Agreement, Authority's refusal to cooperate with Attorney or to follow Attorney's advice on a material matter, retirement or termination of key Attorney personnel, or any other fact or circumstance that would render Attorney's continuing representation unlawful, unethical or burdensome. When Attorney's services conclude, all unpaid charges will become immediately due and payable. After Attorney's services conclude, Attorney will, upon Authority's request, deliver Authority's files to Authority, along with any Authority funds or property in Attorney's possession. Attorney and Authority each agree to sign any documents reasonably necessary to complete Attorney's discharge or withdrawal.

7. Indemnification. Attorney will indemnify, defend, protect, and hold harmless Authority, and its officers, employees, volunteers and agents from and against any and all liability, losses, claims, damages, expenses, demands, and costs (including, but not limited to, attorney, expert witness and Attorney fees, and litigation costs) arising out of Attorney's performance of the work under this Agreement and caused by any negligent act or omission, willful misconduct or violation of law of or by Attorney, except where caused by the active negligence, sole negligence or willful misconduct of Authority or as otherwise provided or limited by law.

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

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

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

11. Independent Contractor. Attorney's relationship to Authority is that of an independent contractor. All persons hired by Attorney and performing work under this Agreement will be Attorney's employees. Attorney and its employees are not Authority employees, and they are not entitled to Authority employment salary, wages or benefits. Attorney will pay, and Authority will not be responsible in any way for, the salary, wages,

workers' compensation, unemployment insurance, disability insurance, tax withholding, and benefits to and on behalf of Attorney's employees.

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

13. Effective Date. This Agreement will take effect when Authority signs, dates and returns a copy of this Agreement.

BARTKIEWICZ, KRONICK
& SHANAHAN

STANISLAUS REGIONAL WATER
AUTHORITY

Dated: September 22, 2015

Dated: _____

By: 
RICHARD P. SHANAHAN

By _____
_____ [name]
_____ [title]

**Bartkiewicz, Kronick & Shanahan
Professional Staff Billing Rates (2015)**

Shareholder	\$300/hour
Associate	\$220/hour
Of Counsel	\$300/hour



Bartkiewicz, Kronick & Shanahan

A Professional Corporation

REPRESENTATIVE LIST OF PUBLIC AGENCY CLIENTS

Alameda County Water District
Amador Water Agency
Browns Valley Irrigation District
Fair Oaks Recreation and Park District
Folsom, City of
Hilton Creek Community Services District
Kirkwood Meadows Public Utility District
Lee Vining Public Utility District
Linda County Water District
Lockeford Community Services District
Mammoth Community Water District
Marin-Sonoma Mosquito and Vector Control District
Maxwell Irrigation District
Meadow Vista County Water District
Midway Heights County Water District
Napa County
North Highlands Recreation and Park District
North Yuba Water District
Orland-Artois Water District
Pajaro Valley Water Management Agency
Rancho Murieta Community Services District
Regional Water Authority (Sacramento)
Roseville, City of
Sacramento Suburban Water District
Sacramento-Yolo Mosquito & Vector Control District
San Juan Water District
Santa Nella County Water District
Sonoma County
Sonoma County Water Agency
Starlite Community Services District
Templeton Community Services District
Tahoe-Truckee Sanitation Agency
University of California
Vector Control Joint Powers Agency
Volcano Community Services District
Westside Water District
Wheatland, City of
Willits, City of
Woodland-Davis Clean Water Agency
Yolo County Flood Control & Water Conservation District
Yuba County Water Agency



Bartkiewicz, Kronick & Shanahan

A Professional Corporation

Firm Profile

Bartkiewicz, Kronick & Shanahan is a capable and accomplished law firm representing public sector clients in local government. The attorneys of Bartkiewicz, Kronick & Shanahan concentrate in the areas of public and municipal law, water law, natural resources and environmental law, and related civil litigation and appellate practice. The firm is located in Sacramento, with a regional practice covering areas throughout California.

In California today, the numerous laws, regulations and cases applicable to local government are substantial and complex. Only attorneys who concentrate in this area can expect to stay current on the many legislative, regulatory and case law developments affecting local government and water and natural resource issues. By focusing our practice, we are able to keep abreast of current developments, and provide highly knowledgeable, competent, and experienced representation to our clients. Furthermore, with our practice located in Sacramento, we have ready access to the state and federal agencies which regulate or otherwise affect local government and resource issues, including the Legislature, State Water Resources Control Board, Department of Fish and Wildlife, Department of Water Resources and U.S. Bureau of Reclamation.

Bartkiewicz, Kronick & Shanahan serves as general and special counsel to over thirty cities, counties, water districts, water agencies, sewer districts, public utility districts, community services districts, recreation and park districts, joint powers authorities, and other special districts. A representative listing of our public sector clients is attached.

The firm was established in 1989 when Paul Bartkiewicz, Steve Kronick and Dick Shanahan joined as partners to start a law practice specializing in local government, water law and natural resource issues. In 1990, Alan Lilly joined the firm as a partner. Ryan Bezerra was hired in 1999 and he became a partner in 2002. Joshua Horowitz commenced work with us in 2000 and he became a partner in 2004.

The attorneys of the firm have expertise and experience in many areas of public and natural resource law, including:

- Water rights law, including water supply and service contracts, acquisition and preservation of water rights, water right opinions, water right adjudications and water transfers.

- Water quality law, including permitting of wastewater treatment facilities under Clean Water Act and Porter-Cologne Water-Quality Control Act.
- Public works projects, including all legal aspects of the planning, design, construction documents, construction management, operation and maintenance of all types of public works projects such as hydroelectric projects, water diversion, storage, delivery and treatment projects, sewage collection, treatment and disposal projects, street improvement projects and administrative facilities.
- Employment law, including employee discipline and termination and reviewing and drafting of personnel manuals.
- Land use, planning, zoning, subdivisions and development issues.
- Land and rights-of-way acquisition and eminent domain.
- Environmental law, including procedural and substantive requirements under the California Environmental Quality Act.
- Public finance, including financings, rates and charges, developer fees, assessments, general and special taxes and investment of public funds.
- Joint powers authorities and JPA law.
- Drafting ordinances, code books and resolutions.
- Ralph M. Brown Act (open meeting law) and Public Records Act issues.
- Conflict of interest matters, including advise on specific conflict issues, conflict of interest code requirements and Fair Political Practices Commission matters.
- Tort Claims Act issues, including entity and officer liability.
- Local government reorganization, including entity formation and annexations.
- Civil litigation, appellate practice and administrative proceedings related to these areas.

RICHARD P. SHANAHAN

EDUCATION

J.D., Hastings College of the Law, University of California, 1983 (cum laude)
B.S., Biology, University of Santa Clara, 1980

LEGAL EXPERIENCE

1989 to Present: Bartkiewicz, Kronick & Shanahan, Sacramento, California.

Mr. Shanahan is a founding partner of Bartkiewicz, Kronick & Shanahan, an eight-attorney law firm representing local government agencies in the areas of public and municipal law, water law, natural resources and environmental law, and related civil litigation and appellate practice. He was President and chief executive officer of the law firm from 1989 to 2008.

Mr. Shanahan serves as general and special counsel to numerous special districts and as city attorney. His work and experience focus on -- water law; special districts; municipal law; land use and planning; environmental law; public finance, especially relating to fees, charges and assessments; public works project development and construction; utility enterprise operations; joint powers agreements; and local government organization and reorganization.

Mr. Shanahan regularly represents local government public clients in the planning, design, environmental review, financing and construction of water, wastewater, administration facility, and other public projects. He also works with local government agencies in connection with land use and planning issues and the extension of utilities and infrastructure to serve to new development.

1983 to 1989: Kronick, Moskovitz, Tiedemann & Girard, Sacramento, California. Mr. Shanahan was a partner in the firm and a member in its Public Agency Department.

PROFESSIONAL LICENSES

State Bar of California (1983); U.S. Court of Appeals, Ninth Circuit (1984); U.S. District Court, California, Eastern District (1983), Central District (1989)

PROFESSIONAL ORGANIZATIONS AND ACHIEVEMENTS

American Bar Association
Sacramento County Bar Association
League of California Cities, City Attorneys Department
Association of California Water Agencies
Martindale-Hubbell, Rated AV

LEGAL PUBLICATIONS AND SPEAKING EXPERIENCE

Author, *The Application of California Riparian Water Rights Doctrine to Federal Lands in the Mono Lake Basin*, 34 Hastings L.J. 1293 (1983)

Co-editor, *Open & Public II* (1994), a Brown Act guide published by the League of California Cities, Association of California Water Agencies, and other organizations

Editorial Board, *The California Municipal Law Handbook* (2001) published by the League of California Cities

Co-author, *Proposition 218: Local Agency Guidelines for Compliance* (2007) published by the Association of California Water Agencies

Co-author, *Proposition 26: Local Agency Guidelines for Compliance* (2012) published by the Association of California Water Agencies

Speaker at various Association of California Water Agencies, Mosquito and Vector Control Association of California, American Mosquito Control Association, and other conferences on Brown Act, California Environmental Quality Act, public finance, and public works issues.



STANISLAUS REGIONAL WATER AUTHORITY

ACTION AGENDA SUMMARY

AGENDA DATE: May 28, 2015

BOARD AGENDA Item #: VIII.a.

Subject:

Budget for Fiscal Year 2015/16

Recommendation:

Consider adopting an SRWA Budget for FY 2015-16.

Fiscal Impact:

The proposed FY 2015-16 budget could range from \$ 92,730 to \$ 1,271,027. The cost allocation for each SRWA member city is based on the proportional Phase 1 share of future delivered water to each of the three participating cities (Ceres, Modesto, and Turlock).

Option A:

Agency	Proportional Share	FY 15-16 Budget
Ceres	22%	\$ 20,401
Modesto	22%	\$ 20,401
Turlock	56%	\$ 51,929
Total	100%	\$ 92,730

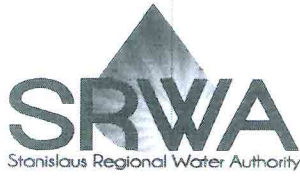
Option B:

Agency	Proportional Share	FY 15-16 Budget
Ceres	22%	\$ 279,626
Modesto	22%	\$ 279,626
Turlock	56%	\$ 711,775
Total	100%	\$ 1,271,027

Option C:

Agency	Proportional Share	FY 15-16 Budget
Ceres	22%	\$ 140,624
Modesto	22%	\$ 140,624
Turlock	56%	\$ 357,952
Total	100%	\$ 639,200

Cities will be invoiced, or billed, by the SRWA when SRWA pays for the goods and services.



STANISLAUS REGIONAL WATER AUTHORITY

Discussion:

The budget is a tool for implementing a work program. Unfortunately, we do not have a predictable, ongoing operation, so budgeting is more of a challenge.

The current budget was based on the last SRWA Board-approved Work Plan, which assumed that we would implement the Surface Water Supply Project with TID on a Fast-track schedule. That hasn't happened and, with the continuing drought, doesn't look promising any time soon.

The OID water supply alternative is expected to become clearer in the near future, but just what that would mean, financially, is not clear. The cost would likely be less than the TID Fast-track model.

A pessimistic view suggests that we will not be able to get an adequate commitment for raw water supply during FY 15/16 sufficient to permit proceeding with the Project. So, **Option A** is a minimalist work plan that assumes routine staffing, legal, and accounting/audit costs plus a \$ 28,000 placeholder for unspecified professional services. Option A yields a \$ 92,730 budget.

Option B is essentially the current year budget (fast track, TID surface water supply alternative) pushed back another year. Option B yields a \$ 1,271,027 budget.

Option C essentially splits the difference between Option A and Option B, yielding a \$ 639,200 budget, including a \$ 580,000 placeholder for unspecified professional services.

Staff looks to the Board to select the FY 2015/16 budget that best fits need.

Prepared by:

A handwritten signature in black ink that reads "Steve Stroud".

Steve Stroud, Interim General Manager

Attachments:

- 1 – Proposed FY 2015/16 Budget Proforma (Option A)
- 2 – Proposed FY 2015/16 Budget Proforma (Option B)
- 3 – Proposed FY 2015/16 Budget Proforma (Option C)



Recommended - FY 2015/16 Budget (Option A)

Drought Delay Schedule

SRWA Fund (6301) City	FY ->>	Proposed 2015/16	Projected 2016/17	Projected 2017/18	3 Year Total
Ceres	22.0%	\$ 20,401	\$ 324,830	\$ 1,487,640	\$ 1,832,871
Modesto	22.0%	\$ 20,401	\$ 324,830	\$ 1,487,640	\$ 1,832,871
Turlock	56.0%	\$ 51,929	\$ 826,840	\$ 3,786,720	\$ 4,665,489
Total Revenue		\$ 92,730	\$ 1,476,500	\$ 6,762,000	\$ 8,331,230

Operating Expenses					3 Year Total
52010	Office Supplies	\$ 200	\$ 10,000	\$ 15,000	\$ 25,200
53025	Training Expenses	\$ 1,000	\$ 4,000	\$ 6,000	\$ 11,000
53030	Business Expenses	\$ 500	\$ 44,000	\$ 135,000	\$ 179,500
53300	Professional Services	\$ 50,000	\$ 1,248,000	\$ 6,355,000	\$ 7,653,000
53450	Legal Services	\$ 9,000	\$ 15,000	\$ 20,000	\$ 44,000
53503	Intgov Services Local	\$ -	\$ 20,000	\$ 30,000	\$ 50,000
54500	Svcs City Interfund	\$ 32,000	\$ 135,000	\$ 200,000	\$ 367,000
58010	Postage/Mailing	\$ 30	\$ 500	\$ 1,000	\$ 1,530
Total Operating Expenses		\$ 92,730	\$ 1,476,500	\$ 6,762,000	\$ 8,331,230

Phase 1 Allocation

City	MGD	JPA Split	
Ceres	6.0	22%	2015/16 Includes Stevens contract (\$22,000) and unspecified professional services (\$28,000) In-house attorney services Stroud, Rosa, Finance staff time Mail Services
Modesto	6.0	22%	
Turlock	15.0	56%	
	27.0	100.0%	



Recommended - FY 2015/16 Budget (Option B)

Compressed (Expedient) Schedule

SRWA Fund (6301)			Proposed	Projected	Projected	
City	FY -->		2015/16	2016/17	2017/18	3 Year Total
Ceres	22.0%	\$	279,626	\$ 1,458,050	\$ 2,288,880	\$ 4,026,556
Modesto	22.0%	\$	279,626	\$ 1,458,050	\$ 2,288,880	\$ 4,026,556
Turlock	56.0%	\$	711,775	\$ 3,711,400	\$ 5,826,240	\$ 10,249,415
Total Revenue		\$	1,271,027	\$ 6,627,500	\$ 10,404,000	\$ 18,302,527

Operating Expenses

						3 Year Total
52010	Office Supplies	\$	2,500	\$ 10,000	\$ 12,000	\$ 24,500
53025	Training Expenses	\$	2,000	\$ 4,000	\$ 6,000	\$ 12,000
53030	Business Expenses	\$	2,500	\$ 44,000	\$ 135,000	\$ 181,500
53300	Professional Services	\$	1,200,000	\$ 6,399,000	\$ 10,050,000	\$ 17,649,000
53450	Legal Services	\$	9,000	\$ 15,000	\$ 20,000	\$ 44,000
53503	Intgov Services Local	\$	10,000	\$ 20,000	\$ 30,000	\$ 60,000
54500	Svcs City Interfund	\$	44,827	\$ 135,000	\$ 150,000	\$ 329,827
58010	Postage/Mailing	\$	200	\$ 500	\$ 1,000	\$ 1,700
Total Operating Expenses		\$	1,271,027	\$ 6,627,500	\$ 10,404,000	\$ 18,302,527

Phase 1 Allocation

City	MGD	JPA Split
Ceres	6.0	22%
Modesto	6.0	22%
Turlock	15.0	56%
	27.0	100.0%



Recommended - FY 2015/16 Budget (Option C)

Midpoint

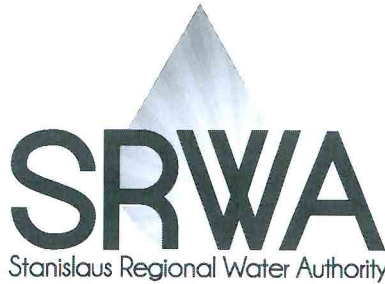
SRWA Fund (6301)			Proposed	Projected	Projected	
City	FY ->>		2015/16	2016/17	2017/18	3 Year Total
Ceres	22.0%	\$	140,624	\$ 324,830	\$ 1,487,640	\$ 1,953,094
Modesto	22.0%	\$	140,624	\$ 324,830	\$ 1,487,640	\$ 1,953,094
Turlock	56.0%	\$	357,952	\$ 826,840	\$ 3,786,720	\$ 4,971,512
Total Revenue		\$	639,200	\$ 1,476,500	\$ 6,762,000	\$ 8,877,700

Operating Expenses

						3 Year Total
52010	Office Supplies	\$	2,000	\$ 10,000	\$ 15,000	\$ 27,000
53025	Training Expenses	\$	2,000	\$ 4,000	\$ 6,000	\$ 12,000
53030	Business Expenses	\$	2,000	\$ 44,000	\$ 135,000	\$ 181,000
53300	Professional Services	\$	580,000	\$ 1,248,000	\$ 6,355,000	\$ 8,183,000
53450	Legal Services	\$	9,000	\$ 15,000	\$ 20,000	\$ 44,000
53503	Intgov Services Local	\$	-	\$ 20,000	\$ 30,000	\$ 50,000
54500	Svcs City Interfund	\$	44,000	\$ 135,000	\$ 200,000	\$ 379,000
58010	Postage/Mailing	\$	200	\$ 500	\$ 1,000	\$ 1,700
Total Operating Expenses		\$	639,200	\$ 1,476,500	\$ 6,762,000	\$ 8,877,700

Phase 1 Allocation

City	MGD	JPA Split
Ceres	6.0	22%
Modesto	6.0	22%
Turlock	15.0	56%
	27.0	100.0%



BEFORE THE BOARD OF THE STANISLAUS REGIONAL WATER AUTHORITY

**IN THE MATTER OF AMENDING THE FISCAL
YEAR 2015-16 BUDGET TO ALLOCATE
AN ADDITIONAL \$100,000 TO ACCOUNT
NUMBER 6301-80400-54340 "LEGAL
SERVICES"**

RESOLUTION NO. 2015-

WHEREAS, the Stanislaus Regional Water Authority (SRWA) has a need to retain special legal services related to the Surface Water Project; and

WHEREAS, the SRWA has engaged the services of Bartkiewicz, Kronick and Shanahan to perform said services; and

WHEREAS, sufficient funding was not allocated during the Fiscal Year 2015-16 budget for the work proposed to be accomplished during FY 2015-16.

