

**SAN JUAN WATER DISTRICT and  
SACRAMENTO SUBURBAN WATER DISTRICT  
Joint Committee Meeting**

San Juan Water District  
9935 Auburn Folsom Road  
Granite Bay, CA 95746

**2x2 Ad Hoc Water Management Committee**

**AGENDA  
June 23, 2014  
1:00 p.m.**

1. Public Comment
2. Discuss Phase 2 Further Analysis of Consolidating SJWD and SSWD
  - a. Scope of Work
  - b. Budget
3. Consultant Selection Options and Process
4. Draft Memorandum of Agreement on Cost Sharing
5. Other Matters
6. Meeting Locations
7. Next Meeting

# AGENDA ITEM 2

## STAFF REPORT

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To: 2X2 Water Management Ad Hoc Committee

From: Robert Roscoe, SSWD General Manager  
Shauna Lorance, SJWD General Manager

Date: June 23, 2014

Subject: Phase 2, Further Analysis of Consolidating SSWD and SJWD Study

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### **RECOMMENDED COMMITTEE ACTION:**

Recommend forwarding to the joint Board of Directors for approval:

1. Scope of work for Phase 2 (2A & 2B), attached as Exhibit 1 or as amended.
2. \$100,000 budget for the Phase 2 (2A & 2B) Study or as amended.

### **BACKGROUND**

In 2011, Sacramento Suburban Water District (SSWD) and San Juan Water District (SJWD), collectively Districts, mutually agreed to investigate opportunities to maximize the reliability of their water supplies. The Municipal Consulting Group, LLP (MCG) was retained to conduct a Phase 1 analysis. On March 19, 2014, MCG presented the final draft report of the Phase 1 analysis to the Committee. Based on the findings of Phase 1, MCG recommended to the Committee that consolidation of the two Districts was preferable for providing increased water reliability benefits to customers of both Districts, and that a Phase 2 analysis of combining the two districts be performed. On April 28, 2014, the individual Boards of both Districts approved the Committee's recommendation and directed the Committee to move forward with developing a Scope of Work and Budget for a Phase 2, Further Analysis of Consolidating SSWD and SJWD Study.

Both Board's further directed the Phase 2 study to be broken into two phases - 2A and 2B, with Phase 2A dealing with key high level issues that Board members needed in order to make the consolidation decision, while Phase 2B would focus on other important issues or unaddressed information needed to comply with Local Agency Formation Commission (LAFCo) requirements. In addition, the Boards directed that Phase 2 address major concerns of SJWD's wholesale customer agencies, including water supply reliability, as well as identify cost saving opportunities, financial and debt issues, political influence and be completed in a timely manner.

## **DISCUSSION**

The 2 sections of the Phase 2 Study – Phase 2A and 2B are expected to proceed as follows:

### **Phase 2A**

The following steps, primarily performed by staff, comprise the analysis of Phase 2A (see Exhibit 1 attached for specific tasks):

- 1) Validate critical assumptions of Phase 1, to include:
  - a. Validate the merits to dissolve SSWD and establish SJWD as the successor agency as recommended in Phase 1, Evaluation of Water Management Alternatives;
  - b. Validate establishing divisions versus at-large for elections of the successor agency directors;
- 2) Establish a transition plan that addresses key issues such as:
  - a. Transition of executive staff and associated support positions;
  - b. Completion of a compensation plan that addresses equalization of salaries and benefits, including reconciling CalPERS retirement plans between the two districts;
  - c. Conduct a detailed cost-of-service plan to establish zones-of-benefit that reflects existing service areas and associated rate structures; and,
  - d. Validate with Bond Counsel the process to fully integrate bond debt, considering the call dates (2019 and 2022) of outstanding bonds, in developing a process that would not impair bondholder security.
- 3) Evaluate other considerations to include:
  - a. Conducting an engineering feasibility study to explore the potential operational strategies of combining the two Districts and verify as-good-as or better system performance criteria for existing customers under a range of hydrologic conditions. This study should investigate any new infrastructure or operational requirements needed to fully exercise water supplies available to the consolidated district.
  - b. Develop provisions within the respective District resolutions to combine the districts to protect the surface water supply reliability of the Wholesale Agencies.
  - c. Conduct a detailed operations / service plan to address staffing and resource management (e.g., fleet, corporation yards, etc.) issues to promote “cultural” integration of the combined districts’ staff.
- 4) Preparation and adoption by each District of substantially similar resolutions to combine the Districts.
- 5) Once the Phase 2 Analysis and LAFCo application is submitted, the Districts initiate an interagency agreement to implement an interim transfer to serve as a trial for maximizing the use of the surface water supplies.
  - a. The inter-agency agreement outlines an Trial transfer between SJWD and SSWD using the Pre-1914 water supplies to serve SSWD with a provision that use of the Pre-1914 water supply must revert

back to the Wholesale Agencies during emergency or shortage events (e.g., Stage 3, or greater, Notifications). Under this Trial Period during drought or shortage conditions, SSWD would forego the use of the interim Pre-1914 water supply and return to groundwater as its primary water supply. The Trial process establishes a model for implementing the formal conjunctive use program as well as identifying operational or institutional challenges that were previously unforeseen. For SJWD's pre-1914 water right, Water Code Section 1706 allows this water supply to be transferred by changing the purpose of use, place of use or point of diversion under the water right. The point of diversion, place of use or purpose of this water supply can be changed only if others are not injured by the proposed change. This "no injury rule" protects other legal users (e.g., Wholesale Agencies) of the water, including fish and wildlife, from adverse impacts of a water transfer. Since SJWD has demonstrated a historical use of the entire pre-1914 water supply from Folsom Reservoir, establishing a "no injury rule" argument against an agreement to serve SSWD would be unlikely. The same point of diversion, if treated at the PWTP, and transmitted it through the Cooperative Transmission Pipeline, would further support an agreement. A primary consideration for using the Pre-1914 water supply in the SSWD service area is centered on the existing Wholesale Agencies' rights and obligations. As the Wholesale Agencies have a long and complex history, more careful and detailed analysis of the historical records and specific contracts is necessary. SJWD has specific terms with each Wholesale Agency to provide surface water supplies. However, SJWD was formed by the Wholesale Agencies to act as the owner of the water rights and those agencies have traditionally relied upon SJWD for treating and delivering their water supplies.

