



156 S. Broadway, Ste. 270, Turlock, CA 95380

(209) 668-4142 (phone) (209) 668-5695 (fax)

Board Meeting Agenda

October 17, 2019 at 3:30 p.m.

156 S. Broadway, Turlock, CA, Second Floor, Yosemite Conference Room

Chair, Chris Vierra
Vice Chair, Gil Esquer
Director, Amy Bublak
Director, Bret Durossette
Director (alternate), Channce Condit
Director (alternate), Nicole Larson

General Manager, Robert Granberg
Interim Legal Counsel, Richard P. Shanahan
Board Secretary, Allison Martin

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, contact the Board Secretary at the phone number set forth above. 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 Board on any item appearing on the agenda, including Consent Calendar and Scheduled Matters, 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 (excluding any closed session materials) 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 270, 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 at the address set forth above. 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
- B. SALUTE TO THE FLAG
2. RECOGNITION, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS: None
3. A. SPECIAL BRIEFINGS: None
- B. STAFF UPDATES
 1. General Manager Update (*Granberg*)
 2. Finance Director Report (*Lorenzi*)
- C. PUBLIC PARTICIPATION: This time is set aside for members of the public to address the Board concerning any item that has been described in the notice for the meeting, including Consent Calendar items, before or during consideration of that item. 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.

4. **DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS**
5. **CONSENT CALENDAR:** Information concerning the Consent items listed below 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:* Approve minutes of Regular Meeting of August 15, 2019
6. **PUBLIC HEARINGS:** None
7. **SCHEDULED MATTERS**
 - A. Adopt the Stanislaus Regional Water Authority Debt Management Policy in accordance with requirements of Government Code Section 8855(i) (*Lorenzi*)
 - B. Adopt a resolution authorizing the submittal of a proposal to the California Department of Water Resources to obtain a Round 1 Integrated Regional Water Management Implementation Grant pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code § 79700 *et seq.*), and authorizing the General Manager to enter into an agreement to receive the grant on behalf of the SRWA (*Granberg*)
 - C. Adopt a resolution authorizing a \$16,266 increase to account number 950-53-552.51801_005 "Wet Well Construction Environmental Services" and a corresponding decrease to account number 950-53-552.43329 "Environmental Services" to properly account for the contract changes to the SRWA's two contracts with Horizon Water and Environment, LLC. (*Granberg*)
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 21, 2019, Regular meeting
12. **CLOSED SESSION:** Conference with Legal Counsel Regarding Existing Litigation. Cal. Gov't Code § 54956.9(d)(1) "*Nothing in this chapter shall be construed to prevent a legislative body of a local agency, based on advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the local agency in the litigation. For purposes of this section, litigation shall be considered pending when any of the following circumstances exist: litigation, to which the local agency is a party, has been initiated formally.*"
Existing Cases: (1 case)
13. **ADJOURNMENT**



October 17, 2019

To: SRWA Board

From: Marie Lorenzi, Finance Director

Subject: Financial Summary as of October 7, 2019

Attached Financial Documents include:

Activity for 6-30-2019 as of 10-7-2019

- 1 - SRWA financial status as of 10-7-2019 for the 2018-19 fiscal year (Exhibit A):
 Revenue received from the participating agencies \$8,002,400.00
 Expenses paid total \$7,740,782.03
- 2 - SRWA financial status - life to date as of 10-7-2019 (Exhibit B):
 Revenue life to date totals \$13,484,648.15 (includes \$4,397.78 of interest)
 Expenses life to date total \$13,201,647.57
 Cumulative unexpended Revenues \$283,000.58

Activity for 6-30-2020 as of 10-7-2019

- 3 - SRWA financial status as of 10-7-2019 for the 2019-20 fiscal year (Exhibit C):
 Revenue received from the participating agencies \$3,952,700.00
 Expenses paid total \$1,452,859.58
- 4 - SRWA financial status - life to date as of 10-7-2019 (Exhibit D):
 Revenue life to date totals \$17,437,348.15 (includes \$4,397.78 of interest)
 Expenses life to date total \$14,654,507.15
 Cumulative unexpended Revenues \$2,782,841.00
- 5 - Invoices submitted but unpaid as of 10-7-2019:
 The following invoices are in the process of being paid at 10-7-2019 and the related costs are not included in the information presented in Exhibits.

Granberg & Associates - September 2019	\$ 12,207.36
Horizon Water & Environmental - August 2019	12,642.25
Inferrera Construction Mgmt - August 2019	33,431.13
TID - water rights acquisition	1,118.69
West Yost Associates - PM for August 2019	149,825.89

\$ 209,225.32

Stanislaus Regional Water Authority

For FY 2018-19 (Updated 10-7-2019)

