

Agenda

Sacramento Suburban Water District Facilities and Operations Committee

3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Friday, February 12, 2016
2:30 p.m.

Public documents relating to any open session item listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Committee concerning any item of interest. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at (916)679-3972. Requests must be made as early as possible and at least one-full business day before the start of the meeting.

Call to Order

Roll Call

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Consent Items

The committee will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any member of the Committee, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the action items.

1. Minutes of the January 8, 2016 Facilities and Operations Committee Meeting

Recommendation: Approve subject minutes.

Items for Discussion and Action

2. Fulton/El Camino Recreation and Park District Easement Update

Receive written staff report and direct staff as appropriate.

3. Easements and Improvements at McClellan Business Park

Receive written staff report and direct staff as appropriate.

4. Long Term Warren Act Contract Update

Receive written staff report and direct staff as appropriate.

5. Groundwater Monitoring Wells Project

Receive written staff report and direct staff as appropriate.

6. Succession Plan Recommendation to Fill Current Vacancy in Engineering Department

Receive written staff report and direct staff as appropriate.

Adjournment

Upcoming Meetings:

Friday, February 19, 2016 at 4:00 p.m., Strategic Plan Workshop
Monday, February 22, 2016 at 6:15 p.m., Financial Corporation Meeting
Monday, February 22, 2016 at 6:30 p.m., Regular Board Meeting

I certify that the foregoing agenda for the February 12, 2016 meeting of the Sacramento Suburban Water District Facilities and Operations Committee was posted by February 9, 2016 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

Item 1

Minutes

Sacramento Suburban Water District
Facilities and Operations Committee
Friday, January 8, 2016

Call to Order

Director Locke called the meeting to order at 1:31 p.m.

Roll Call

Directors Present: Craig Locke and Neil Schild.

Directors Absent: None.

Staff Present: General Manager Robert Roscoe, Assistant General Manager Dan York, Dan Bills, David Espinoza, Heather Hernandez-Fort, Dave Jones, John Valdes, James Arenz, Patrick Wilson.

Public Present: Melanie Holton, William Eubanks, Mark Rawlings.

Public Comment

None.

Consent Items

1. Minutes of the October 29, 2015 Facilities and Operations Committee Meeting

Director Locke inquired if the Committee is able to approve the minutes as the Committee members have changed.

General Manager Robert Roscoe (GM Roscoe) clarified that the Committee is able to approve the minutes.

Director Locke expressed the minutes seemed to accurately convey the substance of the meeting, as he happened to be in attendance.

The Committee approved the Minutes.

AYES:	Locke and Schild.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and Action

2. Water System Master Plan and 2015 Urban Water Management Plan Update

John Valdes (Mr. Valdes) introduced the staff report as well as the Project Manager from Brown and Caldwell, Melanie Holton (Ms. Holton).

Director Schild requested copies from previous power point presentations by Brown and Caldwell.

Director Locke inquired about the long term well management plan, asking if this is the singular document for maintaining the District's wells.

Director Schild inquired if the document will be in the Asset Management Plan.

Mr. Valdes advised that when complete, it will be included in the Master Plan.

Director Locke inquired if Brown and Caldwell were conducting independent observations and investigations of the District wells, or if they were basing their opinions on observations prepared by District staff.

Ms. Holton explained that they were using the scoring and ranking that was developed in the latest draft version of the Well Asset Management Plan.

Director Schild inquired if there were written reports and/or invoices on changes that were made to District wells.

Mr. Valdes explained that any well that has been rehabilitated, has either a completion report or a summary report. He further explained that more pump repairs usually have records and/or full reports, but that many older rehabilitation activities do not have complete records.

Director Schild stated that all wells that have been rehabilitated should have documentation.

Ms. Holton introduced the power point presentation. She gave an overview of what they have been working on in the Master Plan.

Discussion ensued regarding abandoning District wells.

Director Schild requested for Brown and Caldwell to separate the North Service Area (NSA) from the South Service Area (SSA) in the report.

Ms. Holton expressed that she can show that separation as well as drill down into the maps to show more detail on each well, for future presentations.

Director Locke recommended breaking them into a page for the NSA and a page for the SSA, and including a cost benefit analysis.

Director Locke inquired approximately how much is budgeted for well rehabilitation.

Mr. Valdes answered roughly \$1 million dollars.

Director Schild requested more data and information for the next presentation. GM Roscoe inquired if there were any policy issues that were not covered that the Committee would like included.