## **Phase 2B**

Phase 2B of the Study will primarily be performed by an outside consultant and will follow the requirements of the Sacramento Local Agency Formation Commission (LAFCo) outlined for the Municipal Services Review (MSR). LAFCo has specific requirements for considerations when changing, adjusting or modifying service area boundaries (see Exhibit 1 attached for specific tasks.) The MSR provides a written determination for the following factors:

- a) Infrastructure needs and deficiencies
- b) Growth and population projections for the affected areas
- c) Financial constraints and opportunities
- d) Cost avoidance opportunities
- e) Opportunities for rate restructuring
- f) Opportunities for shared facilities

- g) Government structure options including advantages and disadvantages of consolidation or reorganization of service providers
- h) Evaluation of management efficiencies
- i) Local accountability and governance.

### **LAFCo Application Process**

The LAFCo Application Process is well documented and structured. There are at least two different processes the Districts can follow in applying to LAFCo. The first is to submit “substantially similar” resolutions of each Board agreeing to consolidate accompanied by the MSR. The second is to submit an application to LAFCo. Either way, LAFCo will conduct and lead the proceedings for a legal combination of the Districts. Because SJWD’s service area is located in two adjacent counties, Sacramento LAFCo has indicated its desire to obtain an acknowledgement or agreement with the Placer County LAFCo, to serve as lead agency. The LAFCo process for combination of the Districts is summarized as follows:

1. SSWD and SJWD hold a pre-application meeting with LAFCo. LAFCo’s primary concerns with a proposed SJWD-SSWD combination, as expressed by LAFCo staff, include employment contracts, policies and human resources issues; specified plans for top managers’ future roles and responsibilities, and staffing of key positions; plans and safeguards to ensure uniform and consistent service quality throughout the newly merged agency; and plans for retaining equity in rates, fees and charges throughout the new District.
2. The governing boards of SSWD and SJWD adopt similar resolutions for combination. If the governing boards adopt similar resolutions, LAFCo then must approve the combination. However, LAFCo can impose additional terms and conditions upon the action such as:
  - a. Requiring the Districts to jointly prepare a service plan and fiscal analysis for providing services. The Service Plan would need to address the transition of employees and designation of the general manager.
  - b. LAFCo can include a condition requiring a period of time for the combination allowing the successor agency to transition Board representation. LAFCo staff indicated that the successor agency may have an initial successor board of 7, 9 or 11 members, but the size of the Board may need to be reduced over time to a smaller number in accordance with statutory requirements.
  - c. In the Service Plan, LAFCo may require an explanation of how the water supply assets of each agency will be used to benefit the customer base of the combined District.
  - d. This element of the Service Plan would not only include the pre-1914 and surface water assets; but would also include contracts between Reclamation and PCWA or the City of Sacramento; and SSWD’s groundwater assets.

3. Preparation of a fiscal analysis of the Service Plan. The fiscal analysis of the Service Plan would explain how the cost of service could be allocated among the former Districts' customers and, if appropriate, how SJWD's and SSWD's staffs would be integrated. SSWD and SJWD retail zones could be temporarily established to reflect different, zone-specific cost of services. Creating retail zones would be allowed for a specified length of time for rates, fees and charges to be equalized over the entire successor district. The status and arrangements with the SJWD Wholesale Agencies would not necessarily need to change. Other components of the fiscal analysis could include:
  - a. SJWD's and SSWD's CalPERS retirement plans would need to be reconciled.
  - b. Salary and benefits structures would need to be analyzed and ultimately equalized between the two districts, for all employees.
  - c. SSWD and SJWD would be required to conduct the appropriate level of CEQA review for combining the Districts. It is anticipated that CEQA review could be accomplished with a negative declaration since both service areas are largely entitled with designated land uses and already-developed areas.
4. Proceed with the LAFCo Process: Once CEQA proceedings and a Service Plan are finalized, and the desired arrangement for combining is defined between the Districts' and LAFCo, then the SJWD and SSWD Boards would initiate the formal LAFCo application process by adopting a substantially similar resolution of application and submitting supporting documentation required by LAFCo (maps, demographic and financial data, etc.).
  - a. LAFCo staff would review the application and work with the two Districts' Boards and staffs on additional information requests.
  - b. With no protest, LAFCo could process and tentatively approve the application. Although LAFCo typically provides a 30-day minimum comment period. If no protests are received, LAFCo would proceed with one or more public hearings, depending on the number of public comments received.
5. The final step is for LAFCO to record a Certificate of Completion: After its approval of an uncontested application, LAFCO would record a Certificate of Completion in both Sacramento and Placer Counties finalizing the combination.
  - a. If protested, LAFCO would be required to hold additional proceedings and require the Districts to hold an election to permit their voters to approve or disapprove the proposed combination. A successful protest would require at least 25% of the landowners of assessed property holding 25% or more of total assessed value, or 25% of all registered voters within the two Districts.