Account Name		Original Budget	Amendments	Amended Budget 2018-19	Unaudited Actual 2018-19	Totals for 2018-19		
						Ceres	Turlock	TID
REVENUES								
Interest Income				0.00				0.00
34900_001	Agency Contribution - City of Turlock	8,198,150.00	(102,274.00)	8,095,876.00		4,072,700.00		4,072,700.00
34900_002	Agency Contribution - City of Ceres	5,456,850.00	25,062.00	5,481,912.00	2,872,300.00			2,872,300.00
34900_004	Agency Contribution - Turlock Irrigation District	2,062,360.00	(5,130.00)	2,057,230.00			1,057,400.00	1,057,400.00
Total Revenues		15,717,360.00	(82,342.00)	15,635,018.00	2,872,300.00	4,072,700.00	1,057,400.00	8,002,400.00
EXPENDITURES								
43011	Gov't Relations	37,350.00	(4,530.00)	32,820.00		27,377.50		27,377.50
43055_002	Consultant Audit	4,440.00		4,440.00		5,750.00		5,750.00
43060_000	Contract Services	0.00	650.00	650.00		640.00		640.00
43060_012	Contact Services Program Mgmt	4,817,610.00	(199,730.00)	4,617,880.00	2,056,908.10			2,056,908.10
43060_021	Contract Services General Manager	300,000.00		300,000.00	194,215.13			194,215.13
43060_022	Contract Services - Contractor Finan Eval	42,515.00		42,515.00	38,650.00			38,650.00
43060_023	Contract Services - Watershed Sanitary Survey	100,000.00		100,000.00				
43195	Special Legal Counsel	440,505.00	(6,580.00)	433,925.00	156,754.67			156,754.67
43329	Environmental Services	100,805.00		100,805.00	34,360.00			34,360.00
43332	Permitting	53,500.00		53,500.00	10,826.00			10,826.00
43332_001	Permitting - Environmental Mitigation	120,000.00	(80,850.00)	39,150.00				
43332_002	Permitting - Water Rights Acquisition	0.00	80,850.00	80,850.00	75,836.96			75,836.96
51001	Property Acquisition - Delivery Facilities	1,436,675.00	126,000.00	1,562,675.00				
51001	Property Acquisition - Regional Facilities	50,700.00		50,700.00				
51800_001	Wet Well Design	46,465.00	29,273.00	60,013.00	62,002.21			62,002.21
			(15,725.00)					
Wet Well Construction								
51801_001	Construction Contract (Overaa)	7,297,400.00		7,297,400.00	4,597,064.00	1,227,416.09	2,450,235.11	919,412.80
51801_002	Construction Management (Infererra)	607,755.00	(11,050.00)	596,705.00	300,625.14	80,266.91	160,233.20	60,125.03
51801_005	Environmental (Horizon)	232,040.00		232,040.00	157,177.84	53,574.65	78,086.49	25,516.70
43105_003	Interdepartmental Admin Support							
	Legal			0.00		0.00	0.00	0.00
	Clerical	12,500.00		12,500.00	10,084.19	5,042.10	5,042.09	10,084.19
	Financial/Accounting	10,000.00		10,000.00	11,483.98	5,741.99	5,741.99	11,483.98
43106_001	Admin Support - Ceres			0.00		0.00	0.00	0.00
44001_000	Supplies	100.00		100.00	186.08	93.04	93.04	186.08
44035	Photocopies	200.00		200.00	71.33	35.67	35.66	71.33
44040_000	Postage	5,000.00	(650.00)	4,350.00	18.90	9.45	9.45	18.90
47010	Bank Charges	50.00		50.00		0.00	0.00	0.00
47040_000	Dues	750.00		750.00	750.00	375.00	375.00	750.00
47090_001	Testing & Recruitment - General Manager			0.00		0.00	0.00	0.00
47095_000	Training	1,000.00		1,000.00		0.00	0.00	0.00
Total Expenditures		15,717,360.00	(82,342.00)	15,635,018.00	7,740,782.03	2,644,388.52	4,010,544.71	1,085,848.80
Revenues Over (Under) Expenditures		0.00	0.00	0.00	261,617.97	227,911.48	62,155.29	(28,448.80)

0.00

Stanislaus Regional Water Authority

Updated as of 10-7-2019

	City of Ceres	City of Turlock	TID	Project to Date Total Since Dec 2015	Actuals Thru 6/30/2018	Actuals For 2018-19	Total
Agency Contributions							
Received from Agencies - 2015-16	379,561.50	347,487.50		727,049.00	727,049.00		727,049.00
Received from Agencies - 2016-17	1,138,659.60	1,175,000.00	106,958.25	2,420,617.85	2,420,617.85		2,420,617.85
Received from Agencies - 2017-18	1,055,176.00	1,160,500.00	114,507.52	2,330,183.52	2,330,183.52		2,330,183.52
Received from Agencies - 2018-19	2,872,300.00	4,072,700.00	1,057,400.00	8,002,400.00		8,002,400.00	8,002,400.00
Interest Income	2,198.89	2,198.89		4,397.78	4,397.78		4,397.78
					0.00		0.00
Total Agency Contributions	5,447,895.99	6,757,886.39	1,278,865.77	13,484,648.15	5,482,248.15	8,002,400.00	13,484,648.15
Expenditures							
Government Relations	(74,723.55)	(74,723.55)	0.00	(149,447.10)	(122,069.60)	(27,377.50)	(149,447.10)
Environmental Services (Phase I)	(250,664.65)	(250,664.65)	(32,520.11)	(533,849.41)	(499,489.41)	(34,360.00)	(533,849.41)
Project Management Services	(2,829,638.76)	(2,947,439.49)	(147,570.04)	(5,924,648.29)	(3,867,740.19)	(2,056,908.10)	(5,924,648.29)
Special Legal Expenses	(160,108.47)	(160,108.48)	(3,572.19)	(323,789.14)	(167,034.47)	(156,754.67)	(323,789.14)
Wet Well Design (West Yost)	(154,083.35)	(181,234.49)	(83,829.46)	(419,147.30)	(359,418.34)	(62,002.21)	(421,420.55)
Fees to Stan County-CEQA related to wet well	(1,136.63)	(1,136.62)	0.00	(2,273.25)			
Permitting	(11,543.58)	(11,543.59)	0.00	(23,087.17)	(12,261.17)	(10,826.00)	(23,087.17)
Permitting - Water Rights Acquisition	(37,918.48)	(37,918.48)	0.00	(75,836.96)	0.00	(75,836.96)	(75,836.96)
Wet Well Contruccion							
Construction Contract	(1,227,416.09)	(2,450,235.11)	(919,412.80)	(4,597,064.00)		(4,597,064.00)	(4,597,064.00)
Construction Management	(84,534.51)	(168,752.42)	(63,321.74)	(316,608.67)	(15,983.53)	(300,625.14)	(316,608.67)
Environmental (Phase II)	(69,504.18)	(102,429.38)	(31,869.91)	(203,803.47)	(46,625.63)	(157,177.84)	(203,803.47)
Contractor Financial Evaluation	(18,944.30)	(18,944.30)	(761.40)	(38,650.00)	0.00	(38,650.00)	(38,650.00)
Administrative Support							
Clerical Services	(14,815.90)	(14,815.88)	0.00	(29,631.78)	(19,547.59)	(10,084.19)	(29,631.78)
Accounting Services	(16,835.33)	(16,835.33)	0.00	(33,670.66)	(22,186.68)	(11,483.98)	(33,670.66)
Interim JPA attorney	(22,662.50)	(22,662.50)	0.00	(45,325.00)	(45,325.00)		(45,325.00)
Interim General Manager	(121,991.80)	(121,991.80)	0.00	(243,983.60)	(243,983.60)		(243,983.60)
General Manager	(110,222.85)	(110,222.84)	0.00	(220,445.69)	(26,230.56)	(194,215.13)	(220,445.69)
External Audit	(6,625.00)	(6,625.00)	0.00	(13,250.00)	(7,500.00)	(5,750.00)	(13,250.00)
Supplies and other Miscellaneous Expenses	(3,568.04)	(3,568.04)	0.00	(7,136.08)	(5,469.77)	(1,666.31)	(7,136.08)
Total Expenditures	(5,216,937.97)	(6,701,851.95)	(1,282,857.65)	(13,201,647.57)	(5,460,865.54)	(7,740,782.03)	(13,201,647.57)
Contributions over (under) Expenditures - project to date	230,958.02	56,034.44	(3,991.88)	283,000.58	21,382.61	261,617.97	283,000.58