Director Schild stated that he would like to see reports on District wells and pipelines.

GM Roscoe clarified that the data that Director Schild was requesting was already in the District's Asset Management Plans.

Director Locke stated that the metric used to determine what point an asset becomes a liability is a policy issue that he would like to examine.

William Eubanks (Mr. Eubanks) commented. Discussion ensued regarding wellhead treatment processes for different constituents.

3. Execution of the Fifth Year of Existing Master Service Contracts for Main Replacement Projects

Dave Jones (Mr. Jones) presented the staff report.

Discussion ensued regarding the scheduling of labor rates.

GM Roscoe stated that staff will clarify to the full Board that the labor rates change in July, which would be mid-contract.

Director Locke wanted to clarify that the District is released from liability on pavement projects assumed by the County. Mr. Jones concurred.

The Committee recommended taking this item to the full Board with a recommendation of approval.

4. Prop. 84 Grant and O&M Agreement with City of Sacramento for Enterprise Intertie Improvements

Mr. Valdes presented the staff report.

Director Locke inquired about the price per acre foot from the City of Sacramento.

Director Schild expressed that he did not support this agreement as he believed this is taking groundwater from the Districts ratepayers, noting that if there were ever water treatment issues, the ratepayers would have to pay for that treatment.

He expressed that he disagreed with taking groundwater out for anything other than the District's ratepayers.

Director Locke stated that he supports the agreement.

GM Roscoe stated that the item will be presented to the Board without the Committee recommendation.

Director Locke clarified why he supported the item.

Director Locke requested clarification on how recommendations from the Committee were presented to the full Board. He suggested that there were three ways that staff could present Committee items to the Board; 1. With a Committee recommendation to support an item, 2. With no Committee recommendation or 3. With a Committee recommendation to not support an item.

GM Roscoe concurred.

Assistant General Manager Dan York (AGM York) clarified that this agreement was previously presented to the full Board and approved; however, Director Wichert requested for this item to come back to the F&O as information.

He noted that this item will be presented to the full Board as information.

5. Paving Partnership Agreement with County of Sacramento for 2015 Main Replacement Projects

Mr. Jones presented the staff report.

Director Schild inquired why this partnership is limited to a year.

Mr. Jones explained that the County of Sacramento is only able to approve agreements up to a year at a time.

Discussion ensued regarding the County of Sacramento's process of approving these type of agreements.

Director Schild requested staff pursue further lengths of time with these agreements with the County of Sacramento.

Mr. Jones stated that he will check with the County of Sacramento to see if they would consider multiple-year agreements.

The Committee recommended taking this item to the full Board with a recommendation of approval.

6. Labor and Equipment Cost Accounting

AGM York presented the staff report.

Director Schild inquired if materials such as phone, computers, etc. are included in the cost accounting.

AGM York expressed his understanding that they are and that the process is automated.

Adjournment

Chair Locke adjourned the meeting at 2:50 p.m.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District



Facilities and Operations Committee

Agenda Item: 2

Date: February 5, 2016

Subject: Fulton/El Camino Recreation and Park District Easement Update

Staff Contact: John Valdes, Engineering Manager

Recommended Committee Action:

Receive report from staff on proposed easement acquisitions between the District and Fulton/El Camino Recreation and Park District (FECRPD) and direct staff as appropriate

Discussion:

Over the past year, District staff has been working with management staff and Board members of FECRPD regarding the acquisition of various pipeline easements that will support main replacement projects.

There are three separate park sites where the District identified the need to obtain easements from the FECRPD. One site has already been completed with the acquisition of two easements (access and pipeline) at the Howe Park site. These easements were previously approved by the Board and have been recorded at the County Clerk/Recorder's Office. The remaining park sites where easements are being pursued are described below:

- Site 1 pertains to the Santa Anita Well site within the boundaries of the Santa Anita Park (See Exhibit 1).
- Site 2 is an easement for a proposed pipeline linking the District's Morse/Cottage Park Well #37 to the existing distribution system in the public Right of Way (See Exhibit 2).

These sites and the required easements are described in more detail below:

Site 1 – Easement at Santa Anita Park

Site 1 is for both a new pipeline easement and ingress/egress access easement to the District's Well #12, located in Santa Anita Park. There is an existing 15-foot wide dedicated easement for the District's use acquired in the 1950's along the back property line between the Santa Anita Park and the homeowners on the south side of Hernando Road that has not been used for District purposes. The easement area is currently landscaped with young to mature trees and lawn. There are also other utilities within this easement. Due to its location, configuration and width, and the

difficulty in installing new water facilities, the existing easement does not meet the District's needs for the recently completed Santa Anita Main Replacement Project.

