



A G E N D A

**BOARD OF DIRECTORS
PLACER COUNTY WATER AGENCY**

**Monday, December 9, 2024
2:00 PM, Regular Meeting**

**Placer County Water Agency Business Center
American River Room
144 Ferguson Road
Auburn, California**

Members of the Board of Directors:
ROBERT DUGAN, District 4
Chairman of the Board

GRAY ALLEN, Vice Chair, District 1
PRIMO SANTINI, District 2

CHRIS WILSON, District 3
JOSHUA ALPINE, District 5

A. CALL TO ORDER:

1. Roll Call
2. Pledge of Allegiance
3. Announcements, introductions and recognitions

B. PUBLIC COMMENT:

This is the time for any member of the public to address the Board of Directors on any matter not on the agenda that is within the subject matter jurisdiction of the Agency. Members of the public are requested to come to the podium and use the microphone. Comments shall be limited to five minutes per person, or such other time limit as may be imposed by the Chair, in order to enable the Board to complete its agenda within a reasonable period of time.

C. REPORTS BY DEPARTMENT HEADS

D. AGENDA CHANGES AND REVIEW

E. CONSENT CALENDAR:

All items listed under the consent calendar are considered to be routine and may be approved by one motion.

Information, Receive and File:

1. Board of Directors' expenses for October 2024.
2. Check Register 24-21 expenses disbursed.

F. AGREEMENTS AND CONTRACTS:

Items listed below include award of bid proposals, new contracts, sole source contracts and agreements, amendments to existing construction contracts and professional services agreements, and various change orders, and may be approved by one motion or some combination thereof.

Action:

1. Consider approving Amendment No. 4 to Procurement Contract No. P-20-06 with Pacific Star Chemical dba Northstar Chemical, Univar Solutions USA, Inc., and Chemtrade Chemicals US LLC, for the purchase of water treatment chemicals.
2. Consider approving Amendment No. 1 to the Design Professional Services Agreement with HDR Engineering, Inc. in an additional amount not to exceed \$1,652,000 for the Colfax Water Treatment Plant.
3. Consider awarding Construction Contract No. 2023-05 to Lorang Brothers Construction, Inc. for the Shady Glen Consolidation Project in the amount of \$1,529,977.
4. Consider approving Amendment No. 1 to Professional Services Agreement with Forensic Analytical Consulting Services, Inc. for On Call Safety FACS.
5. Consider approving Professional Services Agreement #CS-2460618 with IN Communications in an amount not to exceed \$900,000 for Public Communication, Outreach, and Strategy Services.
6. Consider approving Workplace Solutions Cooperative Acceptance Agreement #210900773 with Cintas Corporation in an amount not to exceed \$600,000 for uniform rental and workplace services products.
7. Consider authorizing the Clerk to the Board to file a Notice of Completion for the Weimar WTP Safety Improvements Phase 1, Construction Contract No. 2024-03, with BWD Construction, Inc. dba BWD General Engineering Contractors.
8. Consider approving Amendment No. One to Professional Services Agreement #2022-02 with ENS Resources, Inc., in an additional amount not to exceed \$165,000 for Public Policy, Regulatory, Legislative, and Strategic Planning.
9. Consider approving the treated water service application for Variance LS67 per Section 40902 of Rules and Regulations providing a Water Use Limit of 1.0 Unit of Capacity and an infill connection for APN 054-070-027 in Auburn.
10. Consider approving a Professional Services Agreement with Kearns & West, Inc., in an amount not to exceed \$520,000 for On-call Facilitation and Engagement Services.
11. Consider approving Amendment No. 1 to the Memorandum of Agreement Establishing the West Placer Groundwater Sustainability Agency with the City of Lincoln, the City of Roseville, and the Nevada Irrigation District.
12. Consider approving Professional Services Agreement No. PSA UC2025 with the Regents of the University of California, Merced in an amount not to exceed \$120,000 for FMP Forest Ecohydrological Research.

G. WATER:

1. Receive update of Capital Plan to provide capacity for new growth and proposed changes to Water Connection Charge. This is an informational workshop item; no action is requested.
2. Consider adopting **Resolution No. 24-__ Approving Long-Term Contract No. 24-WC-20-6193 with the United States Department of the Interior Bureau of Reclamation** and direct staff to prepare a Notice of Exemption and file it in the

prescribed form in compliance with the California Environmental Quality Act.

H. ADMINISTRATION:

1. Receive 2024 state legislative session report from the Executive Director of California Municipal Utilities Association, Danielle Blacet-Hyden, no action requested.

I. REMARKS/REPORTS BY DIRECTORS

In accordance with Government Code 54954.2(a), Directors may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

J. REMARKS/REPORTS BY GENERAL COUNSEL

K. REMARKS/REPORTS BY GENERAL MANAGER

L. ADJOURNMENT

THE NEXT RESOLUTION NUMBER IS 24-24.

The meeting room is accessible to persons with disabilities. If you are hearing impaired, we have listening devices available upon request. If you require additional disability-related modifications or accommodations, including auxiliary aids or services, please contact the Clerk of the Board at (530) 823-4860. All requests must be received by the Clerk no later than 12:00 PM on the Monday preceding the meeting to enable the Agency to make reasonable arrangements to ensure accessibility to this meeting. Requests received after that time will be accommodated only if time permits.

In accordance with Government Code Section 54954.2 this notice and agenda were posted on the Agency's website at www.pcwa.net/board-of-directors/meeting-agendas, on the Agency's outdoor bulletin board at the Placer County Water Agency Business Center at 144 Ferguson Road, Auburn, California and at the Hell Hole Dormitory at 20900 Soda Springs Road, Foresthill, California, on or before December 5, 2024.

Any writing that is a public record under the Public Records Act that relates to an agenda item for an open session of the Board meeting that is distributed less than 72 hours prior to the meeting will be made available for public inspection at the time the writing is distributed to any Board members. Also, any such writing will be available for public inspection at the Agency's office located at 144 Ferguson Road, Auburn, California, during normal business hours. Contracts that are on the agenda are on file with the Clerk to the Board and available for review upon request.

Schedule of Upcoming Board Meetings

Thursday, December 19, 2:00 p.m. – Regular Board of Directors' meeting at Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California.

Thursday, January 16, 2:00 p.m. – Regular Board of Directors' meeting at Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California.



M E M O R A N D U M

TO: Board of Directors

FROM: Joseph H. Parker, CPA, Director of Financial Services

DATE: November 12, 2024

RE: Board of Directors' October 2024 Expenses

RECOMMENDATION:

Receive and file.

DISCUSSION:

There were no Directors' expenses submitted for October 2024.



M E M O R A N D U M

TO: Board of Directors

FROM: Joseph H. Parker, CPA, Director of Financial Services

DATE: November 21, 2024

RE: Board Check Register 24-21

RECOMMENDATION:

Check Register 24-21 expenses disbursed, receive and file.

ATTACHMENTS:

Description	Upload Date	Type
Check Register 24-21	11/22/2024	Backup Material

PLACER COUNTY WATER AGENCY

BOARD MEETING DATE 12/09/2024

SUMMARY

OF

CHECK REGISTER #24-21

FOR THE PERIOD OF

11/08/2024 - 11/22/2024

AGENCY WIDE	\$123,625.27
POWER SYSTEMS	2,065,899.95
WATER SYSTEMS	1,119,787.17
<hr/>	
GRAND TOTAL	\$3,309,312.39
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PLACER COUNTY WATER AGENCY

Check Register # 24-21

The Board of Directors of Placer County Water Agency as of this date, 12/09/24, does hereby receive and file check register listing for the period from 11/08/2024 to 11/22/2024 in the amount of \$3,309,312.39.

BUCHALTER APC	889,328.76
GRANITE CONSTRUCTION COMPANY	597,666.67
P G & E	559,230.58
LORANG BROTHERS CONSTRUCTION, INC	222,687.89
CALPERS PUBLIC EMP RETIREMENT SYSTEM	181,259.70
BLACK & VEATCH CORPORATION	127,220.05
P G & E	120,664.43
P G & E	70,162.22
CITY OF ROCKLIN	68,120.00
STANTEC CONSULTING SERVICES, INC	48,799.26
SACRAMENTO PRESTIGE GUNITE LLC	32,683.86
KEENAN & ASSOCIATES	28,075.00
KESTREL POWER ENGINEERING, LLC	20,625.00
STATE STREET GLOBAL ADVISORS	19,301.60
HUNT & SONS LLC	19,081.03
PACE SUPPLY CORPORATION	17,577.81
BENEFIT COORDINATORS CORPORATION	17,486.81
STATE STREET GLOBAL ADVISORS	17,166.53
HDR ENGINEERING INC	16,340.43
Pacific Gas and Electric	15,998.14
PROSPERITY INDUS BLDG	12,500.00
KILGORE ENGINEERING, INC.	11,970.39
SACRAMENTO PRESTIGE GUNITE LLC	10,894.62
ANDREGG PSOMAS	8,593.04
GEI CONSULTANTS, INC	8,332.50
EMPOWER RETIREMENT, LLC	8,139.13
LISA RHOADS-DELABY	7,963.00
PACE SUPPLY CORPORATION	7,800.62
BLACKBURN CONSULTING	7,800.00
AT&T	7,469.16
AMAZON CAPITAL SERVICES	7,121.87
TRIHYDRO CORPORATION	6,743.11
LOCAL 39 STATIONARY ENGINEERS	5,932.32
HDR ENGINEERING INC	5,866.28
LOCAL 39 STATIONARY ENGINEERS	5,865.74
RECOLOGY	5,383.65
CITY OF ROSEVILLE	5,000.00
CITY OF ROCKLIN	4,635.00
RUBICON CONSTRUCTION MANAGEMENT	4,516.00
LIEBERT CASSIDY WHITMORE	4,417.50
ROCKLIN WINDUSTRIAL CO	4,378.36
GREEN RIVER HLDINGS LLC 2841FA	4,160.55

PLACER COUNTY WATER AGENCY

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ALL ELECTRIC MOTORS, INC	3,875.08
SEBASTIAN	3,041.81
GRAINGER	3,019.79
ROSEVILLE CHAMBER OF COMMERCE	3,000.00
ICE US OTC COMMODITY MARKETS, LLC	2,820.00
HERC RENTALS INC.	2,629.91
ODP BUSINESS SOLUTIONS, LLC	2,565.38
VERIZON WIRELESS	2,558.08
BLACKBURN CONSULTING	2,146.00
REXEL USA, INC.	1,774.23
HARRIS TRUCKING INCORPORATED	1,670.52
WAVEDIVISION HOLDINGS LLC	1,659.95
FASTENAL COMPANY	1,467.97
CALIFORNIA STATE DISBURSEMENT UNIT	1,292.30
AQUA SIERRA CONTROLS, INC	1,285.61
ARB INC	1,200.00
AMAZON CAPITAL SERVICES	1,189.84
BAREBONES WORKWEAR	1,135.12
TEICHERT CONSTRUCTION	975.78
MOUNTAIN G. ENGINEERING	922.47
FORESTHILL PUBLIC UTILITY DIST	913.11
TOWN OF LOOMIS	896.28
HARRIS TRUCKING INCORPORATED	845.07
GRAINGER	814.49
MOBILE-MED WORK HEALTH SOLUTIONS	800.00
LEAF	745.38
HACH COMPANY	721.27
ECO SYSTEM CONCEPTS	687.45
WESTERN AREA POWER ADMINISTRATION	663.86
ANDY HAMILTON	640.97
AT&T MOBILITY	531.43
WAREHOUSE PAINT	519.48
DE LAGE LANDEN FINANCIAL SRV	511.00
CANYON CREEK 23 LLC	500.00
STL COMPANY, LLC	500.00
NEW PIG CORPORATION	458.67
ROBIN ROLLMAN	429.11
VSS INTERNATIONAL	422.11
ECO SYSTEM CONCEPTS	420.28
ECO SYSTEM CONCEPTS	407.91
PREMIER TRAINING NETWORK	395.00
CLARKE & RUSH MECHANICAL, INC	389.00

PLACER COUNTY WATER AGENCY

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AT&T INTERNET SERVICES	371.47
GOLDEN 1 CREDIT UNION	366.06
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LOOMIS ARMORED US, LLC	363.80
ANDY HAMILTON	355.50
VIBEKE FIGUEROA	340.76
THE DESIGN BUILD INC.	337.71
AT&T INTERNET SERVICES	323.34
ANTHONY MEYER	302.49
DIRECT TV	285.96
LORI YOUNG	274.51
ODP BUSINESS SOLUTIONS, LLC	273.81
CARLIE WARD	262.56
LISA STRICKLAN	255.90
NICOLE GONZALEZ	254.73
AUBREY JONES	246.03
RICHARD BOGGS	233.00
THE PERMANENTE MEDICAL GROUP	230.00
EDWARD KO	228.44
Katie Kenoyer	225.00
PACE SUPPLY CORPORATION	214.50
DIRECT TV (DORM)	198.75
AUBURN ACE HARDWARE	196.68
ROCKLIN 41 LLC	196.31
CONFIDENTIAL DOCUMENT CONTROL	185.00
KENDALL MATSUOKA	182.98
LAURA RODARTE	174.32
VELMA C & BRUCE MILLER	159.63
BRYAN DU PERTUIS	141.75
JENNIFER BEACH	139.30
ODP BUSINESS SOLUTIONS, LLC	122.12
BOBBIE JOHNSON	117.32
LUIS SILVA	114.76
BLUE LINE HOME SOLUTIONS, LLC	100.00
JEANNE OSLUND	100.00
KALYN SARPA	100.00
ORLANDO LORENZO	100.00
DILSHER BAINS	100.00
POSTMASTER	100.00
ROCKLIN WINDUSTRIAL CO	98.85
JASON LO	98.44
BRIAN NOONAN	97.66

PLACER COUNTY WATER AGENCY

Check Register # 24-21

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CITY OF ROSEVILLE	91.67
STAN & CINDY SNYDER	85.14
ANDERSON'S SIERRA PIPE CO.	83.66
ESTATE OF JOHN REIMER	82.19
CARDINAL RE LLC	80.48
FRED FLUKE	76.94
GENERAL WHOLESALE ELEC SUPPLY	74.84
DEANA FRITZ	74.63
DON ROBINSON SAND AND GRAVEL INC	65.00
LAUREN WILSON	62.18
ALYSSA CASSINELLI	60.96
JULIA GRIFFIN	59.63
JEAN ELLESTAD	57.92
AUBURN ACE HARDWARE	57.89
HILLS FLAT LUMBER COMPANY	56.92
FRANCISCO SUAREZ	54.18
DANIL REZIAPKINE	53.71
NANCY WARNER TIJAN	53.50
MAX KHORASANI	53.25
BERGE BEDROSSIAN	51.00
CAMERON BRAY	47.95
GRANT PLUMBING & HARDWARE CO.	47.23
AMERICAN TECHNOLOGY SOLUTIONS CORP	47.20
DEBBIE JEFcoat	45.69
PHILLIP ISETTA	43.90
BEYA BISHOP	41.93
JIM & BECKY HENDRIX	39.90
AMY NEWSON & MICHAEL GANSCHOW	39.76
EMILY ASTLE	36.99
ADRIANO NASCIMENTO	31.08
T-MOBILE	30.80
FEDERAL EXPRESS CORP.	26.34
ELISE NELSON	20.00
GINA LU	19.64
UNITED PARCEL SERVICE	16.90
TOWER GROUP HOLDING LLC	15.13
DAVID BINGENHEIMER	12.86
BRANDON BOYCE	11.72
FEDERAL EXPRESS CORP.	11.24
SUSAN VELASQUEZ	9.89
LAWRENCE H & SHARON J GRUNER	9.64
CHRISTOPHER SAVAGE	7.87

PLACER COUNTY WATER AGENCY
Check Register # 24-21

The Board of Directors of Placer County Water Agency as of this date, 12/09/24, does hereby receive and file check register listing for the period from 11/08/2024 to 11/22/2024 in the amount of \$3,309,312.39.

BENEFIT COORDINATORS CORPORATION	6.62
GRANT PLUMBING & HARDWARE CO.	4.50
AT&T	4.43
LORETTA JO ALSUP	4.26
KAMRYN STAPLES	3.41
GERRY SHEA	3.00
KEITH RYPKA	1.00

CHECK REGISTER TOTAL \$ 3,309,312.39

MEMORANDUM

TO: Board of Directors

FROM: Joseph H. Parker, CPA, Director of Financial Services

DATE: November 5, 2024

RE: Amendment No. 4 to Procurement Contract No. P-20-06

RECOMMENDATION:

Approve Amendment No. 4 to Procurement Contract No. P-20-06 with Pacific Star Chemical dba Northstar Chemical, Univar Solutions USA, Inc., and Chemtrade Chemicals US LLC, for the purchase of water treatment chemicals.

BACKGROUND:

In November of 2020, the Agency solicited bids for the purchase of water treatment chemicals specifically for Colfax Water Treatment Plant. The Agency bids chemicals separately for the Colfax Water Treatment Plant because of delivery truck size limitations and storage limitations. Bids were publicly advertised and an Invitation to Bid was provided to potential vendors via “Public Purchase,” the electronic procurement website the Agency utilizes. This effort resulted in six responses. Agency staff then performed the due diligence process and determined the lowest responsive and responsible bidders for each chemical and Procurement Contract No. P-20-06 was awarded at the December 17, 2020, Board meeting.

DISCUSSION:

The awarded Procurement Bid Contract provided the Agency with contracted prices for an initial period of 12 months with the possibility of four 12-month extensions to be offered at the option of the Agency. Amendment No. 4 extends the time of performance from January 1, 2025, through December 31, 2025, by exercising the fourth 12-month optional extension at the prices shown in Attachment A. Pacific Star Chemical dba Northstar Chemical (provider of Sodium Hydroxide 25%) and Univar Solutions USA Inc., (provider of Sodium Hypochlorite 12.5%) have both agreed to

extend with no change in pricing. Chemtrade Chemicals US LLC (provider of Aluminum Sulfate) has agreed to extend with an increase pf \$0.0285 per gallon, approximately 1.2%.

FISCAL IMPACT:

Funding for purchases of these water treatment chemicals will come from Water Division, Operations Budget within the Department of Technical Services – Drinking Water Operations Division.

ATTACHMENTS:

Description	Upload Date	Type
Attachment A	11/4/2024	Backup Material

ATTACHMENT A
Water Treatment Chemicals – Bid Contract # 20-06

Bid Item 1 – Aluminum Sulfate (Liquid)	2024 Pricing	Price Increase	2025 Pricing
Chemtrade Chemicals US LLC	\$2.3757 per gallon	\$0.0285 per gallon	\$2.4042 per gallon
Bid Item 2 – Sodium Hydroxide, 25%	2024 Pricing	Price Increase	2025 Pricing
Pacific Star Chemical dba Northstar Chemical	\$0.715 per wet pound	\$0.00 per wet pound	\$0.715 per wet pound
Bid Item 3 – Sodium Hypochlorite 12.5%	2024 Pricing	Price Increase	2025 Pricing
Univar Solutions USA Inc.	\$2.605 per gallon	\$0.00 per gallon	\$2.605 per gallon

MEMORANDUM

TO: Board of Directors

FROM: Jeremy Shepard, Director of Technical Services

DATE: October 18, 2024

RE: Amendment No. 1 to the Design Professional Services Agreement for the Colfax Water Treatment Plant

RECOMMENDATION:

Approve Amendment No. 1 to the Design Professional Services Agreement with HDR Engineering, Inc. in an additional amount not to exceed \$1,652,000 for the Colfax Water Treatment Plant.

BACKGROUND:

The Colfax Water Treatment Plant (WTP), built in 1958 with a capacity of 1.58 million gallons per day (MGD), serves over 930 active service connections. The plant's infrastructure includes sedimentation basins, booster pumps, chemical injection systems, a reclamation basin, flow meters, finish filters, and auxiliary systems.

In May 2021, the Agency entered into an agreement with HDR Engineering, Inc. (HDR) for \$1,181,338 to provide design services for the new Colfax Water Treatment Plant. This agreement was amended in January 2022, increasing the not-to-exceed amount to \$1,348,145. Following the review of the 60% detailed design and cost estimates, the Agency directed HDR to perform value engineering to mitigate inflation impacts and reduce construction costs.

A subsequent agreement was executed in March 2023, adding \$813,675 for revised design work and completion through 100%. This brought the total planning and design costs to \$2,161,820. The 100% design plans and specifications were completed in October 2024 and is anticipated to advertise for bids in December 2024.

Additionally, the Agency is coordinating with the State Water Resources Control Board’s Division of Financial Assistance to secure a 0% interest loan for \$10,000,000 to support project costs.

DISCUSSION:

A proposal for engineering services during construction was submitted to and reviewed by the Agency for HDR to 1) review and respond to submittals, requests for information, construction change orders, and start-up testing and commissioning plans; 2) attend site visits and meetings for SCADA, electrical, instrumentation and controls integration field support; and 3) monitor progress through the two-plus year duration of the construction of the project. In addition, Amendment No. 1 increases the funding an additional \$1,652,000, bringing the not-to-exceed amount to \$2,465,675, provides a time extension of twenty-four (24) months, revises the time of performance, increases the rate, and adds a Nondiscrimination Policy to the special terms and conditions. Agency staff has reviewed the proposal and scope of work and is in agreement with the proposal.

FISCAL IMPACT:

Project-to-Date Budget (Water Division, Rates Projects – Treatment, Agency Wide Reserves, and Agency Wide PCWA Stewardship Projects from the County-Wide Master Plan)	\$ 35,580,763
Additional Funding Request	<u>0</u>
Subtotal Budget	35,580,763
Less Project-to-Date Expenses and Encumbrances	<u>3,357,476</u>
Available in Project Budget (current)	32,223,287
Less Proposed Action	<u>1,652,000</u>
Total Available in Project Budget (proposed)	<u><u>\$ 30,571,287</u></u>

Funding for this project comes from Water Division, Rates Projects – Treatment, Agency Wide Reserves, and Agency Wide PCWA Stewardship Projects from the County-Wide Master Plan. There are sufficient funds within the project budget to cover all anticipated costs to complete the project.

MEMORANDUM

TO: Board of Directors

FROM: Jeremy Shepard, Director of Technical Services

DATE: November 12, 2024

RE: Award of Shady Glen Consolidation Project Construction Contract 2023-05

RECOMMENDATION:

Award Construction Contract No. 2023-05 to Lorang Brothers Construction, Inc. for the Shady Glen Consolidation Project in the amount of \$1,529,977.

BACKGROUND:

Shady Glen Estates is a mobile home park located west of the intersection of Highway 174 and Rollins Lake Road near Colfax, California. Shady Glen Estates is currently served potable water from the existing Shady Glen Community Water System (Shady Glen), which includes an on-site surface water treatment plant (WTP), pumps, water storage tank, and water distribution system. Shady Glen currently serves 120 connections and a population of 200 within Shady Glen Estates. Shady Glen's ownership has changed several times in the last few years and the new owners expressed interest in consolidating into the Agency treated water system in 2022.

The Agency contracted with HDR Engineers Inc. to design a project, connecting the existing Colfax Water System to Shady Glen and the future Colfax WTP. In March 2023, PCWA submitted a grant application with the State Water Resources Control Board (SWRCB) to cover the cost of consolidating Shady Glen into PCWA's Colfax Water System. The owners of Shady Glen Estates executed a consolidation agreement with PCWA in May 2023 that defined the project and delineated roles and responsibilities. The design was completed in March of 2024.

The project consists of:

- The installation of approximately 1,700 feet of treated water pipeline and three fire hydrants
- One three-inch master meter to serve Shady Glen Estates
- A connection to the Agency's Colfax Water System
- Demolition of the Shady Glen WTP
- A stub for the future Colfax WTP

On July 16, 2024, the SWRCB granted the Agency \$4,544,879 through Agreement EDWG-3110005-010C to pay for the project costs including construction, soft costs, water connection charges, meter set fees, and change order contingency.