Stanislaus Regional Water Authority

For FY 2019-20 (Updated 10-7-2019)

Account Name		Original Budget	Amendments	Amended Budget 2019-20	Unaudited Actual 2019-20	Ceres	Turlock	TID	Totals for 2019-20
REVENUES									
	Interest Income			0.00					0.00
34900_001	Agency Contribution - City of Turlock	4,340,300.00		4,340,300.00	2,355,700.00		2,355,700.00		2,355,700.00
34900_002	Agency Contribution - City of Ceres	3,458,900.00		3,458,900.00	1,315,500.00	1,315,500.00			1,315,500.00
34900_004	Agency Contribution - Turlock Irrigation District	724,700.00		724,700.00	281,500.00			281,500.00	281,500.00
	Total Revenues	8,523,900.00	0.00	8,523,900.00	3,952,700.00	1,315,500.00	2,355,700.00	281,500.00	3,952,700.00
EXPENDITURES									
43011	Gov't Relations			0.00		0.00	0.00		0.00
43055_002	Consultant Audit	4,590.00		4,590.00		0.00	0.00		0.00
43060_000	Contract Services			0.00		0.00	0.00		0.00
43060_012	Contact Services Program Mgmt	2,339,464.00		2,339,464.00	93,946.55	45,425.92	46,770.41	1,750.22	93,946.55
43060_021	Contract Services General Manager	300,000.00		300,000.00	29,250.00	14,625.00	14,625.00		29,250.00
43060_022	Contract Services - Contractor Finan Eval			0.00					0.00
43060_023	Contract Services - Watershed Sanitary Survey	64,876.00		64,876.00		0.00	0.00	0.00	0.00
43195	Special Legal Counsel	259,403.00		259,403.00	30,246.14	14,861.69	14,861.69	522.76	30,246.14
43329	Environmental Services	55,060.00		55,060.00					0.00
43332	Permitting	6,000.00		6,000.00	5,313.00	2,656.50	2,656.50		5,313.00
43332_001	Permitting - Environmental Mitigation			0.00		0.00	0.00		0.00
43332_002	Permitting - Water Rights Acquisition	35,000.00		35,000.00	2,296.05	1,148.03	1,148.02		2,296.05
51001	Property Acquisition - facility site	1,436,675.00		1,436,675.00		0.00	0.00		0.00
51001	Property Acquisition - infiltration gallery	739,445.00		739,445.00		0.00	0.00		0.00
51800_001	Wet Well Design			0.00					0.00
	Wet Well Construction								
51801_001	Construction Contract (Overaa)	2,872,909.00		2,872,909.00	1,225,718.00	327,266.71	653,307.69	245,143.60	1,225,718.00
51801_002	Construction Management (Inferrera)	311,840.00		311,840.00	40,514.58	10,817.39	21,594.27	8,102.92	40,514.58
51801_005	Environmental (Horizon)	72,294.00		72,294.00	25,574.26	7,711.78	13,256.51	4,605.97	25,574.26
43105_003	Interdepartmental Admin Support								
	Legal			0.00		0.00	0.00		0.00
	Clerical	12,500.00		12,500.00		0.00	0.00		0.00
	Financial/Accounting	10,000.00		10,000.00		0.00	0.00		0.00
43106_001	Admin Support - Ceres			0.00		0.00	0.00		0.00
44001_000	Supplies	500.00		500.00		0.00	0.00		0.00
44035	Photocopies	500.00		500.00	1.00	0.50	0.50		1.00
44040_000	Postage	500.00		500.00		0.00	0.00		0.00
47010	Bank Charges	100.00		100.00		0.00	0.00		0.00
47040_000	Dues	1,000.00		1,000.00		0.00	0.00		0.00
47090_001	Testing & Recruitment - General Manager			0.00		0.00	0.00		0.00
47095_000	Training	1,000.00		1,000.00		0.00	0.00		0.00
	Total Expenditures	8,523,656.00	0.00	8,523,656.00	1,452,859.58	424,513.52	768,220.59	260,125.47	1,452,859.58
Revenues Over (Under) Expenditures		244.00	0.00	244.00	2,499,840.42	890,986.48	1,587,479.41	21,374.53	2,499,840.42