NOW, THEREFORE, BE IT RESOLVED that the Board of the Stanislaus Regional Water Authority does hereby amend the Fiscal Year 2015-16 budget to allocate an additional \$100,000 to account number 6301-80400-54340 "Legal Services."

The revenue budget from each participating agency will be amended as follows:

- 6301-80400-42402 (Ceres – 22%) increased from \$20,401 to \$42,401
- 6301-80400-42405 (Modesto – 22%) increased from \$20,401 to \$42,401
- 6301-80400-42410 (Turlock – 56%) increased from \$51,929 to \$107,929

PASSED AND ADOPTED at a special meeting of the Board of the Stanislaus Regional Water Authority this 29th day of October, 2015, by the following vote:

AYES: Chair Vierra, Vice Chair Soiseth, and Director Zoslocki
NOES: None
NOT PARTICIPATING: None
ABSENT: None

ATTEST:

Jennifer Land, Board Secretary

From: SRWA Technical Advisory Committee (TAC)

Prepared by: Steve Stroud, Interim General Manager

1. ACTION RECOMMENDED:

Motion: Approving an agreement between the Stanislaus Regional Water Authority (SRWA) and Horizon Water and Environment, LLC for environmental impact assessment services for the SRWA Surface Water Project and authorizing the Board Chair to execute said agreement

Resolution: Amending the Fiscal Year 2015-16 budget to allocate an additional \$442,035 to account number 6301-80400-53300 "Professional Services"

2. DISCUSSION OF ISSUE:

As directed by the SRWA Board of Directors, staff solicited proposals from the ten firms on the City of Modesto's pre-qualified list to complete an Environmental Impact Report (EIR) for the Water Supply Project.

Two firms responded by the October 8, 2015 deadline – Horizon Water and Environment, LLC and ICF Jones & Stokes, Inc. Both firms are well known to SRWA member agencies.

The Technical Advisory Committee (TAC) met October 12, 2015 to evaluate the proposals and formulate a recommendation to the Board. Both proposals had strong points, but Horizon Water and Environment, LLC was the most closely tailored to the SRWA Project and the most responsive to the Request for Proposals.

The estimated contract cost is \$383,668, based on the scope of work and the level of effort described in the proposal. The actual effort required may vary due to the level of public participation, regulatory agency responses, etc., so the final cost may vary. We do not anticipate a significant variation, but we do, however, recommend a contract contingency of \$38,367 (10%). This would be used, if needed, to address variation in the original contract amount and to deal with potential additional work for Groundwater Technical Support, Water Rights Support, and/or Regulatory Agency Support.

Due to collaboration with Turlock Irrigation District, the need for water rights support should not be significant.

The majority of Offset Water, required under certain drought conditions by the TID/SRWA Water Supply Agreement, will likely come from groundwater. Should this become significant during the review process, increased groundwater technical support could become necessary.

Developing feasible mitigation measures will require collaboration with numerous regulatory agencies (U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, National Marine Fisheries Service, Central Valley Regional Water Quality Control Board, California Department of Fish and Wildlife, State Historic Preservation Office, State Lands Commission, California Department of Transportation, Central Valley Flood Protection Board, San Joaquin Valley Air Pollution Control District, Stanislaus County, and others.). Depending on the nature of regulatory agency responses to the draft EIR, additional regulatory agency support services may be required to complete the EIR.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Fiscal Impact: \$422,035

Budget Amendment:

Allocating an additional \$422,035 to account number 6301-80400-5330 "Professional Services."

Assuming the Board approves the recommended increase in Legal Services (a separate, but related action item on the agenda); the revenue budget from each participating agency will be amended as follows:

6301-80400-42402 (Ceres @ 22%) increased from \$42,401 to \$135,249
6301-80400-42405 (Modesto @ 22%) increased from \$42,401 to \$135,249
6301-80400-42410 (Turlock @ 56%) increased from \$107,929 to \$344,268

In accordance with the JPA Agreement, Article IX, Section A allows the Governing Board to adopt and revise the budget. Additionally, Article XV, Sections A and B state that each participant shall contribute a percentage of the budget based on its anticipated participation and shall be responsible for paying its respective share of the budget.

4. INTERIM GENERAL MANAGER'S COMMENTS:

The Interim General Manager recommends approval.

5. ENVIRONMENTAL DETERMINATION:

N/A

6. ALTERNATIVES:

Do not authorize the Board Chair to execute the agreement between the Stanislaus Regional Water Authority and Horizon Water and Environment, LLC for professional services.

**AGREEMENT FOR ENVIRONMENTAL SERVICES RELATED TO THE PROPOSED
STANISLAUS REGIONAL SURFACE WATER SUPPLY PROJECT**

THIS AGREEMENT, made and entered into in the City of Modesto, State of California, this 29th day of October, 2015, ("Effective Date") by and between the STANISLAUS REGIONAL WATER AUTHORITY, a Joint Powers Authority of the State of California, hereinafter referred to as "SRWA", and HORIZON WATER AND ENVIRONMENT, LLC, a California corporation, hereinafter referred to as "Consultant".

This Agreement is made with regard to the following recitals:

A. The SRWA has determined that consultant services are needed to update California Environmental Quality ACT (CEQA) documents related to the proposed Stanislaus Regional Surface Water Supply Project.

B. Consultant represents that it is qualified, willing and able to provide the services to prepare said document(s).

NOW, THEREFORE, in consideration of this agreement, and the mutual promises, covenants, and stipulations hereinafter contained, the parties agree as follows:

1. **SCOPE OF SERVICES.**

Consultant shall undertake and complete the preparation of the scope of work as set forth and described in the documents attached hereto and referred to as Exhibit "A" or "project". The Consultant shall perform the services as described in Exhibit "A" in a manner compatible with the standards of its profession, and shall produce a fully complete project that is acceptable to SRWA.

2. **TERM OF AGREEMENT.**

This Agreement is effective as of the date first written above and will continue in effect until SRWA's acceptance of and payment for all services authorized by SRWA and performed by Consultant, unless terminated earlier in accordance with the provisions of the termination clause in this Agreement.

Consultant shall undertake and complete the preparation of the scope of work as set forth and described in the documents commonly referred to as "project" attached hereto as Exhibit "A" and made a part hereof. SRWA hereby gives Consultant notice to proceed with the preparation of the project in the manner described in Exhibit "A", as of the Effective Date of this agreement. Consultant shall diligently proceed with the preparation of the project and agrees to complete said preparation within the time period set forth in Exhibit "A".

3. **COMPENSATION.**

Consultant agrees to accept a sum not to exceed \$383,668.00 (maximum compensation) as full remuneration for performing all services and furnishing all staffing and materials for SRWA in accordance with Exhibit "A" attached hereto and for performance by Consultant of all of its duties and obligations under this Agreement, except that additional services may be compensated as described below.

The Compensation shall be paid pursuant in the manner and at the times set forth below:

SRWA shall pay Consultant on a time and materials basis for Consultant's actual costs for all work called for in Exhibit "A" to this Agreement. All work to be performed under this Agreement shall be billed at the hourly rates set forth in Exhibit "B" attached hereto, Consultant shall submit monthly invoices to SRWA which include detailed tasks, hours worked,

and billable rates for all work completed, and detailed receipts for any out-of-pocket costs paid by Consultant in connection with work performed on this project.

Additional services may be authorized by the SRWA General Manager in an amount up to, but not to exceed **10%** of the agreed maximum compensation, or **\$38,367.00**. In the event that additional services are deemed necessary, the Consultant shall provide a written request to the SRWA General Manager indicating the reason for additional work, scope and cost of such work. The SRWA General Manager shall provide a written response to the request, either approving or denying the additional expenditure. If additional services are requested and approved, they will be billed at the hourly rates set forth in Exhibit "B" and may not exceed the amount requested and approved in writing by the SRWA General Manager. In that event, the new total compensation shall not exceed **\$422,035.00**. If additional services in excess of this amount are deemed necessary by SRWA Staff, an amendment to this Agreement will be required and must be approved by the SRWA Governing Board prior to commencing the work, as provided in Paragraph 9 of this agreement.

4. **OBLIGATIONS OF CONSULTANT.**

Throughout the term of this Agreement, Consultant shall possess, or secure all licenses, permits, qualifications and approvals legally required to conduct business. Consultant warrants that it has all of the necessary professional capabilities and experience, as well as all tools, instrumentalities, facilities and other resources necessary to provide the SRWA with the services contemplated by this Agreement. Consultant further warrants that it will follow the best current, generally accepted and professional practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding this project.

5. PERFORMANCE BY KEY EMPLOYEE.

Consultant has represented to SRWA that **Tom Engels**, will be the person primarily responsible for the performance of the services referred to in this Agreement. SRWA has entered into this Agreement in reliance on that representation by Consultant. Consultant therefore agrees that twenty-five percent (25%) or more of the time to be devoted to the project that is the subject of this Agreement will be that of the above-named person.

6. OWNERSHIP OF DOCUMENTS/TITLE TO DATA.

Ownership of Documents

All reports, drawings, designs, graphics, working papers and other incidental work or materials furnished hereunder shall become and remain the property of the SRWA, and may be used by SRWA as it may require without any additional cost to SRWA. No reports shall be used by the Consultant for purposes other than this contract without the express prior written consent of SRWA.

Title to Data

If, as a part of the agreement, Consultant is required to produce data such as, but not limited to, drawings, plans, specifications, calculations, models, flow diagrams, visual aids and other related materials, the originals of all such data generated under this agreement will be delivered to SRWA upon the completion or termination of services under the contract.

All materials, documents, data or information obtained from the SRWA data files or any SRWA medium furnished to Consultant in the performance of this Agreement will at all times remain the property of the SRWA. Such data or information may not be used or copied for direct or indirect use by Consultant after termination of this Agreement without written consent of the SRWA.

7. NEWS AND INFORMATION RELEASE.

Consultant agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from SRWA through the SRWA General Manager.

8. INTEREST OF CONTRACTOR.

Consultant warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Consultant warrants that, in performance of this Agreement, Consultant shall not employ any person having any such interest. Consultant agrees to file a Statement of Economic Interests with the SRWA Secretary at the start and end of this contract if so required at the option of SRWA.

9. AMENDMENTS.

Both parties to this Agreement understand that it may become desirable or necessary during the execution of this Agreement, for SRWA or Consultant to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with SRWA and the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work.

Until a change order is so executed, SRWA will not be responsible to pay any charges Consultant may incur in performing such additional services, and Consultant shall not be required to perform any such additional services.

10. INDEPENDENT CONTRACTOR.

All acts of Consultant, its agents, officers, and employees and all others acting on behalf of Consultant relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers, or employees of SRWA. Consultant, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of SRWA. Consultant has no authority or responsibility to exercise any rights or power vested in the SRWA. No agent, officer, or employee of the SRWA is to be considered an employee of Consultant. It is understood by both Consultant and SRWA that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture.

Consultant, its agents, officers and employees are and, at all times during the terms of this Agreement, shall represent and conduct themselves as independent contractors and not as employees of SRWA.

Consultant shall determine the method, details and means of performing the work and services to be provided by Consultant under this Agreement. Consultant shall be responsible to SRWA only for the requirements and results specified in this Agreement, and, except as expressly provided in this Agreement, shall not be subjected to SRWA's control with respect to the physical action or activities of the Consultant in fulfillment of this Agreement. Consultant has control over the manner and means of performing the services under this Agreement. Consultant is permitted to provide services to others during the same period service is provided to SRWA under this Agreement. If necessary, Consultant has the responsibility for employing other persons or firms to assist Consultant in fulfilling the terms and obligations under this Agreement.

If in the performance of this Agreement any third persons are employed by Consultant, such persons shall be entirely and exclusively under the direction, supervision, and control of Consultant. All terms of employment including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by the Consultant.

It is understood and agreed that as an independent contractor and not an employee of SRWA neither the Consultant or Consultant's assigned personnel shall have any entitlement as a SRWA employee, right to act on behalf of the SRWA in any capacity whatsoever as an agent, or to bind the SRWA to any obligation whatsoever.

It is further understood and agreed that Consultant must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Consultant's personnel.

As an independent contractor, Consultant hereby indemnifies and holds SRWA harmless from any and all claims that may be made against SRWA based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

11. ASSIGNMENT.

Neither this Agreement nor any portion thereof shall be subcontracted or assigned without the express prior written consent of the SRWA in each and every instance.

12. PATENT/COPYRIGHT MATERIALS.

Unless otherwise expressly provided in the contract, Consultant shall be solely responsible for obtaining the right to use any patented or copyrighted materials in the performance of this Agreement. Consultant shall furnish a warranty of such right to use to SRWA at the request of SRWA.

13. **NOTICES.**

Notice required by this Agreement shall be given in writing and shall be deemed given and effective upon receipt provided that such are delivered in accordance with the provisions of this Section. Notices shall be delivered either by: (a) personal delivery (including delivery by an overnight courier service which obtains confirmation of receipt); or (b) by facsimile, provided that such transmission is followed by delivery by an overnight courier service which obtains confirmation of receipt; or (c) postage prepaid, return receipt requested, certified mail; or (d) by electronic transmission subject to reasonable proof that the notice was both transmitted and received. Each such notice shall be sent to the parties at the address respectively set forth below or to such other address as a party may designate by written notice given in accordance with the provisions of this Section:

FOR CONSULTANT: Name: Horizon Water and Environment
 Address: 180 Grand Avenue, Suite 1405
 Oakland, CA 94612
 Attention: Tom Engels
 Phone: (510) 986-1852
 Email: tom@horizonh2o.com

FOR SRWA: Name: Stanislaus Regional Water Authority
 c/o City of Modesto Utilities Dept.
 Address: P.O. Box 642
 Modesto, CA 95353
 Attention: Stevan Stroud
 Phone: (209) 598-0351
 Email: stevanstroud@charter.net

14. **INSURANCE REQUIREMENTS.**

The Consultant shall provide at its own expense and maintain at all times the following insurance with insurance companies licensed in the State of California and shall provide evidence of such insurance to the SRWA as may be required by the Risk Manager of the

SRWA. The policies or certificates thereof shall provide that, thirty (30) days prior to cancellation or material change in the policy, notices of same shall be given to the Risk Manager of the SRWA by certified mail, return receipt requested, for all of the following stated insurance policies.

In the event the certificates of insurance required hereunder do not provide for notice of cancellation to the certificate holder and/or additional insureds, the Consultant shall provide, and shall require its subcontractors to provide, as an express condition precedent to payment hereunder, an endorsement from their insurers providing that the additional insureds identified herein shall be provided 30 days' notice of the cancellation on the policies of insurance required hereunder (10 days' notice if the policies are cancelled for non-payment of premium). In addition, the named insured on all such policies shall provide to the additional insureds identified herein any notices of cancellation of said insurance policies within 5 business days of receipt of such notice. The Consultant shall, as a further express condition precedent to payment for work performed, affirm under penalty of perjury that the required insurance on the project remains in place and said insurance has not been cancelled.

(a) Worker's Compensation - in compliance with the statutes of the State of California, plus employer's liability with a minimum limit of liability of \$1,000,000.

(b) General Liability insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. This insurance shall indicate on the certificate of insurance the following coverages and indicate the policy aggregate limit applying to: premises

and operations; broad form contractual; independent consultants and subcontractors; products and completed operations as applicable.

(c) Automobile Liability insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury and property damage. This insurance shall cover any automobile for bodily injury and property damage.

(d) Professional Liability insurance with a minimum limit of \$1,000,000 per claim and policy aggregate. If coverage is on a claims made basis it shall be maintained for at least three (3) years following completion of the work.

If at any time any of said policies shall be unsatisfactory to the SRWA, as to form or substance, or if a company issuing such policy shall be unsatisfactory to the SRWA, the Consultant shall promptly obtain a new policy, submit the same to the Risk Manager for approval and submit a certificate thereof as hereinabove provided. Upon failure of the Consultant to furnish, deliver or maintain such insurance and certificates as above provided, this Agreement, at the election of the SRWA, may be forthwith declared suspended or terminated. Failure of the Consultant to obtain and/or maintain any required insurance shall not relieve the Consultant from any liability under this Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the Consultant concerning indemnification. The SRWA, its agents, officers, employees, and volunteers shall be named as an additional insured on all insurance policies required herein, except Workers' Compensation and Professional Liability. The Workers' Compensation insurer shall agree to waive all rights of subrogation against the SRWA, its agents, officers, employees, and volunteers for losses arising from work performed by Consultant for the SRWA. The Consultant's insurance policy(ies) shall include a provision that the coverage is primary as respects the SRWA; shall include no special limitations to coverage provided to additional insured; and, shall be placed with insurer(s) with

acceptable Best's rating of A:VII or with approval of the Risk Manager. The Consultant must deliver certificates evidencing existence of the insurance listed above to the SRWA prior to the time the contract is signed.

CONSULTANT shall provide SRWA with separate endorsements evidencing proof of the SRWA's additional insured status as to both the general liability and automobile liability insurance policies. In addition, CONSULTANT shall provide SRWA with a Workers Compensation subrogation waiver by way of a separate endorsement. All endorsements referenced above must include the applicable policy number.

For any claims related to this project, the CONSULTANT'S insurance coverage shall be primary insurance as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the CONSULTANT'S insurance and shall not contribute with it.

15. TERMINATION OF AGREEMENT.

Termination by SRWA for Default of Consultant

Should Consultant default in the performance of this Agreement or materially breach any of its provisions, at its option, SRWA may terminate this Agreement by giving written notification to Consultant. The termination date shall be the effective date of the notice. For the purposes of this section, material breach of this Agreement shall include, but not be limited to, any of the following: failure to perform required services or duties, willful destruction of SRWA's property by Consultant, dishonesty or theft.

Termination by SRWA for Convenience

The SRWA may also terminate the Consultant's performance under the Agreement, either in whole or in part, at its own discretion, or when conditions encountered during the Work make it impossible or impracticable to proceed, or when the SRWA is prevented from proceeding with the Agreement by act of God, by law, or by official action of a public authority, or upon a determination by the SRWA that such termination is in the best interest and convenience of the SRWA, or whenever the SRWA is prohibited from completing the Work for any reason. The SRWA shall provide no less than ten (10) calendar days' written notice of its intent to terminate the Agreement for convenience, and shall endeavor to provide the Consultant with consultation with the SRWA prior to termination.