DISCUSSION:

The notice inviting bids along with the project plans and specifications were advertised on August 17 and 21, 2024. The Agency competitively bid the project and received bids on October 3, 2024, from the following contractors:

JPB Designs, Inc.	\$1,469,972
Lorang Brothers Construction, Inc.	\$1,529,977
Mountain Cascade, Inc.	\$1,653,340

Staff reviewed the three bids, and both JPB Designs, Inc. and Mountain Cascade, Inc. bids were rejected. JPB Designs' bid was rejected for containing unauthenticated corrections and their bid was incomplete. Mountain Cascade's bid was rejected for being incomplete. The Agency also received an untimely bid protest from JPB Designs, Inc. on October 16, 2024, six days after the deadline for bid protests had passed. The bid protest failed to provide justification as required in the project bid specifications and staff denied their claim. Lorang Brothers Construction, Inc. submitted a responsive low bid, staff performed a check of Lorang Brothers Construction, Inc. contractor's license, and has found that it is current and is in good standing.

The Agency submitted a final budget approval form to SWRCB for verification of the bid documents as required in the funding agreement to officially authorize the grant funding of \$4,544,879. On November 8, 2024, SWRCB confirmed the bid documents appear to meet the funding agreement requirements and anticipate providing the official authorization within 60 days.

If the construction contract is awarded at this time, construction is anticipated to begin in January 2025 and be completed by the end of Fall 2025.

FISCAL IMPACT:

Project-to-Date Budget (Agency Wide, Capital Budget - Reserves, Treated Water Transmission & Distribution)	\$ 3,000,000
Additional Funding Request	0
Subtotal Budget	<u>3,000,000</u>
Less Project-to-Date Expenses and Encumbrances	<u>118,979</u>
Available in Project Budget (current)	2,881,021
Less Proposed Action	<u>1,529,977</u>
Total Available in Project Budget (proposed)	<u><u>\$ 1,351,044</u></u>

Funding for the project comes from Agency Wide, Capital Budget - Reserves, Treated Water Transmission & Distribution. There are sufficient funds within the project budget to cover anticipated project costs through completion. The grant amount of \$4,544,879 includes Water Connection Charges (WCC) in the amount of \$1,094,348. The WCC payment will be directed to the Upper Zone 6 Water Division WCC account, and the remaining grant proceeds, when reimbursed by SWRCB, will be returned to Agency Wide Reserves.

MEMORANDUM

TO: Board of Directors

FROM: Jeremy Shepard, Director of Technical Services

DATE: October 23, 2024

RE: Amendment No. 1 to Professional Services Agreement with Forensic Analytical Consulting Services, Inc.

RECOMMENDATION:

Approve Amendment No. 1 to Professional Services Agreement with Forensic Analytical Consulting Services, Inc. for On Call Safety FACS.

BACKGROUND:

For many years, PCWA has relied upon a number of on-call professional service agreements to enhance or supplement existing staff services. These services are necessary and called upon in support of programs where time is of the essence and specialized services can be authorized relatively quickly.

Services provided under this agreement provide assistance in the areas of program analysis and planning, industrial hygiene assessments, hazard assessments, written safety program development, safety training, and other safety support services.

The services to be provided under this agreement will be issued on a task order basis as authorized by the Director of Technical Services. If approved at this time, the services under these agreements would extend through December of 2026.

DISCUSSION:

Staff has relied heavily upon Forensic Analytical Consulting Inc. to assist on a number of industrial hygiene assessments, written safety program development, and safety support services.

The current agreement with Forensic Analytical Consulting Inc. will expire on

December 31, 2024. The proposed Amendment No. 1 will include a time extension for an additional twenty-four months, an update to the Time of Performance, a rate increase, an update to the Agency and Contractor Representatives, and an update to the Special Terms and Conditions.

The existing Professional Services Agreement amount of \$300,000 will remain unchanged for Amendment No. 1.

FISCAL IMPACT:

Funding for this on-call agreement will come from individual capital projects, or from the Operations Budgets of Agency Wide, Power, or Water Divisions based on approved task orders. On-call services are only utilized when and if needed and although there is a not-to-exceed amount, this does not mean the total amount will be used.

MEMORANDUM

TO: Board of Directors

FROM: Matt Young, Director of Customer Services
Brie Anne Coleman, Communications Manager

DATE: November 13, 2024

RE: Public Outreach and Communications Services

RECOMMENDATION:

Approve Professional Services Agreement #CS-2460618 with IN Communications in an amount not to exceed \$900,000 for Public Communication, Outreach, and Strategy Services.

BACKGROUND:

In addition to in-house staff, the Agency relies on outside services for public outreach and communications support for the many communications channels and tactics that we utilize to reach the public.

Having the support of outside services not only increases our bandwidth and resources, but also adds expertise in certain areas, such as strategy and technology.

DISCUSSION:

For 2025-2029, staff would like to use the services provided by IN Communications for public outreach and communications support. IN Communications is a full-service firm with experience in building award-winning programs designed to increase public awareness, engage audiences, demonstrate value, build coalitions, and advocate for change. IN Communications has worked with PCWA since 2013, focusing primarily on water efficiency outreach and messaging.

The Public Affairs Division continues to optimize its efforts, expand its responsibilities, and increase its value to the Agency and its customers. Areas of work

have been developed and included in the scope for 2025-2029. Alignment of the department's resources with the enhanced scope will ensure continued success in meeting evolving demands and communications objectives.

FISCAL IMPACT:

Funding for this not-to-exceed \$900,000 on-call agreement will be charged to individual Capital Projects, or to the Agency Wide and Power Division Operations Budgets, within the Department of Customer Services and the Office of the General Manager. On-call services are only utilized when and if needed and although there is a not-to-exceed amount, this does not mean any or all of the amounts will be used.

MEMORANDUM

TO: Board of Directors

FROM: Joseph H. Parker, CPA, Director of Financial Services

DATE: November 19, 2024

RE: Agency Workplace Solutions Cooperative Acceptance Agreement with Cintas Corporation using Omnia Partners Cooperative Purchase Contract No. 001299

RECOMMENDATION:

Approve Workplace Solutions Cooperative Acceptance Agreement #210900773 with Cintas Corporation in an amount not to exceed \$600,000 for uniform rental and workplace services products.

BACKGROUND:

The Agency has contracted with Cintas Corporation for uniform rental and workplace services products for the past two years. The Agency has approximately 115 employees who wear uniforms for safety, compliance, and identification purposes. The weekly rental service includes weekly laundering and replacement of various pants, shirts, coveralls, flame resistant garments, and non-slip floor mats.

DISCUSSION:

The Agency's current contract with Cintas Corporation is through the use of Omnia Partners Cooperative Contract No. R-BB-19002 which is set to expire on October 31, 2025. Omnia Partners is a cooperative purchasing entity that provides governmental entities, such as the Agency, with the "buying power" of multiple entities throughout the country in providing pre-competitively priced contracts through a public request for proposal process. Members of Omnia Partners have access to these contracts which can be used to contract directly with vendors to secure low prices along with favorable terms and conditions that may not be attainable otherwise.

Recently, Omnia Partners completed a solicitation process and has awarded a new five-year cooperative purchase contract to Cintas Corporation, Cooperative Contract No. 001299. This new cooperative purchase contract has reduced pricing as compared to the current contract. Staff has determined that the clothing options, garment inventory management system, and services provided by Cintas Corporation have been seamless and of great value to the Agency compared to previously contracted service providers.

Staff is requesting that the Board consider approving Workplace Solutions Cooperative Acceptance Agreement #210900773 with Cintas Corporation for five years in an amount not to exceed \$600,000 and authorize the Director of Financial Services to sign on the Agency's behalf. Should this agreement be approved, it will allow the Agency to take full advantage of the new Omnia Partners cooperative purchase contract, including the reduced pricing that would be in effect upon execution of the agreement.

FISCAL IMPACT:

Funding in an estimated amount of \$120,000 per year and not to exceed the Agency's annually approved budgeted amount for clothing will come from the Water Division and Power Division, Operations Budgets within the Departments of Field Services, Customer Services, Technical Services, and Power Systems.

MEMORANDUM

TO: Board of Directors

FROM: Jeremy Shepard, Director of Technical Services

DATE: November 20, 2024

RE: Notice of Completion for the Weimar WTP Safety Improvements Phase 1

RECOMMENDATION:

Authorize the Clerk to the Board to file a Notice of Completion (NOC) for the Weimar WTP Safety Improvements Phase 1, Construction Contract No. 2024-03, with BWD Construction, Inc. dba BWD General Engineering Contractors.

BACKGROUND:

The Weimar Water Treatment Plant is a one million gallon a day plant that was built in the 1960's and was acquired by the Agency in 2023. The Weimar Water Treatment Plant Safety Improvements Phase 1 project includes the installation of various safety improvements at the plant including, handrails, guardrails, grating, and fall protection equipment. The project also includes the demolition and removal of valving and piping in the filter gallery that is no longer utilized in plant operations. The design was completed by Parsons Transportation Group, Inc. under an Agency on-call contract. The construction contract was awarded to BWD Construction, Inc. on March 7, 2024.

DISCUSSION:

The contractor has completed the work, the project has been inspected for compliance with the plans and specifications, and the contractor's final payment has been authorized. There were three (3) non-discretionary change orders for the project authorized by the Director of Technical Services that added work to the contract. These included replacement of a damaged gate valve and modifications to grating in the filter building to allow for safe access to the filters. The three executed change orders increased the original contract value by \$12,782.00.

The contract NOC has been prepared and is proposed for authorization by the Board of Directors. If approved, this NOC will be recorded with the County of Placer in accordance with applicable laws.

Summary of Contract Value

Original Contract Value	\$402,000.00
Change Order	12,782.00 (3.2% of Original Value)
Current Contract Value	414,782.00
Value of Remaining Contract Work	\$0.00

FISCAL IMPACT:

Project-to-Date Budget (Water Division, Rates Projects - Treated Water Transmission & Distribution)	\$ 636,000
Additional Funding Request	0
Subtotal Budget	636,000
Less Project-to-Date Expenses and Encumbrances	629,889
Available in Project Budget (current)	6,111
Less Proposed Action	0
Total Available in Project Budget (proposed)	\$ <u>6,111</u>

Funding for the project comes from the Water Division, Rates Projects - Treatment. There are sufficient funds within the project budget to complete the project.

MEMORANDUM

TO: Board of Directors

FROM: Tony Firenzi, Director of Strategic Affairs

DATE: November 20, 2024

RE: Amendment to Professional Services Agreement with ENS Resources, Inc.

RECOMMENDATION:

Approve Amendment No. One to Professional Services Agreement #2022-02 with ENS Resources, Inc., in an additional amount not to exceed \$165,000 for Public Policy, Regulatory, Legislative, and Strategic Planning.

BACKGROUND:

In 2022 PCWA entered into a Professional Services Agreement with ENS Resources, Inc. to advocate in Washington D.C. for legislation, funding, and regulations that are in our best interest. This advocacy spans several areas of PCWA business, including water, power, natural resources, and forest health. ENS Resources, Inc. has been helpful in securing two congressional appropriations for PCWA pipelines, appropriations for the PCWA-Roseville cooperative pipeline, and ongoing discussions regarding regulatory reform in water and forest health.

DISCUSSION:

The current agreement with ENS Resources, Inc. expires December 31, 2024, and extension by amendment to the agreement is proposed. Federal issues that ENS can help with included continued funding pursuits and regulatory reform. With the incoming federal administration and 119th Congress, discussions are already forming around regulatory reform. It is critical that PCWA be engaged in this process.

Amendment No. One to Professional Services Agreement #2022-02 with ENS Resources, Inc. in an additional amount not to exceed \$165,000 through calendar year 2026 is proposed. This will increase the total not-to-exceed value from \$300,000

to \$465,000.

FISCAL IMPACT:

This agreement is funded equally by Agency Wide and Power Division funds, under the Office of the General Manager, Division of Strategic Affairs and Resource Management. There are sufficient funds in the next year operating budget for this expense. Continuation of services into subsequent years would be contingent on adequate funding in approved annual budgets.

MEMORANDUM

TO: Board of Directors

FROM: Jeremy Shepard, Director of Technical Services

DATE: November 21, 2024

RE: Supply and Demand Report for Water Systems

RECOMMENDATION:

Approve the treated water service application for Variance LS67 per Section 40902 of Rules and Regulations providing a Water Use Limit of 1.0 Unit of Capacity (UOC) and an infill connection for APN 054-070-027 in Auburn.

BACKGROUND:

This report includes applications for water service for the December 9, 2024, Board meeting and will include applications received as of November 21, 2024.

Applications received after November 21, 2024, will be on the December 19, 2024, Board agenda.

LOWER UNTREATED WATER SYSTEM:

Staff approved a connection of 0.5 winter miner's inch, which equates to 4.5 acre-feet (AF) of new untreated water commitment.

There are four customer downsizes for a reduction of 27.1 AF of previously authorized untreated water commitment.

The net change in untreated water commitment is a decrease of 22.6 AF. The remaining supply is 25,384.4 AF.

UPPER UNTREATED WATER SYSTEM:

There are no requests for new untreated water commitment.

There is one customer downsize for a reduction of 4.5 AF of previously authorized untreated water commitment.

The net change in untreated water commitment is a decrease of 4.5 AF. The remaining supply is 14,700.1 AF.

LOWER TREATED WATER SYSTEM - FOOTHILL, SUNSET, OPHIR:
Staff approved an infill connection in the amount of 1.0 UOC.

There are no reductions of previously authorized treated water commitment.

The net change in treated water commitment is an increase of 1.0 UOC. The remaining supply is 970.5 UOC.

LOWER TREATED WATER SYSTEM - AUBURN AND BOWMAN:

There is an infill connection that has reapplied for a variance to the UOC assessment per the Agency's Rules and Regulations. Variance LS67 would provide a Water Use Limit of 1.0 UOC that has been requested by the property owner of a 1.4 acre parcel in Auburn. The property is restricted with a flood plain, roadway, and sewer easements limiting the buildable space, thereby limiting treated water use. Applicant originally applied for this variance in 2023 as LS66 which was approved but applicant failed to pay Water Connection Charges within the time allocated by the Agreement and it expired. The 1.0 UOC was allocated out of the water system at that time.

There are no reductions of previously authorized treated water commitment.

The is no change in treated water commitment. The remaining supply is 2,527.7 UOC.

ATTACHMENTS:

Description	Upload Date	Type
Supply Demand Report - 12-09-2024	11/21/2024	Backup Material



Supply and Demand Report for
Western Water System (Zone 6)
December 9, 2024 Board Meeting

Supply Summary	Acre Feet (AF)
PG&E Western Water System	100,400
PG&E Zone 3	25,000
Canyon Creek Water Rights (1)	3,400
PCWA Middle Fork Project (2)	35,500
NID Deliveries to Foothill WTP	1,920
Total Supply	166,220

Lower Untreated Water System		AF
Supply		141,220.00
Baseline Demand		
Realized (2021)	88,197.50	
Realized Zone 5 (2021) (3)	14,944.00	
Committed Demand		
Bickford Ranch	1,538.50	
Auburn-Bowman	2,296.45	
Foothill-Sunset-Ophir	7,337.44	
Total Committed Demand	11,172.39	
Total Baseline Demand	114,313.89	
Commitments Post 2021		
Since Baseline (5)	1,544.30	
Requests this Meeting	-22.62	
Total Commitments Post 2021	1,521.68	
Remaining Supply upon approval of requests at this meeting.		25,384.43

Untreated Water Supply and Demand Summaries

Upper Untreated Water System (Zone 3)		AF
Supply		25,000.00
Baseline Demand		
Realized (2021)	9,676.90	
Committed Demand		
Alta	138.35	
Monte Vista	27.45	
Colfax	244.77	
Applegate	9.19	
Total Committed Demand	419.75	
Total Baseline Demand	10,096.65	
Commitments Post 2021		
Since Baseline (5)	207.73	
Requests this Meeting	-4.52	
Total Commitments Post 2021	203.21	
Remaining Supply upon approval of requests at this meeting.		14,700.15

Lower Treated Water Systems				
	Foothill-Sunset-Ophir (6)		Auburn-Bowman	
Total Capacity (4)	65.000 MGD	56,521.7 UOC	15.000 MGD	13,043.5 UOC
Baseline Demand				
Realized (Summer 2021)	51.900 MGD		10.900 MGD	
Committed Demand (7)	8.859 MGD		1.091 MGD	
Entitlements (8)	5.874 MGD		0.290 MGD	
No Demand Meters (9)	0.160 MGD		0.084 MGD	
Drought Rebound (10)	2.812 MGD		0.636 MGD	
Consolidations (11)	0.013 MGD		0.082 MGD	
Total Baseline Demand	60.759 MGD	52,833.9 UOC	11.991 MGD	10,427.1 UOC
Commitments Post 2021				
Since Baseline (12)	3.124 MGD	2,716.3 UOC	0.102 MGD	88.7 UOC
Requests this Meeting	0.001 MGD	1.0 UOC	0.000 MGD	0.0 UOC
Total Commitment	3.125 MGD	2,717.3 UOC	0.102 MGD	88.7 UOC
Remaining Supply after approval of requests at this meeting:				
Based on Normal Capacity	1.116 MGD	970.5 UOC	2.907 MGD	2,527.7 UOC

Upper Treated Water Systems										
	Applegate		Colfax		Monte Vista		Alta		Weimar(13)	
Total Capacity (4)	0.071 MGD	62.1 UOC	1.244 MGD	1,081.7 UOC	0.102 MGD	88.7 UOC	0.512 MGD	445.2 UOC	1.000 MGD	869.6 UOC
Baseline Demand										
Realized (Summer 2021)	0.055 MGD		0.807 MGD		0.053 MGD		0.265 MGD		0.690 MGD	
Committed Demand (7)	0.005 MGD		0.154 MGD		0.004 MGD		0.112 MGD		0.108 MGD	
Entitlements (8)	0.000 MGD		0.000 MGD		0.000 MGD		0.000 MGD		0.053 MGD	
No Demand Meters (9)	0.001 MGD		0.013 MGD		0.000 MGD		0.005 MGD		0.000 MGD	
Drought Rebound (10)	0.004 MGD		0.063 MGD		0.004 MGD		0.021 MGD		0.054 MGD	
Consolidations (11)	0.000 MGD		0.078 MGD		0.000 MGD		0.087 MGD		0.000 MGD	
Total Baseline Demand	0.060 MGD	52.6 UOC	0.961 MGD	836.0 UOC	0.057 MGD	49.7 UOC	0.377 MGD	328.0 UOC	0.798 MGD	693.6 UOC
Commitments Post 2021										
Since Baseline (12)	0.001 MGD	1.0 UOC	0.007 MGD	6.0 UOC	0.000 MGD	0.0 UOC	0.001 MGD	0.5 UOC	-0.001 MGD	-1.0 UOC
Requests this Meeting	0.000 MGD	0.0 UOC	0.000 MGD	0.0 UOC	0.000 MGD	0.0 UOC	0.000 MGD	0.0 UOC	0.000 MGD	0.0 UOC
Total Commitment	0.001 MGD	1.0 UOC	0.007 MGD	6.0 UOC	0.000 MGD	0.0 UOC	0.001 MGD	0.5 UOC	-0.001 MGD	-1.0 UOC
Remaining Supply after approval of requests at this meeting:										
Based on Normal Capacity	0.010 MGD	8.5 UOC	0.276 MGD	239.8 UOC	0.045 MGD	39.0 UOC	0.134 MGD	116.7 UOC	0.203 MGD	177.0 UOC

Footnotes:
 (1) Canyon Creek Water Right varies annually based on snow pack and flows in the creek. This water right can be used anywhere in western Placer County; however, it is shown here to be assigned to the Lower Untreated Water System.
 (2) PCWA Middle Fork Project (MFP) water supply to City of Roseville, San Juan Water District, and others is delivered to Fokom Reservoir for diversion.
 (3) Zone 5 demand fluctuated between 4,014 - 14,944 AF between 2015 and 2021, the 2021 demand was used.
 (4) Reservation of untreated water for treatment plant build out of Alta at 0.512 MGD, Monte Vista at 0.102 MGD, Colfax at 1.244 MGD, Weimar at 1.000 MGD, Applegate at 0.071 MGD, Foothill at 60 MGD, Sunset at 5 MGD, Auburn at 8 MGD, and Bowman 7 MGD.
 (5) Includes Board approved untreated water requests 6 months (1/1/2021) before baseline to compensate for demand not yet realized.
 (6) Ophir WTP and associated infrastructure are planned facilities included within the Agency's Water Connection Charge program. The capacity gained from Ophir WTP will be added to this report once the plant is constructed and operational.
 (7) This amount reflects unrealized and realized demand that is not included in the baseline demand and includes entitlements no demand meters, drought rebound and consolidations.
 (8) This includes remaining capacity of water supply contracts and other agreements. The Foothill-Sunset-Ophir System unrealized demands included 3.87 MGD for the City of Lincoln and 0.853 MGD for Cal-Am. The Weimar Water System unrealized demand includes 0.053 MGD for Midway Heights CWD.
 (9) No demand meters are based on active accounts with a no demand rate class as of 8/10/2021.
 (10) Drought rebound is the estimated amount of treated water the retail system anticipates to recover after temporary conservation is achieved through ongoing drought regulations and messaging.
 (11) Consolidations includes those projects where a public water system has executed a consolidation agreement with PCWA to reserve capacity.
 (12) Includes Board approved facilities agreements after 1/1/2020 and infill requests after 1/1/2021 to compensate for demand not yet realized. This excludes any post baseline commitments from Weimar Water System prior to 10/2/2023.
 (13) The Weimar Water System acquisition was completed on 10/2/2023, demand and entitlements were included from the previous owner's 2021 calendar year records.

MEMORANDUM

TO: Board of Directors

FROM: Tony Firenzi, Director of Strategic Affairs

DATE: November 21, 2024

RE: Professional Services Agreement with Kearns & West, Inc.

RECOMMENDATION:

Approve a Professional Services Agreement with Kearns & West, Inc., in an amount not to exceed \$520,000 for On-call Facilitation and Engagement Services.

BACKGROUND:

PCWA has several initiatives that may warrant facilitation and engagement services in the next several years. These services would help the Agency engage with stakeholders and other agencies having jurisdiction over our projects in an effective manner. The objective is to achieve PCWA desired outcomes while respecting the interests of stakeholders. This approach was taken in the Water Forum and PCWA's federal licensing of the Middle Fork Project, from which environmental advocates became our allies.

The primary initiative in the near-term is the RiverArc project. For this project we need to engage with the US Bureau of Reclamation, Sacramento Valley settlement contractors, the State Water Resources Control Board, and several environmental groups. We also need to seek funding from the Department of Water Resources.

Other potential projects include federal land management and the American River water rights extension, among other possibilities.

DISCUSSION:

Kearns & West, Inc. is a firm that specializes in projects that interface with and depend upon state and federal agencies, particularly the US Bureau of Reclamation.

Given that all the initiatives considered for these services involve the US Bureau of Reclamation, this firm is proposed. An on-call agreement has been prepared in the not-to-exceed amount of \$520,000 through calendar year 2027. This agreement would authorize work under task orders written by the Director of Strategic Affairs. Each task order would include a scope, schedule, and budget. The not-to-exceed amount is an estimate for the needs of the RiverArc project. Any needs beyond this amount would be brought back to the Board as an amendment for consideration.

FISCAL IMPACT:

This is an on-call agreement. Funding for this not to exceed \$520,000 on-call agreement will be charged to individual Capital Projects, or to the Agency Wide and Water Division Operations Budgets, within the Department of Technical Services - Engineering, and the Office of the General Manager - Strategic Affairs and Resource Management. These costs are budgeted within each respective project approved within the Agency's annual budget. For the RiverArc project, the costs are divided equally among the four project partners. On-call services are only utilized when and if needed and although there is a not-to-exceed amount, this does not mean any or all of the amounts will be used.

MEMORANDUM

TO: Board of Directors

FROM: Darin Reintjes, Director of Resource Management

DATE: November 21, 2024

RE: Amendment No. 1 to the Memorandum of Agreement Establishing the West Placer Groundwater Sustainability Agency

RECOMMENDATION:

Approve Amendment No. 1 (Amendment) to the Memorandum of Agreement Establishing the West Placer Groundwater Sustainability Agency (WPGSA) with the City of Lincoln, the City of Roseville, and the Nevada Irrigation District.