Two proposed easements are necessary for access and the construction of a new waterline supporting the existing well at Santa Anita Park. One proposed easement is a 10-foot wide ingress/egress easement over an existing 10-foot wide concrete walkway that extends from Hernando Road to the District's well site. In addition to the ingress/egress easement, there is also a separate proposed 10-foot water pipeline easement for pipeline installation combined with two proposed temporary 5-foot wide construction easements on each side of the pipeline easement. This allows for a 20-foot wide area to install the proposed water pipeline. Staff requested a 20 wide easement from the Park District, however their Board only agreed to the 10 foot wide easement with the construction easement addition. The ingress/egress easement across the concrete walkway will be heard by the FECRPD's Board at their February 18, 2016 meeting. With the FECRPD's Board approval the easement will be provided to the District's Board for approval in March 2016.

Currently there are several unresolved issues pertaining to the acquisition of these proposed easements at the Santa Anita Park site, including the alignment of the required easements. FECRPD has proposed three different options to District staff for the acquisition of the easements:

- Option 1 – The FECRPD would provide the District with a new well site at another FECRPD park and also the required easement(s) at Santa Anita Park. In exchange for the new property, the District would deed the existing well at Santa Anita Park to FECRPD, which would be used for irrigation purposes. While the District has depreciated this asset to no value due to age, the replacement value of this well is estimated to be approximately \$2.5 million. The land value for the 2,500 sf well lot is valued, using values from the recently purchased Rutland well site value of \$4.00/sf, is estimated at approximately \$10,000. The well site consists of fencing, pump and motor, pneumatic tank, valves, electrical panel, chlorination equipment and shed, meter, and aboveground piping.
- Option 2 – The FECRPD would like to obtain water directly from the existing well. Any water provided to FECRPD would be 100% metered. However, there is a Facility Development Charge (FDC) for the installation of a new water service. The FECRPD suggested the value of the easements offset the FDC fees. For example, if the value of the easement was \$10,000 and the FDC was \$20,000, the FECRPD would owe the District \$10,000.
- Option 3 – The FECRPD would like to partner with the District to build a Drought Demonstration Garden (Garden) at Howe Avenue Park. The FECRPD has committed to maintain the Garden after it is constructed in exchange for the value of the easements. The amount of funding needed for this option is unknown as the concept details for the partnership or the scope of the Garden have not been determined. The monetary value of

the easements would be used to determine the District's commitment to the Garden partnership.

FECRPD's Board of Directors and General Manager have expressed a willingness to work with the District on the easement acquisition and to reach an agreement satisfactory to both agencies. Staff does not recommend Option 1 due to the large difference in the cost to drill a new well in exchange for a piece of property from FECRPD. Staff recommends further discussions between the District and FECRPD regarding Options 2 & 3 to determine the value of the easements and what size irrigation service FECRPD is requesting.

Site 2 – Cottage Park

Site 2 is part of the 2016 Drayton Heights Phase 2 Water Main Replacement Project that is now underway. Currently, the District's Morse/Cottage Park Well #37 delivers water to the existing distribution system through backyard outside diameter steel water mains. The Drayton Heights Phase 2 project will install new ductile iron water mains in the street right-of-way. However, since Well #37 does not front any right of ways, have any easements available for infrastructure, or access to the well, it is necessary to acquire two easements through the existing parking lot owned by FECRPD. The proposed easements, 10-foot pipeline and 10-foot construction, provide for a 20-foot width for construction of the water system facilities. Staff requested a 20-foot wide easement; however, members of the FECRPD Board are only willing to provide the District with a 10-foot pipeline easement at the end of construction. Staff recommends accepting the 10-foot pipeline easement.

The proposed easements are being brought to the FERPD board on February 18, 2016 for review and approval. If these easements are approved by the FECRPD Board, they will be brought forward to the District's Board on March 21, 2016 consideration and subsequent approval.