Post-Termination Procedure

Upon receipt of a written notice of termination pursuant to either of the foregoing paragraphs, the Consultant shall:

- a. Cease its work as directed in the notice of termination as of the termination date and see to it that its employees, subconsultants and agents are notified of such termination and act as specified in the notice of termination;
- b. Terminate all orders and Subcontractors except as necessary to complete any portion of the Work that is not terminated;
- c. If directed in writing by the SRWA to do so, assign all right, title and interest in subcontracts and materials in progress to SRWA, in which case the SRWA will have the right at its discretion to settle, or pay any or all claims arising out of the termination of such subconsultants, but in no event shall recovery by any

Consultant or subconsultant include lost profits for portions of the Work not completed or undertaken, including materials not delivered;

- d. Deliver or otherwise make available to the SRWA all data, drawings, specifications, reports, estimates, summaries and such other information and material as may have been accumulated by the Consultant in performing the Work whether completed or in process;
- e. Settle outstanding liabilities and claims, subject to the approval of SRWA;
- f. Complete performance of such part of the Work as has not been terminated;
- g. Take such other actions as may be necessary, or as may be directed by the SRWA for the protection and preservation of the Work and/or property related to the Work;
- h. If SRWA so requests, and at SRWA's cost, Consultant shall provide sufficient oral or written status reports to make SRWA reasonably aware of the status of Consultant's work on the project.
- i. The Consultant understands and agrees that SRWA may, in SRWA's sole discretion, refuse to pay Consultant for that portion of Consultant's services which were performed by Consultant on the project prior to the termination date and which remain unacceptable and/or not useful to SRWA as of the termination date.

SRWA will pay Consultant an amount based on the percentage of satisfactory work completed in accordance with the notice of termination. The final payment to the Consultant after termination for convenience shall be limited to amounts due and owing under the Agreement at time of termination, including the following:

- a. The cost of settling and paying valid claims arising out of the termination of the Work such as subconsultant agreements or contracts for materials;
- b. The Agreement price allocable to the portion of the Work properly performed or goods supplied to the work site by the Consultant as of the date of termination, as determined in accordance with the notice of termination, reduced by any sums previously paid to the Consultant.

Authorization to Terminate Agreement

Termination of the Agreement may be invoked by the SRWA General Manager, or his/her designee, subject to the right of the Consultant to appeal the SRWA General Manager, or his/her designee's, decision to the SRWA Governing Board. The Consultant shall appeal by notifying the SRWA Secretary in writing within ten (10) calendar days of receipt of written notification from SRWA of termination of the Agreement. In the event that termination of this Agreement is upheld by the SRWA Governing Board, any cessation of payment of delay claims, extended claims, Eichleay claims, or any other claims for delay shall be retroactive to the date of termination selected by the SRWA General Manager, or his/her designee.

16. CERTIFIED PAYROLL REQUIREMENT.

For consultants performing field work on public works contracts on which prevailing wages are required: The Consultant shall comply with the provisions of Section 1776 of the California Labor Code, regarding payroll records, and shall require its subconsultants and subcontractors to comply with that section as may be required by law.

17. INDEMNITY.

The Consultant shall hold the SRWA, its agents, officers, employees, and volunteers, harmless from and save, defend and indemnify them against any and all claims, losses, liabilities, judgments or damages from every cause, including but not limited to injury to person or property or wrongful death, including reasonable costs and expenses of defense of any judicial or administrative action, arising directly or indirectly out of any negligent or intentional act or omission of Consultant, or its agents, officers, employees, or volunteers relating to or during the performance of its obligations under this Agreement, but not from the negligence or willful misconduct of SRWA, its officers, employees, or other parties under SRWA's control.

Consultant's obligation to defend, indemnify, and hold the SRWA, its agents, officers, and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Consultant to procure and maintain a policy of insurance.

18. DISPUTE RESOLUTION.

All claims, controversies, or disputes arising out of, or relating to the formation of this Agreement, or the breach, termination execution, enforcement, interpretation, or validity of this Agreement, including the determination of the scope or applicability of this contract provision shall be determined by binding arbitration in Modesto, California by one arbitrator, except as otherwise specified in this Agreement. The American Arbitration

Association shall administer the arbitration under its Arbitration Rules then in effect, subject to the modifications of those rules contained in this paragraph. This agreement to arbitrate shall be specifically enforceable under the prevailing law of any court having jurisdiction, and the award rendered by the arbitrator may be entered in any court having jurisdiction. The appropriate venue for any arbitration or court proceeding relating to or arising out of this provision shall be in Stanislaus County, California.

This paragraph is not intended to and does not waive the claim filing requirements found in California Government Code section 900 et seq. In the event that a timely and legally sufficient, arbitrable claim is filed by Consultant with SRWA, and the claim is rejected in whole or in part by SRWA, this paragraph shall result in the conclusive, final, and binding resolution of all the issues presented in the claim by Consultant so long as any issues presented by the claim are arbitrable. Claims rejected by SRWA or by operation of law, shall be submitted by Consultant to arbitration pursuant to the Arbitration Rules of the American Arbitration Association within ninety (90) days after mailing of the written rejection by SRWA to Consultant. Otherwise, the claim or claims shall be deemed waived in their entirety.

The “fast track” rules of the American Arbitration Association shall apply to any claim or counterclaim less than ONE HUNDRED FIFTY THOUSAND AND 00/100 (\$150,000.00) DOLLARS. In arbitration not proceeding under the “fast track” rules, the arbitrator shall have the power to order that depositions be taken and other discovery be made. Both SRWA and Consultant shall have the right, upon written notice, to take no more than three (3) depositions of the other as a matter of right in an arbitration proceeding under the “fast track” rules.

Whether or not SRWA and Consultant may be engaged in interstate commerce, any controversy or dispute mentioned above shall be determined by, and the parties

shall be bound by, the substantive law of the State of California, and not the Federal Arbitration Act at 9 USC Section 1 et seq.

The arbitrator may grant any remedy or relief deemed by the arbitrator just and equitable under the circumstances, whether or not such relief could be awarded in a court of law. The arbitrator shall be empowered to award monetary sanctions against a party for failure of cooperation in the arbitration. The arbitrator shall, in written award, allocate all the costs of the arbitration, including the fees of the arbitrator and the reasonable attorney fees of the prevailing party, against the party who did not prevail. The prevailing party shall be the party in whose favor the majority of the central issues in the case are resolved.

Notwithstanding anything in this provision to the contrary, the arbitrator shall have no power to award punitive damages or other damages not measured by the party's actual damages (excluding litigation costs and fees) against any party. This limitation of the arbitrator's powers under this Agreement shall not operate as an exclusion of the issue of punitive damages from this Agreement to Arbitrate sufficient to vest jurisdiction in a court with respect to that issue.

Consultant shall include in all subcontracts a specification whereby the subcontractor consents to being joined in an arbitration between SRWA and Consultant involving the work of the subcontractor to be joined. Consultant's failure to do so shall be a breach of this Agreement.

The parties hereby waive any rights provided by Title 9.2 of the California Code of Civil Procedure, Section 1296. The arbitrator's award shall be deemed final, conclusive and binding to the fullest extent allowed by California law.

19. **ENTIRE AGREEMENT.**

This Agreement and its exhibits contain the entire understanding between Consultant and SRWA. Additional or new terms contained in this Agreement which vary from Consultant's proposal are controlling and are deemed accepted by Consultant by shipment of any article or other commencement of performance hereunder. All previous proposals, offers and communications relative to this Agreement, whether oral or written, are hereby superseded except to the extent that they have been incorporated into this Agreement. No future waiver of or exception to any of the terms, conditions, and provisions of this Agreement shall be considered valid unless specifically agreed to in writing by all the parties.

20. **PARTIAL INVALIDITY.**

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

21. **WAIVER.**

The waiver by any party to this Agreement of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

22. **AUDIT.**

The SRWA's duly authorized representative shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Consultant's charges to SRWA under this Agreement.

Consultant agrees to retain reports, records, documents, and files related to charges under this Agreement for a period of four (4) years following the date of final payment

for Consultant services. SRWA's representative shall have the right to reproduce any of the aforesaid documents.

23. **GOVERNING LAW.**

This Agreement shall be governed according to the laws of the State of California.

24. **HEADINGS NOT CONTROLLING.**

Headings used in the Agreement are for reference purposes only and shall not be considered in construing this Agreement.

25. **COMPLIANCE WITH LAWS.**

Consultant shall insure compliance with all safety and hourly requirements for employees, in accordance with federal, state, and county safety and health regulations and laws. Consultant shall fully comply with all applicable federal, state, and local laws, ordinances, regulations and permits.

26. **BUSINESS LICENSE.**

Consultant will have a City of Modesto business license.

IN WITNESS WHEREOF, the SRWA, a joint powers authority, has authorized the execution of this Agreement in duplicate by its SRWA Board Chair, attestation by its SRWA Secretary, and adopted by the Governing Board of the SRWA on the 29th day of October, 2015, and HORIZON WATER AND ENVIRONMENT, LLC has caused this agreement to be duly executed in duplicate as of the Effective Date.

STANISLAUS REGIONAL
WATER AUTHORITY,
a joint powers authority

HORIZON WATER AND
ENVIRONMENT, LLC
a California corporation*

By _____
Chris T. Vierra
SRWA Board Chair

By _____
MICHAEL STEVENSON, Member

By _____
KEN SCHWARZ, Member

ATTEST:

(Seal)

By _____
JENNIFER LAND, SRWA Secretary

Consultant's Federal ID #26-1966062

APPROVED AS TO FORM:

By _____
PHAEDRA NORTON
SRWA Interim General Counsel

** Corporations - signature of two (2) officers
required or one (1) officer plus corporate seal*

** LLC - signature of two (2) officers required*

Partnership - signature of a partner required

*Sole Proprietorship - signature of proprietor
required*

2. PROPOSED SCOPE OF SERVICES

This Proposed Scope of Services presents our project understanding (Section A), followed by our approach to developing the Environmental Impact Report (EIR) for Stanislaus Regional Water Authority's (SRWA's) Water Treatment Project (Section B). Section C presents key challenges and our proposed solutions for addressing those challenges. Section D provides our proposed work plan for each of the scope of work tasks listed in the Request for Proposals (RFP). The work plan also specifies the expected data needs and level of support from SRWA staff.

A. PROJECT UNDERSTANDING

Municipalities in southern Stanislaus County (within the Turlock Irrigation District (TID) service area south of the Tuolumne River) meet their water supply needs through use groundwater. For over 25 years, water supply providers in this area have been collaborating to develop a reliable, supplemental source of drinking water supply from surface water to meet existing and future community demands and to offset use of local groundwater supplies, particularly during prolonged droughts. These collaboration efforts solidified into the Regional Surface Water Supply Project (RSWSP), also referred to as the Water Treatment Project or Project. The RSWSP is overseen by SRWA, formed in 2011 as a joint powers authority comprising the cities of Ceres, Modesto, and Turlock, and in partnership with the TID. TID and SRWA recently reached a formal water sales agreement for the RSWSP on July 28, 2015.

Key components of the RSWSP include release of up to 30,000 acre-feet per year (AFA) of water from Don Pedro Reservoir, downstream diversion from the Tuolumne River, treatment at a water treatment plant (WTP), conveyance of the treated water, and connection to the existing water supply infrastructure of the three cities. The RSWSP also includes water diversions for agricultural use and annual transfer of 2,000 AF of recycled water¹ from Turlock to TID. While the scope of the RSWSP is currently focused on Ceres, Turlock, and the portion of Modesto south of the Tuolumne River, it could be expanded to serve customers in other portions of TID's service area.

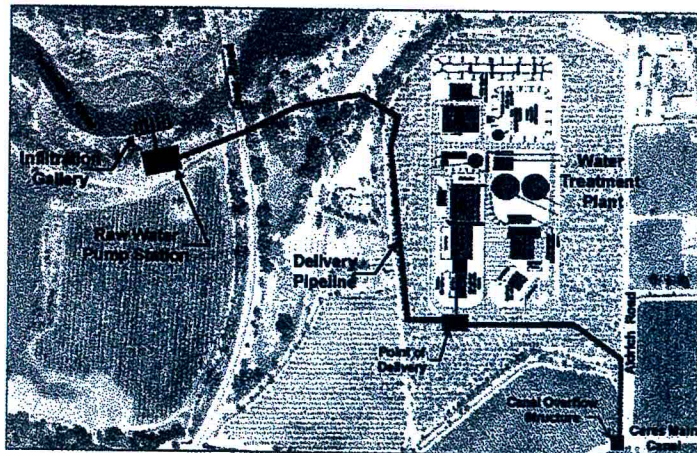


Figure 1: RSWSP Delivery and Treatment Facilities
Source: TID Water Sales Agreement Presentation July 14, 2015

¹ Recycled water, as defined by the SRWA-TID Water Sales Agreement of 2015, is tertiary treated wastewater that complies with all applicable laws and regulations for unrestricted agricultural use, including use for row and feed crops and orchards.

The infrastructure associated with the RSWSP includes delivery facilities and terminal facilities.

The first set of facilities, the delivery facilities, includes an existing infiltration gallery in the Tuolumne River, a WTP, and pipelines and a raw water pump station to connect the gallery and the WTP (see Figure 1). The infiltration gallery, pump station, and pipelines connecting the infiltration gallery to the Ceres Main Canal would be owned by TID. The infiltration gallery was constructed in 2003 but has not been operated. The WTP and corresponding facilities have not been constructed. Once constructed, these delivery and treatment facilities will provide treated water supply to the SRWA service areas. The WTP property is currently owned by TID but would be transferred to the SRWA, who will construct and operate the plant.

The second set of facilities, the terminal facilities, is needed to convey water from the WTP to the SRWA's member cities and their distribution systems. These facilities include water transmission pipelines, water storage tanks, pump stations, and above-ground valve control cabinets. Each SRWA city (Ceres, Modesto, and Turlock) would require their own set of these terminal facilities, at least one new storage tank and connecting pipelines and pump stations in each city. Each set of facilities would be constructed, owned, and operated by the respective city.

Lastly, the RSWSP includes water transfers from SRWA back to TID, with these transfers increasing during less-than-normal irrigation years, such as during droughts. The Water Sales Agreement (WSA) signed on July 28, 2015 between TID and the SRWA partners solidifies a commitment from TID to provide up to 30,000 AFA (26.8 mgd per year) to SRWA during normal years. SRWA (specifically, the City of Turlock) would return 2,000 AFA (1.8 mgd per year) of recycled water to TID (see Figure 2). During less-than-normal years, the SRWA would be required to provide up to 13,000 AF (11.6 mgd) of Offset Water back to TID in addition to the 2,000 AF from Turlock. SRWA's supply source for the Offset Water is not yet determined, but could consist of recycled water or groundwater.

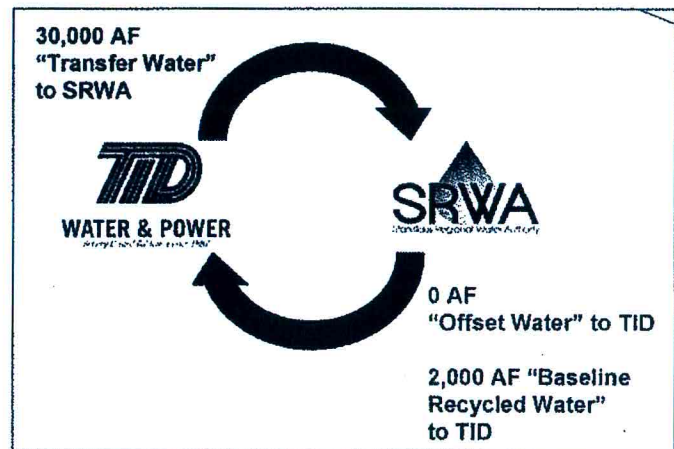


Figure 2: TID-SRWA Water Sales Agreement
Source: TID Water Sales Agreement Presentation July 14, 2015

Since 2008, Horizon staff Michael Stevenson and Jill Sunahara have supported the SWRA cities with CEQA compliance services related to water supply needs in the region. Michael and Jill led the 2010 Water System Engineer's Report (WSER) EIR, and performed peer review of environmental documents related to the RSWSP, including the 2001 Mitigated Negative Declaration (MND) for the Infiltration Gallery; the 2006 EIR for the RSWSP; and preliminary design reports for the pump station, raw and finished water pipelines, and the WTP. Additionally, Horizon recently supported RMC in developing the EIR/EIS for the North Valley Regional Recycled Water Project (NVRWP), which involves transfer of Modesto and Turlock's recycled water to the Del Puerto Water District. Prior to founding Horizon,

Michael, with support from Jill, led an EIR for the City of Modesto and Modesto Irrigation District for a similar surface water treatment and supply project.

We have an in-depth understanding of the RSWSP and close existing relationships with the SRWA partners.

Understanding of SRWA's CEQA Compliance Needs

We understand SRWA is seeking support for CEQA compliance for the RSWSP in a cost-effective and timely manner.

The RSWSP project has been subject to prior CEQA evaluations in various stages. As mentioned in the RFP, portions of the project have been addressed in three previous CEQA compliance documents. These are the 2001 MND for the Infiltration Gallery, the 2006 RSWSP EIR, and the 2010 WSER EIR.

Since these prior CEQA documents were completed, a number of design changes to the RSWSP facilities have occurred. Preliminary engineering designs were developed for the delivery facilities and WTP, and land acquisition processes were initiated for the cities' terminal facilities. Outcomes of these stages resulted in identification of new facility locations and RSWSP changes not previously evaluated in the prior CEQA documents.

Horizon experience with these prior CEQA documents includes the following:

- In 2009, prior to formation of the SRWA, Horizon prepared a memorandum for the City of Modesto summarizing CEQA compliance gaps for the RSWSP as defined at that time. A number of deficiencies in the prior CEQA documentation were identified, and recommendations to address those deficiencies were identified.
- In 2010, Horizon finalized the 2010 WSER EIR, which included project-level coverage of proposed RSWSP terminal facilities for Modesto and Ceres. The locations for those facilities have since changed.
- In 2013, on behalf of the SRWA, Horizon prepared another memorandum that evaluated new updates to the RSWSP, identified CEQA compliance gaps, and made recommendations to address those gaps.

Table 1 summarizes and updates the prior memoranda prepared by Horizon and identifies RSWSP elements that have or have not been evaluated under CEQA.

Though many of the key elements of the RSWSP have not changed, such as the location of the WTP and use of the infiltration gallery, a substantial number of new elements have been added, and many have new locations. Details regarding aspects of other RSWSP elements remain uncertain, such as the locations of the terminal facilities and supply sources for the Offset Water commitments to TID. As a result, further CEQA evaluation would be conducted at a level of detail corresponding to the extent to which these various RSWSP elements are defined.

An additional nuance associated with these prior CEQA documents is that SRWA was not the lead agency on any of them. Several procedural steps could be needed under CEQA to address this factor, but this should not present a substantial issue.