BACKGROUND:

On June 30, 2017, the Agency, the City of Lincoln, the City of Roseville, the Nevada Irrigation District (NID), entered into the Memorandum of Agreement (Agreement) Establishing the West Placer Groundwater Sustainability Agency. In November of 2021, NID submitted notice to the WPGSA members that they were withdrawing from the Agreement. The withdrawal of NID became effective as of June 6, 2022, pursuant to subsection C of section VI of the Agreement. The remaining WPGSA members have been actively engaged in implementing the Groundwater Sustainability Plan (GSP) to comply with the Sustainable Groundwater Management Act (SGMA).

DISCUSSION:

The WPGSA members have a need to update the Agreement for the following reasons:

1. NID, which was an initial member agency of the WPGSA, formally withdrew from the WPGSA in June of 2022 (NID Resolution 2021-37). The Amendment removes NID as a member agency of the WPGSA.

2. The GSP (and SGMA) requires that if certain conditions exist (e.g. lowering groundwater levels that exceed minimum thresholds or cause undesirable results) an investigation must be carried out to determine the cause and identify potential mitigation measures, if warranted. However, neither the GSP nor SGMA provide much detail as to the process. The Amendment enforces the requirement to conduct an investigation and provide a process for completing the investigation.
3. The WPGSA agencies independently or jointly own and operate groundwater monitoring wells, and related equipment, utilized for SGMA compliance. There is a need to ensure joint responsibility for the maintenance of those assets (e.g. well maintenance, well destruction, parts replacement, etc.) and any other assets acquired as part of SGMA implementation. The Amendment specifies that the WPGSA members shall share the operating and maintenance costs of the shared assets, via the WPGSA annual budget process, and maintain a list of those shared assets covered by the Agreement, which will be amended from time to time as assets are acquired.
4. Other minor language and formatting modifications have been made to incorporate the sections added by the Amendment.

With approval of this Amendment, the Board also authorizes the General Manager to execute the Amendment on behalf of the Agency.

FISCAL IMPACT:

The proposed Amendment will provide the Agency with a mechanism for a cost-share reimbursement for the Agency's recent abandonment of a monitoring well that is considered a Shared Asset. There are no other immediate fiscal impacts as a result of this amendment.

MEMORANDUM

TO: Board of Directors

FROM: Darin Reintjes, Director of Resource Management

DATE: November 21, 2024

RE: 2025 Professional Services Agreement with the University of California,
Merced for French Meadows Project Forest Ecohydrological Research

RECOMMENDATION:

Approve Professional Services Agreement No. PSA UC2025 with the Regents of the University of California, Merced in an amount not to exceed \$120,000 for FMP Forest Ecohydrological Research.

BACKGROUND:

The Board previously approved this Professional Services Agreement with University of California, Agriculture and Natural Resources. The lead Senior Personnel managing this research project has since moved to the University of California, Merced (UC Merced) and will continue the research for the French Meadows Project with UC Merced. UC Merced is an existing member of the French Meadows Partnership, and this change will have no effect on the success of research project.

The French Meadows Forest Restoration Project Partnership has completed its sixth year of implementation. The University of California and UC Merced have been studying the effects of ecological forest thinning on tree health, fire intensity, snow coverage, and water yield. Now that the study areas have been treated, there is a need to continue monitoring these sites to assess the post treatment effects.

DISCUSSION:

This Agreement provides partial funding to support the tuition and expenses of a research scientist who will monitor and maintain the existing French Meadows Forest Restoration Project research infrastructure, collect data samples, and develop

analysis and predictive models for the quantifying ecohydrological impact of various fuel treatments over a period of three (3) years. After approval of this reissued Professional Services Agreement to UC Merced, staff will send a letter to the University of California, Agriculture and Natural Resources, terminating the former agreement.

FISCAL IMPACT:

Project-to-Date Budget (Power Division, Capital Projects)	\$ 2,425,000
Additional Funding Request	<u>0</u>
Subtotal Budget	2,425,000
Less Project-to-Date Expenses and Encumbrances	<u>2,195,420</u>
Available in Project Budget (current)	229,580
Less Proposed Action	<u>120,000</u>
Total Available in Project Budget (proposed)	<u><u>\$ 109,580</u></u>

Funding for this not-to-exceed \$120,000 Professional Services Agreement for a period of three (3) years comes from Power Division, Capital Projects. There are sufficient funds within the project budget to cover these services. Funding for future years will be requested during the annual budget process.

M E M O R A N D U M

TO: Board of Directors

FROM: Jeremy Shepard, Director of Technical Services
Joseph Parker, Director of Financial Services

DATE: November 21, 2024

RE: Capital Plan Update for Water Connection Charge Projects and Proposed
Changes to Water Connection Charge

RECOMMENDATION:

Receive update of Capital Plan to provide capacity for new growth and proposed changes to Water Connection Charge. This is an informational workshop item; no action is requested.

ATTACHMENTS:

Description	Upload Date	Type
Draft Report	11/26/2024	Backup Material
PowerPoint	11/26/2024	PowerPoint

Placer County Water Agency

Water Connection Charge Study Lower Zone (Zone 6)

Draft Report / November 2024

Financial Analysis Support by:



Prepared by:





November 21, 2024

Carrie Parks
Deputy Director of Financial Services
Placer County Water Agency
144 Ferguson Road
Auburn, CA 91362

Subject: Water Connection Charge Study Report for Lower Zone 6

Dear Ms. Parks,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Water Connection Charge (WCC) Study Report (Report) for the Lower Zone (also called Zone 6) to Placer County Water Agency (PCWA or Agency). This report details the approach, estimates, and calculations used to derive the resulting WCC per unit of capacity (UOC). PCWA engineering staff provided foundational data and direction with Raftelis supporting staff with calculations, review of assumptions and methodology, and advice toward fee modifications and evaluation of alternatives.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Kostiuk', with a stylized flourish at the end.

Kevin Kostiuk
Senior Manager

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DRAFT

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1. Executive Summary

1.1. Background of the Study

Placer County Water Agency (“PCWA” or “Agency”) was created through an Act from the California State Legislature in 1957. The Agency, with a jurisdiction encompassing the entire County of Placer, is governed by an elected five-member Board of Directors. The Agency currently serves more than 38,000 retail treated water customers in all of Zone 6 also known as the Western Water System.

Capacity fees are one-time fees, collected as a condition of establishing a new connection to the Agency’s treated water system or the expansion of an already existing connection. The purpose of these fees is for development to pay for its fair share of the costs of water facilities. These fees are designed to be proportional to the demand placed on the system by the new or expanded connection. The primary objective of establishing a full cost-recovery capacity fee is to provide an equitable means by which new system users or existing customers requiring additional system capacity contribute their fair share to the costs associated with the water facilities required to serve them. PCWA uses the term Water Connection Charge (WCC) in place of capacity fee.

PCWA retained Raftelis to complete an update to the WCC for the Lower Zone 6. Raftelis worked collaboratively with Agency staff, who led analyses internally, with Raftelis providing high-level insight, analysis review, alternatives for evaluation, and vetting recommended fees. This report provides details of the analysis in which updated WCCs are determined in accordance with Government Code Section 66013. This report serves as formal technical documentation in support of modifications to the WCC for Lower Zone 6.

The recommended capacity fees for the service area do not exceed the estimated reasonable costs of providing the facilities for which they are collected and are of proportional benefit to the property being charged.

1.2. Capacity Fees

Capacity fees, or Water Connection Charges, are also commonly known as developer fees, development impact fees, connection fees, tap fees, and system development charges, among others. All are one-time capital charges assessed against a new connection to recover the proportional share of capital facility investment previously constructed by a utility (or will be constructed) to accommodate growth or required to be constructed or expanded to accommodate development. Capacity fees are codified in the California Government Code Sections 66000-60025. Capacity fees must reflect the link between the fee imposed on, and the benefit received by, a new connection to the system. The fee charged may not exceed the reasonable share of costs associated with providing the service. Capacity fees rely on one of three different methodologies further explained in Section 3.

1.3. WCC History

Over the past 24 years, PCWA has periodically reviewed and reevaluated the WCC and updated the WCC model. The WCC model is monitored annually and updated as needed. During this period, the WCC model has been revised in 2005, 2014, and most recently in 2017. Since 2017, there have been some changes in the assumptions that warrant the WCC to be analyzed again.

Based on the observations and data collected over the past several years, the Agency has determined available capacity for resale needs to be updated to establish a new baseline year for maximum day demands and annual

demands, reflect current water treatment plant capacities, and address the effects of the drought and conservation efforts on demands within the water systems. While the capital plan has not changed substantially, the timing of various large developments have changed in addition to decreased treated water demands – deferring timing of the capital plan. For example, the 2017 analysis assumed Ophir WTP construction in 2020; however, the first phase of the treatment plant is now forecasted in 2030 due to increased water efficiencies.

1.4. 2024 Study assumptions

Available Capacity

In 2023, PCWA adopted the year 2021 to be the new baseline reference year, reserving a committed demand and setting available capacity for sale. At the beginning of 2024, a report to the Board of Directors summarized that there was 5.35 million gallons per day (MGD) in the Lower Zone 6 area, 2.4 MGD in the Foothill and Sunset WTP, and approximately 3 MGD in the Auburn and Bowman WTP. This analysis assumes a remaining amount of 4,650 UOCs and an additional 26,087 UOCs with the construction of the Ophir WTP.

Absorption

The absorption, or the anticipated annual rate at which the UOCs will be realized, is estimated at 950 UOC's, and broken down by retail or wholesale service area. A breakdown is provided in Section 4.2

Capital Plan

The 2024 capital plan includes projects located from Auburn to west Placer County, utilizes approximately 5 MGD of existing capacity from the Auburn, Bowman, Foothill and Sunset WTPs, and constructs the proposed Ophir WTP, 26 miles of pipelines, five storage tanks, and two groundwater wells. These facilities are illustrated in a map attached as Appendix A and listed with cost estimates in Appendix B. The project listing is organized by the three phases of the Ophir WTP program, in addition to system transmission projects. Each project includes a project identifier, project name, size, length (if applicable), type of project, and anticipated construction year start. The total cost of this program is estimated to be \$614 million and is distributed in a cash flow model through 2060. Project cost estimates were developed as outlined in Section 3.2.

1.5. Recommended fees

PCWA's current calendar year 2024 WCC is \$22,821 for one Unit of Capacity (UOC) for retail customers. Based on the existing approach, a UOC represents a unit of measure for the maximum daily demand on the capacity of the Agency's treated water system that is required to serve a customer. There are two main wholesale customers for whom different capacity charges are derived. The Agency provides water to the City of Lincoln (Lincoln) and California American Water Company (Cal-Am). WCCs are calculated for retail customers as well as both wholesale entities to reflect the specific costs associated with extending additional service in their service areas.

Since the Lower Zone is nearing existing capacity and has significant long-term development planned for in the service area, it is reasonable and appropriate to continue to determine WCCs based on the incremental cost method. Raftelis worked closely with PCWA engineering and finance staff to determine the value of the expansion capital program, construction in progress, future external debt borrowing estimates for certain facilities, and nuances within the planned CIP projects benefiting wholesale versus retail customers. PCWA staff also provided information on existing system capacities and allocated capacity.

The cost of the expansion-related capital improvements in current dollars is \$614.3 million, including \$50.8 million for a transmission Cal-Am surcharge. Added to this cost is the net present value (NPV) of future debt financing

interest costs of \$109.4 million, existing WCC debt service of \$33.6 million, and a Cal-Am surcharge credit of \$16.3 million for a total NPV of \$741 million excluding a beginning cash balance. As of January 1, 2024, the Agency had a WCC cash balance of \$50.9 million, which is included in the analysis less a minimum of \$10 million in debt reserves.

The resulting proposed updated Lower Zone WCC is \$25,815 per retail UOC. As previously stated, the Study relies on, and maintains, the incremental cost method to determine the Lower Zone 6 WCC. The model utilized in this Study considers both the total costs of capital and the total incremental UOCs served through expanded facilities, as well as the estimated annual new connections (referred to as the *absorption rate*) and the associated cash flow of WCC revenues and project expenditures. The numbers shown in all tables are rounded; therefore, hand calculations based on the displayed numbers, such as summing or multiplying, may not equal the exact results shown.

2. Background and Legal Framework

PCWA was created through an Act from the California State Legislature in 1957. The Agency, with a jurisdiction encompassing the entire County of Placer, is governed by an elected five-member Board of Directors. The Agency serves more than 38,000 retail treated water customers in all of Zone 6 or Western Water System. It provides wholesale water to the City of Lincoln and California American Water Company.

2.1. Economic Basis and Rationale

For publicly owned systems, most of the assets are typically paid for by the contributions of existing customers through rates, charges, securing debt, and taxes. In service areas that incorporate new customers, the infrastructure developed by previous customers is generally extended to serve new customers. If little to no capacity remains, an agency will look to expand existing facilities or construct new facilities to serve new users.

The basic economic philosophy behind capacity fees is that the costs of providing service should be paid for by those that receive the benefit. To effect fair distribution of the value of the system, or expanded facilities, the charge should reflect a reasonable estimate of the cost of providing capacity to new users and not unduly burden existing users through a comparable rate increase. Accordingly, many utilities make this philosophy one of their primary guiding principles when developing their capacity fee structure.

The philosophy that service should be paid for by those who receive benefit is often shortened to “growth-should-pay-for-growth.” The principal is summarized in the American Water Works Association (AWWA) Manual M26: *Water Rates and Related Charges*:

“The purpose of designing customer-contributed-capital system charges is to prevent or reduce the inequity to existing customers that results when these customers must pay the increase in water rates that are needed to pay for added plant costs for new customers. Contributed capital reduces the need for new outside sources of capital, which ordinarily has been serviced from the revenue stream. Under a system of contributed capital, many water utilities are able to finance required facilities by use of a ‘growth-pays-for-growth’ policy.”

This principle, in general, applies to water systems. In the excerpt above, customer-contributed-capital system charges are equivalent to WCCs.

2.2. Capacity Fees: Legal Framework and California Requirements¹

Understanding and complying with local laws and regulations governing the establishment, calculation, and implementation of WCCs is important when establishing capacity fees. The following sections summarize the regulations applicable to the development of WCCs for the Agency.

Connection charges must be established based on a reasonable relationship to the needs and benefits brought about by the development or expansion. Courts have long used a standard of reasonableness to evaluate the legality of development charges. This is sometimes referred to as the *rational nexus test* which requires a reasonable relationship between the amount of the charge and the cost to serve the new development. The basic statutory standards governing capacity fees are embodied by California Government Code Sections 66013, 66016, 66022 and 66023. Government Code Section 66013 contains requirements specific to determining utility development charges:

“Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount the fee or charge in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.”

Section 66013 also includes the following general requirements:

- Local agencies must follow a process set forth in the law, making certain determinations regarding the purpose and use of the charge; they must establish a nexus or relationship between a development project and the public improvement being financed with the charge.
- The connection charge revenue must be segregated from the General Fund in order to avoid commingling of connection charges and the General Fund.

3. Methodology

A system development charge (SDC), more commonly known as a capacity fee, is generally a one-time charge paid by a new water system customer for the cost of backbone facilities necessary to provide water system capacity to that new customer. However, it may also be assessed to an existing customer requiring increased water system capacity. Revenues generated by this charge are used to pay for an equitable share of existing facilities, growth-related water facilities, or sometimes the combination of the two. Backbone facilities refer to those components of the system that are necessary to provide service to all customers (“general benefit”), inclusive of sources of supply, treatment, pumping, major water transmission lines, and daily storage. Smaller water distribution pipelines are not included as part of backbone facilities.

¹ Raftelis is not a law firm and this section should not be construed as legal advice

A connection charge may be developed as a single charge for the entire backbone system or as individual charges for each backbone component. PCWA has historically calculated the WCC as a single charge, with the charge components identified within the charge's build-up as demonstrated in this study report.

According to the AWWA Manual M1 capacity charges (referred to in the M1 as *System Development Charges*) generally use one of three approaches: *Buy-in method*, *incremental cost method*, or *combined cost approach*. The selection of a given method is largely driven by system characteristics, with other considerations including agency policies, state regulations, and philosophical considerations on what constitutes fairness and equitable cost allocation and recovery.

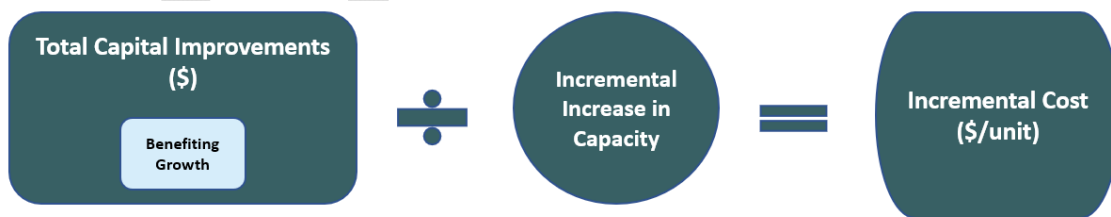
3.1. Recommended Methodology – Incremental Cost Method

The Incremental Cost Method assigns to new development the incremental cost of system expansion needed to serve new development. The financial objective is to provide system expansion to serve new development without an undue impact on existing user rates. Generally, this method is most appropriate for agencies where, like PCWA’s Lower Zone 6 system, the existing system has “limited or no capacity to serve new development and new or incremental facilities are needed to serve development now and into the future².”

When utilizing the Incremental Cost Method, it is important to have a capital improvement plan (CIP) that identifies the costs associated with new capacity, the timing of the expenditure, and the proposed source(s) of funds for those capital improvements. The Incremental Cost Method is designed to equitably distribute these capital costs to new customers in proportion to the new customer’s usage of the facilities and the investment required to develop the facilities. The valuation of the incremental assets are developed, adjusted for any grants or other capital contributions, and then divided by the capacity (in this study represented in million gallons per day (MGD) for treatment capacity and gallons per day (gpd) for purposes of a UOC) to derive a cost per unit of measure of new facilities. The result is a capacity charge for new customers that reflects the capital investment required and the “incremental” cost of providing an additional unit of capacity.

Figure 3- shows the framework for calculating a capacity fee using the Incremental Cost Method. If it costs X dollars (\$X) to provide 100 additional units of capacity for average usage and a new connector uses one of those equivalent units, then the new user would pay \$X/100 to connect to the system. In other words, new customers pay the cost of one more unit of capacity.

Figure 3-1: Formula for Incremental-Cost Method



When using the incremental method, there is typically a cash flow timing difference, because the facilities have to be built (and financed) before new customers can connect to them. Therefore, it is common to include carrying costs of financing instruments in the incremental cost. In addition, it is important to consider service area in the

² AWWA Manual M1

development of a connection charge under the incremental method as the Agency does, to discriminate between areas with significant cost of service that differ from the service territory as a whole.

PCWA's existing Lower Zone 6 water system has treatment capacity of 80 MGD. MGD is the unit of measure of identifying and allocating system capacity for purposes of the WCC. Of the existing 80 MGD, approximately 75 MGD is currently allocated to, and utilized by, existing users. This leaves little remaining capacity for future users. PCWA anticipates significant growth in the lower zone, with additional treatment, storage, and mainline transmission facilities required to serve future users. New development is estimated to average 950 UOCs per year over the long-term.

To accommodate system growth, PCWA staff have developed a long-term expansion-related infrastructure program that will create an additional 30 MGD of capacity, constructed in three phases over the next 40 years. At its core, the program relies on the expansion of the Ophir Water Treatment Plant (WTP) in three 10 MGD phases, plus associated transmission, storage, and related assets. While California Code 66013 (b)(3) does not define a specific period over which to include future projects, these periods can be as long as a master planning period. Under the incremental cost method approach in this Study, the full 40-year expansion capital program and total incremental units of capacity are utilized in deriving the proposed WCC.

3.2. Estimated Project Costs

The WCC methodology was last updated in 2017, incorporating changes to land use assumptions for future development and changes to the proposed phasing for the Ophir WTP. This study utilized a comprehensive capital plan completed by the Agency in 2015. Project cost estimates from this 2015 capital plan were escalated to 2017 dollars by using the Engineering News Record Construction Cost Index or San Francisco (ENR-CCI-SF). PCWA has also used this methodology to escalate costs for earlier studies.

For this Study, project costs were similarly escalated from the Agency's 2015 comprehensive capital plan to 2024 dollars using the Handy Whitman index, rather than ENR-CCI-SF. For projects where detailed cost estimates were available, these estimates were used in lieu of escalation. The Handy Whitman tracks cost trends specific to water utilities across six regions in the country. In addition, it breaks down these costs indices into 24 subcategories such as electric pumping equipment or cast iron mains for distribution. Handy Whitman has increased by more than ENR-CCI-SF over the last decade, and Staff indicated that it more accurately reflected the inflation seen in project cost estimates since 2015. Project costs have been indexed to the January 1, 2024, value of Handy Whitman. The Handy Whitman index for the escalation period cannot be published due to copyright-protection, but is available to view at PCWA's office.

Six categories of cost escalators were created by functional area, grouping related components of the Handy Whitman index and averaging them. This allows for more precise escalation factors that can be tailored to each capital project category. The six functional areas and their corresponding Handy Whitman components used are:

- Treatment: includes Pumping Plant Electric Pumping Equipment; Water Treatment Plant Structures & Improvements; Large Treatment Plant Equipment; Small Treatment Plant Equipment; Flocculating Equipment – Installed; Clarifier Equipment – Installed; and Filter Gallery Piping - Installed
- Transmission - Pump Station: includes Pumping Plant Structures and Improvements and Pumping Plant Electric Pumping Equipment
- Transmission – Pipeline: includes Cast Iron Mains and Steel Mains
- Storage: includes Water Treatment Plant Structures & Improvements
- Groundwater: includes Pumping Plant Structures & Improvements and Pumping Plant Electric Pumping Equipment

- Planning: averages all 24 Handy Whitman subcategories

The cost of the capital program was estimated by applying the appropriate category of Handy Whitman (Column B of the table below) to the November 2015 project cost estimate (Column A of the table below), then reducing that number by the remaining project budget as of December 31, 2023, to obtain future program costs (Column C of the table below). The escalated capital program totals to \$614.3 million using Handy Whitman and is shown by functional area in Table 3-1 below.

Table 3-1: Capital Improvement Project Cost Escalation

Project Category (Functional Area)	Overall Project Cost – 2015 [A]	Overall Project Cost - 2024, Handy Whitman [B]	Project Cost, Planning Horizon - 2024, Handy Whitman [C]
Treatment	\$146,725,000	\$255,553,000	\$254,618,720
Transmission	\$147,551,000	\$284,419,000	\$278,658,746
Storage	\$42,928,400	\$67,249,000	\$67,249,000
Groundwater	\$9,000,000	\$11,000,000	\$11,000,000
Planning	\$3,000,000	\$2,825,000	\$2,754,624
Total Cost Estimate	\$349,204,400	\$621,046,00	\$614,281,091

A total of \$50.7 million is included in the overall Transmission costs of \$278.7 million, which represents Cal-Am contributions to fund expansion projects where they are sole beneficiaries.

4. Cost Basis and Equivalent Units

As discussed under the Recommended Methodology section, the WCC is calculated using the Incremental Cost Method. This section steps through the cost basis of the WCC.

4.1. Cost Basis

The initial step in the Incremental Cost Method is to determine the value of the planned expansion projects as detailed in the section above. For the Lower Zone WCC calculation, this includes the improvement costs attributable to retail and wholesale systems, totaling \$614.3 million as shown in **Error! Reference source not found.** above. A detailed list of expansion projects is shown in Appendix B.