## **BUDGET**

The tasks involved to complete the Phase 2 study are those necessary to meet the minimum legal requirements of consolidation, a budget of \$100,000 is recommended. This amount is comprised of:

1. Legal and consultant costs - \$75,000
2. Regulatory fees with LAFCo, CEQA, etc. - \$25,000

## Scope of Work

# San Juan Water District and Sacramento Suburban Water District Phase 2, Further Analysis of Consolidating San Juan Water District and Sacramento Suburban Water District

### INTRODUCTION AND BACKGROUND

San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD), collectively referred to as “Districts,” are seeking further analysis in performing a “Phase 2, Further Analysis of Consolidating SJWD and SSWD Study” resulting from a “Phase 1, Study of Alternatives” completed and accepted by both District Board of Directors on April 28, 2014.

Both District Boards recognize that public policy requires the analysis of a possible business combination consider the impacts of potential benefits to the Districts’ customers and demonstrate how these benefits can be maintained in a long-term, sustainable manner. Picking up from where the Phase 1 analysis left off, in this Phase 2 analysis the Districts are hoping to demonstrate a “finding of fact” that combining the two Districts will be in the public’s interest, meeting the following objectives: (1) Providing increased water supply reliability, and (2) Resulting in greater economies in the form of less cost, or reduced costs, and a higher level of service for the general public.

The District Boards have already made a preliminary determination that a business combination of SJWD and SSWD is the appropriate business model necessary to maximize long-term water supply reliability for the two Districts. A combined agency, they believe, would place the two Districts in a better position to control their destiny; manage and protect their respective water supplies; and provide the ability to address federal, state and regional influences impacting water supply reliability. Other expected benefits from combining the Districts include:

- a) Economies of scale for district representation on regional, state and federal matters within the Lower American River region;
- b) Flexibility to use Pre-1914 water and maximize the use of Central Valley Project (CVP) supplies for SSWD, SJWD and the Wholesale Agencies resulting in increased water supply reliability;
- c) Establishing a historical record of using CVP supplies; and
- d) Avoidance of event-driven inter-agency negotiations for exchanges or transfers of water supplies during dry-year reductions or critically dry-year events.



## EXHIBIT 1

Although some issues have been identified related to combining SSWD and SJWD, there are no obvious or compelling deterrents, thus far, that would preclude combining the Districts. However, this Phase 2 Study is being performed to validate this understanding and to more thoroughly analyze combining the Districts.

SJWD and SSWD have a long history of working collaboratively on projects of mutual benefit. With the actions related to the Bay Delta Conservation Plan, OCAP Biological Opinion Recommended and Prudent Actions, and the SWRCB Flow proceedings, as well as multiple others, the need to implement a conjunctive use plan became apparent. With SSWD's groundwater facilities and transmission pipelines, and SJWD's treatment and surface water supply, the two agencies identified a possible collaborative approach in water management.

Specific tasks deemed necessary to complete this Study are outlined in the Table below:

EXHIBIT 1

TASKS	Phase	
	2A (Primarily Staff)	2B (Primarily Consultant)
<b><u>Customers/Public</u></b>		
Plans/Safeguards for service quality	X	
Plans for equity in rates, fees and charges	X	
<b><u>Governance</u></b>		
Consolidation vs. dissolution	X	
Wholesale vs. Retail combination		
Government Formation (CSD vs County WD)	X	
Policies		
<b><u>Water Supply Assurances</u></b>		
SJWD wholesale customers – water rights	X	
SSWD Groundwater	X	
<b><u>Board</u></b>		
Transition size/timing (10 to 5)	X	
Election district boundaries		X
<b><u>Administration</u></b>		
District Transition	X	
Executive Staff – plans, roles, responsibilities		X
<b><u>Human Resources</u></b>		
Benefits	Principle	X
Employment contracts		X
Salaries/compensation	Principle	X
Staffing of key positions	Principle	X
Organizational Chart – Functional	X	
Office Locations		X
<b><u>Financial</u></b>		
Timing of transition to one billing CI system	X	
Timing of transition to one financial system	X	
Rate Structures	Principle	X
Transfer of Assets	Principle	X
Capital Investments	Principle	X
Debt Service	X	
<b><u>Operations</u></b>		
Integration of staffing	Principle	X
Continuity of service	X	

**EXHIBIT 1**

TASKS	Phase	
	2A (Primarily Staff)	2B (Primarily Consultant)
<b>Other</b>		
CVP metering requirement	Principle	X
“No harm” to existing customers	X	
<b>Cost Savings or Reduction in Increases</b>		
Reduction in future additional staffing	X	
Water Transfers	X	
Lost access to surface water	X	
<b>LAFCo MSR Items</b>		
Preparation of Pre-Application Documents, to include:		
Infrastructure needs and deficiencies		X
Growth and population projections		X
Financial constraints and opportunities		X
Cost avoidance opportunities		X
Opportunities for rate restructuring		X
Opportunities for shared facilities		X
Government structure options including advantages and disadvantages of consolidation or reorganization of service providers		X
Evaluation of management efficiencies		X
Local accountability and governance		X
Responses to LAFCo, that may include:		
Service Plan		X
Fiscal Analysis		X
CEQA Documents		X
Preparation of Formal Application		X

**TERMS**

The Consultant will be required to provide the equipment, materials and labor to complete the tasks of this analysis. The joint 2x2 Water Management Ad Hoc Committee (Committee) will be directing this Study. The contracting of this project will be with SSWD to allow a single point of contact. A copy of SSWD’s Standard Consulting contract is attached.