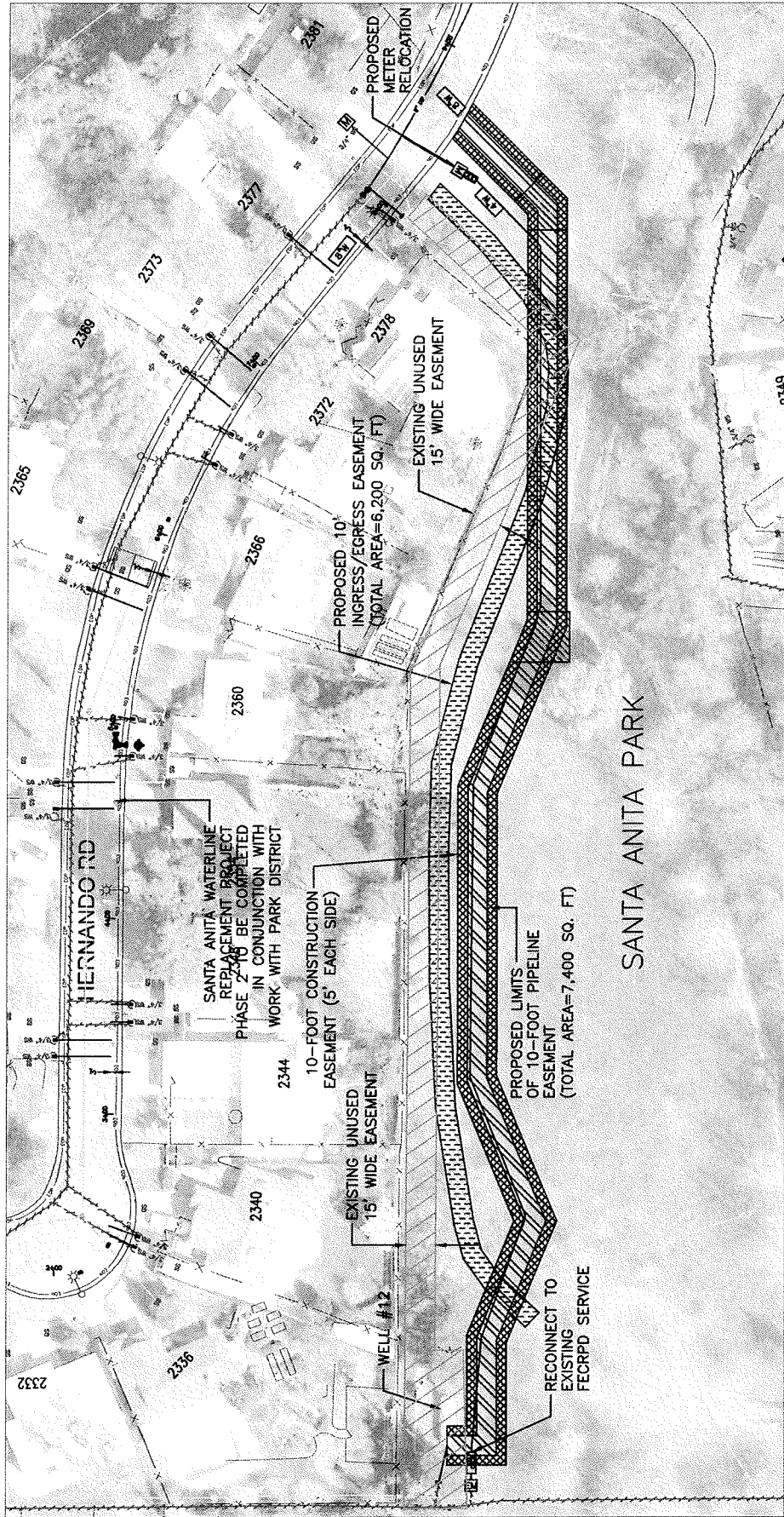
Fiscal Impact:

The Howe Park easements were obtained at no cost to the District other than the cost for surveying and easement document preparation. Likewise, it is anticipated that the Cottage Park easement will be obtained at no cost to the District other than surveying and easement document preparation costs. Due to a possible financial exchange for the Santa Anita Park easements, irrigation service line, or partnership in a Garden at Howe Park, there are undetermined fiscal impacts to the District for these easements.

Strategic Plan Alignment:

Facilities and Operations – 2.B. Monitor and improve the District's efficiencies in operating and maintaining system infrastructure.

District customers benefit as the proposed easements allow the District the right to access the new water system facilities for maintenance of the infrastructure and operation of the system and establish a right to access.