Table 1: Status of CEQA Coverage of RSWSP Elements

RSWSP Element	Evaluated Under CEQA	Not Yet Evaluated Under CEQA	Other Notes
Delivery Facilities	Infiltration Gallery, Pump Station, raw water conveyance from pump station to Ceres Main Canal (2001 MND by TID)	<ul style="list-style-type: none"> ▪ New location of pump station (now proposed in a different location than evaluated in the 2001 MND) ▪ Branched pipeline to connect the raw water pipeline to the WTP (not previously evaluated) ▪ Cleaning and testing of the infiltration gallery screens ▪ Transfer of WTP ownership from TID to SRWA 	<p>Prior to operating the infiltration gallery, an operation and maintenance (O&M) plan needs to be developed to ensure screen cleaning and back flushing activities would not impact water quality or biological resources. Permits for this infiltration gallery cleanup will be required.</p> <p>These notes were identified in Horizon's 2013 memo to the SRWA.</p>
WTP and Terminal Facilities	WTP and transmission pipelines to Ceres, Hughson, Keyes, south Modesto, and Turlock (2006 EIR by TID) Modesto terminal reservoir, pipelines, and pump stations (2010 WSER EIR by Modesto)	<ul style="list-style-type: none"> ▪ Water storage tanks (new locations) ▪ Pump stations (new locations) ▪ Transmission pipelines (new alignments) ▪ Valve control cabinets (not previously evaluated) ▪ Treatment plant capacity expansion up to 65 mgd (the 2006 EIR assumed the max output would be 42.5 mgd). 	<p>Preliminary WTP designs from 2007 indicate additional environmental impacts not yet evaluated, including orchard removal, operation-related truck trips for chemical deliveries and sludge hauling, visitors to the WTP site, and others.</p> <p>These gaps in CEQA coverage were identified in Horizon's 2009 memo.</p>
Water Transfers	Surface supply diversion at Tuolumne River (2001 MND)	<ul style="list-style-type: none"> ▪ 2,000 AF recycled water transfer from Turlock to TID ▪ Offset Water transfers from SRWA to TID during less-than-normal water years 	<p>Recycled water transfers from Modesto and Turlock to Del Puerto Water District and U.S. Fish and Wildlife refuges have been evaluated (2015 North Valley Regional Recycled Water Project EIR).</p> <p>Water rights amendments must be approved by the State Water Resources Control Board to change the purpose of use, and potentially place of use, for water supply transfers.</p>

B. CEQA COMPLIANCE APPROACH

Document Type: EIR

SRWA has already concluded that an EIR is the appropriate level of CEQA compliance to provide a comprehensive review of the project as currently defined. SRWA desires a fresh, current evaluation of the proposed project. An EIR provides the highest level of CEQA compliance coverage, includes robust evaluations of potential environmental impacts, and is the most legally defensible.

Level of Analysis: Programmatic versus Project-Level

EIRs can provide CEQA coverage for a wide range of projects and programs and accommodate a range in level of detail in the environmental evaluation: project-level, programmatic, and combinations thereof. Considering the RSWSP as currently defined, in our opinion, a programmatic analysis will be the most appropriate approach to many of its components. A Program EIR would provide broad and comprehensive evaluation of the RSWSP, particularly for proposed actions that are not currently well defined.

That said, the Program EIR can also include project-level evaluations for project elements that are clearly defined and/or ready to be implemented.

A Program EIR offers several key advantages to SRWA:

- Evaluation of “big picture” issues, such as water supply transfer effects, growth inducement, large-scale alternatives, cumulative impacts, etc.
- Avoidance of claims of improper project segmentation (“piecemealing”), whereby impacts of the “whole of the project” are never disclosed in project-specific CEQA documents.
- Development of standard and consistent impact analysis and mitigation approaches for all facilities.
- Streamlined, future project-level CEQA compliance for CIPs ready for implementation by the dismissal of topics already adequately addressed, prescribing standard mitigation measures, etc.

Document Approach: New EIR versus Subsequent EIR

We are recommending the development of a new, comprehensive EIR which replaces the prior CEQA documentation. Such an EIR would leverage the prior CEQA documents and related analysis to the greatest extent possible. We believe that this approach is the most clear, transparent, and legally defensible.

If desired, our work plan could instead accommodate preparation of a Subsequent EIR focusing on only the changes to the RSWSP, environmental, and regulatory setting, and any related new or more significant impacts compared to those disclosed in the prior CEQA documentation. Under this approach, the EIR would include a summary of the previously considered impacts and applicable mitigation

measures, and then provide new impact analysis and mitigation measures as appropriate. While this approach could save several months in the EIR preparation, we do not recommend this approach for several reasons: (1) SRWA would need to take action on the prior CEQA documents to become lead agency on them, creating procedural complexities and reopening opportunities for legal challenge of those prior documents; (2) it creates a “patchwork” of CEQA compliance documentation that could be confusing to the public, a judge (if the project were to be legally challenged), and those implementing the project (e.g., a design engineer); and (3) substantial time has passed and the project has changed since the prior CEQA documents were prepared, and the Subsequent EIR would require a major update to the prior CEQA analysis.

We look forward to coordinating with SRWA to further discuss the range of CEQA compliance approaches and choose an appropriate compliance pathway.

C. KEY CHALLENGES AND SOLUTIONS

Horizon is experienced in developing EIRs for complex projects involving multiple facets to be implemented over a relatively large geographic area and timeframe. Based on our experience, we have identified a number of challenges for the EIR, along with solutions to address those challenges:

Use of Prior CEQA Documents

Substantial prior CEQA documentation has been completed for aspects of the RSWSP, and SRWA desires to leverage this to the greatest extent possible. As described in Section B above, we will carefully review and build upon the prior analysis such that we are not “reinventing the wheel.”

Project Uncertainties

The RSWSP has been in development for many years. Though many elements of the project are defined (e.g., the infiltration gallery is constructed and the WTP property has been purchased), some elements are still in development, including the locations of the terminal facilities. Additionally, new elements were recently added to the project (i.e., the Offset Water commitments and transfer of recycled water from Turlock to TID). For the project to be operational, these key elements need to be defined, and the necessary infrastructure constructed. Further, the RSWSP may be expanded in the future to accommodate water supply needs of other communities in the south county, such as Delhi and Denair.

We understand SRWA desires the EIR to provide the maximum amount of CEQA coverage for all project elements. We will support the cities in making decisions regarding which project elements to include in the EIR, and the appropriate level of evaluation: project-level, programmatic, or considered as a separate future project in the cumulative impact analysis.

Wide Variety of Project Elements

A complex, multi-faceted project like the RSWSP can make structuring the CEQA analysis difficult. For instance, if not done properly, the EIR could be unclear or confusing as to which impacts and mitigation measures apply to which project components. We are skilled at structuring our documents to avoid such

confusion, subdividing the impact analysis to follow the various components and using tables to cross-reference the various project components with their related impacts and mitigation. In similar situations for other projects, we have developed summary tables for each component that identify the relevant mitigation measures for use by designers and construction contractors to easily follow. In these instances, we are always sure to consider the impact of the project as a whole to avoid any concerns regarding improper project segmentation or "piecemealing."

Offset Water Commitments

We understand that the SRWA and TID recently established the WSA on July 28, 2015. The WSA identifies transfer of up to 13,000 AF (11.6 mgd) of Offset Water from SRWA partners to TID during water allocation reduction years. The WSA does not specify which city, how much, and what type of supply would be transferred to TID under these conditions. A variety of options are feasible, including recycled water, groundwater, transfer of other agricultural supply water, or some combination of these.

Horizon will work closely with SRWA to identify realistically feasible supply source options to evaluate in the CEQA document. The EIR will identify the range of possibilities and evaluate their potential impacts. For instance, we will consider how use of groundwater could affect other wells and overall aquifer storage. We are currently addressing similar issues for the City of Modesto on their Del Rio wells project, and have included AECOM on our team because of the modeling work they are performing as Horizon subcontractors on that project.

New Groundwater Regulations (Sustainable Groundwater Management Program, CASGEM)

Groundwater is a key resource in the Stanislaus County. The state has issued new regulations to encourage better tracking and management of groundwater resources. SRWA members are actively collaborating with other groundwater users in the area, and are already managing groundwater resources to comply with these regulations. Our EIR will document the current groundwater management efforts and compliance with groundwater regulations. To further support evaluation of potential groundwater effects of program implementation, particularly related to Offset Water commitments, we have included an optional task (Optional Task A) to provide groundwater modeling support.

New Assembly Bill (AB) 52 Requirements for Notification and Coordination with Native American Tribes

On July 1, 2015, new CEQA requirements went into effect for early coordination with tribes and tribal communities. AB 52 requires lead agencies to provide interested tribes and tribal communities with an opportunity to consult with the lead agency regarding their issues and concerns as soon as a project is defined. For those Native Americans requesting consultation, the consultation process involves meetings to exchange information about the project and any cultural resources, including a newly defined category of resources under CEQA called "tribal cultural resources," that may be affected, and to guide the environmental impact evaluation and development of appropriate mitigation measures. To support the City in complying with this new procedure, Horizon has included a highly qualified

archaeologist on our team, Janis Offermann. Janis and Horizon both have experience with implementing AB 52 requirements and will do so under this contract.

Removing Obstacles to Growth

Potential growth-inducing impacts must be evaluated in the EIR as a requirement of CEQA compliance. Implementation of the RSWSP will remove an obstacle to growth by providing a new water supply. Growth facilitated by the RSWSP exceeding the level planned for in relevant documents (e.g., General Plans and Urban Water Management Plans) could raise concerns related to “unplanned growth” and related indirect, secondary environmental impacts. Our EIR will consider whether this is a possibility, what those impacts could be, and how the planning processes for each of SRWA’s members will address such impacts.

Water Rights

As mentioned above, TID will need to amend its water rights with the SWRCB in order to serve the RSWSP, and SRWA’s member agencies may need to obtain or amend their water rights to provide Offset Water to TID (specifically, provision of recycled water by Turlock). As part of this, modeling of altered releases from Don Pedro Reservoir and changed flows in the Tuolumne River downstream, and further downstream in the San Joaquin River, may be needed.

We regularly support our clients in processing SWRCB applications and amendments, completing the related CEQA compliance (which needs to be adequate for the SWRCB’s use as a responsible agency), and completing or integrating technical studies such as flow modeling. For instance, the MID/City of Modesto Phase 2 Surface Water Treatment Plan Expansion Project EIR led by Michael Stevenson and Jill Sunahara included a water rights appendix that addressed the SWRCB’s concerns, including a presentation and evaluation of the modeling results of altered releases from Don Pedro Reservoir and flows in the Tuolumne River.

We understand that TID will be responsible for its own CEQA compliance on its water rights amendments; our EIR will consider this as a related action in its cumulative impact analysis. In addition, we can support SWRA with SWRCB coordination and any necessary modeling, and our EIR can include analysis to support SWRCB actions related to SRWA members. We have included an optional task (Optional Task B) to provide such support.

Potential Legal Challenges

SRWA’s members have experienced CEQA legal challenges to infrastructure improvements in the past. For example, as alluded to earlier, in implementing proposed water system infrastructure upgrades in the Del Rio service area, the City of Modesto’s finding of conformance with the WSER EIR was challenged by attorneys representing concerned citizens in the project area. To avoid similar issues arising during development of the RSWSP EIR, Horizon team member Al Herson, an esteemed CEQA attorney and legal advisor with over 30 years of experience, will help to develop compliance strategies

and review deliverables prior to public release and ensure they comply with CEQA's procedural and substantive requirements to adequately protect the SRWA against legal challenge.

Regulatory Permitting Needs

Regulatory permits from agencies such as the U.S. Army Corps of Engineers, California Department of Fish and Wildlife, the Central Valley Regional Water Quality Control Board, the San Joaquin Valley Air Pollution Control District, and other state, federal, and local agencies, may be needed for the project. For instance, permits will be needed for the "blowout" of the existing infiltration gallery to verify its integrity and the need for repairs or maintenance. Horizon regularly applies for and negotiates with regulatory agencies to successfully obtain such approvals for our clients, and we have included an optional task (Optional Task C) to address this potential need.

Coordination with Engineering Consultants

The EIR may benefit from development of additional project details or other support from engineering consultants. Horizon has extensive experience working with engineering consultants in all stages of project development, both within and outside the framework of CEQA. As mentioned previously, we have existing relationships with the experienced planning and engineering consultants currently working in the region, including RMC, West Yost, and Carollo Engineers, and we have included an optional task (Optional Task D) to include engineering support on our contract, if needed.

D. WORK PLAN

This section includes a detailed scope of work to demonstrate our understanding of the requested tasks and to facilitate contracting. The scope of work describes the sequencing of key steps, how we will administer the EIR development process, and how we will manage review cycles to achieve deadlines. Tasks are presented in order of the CEQA compliance process. For example, the Administrative Draft EIR will be prepared before the Public Draft EIR.

This work plan generally assumes the basic level of public outreach in compliance with the CEQA Guidelines. For example, no public scoping meetings are included in this scope of services. However, we have included a public meeting for the Draft EIR in the scope of services. This work plan assumes that for each deliverable, SRWA will provide one consolidated set of comments, with any discrepancies resolved.

Task 1. Kickoff Meeting and Review of Existing Documentation

Horizon will conduct a kickoff meeting with SRWA to review the project, our work plan, schedule, key impact topics, data needs related to the project, and other aspects of project management and project execution. Prior to this meeting, Horizon will review the existing project information and supporting data. Any data gaps needed for the environmental impact evaluation will be identified.

Meeting:	One (including agenda, materials, and minutes)
Deliverables:	Identification of data needs, if any (electronic)
Assumptions:	SRWA will provide RSWSP documents, and key supporting documents relevant to the CEQA analysis

Task 2. Project Description

Horizon will collaborate with SRWA to develop the description of the RSWSP as currently defined, to an adequate level of detail for the CEQA resource evaluations. The Project Description will define the project purpose and need, and include all the standard information required by CEQA guidelines, such as a site location map, description of the proposed project and its goals, project construction methods, and long-term management. The project description will also include a list of responsible and/or trustee agencies that have jurisdiction over the project under CEQA, including local, state, and federal regulatory agencies.

Deliverables:	Draft Project Description (electronic)
Assumptions:	SRWA will review and provide input on the draft Project Description

Task 3. Initial Study and Public Scoping

Horizon will prepare a draft and final Initial Study using the current CEQA Guidelines Appendix G checklist, and incorporate any appropriate CEQA compliance standards. The purpose of the Initial Study is to identify those potential environmental impacts that require further analysis and those that can be dismissed from future analysis.

Note: If SRWA elects to prepare a Subsequent EIR, the Initial Study will identify environmental impacts that were adequately covered under prior CEQA documents and therefore do not require further evaluation.

Horizon will also prepare a draft and final Notice of Preparation (NOP) complying with CEQA Guidelines Section 15082 and based on input from SRWA. The Initial Study will be circulated along with the NOP during the EIR scoping period. Horizon will submit required documents to the State Clearinghouse; this work plan assumes that SRWA will be responsible for distribution of the NOP and for posting the notice at the County Clerk's office.

At the close of the 30-day scoping period, Horizon will prepare a scoping summary containing information on the distribution of the NOP, the dates of the scoping period, a list of persons and organizations responding to the NOP, and a summary of the scoping comments received and issues to

be addressed in the Draft EIR. The Scoping Summary will be revised after one round of SRWA review. The final Scoping Summary will be included as an appendix to the EIR.

- Deliverables:**
- Draft and Final Initial Study (electronic)
 - Draft and Final Notice of Preparation (electronic)
 - Notice of Completion (electronic)
 - Submittal of Notice of Preparation and Notice of Completion to the State Clearinghouse (electronic + 15 printed copies)
 - Draft and Final Scoping Summary
- Assumptions:**
- SRWA will provide the NOP distribution list
 - SRWA will distribute the NOP to the distribution list
 - SRWA will post the NOP at the County Clerk's office

Task 4. Administrative Draft EIR

The Horizon team will prepare an Administrative Draft EIR that meets requirements of CEQA Guidelines Sections 15120 through 15131. The Administrative Draft will represent approximately 60% completion of the Draft EIR.

Note: If a Subsequent EIR will be prepared for the RSWSP, Horizon will verify the accuracy and currency of the information contained in the prior CEQA documents, which will be summarized in the Subsequent EIR and incorporated by reference. Where necessary to meet CEQA requirements, the information and analysis contained in the prior CEQA documents will be updated and supplemented by additional analyses.

The EIRs will contain the following standard sections:

- **Executive Summary.** This section will contain a concise, clearly written summary of the proposed project and the findings of the EIR. Details of the impacts and mitigation measures will be provided in a table at the end of the Executive Summary.
- **Introduction.** The Introduction to the EIR will instruct readers on how to find information in the EIR and will explain the regulatory purpose of the document, the public's role, and steps in the process.
- **Project Description.** The Project Description will provide a summary of the RSWSP and its goals, and descriptions of the proposed CIPs, general construction methods, general operations, and responsible parties. Maps to illustrate the proposed CIPs and service areas will be included in the Project Description.
- **Environmental Analysis.** The Administrative Draft EIR will contain environmental analysis related to the standard issue areas, including recent and/or evolving issues such as global climate change and greenhouse gas emissions. The evaluation will consider and address

comments received during the public scoping period. Each environmental resource topic section will present an overview of the physical setting and conditions of the program area. The sections will also include a regulatory setting summary of federal, state, and local plans relevant to the resource topic and potential impacts. The environmental topics listed below will be addressed in the EIR.

- Aesthetics
 - Agriculture and Forestry Resources
 - Air Quality and Global Climate Change and Greenhouse Gas Emissions
 - Biological Resources
 - Cultural Resources
 - Geology/Soils
 - Energy Consumption
 - Hazards and Hazardous Materials
 - Hydrology/Groundwater /Water Quality
 - Land Use/Planning
 - Mineral Resources
 - Noise and Vibration
 - Population/Housing
 - Public Services
 - Recreation
 - Traffic and Transportation
 - Utilities and Service Systems
 - Other Statutory Considerations
- **Alternatives.** This chapter will describe project alternatives to feasibly attain a majority of the project objectives and reduce environmental impacts, as compared to the proposed project. Up to three (3) alternatives, including the No Project Alternative, will be considered in the analysis. SRWA and Horizon will develop the project alternatives.
 - **Agencies and Persons Contacted, References and Literature Cited, and Report Preparers.**
 - **Appendices.** Appendices to the EIR will include a Mitigation, Monitoring, and Reporting Plan (MMRP) in compliance with CEQA Guidelines, the Scoping Summary, and technical appendices to support the impact analysis.

The Administrative Draft EIR will be submitted in electronic format for review. Horizon will meet with SRWA to review and discuss the Administrative Draft EIR.

Meeting: One
Deliverables: Administrative Draft (5 printed copies and electronic files)

Task 5. Screen Check Draft EIR

Horizon will prepare a Screen Check Draft EIR that incorporates edits and addresses SRWA comments on the Administrative Draft EIR. The Screen Check Draft will represent approximately 90% completion of the Draft EIR.

Horizon will submit copies of the Screen check Draft EIR to SRWA for review and confirmation prior to finalizing the Public Draft EIR.

Deliverables: Screen-check Draft (5 copies and electronic files)

Task 6. Draft EIR and Notice of Availability

Horizon will finalize the Draft EIR based on comments received from SRWA on the Screen Check Draft EIR. It is assumed that at this stage comments will be primarily related to final editing and document layout and format. This is considered the 100% complete Draft EIR.