0.00

Stanislaus Regional Water Authority

Updated as of 10-7-2019

	City of Ceres	City of Turlock	TID	Project to Date Total Since Dec 2015	Actuals Thru 6/30/2019	Actuals For 2019-20	Total
Agency Contributions							
Received from Agencies - 2015-16	379,561.50	347,487.50		727,049.00	727,049.00		727,049.00
Received from Agencies - 2016-17	1,138,659.60	1,175,000.00	106,958.25	2,420,617.85	2,420,617.85		2,420,617.85
Received from Agencies - 2017-18	1,055,176.00	1,160,500.00	114,507.52	2,330,183.52	2,330,183.52		2,330,183.52
Received from Agencies - 2018-19	2,872,300.00	4,072,700.00	1,057,400.00	8,002,400.00	8,002,400.00		8,002,400.00
Received from Agencies - 2019-20	1,315,500.00	2,355,700.00	281,500.00	3,952,700.00		3,952,700.00	3,952,700.00
Interest Income	2,198.89	2,198.89		4,397.78	4,397.78		4,397.78
					0.00		0.00
Total Agency Contributions	6,763,395.99	9,113,586.39	1,560,365.77	17,437,348.15	13,484,648.15	3,952,700.00	17,437,348.15
Expenditures							
Government Relations	(74,723.55)	(74,723.55)	0.00	(149,447.10)	(149,447.10)	0.00	(149,447.10)
Environmental Services (Phase I)	(250,664.65)	(250,664.65)	(32,520.11)	(533,849.41)	(533,849.41)	0.00	(533,849.41)
Project Management Services	(2,875,064.68)	(2,994,209.90)	(149,320.26)	(6,018,594.84)	(5,924,648.29)	(93,946.55)	(6,018,594.84)
Special Legal Expenses	(174,970.16)	(174,970.17)	(4,094.95)	(354,035.28)	(323,789.14)	(30,246.14)	(354,035.28)
Wet Well Design (West Yost)	(154,083.35)	(181,234.49)	(83,829.46)	(419,147.30)	(419,147.30)	0.00	(419,147.30)
Fees to Stan County-CEQA related to wet well	(1,136.63)	(1,136.62)	0.00	(2,273.25)	(2,273.25)		(2,273.25)
Permitting	(14,200.08)	(14,200.09)	0.00	(28,400.17)	(23,087.17)	(5,313.00)	(28,400.17)
Permitting - Water Rights Acquisition	(39,066.51)	(39,066.50)	0.00	(78,133.01)	(75,836.96)	(2,296.05)	(78,133.01)
Wet Well Construction							
Construction Contract	(1,554,682.80)	(3,103,542.80)	(1,164,556.40)	(5,822,782.00)	(4,597,064.00)	(1,225,718.00)	(5,822,782.00)
Construction Management	(95,351.90)	(190,346.69)	(71,424.66)	(357,123.25)	(316,608.67)	(40,514.58)	(357,123.25)
Environmental (Phase II)	(77,215.96)	(115,685.89)	(36,475.88)	(229,377.73)	(203,803.47)	(25,574.26)	(229,377.73)
Contractor Financial Evaluation	(18,944.30)	(18,944.30)	(761.40)	(38,650.00)	(38,650.00)	0.00	(38,650.00)
Administrative Support							
Clerical Services	(14,815.89)	(14,815.89)	0.00	(29,631.78)	(29,631.78)	0.00	(29,631.78)
Accounting Services	(16,835.33)	(16,835.33)	0.00	(33,670.66)	(33,670.66)	0.00	(33,670.66)
Interim JPA attorney	(22,662.50)	(22,662.50)	0.00	(45,325.00)	(45,325.00)		(45,325.00)
Interim General Manager	(121,991.80)	(121,991.80)	0.00	(243,983.60)	(243,983.60)		(243,983.60)
General Manager	(124,847.85)	(124,847.84)	0.00	(249,695.69)	(220,445.69)	(29,250.00)	(249,695.69)
External Audit	(6,625.00)	(6,625.00)	0.00	(13,250.00)	(13,250.00)	0.00	(13,250.00)
Supplies and other Miscellaneous Expenses	(3,568.54)	(3,568.54)	0.00	(7,137.08)	(7,136.08)	(1.00)	(7,137.08)
Total Expenditures	(5,641,451.48)	(7,470,072.55)	(1,542,983.12)	(14,654,507.15)	(13,201,647.57)	(1,452,859.58)	(14,654,507.15)
Contributions over (under) Expenditures - project to date	1,121,944.51	1,643,513.84	17,382.65	2,782,841.00	283,000.58	2,499,840.42	2,782,841.00



DRAFT Minutes
Regular Board Meeting
August 15, 2019

1. A. **CALL TO ORDER:** Chair Vierra called the meeting to order at 3:31 p.m.
PRESENT: Chair Vierra, Vice Chair Esquer, Director Durossette, Director Bublak
ABSENT: None
- B. **SALUTE TO THE FLAG**
2. **RECOGNITION, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS:** None
3. A. **SPECIAL BRIEFINGS:** None
- B. **STAFF UPDATES:**
 1. General Manager Robert Granberg provided an update on Major TAC and PM Team Work Focus Areas, including entering into negotiations with CH2M Hill Engineers, Inc. on the Design-Build Contract for the Regional Surface Water supply project, managing the oversight of the wet well construction, developing the SRF Loan Application packages, and resolving the Bureau of Reclamation water rights petition protest. For the Design-Build Contract Negotiations, staff is working through the alternative design concepts with CH2M Hill Engineers, Inc. County encroachment permit conditions are being finalized. Staff met with the Division of Drinking Water on Drinking Water Permit Requirements and schedule. At the wet well construction site, the concrete structure is complete and temporary pumping equipment is being installed to test the infiltration gallery capacity and the quality of water through the infiltration gallery compared to the water from the river. For the Bureau of Reclamation Protest, the Bureau is seeking a refill agreement for impacts to the Central Valley Project. Meetings are being held between TID, SRWA and the Bureau of Reclamation to resolve the request. Upcoming milestones and tasks include completing the Design-Build negotiations, completing the SRF application packages, completing the interim finance plans, resolving the Bureau of Reclamation water rights protest and bringing the Design-Build contract to the SRWA Board in September for review and possible approval.

Chair Vierra asked about the refill agreement and how that will impact the project.

Tou Her from TID answered that the Bureau is claiming water that would have gone to the river is being diverted to SRWA and, during certain years when the reservoir needs to be filled, water is not being released down the river and is not available to the Bureau for their purposes. If that occurs, the amount of water that was not released would be credited to the Bureau. The impact of the refill agreement is being discussed as well as other alternatives. The next meeting with the Bureau of Reclamation will be held on September 4, 2019, or September 5, 2019.

Vice Chair Esquer shared his concerns with the water right protest and suggested slowing down the award of the design-build contract until water right issues are resolved.

General Manager Granberg said that it is possible to wait on the design-build contract award but the costs may need to be renegotiated if there is a delay.

- 2. Finance Director Marie Lorenzi provided an update on financial activity at the Special SRWA Board meeting on August 1, 2019, and no further update was needed as there was no activity. An update will be provided at the next meeting.

C. PUBLIC PARTICIPATION: None

4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS: None

5. CONSENT CALENDAR:

Action: Motion by Director Durossette, second by Vice Chair Esquer, approving the minutes for the Special Meeting of August 1, 2019. Motion carried by the following vote:

Director Bublak	Director Durossette	Vice Chair Esquer	Chair Vierra
Abstain	Yes	Yes	Yes

Action: Motion by Vice Chair Esquer, second by Director Durossette, accepting the Stanislaus Regional Water Authority's audited Financial Statements for the fiscal year ended June 30, 2018 and related reports. Motion carried by the following vote:

Director Bublak	Director Durossette	Vice Chair Esquer	Chair Vierra
Yes	Yes	Yes	Yes

6. PUBLIC HEARINGS: None

7. SCHEDULED MATTERS:

- A. General Manager Robert Granberg discussed the Regional Surface Water Supply Project funding and financing.