Expansion projects costs are estimated in current 2024 dollars and future costs are reduced by previous loaded budgets, as loaded costs are not included in the WCC cash balance. The net present value (NPV) of assumed future debt financing costs of \$109.4 million (representing estimated costs of lifetime interest payments) is added to account for the cash flow timing, offsetting some of the risk PCWA and current ratepayers take on if the expansion capital projects are funded and constructed, but development patterns do not occur as anticipated³. Existing debt service within the WCC fund of \$33.6 million is added to the cost basis and apportioned solely to treatment and

³ Per the Manual M1: When a utility issues long-term debt to pay for a growth-related capital project, the associated debt service is generally paid using system development charge [WCC] receipts. In doing so, the utility may be able to better align the cash flows related to the debt service with the timing of the new connections and receipts derived from system development charges.

transmission components. Finally, a transmission credit of \$16.3 million for the Cal-Am surcharge is subtracted out, which accounts for a portion of the West Placer Pipeline capacity within the retail system that Cal-Am does not need to pay for in addition to the surcharge. The adjusted total cost basis is \$741 million, including the \$50.7 million of the Cal-Am Surcharge, applicable to Cal-Am customers only. However, each functional area has a different cost basis identified as not all components are applicable to each type of future service (i.e. retail versus wholesale). The cost basis for each functional area is shown in the right-most column of

Table 4-1.

Table 4-1: WCC Cost Basis

Functional Area	2024 Project Costs (Current \$)	NPV of Future Debt Financing Costs (Interest Only)	Existing Debt Service	Less Transmission Credit for Cal Am Surcharge	Cost Basis
Treatment	\$254,618,720	\$52,252,019	\$17,737,919	N/A	\$324,608,659
Transmission	\$227,897,646	\$46,768,408	\$15,876,406	N/A	\$290,542,460
Storage (retail only)	\$67,249,000	N/A	N/A	N/A	\$67,249,000
Groundwater (retail only)	\$11,000,000	N/A	N/A	N/A	\$11,000,000
Planning (retail only)	\$1,705,406	N/A	N/A	N/A	\$1,705,406
Planning (wholesale only)	\$1,049,218	N/A	N/A	N/A	\$1,049,218
Cal Am Surcharge	\$50,761,100	\$10,417,027	N/A	(\$16,298,564)	\$44,879,563
Total	\$614,281,091	\$109,437,453	\$33,614,325	(\$16,298,564)	\$741,034,305

The beginning balance of the WCC fund is \$55.9 million. Interest income is assumed to be earned each year based on the average of the beginning and ending balance in the WCC fund and an interest rate of two percent (2%). In addition to funding CIP spending, the WCC Fund also pays the annual debt service on outstanding debt issued for growth related projects. The analysis assumes new debt will be issued whenever necessary to fund CIP spending and to maintain a minimum WCC balance of \$10 million.

4.2. Equivalent Units and Future Demand

The second step in calculating the WCC is to determine the additional units of capacity provided by the expansion-capital program. Dividing the value of the improvements by the additional capacity provides a unit cost for the WCC. Capacity can be expressed in different units of measure and PCWA uses the term UOC. UOCs relate the relative capacity of individual parcels and service connections of various meter sizes purchased from the system. This approach ensures a fair apportioning of costs relative to the benefit received by a new connection. As defined in the Agency’s Rules, Regulations, Rates and Charges Governing the Distribution and Use of Water, a UOC is a unit of measure for the maximum daily demand on the capacity of the Agency’s treated water system that is required to serve a customer and is defined as 1,150 gallons per day (gpd) of peak demand (also referred to as maximum day demand (MDD)). To calculate the UOCs that can be served through capital improvements in the planning horizon, the additional capacity developed in MGD is divided by 1,150 gpd. Although the projects in the expansion CIP are related to the expansion of the Ophir Water Treatment Plant and other facilities, a modest amount of capacity remains in the existing system. The UOCs able to be served by this modest remaining capacity is added to the incremental UOCs at 30 MGD of expansion, to be consistent with the previous study methodology

and current WCC calculation. Zone 6’s remaining and additional capacity and corresponding UOCs is shown below in Table 4-2. MGD is converted to UOCs by multiplying by one million and then dividing by 1,150 gallons per day (gpd), the estimated MDD of one UOC.

Table 4-2: System Capacity Summary

Capacity Summary	MGD	UOCs
Remaining Auburn-Bowman	2.93	2,549
Remaining Foothill-Sunset-Ophir	2.42	2,101
Future Ophir WTP	30.00	26,087
Total Available Capacity	35.35	30,737

The units by functional area are shown in Table 4-3. Transmission and Treatment are systemwide, and therefore have the most UOCs related to providing future capacity to retail and wholesale UOCs. Storage and Groundwater apply only to retail UOCs based on existing water supply agreements. Planning is divided into retail and wholesale costs, and lastly, specific costs that only apply to future Cal-Am UOCs. These Cal-Am costs relate to additional capacity in transmission pipeline segments oversized specifically to serve the Cal-Am service area.

Table 4-3: Units of Capacity

Functional Area	Available Capacity (UOCs)
Treatment	30,737
Transmission	30,737
Storage (retail only)	13,781
Groundwater (retail only)	13,781
Planning (retail only)	13,781
Planning (wholesale only)	16,957
Cal Am Surcharge	15,440

The timing of when an entity needs water is an important step in determining the cash flow of WCC revenues and project expenditures. Zone 6’s future capacity partners and associated allocation are shown in Table 4-4. Values are rounded to the nearest whole unit.

Table 4-4: UOC Absorption

Purchaser	Assumed Program Capacity (UOCs)	Avg UOC’s per year
Retail	13,781	440
Wholesale – Lincoln	10,870	350
Wholesale – Cal-Am	6,087	160
Wholesale – Roseville	0	0
Total	30,737	950

5. Proposed Water Connection Charge

5.1. Incremental Unit Charge

The final step in determining the WCC is to divide the cost basis for each functional category (Column A of Table 5-1) by the relevant UOCs (Column B of Table 5-1). Column C of Table 5-1 shows the incremental fee per UOC by functional area.

Table 5-1: Incremental Charge per UOC, by Functional Category

Functional Category	Cost Basis [A]	Available Capacity (UOC) [B]	Incremental Fee per UOC [C] = [A] / [B]
Treatment	\$324,608,659	30,737	\$10,561
Transmission	\$290,542,460	30,737	\$9,452
Storage (retail only)	\$67,249,000	13,781	\$4,880
Groundwater (retail only)	\$11,000,000	13,781	\$798
Planning (retail only)	\$1,705,406	13,781	\$124
Planning (wholesale only)	\$1,049,218	16,957	\$62
Cal Am Surcharge	\$44,879,563	15,440	\$2,907
Total	\$741,034,305		

Table 5-2 shows the build-up calculation of the WCC, by functional category and customer type. The WCC is the summation of the individual functional categories attributable to each class of customer which results in a proposed fee of \$25,815 per Retail UOC, \$20,075 per Wholesale UOC for the City of Lincoln, and \$22,982 per Wholesale UOC for Cal-Am. Appendix D details the dollar and percentage changes for each customer type and by functional category.

Table 5-2: Calculated WCC by Customer Class

Functional Category	Retail	Wholesale: Lincoln	Wholesale: Cal-Am
Treatment	\$10,561	\$10,561	\$10,561
Transmission	\$9,452	\$9,452	\$9,452
Storage	\$4,880	N/A	N/A
Groundwater	\$798	N/A	N/A
Planning	\$124	\$62	\$62
Cal Am Surcharge	N/A	N/A	\$2,907
Total	\$25,815	\$20,075	\$22,982

The dollar and percentage change from the existing WCC, by customer class is summarized in Table 5-3.

Table 5-3: Current vs Proposed WCC by System Area

	Current WCC	Proposed WCC	\$ Change	% Change
Retail	\$22,821	\$25,815	\$2,994	13.1%
Wholesale: Lincoln	\$18,501	\$20,075	\$1,574	8.5%
Wholesale: Cal Am	\$19,893	\$22,982	\$3,089	15.5%

The analysis assumes new debt is only issued when needed and appropriately sized to minimize debt service costs. The analysis shows that new money borrowing totals \$195 million, which is in three issuances: \$60 million in 2026, \$30 million in 2031, and \$105 million in 2038. See Appendix D for more information on proposed debt issuances and assumptions.

The debt service is to be shared with all future customers, except through the partner buyin, where the partners prepay through the Ophir WTP program. This analysis includes \$40 million pursuant to a funding agreement between PCWA and the City of Lincoln, dated June 20, 2023, that provides the City of Lincoln WCC capacity. Per the contract, upon PCWA’s award of a construction contract for Ophir WTP, the cash balance of the \$40 million, with interest, will be converted to Partner Capacity using the Partner WCC at the time of conversion. This partner funding is in addition to a WCC cash balance of \$55.9 million as of January 1, 2024.

5.2. Long Term Escalation

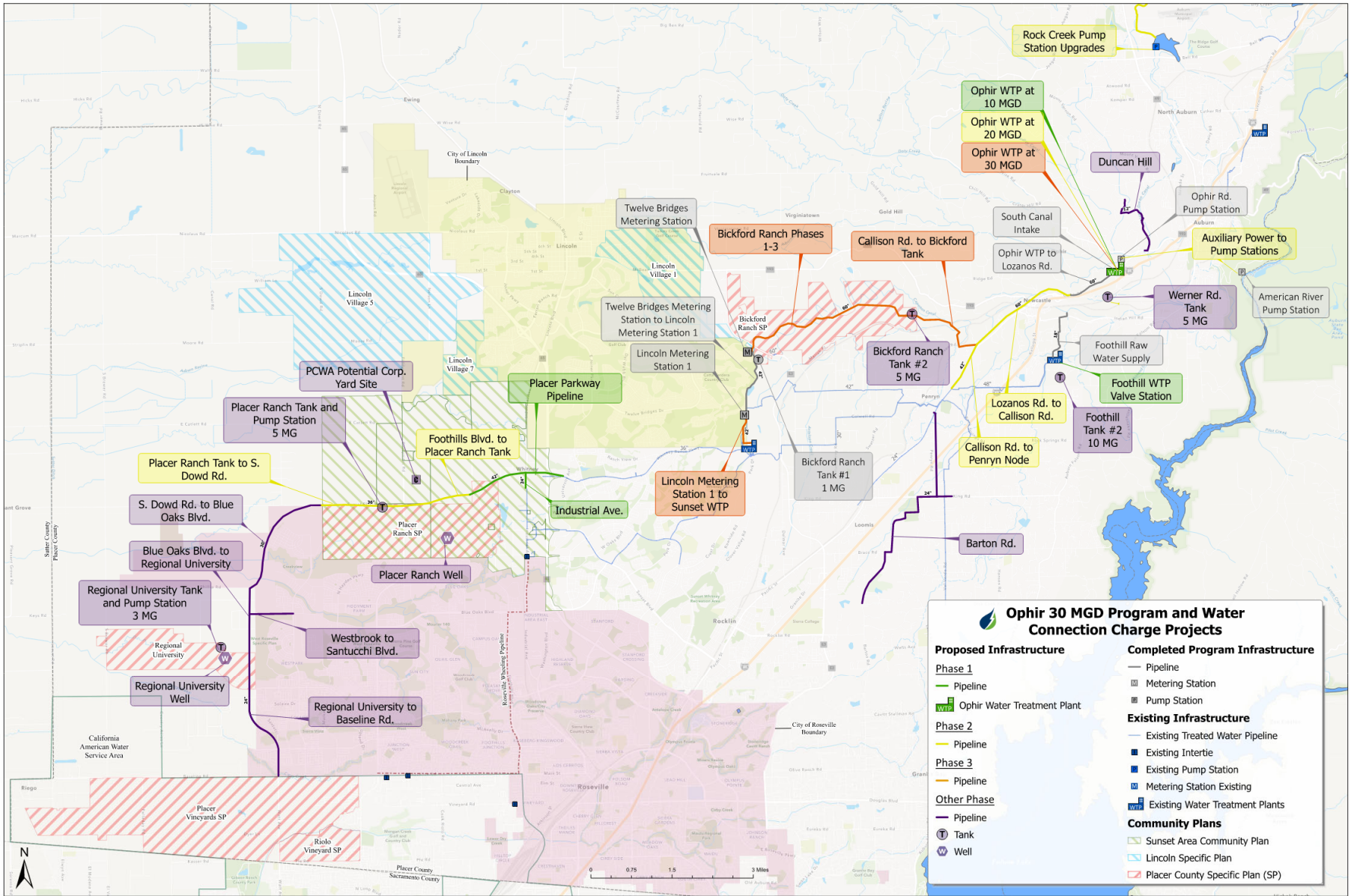
This WCC is based on the value of expansion-related capital improvements as of January 1, 2024. This analysis assumes 3% inflation for both CIP costs and corresponding WCC revenue for the next 20 years. Interest on cash reserves is estimated at 2%. The projects planned here are large-scale, long-term, and the charge will need to increase as construction costs increase to recover sufficient revenue. Since the program is intended to go through 2060, it is anticipated that these inflation rates will differ from actual rates and warrant a periodic revisit of the study.

PCWA reviews and/or adjusts the WCC annually pursuant to the current rules and Regulations (Section 40700). Effective January 1 of each year, the WCC for each drinking water system shall be increased in proportion to any increase in the ENR CCI of San Francisco, that occurred over the twelve-month period from June to June of the preceding year. The proportionate increase will apply to the WCC and to each WCC component. The increase will occur each year without action by the Board. Independently, the Board may approve changes to the existing WCC at any time based upon separate engineering and financial analysis and upon due process for public notification and comment. While PCWA determined the Handy Whitman index for the Pacific Region the best index to adjust cost estimates for this WCC Study, the ENR CCI-SF will remain the annual escalation index at this time.

Raftelis recommends that the need to escalate the WCC should be examined annually with a comprehensive study completed approximately every five years to account for changes in development conditions, project components, financial outlook, or policy developments.

APPENDIX A:
Capital Improvement Plan Map

Appendix A: Capital Improvement Plan Map



APPENDIX B:
Capital Improvement Plan List

Appendix B: Valuation of Future Capital Improvement Projects

Project ID	Project Name	Scheduled Construction Year Start	Project Type (Functional Area)	2024 Costs and Beyond (2024 Dollars)
1-1	Ophir WTP at 10 MGD	2024	Treatment	\$129,179,317
1-2	Foothill WTP Valve Station	2030	Treatment	\$1,097,493
1-3	Pipeline - Placer Parkway Pipeline	2025	Transmission	\$8,884,145
1-4	Pipeline - Industrial Ave.	2028	Transmission	\$1,646,000
2-1	Ophir WTP at 20 MGD	2037	Treatment	\$75,930,000
2-2	Pipeline - Lozanos Road to Callison Road	2032	Transmission	\$33,785,000
2-3	Pipeline - Callison Road to Penryn Node	2035	Transmission	\$17,671,000
2-4	Pipeline - Foothills Blvd to Placer Ranch Tank	2038	Transmission	\$15,760,000
2-5	Pipeline - Placer Ranch Tank to S. Dowd Rd	2041	Transmission	\$11,691,000
2-6	Auxiliary Power at ARPS and OPS	2037	Treatment	\$7,748,910
2-8	Rock Creek PS and Ophir Combie Upsize	2034	Treatment	\$4,000,000
3-1	Ophir WTP at 30 MGD	2048	Treatment	\$36,663,000
3-2	Pipeline - Callison Road to Bickford Ranch Tank	2043	Transmission	\$19,173,000
3-3	Pipeline - Bickford Ranch Phase 1	2052	Transmission	\$22,901,000
3-4	Pipeline - Bickford Ranch Phase 2	2056	Transmission	\$15,291,000
3-5	Pipeline - Bickford Ranch Phase 3	2057	Transmission	\$4,152,000
3-6	Pipeline - Lincoln Metering Station 1 to Sunset WTP	2059	Transmission	\$5,882,000
4-1	Pipeline - Barton Road_La Vista to Brace	2022	Transmission	\$6,358,882
4-2	Pipeline - Barton Road_Brace to King	2047	Transmission	\$11,664,000

Project ID	Project Name	Scheduled Construction Year Start	Project Type (Functional Area)	2024 Costs and Beyond (2024 Dollars)
4-3	Pipeline - Barton Road_King to Penryn Tank	2059	Transmission	\$8,002,000
4-4	Pipeline - Duncan Hill	2025	Transmission	\$2,833,719
4-5	Pipeline - S. Dowd Rd to Blue Oaks	2044	Transmission	\$24,190,000
4-6	Pipeline - Blue Oaks to Regional University	2025	Transmission	\$4,650,000
4-7	Pipeline - Westbrook to Santucchi Blvd.	2024	Transmission	\$3,088,000
4-8	Miscellaneous Pipelines, Oversizing, and Projects	2024	Transmission	\$10,000,000
4-9	Well - Placer Ranch	2047	Groundwater	\$5,500,000
4-10	Well - Regional University	2031	Groundwater	\$5,500,000
4-11	Werner Road Tank #1	2040	Storage	\$12,482,000
4-12	Bickford Ranch Tank #2	2051	Storage	\$12,733,000
4-13	Placer Ranch Tank	2050	Storage	\$12,482,000
4-14	Placer Ranch Pump Station	2050	Transmission	\$10,000,000
4-15	Regional University Tank	2028	Storage	\$7,307,000
4-16	Regional University Pump Station	2028	Transmission	\$10,000,000
4-17	RiverArc	2020	Planning	\$325,000
4-18	Water System Planning/Modeling	2024	Planning	\$2,429,624
4-19	Pipeline - Regional University to Baseline Road	2058	Transmission	\$11,036,000
4-20	Foothill Tank #2	2030	Storage	\$22,245,000
4-21	West Placer Corp Yard	2055	Transmission	\$20,000,000
Total of All Projects				\$614,281,091

APPENDIX C: Debt Assumptions

Appendix C: Debt Issuance Assumptions

Issuance #1		Issuance #2		Issuance #3	
Issued Year	2026	Issued Year	2031	Issued Year	2038
Amount Borrowed	\$60,000,000	Amount Borrowed	\$30,000,000	Amount Borrowed	\$105,000,000
Interest Rate	4.75%	Interest Rate	4.75%	Interest Rate	4.75%
Term	30	Term	30	Term	30
Discount Rate	2.25%	Discount Rate	2.25%	Discount Rate	2.25%
NPV Interest Only	\$39,263,253	NPV Interest Only	\$17,564,658	NPV Interest Only	\$52,609,543
Issuance Cost	0.60%	Issuance Cost	0.60%	Issuance Cost	0.60%
Net Proceeds	\$59,640,000	Net Proceeds	\$29,820,000	Net Proceeds	\$104,370,000



APPENDIX D: Report Detail Tables

Table D-1: Current vs Proposed WCC – Retail

Functional Category	Current	Proposed	\$ Change	% Change
Treatment	\$10,572	\$10,561	(\$11)	-0.1%
Transmission	\$7,834	\$9,452	\$1,618	20.7%
Storage	\$3,538	\$4,880	\$1,342	37.9%
Groundwater	\$688	\$798	\$110	16.0%
Planning	\$189	\$124	(\$65)	-34.5%
Cal Am Surcharge	N/A	N/A		
Total	\$22,821	\$25,815	\$2,994	13.1%

Table D-2: Current vs Proposed WCC – Lincoln

Functional Category	Current	Proposed	\$ Change	% Change
Treatment	\$10,572	\$10,561	(\$11)	-0.1%
Transmission	\$7,834	\$9,452	\$1,618	20.7%
Storage	N/A	N/A	N/A	N/A
Groundwater	N/A	N/A	N/A	N/A
Planning	\$95	\$62	(\$33)	-34.9%
Cal Am Surcharge	N/A	N/A	N/A	N/A
Total	\$18,501	\$20,075	\$1,574	8.5%

Table D-3: Current vs Proposed WCC – Cal-Am

Functional Category	Current	Proposed	\$ Change	% Change
Treatment	\$10,572	\$10,561	(\$11)	-0.1%
Transmission	\$7,834	\$9,452	\$1,618	20.7%
Storage	N/A	N/A	N/A	N/A
Groundwater	N/A	N/A	N/A	N/A
Planning	\$95	\$62	(\$33)	-34.9%
Cal Am Surcharge	\$1,392	\$2,907	\$1,515	108.8%
Total	\$19,893	\$22,982	\$3,089	15.5%

PLACER COUNTY WATER AGENCY

WATER CONNECTION CHARGE (WCC) DRAFT REPORT

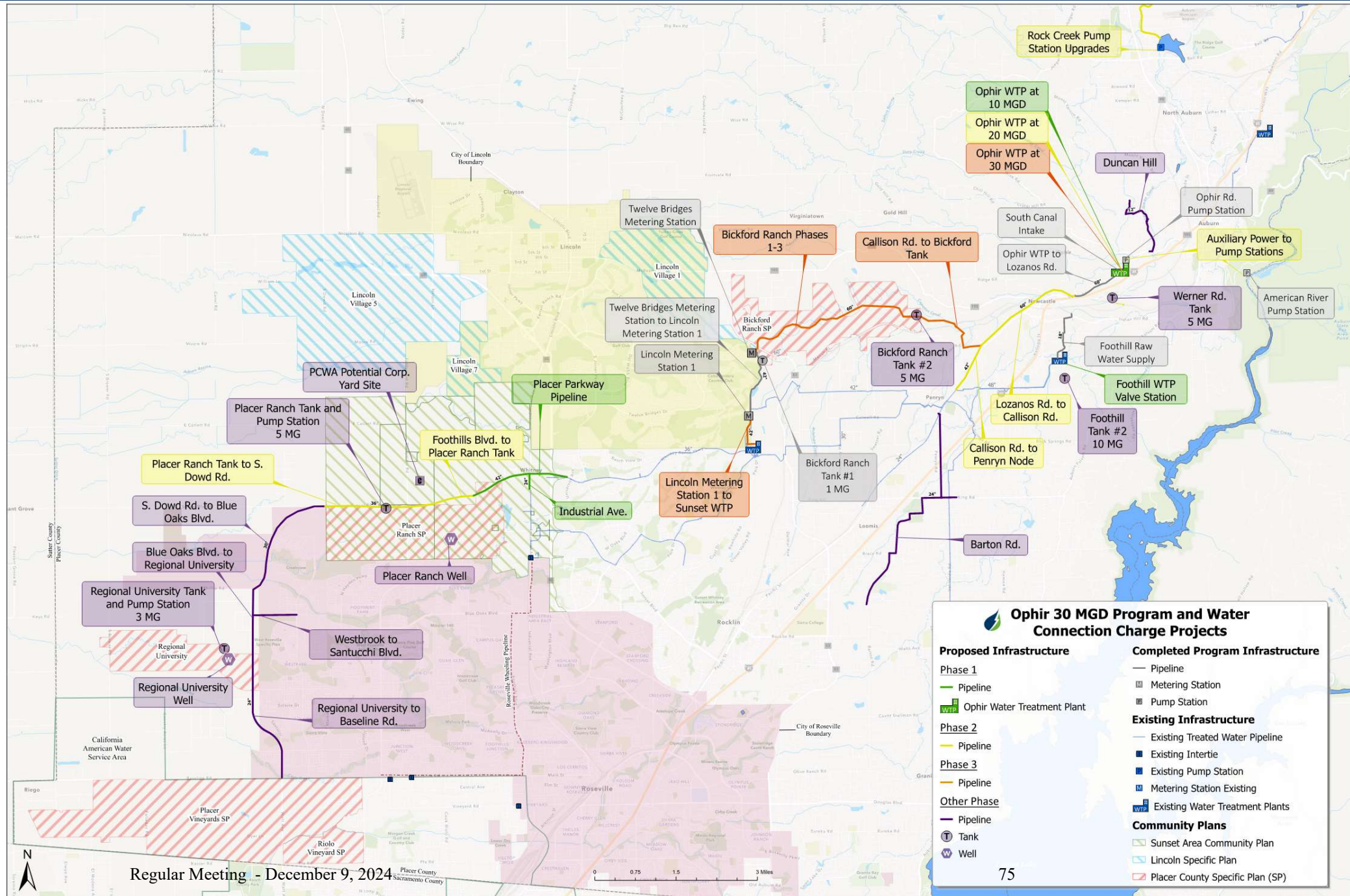
DECEMBER 9, 2024

PROCESS OVERVIEW

PCWA's Lower Zone 6 has been based upon a model that takes into consideration:

1. Available capacity ✓
2. Water connection demand (anticipated connections)
 - Lot-size assessment ✓
 - Absorption rate ✓
3. Capital Improvement Program (new infrastructure & capacity)
 - Identify Projects ✓
 - Update Project Cost Estimates ✓
4. Debt issuance to meet cash flow needs ✓
5. Adoption by Board of Directors

CIP PROGRAM – EXPANSION PROJECTS



Project ID	Year started	Project Name	Diameter (in) or Tank size (MG)	Pipe Length (ft)	Project Type	Future Project Cost - 2024 (Handy Whitman, Avg)
1-1	2024	Ophir WTP at 10 MGD	NA	NA	Treatment	\$129,179,317
1-2	2030	Foothill WTP Valve Station	NA	NA	Treatment	\$1,097,493
1-3	2025	Pipeline - Placer Parkway Pipeline	24, 36, 42	6,960	Transmission	\$8,884,145
1-4	2028	Pipeline - Industrial Ave.	24	1,450	Transmission	\$1,646,000
2-1	2037	Ophir WTP at 20 MGD	NA	NA	Treatment	\$75,930,000
2-2	2032	Pipeline - Lozanos Road to Callison Road	60	9,100	Transmission	\$33,785,000
2-3	2035	Pipeline - Callison Road to Penryn Node	42	6,800	Transmission	\$17,671,000
2-4	2038	Pipeline - Foothills Blvd to Placer Ranch Tank	36	12,300	Transmission	\$15,760,000
2-5	2041	Pipeline - Placer Ranch Tank to S. Dowd Rd	36	6,600	Transmission	\$11,691,000
2-6	2037	Auxiliary Power at ARPS and OPS	NA	NA	Treatment	\$7,748,910
2-8	2034	Rock Creek PS and Ophir Combie Upsize	NA	NA	Treatment	\$4,000,000
3-1	2048	Ophir WTP at 30 MGD	NA	NA	Treatment	\$36,663,000
3-2	2043	Pipeline - Callison Road to Bickford Ranch Tank	60	8,150	Transmission	\$19,173,000
3-3	2052	Pipeline - Bickford Ranch Phase 1	60	9,735	Transmission	\$22,901,000
3-4	2056	Pipeline - Bickford Ranch Phase 2	60	6,500	Transmission	\$15,291,000
3-5	2057	Pipeline - Bickford Ranch Phase 3	60	1,765	Transmission	\$4,152,000
3-6	2059	Pipeline - Lincoln Metering Station 1 to Sunset WTP	42	3,500	Transmission	\$5,882,000
4-1	2022	Pipeline - Barton Road_La Vista to Brace	24	5,650	Transmission	\$6,358,882
4-2	2047	Pipeline - Barton Road_Brace to King	24	10,480	Transmission	\$11,664,000
4-3	2059	Pipeline - Barton Road_King to Penryn Tank	24	7,190	Transmission	\$8,002,000
4-4	2025	Pipeline - Duncan Hill	12	8,300	Transmission	\$2,833,719
4-5	2044	Pipeline - S. Dowd Rd to Blue Oaks	30	16,300	Transmission	\$24,190,000
4-6	2025	Pipeline - Blue Oaks to Regional University	30	4,000	Transmission	\$4,650,000
4-7	2024	Pipeline - Westbrook to Santucchi Blvd.	18	3,700	Transmission	\$3,088,000
4-8	2024	Miscellaneous Pipelines, Oversizing, and Projects	NA	NA	Transmission	\$10,000,000
4-9	2047	Well - Placer Ranch	NA	NA	Groundwater	\$5,500,000
4-10	2031	Well - Regional University	NA	NA	Groundwater	\$5,500,000
4-11	2040	Werner Road Tank #1	5	NA	Storage	\$12,482,000
4-12	2051	Bickford Ranch Tank #2	5	NA	Storage	\$12,733,000
4-13	2050	Placer Ranch Tank	5	NA	Storage	\$12,482,000
4-14	2050	Placer Ranch Pump Station	NA	NA	Transmission	\$10,000,000
4-15	2028	Regional University Tank	3	NA	Storage	\$7,307,000
4-16	2028	Regional University Pump Station	NA	NA	Transmission	\$10,000,000
4-17	2020	RiverArc	NA	NA	Planning	\$325,000
4-18	2024	Water System Planning/Modeling	NA	NA	Planning	\$2,429,624
4-19	2058	Pipeline - Regional University to Baseline Road	24	11,300	Transmission	\$11,036,000
4-20	2030	Foothill Tank #2	10	NA	Storage	\$22,245,000
4-21	2055	West Placer Corp Yard	NA	NA	Transmission	\$20,000,000
Total of All Projects						\$ 614,281,091

PROJECT COSTS - INDEX COMPARISON (1/2016-1/2024)

WCC Component	ENR SF CCI	HANDY WHITMAN (HW) *
Treatment	39%	74%
Transmission – Pump Station	39%	83%
Transmission – Pipe	39%	65%
Storage	39%	57%
Groundwater	39%	83%
All - average	39%	69%

* Water Utility Construction Costs vary (39%-167%) amongst HW water categories. HW categories were selected to best match PCWA's CIP and components.

Example Project	Cost Estimate (1/2016)	ENR SF CCI	HW
Ophir WTP	\$75 M	\$103 M	\$129 M



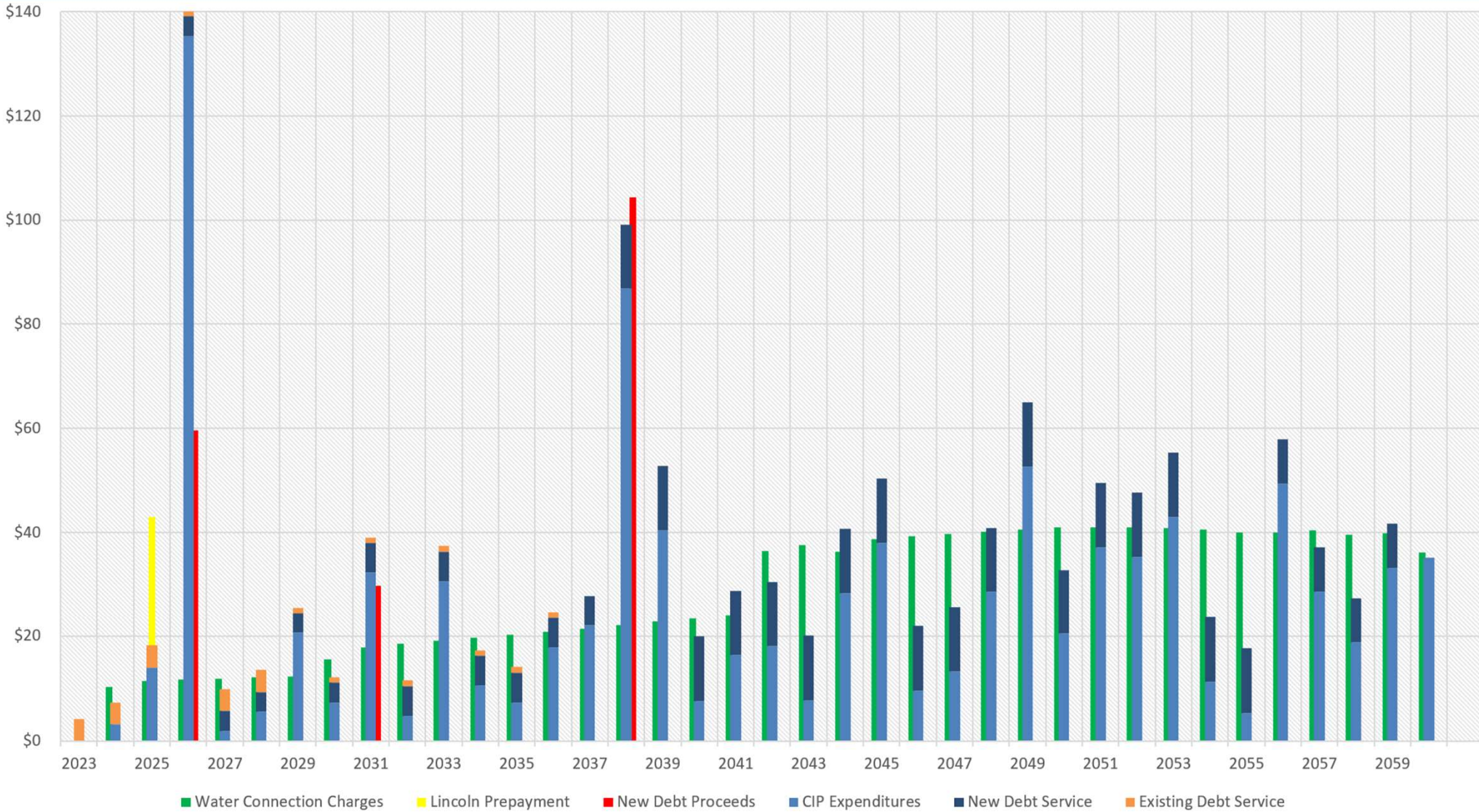
2024 WCC PROGRAM BREAKDOWN

WCC Study	CIP Future Program Cost	Program Capacity (UOCs)	Pre-financing Cost per UOC	Assumed Growth (UOCs/year)
2024 (ENR escalation from 1/2016 – 39%)	~\$524M	30,738 <ul style="list-style-type: none"> • 4,651 existing • 26,087 future 	~\$17,080	~950 <ul style="list-style-type: none"> • 40% Retail • 40% Lincoln • 20% Cal-Am
2024 (HW escalation from 1/2016 – varies)	~\$614M	30,738 <ul style="list-style-type: none"> • 4,651 existing • 26,087 future 	~\$19,980	~950 <ul style="list-style-type: none"> • 40% Retail • 40% Lincoln • 20% Cal-Am

Project Category (Functional Area)	Project Cost	Description
Treatment	\$ 254,618,720	3-phases of Ophir WTP, 30 MGD
Transmission	\$ 278,658,746	26 miles of pipelines, incl. surcharge
Storage	\$ 67,249,000	5 Tanks, 28 MG
Groundwater	\$ 11,000,000	2 Wells, 4 MGD
Planning	\$ 2,754,624	Modeling/Planning/RiverArc
Total Cost Estimate	\$ 614,281,091	



CASH FLOW



DEBT ISSUANCE ASSUMPTIONS

Issuance #1

Issued Year	2026
Amount Borrowed	\$60,000,000
Interest Rate	4.75%
Term	30
Discount Rate	2.25%
NPV Interest Only	\$39,263,253
Issuance Cost	0.60%
Net Proceeds	\$59,640,000

Issuance #2

Issued Year	2031
Amount Borrowed	\$30,000,000
Interest Rate	4.75%
Term	30
Discount Rate	2.25%
NPV Interest Only	\$17,564,658
Issuance Cost	0.60%
Net Proceeds	\$29,820,000

Issuance #3

Issued Year	2038
Amount Borrowed	\$105,000,000
Interest Rate	4.75%
Term	30
Discount Rate	2.25%
NPV Interest Only	\$52,609,543
Issuance Cost	0.60%
Net Proceeds	\$104,370,000

DEBT ISSUANCE ASSUMPTIONS

	Ref/Calc	Current Assumption
Existing:		
Net Operating Income	A	\$ 42,877,429
Existing Maximum Annual Debt Service (MADS)	B	8,476,201
Debt Service Coverage	C=A/B	5.1
Evaluated:		
Net Operating Income	A	\$ 42,877,429
Debt Service (MADS)	D=A/E	21,438,715
Minimum Evaluated Debt Service Coverage	E	2.0
Available Debt Service at 2.0X Coverage	F=D-B	\$ 12,962,514
Additional Bonding Capacity	G=-PV(H,I,F)	\$ 205,072,385

49% WCC

Assumptions:

Borrowing Rate	H	4.75%
Term	I	30



COMPONENT COST BREAKDOWN

Component	CIP Costs (Current \$)	NPV of Future Debt Financing Costs (Interest Only)	Existing Debt Service	Cal Am Surcharge Credit	Cost Basis	Available Capacity (UOC)	Incremental Fee per UOC
Treatment	\$254,618,720	\$52,252,019	\$17,737,919	N/A	\$324,608,659	30,737	\$10,561
Transmission	\$227,897,646	\$46,768,408	\$15,876,406	N/A	\$290,542,460	30,737	\$9,452
Transmission – Cal-Am surcharge	\$50,761,100	\$10,417,027	N/A	(\$16,298,564)	\$44,879,563	15,440	\$2,907
Storage (retail only)	\$67,249,000	N/A	N/A	N/A	\$67,249,000	13,781	\$4,880
Groundwater (retail only)	\$11,000,000	N/A	N/A	N/A	\$11,000,000	13,781	\$798
Planning (retail only)	\$1,705,406	N/A	N/A	N/A	\$1,705,406	13,781	\$124
Planning (wholesale only)	\$1,049,218	N/A	N/A	N/A	\$1,049,218	16,957	\$62
Total	\$614,281,091	\$109,437,453	\$33,614,325	(\$16,298,564)	\$741,034,305		

CURRENT VS. PROPOSED WCC

	Current	Proposed	\$ Change	% Change
Retail	\$22,821	\$25,815	+ \$2,994	13.1%
Wholesale: Lincoln	\$18,501	\$20,075	+ \$1,574	8.5%
Wholesale: Cal-Am	\$19,893	\$22,982	+ \$3,089	15.5%

PROPOSED LOT-SIZE ASSESSMENT

Lot size		Current	
		UOCs	WCC
1	MDU	0.4	\$ 9,128
2	≤2,900	0.4	\$ 9,128
3	2,901 ≤ 4,400	0.6	\$ 13,693
4	4,401 ≤ 5,500	0.7	\$ 15,975
5	5,501 ≤ 7,000	0.9	\$ 20,539
6	7,001 ≤ 10,000	1.0	\$ 22,821
7	10,001 ≤ 17,000	1.2	\$ 27,385
8	17,001 ≤ 35,000	1.5	\$ 34,232
9	35,000 <	2.5	\$ 57,053

Lot size		Proposed		
		UOCs	WCC	% of Current
1	MDU	0.2	\$ 5,163	57%
2	≤2,900	0.2	\$ 5,163	57%
3	2,901 ≤ 4,100	0.3	\$ 7,745	n/a
4	4,101 ≤ 4,700	0.4	\$ 10,326	n/a
5	4,701 ≤ 5,500	0.5	\$ 12,908	n/a
6	5,501 ≤ 7,000	0.6	\$ 15,489	75%
7	7,001 ≤ 10,000	0.7	\$ 18,071	79%
8	10,001 ≤ 17,000	1.0	\$ 25,815	94%
9	17,001 ≤ 35,000	1.3	\$ 33,560	98%
10	35,000 <	2.4	\$ 61,957	109%

Notes:

1 UOC = 1,150 gallons per day

Regular Meeting - December 9, 2024



SCHEDULE

- ✓ Residential Assessment of UOC
 - ✓ Spring 2024
- ✓ Construction costs, both Ophir WTP and projected Capital Infrastructure Program costs
 - ✓ Summer 2024
 - ✓ 10/9 Workgroup meeting
- WCC Financial analysis
 - ✓ 11/05 Wholesale notification
 - ✓ 11/21 PCWA Finance Committee
 - ✓ 11/22 Workgroup meeting
- Adoption by Board of Directors
 - 12/9 BoD Workshop
 - 12/19 BoD Hearing and Adoption
 - 1/1/2025 Effective date

THANK YOU!

Brian Rickards, P.E.
Planning & Development Services Manager

MEMORANDUM

TO: Board of Directors

FROM: Darin Reintjes, Director of Resource Management

DATE: November 21, 2024

RE: Long-Term Contract between the United States and Placer County Water Agency Providing for Conveyance and Storage of Non-Project Water

RECOMMENDATION:

Adopt Resolution No. 24-__ Approving Long-Term Contract No. 24-WC-20-6193 with the United States Department of the Interior Bureau of Reclamation and direct staff to prepare a Notice of Exemption and file it in the prescribed form in compliance with the California Environmental Quality Act.

Any substantive changes to the final Contract, as a result of public comments, will be brought back to the Board for consideration prior to execution.

BACKGROUND:

In 1958 the Agency filed water right applications to the State Water Resources Control Board for a source of water supply from the American River as part of the plan to secure water for the development of the Middle Fork Project (MFP) and for the people of Placer County for future generations. The Agency received permits to put those water rights to beneficial use by July of 2007. By 2007 the Agency had only put approximately a third of the water necessary for full anticipated build out to beneficial use, and filed for an extension of time to perfect the use of that water under those permits by the year 2043.

As part of the request for an extension of time, the Agency must complete an environmental analysis of the effects of diverting the full anticipated amount for beneficial use. The Agency is in the process of analyzing those effects and preparing an Environmental Impact Report. The water temperature analysis has identified potential impacts to the cold-water resources of Folsom Reservoir and the Lower

American River under certain diversion volumes and hydrologic conditions.

To mitigate the effects under those certain conditions, the Agency is considering options to improve the cold-water resources, which includes the possibility of pre-releasing colder water from the MFP reservoirs in the spring that would normally be released in the summer. The pre-released water would be stored in Folsom Reservoir, which would bolster the cold-water in the reservoir, and then be delivered in the summer to the Agency's wholesale customers who take delivery from Folsom Reservoir, or release that water from Folsom Reservoir for downstream delivery to East Bay Municipal Utility District (EBMUD) to meet the Agency's Water Forum commitments.

DISCUSSION:

Folsom Reservoir and the Folsom South Canal are owned and operated by the United States Bureau of Reclamation (Reclamation). The Agency's Water Service Contract with Reclamation allows for the Agency to utilize excess capacity in Reclamation facilities under acceptable terms and conditions. For the Agency to store water in Folsom Reservoir and convey water through the Folsom South Canal, the Agency is required to enter into a Warren Act Contract with Reclamation which allows for the use of those federal facilities. Warren Act Contracts are typically issued for a period of 1 to 5 years. Staff have negotiated a longer term, or Long-Term Warren Act Contract, for a period of 25 years.

With direction from the Board, staff and the Agency's consulting team assisted Reclamation with the development of an Environmental Assessment (EA) in support of the Contract to comply with the National Environmental Protection Act. The final version of the EA was recently released in October of 2024. Since October of 2023, staff have engaged with Reclamation in nearly 30 technical and negotiating meetings to develop the Contract. The terms of the Contract allow for the Agency to store and convey the Agency's American River water as intended at the rates set by federal law. Similar to past practices for temporary water transfers, the Agency would be required to enter into a refill agreement with Reclamation for water delivered to EBMUD as a part of this Contract to avoid injury to Reclamation. The Agency would also be required to compensate Reclamation for foregone power generation should Reclamation have to bypass the Folsom Powerplant to improve cold-water releases to the Lower American River to improve conditions for the fishery, and if the Agency introduces water for delivery to EBMUD into Folsom Reservoir during the period from May 15 to July 14 in the year preceding a power bypass.

Reclamation intends to release the Contract for a 30-day public comment period after receiving this proposed Board Resolution.

FISCAL IMPACT:

The Agency will be billed annually for any storage or conveyance utilized, or for compensation for foregone power generation, as described and at the rates set forth in the Contract. Funding for this Long-Term Contract will come from Agency Wide, Operations Budget, within the Office of the General Manager. EBMUD intends to reimburse the Agency for all costs associated with this Contract to convey water to EBMUD through the Folsom South Canal and for any compensation required for foregone power generation. Following the execution of this Contract, the Agency and EBMUD will amend the Memorandum of Understanding for the Development of a Long-Term Water Transfer Program to account for the reimbursement of costs.

ATTACHMENTS:

Description	Upload Date	Type
Resolution	11/27/2024	Resolution
Draft Contract	11/27/2024	Backup Material

RESOLUTION 24-__ OF THE BOARD OF DIRECTORS OF THE
PLACER COUNTY WATER AGENCY
APPROVING LONG-TERM CONTRACT NO. 24-WC-20-6193
WITH UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

WHEREAS, in February of 2020, the Placer County Water (Agency) executed a Water Service and Repayment Contract (Water Service Contract) with the United States Department of the Interior Bureau of Reclamation (United States) that provides for a supply of water from the Central Valley Project (Project); and

WHEREAS, the Water Service Contract stipulates that Non-Project water may be stored, conveyed, and/or diverted through Project facilities, subject to the completion of appropriate environmental documentation and the execution of any contract determined by the United States to be necessary; and

WHEREAS, 43 U.S.C. §2245 provides for the impounding, storage, and carriage of Non-Project water for domestic, municipal, fish and wildlife, industrial, and other beneficial purposes using any facilities associated with the Project; and

WHEREAS, the Agency has requested a long-term contract to store and convey Non-Project Water in Folsom Reservoir and the Folsom South Canal as part of the Agency's long-term commitments to the Sacramento Water Forum and delivery of the Agency's Water Forum Agreement releases to the East Bay Municipal Utility District; and

WHEREAS, the Agency assisted with the development of an Environmental Assessment and the United States is willing to enter into such a long-term contract; and

WHEREAS, the proposed Contract No. 24-WC-20-6193 (Contract) is titled "Long-Term Contract between the United States and Placer County Water Agency Providing for Conveyance and Storage of Non-Project Water", and the public draft is attached hereto as Exhibit A and incorporated herein; and

WHEREAS, consistent with past practices, to ensure that refill of any storage space in the Middle Fork Project reservoirs created by the release of Non-Project Water Forum Agreement Water will not reduce the amount of water that the United States or other water users could otherwise divert under their water rights, the Agency will be required to enter into a Refill Agreement; and

WHEREAS, any substantive changes to the public draft will be brought back to the Board for consideration prior to execution.

BE IT RESOLVED THAT:

1. The Board hereby finds and determines that the foregoing recitals are true and correct;
2. The Board hereby approves the proposed Long-Term Contract between the United States and Placer County Water Agency Providing for Conveyance and Storage of Non-Project Water, Contract No. 24-WC-20-6193;
3. The Board hereby directs Agency staff to prepare a Notice of Exemption and file it in the prescribed form in compliance with the California Environmental Quality Act; and
4. The Board hereby directs the General Manager to take any action or steps necessary to carry out this Resolution, including the development of refill criteria consistent with past practice; and
5. The Board hereby authorizes the Chair of the Board of Directors to execute Contract No. 24-WC-20-6193 on behalf of the Agency.

This Resolution was duly adopted at a meeting of the Board of Directors of the Placer County Water Agency held on the 9th day of December 2024, by the following vote on roll call:

AYES:

NOES:

ABSTAINED:

ABSENT:

Signed and approved by me after its adoption this 9th day of December 2024.