**MEETINGS**

There will be numerous meetings related to this Study. The following minimum meetings are assumed:

Kick-Off Meeting	1
Information gathering meetings with Executive Staff	2
Information gathering with other agencies	2
Review meetings with 2x2 Committee	3
Joint Board Meetings	2
Meetings with LAFCo	2

**TIMING**

2x2 Committee Meeting	June 23, 2014
Kick-Off Meeting	June 30, 2014
Executive Staff	July 7, 2014
Other Agencies	July 14, 2014
Executive Staff	July 21, 2014
2x2 Committee Meeting	July 28, 2014
LAFCo Meeting	August 4, 2014
Joint Board Meeting	August 11, 2014
2x2 Committee Meeting	August 18, 2014
LAFCo Meeting	August 25, 2014
Joint Board Meeting	September 8, 2014
Joint Board Meeting	September 15, 2014

**REPORTS**

Reports will consist of:

1. Administrative Draft – A draft of the final report for review by both the Committee and Executive Staff.
2. Draft – Final Report – Incorporating comments from the Committee and Executive Staff for joint Board review.
3. Final Report – Incorporating comments from the draft final report.
4. LAFCo Reports and Applications – Consisting of Pre and Formal Applications and other reports as required.

# AGENDA ITEM 3

## STAFF REPORT

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To: 2X2 Water Management Ad Hoc Committee

From: Robert Roscoe, SSWD General Manager  
Shauna Lorance, SJWD General Manager

Date: June 23, 2014

Subject: Consultant Selection Options and Process

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### **RECOMMENDED COMMITTEE ACTION:**

Recommend forwarding to the joint Board of Directors for approval:

1. Selection of John O'Farrell & Associates as Phase 2 Consultants.
2. Authorize use of SSWD's standard consulting contract with Consultant.
3. Establish a \$75,000 budget for Consultant and Legal costs for the Phase 2 (2A & 2B) Study or as amended.

### **DISCUSSION**

Integral to the Phase 2, Further Analysis of Consolidating Sacramento Suburban Water District (SSWD) and San Juan Water District (SJWD) Study is a determination of the resources necessary to appropriately complete the Study. Due to the depth and extent of information needed, respective District staffs will be the primary resource to complete the Phase 2A portion of the Study. As Phase 2B has primarily to do with gathering information for the LAFCo approval process as well as submitting the resolutions and applications for approval, an outside consultant who is familiar with LAFCo processes will be needed. It is recommended this outside Consultant also consolidate and finalize the results of both Phase 2A and 2B into a single final report.

Both Districts staff are familiar with Mr. John O'Farrell of John O'Farrell and Associates. Mr. O'Farrell is well qualified to perform as the outside consultant for the Study as he has over 25 years of experience serving as the Executive Officer of Sacramento County LAFCo from 1976 to 2002. Mr. O'Farrell resides within the current SJWD boundaries, living and working in Fair Oaks, California. Please see his Statement of Qualifications attached as Exhibit 1.

Staff recommends sole-sourcing the consultant services to Mr. O'Farrell as opposed to circulating a request for proposals for the following reasons:

1. The expertise needed to complete the Study are those possessed uniquely by Mr. O'Farrell. Serving as the past Executive Officer of Sacramento County LAFCo makes Mr. O'Farrell uniquely qualified to best advise the District's on the regulatory approval process with LAFCo, the approving authority for the consolidation.
2. Due to the familiarity with the history of the Districts and the Phase 1 issues, it is preferred to have existing directors and staff involved with the Phase 2 Study. Accordingly, the schedule for completion of the Study is tight. A several week time frame to prepare, submit and review a request for proposals may not allow for timely completion of the Study.

Managing Mr. O'Farrell's work will be done by the Committee and each respective District's executive staff. The contract for his services will be executed with SSWD, with SJWD remitting its fair-share of the costs per the Cost Sharing Memorandum of Agreement (MOA) as was done in the Phase 1 Study. (See Exhibit 2 for a copy of the contract and Agenda Item 4 for a draft of the MOA.)

#### **BUDGET**

As the tasks involved to complete the Phase 2 study are those necessary to meet the minimum legal requirements of consolidation, a budget of \$75,000 is recommended. This amount is intended to cover legal and consultant costs only. (Filing and other regulatory fees with LAFCo, CEQA, etc. are expected to be an additional \$25,000.)

# EXHIBIT 1

## STATEMENT OF QUALIFICATIONS

John O'Farrell and Associates  
8233 Winding Way  
Fair Oaks, Ca 95628  
916-952-8935c  
916-967-1095f

### **Firm Background, History and Clientele 2004 to Present.**

John O'Farrell and Associates was created in June, 2004, as a consulting business to serve a growing market for both public and private sector interests in need of local government planning and policy analysis, project facilitation and management. Over the past nine years John O'Farrell and Associates has worked for many cities, counties, private non-profits, Joint Powers Authorities and private clients to serve a variety of project needs—land use entitlements, governmental reorganizations, exploration of alternative revenue sources, policy and structural revamping, and public agency master plans.

Local government clientele within the state has included the cities of Sacramento, Citrus Heights, Isleton; Sacramento, El Dorado and Del Norte counties; Cosumnes River Community Services District; Human Rights and Fair Housing Commission; Sacramento Public Library Authority, *SOUTHEAST CONNECTOR JPA, SACRAMENTO METROPOLITAN FIRE DISTRICT*

Private clients have included: Dixon Downs Thoroughbred House Race Track and Mixed-use Master Planned Development, Magna Entertainment Corporation, Aurora, Canada; Glenborough at Easton, Easton Place Master Planned Development, Gen Corp/Easton Development Company; Cordova Hills Master Planned Development, Conwy Development; Natomas Joint Vision Master Planned Development, Ose Family Interests, Jeff Norton Trust; Brookfield Properties; Tracy Hills Master Planned Development, San Joaquin County, Angelo K Tsakopoulos; L Street Lofts, Sotiris Kolokotronos,

### **John O'Farrell Public Service**

Prior to establishing John O'Farrell and Associates, John O'Farrell was a career professional with Sacramento County retiring in June, 2004, after 35 years of increasingly responsible public service. He rose from the ranks of Graduate Student Intern to Deputy County Executive for Policy Analysis and Program Development and ultimately to Agency Administrator for the Community Development and Neighborhood Assistance Agency of Sacramento County. As Agency Administrator, Department Heads from the following department were direct reports to Mr. O'Farrell: Sacramento International Airport, Animal Care and Regulation, Agricultural Commissioner and Sealer of Weights and Measures,

Base Reuse, Cooperative Extension, Environmental Management, Environmental Review and Coordination/CEQA, Economic Development, Planning and Community Development, and Regional Parks, Recreation, Open Space.