Discussion:

Lindsay Smith from West Yost updated the SRWA Board on the funding strategy, and provided an overview of funding sources, grant programs and loans. The State Revolving Fund (SRF) Loan Application was also discussed.

General Manager Robert Granberg discussed project financing, comparing the 2017 project cost estimate to the 2019 project cost update.

Rick Brandis from Brandis Tallman LLC presented interim financing options until the SRF funding is received, which could be anywhere from 6 to 18 months. Bridge loans can be a direct placement loan with one purchaser and pay interest only on the loan for three years with a balloon payment at the end of the third year. If the grant/SRF money comes in quicker, the loan can be paid off with no pre-penalty. If the funding is not received after three years, the cities can issue 30-year bonds to pay off the balloon payment. Each City will need to approve a funding plan prior to executing the SRF loan.

Director Durossette asked if the interim financing would change the projected rates that were provided to residents.

Rick Brandis answered that the interim financing was projected utilizing the current rate schedule so it would not change the expected rates. If funding is not received in three years, the interim financing would transition to a regular loan.

Director Bublak asked if each of the grants that SRWA is receiving have an administrative cost that lowers the amount we receive for the project.

Lindsay Smith answered that there is just one grant with fees due to the need for loans to be sold.

Chair Vierra opened public participation. There being no public response, Chair Vierra closed public participation.

8. **MATTERS TOO LATE FOR THE AGENDA:** None
9. **BOARD ITEMS FOR FUTURE CONSIDERATION:** None
10. **BOARD COMMENTS:** None
11. **NEXT MEETING DATE:** September 19, 2019 Regular Meeting
12. **ADJOURNMENT:** Motion by Director Bublak, second by Vice Chair Esquer, to adjourn at 4:10 p.m. Motion carried 4/0.

Respectfully submitted,

DRAFT

Allison Martin, Board Secretary



From: Marie Lorenzi, Finance Director

Prepared by: Marie Lorenzi, Finance Director

1. ACTION RECOMMENDED:

Motion: Approving and adopting the Stanislaus Regional Water Authority Debt Management Policy in accordance with requirements of Government Code Section 8855(i)

2. DISCUSSION OF ISSUE:

Senate Bill (SB) 1029 was signed into law in September 2016 and subsequently codified in the CA Government Code at Section 8855(i). One of the requirements of section 8855(i) for issuers of debt after January 1, 2017 is the certification by the issuer that it has adopted a local debt policy concerning the use of debt and that the proposed debt issuance is consistent with that policy.

The Government Finance Officers Association advocates the use of a debt management policy to improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. In addition, the California Debt and Investment Advisory Commission has stated that a debt policy can be instrumental in setting a proper balance between limits on the use of debt financing and providing sufficient flexibility to respond to unforeseen circumstances and opportunities.

The proposed Debt Management Policy (Policy) was prepared by SRWA staff in recognition of the debt policies adopted by the City of Ceres and the City of Turlock but reflects the SRWA's likely debt issuance needs. The Policy is to be used in conjunction with the SRWA's operating and capital budgets and managed by the General Manager.

The Policy, includes goals that debt may be used to meet the capital project financing needs if (1) the debt issuance meets the goals for equitable treatment of SRWA member agencies; (2) it is the most cost-effective means available to the SRWA to pay for a capital project; and (3) it is fiscally prudent, responsible and diligent under the prevailing economic conditions. The Policy also acknowledges the following objectives to be considered when SRWA proposes to issue debt:

- Achieve the lowest cost of capital
- Establish parameters for issuing debt
- Achieve the highest possible credit rating
- Preserve financial flexibility

- Full and timely repayment of debt
- Minimize debt service and issuance costs
- Maintain full and complete financial disclosure and reporting

Also contained with the policy are guidelines and goals related to the types of debt which the SRWA may issue; adherence to all applicable state and federal laws; the acceptable use of the proceeds from a debt issuance; evaluation of various financing criteria as part of the debt issuance; the criteria to be considered when refinancing (refunding) outstanding debt; the method of sale (negotiated, competitive sale, private placement); the use of external professionals in the debt issuance process; and the administration and disclosure requirements post issuance.

3. FISCAL IMPACT / BUDGET AMENDMENT:

There is no fiscal impact created by adopting the attached Debt Management Policy.

4. GENERAL MANAGER'S COMMENTS:

Recommend adoption.

5. ENVIRONMENTAL DETERMINATION:

N/A

6. ALTERNATIVES:

The Board could recommend alternative goals or objectives that are compliant with Government Code at Section 8855(i).

Stanislaus Regional Water Authority Debt Management Policy

I. POLICY STATEMENT

Stanislaus Regional Water Authority (“SRWA”) is a California joint powers authority formed by the Cities of Turlock and Ceres (“member agencies”) to undertake and implement a water supply project to divert and treat water from the Tuolumne River, and deliver it for use by the Cities in their respective service areas.

This Debt Management Policy (“Policy”) documents SRWA’s goals for the use of debt instruments and sets forth guidelines for the use of debt issued by SRWA to finance the planning, design and construction of capital projects as provided in SRWA’s joint powers agreement. SRWA’s overriding goal in issuing debt is to respond to, and provide for, the infrastructure, capital project and other financing needs of the SRWA while ensuring that debt is issued and managed prudently to maintain a sound fiscal position and protect credit quality. Debt may include bonds, certificates of participation, loans, or other evidence of indebtedness authorized by state law.

SRWA will endeavor to assist its member agencies to pay for all infrastructure, capital projects, and other financing needs from a combination of current revenues, available reserves, if any, and prudently issued debt. SRWA believes that debt can provide an equitable means of financing projects for its member agencies and provide access to new capital needed for infrastructure and project needs. Debt will be used to meet financing needs if (i) it meets the goals for equitable treatment of the member agencies, (ii) it is the most cost-effective means available to SRWA, (iii) it is fiscally prudent, responsible, and diligent under the prevailing economic conditions, and (iv) if there are other important policy reasons thereof.

This Policy is developed in recognition of the City of Turlock Debt Management Policy adopted by the Turlock City Council on May 16, 2017 and the City of Ceres Debt Issuance and Management Policy adopted by the Ceres City Council on June 10, 2019. This Policy provides guidelines for debt issuance, management and post-issuance related policies and procedures for the SRWA.

A. Section 8855(i) Compliance

California Government Code Section 8855(i) requires issuers to adopt debt policies addressing each of the following five items and to standardize and rationalize the issuance and management of debt.