Chair of the Board
Placer County Water Agency

ATTEST:

Clerk to the Board

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
American River Division, Central Valley Project, California

LONG TERM CONTRACT BETWEEN THE UNITED STATES
AND
PLACER COUNTY WATER AGENCY
PROVIDING FOR CONVEYANCE AND STORAGE OF NON-PROJECT WATER

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
American River Division, Central Valley Project, California

LONG TERM CONTRACT BETWEEN THE UNITED STATES
AND
PLACER COUNTY WATER AGENCY
PROVIDING FOR CONVEYANCE AND STORAGE OF NON-PROJECT WATER

1 THIS CONTRACT, made this _____ day of _____, 20____, pursuant
2 to the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto,
3 including the Act of February 21, 1911 (36 Stat. 925), and Section 305 of the Reclamation
4 States Emergency Drought Relief Act of 1991, enacted March 5, 1992 (106 Stat. 59), all
5 collectively hereinafter referred to as the Federal Reclamation laws, between the UNITED
6 STATES OF AMERICA, hereinafter referred to as the United States, represented by the officer
7 executing this Contract, hereinafter referred to as the Contracting Officer, and PLACER
8 COUNTY WATER AGENCY, hereinafter referred to as the Contractor, individually referred to
9 as “Party” and collectively referred to as “Parties”;

10 WITNESSETH, that:

11 EXPLANATORY RECITALS

12 [1st] WHEREAS, the United States has constructed and is operating the Central Valley
13 Project (CVP), California, for diversion, storage, carriage, distribution and beneficial use, for
14 flood control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection
15 and restoration, generation and distribution of electric energy, salinity control, navigation and

16 other beneficial uses, of waters of the Sacramento River, the American River, the Trinity River,
17 and the San Joaquin River and their tributaries; and

18 [2nd] WHEREAS, the Contractor holds Water Right Permit Nos. 13856 and 13858 as
19 further described in Exhibit C; and

20 [3rd] WHEREAS, the Contractor has petitioned the California State Water Resources
21 Control Board, hereinafter referred to as the “SWRCB”, for an extension of time to put water
22 diverted under Water Right Permit Nos. 13856 and 13858 to beneficial use. Beneficial use under
23 these water rights includes consumptive use within the Contractor’s current existing place of use
24 from (1) direct diversion of North Fork American River water at the American River Pump
25 Station and/or Folsom Dam (November 1 through July 1) and (2) redirection of storage releases
26 from Middle Fork American River Project (MFP) reservoirs (year-round) at the aforementioned
27 diversion locations; and

28 [4th] WHEREAS, pursuant to Article 3(a)(1) of Contract Number 14-06-200-5082A-
29 IR1-P, the Contracting Officer recognizes that the Contractor has a right to divert water for
30 consumptive use from the American River in the amount of 120,000 acre-feet (AF) in any Year
31 said water is available in accordance with Permit Nos. 13856 and 13858. This Contract does not
32 change or amend Contract Number 14-06-200-5082A-IR1-P; and

33 [5th] WHEREAS, the United States and the Contractor entered into a contract dated
34 February 20, 1963, as may be amended from time to time, relating to the operation of the
35 Contractor's MFP Reservoirs. This Contract does not change or amend the contract dated
36 February 20, 1963; and

37 [6th] WHEREAS, Contractor is a signatory to the Water Forum Agreement, dated
38 January 2000, which agreement was updated October 2015, hereafter referred to as “WFA”. The

39 WFA recommended an improved pattern of releases for the benefit of the fisheries in the Lower
40 American River. Through the WFA, the Contractor committed to release up to 47,000 AF of
41 additional water (subject to a refill agreement and separate from the 120,000 AF of water
42 authorized for consumptive use in the Contractor’s existing place of use) in drier years through
43 reoperation of the Contractor’s MFP reservoirs for fishery flow releases in the Lower American
44 River contingent upon a willing buyer for this water after it flows down the Lower American
45 River; and

46 [7th] WHEREAS, on August 15, 2013, the Contractor entered into a Memorandum of
47 Understanding (MOU) with East Bay Municipal Utility District, hereinafter referred to as
48 “EBMUD”, to develop a long-term agreement under which EBMUD would purchase up to
49 47,000 AF of the Non-Project WFA Water; and

50 [8th] WHEREAS, the purpose of this Contract is for the Contractor to utilize excess
51 capacity in Folsom Reservoir and the Folsom South Canal to: (1) meet WFA commitments in
52 drier years to improve fisheries conditions in the Lower American River; (2) provide Non-
53 Project WFA Water to EBMUD in drier years; and (3) maintain/enhance water temperature in
54 the Lower American River; and

55 [9th] WHEREAS, both the Contractor and EBMUD are existing CVP Water Service
56 and Facility Repayment contractors receiving a supplemental water supply from the CVP. The
57 Contractor’s CVP contract, Contract Number 14-06-200-5082A-IR1-P, provides for the delivery
58 of up to 35,000 AF of Project Water each Year. EBMUD’s CVP contract, Contract Number 14-
59 06-200-5183A-LTR1-P, provides for delivery of up to 133,000 AF of Project Water each Year,
60 subject to criteria in Article 3(a)(1) of EBMUD’s CVP contract; and

61 [10th] WHEREAS, the Contractor has entered into long-term agreements with the City
62 of Roseville, San Juan Water District, and Sacramento Suburban Water District (Wholesale Raw
63 Water Customers) for a Non-Project Water supply made available under Water Right Permit
64 Nos. 13856 and 13858. These long-term agreements also required the following Warren Act
65 contracts, hereinafter referred to as “Existing Warren Act Contracts”, to facilitate the delivery of
66 the Non-Project Water supply:

67 1. The City of Roseville, a CVP Water Service and Facility Repayment contractor, entered
68 into Contract No. 02-WC-20-2217, dated November 22, 2006, effective March 1, 2006,
69 through February 28, 2031, which provides for the conveyance of up to 30,000 AF of
70 water acquired from the Contractor each Year for Municipal and Industrial (M&I)
71 purposes through the use of excess capacity in the Folsom Reservoir, Folsom Pumping
72 Plant, and Folsom Pipeline.

73 2. San Juan Water District, hereinafter referred to as “SJWD”, a CVP Water Service and
74 Facility Repayment contractor, entered into Contract No. 6-07-20-W1315, dated
75 February 29, 1996, effective March 1, 1996, through February 28, 2021, which provided
76 for the conveyance of up to 25,000 AF of Non-Project Water for M&I purposes through
77 use of excess capacity in the Folsom Reservoir, Folsom Pumping Plant, and Folsom
78 Pipeline. Until a new long-term Warren Act contract can be developed, San Juan Water
79 District entered into a short-term Warren Act contract, Contract No. 21-WC-20-5744,
80 dated February 26, 2021, which provides for the conveyance of up to 25,000 AF of Non-
81 Project Water for M&I purposes through the use of excess capacity in the Folsom
82 Reservoir, Folsom Pumping Plant, and Folsom Pipeline through February 28, 2026.

83 3. Sacramento Suburban Water District (formerly Northridge Water District), hereinafter
84 referred to as “SSWD”, entered into Contract No. 18-WC-20-5271, dated October 11,
85 2018, effective October 11, 2018, through December 31, 2045, which provides for the
86 conveyance of up to 29,000 AF of Non-Project water for M&I purposes. Pursuant to this
87 Warren Act contract, Non-Project Water shall be delivered to SSWD through the use of
88 excess capacity in the Folsom Dam, Reservoir Pumping Plant, and associated facilities at
89 Folsom Reservoir: a) if the projected March to November unimpaired inflow to Folsom
90 Reservoir for each Year is greater than 1,600,000 AF; or b) notwithstanding a) above, in
91 December, January, or February following the March through November period of each
92 Year when the unimpaired inflow is less than 1,600,000 AF, when and after water is
93 being released from Folsom Reservoir for flood protection; and

94 [11th] WHEREAS, the Non-Project WFA Water to be purchased by EBMUD would
95 increase dry-year water supply reliability within EBMUD’s Service Area and would be taken by
96 EBMUD at the Freeport Regional Water Project intake in the north Delta and would not involve
97 a transfer through the State Water Project (SWP) and CVP export facilities; and

98 [12th] WHEREAS, based on the Draft Technical Information for Preparing Water
99 Transfer Proposals (“Water Transfer White Paper”) prepared by the California Department of
100 Water Resources and Bureau of Reclamation, Mid Pacific Region (December 2019), the transfer
101 of water is currently precluded when the Delta is in excess conditions; and

102 [13th] WHEREAS Contractors’ Wholesale Raw Water Customers are willing and able
103 to take delivery of the balance of Non-Project Water not purchased by EBMUD, under their
104 Existing Warren Act Contracts; and

105 [14th] WHEREAS, Contractors’ Wholesale Raw Water Customers can only take
106 delivery of Non-Project Water on a direct diversion pattern and neither the Contractor nor the
107 Contractors’ Wholesale Raw Water Customers have contractual rights under their Existing
108 Warren Act Contracts to store Non-Project Water in Folsom Reservoir; and

109 [15th] WHEREAS, this Contract provides for early introduction of Non-Project Water
110 into Folsom Reservoir and later season delivery to either EBMUD (Stored Water) or to the
111 Contractors’ Wholesale Raw Water Customers (Re-Regulated Conveyance Water). Stored and
112 Re-Regulated Conveyance Water, as provided for in this Contract, is for the purpose of
113 achieving benefits consistent with Contractor’s WFA objective; and

114 [16th] WHEREAS, the United States is willing to convey and/or store said Non-Project
115 Water for the Contractor through Excess Capacity in the Project Facilities in accordance with the
116 terms and conditions hereinafter stated; and

117 [17th] WHEREAS, [NEPA Placeholder].

118 NOW, THEREFORE, in consideration of the covenants herein contained, the Parties
119 hereto agree as follows:

120 DEFINITIONS

121 1. When used herein unless otherwise distinctly expressed, or manifestly
122 incompatible with the intent of the Parties as expressed in this Contract, the term:

123 (a) “Calendar Year” shall mean the period January 1 through December 31,
124 both dates inclusive;

125 (b) “Contracting Officer” shall mean the Secretary of the Interior’s duly
126 authorized representative acting pursuant to this Contract or applicable Reclamation law or
127 regulation;

128 (c) “Contractor’s Boundaries”, for the purpose of this Contract, shall mean the
129 geographic area within which the Contractor is authorized to use water under Water Right Permit
130 Nos. 13856 and 13858 as set forth on Exhibit A-1. Contractor’s boundaries may be modified by
131 the SWRCB without amendment to this Contract. If the SWRCB modifies the Contractor’s
132 place of use under Water Right Permit Nos. 13856 and/or 13858, the Contractor shall notify the
133 Contracting Officer, in writing, within 90 days of changes;

134 (d) “Contractor’s Wholesale Raw Water Customers” shall mean SJWD, City
135 of Roseville, and SSWD;

136 (e) “Excess Capacity” shall mean capacity in the Project Facilities in excess
137 of that needed to meet the Project’s authorized purposes, as determined solely by the Contracting
138 Officer, which may be made available to store and/or convey and deliver Non-Project Water;

139 (f) “Excess Conditions” shall be defined consistent with the 1986
140 Coordinated Operations Agreement, as amended in 2018, and shall mean those periods when
141 Reclamation’s Central Valley Operations Office and Department of Water Resources’ State
142 Water Project Operations Control Office mutually agree that releases from upstream reservoirs
143 plus unregulated flows exceed Sacramento Valley in-basin uses plus Sacramento-San Joaquin
144 Delta exports, and the CVP and SWP are not required to supplement the supply with additional
145 releases from storage;

146 (g) “Freeport Intake” shall mean the diversion facilities located on the
147 Sacramento River near Freeport and associated water conveyance facilities that are owned and
148 operated by EBMUD as a part of the Freeport Regional Water Project;

149 (h) “Irrigation Water” shall mean Non-Project Water used to irrigate land
150 primarily for the production of commercial agricultural crops or livestock, and domestic and
151 other uses that are incidental thereto;

152 (i) “Municipal and Industrial (M&I) Water” shall mean Non-Project Water
153 used for municipal, industrial, and miscellaneous other purposes not falling under the definition
154 of “Irrigation Water” or within another category of water use under an applicable Federal
155 authority;

156 (j) “Non-Project Water” shall mean water acquired by or available to the
157 Contractor from the source(s) identified in Exhibit C. For the purpose of this Contract, all Non-
158 Project Water is water released from the Contractor’s MFP reservoirs. Non-Project Water
159 includes a total of up to 47,000 AF of water that is categorized as either Non-Project WFA Water
160 and/or Re-Regulated Conveyance Water:

161 i. “Non-Project Water Forum Agreement (WFA) Water” shall mean
162 Contractor’s release of up to 47,000 AF of additional Non-Project Water
163 in drier years through reoperation of MFP reservoirs to meet WFA
164 commitments. Up to 35,000 AF of Non-Project WFA Water may be
165 introduced into Folsom Reservoir prior to May 15 in any Year. The Non-
166 Project WFA Water is separate from the 120,000 AF of water referenced
167 in Recital 4.

168 (a) “Stored Water” shall mean Non-Project WFA Water
169 introduced into Folsom Reservoir prior to May 15 or stored for
170 greater than 30 days.

171 (b) “Conveyance Water” shall mean Non-Project WFA Water
172 introduced into the Folsom South Canal.

173 ii. “Re-Regulated Conveyance Water” shall mean Non-Project Water,
174 up to 35,000 AF, less Non-Project WFA Water, that has been released
175 from the Contractor’s MFP reservoirs and introduced into Folsom
176 Reservoir prior to June 1 of any Year and diverted by the Contractor or the

177 Contractors' Wholesale Raw Water Customers prior to November 1 of the
178 same Year;

179 (k) "Project" or "CVP" shall mean the Central Valley Project, owned by the
180 United States and managed by the Department of the Interior, Bureau of Reclamation;

181 (l) "Project Facilities" shall mean the Folsom Reservoir, Folsom Dam,
182 Folsom Pumping Plant, Lake Natoma, Nimbus Dam, Folsom South Canal and associated
183 facilities, constructed as features of the American River Division, Central Valley Project;

184 (m) "Project-Use Power" is that electrical energy, and its associated ancillary
185 service components, required to provide the full electrical service needed to operate and maintain
186 Project Facilities, and to provide electric service for Project purposes and loads in conformance
187 with Project authorization. Project-Use Power is not available to pump Non-Project Water, to
188 operate pumps that were not built as Federal facilities as part of the Project, or to pump Project
189 Water outside the authorized service area;

190 (n) "Project Water" shall mean all water that is developed, diverted, stored, or
191 delivered by the Secretary in accordance with the statutes authorizing the Project and in
192 accordance with the terms and conditions of water rights acquired pursuant to California law;

193 (o) "Rates" shall mean the amount to be paid to the United States by the
194 Contractor, as set forth in Exhibit B, as may be revised annually, for the use of Excess Capacity
195 in the Project Facilities made available pursuant to this Contract;

196 (p) "Reservoir Storage Management" or "RSM" shall mean actions
197 Reclamation takes before, during or after rain, flood, and/or snowmelt seasons or events to meet
198 the United States Army Corps of Engineers Water Control Diagram in the June 2019 Water

199 Control Manual for Folsom Dam and Reservoir. These actions are solely determined by
200 Reclamation.

201 (q) “Secretary” shall mean the Secretary of the Interior, a duly appointed
202 successor, or an authorized representative acting pursuant to any authority of the Secretary and
203 through any agency of the Department of the Interior; and

204 (r) “Year” shall mean the period from and including March 1 of the Calendar
205 Year through the last day of February of the following Calendar Year.

206 TERM OF CONTRACT

207 2. (a) This Contract shall become effective on the date hereinabove written and
208 shall remain in effect through February 28, 2049; Provided, that upon written notice to the
209 Contractor, this Contract may be terminated by the Contracting Officer at an earlier date, if the
210 Contracting Officer determines that the Contractor has not complied with one or more terms or
211 conditions of this Contract, including, but not limited to, the Refill Agreement provided for in
212 Article 7 of this Contract.

213 (b) The United States may extend the Term of the Contract by no more than
214 15 years; Provided, that the Contractor provides a written request to the Contracting Officer no
215 later than two years prior to the expiration of the Contract, requesting extension of the Contract,
216 and provided that the Contracting Officer determines that the Contractor is in compliance with
217 all terms and conditions of this Contract.

218 INTRODUCTION, CONVEYANCE, STORAGE, AND RELEASE OF NON-PROJECT
219 WATER

220 3. During the term of this Contract, and for the purposes of this Contract, the
221 Contractor may introduce up to 47,000 AF each Year of Non-Project Water into Project
222 Facilities, and use for the purposes identified in Exhibit C. The amount of Non-Project WFA

223 Water introduced into Folsom Reservoir, under this Contract, shall not exceed the quantity of
224 water identified in Exhibit D. The total amount of Non-Project Water introduced into Folsom
225 Reservoir under this Contract will not exceed the sum of Non-Project WFA Water and Re-
226 Regulated Conveyance Water. Non-Project WFA Water shall not be introduced into Project
227 Facilities unless and until the parties execute the Refill Agreement identified in Article 7.

228 (a) The Contractor may introduce a combined total of 35,000 AF of Non-
229 Project Water into Folsom Lake as Non-Project WFA Water (prior to May 15) and/or Re-
230 Regulated Conveyance Water (prior to June 1). Any Re-Regulated Conveyance Water
231 introduced into Folsom Reservoir shall be introduced prior to the normal seasonal delivery
232 schedule of its existing Wholesale Raw Water Customers. Non-Project WFA Water introduced
233 prior to May 15 and after July 14 will not be subject to the conditions described under Article 5,
234 Foregone Power Generation.

235 (b) RELEASE AND CONVEYANCE OF NON-PROJECT WFA WATER
236 FOR EBMUD.

237 (i) The United States shall release Non-Project WFA Water from
238 Folsom Reservoir on a schedule provided by the Contractor, in accordance with Article 6 of this
239 Contract. The schedule shall provide for the release of at least 25,000 AF by November 30 of
240 each Year. In the event the total volume of Non-Project WFA Water stored in Folsom Lake is
241 less than 25,000 AF, then the schedule shall provide for the release of all Non-Project WFA
242 Water by November 30 of each Year. Should EBMUD, due to operational or regulatory
243 restrictions, be unable to take the Non-Project WFA Water, pursuant to the agreed upon
244 schedule, the Contractor shall submit a revised schedule to the Contracting Officer, in

245 accordance with Article 6 of this Contract, providing for releases of Non-Project WFA Water
246 beyond November 30.

247 (ii) The United States will not release Non-Project WFA Water during
248 Excess Conditions, due to the restriction contained in Recital 12. The Contracting Officer may
249 consider the release of Non-Project WFA Water in the future so long as such release is consistent
250 with any then existing laws, regulation, or policies governing such releases. The Contracting
251 Officer shall notify the Contractor and EBMUD, in writing, when the release of Non-Project
252 WFA Water ceases due to Excess Conditions. Introduction of Non-Project WFA Water into the
253 Folsom South Canal shall cease within 24 hours of said notification. Introduction of Non-Project
254 WFA Water into the Folsom South Canal may occur upon resumption of release of Non-Project
255 WFA Water due to Balanced Conditions. The Contractor may continue Freeport Intake
256 operations to introduce authorized Project Water into the Folsom South Canal during Excess
257 Conditions.

258 (c) RE-REGULATED CONVEYANCE WATER DELIVERY TO
259 WHOLESALE RAW WATER CUSTOMERS. The United States shall re-regulate and convey
260 up to 35,000 AF of Non-Project Water through Excess Capacity in the Project Facilities to the
261 Contractor’s Wholesale Raw Water Customers. Conveyance of Re-Regulated Conveyance
262 Water to the Contractor’s Wholesale Raw Water Customers shall be limited in quantity to the
263 amount of water scheduled by the Contractor’s Wholesale Raw Water Customers, pursuant to
264 their Existing Warren Act Contracts, between July 1 and November 1. The quantity of Re-
265 Regulated Conveyance Water conveyed under this Contract shall not exceed the quantity
266 designated for the Contractor’s Wholesale Raw Water Customers. Contractor shall submit

267 documentation to demonstrate compliance with this provision during the annual
268 coordination/scheduling process.

269 (d) While the Parties agree that actual losses are variable, the Contractor
270 agrees to release an additional 5% of Non-Project WFA Water from MFP reservoirs to account
271 for any and all losses under this Contract. The Parties agree that any and all losses associated
272 with Re-Regulated Conveyance Water are accounted for in the additional 5% of Non-Project
273 WFA Water released.

274 (e) Exhibit C may be modified or replaced by mutual agreement of the
275 Contractor and the Contracting Officer to reflect changes to the source(s) of Non-Project Water
276 without amendment of this Contract.

277 (f) Unless otherwise agreed to in writing by the Contracting Officer, the Non-
278 Project Water subject to this Contract shall be introduced into and stored and/or conveyed
279 through existing Project Facilities. If temporary inflow or delivery facilities are required to
280 effectuate the introduction of Non-Project Water into the Project Facilities or the delivery of the
281 Non-Project Water to the Contractor from the Project Facilities, the Contractor shall, at its own
282 cost and expense obtain all appropriate environmental documents, necessary rights-of-way for
283 such facilities, including the appropriate right-of-use agreement(s) or other authorizations issued
284 by the United States for any such facilities located on rights-of-way for existing Project
285 Facilities. The Contractor, at its own cost and expense, shall be responsible for providing,
286 installing, operating, maintaining, repairing, replacing, and removing said inflow and delivery
287 facilities. The Contractor hereby grants to the Contracting Officer access, for the purpose of this
288 Contract, to all temporary inflow and delivery facilities installed by the Contractor.

289 (g) The introduction of Non-Project Water into the Project Facilities by the
290 Contractor shall be conditioned upon compliance by the Contractor with the environmental
291 measures described in the environmental documentation prepared in connection with the
292 execution of this Contract and with the terms of the applicable operations procedures approved
293 by the Contracting Officer.

294 (h) The Contractor shall relinquish any and all right or claim to, or interest in,
295 all Stored Water released pursuant to this Contract remaining in the Folsom Reservoir after the
296 last day of February of any Year.

297 CALIFORNIA STATE WATER RESOURCES CONTROL BOARD APPROVAL

298 4. (a) Before any Non-Project WFA Water is introduced into the Folsom South
299 Canal, the Contractor shall obtain approval from the SWRCB to add, either temporarily or
300 permanently, the Freeport Intake as a point of diversion and EBMUD's service area, as depicted
301 on Exhibit A-2, which exhibit may be modified without amendment of this Contract, as a place
302 of use for the sources identified in Exhibit C.

303 (b) The Parties acknowledge that the quantity of Non-Project Water
304 authorized to be introduced into Folsom Reservoir under Article 3 could be further limited by
305 any order(s) of the SWRCB approving the Contractor's petition for change to add a point of
306 diversion and/or place of use to any of the sources identified in Exhibit C.

307 PROJECT-USE POWER AND FOREGONE POWER GENERATION

308 5. (a) The introduction, storage and/or conveyance of Non-Project Water
309 pursuant to this Contract will not be supported with Project-Use Power. If electrical power is
310 required to convey or pump the Non-Project Water into, through or from the Project Facilities,
311 the Contractor shall: (i) be responsible for the acquisition and payment of all electrical power

312 and associated transmission service charges, and provide a copy of a power contract and copies
313 of payment documents to the Contracting Officer as evidence that such electrical power has been
314 contracted and paid for prior to the introduction, conveyance, and delivery of any Non-Project
315 Water; and/or (ii) prior to the introduction, conveyance, and delivery of any Non-Project Water,
316 enter into a Power Letter of Agreement with the United States that provides for the payment of
317 all actual energy costs and fees incurred in the introduction, conveyance and delivery of the Non-
318 Project Water.

319 (b) Each Party has conducted an analysis of temperature impacts on the cold-
320 water resources in Folsom Lake and those analyses differ. Impacts to cold-water resources in
321 Folsom Lake could exacerbate the magnitude of any power bypass at Folsom Dam Powerplant.
322 Notwithstanding those differences, in the event a bypass of the Folsom Powerplant is triggered
323 between October 1 and November 30 of any Year, and if the Contractor introduced Non-Project
324 WFA Water into Folsom Reservoir between May 15 and July 14 in that same Year preceding a
325 power bypass, the Contractor agrees to pay a portion of the cost of foregone power generation
326 that occurred at the Folsom Powerplant due to said bypass. The Parties agree, for the purpose of
327 this Contract, that 25% of the Non-Project WFA Water introduced into Folsom Reservoir
328 between May 15 and July 14 shall be subject to compensation for the foregone power. Re-
329 Regulated Conveyance Water shall not be subject to this provision.

330 (c) In the event the conditions in subdivision (b) of Article 5 of this Contract
331 occur, the Contracting Officer and the Contractor agree that:

332 (i) 25% of the Non-Project WFA Water introduced into Folsom
333 Reservoir between May 15 and July 14 shall be subject to compensation for Foregone Power
334 Generation.

335 (ii) The daily volume of Non-Project WFA Water introduced into
336 Folsom Reservoir shall be monitored and accounted for by the Contracting Officer and the
337 Contractor in a form that is acceptable to the Contracting Officer.

338 (iii) Within 90 days following the cessation of a power bypass of the
339 Folsom Powerplant, the Contracting Officer shall provide the Contractor with the supporting
340 data and calculations provided for in Exhibit E, which exhibit may be modified by mutual
341 agreement without amendment of this Contract.

342 (d) The Contractor shall have no rights to any benefits from incidental power
343 generation that may result from the conveyance of the Non-Project Water through Excess
344 Capacity in the Project Facilities authorized pursuant to this Contract.