Mr. O'Farrell was also direct liaison to the all incorporated cities and special districts and the following joint powers authorities: Sacramento Public Library Authority, Sacramento Housing and Redevelopment Agency, Sacramento Area Flood Control Agency, Sports Commission.

John O'Farrell served as the Sacramento Local Agency Formation Commission Executive Officer from 1976 to 2002 during an era of the most complicated and controversial changes in local government in the history of Sacramento County. He advised and guided the Sacramento LAFCo through the incorporations of Citrus Heights, Elk Grove, Rancho Cordova; extensive expansion of the cities of Folsom, and Galt; formation of the Rancho Murieta Community Services, Elk Grove and Cosumnes River Community Services Districts and the two decade long reorganization of the major urban fire districts in Sacramento County into the Sacramento Metropolitan Fire District, one of the strongest and largest fire protection agencies in the state of California.

### **Education**

Master of Arts, Public Policy and Administration, CSUS, 1972  
Bachelor of Arts, History and Political Science, UCD, 1968

### **Community Involvement, past and present**

Fair Oaks Community Council, appointed Sacramento County Board of Supervisors  
Fair Oaks Park Board, elected director, past Chair  
Sacramento Sports Education Foundation/Sacramento Sports Commission  
Save the American River Association  
American River Parkway Foundation  
Special Olympics  
Eppie's Great Race  
Fair Oaks Chamber of Commerce



# EXHIBIT 2

## AGREEMENT BETWEEN SACRAMENTO SUBURBAN WATER DISTRICT AND \_\_\_\_\_ FOR SERVICES RELATING TO \_\_\_\_\_

THIS AGREEMENT is made this \_\_\_\_\_, 201\_, in Sacramento, California, between Sacramento Suburban Water District ("District"), a public agency, and \_\_\_\_\_, a \_\_\_\_\_ [Type of entity] ("Consultant"), concerning \_\_\_\_\_ [Describe project and services to be provided] (the "Work"). The parties agree as follows:

1. **Scope of Work.** Consultant shall perform the work described in Exhibit A attached hereto and incorporated herein, and described as follows: \_\_\_\_\_ (the "Work"). Consultant shall: (a) provide all labor, equipment, material and supplies required or necessary to properly, competently, and completely perform the Work under this Agreement; and (b) determine the method, details and means of doing the Work.

2. **Compensation.**

a. [(Either option 1:) In exchange for the Work, the District shall pay to Consultant a fee based on Consultant's actual time and expenses necessarily and actually expended on the Work in accordance with Consultant's fee schedule, attached hereto as Exhibit B and incorporated herein.] [(Or option 2:) In exchange for the Work, the District shall pay to Consultant a fee based on the fee arrangement described on Exhibit B attached hereto and incorporated herein.]

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

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

3. **Term and Termination.**

a. This Agreement shall take effect on the above date and continue in effect until completion of the Work, unless sooner terminated as provided below. Time is of the essence in this Agreement. [(Continue with either option 1:) Consultant shall complete the Work no later than \_\_\_\_\_, 20\_\_\_. This deadline may be extended by the District for good cause shown by Consultant.] [(Or option 2:) Consultant shall perform the Work diligently and as expeditiously as possible, consistent with the professional skill and care appropriate for the orderly progress of the Work.]

b. This Agreement may be terminated at any time by the District upon 10 days advance written notice to Consultant. In the event of such termination, Consultant shall be fairly compensated for all work performed to the date of termination as calculated by the District based on the above fee and payment provisions. Compensation under this subsection shall not include any termination-related expenses, cancellation or demobilization charges, or lost profit associated with the expected

completion of the Work or other such similar payments relating to Consultant's claimed benefit of the bargain.

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

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

6. **Consultant Records.**

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

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

7. **Ownership of Documents.** Every report, study, spreadsheet, worksheet, plan, blueprint, specification, drawing, map, photograph, computer model, computer disk, magnetic tape, CAD data file, GIS data file, computer software and any other document or thing prepared by Consultant under this Agreement and provided to the District ("Work Product") shall be the sole and exclusive property of the District, and the District shall have the perpetual, world-wide right to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Consultant or any other party. Consultant may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and prepare derivative and additional documents or works based on any Work Product; provided, however, that Consultant shall not provide any Work Product to any third party without the District's prior written approval, unless compelled to do so by legal process. If any Work Product is copyrightable, Consultant may copyright the same, except that, as to any Work Product that is copyrighted by Consultant, the

District reserves a royalty-free, nonexclusive, world-wide, and irrevocable license to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product. If the District reuses or modifies any Work Product for a use or purpose other than that intended by the scope of work under this Agreement, then the District shall hold Consultant harmless against all claims, damages, losses and expenses arising from such reuse or modification. For Work Product provided to the District in paper format, upon request by the District, Consultant agrees to provide the Work Product to the District in an appropriate and usable electronic format (e.g., Word file, Excel spreadsheet, Adobe pdf, AutoCAD file).