- A. *The purposes for which the debt proceeds may be used.*
- B. *The types of debt that may be issued*

- C. *The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.*
- D. *Policy goals related to the issuer's planning goals and objectives.*
- E. *The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.*

B. Policy Review

This Policy shall be reviewed periodically by the Board and updated as needed to comply with Section 8855.

C. Other Debt Management Policies

Section 8855(i)(2) states that in the case of an issue of bonds the proceeds of which will be used by a government entity other than the issuer, the issuer may rely upon a certification by that other entity that it has adopted the policies required by Section 8855. SRWA will rely upon the debt management policies adopted by its own member agencies or such other government entities, and upon their implementation of appropriate internal controls.

II. PURPOSE AND GOALS

The purpose of this Policy is to establish guidelines and parameters for the effective governance, management and administration of debt obligations issued by the SRWA. This Policy is intended to improve and direct decision making, assist in the structure of debt issuance, identify policy goals, and demonstrate a commitment to long-term financial planning. Adherence to a debt policy helps to ensure SRWA's debt is issued and managed prudently to maintain a sound financial position and credit worthiness. Debt, as used in this Policy, refers to all indebtedness and financing obligations of the SRWA.

This Policy will assist the SRWA in pursuit of the following debt management objectives:

- Achieve the lowest cost of capital
- Establish parameters for issuing debt
- Achieve the highest possible credit rating
- Preserve financial flexibility
- Full and timely repayment of debt
- Minimize debt service and issuance costs
- Maintain full and complete financial disclosure and reporting

SRWA will adhere to the following legal requirements for the issuance of public debt:

- The state law which authorizes the issuance of the debt;
- The federal and state laws which govern the eligibility of the debt for tax-exempt status;
- The federal and state laws which govern the issuance of taxable debt;
- The federal and state laws which govern disclosure, sale, and trading of the debt;
- Ensure equity among SRWA's member agencies; and,
- Maintain the adopted credit rating strategy and access to credit enhancement.

III. USE OF DEBT FINANCING

A. General Provisions

SRWA will provide for a periodic review of SRWA's financial performance by the General Manager and Finance Director to insure its consistency with respect to SRWA's debt management objectives. Any modifications to this Policy shall be reviewed and approved by SRWA's legal counsel and forwarded to the Board for approval.

Necessary appropriations for annual debt service requirements will be routinely included in SRWA's annual budget.

SRWA will cooperate with its member agencies to maintain proactive communications with the investment community, including rating agencies, credit enhancers and investors, to ensure future capital market access at the lowest possible interest rates.

SRWA will issue debt only in the case where there is an identified source of repayment. Debt will be issued to the extent that (i) projected existing revenues are sufficient to pay for the proposed debt service together with all existing debt service covered by such existing revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.

SRWA will not issue debt to cover operating expenses, unless specifically approved by the Board.

SRWA from time to time may adopt a capital improvement program indicating the type, size, time, and cost estimate of planned facilities or improvements. Debt issuance for a capital project will not be considered unless such project has been incorporated into the SRWA capital improvement program, or any of its member agencies, or as otherwise approved by the Board.

B. Acceptable Uses of Debt Proceeds

The SRWA will use debt financing primarily to fund capital improvement project facilities necessary to fulfill the SRWA's objectives to treat and deliver potable drinking water to its member agencies. The term of debt shall not exceed the project's useful life or will otherwise comply with Federal tax law requirements.

IV. GUIDELINES FOR ISSUING DEBT

The following guidelines establish parameters for evaluating, issuing, and managing SRWA's debt. The guidelines outlined below are meant to be practices promoting sound financial management.

A. Standards for Use of Debt Financing

When appropriate, SRWA will use long-term debt financing for the design, acquisition, construction, rehabilitation and/or repair of public improvements to achieve an equitable allocation of capital costs/charges between current and future users of the facilities being financed, to provide more manageable charges to member agencies in the near and medium term and to minimize rate volatility. SRWA may issue any type of debt legally available to SRWA.

B. Financing Criteria

Each debt issuance should be evaluated on an individual basis, overall financing objective and current market conditions.

SRWA will cooperate with its member agencies to evaluate alternative debt structures (and timing considerations) to ensure the most cost-efficient financing under prevailing market conditions.

1. **Credit Enhancement** - SRWA will consider the use of credit enhancement on a case-by-case basis and only when clearly demonstrable savings can be demonstrated.
2. **Cash-Funded Reserve vs. Surety** - If the issuance of debt requires a cash-funded debt service reserve fund, then SRWA may purchase a surety policy or replace an existing cash-funded debt service reserve fund when deemed prudent and advantageous. SRWA may permit the use of guaranteed investment agreements for the investment of reserve funds pledged to the repayment of any of SRWA's debt when it is approved by the Board.
3. **Call Provisions** - In general, SRWA's securities should include optional call provisions. SRWA will avoid the sale of non-callable, long-term fixed rate bonds, absent careful evaluation of the value of the call option.
4. **Additional Debt Test/Rate Covenants** - The amount and timing of debt will be planned to comply with the additional debt tests and rate covenants outlined in the appropriate legal and financing documents, and this policy.

5. **Short-Term Debt** - SRWA may use short-term borrowing to serve as a bridge for anticipated revenues, construction financing or future bonding capacity.
6. **Use of Variable Rate Debt**- SRWA will not issue variable interest rate debt without the specific approval of the Board.
7. **Investment of Debt Proceeds** - Debt proceeds will be invested in accordance with the permitted investment language outlined in the debt documents for each transaction, unless further restricted or limited in SRWA's statement of investment policy. SRWA will seek to maximize investment earnings within the investment parameters set forth in the respective debt financing documentation. The reinvestment of debt proceeds will be incorporated into the evaluation of each financing decision, specifically addressing arbitrage/rebate position, and evaluating alternative debt structures and refunding savings on a "net" debt service basis, where appropriate.

C. Debt Affordability Considerations

Debt will be used to finance eligible projects only if it is the most cost-effective means available to SRWA. While "pay-as-you-go" means of using current revenues to pay for capital projects avoids interest payments, it may be financially infeasible to do so. The prudent use of debt financing rather than pay-as-you-go funding of capital projects can facilitate better allocation of resources and increased financial flexibility.