345 COORDINATION AND SCHEDULING

346 6. (a) The United States and the Contractor agree to meet on or about February
347 25th of each Year to review the Contractor’s proposed schedule for, and quantities of, releases
348 under this Contract.

349 (b) Prior to the introduction of Non-Project Water into the Project Facilities
350 and no later than March 1 of each Year, the Contractor shall confer with the Contracting Officer
351 and submit an initial schedule showing the quantities and timing of the introduction of Non-
352 Project Water into the Project Facilities as: (1) Non-Project WFA Water for storage and
353 conveyance to EBMUD; and (2) Re-Regulated Conveyance Water for delivery to Contractor’s
354 Wholesale Raw Water Customers. The initial schedule and any revision(s) thereof shall be in a
355 form acceptable to the Contracting Officer and shall be submitted at such times and in such
356 manner as determined by the Contracting Officer. The Contracting Officer may request any
357 relevant information from the Contractor to support the Contractor’s operation under this

358 Contract. The Contractor shall not introduce Non-Project Water into the Project Facilities unless
359 and until the schedule and any revision(s) thereof have been approved by the Contracting
360 Officer.

361 (c) In addition to the meetings contemplated in subdivisions (a) and (b) of
362 Article 6 of this Contract, the Contracting Officer may request additional coordination meetings.

363 REFILL AGREEMENT

364 7. The United States and the Contractor shall enter into a Refill Agreement for Non-
365 Project WFA Water. The Refill Agreement will be consistent with the parameters set forth in
366 Exhibit F, which exhibit may be modified upon mutual written agreement of the Parties without
367 amendment of this Contract.

368 SPILL

369 8. Should Folsom Reservoir spill due to RSM prior to the end of the Year, Non-
370 Project WFA Water will be the first water to be spilled.

371 BACKUP BUYER

372 9. (a) In the event that EBMUD does not opt to purchase Non-Project WFA
373 Water in any Year it is made available, the Contractor intends to provide the United States with
374 an opportunity to purchase the Non-Project WFA Water. In such circumstances, Contractor will
375 notify the United States on or about March 1 of any Year, that the Non-Project WFA Water may
376 become available for purchase by the United States. The United States will promptly determine
377 whether it is willing and able to purchase the Non-Project WFA Water and promptly inform the
378 Contractor of same.

379 (b) The Contractor understands that the United States’ ability to purchase
380 water in any given Year is subject to Federal authorization and appropriations. The United

381 States understands the Contractor’s need to expeditiously secure a backup buyer for the Non-
382 Project WFA Water. Therefore, and notwithstanding the Contractor’s willingness to provide the
383 United States an opportunity to be a backup buyer, nothing herein requires the Contractor to sell
384 any Non-Project WFA Water to the United States in any Year.

385 MEASUREMENT OF NON-PROJECT WATER

386 10. (a) As depicted on Exhibit G, which exhibit may be modified without
387 amendment of this Contract, all Non-Project Water shall be measured and recorded at the
388 Contractor’s point of release at Oxbow Powerhouse and the Contracting Officer’s point of
389 delivery at the Freeport Regional Water Authority Intake, where EBMUD will measure the
390 amount of Non-Project WFA Water delivered and/or diverted for conveyance in Folsom South
391 Canal. Non-Project WFA Water introduced into Folsom Reservoir shall be the amount released
392 at Contractor’s point of release minus the losses provided for in subdivision (d) of Article 3 of
393 this Contract. Once the Non-Project WFA Water is introduced into Folsom South Canal, the
394 Contracting Officer will convey the Non-Project WFA Water to EBMUD’s Clay Station
395 Pumping Plant (on the Folsom South Canal), where EBMUD will redivert the Non-Project WFA
396 Water. Non-Project Water will be measured with devices acceptable to the Contracting Officer
397 and the methods used to make such measurements shall be in accordance with sound engineering
398 practices.

399 (b) Unless otherwise agreed to in writing by the Contracting Officer, the
400 Contractor, at its own cost and expense, shall be responsible for providing, installing, operating,
401 maintaining, repairing, replacing, and removing all measurement devices required under this
402 Contract in accordance with any right-of-use agreement(s) or other requisite authorization(s)

403 issued by the United States. The Contractor shall be responsible for all costs associated with the
404 issuance of such right-of-use agreement(s) and authorization(s).

405 (c) The Contractor shall maintain accurate records of the quantity of Non-
406 Project Water, expressed in AF, introduced into and delivered from Project Facilities at said
407 authorized point(s) of introduction and delivery and shall provide such records to the Contracting
408 Officer at such times and in such manner as determined by the Contracting Officer.

409 (d) Upon the request of either Party to this Contract, the Contracting Officer
410 shall investigate the accuracy of all measurements of Non-Project Water required by this
411 Contract. If the investigation discloses errors in the recorded measurements, such errors shall be
412 promptly corrected. If the investigation discloses that measurement devices are defective or
413 inoperative, the Contracting Officer shall take any necessary actions to ensure that the
414 responsible party makes the appropriate adjustments, repairs, or replacements to the
415 measurement devices. In the event the Contractor, as the responsible party, neglects or fails to
416 make such adjustments, repairs, or replacements to the measurement devices within a reasonable
417 time and to the reasonable satisfaction of the Contracting Officer, the Contracting Officer may
418 cause such adjustments, repairs, or replacements to be made and the costs thereof shall be
419 charged to the Contractor and the Contractor shall pay said charges to the United States
420 immediately upon receipt of a detailed billing. For any period of time during which accurate
421 measurements of the Non-Project Water have not been made, the Contracting Officer shall
422 consult with the Contractor prior to making a determination of the quantity of Non-Project Water
423 introduced, conveyed and delivered for that period of time and such determination by the
424 Contracting Officer shall be final and binding on the Contractor.

425 PAYMENTS AND ADJUSTMENTS

426 11. (a) The Contractor shall pay the United States as provided for in this Article
427 11 for all Stored Water and/or Conveyance Water, at the Rate(s) established in accordance with
428 (i) the Secretary's ratesetting policy for Irrigation Water adopted in 1988 and the ratesetting
429 policy for M&I Water adopted in 2020. Such ratesetting policies shall be amended, modified, or
430 superseded only through a public notice and comment procedure; (ii) applicable Federal
431 Reclamation law and associated rules and regulations, or policies; and (iii) other applicable
432 provisions of this Contract. The Contractor shall make payment to the United States no later
433 than five business days after May 15 of each Year equal to the total amount payable pursuant to
434 the applicable Rates shown on Exhibit B, as applicable, for each AF of Non-Project WFA Water
435 to be introduced into the Project Facilities as Stored Water and/or Conveyance Water. Non-
436 Project WFA Water shall not be introduced into Project Facilities by the Contractor, as Stored
437 Water and/or Conveyance Water, prior to such payment being received by the United States.
438 Water designated as Re-Regulated Conveyance Water is not Stored Water and is therefore not
439 subject to any Rates under this Contract. Any conveyance rate applicable to Re-Regulated
440 Conveyance Water is as provided for in the Existing Warren Act Contracts.

441 (b) In the event EBMUD, in any Year, diverts a greater quantity of WFA
442 Water at Freeport Intake than Reclamation releases from Folsom Reservoir, the Contractor shall
443 ensure that Reclamation is made whole either through reoperation of the Contractor's MFP
444 reservoirs or by other means acceptable to the Contracting Officer. The provisions of this
445 subdivision are not exclusive and shall not prohibit the United States from exercising any other
446 remedy, including the early termination pursuant to Article 2 of this Contract.

447 (c) The amount of any overpayment by the Contractor by reason of the
448 quantity of Non-Project WFA Water introduced into the Project Facilities and stored and/or
449 conveyed pursuant to this Contract, as conclusively determined by the Contracting Officer,
450 having been less than the quantity which the Contractor otherwise under the provisions of this
451 Contract would have been required to pay for, shall be applied first to any accrued indebtedness
452 arising out of this Contract then due and owing to the United States by the Contractor. Any
453 amount of such overpayment then remaining shall be refunded to the Contractor; Provided,
454 however, that no refund shall be made by the United States to the Contractor for any quantity of
455 Non-Project WFA Water deemed to be relinquished pursuant to subdivision (h) of Article 3 of
456 this Contract.

457 (d) All payments made by the Contractor pursuant to subdivision (a) of this
458 Article 11 shall be covered into the Reclamation Fund pursuant to Section 3 of the Act of
459 February 21, 1911 (36 Stat. 925).

460 (e) (i) No sooner than 10 days after the Contracting Officer provides the
461 supporting data and calculation provided for in subdivision (c)(iii) of Article 5 of this Contract,
462 the Contracting Officer shall issue an invoice reflecting the foregone power generation
463 compensation provided for under subdivision (b) of Article 5 of this Contract.

464 (ii) The Contractor will remit payment, within 30 days, in accordance
465 with the invoice and Article 31 of this Contract.

466 (f) The payment of the Rates set forth in this Article 11 for the use of Excess
467 Capacity is exclusive of any additional charges that the Contractor may assess its water users.
468 In accordance with the Act of February 21, 1911 (36 Stat. 925), if applicable, the Contractor may
469 not impose on its water users any charge for the use of Excess Capacity that exceeds the total

470 amount paid to the United States; Provided, that the Contractor may also charge its water users
471 such additional amounts as are necessary to cover the Contractor's reasonable administrative
472 costs in contracting with the United States for the use of Excess Capacity in the Project
473 Facilities.

474 EXCESS CAPACITY

475 12. (a) The availability of Excess Capacity shall be determined solely by the
476 Contracting Officer. Nothing contained in this Contract shall limit or preclude the United States
477 from utilizing available capacity in the Project Facilities for the storage and conveyance of
478 Project Water pursuant to Federal law, Reclamation law or policy, and existing contract(s); or for
479 using Excess Capacity in the Project Facilities for the storage and conveyance of any other
480 supplies of Non-Project Water.

481 (b) The Contracting Officer shall not be obligated to convey Non-Project
482 Water during periods of maintenance or for other operating requirements that preclude
483 conveyance of Non-Project Water.

484 (c) If at any time the Contracting Officer determines that there will not be
485 Excess Capacity in the Project Facilities sufficient to allow the Non-Project Water to be
486 introduced into, conveyed, and delivered in accordance with an approved schedule submitted by
487 the Contractor, the Contracting Officer shall so notify the Contractor in writing within 24 hours
488 of said notice and the Contractor shall revise its schedule accordingly, in accordance with Article
489 6.

490 (d) No provision of this Contract shall be construed in any way as a basis for
491 the Contractor to establish a priority to or a permanent right to the use of Excess Capacity in the

492 Project Facilities nor to set a precedent to obligate the United States to enter into contracts with
493 any other entities or individuals for the conveyance or storage of Non-Project Water.

494 13. OMITTED.

495 RECEIPT AND DISTRIBUTION OF NON-PROJECT WATER SALE, TRANSFER, OR
496 EXCHANGE OF NON-PROJECT WATER

497 14. (a) The Parties hereto acknowledge that this Contract does not grant any
498 permission or entitlement to the Contractor to extract and/or divert Non-Project Water from the
499 source(s) described in Exhibit C or to change the nature or place of use of its rights to said Non-
500 Project Water in any way. It is the responsibility of the Contractor to comply with all applicable
501 Federal, State, and local laws, rules and regulations, including, but not limited to, State water law
502 in relation to the Non-Project Water. It is expressly understood by the Parties that the United
503 States is only providing storage and/or conveyance capacity for the Non-Project Water and does
504 not claim any interest in the acquisition or use of the Non-Project Water beyond the terms
505 specifically set forth in this Contract.

506 (b) The Contracting Officer makes no representations as to the accuracy of the
507 description or of the validity of the Contractor's rights to the Non-Project Water from the sources
508 identified in Exhibit C.

509 (c) The sale, transfer, or exchange of Non-Project WFA Water, other than to
510 EBMUD or Reclamation, shall be consistent with State and Federal law and shall be subject to
511 the coordination provisions of Article 6 and mutual agreement between the Parties. The Parties
512 desire to facilitate the WFA while avoiding injury to United States.

513 UNITED STATES NOT LIABLE

514 15. (a) The United States, its officers, agents and employees shall not be
515 responsible for the control, care, or distribution of the Non-Project Water before it is introduced

516 into, released to, or after it is delivered, from the Project Facilities. It is specifically understood
517 by the Parties hereto that the United States is only providing storage and/or conveyance capacity
518 for the Non-Project Water and does not claim any interest in the Non-Project Water beyond the
519 terms specifically set forth in this Contract.

520 (b) The Contractor shall indemnify and hold harmless the United States, its
521 officers, agents and employees from any loss or damage and from any liability on account of
522 personal injury, death, or property damage, or claims for personal injury, death, or property
523 damage, of any nature whatsoever arising out of any actions or omissions of the Contractor, its
524 directors, officers, agents, contractors, and employees, under this Contract, including the manner
525 or method in which the Non-Project Water identified on Exhibit C is introduced into and
526 delivered from the Project Facilities. The Contractor further releases the United States, its
527 officers, agents and employees from every claim for injury to persons, death, or property
528 damage, direct or indirect, resulting from the Contracting Officer's determination of the quantity
529 of Excess Capacity available in the Project Facilities for storage and/or conveyance of the
530 Contractor's Non-Project Water, the determination that the Non-Project Water introduced into
531 Project Facilities must be terminated, and the elimination from Exhibit C of any source(s) of
532 Non-Project Water. Nothing contained in this Article shall be construed as an assumption of
533 liability by the Contractor with respect to such matters.

534 CHARGES FOR DELINQUENT PAYMENTS

535 16. (a) The Contractor shall be subject to interest, administrative, and penalty
536 charges on delinquent payments. If a payment is not received by the due date, the Contractor
537 shall pay an interest charge on the delinquent payment for each day the payment is delinquent
538 beyond the due date. If a payment becomes 60 days delinquent, the Contractor shall pay, in
539 addition to the interest charge, an administrative charge to cover additional costs of billing and
540 processing the delinquent payment. If a payment is delinquent 90 days or more, the Contractor
541 shall pay, in addition to the interest and administrative charges, a penalty charge for each day the
542 payment is delinquent beyond the due date, based on the remaining balance of the payment due

543 at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt
544 collection services associated with a delinquent payment.

545 (b) The interest rate charged shall be the greater of either the rate prescribed
546 quarterly in the Federal Register by the Department of the Treasury for application to overdue
547 payments, or the interest rate of 0.5 percent per month. The interest rate charged will be
548 determined as of the due date and remain fixed for the duration of the delinquent period.

549 (c) When a partial payment on a delinquent account is received, the amount
550 received shall be applied first to the penalty charges, second to the administrative charges, third
551 to the accrued interest, and finally to the overdue payment.

552 GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

553 17. (a) The obligation of the Contractor to pay the United States as provided in
554 this Contract is a general obligation of the Contractor notwithstanding the manner in which the
555 obligation may be distributed among the Contractor’s water users and notwithstanding the
556 default of individual water users in their obligation to the Contractor.

557 (b) The payment of charges becoming due pursuant to this Contract is a
558 condition precedent to receiving benefits under this Contract. The United States shall not make
559 Non-Project Water available to the Contractor through American River Division project facilities
560 during any period in which the Contractor is in arrears in the advance payment of rates and
561 charges due the United States. The Contractor shall not deliver Non-Project Water under the
562 terms and conditions of this Contract for lands or parties that are in arrears in the advance
563 payment of rates and charges as levied or established by the Contractor.

564 CONFIRMATION OF CONTRACT

565 18. Promptly after the execution of this Contract, the Contractor will provide
566 evidence to the Contracting Officer that, pursuant to the laws of the State of California, the
567 Contractor is a legally constituted entity and the contract is lawful, valid, and binding on the
568 Contractor. This Contract will not be binding on the United States until the Contractor provides
569 evidence to the Contracting Officer’s satisfaction. In addition to other forms of evidence to meet
570 the requirements of this Article, the Contractor may provide or the Contracting Officer may
571 require a certified copy of a final decree of a court of competent jurisdiction in the State of
572 California, confirming the proceedings on the part of the Contractor for the authorization of the
573 execution of this Contract.

574 NOTICES

575 19. Any notice, demand, or request authorized or required by this Contract shall be
576 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
577 delivered to Bureau of Reclamation, Central California Area Office, 7794 Folsom Dam Road,
578 Folsom CA, 95630, and on behalf of the United States, when mailed, postage prepaid, or
579 delivered to the General Manager of the Contractor, P.O. Box 6570, Auburn, CA 95604-6570.

580 The designation of the addressee or the address may be changed by notice given in the same
581 manner as provided in this Article for other notices.

582 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

583 20. The expenditure or advance of any money or the performance of any obligation of
584 the United States under this Contract shall be contingent upon appropriation or allotment of
585 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
586 obligations under this Contract. No liability shall accrue to the United States in case funds are
587 not appropriated or allotted.

588 OFFICIALS NOT TO BENEFIT

589 21. No Member of or Delegate to the Congress, Resident Commissioner, or official of
590 the Contractor shall benefit from this Contract other than as a water user or landowner in the
591 same manner as other water users or landowners.

592 CHANGES IN CONTRACTOR’S ORGANIZATION

593 22. While this Contract is in effect, no change may be made in the Contractor’s
594 organization, by inclusion or exclusion of lands or by any other changes which may affect the
595 respective rights, obligations, privileges, and duties of either the United States or the Contractor
596 under this Contract including, but not limited to, dissolution, consolidation, or merger, except
597 upon the Contracting Officer’s written consent.

598 ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

599 23. The provisions of this Contract shall apply to and bind the successors and assigns
600 of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein
601 by either party shall be valid until approved in writing by the other party.

602 BOOKS, RECORDS, AND REPORTS

603 24. (a) The Contractor shall establish and maintain accounts and other books and
604 records pertaining to administration of the terms and conditions of this Contract, including the
605 Contractor’s financial transactions; water supply data; Project operation, maintenance, and
606 replacement logs; Project land and rights-of-way use agreements; the water users’ land-use (crop
607 census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting
608 Officer may require. Reports shall be furnished to the Contracting Officer in such form and on
609 such date or dates as the Contracting Officer may require. Subject to applicable Federal laws
610 and regulations, each party to this Contract shall have the right during office hours to examine
611 and make copies of the other party’s books and records relating to matters covered by this
612 Contract.

613 RULES, REGULATIONS, AND DETERMINATIONS

614 25. (a) The Parties agree that the delivery of water or the use of Federal facilities
615 pursuant to this Contract is subject to Federal reclamation law, as amended and supplemented,

616 and the rules and regulations promulgated by the Secretary of the Interior under Federal
617 reclamation law.

618 (b) The Contracting Officer shall have the right to make determinations
619 necessary to administer this Contract that are consistent with its expressed and implied
620 provisions, the laws of the United States and the State of California, and the rules and regulations
621 promulgated by the Secretary of the Interior. Such determinations shall be made in consultation
622 with the Contractor.

623 PROTECTION OF WATER AND AIR QUALITY

624 26. (a) The United States will care for, operate and maintain reserved works in a
625 manner that preserves the quality of the water at the highest feasible level as determined by the
626 Contracting Officer. The United States does not warrant the quality of the Non-Project Water
627 delivered to the Contractor and is under no obligation to furnish or construct water treatment
628 facilities to maintain or improve the quality of the Non-Project Water delivered to the
629 Contractor.

630 (b) The Contractor will comply with all applicable water and air pollution
631 laws and regulations of the United States and the State of California; and will obtain all required
632 permits or licenses from the appropriate Federal, State, or local authorities necessary for the
633 delivery of Non-Project Water by the Contractor; and will be responsible for compliance with all
634 Federal, State, and local water quality standards applicable to surface and subsurface drainage
635 and/or discharges generated through the use of Project Facilities or Contractor facilities or Non-
636 Project Water provided by the Contractor within the Contractor's Boundaries.

637 (c) This Article 26 will not affect or alter any legal obligations of the
638 Secretary to provide drainage or other discharge services.

639 (d) The Contracting Officer reserves the right to require analyses to ensure the
640 Non-Project Water meets the Bureau of Reclamation's water quality acceptance criteria.

641 WATER CONSERVATION

642 27. (a) Prior to the delivery of water provided from or conveyed through federally
643 constructed or federally financed facilities pursuant to this Contract, the Contractor shall develop
644 a water conservation plan, as required by subsection 210(b) of the Reclamation Reform Act of
645 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and Regulations).

646 (b) The Parties hereto acknowledge and agree that pursuant to Contract No.
647 14-06-200-5082A-IR1-P, "Contract Between the United States and Placer County Water
648 Agency Providing Water Service and Facilities Repayment," with an effective date of
649 February 28, 2020, the Contractor has implemented an effective water conservation plan that has

650 been approved by the Contracting Officer. Said water conservation plan shall be deemed to meet
651 the requirements of subdivision (a) of this Article 27: Provided, that the Contractor, prior to
652 execution of this Contract, documents to the satisfaction of the Contracting Officer that the
653 quantity of Non-Project Water to be conveyed pursuant to this Contract has been included in its
654 approved water conservation plan and that all Non-Project Water conveyed pursuant to this
655 Contract shall be subject to the same water conservation requirements as the Project Water under
656 Contract No. 14-06-200-5082A-IR1-P.

657 EQUAL EMPLOYMENT OPPORTUNITY

658 The following language is required by Executive Order No. 11246 of September 24, 1965, in all
659 government contracts unless and until it is superseded or amended.

660 28. During the performance of this Contract, the Contractor agrees as follows:

661 (a) The Contractor will not discriminate against any employee or applicant for
662 employment because of race, color, religion, sex, sexual orientation, gender identity, or national
663 origin. The Contractor will take affirmative action to ensure that applicants are employed, and
664 that employees are treated during employment, without regard to their race, color, religion, sex,
665 sexual orientation, gender identity, or national origin. Such action shall include, but not be
666 limited to the following: employment, upgrading, demotion, or transfer; recruitment or
667 recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and
668 selection for training, including apprenticeship. The Contractor agrees to post in conspicuous
669 places, available to employees and applicants for employment, notices to be provided by the
670 Contracting Officer setting forth the provisions of this nondiscrimination clause.

671 (b) The Contractor will, in all solicitations or advertisements for employees
672 placed by or on behalf of the Contractor, state that all qualified applicants will receive
673 consideration for employment without regard to race, color, religion, sex, sexual orientation,
674 gender identity, or national origin.

675 (c) The Contractor will not discharge or in any other manner discriminate
676 against any employee or applicant for employment because such employee or applicant has
677 inquired about, discussed, or disclosed the compensation of the employee or applicant or another
678 employee or applicant. This provision shall not apply to instances in which an employee who has
679 access to the compensation information of other employees or applicants as a part of such
680 employee's essential job functions discloses the compensation of such other employees or
681 applicants to individuals who do not otherwise have access to such information, unless such
682 disclosure is in response to a formal complaint or charge, in furtherance of an investigation,
683 proceeding, hearing, or action, including an investigation conducted by the employer, or is
684 consistent with the Contractor's legal duty to furnish information.

685 (d) The Contractor will send to each labor union or representative of workers
686 with which it has a collective bargaining agreement or other contract or understanding, a notice,
687 to be provided by the Contracting Officer, advising the labor union or workers' representative of
688 the Contractor's commitments under Section 202 of Executive Order No. 11246 of September
689 24, 1965, and shall post copies of the notice in conspicuous places available to employees and
690 applicants for employment.

691 (e) The Contractor will comply with all provisions of Executive Order No.
692 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of
693 Labor.

694 (f) The Contractor will furnish all information and reports required by
695 Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of
696 the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and
697 accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to
698 ascertain compliance with such rules, regulations, and orders.

699 (g) In the event of the Contractor's noncompliance with the nondiscrimination
700 clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be
701 canceled, terminated or suspended in whole or in part and the Contractor may be declared
702 ineligible for further Government contracts in accordance with procedures authorized in
703 Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and
704 remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule,
705 regulation, or order of the Secretary of Labor, or as otherwise provided by law.