**8. Compliance with Laws.** Consultant shall perform the Work in compliance with all applicable federal, California, and local laws and regulations, include applicable anti-discrimination and anti-harassment laws. Consultant also shall possess, maintain and comply with all federal, state and local permits, licenses, certificates, and approvals that may be required for it to perform the Work. In accordance with California Code of Regulations Title 13, section 2022.1(g), Consultant shall comply with all federal, state and local air pollution control laws and regulations applicable to the Consultant and its Work.

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

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

**10. Professional Liability Insurance.** Consultant shall maintain professional liability insurance as shall protect against claims based on alleged errors or negligent acts or omissions which may arise from the Work or from Consultant's operations or performance under this Agreement, whether any such claim is made during or subsequent to the term of this Agreement, and whether such operations or performance be by Consultant or its employees, consultants, agents or anyone else employed by any of the foregoing. The amount of this insurance shall not be less than \$1,000,000. Said policy shall be continued in full force and effect during the term of this Agreement and for a period of five years following the completion of the Work. In the event of termination of said policy, new coverage shall be obtained for the required period to insure for the prior acts of Consultant during the course of performing services under the terms of this Agreement. Consultant shall provide to the District a certificate of insurance on a form acceptable to the District indicating the deductible or self-retention

amounts and the expiration date of said policy, and shall provide renewal certificates within 10 days after expiration of each policy term. The insurance is to be placed with insurers licensed to do business by and in good standing with the California Department of Insurance, with a current A.M. Best's rating of A:VII or better unless otherwise acceptable to District.

**11. General Insurance.**

a. Consultant, at its sole cost and expense, shall procure and maintain for the duration of this Agreement the following types and limits of insurance: *[NOTE: The general liability limits below may be adjusted depending on the overall cost and complexity of the Work, the cost of obtaining the recommended amount of coverage, and the risks involved in the Work.]*

<u>Type</u>	<u>Limits</u>	<u>Scope</u>
Commercial general liability	\$2,000,000 per occurrence & \$5,000,000 aggregate	at least as broad as ISO CG 0001
Automobile liability	\$2,000,000 per occurrence	at least as broad as ISO CA 0001 (Code 1, any auto)
Workers' compensation	Statutory limits	
Employer's Liability	\$1,000,000 per accident	

b. The general liability, auto, and property and casualty policies will be endorsed to name the District, and its directors, officers, employees, authorized volunteers, and agents as additional insureds regarding liability arising out of this Agreement. Consultant shall provide all applicable certificates of insurance and additional insured endorsements to the District within five days after execution of this Agreement. The policies shall contain no special limitations on the scope of protection afforded to the District, and its directors, officers, employees, authorized volunteers, and agents. Each insurance policy will be endorsed to state that coverage will not be canceled, except after 30 days' prior written notice to the District (10 days for non-payment of premium). The worker's compensation policy will be endorsed to include a waiver of subrogation against the District and its directors, officers, employees, volunteers, and agents.

c. Consultant's coverage will be primary and apply separately to each insurer against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The District's insurance or self-insurance, if any, will be excess and will not contribute with Consultant's insurance.

d. Insurance is to be written on policy forms acceptable to the District and be placed with insurers with a current A.M. Best's rating of A:VII or better and that are admitted to do business and in good standing in California, unless otherwise acceptable upon notice to and approval by the District.

e. Upon execution of this Agreement and annually thereafter, Consultant will provide to the District the following proof of insurance: (a) certificate(s) of insurance evidencing this insurance; and (b) endorsement(s) on ISO Form CG 2010 (or insurer's equivalent), signed by a person authorized to bind coverage on behalf the insurer(s), and certifying the additional insured coverage.

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

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

h. Consultant must declare any deductible or self-insured retention and such must be approved by the District. At the District's sole option, Consultant may be required to either reduce or eliminate such deductibles or self-insured retentions.

**12. Indemnification.** To the fullest extent permitted by law, Consultant shall indemnify, defend (with counsel approved by District), protect, and hold harmless the District, and its directors, officers, employees, volunteers, and agents from and against any and all actions, judgments, legal or administrative proceedings, arbitrations, claims, demands, damages, liabilities, interest, and costs (including, without limitation, attorney's, expert witness and consultant fees and expenses, fines, penalties, and litigation costs and expenses) of every nature ("claims" or "claim"), arising out of, pertaining to or in any way connected with the negligence, recklessness or willful misconduct of Consultant or its employees', agents' or subcontractors' negligence, recklessness or willful misconduct, except where caused by the active negligence or willful misconduct of the District or as otherwise provided or limited by law. Consultant's obligations under this indemnification provision shall survive the completion of Work under, or the termination of, this Agreement. Submission of insurance certificates or submission of other proof of compliance with the insurance requirements in this Agreement does not relieve Consultant from liability under this provision. The obligations of this provision shall apply whether or not such insurance policies shall have been determined to be applicable to any claims.

**13. Subcontractors.** No subcontract shall be awarded nor any outside contractor engaged by Consultant without the District's prior written approval. Any approved subcontractor shall be covered by Consultant's insurance in accordance with the insurance requirements of Paragraphs 10 and 11 of this Agreement or such subcontractor services will be subject to a separate agreement between the District and the subcontractor.

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

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

16. **Successors and Assignment.** This Agreement shall be binding on, and inure to the benefit of, the heirs, successors, and assigns of the parties; however, Consultant agrees that it will not subcontract, assign, transfer, convey, or otherwise dispose of this Agreement or any part thereof, or its rights, title or interest therein, or its power to execute the same without the prior written consent of the District.