MAP NOT TO SCALE


Portion of Sacramento Suburban Water District

Exhibit 1

NOT FOR RECORDING

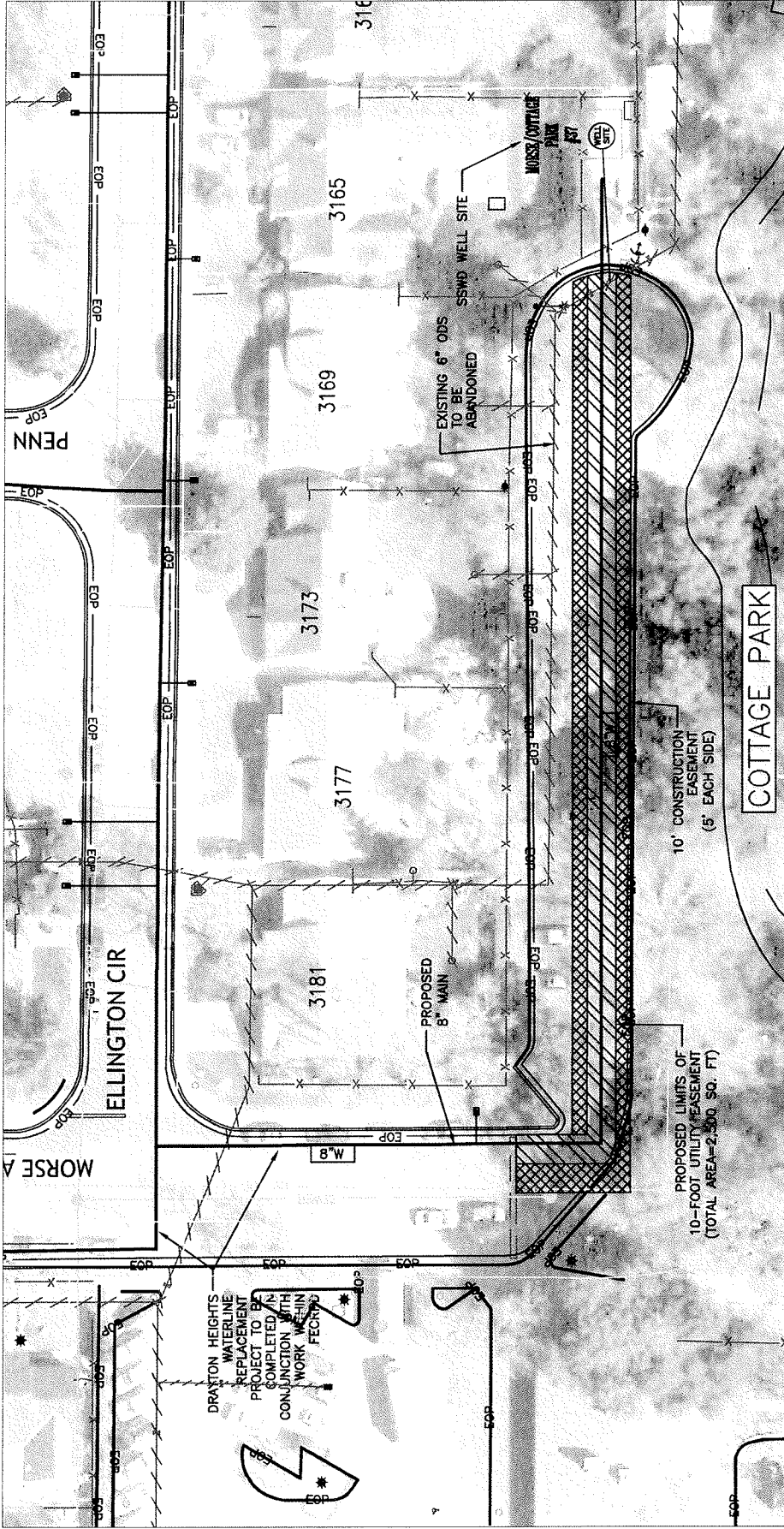
**2015 Santa Anita Waterline Replacement
Project Phase 2
Proposed Easement for Well #12**

(Voting Division 5)

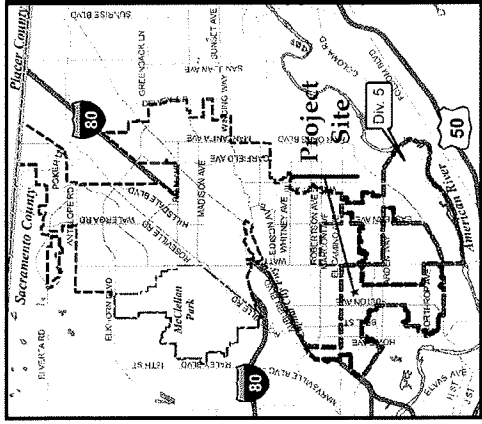


Base Data: Sacramento County Gis Base Map
Projection: CA State Plane 2, NAD83
Scale: As Shown
Prepared by: DAV SSWWD
Sacramento, Ca. May, 2015
Well-12-Esmt.mxd