Horizon will prepare a Notice of Availability (NOA) for public mailing. In compliance with CEQA Guidelines Sections 15087 and 15105, the NOA will contain a description of the project and location; identification of significant environmental impacts; dates of the public review period; date, time, and place of the public meeting; address for locations where the Draft EIR and supporting documents are available for review; and a statement of whether the project site is a listed toxic site. A draft and final NOA will be prepared for the project team's review and approval. In addition, Horizon will prepare newspaper notices (if any) for review by SRWA. An electronic copy of the Draft EIR will be provided to SRWA for posting on the web for download.

SRWA will develop a public distribution mailing list and Horizon will review and provide input on the list to ensure the document is appropriately distributed according to CEQA Guidelines.

Per CEQA Guidelines Section 15085, Horizon will prepare a Notice of Completion (NOC) for filing at the State Clearinghouse. The NOC will contain a brief description of the project and location, address where the Draft EIR is available for public review, and the dates of the review period. One copy of the NOC along with 15 hard copies of the executive summary and 15 electronic copies of the entire document on CD will be submitted to the State Clearinghouse, along with the NOA.

Horizon will participate in one public meeting hosted by SRWA. As part of this task, Horizon will be responsible for:

- Preparing meeting support materials.
- Facilitating the meeting.
- Presenting a summary of the CEQA process, meeting purpose, and goals.
- Recording speakers' comments.

Support materials to be prepared by Horizon will include a PowerPoint presentation, meeting agenda, sign-in sheets, comment cards, a brief (e.g., 1–2 page) project summary sheet, and up to three poster boards. Draft copies of all materials will be provided to SRWA for review prior to finalizing. Horizon will participate in one conference call with SRWA in advance of the meeting to finalize logistics, run through the presentation, etc.

This work plan assumes that SRWA will handle meeting logistics, including meeting-room reservation, payment of any rental fees, and meeting set-up. If desired, Horizon will publish a notice in one newspaper of general circulation in the community indicating where the meeting will occur.

Meetings:	One conference call to review and discuss Draft EIR distribution One conference call to discuss the public meeting
Deliverables:	Draft EIR (5 copies and electronic files) Draft and Final NOA (electronic) NOC (electronic) State Clearinghouse submittal (15 copies of Executive Summary and NOA, 1 NOC, electronic files on CD) Electronic files for web posting
Assumptions:	SRWA will arrange the public meeting location and set-up

Task 7. Administrative Final EIR

SRWA will provide Horizon with copies of all comments submitted during the Draft EIR public review period. Horizon will organize the comments received, including any comments received at the public hearing. Horizon will enter all comments into a database, organized by topic, that will log the comments, commenting party, and recommended changes to the Draft EIR. Horizon will submit the database to SRWA in electronic format. Horizon will host a conference call with SRWA to review the comments and discuss approaches for comment responses.

Horizon will then prepare an Administrative Final EIR containing copies of all comments received on the Draft EIR, responses to those comments, and revisions to the Draft EIR made necessary by the responses to comments. Horizon will carefully review the Administrative Final EIR to ensure that revisions affecting more than one portion of the document are changed throughout, that technical analysis in the various topic areas are based on consistent assumptions and inputs, and that the document is internally consistent. Additionally, the MMRP will be updated to reflect any changes to mitigation measures. This task represents approximately 60% completion of the Final EIR.

Meeting:	One conference call to review and discuss Administrative Final EIR and responses to comments
Deliverables:	Administrative Final EIR (electronic)

Task 8. Screen Check Final EIR

Based on comments on the Administrative Final EIR received from SRWA, Horizon will revise the document and prepare a Screen Check Final EIR and submit electronic copies to the City for review and approval. This represents approximately 90% completion of the Final EIR.

Deliverables:	Screen Check Final EIR (electronic)
Assumptions:	SRWA will provide one consolidated set of comments on all deliverables, with any discrepancies resolved

Task 9. Final EIR and Final MMRP

Horizon will prepare the Final EIR based on comments received from SRWA on the Screen Check Final EIR. Comments at this stage will be primarily related to final editing and document layout and format.

In conformance with CEQA Guidelines Section 15132, Horizon will also finalize the MMRP for adoption. Horizon will prepare an up-to-date mailing list for use in distributing the Final EIR to public agencies that submitted comments on the Draft EIR. Horizon will draft a public notice to announce the release of the Final EIR and provide information on where the Final EIR can be reviewed. Horizon will distribute copies of the Final EIR to public agencies that commented on the Draft EIR, and to the local library. An electronic copy of the Final EIR will be provided to SRWA for posting on the web for download. The Final EIR will be distributed and available for review at least 10 days prior to the EIR certification hearing. This represents 100% completion of the Final EIR.

Meeting:	One conference call to review and discuss Final EIR distribution
Deliverables:	Final EIR, Notice, Distribution of Final EIR to commenting agencies and the library, and electronic files for web posting
Assumptions:	SRWA will provide one consolidated set of comments on all deliverables, with any discrepancies resolved

Task 10. Findings of Fact and Statement of Overriding Considerations

Horizon will prepare draft Findings of Fact for each significant impact, as well as a Statement of Overriding Considerations for significant impacts found to be unavoidable (if applicable) for SRWA's use in certifying the Final EIR and approving the project.

The Statement of Overriding Considerations, if required, will express SRWA's reasons for approving a project that would have significant, unavoidable impacts on the environment. The Statement would be based on supporting evidence in the administrative record. Horizon will prepare the Findings of Fact in compliance with CEQA Guidelines Sections 21081 and 21081.5. Following SRWA review and comment of the draft Findings, Horizon will finalize the Findings for adoption.

Deliverables:	Draft and final Findings of Fact and Statement of Overriding Considerations (electronic)
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Task 11. Notice of Determination

Horizon will prepare a Notice of Determination (NOD) conforming to CEQA Guidelines Section 15094. The NOD will contain the project description, location, date of project approval, statement that the EIR was certified, summary of the project’s significant effects, statement of whether mitigation measures were made, conditions of project approval, whether the Findings of Fact and Statement of Overriding Considerations were adopted, and the address where the EIR can be reviewed. Within five days of project approval, SRWA will file the NOD with the local County Clerk/Recorder for recording. Horizon will submit the NOD to the State Clearinghouse, and mail it to anyone who requested a copy of the notice.

- Deliverables: Draft and final NOD
Distribution of the NOD to State Clearinghouse and to parties who requested a copy
- Assumptions: SRWA will file the NOD with the local County Clerk/Recorder

Task 12. Administrative Record

Horizon will maintain all aspects of the Administrative Record as it relates to the development of various environmental documents for the duration of the contract. Entries to the Administrative Record will be collected from technical staff and subcontractors on a monthly basis and submitted to the Administrative Record. Throughout the project contract, Horizon will make the Administrative Record readily available to SRWA upon request.

The complete Administrative Record will be delivered to SRWA within six weeks following filing of the NOD.

- Deliverables: Administrative Record (electronic)
- Assumptions: City will contribute to the Administrative Record as necessary and submit the record to anyone who requests it.

Task 13. Project Management

Horizon will provide project management support throughout the duration of the project, including managing staff, subcontractors, and working with SWRA on issues related to work plan, schedule and budget. As part of this, Horizon will prepare and submit a monthly invoice and progress report.

In addition, Horizon will participate in monthly status update conference calls. The purpose of these calls is to update SRWA on the status of the EIR document and to review contracting or invoicing items. This scope of services assumes 12 monthly status calls.

Under this task, Horizon will also coordinate with other environmental review consultants hired by Ceres, Modesto, and Turlock, as needed.

- Meetings: Monthly status update calls
- Deliverables: Meeting notes from the kickoff and monthly status update meetings (electronic)
Monthly invoices and progress tracking (electronic)

Optional Tasks

For each of these tasks, Horizon assumes that further coordination with SRWA would be necessary to develop a work plan and related cost estimate and schedule.

Optional Task A. Groundwater Technical Support

If the supply source for the Offset Water commitments is groundwater, the SRWA may need additional analysis to support the CEQA evaluation. If requested, Horizon's subcontractor AECOM can collect and evaluate site-specific hydrogeological information to further identify and disclose potential effects of the project on local groundwater uses (domestic, agricultural), including a physical availability analysis of water supply. To complete the physical availability analysis, AECOM could use the computer code MODFLOW. MODFLOW is a three-dimensional, cell-centered, finite-difference, saturated flow model developed by the USGS. MODFLOW is widely accepted in the professional hydrologic community and is recognized as a valid numerical model to simulate groundwater flow. The analysis can utilize existing information from the current USGS Central Valley Groundwater Flow MODFLOW model, and supplement with any available site-specific information from the area. Under this approach, the regional flow model would be converted into a local (or project site) scale model using telescope mesh refinement (TMR) techniques. TMR (also called grid zooming) is the process of creating a more refined model within an area of the larger scale model (i.e., the Regional Scale USGS Central Valley Model). The TMR model is not linked to the larger model; rather it is a separate model, but it uses the hydrogeologic properties (i.e., hydraulic conductivity/transmissivity, storage coefficients, etc.) of the larger model.

AECOM would coordinate with SRWA staff regarding the anticipated groundwater supply needs, and would develop operational pumping (gpm) and duration (hours/day) data to best represent the operations for proposed wells. Model scenarios would be developed and model simulations conducted to assess impacts on groundwater within each pumping location/area.

This information would support project-level impact analysis of potential groundwater effects of the RSWSP and Offset Water transfers.

Optional Task B. Water Rights Support

Horizon can develop water rights applications or amendments on behalf of SRWA member agencies, including supporting services such as protest resolution, water availability analyses, etc. Services provided under this task can include coordination with the SWRCB and preparation of targeted CEQA analysis for inclusion in the EIR to support SWRCB's water rights process.

As part of this, Horizon can engage the services of a water rights attorney; we have a number of talented water rights attorneys with whom we have strong working relationships. Horizon can also engage subcontractor services to support water modeling needs, such as experts in the operation of CALSIM, or more localized models such as those developed and maintained by practitioners such as Dan Steiner, who has modeled dam releases and flows in the Tuolumne River and San Joaquin system in the past.

Optional Task C. Regulatory Agency Support

Horizon understands that SRWA may request that the selected consultant provide services related to negotiating mitigation requirements with regulatory agencies. Under Optional Task C, Horizon can prepare permit applications, supporting materials, and negotiate with regulatory agencies on all aspects of the permits, including mitigation requirements. This could be in support of investigations needed to support the engineering design (e.g., the infiltration gallery blowout), or for implementation of the project itself. Regulatory agencies that may have jurisdiction over the project include, but are not limited to:

- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- National Marine Fisheries Service
- Central Valley Regional Water Quality Control Board
- California Department of Fish and Wildlife
- State Historic Preservation Office
- State Lands Commission
- California Department of Transportation
- Central Valley Flood Protection Board
- San Joaquin Valley Air Pollution Control District
- Stanislaus County

Optional Task D. Engineering Support

Horizon has existing relationships with consulting engineers who have worked for SRWA and its member agencies, including RMC Water and Environment, Carollo Engineers, and West Yost. If desired, Horizon can add engineering firms to our team to develop or interpret technical aspects of the project plans in support of the CEQA analysis.

Proposed for Consultant Services to Develop EIRs for Stanislaus Regional Water Authority
Water Supply Project EIR
Northern Water and Environment
Table 8-1: Cost Estimate (October 8, 2016)

Task	Labor												Sub-Total Labor (per Task)	Sub-Total Labor (per Year)	Sub-Total Direct Expenses (per Year)	Markup on Direct Expenses	Overhead Expense (per Year)	Total per Task/Year
	Screening (Principal)	Engineers (Assistant I)	Engineers (Assistant II)	Engineers (Assistant III)	Engineers (Assistant IV)	Engineers (Assistant V)	Engineers (Assistant VI)	Engineers (Assistant VII)	Engineers (Assistant VIII)	Engineers (Assistant IX)	Engineers (Assistant X)	Engineers (Assistant XI)						
1 Kickoff Meeting and Review Existing Documentation	4	16	0	0	0	0	0	0	0	0	0	0	40	\$7,190	\$0	\$44	\$94	\$9,178
2 Project Description	8	16	0	0	0	0	0	0	0	0	0	0	32	\$8,320	\$1,400	\$70	\$90	\$7,790
3 Initial Study and Public Scoping	8	32	0	0	0	0	0	0	0	0	0	0	200	\$28,000	\$0	\$0	\$0	\$28,000
4 Administrative Draft EIR	36	80	6	38	60	32	40	40	40	40	40	40	208	\$82,400	\$11,200	\$1,100	\$40	\$70,100
5 Public Draft EIR	16	24	2	12	12	8	8	8	8	8	8	8	104	\$22,816	\$700	\$197	\$209	\$19,816
6 Public Draft EIR and Notice of Availability	8	24	2	12	12	8	8	8	8	8	8	8	104	\$22,816	\$700	\$197	\$209	\$19,816
7 Administrative Final EIR	24	80	8	40	64	32	40	40	40	40	40	40	240	\$41,280	\$11,200	\$670	\$110	\$30,410
8 Screen Check Final EIR	8	24	2	12	12	8	8	8	8	8	8	8	104	\$22,816	\$700	\$197	\$209	\$19,816
9 Final EIR and Final MARP	4	24	0	0	0	0	0	0	0	0	0	0	64	\$13,984	\$2,100	\$105	\$80	\$11,784
10 Funding of Fee and Statement	4	16	0	0	0	0	0	0	0	0	0	0	16	\$4,160	\$2,800	\$140	\$100	\$1,460
11 Notice of Determination	1	8	0	0	0	0	0	0	0	0	0	0	8	\$2,080	\$2,800	\$140	\$100	\$1,480
12 Administrative Record	8	8	0	0	0	0	0	0	0	0	0	0	16	\$4,160	\$2,800	\$140	\$100	\$1,460
13 Project Management	80	150	0	32	0	0	0	0	0	0	0	0	164	\$47,728	\$2,800	\$200	\$40	\$44,728
Total Labor Hours	200	480	27	118	208	111	140	140	140	140	140	140	1,117	\$16,945	\$38,000	\$2,735	\$1,130	\$15,110
Subtotal	\$48,885	\$10,310	\$4,810	\$30,000	\$34,000	\$11,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$17,640	\$7,800	\$7,800	\$2,735	\$15,110
Total														\$16,945	\$38,000	\$2,735	\$1,130	\$15,110



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 (510) 986-1850; www.horizonh2o.com

Stanislaus Regional Water Authority

Environmental Impact Report (EIR) for the
 Stanislaus Regional Water Authority Water Treatment Project
 Basis of Rates – October 8, 2015

Staff Classification	Direct Labor	
	Hourly Rate	Fully Loaded Hourly Rate
Principal	\$66.07	\$205.00
Senior Associate II	\$57.90	\$175.00
Associate II	\$51.20	\$155.00
Associate I	\$47.73	\$145.00
Analyst I	\$39.67	\$120.00
GIS/Graphics	\$34.34	\$105.00
Technical Editor	\$32.00	\$90.00
Clerical	\$23.56	\$70.00

Firm Average
 Multiplier 3.01

**2015 List of Chargeable Rates
Stanislaus Regional Water Authority
Surface Water Project
Environmental Impact Report Preparation**

Staff Classification	Hourly Rate
Principal	\$205
Senior Associate III	\$185
Senior Associate II	\$175
Senior Associate I	\$165
Associate II	\$155
Associate I	\$145
Analyst II	\$130
Analyst I	\$120
Surveyor	\$120
Technician II	\$90
Technician I	\$80
Publication Specialist	\$90
Technical Editor	\$90
GIS Analyst/CAD Technician	\$105
Administrative Assistant	\$70
Direct Expenses (5% markup, including subconsultants)	
Mileage	Current IRS Rate (\$0.575/mile – 2015)
Printing (in-house)	
- Black/white prints	\$0.15 per page
- Color prints	\$1.00 per page
- CDs (including label and envelope)	\$1.50 each
Equipment Rental	
- GIS Mapping	\$25/hour
- GPS Unit	\$100.00/day
Outside Vendors	At Cost
- Equipment rentals	
- Document production	
- Document supplies, such as binders	

Note: Rates subject to revision on January 1st of each calendar year.

URS Corporation

<u>Categories</u>		<u>Rates</u>
Project Manager	\$	165.00
Senior Technical Review	\$	225.00
Senior QA Auditor	\$	200.00
Engineer V	\$	200.00
Engineer IV	\$	165.00
Engineer III	\$	125.00
Engineer II	\$	90.00
Engineer I	\$	75.00
Planner / Scientist V	\$	190.00
Planner / Scientist IV	\$	155.00
Planner / Scientist III	\$	120.00
Planner / Scientist II	\$	90.00
Planner / Scientist I	\$	70.00
GIS Analyst / CAD /Graphics Technician III	\$	135.00
GIS Analyst / CAD /Graphics Technician II	\$	105.00
GIS Analyst / CAD /Graphics Technician I	\$	75.00
Project / Contract Administrator III	\$	140.00
Project / Contract Administrator II	\$	95.00
Project / Contract Administrator I	\$	75.00
Tech Editor	\$	95.00
Word Processor	\$	65.00

*These rates will escalate by 3% on an annual basis, starting January 1, 2016.

THE SOHAGI LAW GROUP, PLC

THE SOHAGI LAW GROUP, PLC

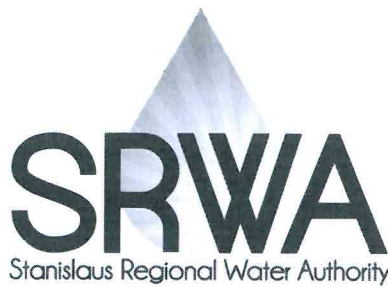
HOURLY RATES

ATTORNEY structures its services with a primary partner contact for each client. MARGARET MOORE SOHAGI will act as the principal partner contact. She will be responsible for coordinating all matters pertaining to the matter as well as all billing, staffing needs, and regular reports. ALBERT HERSON (Counsel I) will be primarily responsible for conducting legal reviews. ATTORNEY's hourly rates are as follows:

Principal:	\$350
Counsel I:	\$350
Counsel II:	\$325
Associate I:	\$300
Associate II:	\$275
Associate III:	\$250
Paralegal:	\$125
Law Clerk:	\$175

Travel: Actual Expense Only

ATTORNEY bills monthly for work performed and costs advanced. ATTORNEY bills all overhead expenses, such as long distance telephone charges, facsimile transmission charges, photocopying and delivery expenses, as costs advanced. All overhead expenses will be billed at ATTORNEY's cost.



BEFORE THE BOARD OF THE STANISLAUS REGIONAL WATER AUTHORITY

**IN THE MATTER OF AMENDING THE FISCAL
YEAR 2015-16 BUDGET TO ALLOCATE
AN ADDITIONAL \$442,035 TO ACCOUNT
NUMBER 6301-80400-53300 "PROFESSIONAL
SERVICES"**

RESOLUTION NO. 2015-

WHEREAS, the Stanislaus Regional Water Authority (SRWA) has a need to retain professional services related to the Environmental Impact Report (EIR) for the Surface Water Project; and

WHEREAS, the SRWA has engaged the services of Horizon Water and Environment, LLC to perform said services; and

WHEREAS, sufficient funding was not allocated during the Fiscal Year 2015-16 budget for the work proposed to be accomplished during FY 2015-16.