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

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

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

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

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

District:  
Sacramento Suburban Water District  
Attn: \_\_\_\_\_  
3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821  
Fax: (916) \_\_\_\_ - \_\_\_\_  
E-mail: \_\_\_\_\_@sswd.org

Consultant:  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
Fax: (\_\_\_\_) \_\_\_\_ - \_\_\_\_  
E-mail: \_\_\_\_\_

If sent by mail, any notice, delivery or other communication will be effective or deemed to have been given three days after it has been deposited in the United States mail, with postage prepaid, and addressed as set forth above. If sent by facsimile or e-mail, any notice, delivery or other communication will be deemed to have been given only after it has been confirmed in writing as received. If delivered personally or by overnight delivery service, any such notice, delivery or other

communication will be deemed to have been given on the date of delivery. Either party may change that party's address by giving written notice of the change to the other party in the manner provided in this paragraph.

**22. [Include if work is subject to prevailing wage and related requirements:] Labor Code Requirements.** The following provisions apply to certain services performed by Consultant as part of the Work that may constitute "public work" subject to the prevailing wage and related laws, including inspection and land surveying work subject to Labor Code sections 1720(a) and 1770, et seq., and maintenance work as defined under section 16000 of Title 8 of the California Code of Regulations ("Prevailing Wage Work"). If the Consultant is unsure as to the applicability of these sections, the District recommends that the Consultant contact the Department of Industrial Relations for clarification. If Consultant performs Prevailing Wage Work under this Agreement, then Consultant agrees that it will comply with the following provisions:

a. Prevailing Wages. The prevailing rates of per diem wages shall be those determined by the Department of Industrial Relations, Division of Labor Statistics and Research, Prevailing Wage Unit. If the prevailing wage for a category of work subject to the State prevailing wage laws has not been established by the Department of Industrial Relations' Prevailing Wage Unit, the Consultant should obtain a determination of the wages to be paid from the Unit. Consultant agrees to pay all workers performing Prevailing Wage Work not less than the general prevailing rate of per diem wages for work of a similar character in the locality of the District, and not less than the general rate of per diem wages for holiday and overtime work, as established pursuant to the California Labor Code and regulations and orders issued thereunder. A copy of the applicable prevailing rate of per diem wages is available to any interested person at the administrative offices of the District or from the Department of Industrial Relations, Division of Labor Statistics and Research, Prevailing Wage Unit. Consultant shall obtain and post a copy of such prevailing wage rates at the job site. Consultant also shall comply with the provisions of California Labor Code section 1775, including but not limited to provisions which require the Consultant to (a) forfeit as a penalty not more than the sum of two hundred dollars (\$200) and not less than forty dollars (\$40) for each calendar day or portion thereof for each worker (whether employed by the Consultant or subcontractor) paid less than the stipulated prevailing rates for any Prevailing Wage Work done under this Agreement in violation of the provisions of the California Labor Code; and (b) pay each such worker the difference between the prevailing wage rate and the amount paid to each such worker for each calendar day or portion thereof for which said worker was paid less than the prevailing rate.

b. Eight-Hour Day Limitation. Consultant agrees that 8 hours' labor shall constitute a day's work, and that no worker in the employ of the Consultant or any subcontractor performing or contracting to perform Prevailing Wage Work shall work more than 8 hours in any one calendar day and 40 hours in any one calendar week; provided that subject to California Labor Code section 1815, a worker may perform Prevailing Wage Work in excess of 8 hours per day or 40 hours per week at not less than one and one-half times the basic rate of pay. Except as provided above for overtime, Consultant shall forfeit as a penalty the sum of \$25 for each worker employed in the execution of this Agreement by it or by any subcontractor under it and performing Prevailing Wage Work for each calendar day during which such worker is required or permitted to work more than 8 hours in any one day and 40 hours in any one calendar week in violation of California Labor Code sections 1810 through 1815.

c. Payroll Records. Consultant and each subcontractor shall keep an accurate payroll record showing the name, address, social security number, work classification, straight time and overtime

hours worked each day and week, and the actual per diem wages paid to each journey person, apprentice, worker or other employee employed in connection with Prevailing Wage Work, and shall make such payroll records available for inspection, in accordance with the requirements of California Labor Code section 1776. Consultant shall be responsible to ensure compliance with section 1776, whose provisions are incorporated herein by this reference. Consultant's failure to comply with the requirements of Labor Code section 1776 may result in the imposition of the penalties provided in subdivision (h) thereof.

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

**23. [Include if Consultant holds a professional license required for the Work:] Licensing.** Consultant represents that it is licensed by the California \_\_\_\_\_ [*name the relevant professional licensing board*], and that Consultant's license is in good standing and will be kept in good standing during the term of this Agreement.

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

SACRAMENTO SUBURBAN WATER DISTRICT: \_\_\_\_\_ :

By: \_\_\_\_\_  
Robert S. Roscoe, P.E.  
General Manager

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [Name]  
\_\_\_\_\_ [Title]



# AGENDA ITEM 4

## STAFF REPORT

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To: 2X2 Water Management Ad Hoc Committee

From: Robert Roscoe, SSWD General Manager  
Shauna Lorance, SJWD General Manager

Date: June 23, 2014

Subject: Draft Memorandum of Agreement on Cost Sharing

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### **RECOMMENDED COMMITTEE ACTION:**

Recommend forwarding to the joint Board of Directors for approval the attached Memorandum of Agreement (MOA) on Cost Sharing for the Phase 2, Further Analysis of Consolidating San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD) Study or as amended.