D. Debt Refinancing

Periodic reviews of outstanding debt will be undertaken to identify potential refunding (refinancing) opportunities. Economic refundings (reducing overall debt service requirements) will be considered if and when there is a net economic benefit of the refunding. Non-economic refundings (other than debt service savings) may be undertaken to achieve objectives relating to changes in covenants, call provisions, operational flexibility, tax status, issuer, or the debt service profile.

In general, SRWA will consider an economic refunding only when the expected net present value savings, expressed as a percentage of the par amount of refunded bonds, are no less than three percent (3%) for a current refunding and five percent (5%) for an advance refunding. The higher savings threshold for an advance refunding takes into consideration its one-time only nature.

Additionally, the net present value savings from an advance refunding should exceed the amount of any negative arbitrage in the refunding escrow. Refundings which do not achieve these net present value savings targets, but have the potential to achieve other financing objectives, will be considered on a case-by-case basis.

E. Outstanding Debt Limitations

Prior to issuance of new debt, SRWA shall consider and review the latest credit rating agency reports and guidelines to ensure SRWA's credit ratings and financial flexibility remain at levels consistent with the most highly rated comparable public agencies.

V. DEBT ISSUANCE

SRWA will determine, on a case-by-case basis, whether to sell its debt competitively or through negotiation.

A. Method of Sale

1. **Competitive Sale** – In a competitive sale, SRWA's debt shall be awarded to the bidder providing the lowest true interest cost ("TIC"), as long as the bid adheres to the requirements set forth in the office notice of sale.
2. **Negotiated Sale** – In a negotiated sale, debt is sold through negotiation with a selected underwriter along with other professionals for the transaction. The underwriter assists the issuer and issuer's municipal advisor with structuring the financing and marketing of the bonds, including providing assistance in preparing the preliminary and final official statements. The negotiated sale process provides SRWA more real-time control over the financing structure and the timing of the sale, and affords SRWA more influence on the distribution of debt to targeted investors. Negotiated sales are executed when competitive sales are not expected to result in the lowest TIC.
3. **Private Placement**– SRWA may elect to issue debt on a private placement basis. Such method shall be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or if it is determined that access to the public market is unavailable and timing considerations require that a financing be completed.

4. Use of External Financing Professionals

SRWA may need to engage a financing team to develop a financing plan, develop offering documents, prepare for any rating agency and investor presentations, market the bond offering to investors, price the bonds and close the transaction. The financing team typically may include the Financial Advisor, Bond Counsel, Disclosure Counsel, Underwriter, Underwriter's Counsel, Bond Trustee, Credit Rating Agency and Credit Enhancer.

The General Manager shall have the authority to select service providers necessary to meet legal requirements and minimize SRWA's costs. The General Manager will make such selections with the goal of achieving an appropriate balance between

service (including experience, professional reputation, and market recognition) and cost. The General Manager is authorized, but not required, to select such services providers through a sole source selection process unless a different process is specifically required by law.

VI. Debt Administration

A. Rating Agencies

The General Manager shall be responsible for maintaining SRWA's relationships with Standard & Poor's Financial Services, Fitch Ratings, and Moody's Investors Service.

B. Observance of Debt Covenants and Use of Debt Proceeds

The General Manager may periodically ensure that SRWA and/or its member agencies follow all legal covenants for each debt issue. The General Manager shall approve all expenditures of debt proceeds and periodically review expenditures to ensure debt proceeds are only expended on authorized improvements and costs.

C. Continuing Disclosure

The General Manager may periodically confirm with SRWA and/or its member agencies that all debt issued is in compliance with each debt issue's continuing disclosure or similar agreement.

D. Record Keeping

A copy of all debt-related records shall be retained at SRWA's offices or in an approved storage facility. At a minimum, these records shall include all official statements, bid documents, bond documents/transcripts, resolutions, trustee statements, leases, agreements, and title reports for each financing (to the extent available). To the extent possible, SRWA shall retain an electronic copy of each document, preferably in pdf or CD-ROM format.

E. Arbitrage Rebate

The use of debt proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code arbitrage rebate requirements. The General Manager shall ensure that all bond proceeds and investments are tracked in a manner that facilitates accurate calculation and that, if a rebate payment is due, such payment is made in a timely manner.

Whenever SRWA makes statements or releases information relating to its finances to the public that are reasonably expected to reach financial market participants, SRWA is obligated to ensure that such statements and information are complete, true, and accurate in all material respects.

F. Internal Controls

When issuing debt and administering and expending debt proceeds, SRWA shall apply the same system of internal controls to the debt funds and spending as it does to all other SRWA funds and expenditures. SRWA also shall comply with any other applicable policies and procedures regarding initial and continuing disclosure, post-issuance compliance, and investment of debt proceeds. The General Manager is the responsible officer to ensure compliance with these internal control requirements.

From: Robert Granberg, General Manager

Prepared by: Fallon Martin, City of Turlock

1. ACTION RECOMMENDED:

Resolution: Adopt a resolution authorizing the submittal of a proposal to the California Department of Water Resources to obtain a Round 1 Integrated Regional Water Management Implementation Grant pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code § 79700 et seq.), and authorizing the General Manager to enter into an agreement to receive the grant on behalf of the SRWA.

2. DISCUSSION OF ISSUE:

The Cities of Ceres and Turlock are both members of the East Stanislaus Integrated Regional Water Management (IRWM) Partnership, which is part of the San Joaquin River Funding Area (Funding Area). The Funding Area has been working collaboratively to determine how the available Proposition 1 IRWM grant funds will be distributed amongst the IRWM regions that make up the Funding Area. The outcome of the collaboration and negotiation was that approximately \$5.8 million would be allocated to the East Stanislaus IRWM. The East Stanislaus IRWM has decided by consensus that the SRWA should receive the full \$5.8M for the IRWM region since the SRWA Surface Water Supply Project was the project in the region that best met the IRWM criteria for Round 1.

On September 20, 2019 the Funding Area received feedback on the draft application and Pre-Application Workshop presentation from the California Department of Water Resources (DWR) that indicated the Final Application deadline for the Funding Area is November 15, 2019. As part of the Final Application, a resolution by the applicant's governing body must be submitted that designates an authorized representative who will execute an agreement with DWR.

In order for the SRWA to be considered for an award of Prop 1 IRWM Implementation Grant funds, all documentation must be submitted by the Final Application deadline.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Other than staff costs, there is no cost to submit a proposal. If successful in securing a Round 1 IRWM Implementation Grant, the overall project cost reduction will be realized by the cities.