NOW, THEREFORE, BE IT RESOLVED that the Board of the Stanislaus Regional Water Authority does hereby amend the Fiscal Year 2015-16 budget to allocate an additional \$442,035 to account number 6301-80400-53300 "Professional Services."

The revenue budget from each participating agency will be amended as follows:

- 6301-80400-42402 (Ceres @ 22%) increased from \$42,401 to \$135,249
- 6301-80400-42405 (Modesto @ 22%) increased from \$42,401 to \$135,249
- 6301-80400-42410 (Turlock @ 56%) increased from \$107,929 to \$344,268

PASSED AND ADOPTED at a special meeting of the Board of the Stanislaus Regional Water Authority this 29th day of October, 2015, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

Jennifer Land, Board Secretary

From: Steve Stroud, Interim General Manager

Prepared by: Phaedra Norton, Interim Legal Counsel

1. ACTION RECOMMENDED:

Motion: Approving amendments to the SRWA Bylaws and Joint Powers Authority (JPA) Agreement

Motion: Directing staff to initiate the process of updating and restating the JPA Agreement in anticipation of the next phase of the Project

2. DISCUSSION OF ISSUE:

On September 24, 2015, the SRWA Board directed staff to amend the SRWA Bylaws and the JPA Agreement.

Attached are the amended Bylaws and the amended JPA Agreement, in track change format, reflecting the changes recommended by the Board. Once the SRWA Board approves the amendments, the Legislative Body of each Participating Agency will need to approve the amended JPA Agreement. Once approved by the Legislative Bodies and executed by the Participating Agencies, the amended agreement will be filed with the California Secretary of State.

The proposed amendments set forth in the attachment generally reflect basic housekeeping changes. As the project proceeds to the next phase, it is anticipated that a more substantive update to the JPA Agreement will be necessary. Given the amount of time necessary to complete said update, staff believes that it would be prudent to initiate this process as soon as possible.

3. FISCAL IMPACT / BUDGET AMENDMENT:

N/A

4. INTERIM GENERAL MANAGER'S COMMENTS:

The Interim General Manager recommends approval.

5. ENVIRONMENTAL DETERMINATION:

N/A

6. ALTERNATIVES: None



**BYLAWS OF THE
STANISLAUS REGIONAL WATER AUTHORITY**

ARTICLE I

AUTHORITY

The Stanislaus Regional Water Authority, hereinafter referred to as the "SRWA", has been established by the City of Ceres on September 26, 2011 by Resolution No. 2011-135, the City of Modesto on September 27, 2011 by Resolution No. 2011-395, and the City of Turlock on September 27, 2011 by Resolution No. 2011-194.

ARTICLE II

PURPOSE AND OBJECTIVES

The Cities of Ceres, Modesto, and Turlock (Participants) are interested in finding and evaluating surface water supply options and facilities to serve municipal and industrial water to the customers within their service areas. Each of the cities is authorized to develop, obtain, and serve a municipal and industrial water supply, pursuant to California law. The Participants are working with the Turlock Irrigation District (TID) to develop a Regional Surface Water Supply Project (RSWSP) that will provide a safe and reliable high quality surface water supply for the long-term drinking water needs of each participating city. The Participants have formed a Joint Powers Authority for the purpose of making responsible decisions related to the development and operation of the future RSWSP.

The SRWA has the following objectives to accomplish this purpose:

1. Plan and develop the implementation of surface water supplies;
2. Function as the community focal point for all grant/aid applications related to the project;
3. Develop a support staff;

4. Develop the procedures for establishing and conducting the SRWA's coordination functions;
5. Design, construct, finance, own, and operate the Project facilities;
6. Provide treated water At Cost and on the same terms and on an equitable basis to the Participants; and
7. The method of which the purposes of the Agreement shall be financed through the sale of Certificates of Participation, the issuance of Bonds, or such other method as agreed upon by the Participants.

The SRWA is established for the purposes listed above and shall exercise all the powers set forth in the September 27, 2011 Drinking Water Supply Project Joint Exercise of Power Agreement (Agreement). The definitions of terms used in these Bylaws shall be the same as contained in the Agreement, unless otherwise expressly provided herein.

ARTICLE III

POWERS

The SRWA shall have and shall exercise powers attributable to the City of Modesto, except as herein prohibited and otherwise prohibited by law. The SRWA is hereby authorized, in its own name acting through the Governing Board, to do all acts necessary or convenient for the exercise of its power to accomplish its objectives, including, but not limited to:

1. Employ agents, consultants, advisors, independent contractors, and employees;
2. Make and enter into contracts;
3. Acquire, hold, and convey real and personal property;
4. Incur debts, obligations, and liabilities;
5. Accept contributions, grants, or loans from any public or private agency or individual, of the United States, or any department, instrumentality, or agency thereof for the purpose of financing its activities;
6. Invest money that is not needed for immediate necessities, as the Governing Board determines advisable, in the same manner and upon the same conditions as other local entities in accordance with Section 53601 of the Government Code;
7. Reimburse Directors for reasonable and necessary expenses incurred in performing the duties of their office;
8. Reimburse Participants for the direct costs incurred in the formation of the Authority.

9. Sue and be sued in its own name, all as provided in Section 6508 of the Act, as well as the power of eminent domain;
10. Exercise any powers, as agreed to by the parties;
11. Do all other acts reasonable and necessary to carry out the purpose of this Agreement;
12. To acquire, construct, manage or maintain or operate any building, works or Capital improvements related to the project; and
13. To levy and collect revenue and funding as authorized by law.

Such powers shall be exercised in the manner provided by the Act and except as expressly set forth herein, subject only to the restriction of exercising its powers, imposed upon the City of Modesto in the exercise of similar powers. Notwithstanding the generality of the foregoing, and except as expressly authorized by this agreement including, but not limited to, Article VII, IX and XV, the SRWA shall have no power to bind any of the Participants to any monetary obligation whatsoever other than expressly authorized by the mutual written consent of the Participants. The SRWA shall be strictly accountable for all funds received, held, and disbursed by it.

ARTICLE IV

GOVERNING BOARD OF DIRECTORS

The SRWA shall be administered by a Governing Board (Board), which will include the following members:

1. One (1) member and one (1) alternate from each City Council of each City which is an original Participant.
2. Each Director of the Board shall have one vote which shall be equal in weight to the vote of each other Director.
 - ~~a. In the event of a tie vote, and only in that event, the General Manager shall have a vote equal to the weight to that of a Director.~~
 - ~~b. If a conflict arises, the item will be continued until the next meeting or until such time as the conflict is resolved~~
3. The Mayor of each Participant may be a member in lieu of a City Council person.
4. Termination of a Director's status as a ~~e~~Councilmember or ~~m~~Mayor shall constitute automatic termination of the person's directorship on the Governing Board.

5. The Board shall have an Ex-officio Director from Stanislaus County Board of Supervisors, or other agencies, as deemed necessary from time to time. Each Ex-officio Director shall serve in a non-voting, advisory capacity.
6. The Board shall select a Chair and Vice Chair. The Chair shall preside at all Board meetings, and the Vice Chair shall act in place of the Chair when the Chair is absent.
7. The Board shall appoint a General Manager, a Secretary, and other officers as determined necessary by the Board, and they shall serve at the pleasure of the Board.

ARTICLE V

MEETINGS OF THE BOARD

1. The Board shall hold at least one (1) regular meeting each calendar quarter, or as often as the Board deems necessary to conduct SRWA business.
2. The meetings shall be scheduled and conducted pursuant to the provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.), and according to the modified Robert's Rules of Order.
3. The regular meetings of the Board will be held on the second and fourth Thursday of the month ~~of the meeting scheduling~~, at 10 a.m., at one of the designated City offices listed below, as set forth in the meeting notice/agenda; ~~which will be scheduled on a rotating basis.~~
 - a. City of Modesto, City Hall, 1010 Tenth Street, 2nd Floor, Room 2001
 - b. City of Turlock, City Hall, 156 South Broadway, 2nd Floor, Yosemite Room
 - c. City of Ceres, Community Center, 2701 4th Street, Upstairs Classroom

~~4. The locations of the meetings are rotated in the following order at the locations as listed:~~

 - a. ~~City of Modesto, City Hall, 1010 Tenth Street, 2nd Floor, Room 2001~~
 - b. ~~City of Turlock, City Hall, 156 South Broadway, 2nd Floor, Yosemite Room~~
 - c. ~~City of Ceres, Community Center, 2701 4th Street, Upstairs Classroom~~
- ~~5.4.~~ A minimum of three (3) Directors majority vote shall be required for the approval of any action taken by the Board, unless otherwise stated in the Agreement.

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ARTICLE VI

OFFICERS

1. The Chair of the Board shall be elected annually by the Board ~~on a rotating basis~~. The Chair shall:
 - a. Coordinate the work of officers and committees of the SRWA in order that the SRWA's purposes are promoted;
 - b. Preside at all meetings of the SRWA;
 - c. From time to time, the Chair may appoint ad hoc committees to study specific project or program elements as may be desirable, subject to the approval of the Board;
 - ~~e.~~ d. Serve as the official spokesperson of the SRWA;
 - ~~d. Perform other duties as assigned by the Board; and~~
 - e. Be the approved signatory on legal or formal documents of the SRWA; and
 - ~~e.f. Perform other duties as assigned by the Board.~~
2. The Vice Chair shall assist the Chair in performance of duties; perform the duties of the Chair in the absence or inability of that officer to act; and other duties assigned by the Board.
3. The General Manager will be in charge of the day-to-day operations of the project, including but not limited to, operations, maintenance, budget, and capital projects. The General Manager shall serve at the pleasure of the Board, and shall have the power to hire and discipline employees in accordance with the personnel rules of the SRWA.
4. The General Counsel shall provide legal advice and services to the SRWA. The General Counsel shall be appointed by and shall serve at the pleasure of the Governing Board.
5. The Secretary shall:
 - a. Keep, or cause to be kept, accurate records of the proceedings of all meetings of the SRWA, and shall, as soon as possible after each meeting, forward a copy of the minutes to each Director of the Board;
 - b. Be responsible to prepare, or cause to be prepared, meeting schedules, notices, resolutions, and agendas;
 - c. Make such records of the proceedings available to the Board Directors for their approval at each meeting;
 - d. Keep Directors and agencies informed of meeting proceedings and activities of the SRWA;
 - e. Conduct all necessary correspondence of the SRWA;
 - f. Be responsible for preparing, or causing to be prepared, any annual reports required by law;
 - g. Prepare such notices and reports as may be requested by the Board;
 - h. Prepare, or cause to be prepared, periodic reports on the financial status of the SRWA;
 - i. Be responsible for coordinating the annual audit of the SRWA; and
 - j. Be responsible for record keeping for the SRWA, which will be housed at with the City of Modesto offices current Secretary at his/her City office, until such time as the SRWA has its own office and corresponding staff.

6. The Finance Director for the SRWA shall be designated by the Governing Board. ~~the~~The Governing Board has designated the City of Modesto Director of Finance to serve as the Finance Director, as determined by the Agreement until such time as the SRWA has its own Finance Director, and shall:

- a. Receive, have custody, and disburse Authority funds pursuant to the procedures established by the Authority;
- b. Within 100 days after the close of each Fiscal Year, give a preliminary written auditor report of all financial activities to the Board, and give a final written auditor report no later than January of each year for the previous fiscal year;
- c. Audit and allow or reject claims in lieu of, and with the same effect as, allowance or rejection by the Board in any of the following cases:
 - i. Expenditures authorized by purchase order issued by an officer of the SRWA, authorized by the Board to make purchases.
 - ii. Expenditures authorized by contract, resolution, or order of the Board acting within the scope of its authority.
- ~~ii.~~d. Be responsible for financial record keeping for the SRWA, which will be housed with the current Finance Director at his/her City office, until such time as the SRWA has its own office and corresponding staff.

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7. As Treasurer, the Finance Director for the SRWA shall:

- a. Have custody of all money of the SRWA from whatever source in accordance with Section 6505.5 of the Law, and, as such, shall have the powers, duties, and responsibilities specified in such Section 6505.5 of the Law; provided, however, that moneys of the Authority shall be kept separate and apart form, and shall not be commingled with, moneys of the City.

8. The Auditor for the SRWA shall be ~~the auditor of the City of Modesto~~from the same public agency as the Finance Director, as stated in Article XVII of the Agreement, and shall:

- a. Have the powers, duties, and responsibilities specified in Section 6505.5 of the Law.

9. The General Manager will also act as Purchasing Manager until such time as the Board directs otherwise. The Purchasing Manager will utilize the Policies and Procedures of the City of Modesto as guidelines for securing goods and services for the SRWA, with the purchasing limit set at \$25,000 per occurrence, and until such time as the SRWA adopts policies and procedures specific to the SRWA.

10. The Chair of the Board may appoint a technical advisory committee composed of staff from the various Participants to provide technical guidance and input for Board review and consideration.

ARTICLE VII

CONFLICT OF INTEREST

The SRWA shall adopt a Conflict of Interest Code in Accordance with the Political Reform Act (commencing with Section 81000 of the Government Code of the State).

ARTICLE VIII

AMENDMENTS TO BYLAWS

These Bylaws may be amended, repealed, or altered, in whole or in part, by ~~two-thirds~~ [majority](#) vote of the Board. The secretary of the SRWA shall prepare and distribute any revisions to all Board members.

DRINKING WATER SUPPLY PROJECT

Field Code Changed

JOINT EXERCISE OF POWERS AGREEMENT
BETWEEN
THE CITIES OF CERES, MODESTO AND TURLOCK,
FOR THE PURPOSE OF CREATING A JOINT POWERS
AUTHORITY RESPONSIBLE FOR DECISIONS IN CERTAIN MATTERS
PERTAINING TO THE MUNICIPAL AND INDUSTRIAL WATER SUPPLY
PROGRAMS FOR THE AFOREMENTIONED PUBLIC ENTITIES

THIS AGREEMENT, ~~dated for convenience as of originally entered into on~~ September 27, 2011, is hereby amended and updated on October 29, 2015, and is by and between the Cities of Ceres, Modesto & Turlock, hereinafter "Participants", being municipal corporations duly organized and existing under the laws of the State of California.

WHEREAS, the intent of the parties to this Agreement is to create a Joint Powers Authority that would purchase water from the Turlock Irrigation District (hereinafter referred to as "TID"), would treat such water and would make such treated water available At Cost to the Participants; and

WHEREAS, the Participants are interested in finding and evaluating surface water supply options and facilities to serve municipal and industrial water to the customers within their service areas; and

WHEREAS, the Participants desire to develop a safe, dependable, economical and long-term municipal and industrial water supply system; and

WHEREAS, the Participants desire to tailor the pProject to individual community needs; and

WHEREAS, each of the Participants has heretofore been participating in a Project to seek an alternative surface water supply; and

WHEREAS, All Participants desire to establish a joint powers authority by this Agreement so they may collectively discuss, develop and negotiate alternatives regarding the aforementioned Project; and

WHEREAS, The Participants desire to secure a reliable source of surface water for municipal and industrial water and other municipal purposes; and

WHEREAS, each of the Participants is authorized to develop, obtain, and serve a municipal and industrial water supply, pursuant to California law.

NOW, THEREFORE, the Participants, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

ARTICLE I. DEFINITIONS:

~~Section 1.01-Definitions.~~—Unless the context otherwise requires, the words and terms defined in this Article shall, for the purpose hereof, have the meaning herein specified.

- A. "Act" means Articles ~~1~~ through 4 (commencing with section 6500) of ~~e~~Chapter 5, ~~d~~Division 7, Title 1 of the Government Code of the State of California.
- B. "Agreement" means this Agreement.
- C. "At Cost" means the actual cost per million gallons of project water paid by each Participant. The components of cost will include engineering costs, construction costs, project operating and maintenance costs, raw water costs, project sunk costs, and financing costs.
- D. "Authority" means the Stanislaus Regional Water Authority established pursuant to this Agreement.
- E. "Bonds" means certificates of participation or bonds of the Authority issued pursuant to Article 2 (commencing with section 6540) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California.
- F. "Capital Improvements" means any facility or facilities, whether newly constructed, expanded, rehabilitated, or otherwise acquired, including but not limited to purchase of land or water rights, which are for the purposes of carrying out the purposes of the Project.
- G. "Capital Costs" mean the project-related costs of construction, financing, acquiring, planning, designing, environmental documentation and permitting (including any mitigation costs or filing fees related to permitting) and the funding of a reasonable capital reserve. Capital Costs include the initial Pproject construction and subsequent Capital Costs of Pproject repair, replacement, modification, and improvement.
- H. "Fixed Operating Costs" mean those Pproject-related operating, maintenance and management costs that are incurred irrespective of the amount of water conveyed through the Project, including, but not limited to, consultant costs, employee salaries and expenses, debt service costs on any bonds or other indebtedness issued to finance the Capital Costs, bond reserve funds, and the cost of bond or financing agreements.
- I. "Variable Operating Costs" mean those Pproject-related operating and maintenance costs and other costs that are dependent on, and vary based on, the volume of water actually conveyed through the Project (including, but not limited to, the costs of water (e.g., supplied under a water supply contract) and power), length or size of the Transmission Piping, or such other method as may be established by the ~~unanimous~~-Governing Board ~~approval~~.

- J. "Construction" means the ~~P~~project-related procurement of materials, parts and equipment, construction, construction management, and related field services including project management activities, contractor management, design assistance during construction, as-built-drawings, and start-up testing.
- K. "Directors" means the representatives of the Participants appointed to the governing body pursuant to Article V.
- L. "Finance Director" shall mean the person designated by Article XVI of this Agreement.
- M. "Governing Board" means the governing board established pursuant to Article V, Paragraph A.
- N. "Fiscal Year" means the period from July 1 to and including the following June 30.
- O. "Participants and Participant" means all of the original parties to this Agreement.
- P. "Project" means the acquisition of a safe, reliable, economical long-term municipal and industrial water supply system or systems, including without limitation, scoping and data collection, program planning, facilities planning, design and construction, program start up and contracting for, and acquisition of water rights and/or water delivery.
- Q. "General Manager" means the person selected by the Governing Board to manage the day-to-day operations of the Project, in an at-will employment relationship to the Board, which shall have overall ~~P~~project management responsibility.
- R. "Public Agency" means any public agency authorized by the Act to enter into a joint exercise of powers agreement with the Participants.
- S. "Secretary" means the Secretary of Authority.
- T. "State" means the State of California.
- U. "Ex-officio" means non-voting Director of the Governing Board serving in an advisory capacity.
- V. "Project Facility" or "Project Facilities" means each facility or facilities as identified as a Project Facility in Exhibit B, attached hereto and incorporated herein.
- W. "Dedicated Capacity" means the water capacity of the Project Facilities dedicated to each Participant as set forth in "Exhibit A".