706 (h) The Contractor will include the provisions of paragraphs (a) through (h) in
707 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
708 Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September
709 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The
710 Contractor will take such action with respect to any subcontract or purchase order as may be
711 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions
712 for noncompliance: *Provided, however*, that in the event the Contractor becomes involved in, or
713 is threatened with, litigation with a subcontractor or vendor as a result of such direction, the
714 Contractor may request the United States to enter into such litigation to protect the interests of
715 the United States.

716 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

717 29. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
718 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as
719 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135,
720 Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub.
721 L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the
722 applicable implementing regulations and any guidelines imposed by the U.S. Department of the
723 Interior and/or Bureau of Reclamation.

724 (b) These statutes prohibit any person in the United States from being
725 excluded from participation in, being denied the benefits of, or being otherwise subjected to
726 discrimination under any program or activity receiving financial assistance from the Bureau of
727 Reclamation on the grounds of race, color, national origin, disability, or age. By executing this
728 Contract, the Contractor agrees to immediately take any measures necessary to implement this
729 obligation, including permitting officials of the United States to inspect premises, programs, and
730 documents.

731 (c) The Contractor makes this agreement in consideration of and for the
732 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
733 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of
734 Reclamation, including installment payments after such date on account of arrangements for
735 Federal financial assistance which were approved before such date. The Contractor recognizes
736 and agrees that such Federal assistance will be extended in reliance on the representations and
737 agreements made in this Article and that the United States reserves the right to seek judicial
738 enforcement thereof.

739 (d) Complaints of discrimination against the Contractor shall be investigated
740 by the Contracting Officer’s Office of Civil Rights.

741 CERTIFICATION OF NONSEGREGATED FACILITIES

742 30. The Contractor hereby certifies that it does not maintain or provide for its
743 employees any segregated facilities at any of its establishments and that it does not permit its
744 employees to perform their services at any location under its control where segregated facilities
745 are maintained. It certifies further that it will not maintain or provide for its employees any
746 segregated facilities at any of its establishments and that it will not permit its employees to
747 perform their services at any location under its control where segregated facilities are
748 maintained. The Contractor agrees that a breach of this certification is a violation of the Equal
749 Employment Opportunity clause in this Contract. As used in this certification, the term
750 “segregated facilities” means any waiting rooms, work areas, rest rooms and wash rooms,
751 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,
752 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing
753 facilities provided for employees which are segregated by explicit directive or are in fact
754 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,
755 disability, or otherwise. The Contractor further agrees that (except where it has obtained
756 identical certifications from proposed subcontractors for specific time periods) it will obtain
757 identical certifications from proposed subcontractors prior to the award of subcontracts
758 exceeding \$10,000 which are not exempt from the provisions of the Equal Employment
759 Opportunity clause; that it will retain such certifications in its files; and that it will forward the
760 following notice to such proposed subcontractors (except where the proposed subcontractors
761 have submitted identical certifications for specific time periods):

762 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
763 CERTIFICATIONS OF NONSEGREGATED FACILITIES

764 A Certification of Nonsegregated Facilities must be submitted prior to the award of a
765 subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal
766 Employment Opportunity clause. The certification may be submitted either for each subcontract
767 or for all subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The
768 penalty for making false statements in offers is prescribed in 18 U.S.C. § 1001.

769 MEDIUM FOR TRANSMITTING PAYMENTS

770 31. (a) All payments from the Contractor to the United States under this Contract
771 shall be by the medium requested by the United States on or before the date payment is due. The
772 required method of payment may include checks, wire transfers, or other types of payment
773 specified by the United States.

774 (b) Upon execution of this Contract, the Contractor shall furnish the
775 Contracting Officer with the Contractor’s taxpayer’s identification number (TIN). The purpose
776 for requiring the Contractor’s TIN is for collecting and reporting any delinquent amounts arising
777 out of the Contractor’s relationship with the United States.

778 CONTRACT DRAFTING CONSIDERATIONS

779 32. This Contract has been negotiated and reviewed by the Parties hereto, each of
780 whom is sophisticated in the matters to which this Contract pertains. The double-spaced articles
781 of this Contract have been drafted, negotiated, and reviewed by the Parties, and no one Party
782 shall be considered to have drafted the stated articles. Single-spaced articles are standard articles
783 pursuant to Reclamation policy.

784 INCORPORATION OF EXHIBITS

785 33. Exhibits A through G are attached hereto and incorporated herein by reference.

786 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of
787 the day and year first above written.

788 UNITED STATES OF AMERICA

789 By: _____
790 Regional Director
791 Central California Area Office
792 California-Great Basin Region
793 Bureau of Reclamation

794 PLACER COUNTY WATER AGENCY
795 (SEAL)

796 By: _____
797 Chair of the Board of Directors

798 Attest:

799 By: _____

800

EXHIBIT A-1

CONTRACTOR'S BOUNDARIES

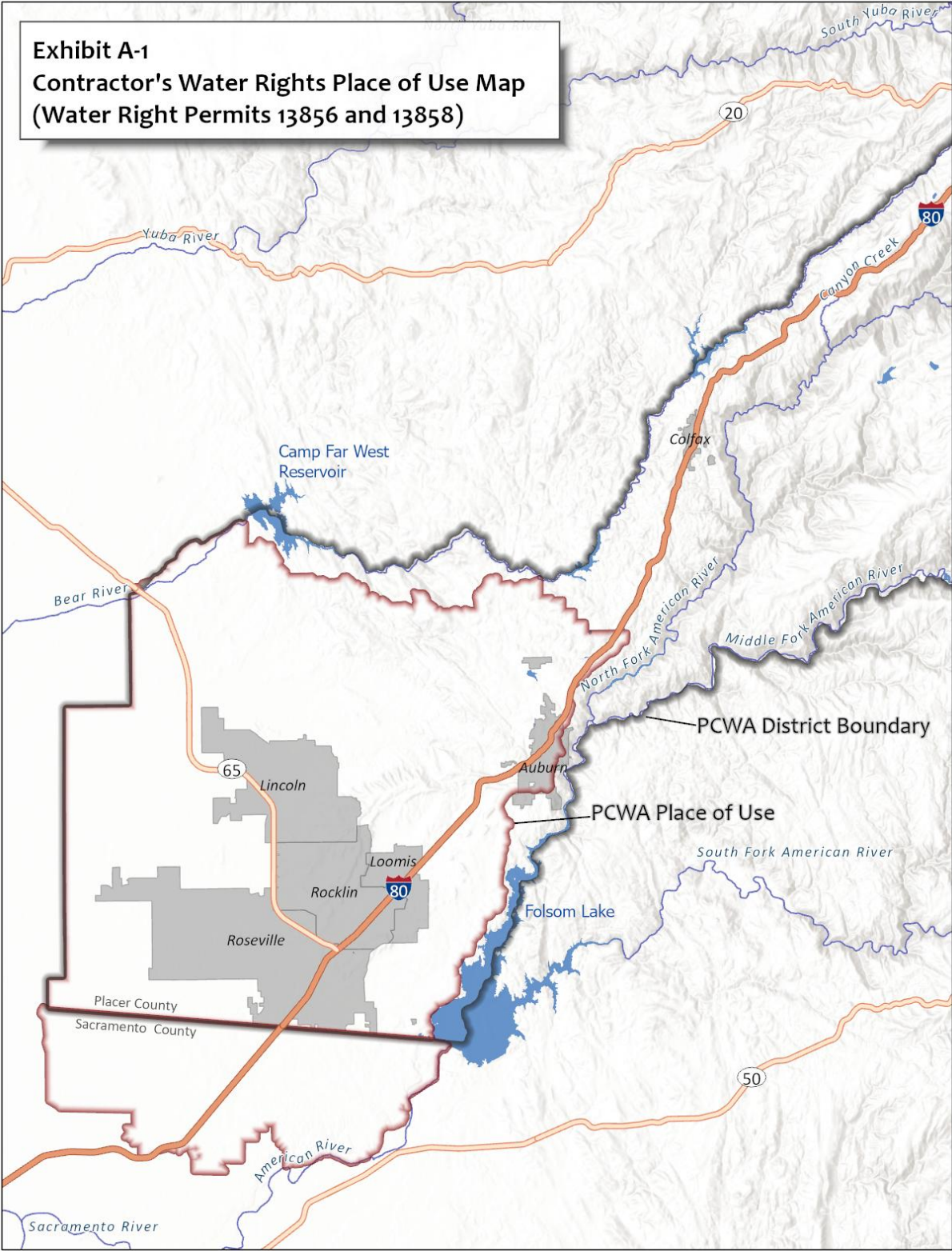
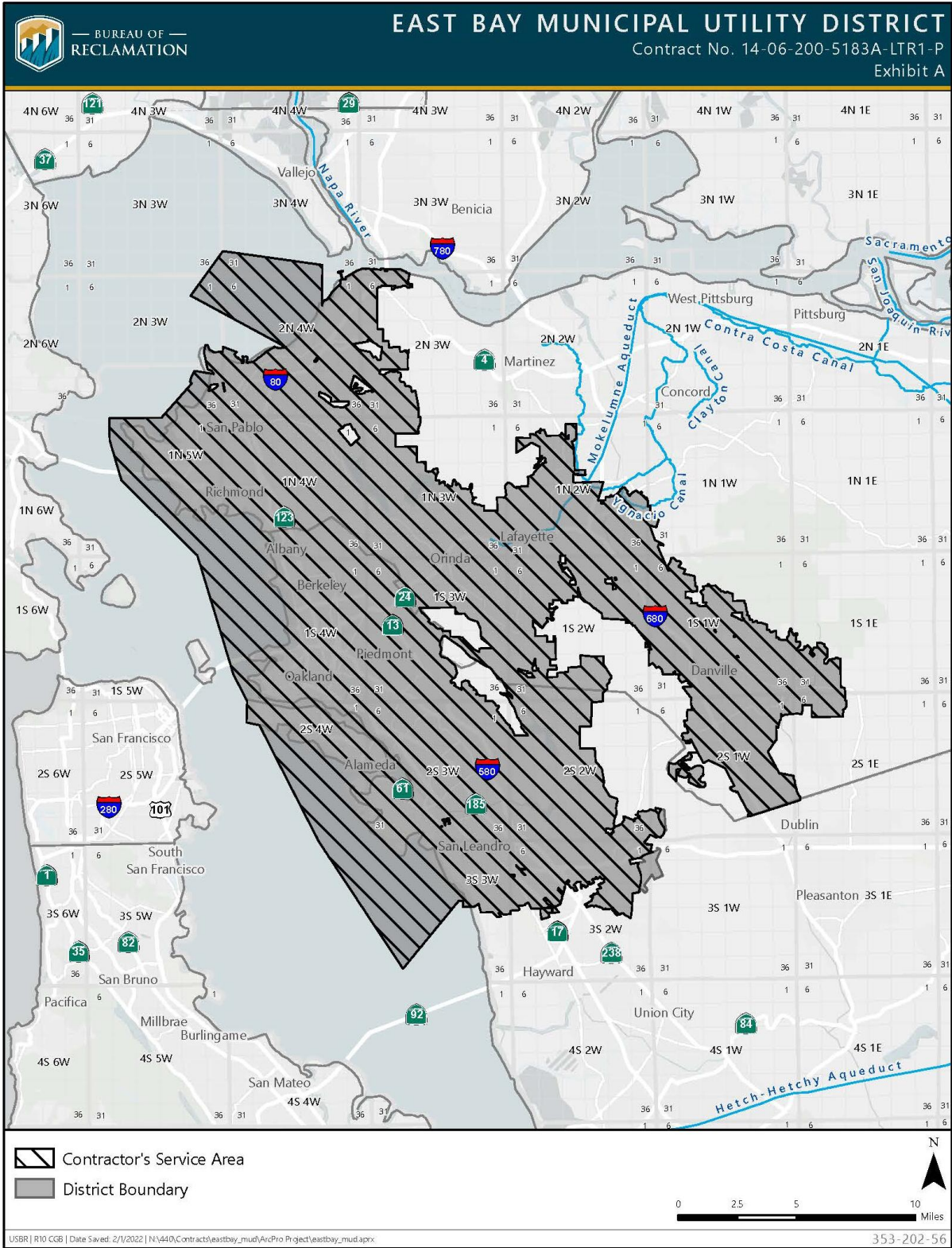


EXHIBIT A-2

**EAST BAY MUNICIPAL UTILITY DISTRICT
SERVICE AREA**



EBMUD’s Contractor’s Service Area boundary map as set forth in EBMUD’s CVP contract, Contract Number 14-06-200-5183A-LTR1-P, which is updated from time to time.

EXHIBIT B

PLACER COUNTY WATER AGENCY

YEAR 2024

**STORAGE AND CONVEYANCE RATES
(Per Acre-Foot)**

Cost Component	POINTS OF DELIVERY			
	PCWA		East Bay MUD	
		M&I ¹ Cost of Service		M&I ¹ Cost of Service
O&M Charge²		\$4.24		\$4.24
Storage		\$15.51		
Storage Replacement Component		\$2.18		
Sub-Total Storage		\$17.69		\$0.00
Conveyance				
Conveyance Replacement Component				\$39.93
Sub-Total Conveyance		\$0.00		\$39.93
Other Costs		\$0.97		\$0.97
Total Marketing, Conveyance and Storage		\$22.90		\$45.14

Additional details of the rate components are available on the internet at <http://www.usbr.gov/mp/cvpwaterrates/ratebooks/>

¹ The M&I Cost of Service Rate is applicable to Non-Project Water conveyed and diverted for municipal and industrial purposes. See definition of “Municipal and Industrial Water” in subdivision (i) of Article 1 of this Contract.

² The excess capacity O&M charge for non-CVP contractors is calculated based on the share of the contract administration costs associated with administration of the Warren Act contracts.

EXHIBIT C

SOURCE(S) OF CONTRACTOR'S NON-PROJECT WATER

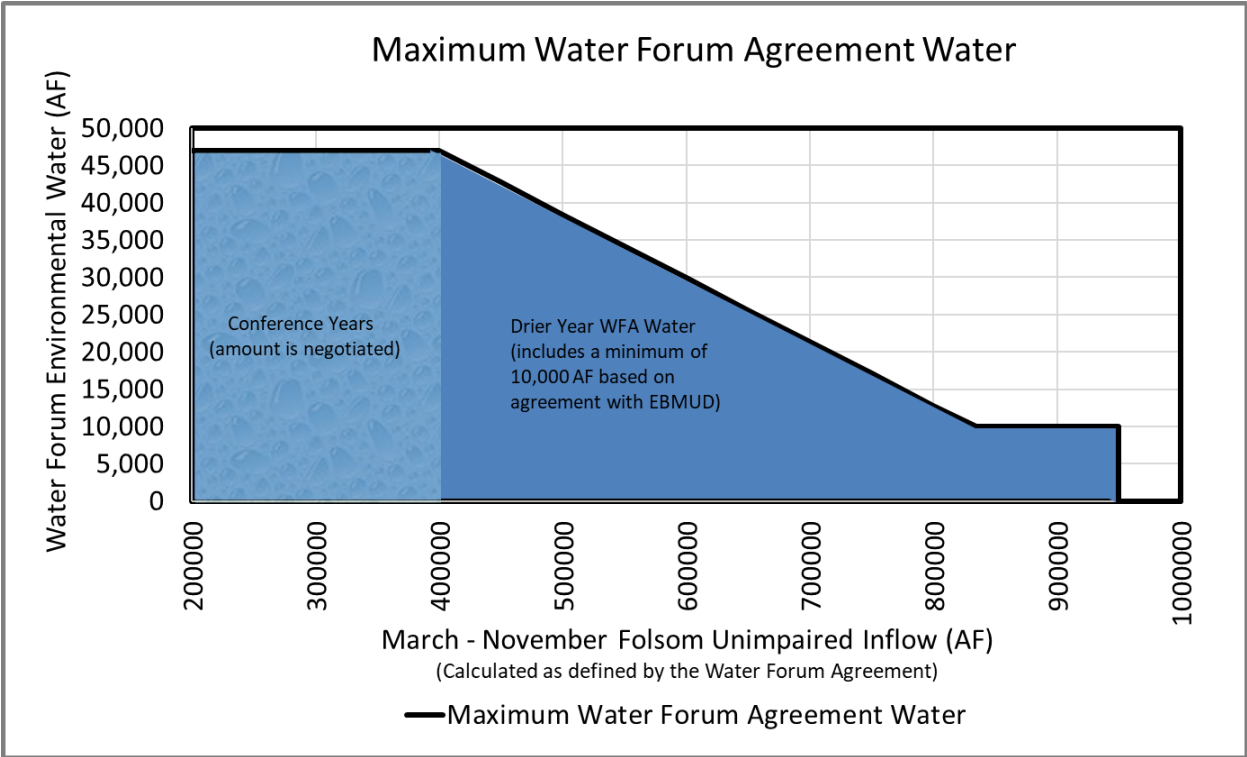
PLACER COUNTY WATER AGENCY

For the purpose of this Contract, the source of the Contractor's Non-Project Water Supply, commonly known as "Middle Fork American River Project Water", is described herein below:

The source of the Contractor's Non-Project Water supply is the Middle Fork American River Project water diverted and stored under the Contractor's Water Right Permit Nos. 13856 and 13858, which authorize Contractor to divert and store water for municipal and other beneficial purposes.

EXHIBIT D

CONTRACTOR WATER FORUM AGREEMENT COMMITMENT



Maximum Water Forum Agreement Water (up to 47,000 AF) provided by Placer County Water Agency (through reoperation of its MFP reservoirs) to the Lower American River in Drier years to preserve the fish, wildlife, recreational, and aesthetic values. Drier years are defined when the March through November Unimpaired Inflow to Folsom Reservoir is between 400,000 and 950,000 AF (calculated as defined by the Water Forum Agreement).

EXHIBIT E

FOREGONE POWER GENERATION COMPENSATION

The following methodology will be used by the Contracting Officer to calculate Foregone Power Generation Compensation:

Foregone Power Volume in Acre-Feet = 25% * Non-Project WFA Water introduced into Folsom Reservoir between May 15 and July 14

Foregone Power Generation Compensation = Foregone Power Volume in acre-feet (AF) x Efficiency Factor in Mega Watt Hour (MWh) per AF x Energy Price per MWh

EXAMPLE: (5,000 AF) x (0.217 MWh/AF) x (\$45/MWh) = \$48,825

Where:

Foregone Power Generation Compensation: the dollar amount that PCWA owes Reclamation for foregone power losses as calculated by the methodology described above.

Foregone Power Volume: the portion of the Folsom Power Bypass Volume that PCWA is responsible for compensation to Reclamation based on the percentage described above. The Foregone Power Volume shall never be greater than the Folsom Powerplant Bypass Volume.

Efficiency Factor: the average power generation produced for each acre-foot of water (MWh/AF) passed through the Folsom Powerplant during the period of a power bypass.

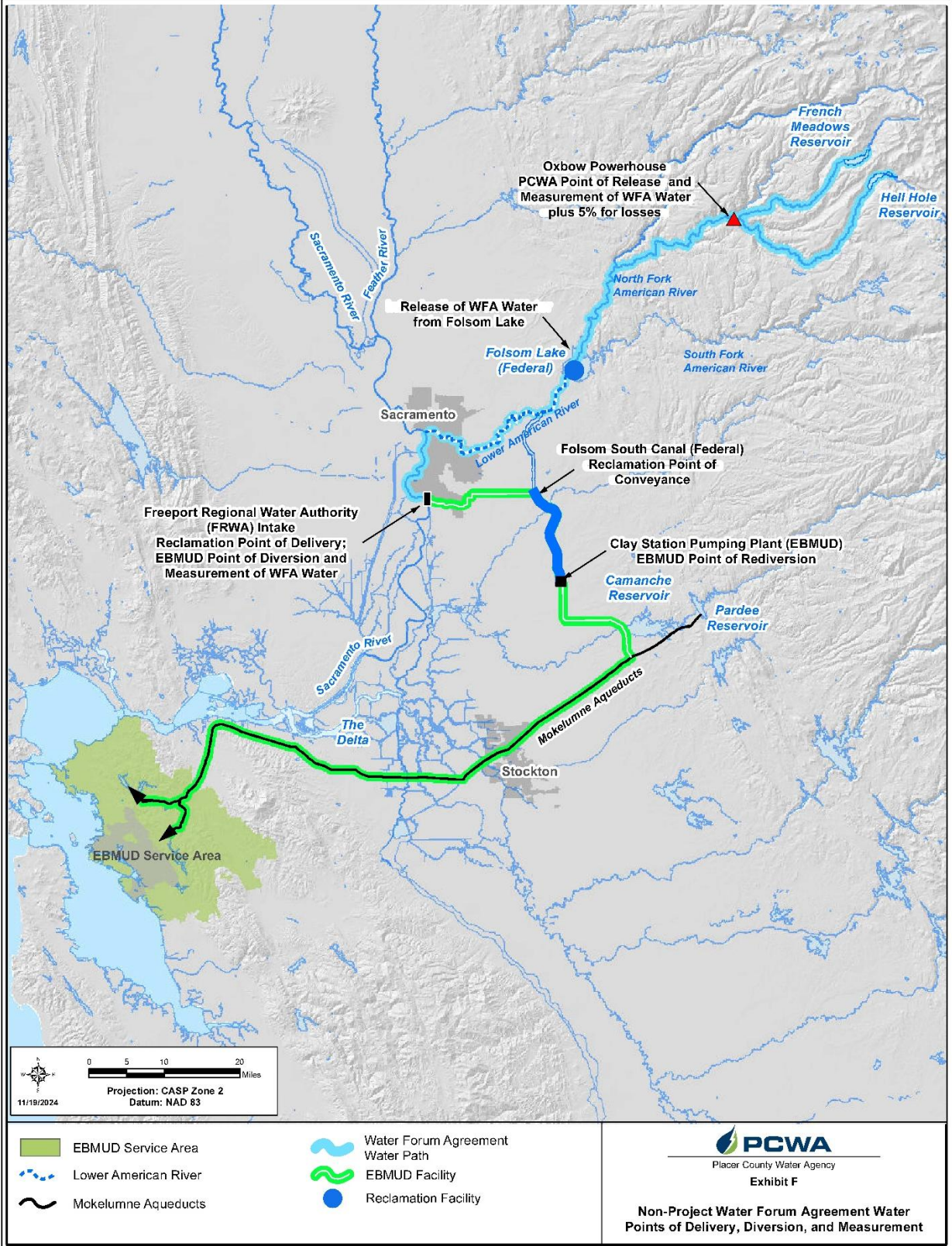
Energy Price: the actual California Independent System Operator (CAISO) North Path 15 (NP-15) average dollar per megawatt hour (\$/MWh) energy price during the period of a power bypass of the Folsom Powerplant. If NP-15 is not available, the Parties shall meet and confer on a mutually agreeable alternate source of energy pricing information to be used in this calculation.

EXHIBIT F

REFILL PRINCIPLES

(Forthcoming)

EXHIBIT G
NON-PROJECT WFA WATER
POINTS OF DELIVERY, DIVERSION, AND MEASUREMENT



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MEMORANDUM

TO: Board of Directors

FROM: Tony Firenzi, Director of Strategic Affairs

DATE: November 21, 2024

RE: 2024 State Legislative Report

RECOMMENDATION:

Receive 2024 state legislative session report from the Executive Director of California Municipal Utilities Association, Danielle Blacet-Hyden, no action requested.

BACKGROUND:

The California Municipal Utilities Association (CMUA) is one of several organizations that PCWA belongs to for advocacy. A primary function of CMUA is legislative and regulatory advocacy in water, wastewater, and energy. Their executive director, Barry Moline, is retiring and being replaced by their incumbent Director for Water, Danielle Blacet-Hyden.

DISCUSSION:

There were several critical legislative proposals in the 2024 session that had serious implications for PCWA's water resources and service. Among the most significant were those associated with water rights, capacity charges for new connections, and low-income rate assistance. CMUA was very effective in advocating for PCWA and their other members to manage the outcomes of these proposals.

Danielle Blacet-Hyden will attend the Board meeting and offer a summary of CMUA efforts on these legislative proposals. This will be a time for the Board to meet the new executive director and ask questions as desired.