4. GENERAL MANAGER'S COMMENTS:

Recommends approval.

5. ENVIRONMENTAL DETERMINATION:

N/A

6. ALTERNATIVES:

The Board could choose to not submit a proposal for a Round 1 IRWM Implementation grant and forego a possible \$5.8 million reduction in project cost.



BEFORE THE GOVERNING BOARD OF THE STANISLAUS REGIONAL WATER AUTHORITY

<p>IN THE MATTER OF AUTHORIZING THE SUBMITTAL OF A PROPOSAL TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES TO OBTAIN A ROUND 1 INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT PURSUANT TO THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014 (WATER CODE § 79700 ET SEQ.), AND AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN AGREEMENT TO RECEIVE THE GRANT ON BEHALF OF THE SRWA</p>	<p>} } } } } } } } } } } } }</p>	<p>RESOLUTION NO. 2019-_____</p>
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WHEREAS, the Stanislaus Regional Water Authority (the “Authority”) plans to design and construct certain water system facilities and improvements relating to its Regional Surface Water Supply Project, including certain treatment facilities, pipelines, and other infrastructure (the “Project”);

WHEREAS, the Authority desires to obtain grant funding for eligible Project costs from available grant programs; and

WHEREAS, the Authority desires to authorize an application to the California Department of Water Resources to obtain a Round 1 Integrated Regional Water Management Implementation Grant pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and approve related actions;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE AUTHORITY AS FOLLOWS:

1. The Board authorizes the preparation, submittal, and processing of a grant application and proposal to the California Department of Water Resources to obtain a Round 1 Integrated Regional Water Management Implementation Grant pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code § 79700 et seq.) for the Project.

2. The Board approves entering into an agreement with the Department to receive a grant for Project funding.

3. The Board authorizes and directs General Manager Robert Granberg to prepare the necessary data, conduct investigations, prepare and file the grant proposal, and execute a grant agreement with California Department of Water Resources.

PASSED AND ADOPTED at a meeting of the Governing Board of the Stanislaus Regional Water Authority this 17th day of October 2019, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

Allison Martin, Board Secretary

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Governing Board of the Stanislaus Regional Water Authority held on October 17, 2019.

Allison Martin
Board Secretary



From: Marie Lorenzi, Finance Director

Prepared by: Marie Lorenzi, Finance Director

1. ACTION RECOMMENDED:

Resolution: Adopt a resolution authorizing a \$16,266 increase to account number 950-53-552.51801_005 "Wet Well Construction Environmental Services" and a corresponding decrease to account number 950-53-552.43329 "Environmental Services" to properly account for the contract changes related to the SRWA's two contracts with Horizon Water and Environment, LLC

2. DISCUSSION OF ISSUE:

In December 2015, the SRWA entered into a contract with Horizon Water and Environment, LLC (Horizon) to provide environmental services related to the SRWA's Surface Water Supply Project (SWSP). The approved contract amount, including one addendum in June 2016 is \$561,925 of which \$25,075 is unexpended. In March 2018, the SRWA entered into a second contract with Horizon to provide Phase 2 CEQA/NEPA permitting support to the Project. The approved contract amount is \$278,663 of which \$36,643 is unexpended.

Due to increased environmental monitoring during wetwell construction activities in 2019, Horizon has advised the SRWA that they have exceeded the budget for Task 17 "Infiltration Gallery/Wet Well Mitigation Measure/Permit Implementation" in the Phase 2 contract and is requesting approval to transfer \$16,266 in unexpended funds from the budget for Task 16.1 "WTP Cultural Survey" in the original contract to provide funding to complete the necessary work planned for Task 17. Authority to increase or decrease a contract's overall value requires Board approval; therefore, Staff is requesting the Board to adopt a resolution authorizing the transfer of \$16,266 from account number 950-53-552.43329 "Environmental Services" to account number 950-53-552.51801_005 "Wet Well Construction Environmental Services".

3. FISCAL IMPACT / BUDGET AMENDMENT:

There is no overall fiscal impact related to the proposed contract amendments. However, since the two contracts are being accounted for in different general ledger accounts, the following budget amendments are requested:

- Increase account number 950-53-552.51801_005 "Wet Well Construction Environmental Services" by \$16,266; and

- Decrease account number 950-53-552.43329 “Environmental Services” by \$16,266

4. GENERAL MANAGER’S COMMENTS:

Recommend adoption.

5. ENVIRONMENTAL DETERMINATION:

N/A

6. ALTERNATIVES:

No other alternatives are recommended as there is no net fiscal impact to the SRWA and the requested amendments are to assist in the proper accounting of activity being performed by Horizon for the SRWA.



BEFORE THE BOARD OF THE STANISLAUS REGIONAL WATER AUTHORITY

**IN THE MATTER OF AUTHORIZING A \$16,266 } RESOLUTION NO. 2019-
INCREASE TO ACCOUNT NUMBER }
950-53-552.51801_005 "WET WELL }
CONSTRUCTION ENVIRONMENTAL SERVICES" }
AND A CORRESPONDING DECREASE TO }
ACCOUNT NUMBER 950-53-552.43329 }
"ENVIRONMENTAL SERVICES" TO PROPERLY }
ACCOUNTFOR THE CONTRACT CHANGES }
RELATED TO THE SRWA'S TWO CONTRACTS }
WITH HORIZON WATER AND ENVIRONMENT. LLC }**

WHEREAS, by separate actions, the SRWA Board approved two contracts with Horizon Water and Environment, LLC for environmental and permitting services,

WHEREAS, each of these contracts is accounted for in individual general ledger accounts; and

WHEREAS, to properly account for the approved contract amendments, corresponding budget amendments are necessary.

NOW, THEREFORE, BE IT RESOLVED that the Board of the Stanislaus Regional Water Authority does hereby authorize a \$16,266 increase to account number 950-53-552.51801_005 "Wet Well Construction Environmental Services" and a corresponding decrease to account number 950-53-552.43329 "Environmental Services" to properly account for the contract changes related to the SRWA's two contracts with Horizon Water and Environment, LLC.

PASSED AND ADOPTED at a regular meeting of the Board of the Stanislaus Regional Water Authority this 17th day of October, 2019, by the following vote:

**AYES:
NOES:
NOT PARTICIPATING:
ABSENT:**

ATTEST:

Allison Martin, Board Secretary