ARTICLE II. PURPOSE:

- A. The purpose of this Agreement is to establish a Joint Powers Authority responsible for representing the Participants in decisions and matters relating to the Project.
- B. Objectives: The Authority created by this Agreement has the following objectives to accomplish its purpose:
 - 1. Plan and develop the implementation of surface water supplies;
 - 2. Function as the community focal point for all grant/aid applications related to the Project;
 - 3. Develop a support staff;
 - 4. Develop the procedures for establishing and conducting this Authority's coordination functions;
 - 5. Design, construct, finance, own, and operate the Project Facilities; and
 - 6. Provide treated water At Cost and on the same terms and on an equitable basis to the Participants.
 - 7. The method by which the purposes of this Agreement shall be financed is through the sale of Certificates of Participation, the issuance of Bonds, or such other method as agreed upon by the Participants.

ARTICLE III. FORMATION:

Upon the effective date of this Agreement, there is hereby established the Stanislaus Regional Water Authority pursuant to the provisions of Article I, Chapter 5, Division 7 of Title 1 of the California Government Code, commencing with Section 6500, hereinafter "Act". As provided in Section 6507 of the Act, the Authority shall be a public entity separate from each of the Participants.

ARTICLE IV. TERM:

This Agreement will become effective upon the date of its execution by all of the original Participants and shall continue in full force and effect until terminated. This Agreement may be terminated at any time by mutual agreement of all Participants thereof.

ARTICLE V. GOVERNING BOARD:

- A. Governing Board: The Authority shall be administered by a Governing Board which shall be comprised of the following: One member from each City Council of each City which is an original Participant. Within 60 days after the execution of this Agreement by the Participants, each Participant shall designate its Governing Board member (Director) and an alternate. Each Director of the Governing Board shall have one vote which shall be equal in weight to the vote of each other Director. ~~In the event of a tie vote, and only in that event, the General Manager shall have a vote equal in weight to that of a Director.~~ The Mayor of each Participant may be a Director in lieu of a City Council person and termination of a Director's status as a Councilmember or Mayor shall constitute automatic termination of that person's Directorship on the Authority's Governing Board. The appointing City may appoint a new Director or alternate Director immediately upon the occurrence of any vacancy in that party's representation, or the alternate Director appointed pursuant to this Article V may serve until a new Director is appointed. Each City shall appoint one alternate Director to serve the Authority during the absence of any regular Director from any meeting of the Authority, and that Director's alternate shall be entitled to participate in all respects as a regular Director of the Authority. The Governing Board shall have Ex-officio Directors as the Governing Board shall from time-to-time designate. Each Ex-officio Director shall serve in a non-voting, advisory capacity.
- B. Automatic termination from the Governing Board and the Authority: Prior to commencement of the construction of the Project Facilities an agreement or agreements detailing ownership and operation will have to be consummated. Failure of any Participant or Participants to approve and endorse such agreement or agreements shall automatically terminate the entity from participation in the pProject and terminate their membership in the Authority.
- C. Meeting: The Governing Board shall hold at least one (1) regular meeting each calendar quarter. All meetings shall be scheduled and conducted pursuant to the provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.). A minimum of ~~three (3)~~two (2) Directors shall constitute a quorum for the transaction of business and ~~the affirmative vote of at least three (3) Directors~~a majority vote of the entire Board shall be required for the approval of any action taken by the Governing Board, unless otherwise stated herein.

The Secretary shall keep minutes of all meetings of the Governing Board and shall, as soon as possible after each meeting, forward a copy of the minutes to each Director of the Governing Board.

- D. Officers: The Governing Board shall select a Chair and a Vice Chair. It shall then appoint a General Manager, a Secretary and any other officers as determined necessary by the Governing Board. The Chair shall preside at all Authority meetings. The Vice Chair shall act in place of the Chair at meetings

should the Chair be absent. All officers shall serve at the pleasure of the Board.

- E. Bylaws: The Governing Board may, from time to time, adopt such bylaws and regulations for the conduct of its meetings as are necessary for the purposes herein.

The duties of certain officers are as follows:

1. The Chair of the Governing Board shall be elected annually by the Governing Board ~~on a rotating basis~~ and the Chair shall coordinate the work of officers and committees of the Authority in order that the Authority's purposes may be promoted; preside at all meetings of the Authority; appoint such ad hoc committees as may be desirable, subject to the approval of the Governing Board; serve as the official spokesperson of the SRWA; perform such other duties as assigned to him or her by the Governing Board; and be the approved signatory on legal or formal documents of the Authority; and perform such other duties as assigned to him or her by the Governing Board.
2. The Vice Chair shall assist the Chair in the performance of his or her duties; perform the duties of the Chair in the absence or inability of that officer to act; and perform such other duties as may be assigned to him or her by the Governing Board.
3. The General Manager shall be in charge of the day-to-day operations of the ~~p~~Project, including but not limited to, operations, maintenance, budget and capital projects. The General Manager shall serve at the pleasure of the Governing Board, and shall have the power to hire and discipline employees in accordance with the personnel rules of the Authority.
4. General Counsel. The General Counsel shall provide legal advice and services to the Authority. The General Counsel shall be appointed by and shall serve at the pleasure of the Governing Board.
5. The Secretary shall keep, or cause to be kept, accurate records of the proceedings of all meetings of the Authority; be responsible to prepare, or cause to be prepared, meeting schedules, notices, resolutions and agendas; make such records of the proceedings available to the Governing Board Directors for their approval at each meeting; keep Directors and agencies informed of meeting proceedings and activities of the Authority; conduct all necessary correspondence of the Authority; be responsible for preparing, or causing to be prepared, any annual reports required by law; prepare such notices and reports as may be requested by the Governing Board; prepare, or cause to be prepared, periodic

reports on the financial status of the Authority; and be responsible for coordinating the annual audit of the Authority, as required by this Agreement.

ARTICLE VI. POWERS OF THE AUTHORITY:

The Authority shall have and shall exercise powers attributable to the City of Modesto, except as herein prohibited and otherwise prohibited by law. The Authority is hereby authorized, in its own name acting through the Governing Board, to do all acts necessary or convenient for the exercise of its powers to accomplish its objectives, including, but not limited to:

- A. Employ agents, consultants, advisors, independent contractors, and employees;
- B. Make and enter into contracts;
- C. Acquire, hold and convey real and personal property;
- D. Incur debts, obligations and liabilities;
- E. Accept contributions, grants, or loans from any public or private agency or individual of the United States or any department, instrumentality, or agency thereof for the purpose of financing its activities;
- F. Invest money that is not needed for immediate necessities, as the Governing Board determines advisable, in the same manner and upon the same conditions as other local entities in accordance with Section 53601 of the Government Code;
- G. Reimburse Directors for reasonable and necessary expenses incurred in performing the duties of their office;
- H. Reimburse Participants for the direct costs incurred in the formation of the Authority and continued testing of the source waters.
- I. Sue and be sued in its own name, all as provided in Section 6508 of the Act, as well as the power of eminent domain;
- J. Exercise any powers, as agreed to by the parties; **and**
- K. Do all other acts reasonable and necessary to carry out the purpose of this Agreement;
- L. To acquire, construct, manage or maintain or operate any building, works or

Capital improvements; and

M. To levy and collect revenue and funding as authorized by law.

Such powers shall be exercised in the manner provided by the Act and except as expressly set forth herein, subject only to the restriction of exercising its powers, imposed upon the City of Modesto in the exercise of similar powers. Notwithstanding the generality of the foregoing, and except as expressly authorized by this Agreement including, but not limited to, Article VII, IX and XV, the Authority shall have no power to bind any of the Participants to any monetary obligation whatsoever other than expressly authorized by the mutual written consent of the Participants. The Authority shall be strictly accountable for all funds received, held, and disbursed by it.

ARTICLE VII. DUTIES AND RESPONSIBILITIES OF THE AUTHORITY:

- A. The Authority shall perform various functions that are necessary to fulfill its objectives and goals and carry out the purposes of the Authority.
- B. The Authority shall function as the community focal point for all grant/aid applications in regard to the Project.
- C. The Authority shall develop the necessary support staff.
- D. The Authority shall develop the procedures for establishing and conducting the Authority's functions.
- E. The Authority shall establish a funding basis for initial and sustained operations.
- F. Within 120 days after the first meeting of the Governing Board, and thereafter prior to the commencement of the fiscal year, the Governing Board shall adopt a budget.
- G. The Authority shall prepare a budget for the Project at least thirty (30) days prior to the beginning of each fiscal year.
 - 1. All Project budgets shall include fixed operating, variable operating, and Capital costs.
 - 2. Budget principle: In preparing and reviewing budgets for the Project, the Authority shall be guided by the principle that the Project shall be operated in as economic manner as practical in accordance with generally accepted municipal and industrial water practices as evidenced by similar size municipal and industrial water systems in Northern California.

ARTICLE VIII. FUNDS DEPOSIT IN PARTICIPANTS TREASURY:

- A. The Authority may accept and expend funds from public or private sources, subject to the restrictions of law, for the purpose of carrying out its powers, duties, responsibilities, and obligations specified in this Agreement.
- B. Subject to the provisions of this Agreement and any applicable law, the Finance Director shall receive, have custody and disburse Authority funds pursuant to the procedures established by the Authority.

ARTICLE IX. EXPENDITURES AND OBLIGATIONS:

- A. The Directors and every other official or employee of the Authority shall be limited in the making of expenditures or incurring of liabilities to the amount of the appropriations allowed by the budget as adopted by the Governing Board or thereafter revised by the Board, in accordance with procedural rules for expenditures and obligations of funds as adopted by the Governing Board.
- B. Except as otherwise provided by law, warrants issued, expenditures made or liabilities incurred in excess of any budget appropriation are not a liability of the Authority or a liability of any party to this Agreement.
- C. Pursuant to Section 6508.1 of the [California Government Code Act](#), the debts, liabilities, and obligations of the Authority shall be those of the Authority and not of the Participants in this Joint Powers Agreement.

ARTICLE X. PURCHASES:

The Governing Board of the Authority shall designate a Purchasing Agent for the Authority.

ARTICLE XI. RECORDS AND ACCOUNTS:

- A. The Authority shall be strictly accountable for all funds.
- B. The Governing Board of the Authority shall cause to be kept proper books, **of** records and accounts in which a complete and detailed entry shall be made of all of the transactions of the Project including all receipts and disbursements. The books and records shall be kept in accordance with Section 6505 of the Act and rules and regulations of the State Controller. The books shall be subject to inspection at any reasonable time by the duly authorized representative of each of the Participants in this Agreement.

- C. The Governing Board of the Authority shall cause to be prepared an annual financial and operational report pursuant to Section 6505 of the Act, including a report of all receipts and disbursements of funds which shall be available at the office of the Secretary and a copy thereof shall be delivered to each party to this Agreement. The report shall be filed within 180 days of the close of each fiscal year.
- D. The Finance Director, within 100 days after the close of each Fiscal Year, shall give a ~~complete preliminary~~ written auditor report of all financial activities to the Governing Board, and give a final written auditor report no later than January of each year for the previous fiscal year~~for such fiscal year to the Participants to this Agreement.~~

ARTICLE XII. CLAIMS:

All claims against the Authority, including but not limited to contested claims by public entities, or public officers and employees for fees, salaries, wages, mileage or other expenses, shall be filed within the time and in the manner specified in Chapter 2 (commencing with Section 910) of Part 3, Division 3.6 of Title I of the Government Code or in accordance with claims procedures approved by the Treasurer and established by the Governing Board of the Authority pursuant to Chapter 5 (commencing with Section 930) or Chapter 6 (commencing with Section 935) of said Part 3 of the Government Code.

ARTICLE XIII. ALLOWANCE OF CLAIMS BY FINANCE DIRECTOR:

The Finance Director shall audit and allow or reject claims in lieu of, and with the same effect as, allowance or rejection by the Governing Board of the Authority in any of the following cases: Expenditures which have been authorized by purchase orders issued by an officer of the Authority authorized by said Governing Board to make purchases. Expenditures which have been authorized by contract, resolution or order of the Governing Board acting within the scope of its authority.

ARTICLE XIV. INSURANCE/BONDS:

The Authority shall at all times maintain worker's compensation insurance and insurance against public liability and property damage to the extent reasonably necessary to protect the Authority, its officers, employees or agents and the Participants to this Agreement. Such insurance may be maintained in whole or in part in the form of self-insurance.

ARTICLE XV. FINANCING:

- A. It is the intent of the Participants that the Joint Powers Authority shall become financially self-sufficient. Each of the Participants shall contribute a percentage of the budget based on its anticipated participation as set forth in Exhibit "A" attached hereto.
- B. Each of the Participants agrees that its Water Enterprise Fund or such other fund as a Participant may determine, but not the Participant's General Fund, shall be responsible for paying its respective share of the budget as set forth in Exhibit "A" attached hereto.
- C. Each of the Participants to this Agreement may, but is not required to, contribute additional money, office space, furnishings, equipment, supplies or services as the respective Participants, thereof may deem appropriate.
- D. Funds may also be derived through State subvention funds, Federal grants, bonds or other available sources. The Authority may also apply for available State or Federal funds and shall make new and additional applications from time to time as appropriate. The Authority may also establish and collect various fees, leases or rents as may be authorized by law.
- E. The initial budget shall not exceed \$100,000.00 unless specifically authorized by unanimous vote of the Governing Board.
- F. The Governing Board shall determine on an annual basis, prior to the beginning of each fiscal year, a level of reasonable cash reserves to be accumulated by the Authority. This reserve shall be accumulated from revenues collected in excess of all actual costs of the Authority. Once the targeted reserve level is reached, all additional revenues collected in excess of the actual costs of the Authority shall be considered excess revenue and, subject to any limitation in any bond or other financing agreement, carried forward as revenue for the next fiscal year and serve to reduce each Participant's respective assessment for such subsequent fiscal year.

ARTICLE XVI. FINANCE DIRECTOR DESIGNATED AS TREASURER:

The ~~Finance Director of Modesto is hereby designated to be Treasurer of~~ Governing Board of Authority shall designate a Finance Director for the Authority. Subject to the applicable provisions of any resolution, trust agreement or indenture authorizing the sale of certificates of Participation or issuance of any Bonds and providing for a trustee or fiscal agent, the Finance Director is designated as the depository of the Authority to have custody of all money of the Authority from whatever source in accordance with Section 6505.5 of the LawAct, and, as such, shall have the powers, duties and responsibilities specified in such Section 6505.5 of the LawAct; provided, however, that

moneys of the Authority shall be kept separate and apart from, and shall not be commingled with, moneys of the City.

ARTICLE XVII. AUDITOR:

The Auditor, ~~being of~~ shall be from the same public agency as the Finance Director, and is hereby designated as Auditor of the Authority in accordance with Section 6505.5 of the LawAct. Subject to the applicable provisions of any resolution, trust agreement, or indenture authorizing the sale of Certificates of Participation or issuance of any Bonds and providing for a trustee or fiscal agent, the Auditor shall have the powers, duties and responsibilities specified in such Section 6505.5 of the LawAct.

ARTICLE XVIII. CHARGES FOR SERVICE OF TREASURER, ~~AND AUDITOR, AND SECRETARY~~:

~~City Council of the City of Modesto, being the~~ governing body City Council of the same public entity participating agency that provides the services of ~~as~~ the Treasurer, ~~and Auditor, and Secretary~~ shall determine the charges to be made against the Authority for such services of the ~~Secretary, and the~~ Treasurer, and ~~the~~ Auditor, as provided in Section 6505.5 of the LawAct. All charges assessed by City's Council shall relate to direct costs incurred by the City of Modesto for the services provided to the Authority by the Depository, ~~and the~~ Auditor, and ~~Secretary and~~ are subject to the approval of the Governing Board.

ARTICLE XIX. BONDING PERSONS HAVING ACCESS TO PROPERTY:

The Participants acting through the Governing Board shall designate the public officers or persons who have charge of, handle, or have access to any property of the Authority, and each such officer shall file an official bond with the Secretary of the Authority in the amount fixed by the Governing Board, all as required by Section 6505.1 of the LawAct. If and to the extent permitted by law, any such officer may satisfy this requirement by filing an official bond obtained in connection with another public office.

ARTICLE XX. PARTICIPANT EMPLOYEES:

Each Participant shall assume all liability related to its employees who provide services in connection with this Agreement and shall indemnify and hold harmless the Authority, its agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising therefrom. However, the Authority may, in its sole discretion, procure a policy or policies of insurance in the types and amounts it deems appropriate. In the event such policy or policies of insurance are procured by the Authority, such insurance

coverage shall be primary over any obligation of the Participant under this section.

ARTICLE XXI. FINANCIAL ACCOUNTABILITY AND REPORTING:

The Authority shall provide for strict accountability of all funds and report of all receipts and disbursements, in accordance with Section 6505 of the [LawAct](#), and shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any resolution of the Authority providing for the sale of Certificates of Participation or the issuance of Bonds. The Authority shall maintain during the term of the Agreement, appropriate books, records, accounts, and files relating to its revenues and expenses, all of which shall be open to inspection at all reasonable times by the Participants, the Directors, and their designated representatives.

ARTICLE XXII. CONTRACT WITH CERTIFIED PUBLIC ACCOUNTANT:

The Auditor of the Authority shall either make or contract with a certified public accountant to make an annual audit of the accounts and records of the Authority, as required by Section 6505 of the [LawAct](#). In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally acceptable auditing standards. When such an audit of accounts and records is made by a certified public accountant, a report thereof shall be filed with each Director and with each Participant. Such report shall be filed within six (6) months of the end of the fiscal year under examination. Any costs of the audit, including contract with, or employment of, certified public accountants in making an audit pursuant to this section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for the [eat](#) purpose.

ARTICLE XXIII. ADJUSTMENTS TO DEDICATED CAPACITY

Any two or more of the Participants may adjust their respective Dedicated Capacity shares and redistribute their respective shares among themselves, so long as the total Dedicated Capacity share percentages of the Participants in the redistribution remains the same after the redistribution. The redistribution may be temporary or permanent. The redistribution shall be in writing, approved and signed by the involved Participants who are participating in the redistribution, and filed with the Authority. If temporary, the writing shall indicate the effective dates of the redistribution. The redistribution also may reallocate the Participants' respective payment shares under Exhibit A, in which case the writing also shall indicate the changes to the Exhibit A shares, whether temporary or permanent, and, if temporary, the effective dates of the changes.

ARTICLE XXIV. BREACH:

If default shall be made by a Participant of any covenant contained in the Agreement,

such default shall not excuse the other Participants from fulfilling their obligations under the Agreement and the other Participants shall continue to be liable for obligations herein contained. The Participants hereby declare that the Agreement is entered into for the benefit of the Authority created hereby and the Participants hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each Participant hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of any one right or remedy shall not impair the right of the Authority to any or all other remedies.