### **BACKGROUND**

In concert with the Scope of Work and Budget developed by the Committee for the Phase 2, Further Analysis of Consolidating SSWD and SJWD Study, a draft MOA between the Districts has been prepared for Committee review, comment and approval. The format of the attached MOA is based on the prior MOA executed by the Districts for the Phase 1 Study. This draft MOA has not been reviewed by legal counsel.

# EXHIBIT 1

## MEMORANDUM OF AGREEMENT BETWEEN SACRAMENTO SUBURBAN WATER DISTRICT AND SAN JUAN WATER DISTRICT WHOLESAL FOR PHASE 2, FURTHER ANALYSIS OF CONSOLIDATION

THIS MEMORANDUM OF AGREEMENT ("MOA") is entered into, effective \_\_\_\_\_, 2014 by and between San Juan Water District ("SJWD") and Sacramento Suburban Water District ("SSWD").

### RECITALS

**WHEREAS**, the above-named agencies (hereinafter referred to collectively as the "Parties," or each individually as a "Party") have worked together from time to time to on many regional activities;

**WHEREAS**, the Parties believe that, in order to protect the interests of their respective ratepayers and of the region as a whole, it is important to study the opportunity of better groundwater and surface water management between the two agencies;

**WHEREAS**, SJWD Wholesale has access to surface water, water treatment facilities and treated water storage;

**WHEREAS**, SSWD has access to groundwater and transmission capacity;

**WHEREAS**, the Parties each appointed 2 members to a joint 2x2 Water Management Ad Hoc Committee ("Committee") to further evaluate opportunities for joint water management;

**WHEREAS**, the Committee evaluated multiple alternatives to meet the water management goal, and recommended consolidation of SJWD and SSWD to maximize the reliability of their water supplies;

**WHEREAS**, The joint Board of Directors met on April 28, 2014 and accepted the recommendation of the Committee and directed the Committee to develop a scope of work and budget for further analysis of consolidation of the two districts;

**WHEREAS**, the Parties desire to share the costs of completing a study,

**NOW THEREFORE**, in consideration of the mutual obligations set forth herein, the Parties agree as follows:

1. Selection of Consultant. The Committee will select a Consultant and determine a budget for the Consultant in response to the direction of the joint Board of Directors.

2. Cost-Sharing. SSWD will be responsible for administering the contracts for the services of all Consultants In accordance with SSWD procurement and contracting requirements and procedures. It is understood and agreed, however, that these contracts will in part be a pass-through agreement, and the Parties shall each pay 50% of all costs. It is also understood that the contracts will provide sufficient detail to identify and account for each Party's separate requirements and responsibilities, as well as its portion of shared requirements and responsibilities. Upon receipt of invoices from the Consultants, SSWD will forward copies of the invoices to SJWD, who within forty-five (45) days after the second Wednesday of the month following receipt of each invoice shall remit its percentage share of said invoice to SSWD for payment to the Consultants. In the event one or more Parties believes an invoice should not be paid in whole or in part the reasons for not paying shall be documented by the requesting Party and invoice payment shall be withheld . The Parties agree to exercise good faith and diligence in the resolution of any disputed invoice amounts; provided, however, that notwithstanding any provision contained herein, SSWD shall be reimbursed by SJWD for their respective percentage share of any and all money ultimately paid to the Consultant by SSWD.
3. Price Ceiling. In no case shall the total value of services procured pursuant to this MOA exceed \$\_\_\_\_\_ (\$\_\_\_\_\_ plus \$\_\_\_\_\_ contingency), except by amendment to this MOA. The Parties understand this cost is for the Phase 2 analysis only. If the Parties desire further analysis beyond the defined scope of work for the Phase 2 analysis, an amendment to this agreement for additional funding will be required.
4. Guidance to and Support for Consultant. The Parties acknowledge that, from time to time, the consultant may need one or more representatives of the Parties to assist in obtaining the information necessary to complete the work. The Parties agree that Robert S. Roscoe, SSWD, shall be the point of contact for the Consultant. Any significant direction to the Consultant shall be done in cooperation with the General Manager from the other agency.
5. Notices. Any invoice, payment, notice or written communication where required or permitted by this MOA will be provided by U.S. Mail, or by email to:

SAN JUAN WATER DISTRICT

Shauna Lorance  
General Manager  
9935 Auburn Folsom Road  
Granite Bay, CA 95746  
Fax: (916) 791-7361  
slorance@sjwd.org

SACRAMENTO SUBURBAN WATER DISTRICT

Robert Roscoe  
General Manager  
3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821-5303  
Fax: (916) 972-7194  
rroscoe@sswd.org

- 6. Amendments. Any amendments to this MOA must be in writing and executed by all Parties.
- 7. Counterparts. This MOA may be executed by the Parties in separate counterparts; each of which when so executed and delivered to SJWD shall constitute an original. All such counterparts shall together constitute one and the same instrument.
- 8. General Provisions. There is no agency relationship between the Parties. Furthermore, notwithstanding anything contained herein, the employees of each Party shall continue to be entirely and exclusively under the direction, supervision and control of the employing Party.

Any internal, in-house or administrative costs or expenses incurred by any Party related to such Party's obligations under this MOA shall be the sole responsibility of such Party incurring said costs and expenses.

This instrument and any attachments hereto constitute the entire agreement among the Parties concerning the subject matter hereof.

**WHEREFORE**, the Parties execute this Memorandum of Agreement effective the first date written above.

SAN JUAN WATER DISTRICT, a  
community services district

SACRAMENTO SUBURBAN WATER  
DISTRICT, a county water District

By: \_\_\_\_\_  
ROBERT WALTERS  
President

By: \_\_\_\_\_  
KEVIN M. THOMAS  
President

ATTEST:  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST:  
By: \_\_\_\_\_  
Its: \_\_\_\_\_