ARTICLE XXV. DISPOSITION OF ASSETS ON TERMINATION OF AGREEMENT:

At the termination of this Agreement, all funds on hand shall be returned to the respective Participants as nearly as possible in the proportion to the contribution that Participant made to the funds then on hand. Any equipment, furniture or furnishing that can be identified as having been contributed by any Participant to this Agreement shall be transferred to and become the property of the Participant contributing such equipment, furniture or furnishings. Any other property of the Authority shall be converted to cash and distributed among the Participants to this Agreement in proportion to their contributions.

ARTICLE XXVI. NOTICES:

Notices hereunder shall be sufficient if delivered to:

Art deWerk	Greg Nyhoff	Roy Wasden
City Manager	City Manager	City Manager
City of Ceres	City of Modesto	City of Turlock
2720 Second Street	P.O. Box 642	156 South Broadway, Ste. 230
Ceres, CA 95307	Modesto, CA 95353	Turlock, CA 95381

ARTICLE XXVII. MISCELLANEOUS:

- A. The article headings herein are for convenience only and are not to be construed as modifying or governing the language of the article referred to.
- B. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.
- C. This Agreement is made in California under the Constitution and laws of California and is to be so construed.
- D. To preserve a reasonable degree of flexibility, many parts of this Agreement are stated in general terms. It is understood that there will be one or more additional agreements executed and amended from time to time which will further define

the rights and obligations of the participants regarding owning, operating, maintaining and financing the Project.

- E. This Agreement may be amended any time by mutual agreement of the Participants provided that before any amendments shall be operative or valid, they shall be reduced to writing and executed by all of the Participants.

ARTICLE XXVIII. PARTIAL INVALIDITY:

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each of the remaining terms, provisions, promises, covenants, and conditions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

ARTICLE XXIX. INCORPORATION OF THE ACT:

Notwithstanding any other provision of this Agreement, it is the intent of the Participants that all actions of the Authority and the Governing Board shall be in conformance with the Act or regulations adopted pursuant thereto as they exist on the effective date of this Agreement or as they may be subsequently amended.

ARTICLE XXX. LIMITATION ON FISCAL OBLIGATIONS AND PARTIES' LIABILITY:

Notwithstanding the general powers of the Authority set forth in this Agreement, the Authority shall not incur any financial or contractual obligations unless it has already obtained sufficient funds or a binding commitment for funds to pay for the full cost of said obligations. The Authority shall specify in all contracts for purchase of goods and services that responsibility for payment is that of the Authority and shall not be the debts, liabilities or obligations of the Participants to this Agreement or any of them.

ARTICLE XXXI. INDEMNIFICATION:

The Authority shall indemnify, defend, and save harmless each Participant, their officers, agents and employees, from and against any and all claims and losses whatsoever occurring or resulting to persons, firms or corporations furnishing or supplying work, ~~services~~, materials or supplies to the Authority in connection with the performance of the Agreement, and, except as expressly provided by law, from any and all claims and losses accruing or resulting to any persons, firm or corporation, for damage, injury or death arising out of, relating to, or connected with the Authority's performance of its obligations under this Agreement.

ARTICLE XXXII. CONFLICT OF INTEREST CODE:

The Authority shall adopt a Conflict of Interest Code in accordance with the Political Reform Act (commencing with Section 81000 of the Government Code of the State).

ARTICLE XXXIII. CERTIFICATES OF PARTICIPATION AND BONDS:

The Authority shall have the power to sell or cause to be sold Certificates of Participation and to sell bonds from time to time in accordance with the provisions of the Act for the purpose of raising funds necessary to finance or refinance the Project and to carry out its powers under this Agreement.

IN WITNESS WHEREOF, the Participants have caused their names to be affixed hereto by the proper officers thereof. This Agreement shall be effective as of the date and year first written above.

CITY OF CERES

By: _____
~~Art deWerk~~ Toby Wells, ~~Acting~~-City

Manager
ATTEST:

By: _____
~~CINDY HEIDORN~~ Lori Frontella, ~~Interim~~ City Clerk

APPROVED AS TO FORM:

By: _____
~~MICHAEL LYION~~ Tom Hallinan, City Attorney

CITY OF MODESTO

By: _____
~~GREG NYHOFF~~ Jim Holgersson, City

Manager
ATTEST:

By: _____
Stephanie Lopez, City Clerk

APPROVED AS TO FORM:

By: _____
~~ROLAND STEVENS~~ Adam E. Lindgren, ~~Assistant~~ City Attorney

CITY OF TURLOCK

By: _____
Gary Soisteh, Mayor OR
Roy Wasden, City Manager

ATTEST:

By: _____
~~RHONDA GREENLEE~~ Kellie E. Weaver, City Clerk

APPROVED AS TO FORM:

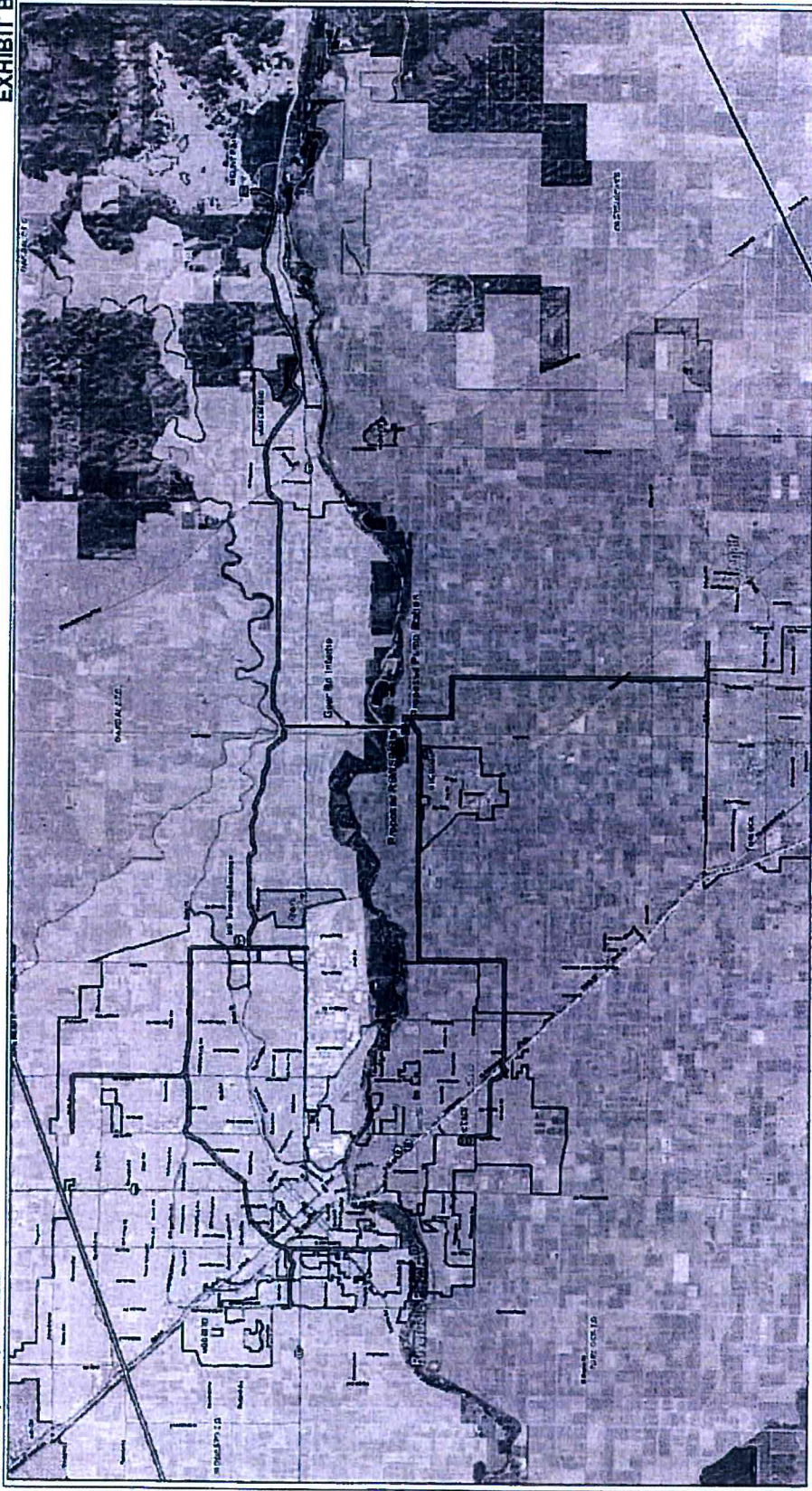
By: _____
~~PHAEDRA NORTON~~ Phaedra A. Norton, City Attorney

EXHIBIT "A"

JPA FINANCING PERCENTAGES*

	Phase 1	Phase 2
TURLOCK	56.0%	38.0%
CERES	22.0%	31.0%
MODESTO	22.0%	31.0%

***Based on percentage of capacity**



REGIONAL SURFACE WATER SUPPLY PROJECT
 Potential Alternative Project Phasing Plans
 (last revised July 29, 2011)

Legend

County Boundaries	USA Major Roads	Existing Water Treatment Plant	Proposed RWSP Pipelines
COT County Service Area	Road Classification	Proposed Water Treatment Plant	Existing MID Transmission Mains
Water District Boundary	Freeway or Other Major Road	Existing Reservoir	SPPUC San Joaquin Pipelines
EUBA Service Area	Major Road Less Important than a Freeway	Proposed RWSP Reservoirs	Potential RWSP Intertie
MOBISTO Service Area	Other Major Road	Proposed Pump Station	Clear Rd Intertie
GANDALE Service Area	Secondary Road	Wastewater Treatment Plant	
SOUTH SAN JOAQUIN I.D. Service Area	Local Connecting Road		
TULACEY I.D. Service Area	Important Local Road		
Del Norte Water District			

7D

From: Steve Stroud, Interim General Manager

Prepared by: Phaedra Norton, Interim Legal Counsel

1. ACTION RECOMMENDED:

Reviewing the Policy for New SRWA Members and Customers adopted May 31, 2012 and providing direction to staff regarding the Board's decision to reaffirm, modify, revoke, or make other changes to the Policy

2. DISCUSSION OF ISSUE:

On May 31, 2012, the Board adopted the Policy for New SRWA Members and Customers (Exhibit A). The policy states that the SRWA will not consider adding new members and/or serving customers outside of the SRWA. There have been recent Board discussions suggesting that this policy may need to be amended.

On September 3, 2015, the Board Chair directed the Interim General Manager to work with the Technical Advisory Committee (TAC) to compose a letter to other local agencies who may be interested in participating in the Regional Surface Water Supply Project. The TAC has composed the letter; however, the letter may be inconsistent with the current Board policy. Therefore, before sending the letter to potentially interested parties, staff is looking for policy direction from the Board related to this issue. Additionally, staff recommends that the Board Chair execute the letter on behalf of the SRWA.

Further, if the Board's direction is to change the Policy, the updated policy will be presented to the Board for formal approval at the next scheduled board meeting.

3. FISCAL IMPACT / BUDGET AMENDMENT:

N/A

4. INTERIM GENERAL MANAGER'S COMMENTS:

The Interim General Manager recommends that any proposed changes to the Policy be presented to the Board for formal approval.

5. ENVIRONMENTAL DETERMINATION:

N/A

6. ALTERNATIVES: None



STANISLAUS REGIONAL WATER AUTHORITY

AGENDA DATE: May 31, 2012

BOARD AGENDA #: VII.a

Subject: POLICY FOR NEW SRWA MEMBERS AND CUSTOMERS

Background Summary:

The Stanislaus Regional Water Authority (SRWA) is a Joint Powers Authority (JPA) formed in 2011 for the purpose of providing treated surface (drinking) water to the Cities of Ceres, Modesto, and Turlock. The founding member agencies of the SRWA are the Cities of Ceres, Modesto, and Turlock.

The SRWA will purchase untreated surface water from the Turlock Irrigation District, treat it to meet drinking water standards at an SRWA-owned treatment plant, and deliver the water to the Cities of Ceres, Modesto, and Turlock through SRWA-owned transmission facilities. The SRWA will finance and construct the necessary treatment and delivery systems. The Cities of Ceres, Modesto, and Turlock will be responsible for financing and constructing the water distribution facilities needed to take delivery of drinking water from the SRWA.

Policy Question

It is anticipated that communities neighboring Ceres, Modesto, and Turlock may approach the SRWA to request that the SRWA serve them. These requests could take the form of requests to be new JPA members or customers of the SRWA. The question is what policy should the SRWA have regarding these potential requests?

Issues

The issues related to serving new JPA members or customers include:

- Limited water treatment plant and water transmission system capacity
- The need for recovering the full cost for investments in SRWA infrastructure made by the rate payers of Ceres, Modesto, and Turlock if new users are connected to the SRWA system
- The need to focus on the SRWA mission to serve the founding member agencies and deliver a successful regional surface water project
- The requirement to amend and re-file the SRWA JPA agreement with the State of California to accommodate new members

Recommendation:

The SRWA Board discussed several options and issues related to new SRWA members and customers. Based on the issues, the SRWA Board directed that the SRWA focus on its mission and obligation of treating and delivering treated surface water to the Cities of Ceres, Modesto, and Turlock and not consider adding new



STANISLAUS REGIONAL WATER AUTHORITY

members and/or serving water customers outside of the current SRWA member agencies. This will allow the SRWA to focus on the tasks of financing and constructing the infrastructure needed to successfully meet its mission.

It is recommended that this policy take effect ninety (90) days after adoption by the SRWA Board.

Policy Statement:

The SRWA's obligation and priority is to provide water to its existing member agencies. The SRWA will not add new members to the SRWA or serve customers outside of the SRWA.

This policy may be amended by the SRWA Board in the future.

Fiscal Impact:

The recommendation creates no fiscal impact

From: SRWA Technical Advisory Committee (TAC)

Prepared by: Steve Stroud, Interim General Manager

1. ACTION RECOMMENDED:

Motion: Authorizing a search for a Contract Program Manager to provide SRWA general manager functions

2. DISCUSSION OF ISSUE:

When the Interim General Manager (IGM) tendered his resignation, effective not later than December 31, 2015, the Board of Directors indicated they wished to consider the matter of replacement and would provide direction at a future meeting.

At the September Board meeting, the Board asked the Technical Advisory Committee (TAC) to discuss the issue, offer insight and provide a recommendation. TAC met on October 12, 2015 to address the Board's request.

With approval of the TID/SRWA Water Supply Agreement, the overall workload for the General Manager has increased significantly, but the time needed will remain variable. At times, it will be a fulltime job, but at other times the need will be much lower, perhaps 20% of full-time. The Woodland/Davis project's Program Manager typically works from 20 to 40 hours a week, fluctuating with the need. SRWA's experience will likely be similar.

Filling the impending vacancy could take two basic forms – an “in-house” employee (like SRWA's current IGM) or “contracted services” (like Woodland/Davis).

An employee would be less costly on an hourly basis, but it may be difficult to get the requisite skills and availability if the person's income may range from 20% to 100%. This would tend to limit the qualified applicant pool to those with outside income (i.e. semi-retired or employed part-time), which could result in competition with those outside interests for time. Secretarial and clerical support services may be problematic as well. The SRWA member cities' staffs are already spread thin; none have sufficient staff time available in the skilled areas required to meet the needs.

The requisite skills and availability could also be acquired through contracted services. There are several firms in the region, capable of effectively providing program manager services, which may be interested in supplying SRWA with a Program Manager and Administrative Support. This is the option TAC recommends.

3. FISCAL IMPACT / BUDGET AMENDMENT:

None at this time.

4. INTERIM GENERAL MANAGER'S COMMENTS:

The Interim General Manager concurs with TAC's recommendation.

5. ENVIRONMENTAL DETERMINATION:

N/A

6. ALTERNATIVES:

Direct staff to arrange for recruitment of a General Manager (in-house employee); and task one of the SRWA member agencies to conduct the recruitment.

From: SRWA Technical Advisory Committee (TAC)

Prepared by: Steve Stroud, Interim General Manager

1. ACTION RECOMMENDED:

Motion: Directing staff to arrange site visits/tours of water treatment plants, including both basic types of filtration systems and all three types of procurement paths

2. DISCUSSION OF ISSUE:

On October 12, 2015, the Technical Advisory Committee (TAC) discussed the SRWA Board's request for suggestions and recommendations concerning site visits/tours of water treatment plants (WTPs).

Visits and tours are a good way to learn more about how different WTPs are developed and how well they operate. Tours during the CEQA process are timely – the results will be beneficial during the next phase of the Project.

Visits with management are helpful in gaining understanding of how the different paths used to transition from final EIR to operation helped or hindered development of each project. Some WTPs used the traditional Design-Bid-Build (DBB) path. Others used Design-Build (DB) or Modified-Design-Build (MDB). DBB is by far the most common with California public agencies, but in recent years DB and MDB have proven advantageous in some circumstances. MDB is a variation of DB; it allows the owner more opportunity for mid-course correction than DB. The path selected must "fit" the agency; it is important to select the best path before embarking on the journey. Agency management staffs are typically the best versed in discussing the joys and challenges of their path.

Getting a WTP into operation isn't, of course, the end of the story. In operation many factors are important, including reliably meeting water demand, predictable operating cost, intensity of staffing needed, regulatory compliance, etc. WTP tours with senior plant operators can be helpful in learning how the different filtration systems affect operations and costs.

Most facilities love to showcase their WTP, so tours are normally easily arranged.

Possible site visits/tours include:

- a. Modesto Irrigation District (MID). DBB construction path. Conventional filtration plant on line several years. Membrane filtration plant just entering operational testing phase. Serves North Modesto.

- b. South San Joaquin Irrigation District (SSJID). DBB construction path. Membrane filtration plant on line 2005. Supplemental water supply for Manteca, Lathrop, and Tracy. Designed to also serve Escalon when the city is ready for surface water.
- c. Stockton. MDB construction path. Membrane filtration. Two different water sources can challenge the operators. Excellent management visits and plant tours.
- d. West Sacramento. Conventional filtration plant.
- e. Woodland-Davis: DB construction path. Contract Program Manager. Nearing completion of construction.
- f. Fresno. Conventional filtration plant.
- g. Many other facilities are available, but travel costs will likely increase.

3. FISCAL IMPACT / BUDGET AMENDMENT:

All facilities listed above are within a two hour drive of Modesto. Financial impact will be minimal if air fare and overnight stays can be avoided. The SRWA Fiscal Year 2015-16 budget includes \$1,000 for Training expenses.

4. INTERIM GENERAL MANAGER'S COMMENTS:

The Interim General Manager recommends approval.

5. ENVIRONMENTAL DETERMINATION:

N/A

6. ALTERNATIVES:

Do not tour other water treatment plants.