THIS MAP SHOWS THE LOCATION OF THE PROJECT SITE AND IS NOT PART OF THE EASEMENT DOCUMENTS



MAP NOT TO SCALE



Portion of Sacramento Suburban Water District

Exhibit 2

NOT FOR RECORDING

**2016 Drayton Heights Water Main Replacement
Project Phase 2
Proposed Easement for Well #37**

(Voting Division 5)



Base Data: Sacramento County GIS Base Map
Projection: CA State Plane 2, NAD83
Scale: As Shown
Prepared by: DAV/SSWD
Sacramento, Ca. May, 2015
Well-37-ESint.mxd

THIS MAP SHOWS THE LOCATION OF THE PROJECT SITE AND IS NOT PART OF THE EASEMENT DOCUMENTS



Facilities and Operations Committee

Agenda Item: 3

Date: February 5, 2016

Subject: Easements and Improvements at McClellan Business Park

Staff Contact: John E. Valdes, Engineering Manager
David Espinoza, Associate Engineer

Recommended Committee Action:

Receive report and provide guidance regarding easements and water facility improvement requirements at McClellan Business Park (MBP). Provide direction to staff to present an amended Grant of Easement and Right of Way form, together with a Committee recommendation to the Board of Directors at the February 22, 2016, regular Board Meeting. Direct staff to continue enforcement of development procedures at MBP consistent with the District's Regulations Governing Water Service.

Background:

At the Facilities and Operations (F&O) Committee Meeting held on October 29, 2015, staff provided the F&O Committee a summary of historical activities that have occurred between Northridge Water District (NWD), Sacramento Suburban Water District's (District) successor, and the McClellan Air Force Base, Sacramento County, and later becoming MBP. In addition, staff provided an update of the status of the Operations Agreement between the District and Sacramento County (County) 1999, which subsequently evolved to MBP.

Discussion:

1. Easements:

Throughout MBP the District has various sizes of existing water mains and services. These mains and services do not have dedicated easements; instead a "blanket easement" was provided. This "blanket easement" is documented in the land transfer documents from the County to MBP. An example of a land transfer document and an easement can be seen in Exhibit 1, Quitclaim Deed dated February 26, 2013, and recorded in the official records of the County; Book 20130226, page 1058. Section V of the Quitclaim Deed places conditions upon the land being transferred from the County to MBP indicating that whether recorded or not, and whether known or unknown, there are utilities throughout the property. The section further dictates as follows:

“Grantee agrees to grant appropriate, reasonable customary easements to the owners of the existing utilities at no cost and without inappropriate, unreasonable and non-customary conditions when requested by the utility owners to do so. The Grantee agrees to not interfere with the operation of any utilities existing within the described properties without prior agreement of the utility owners.”

These “blanket easements” are the premise upon which the District operates and maintains the existing mains and services at MBP. The transfer documents are clear in that “any utilities existing” are protected by this transfer document. With the concurrence of the District’s legal counsel, current procedures presume that new or relocated infrastructure are not protected, nor covered under these transfer documents or “blanket easement”. Therefore, the need for new easements is to be addressed with each new development or alteration where new infrastructure is installed.

MBP recently approached the District about the possibility of relocating existing infrastructure and the installation of new infrastructure. Staff responded by imposing the District’s standard requirements and requiring a dedicated easement for such relocations and installations. In a typical project, not at MBP, the potential grantor is provided the District’s standard Grant of Easement and Right of Way form see Exhibit 2. However, due to the Environmental Restrictive Covenants in Section VI of Exhibit 1 and also in the Quitclaim Deed from the United States of America to the County, additional language is being requested by MBP. The additional language is shown in italics in Exhibit 3. It appears the additional language is a reasonable exception due to the unique conditions of the former military base.

Therefore, it is requested that the Committee concur with the policy recommendation to treat new easements at MBP separately than other District easements to include language addressing the “Superfund” site. If the Committee concurs, staff will obtain the District’s legal counsel review of the proposed language and preparation to adopt this exception by the Board of Directors.

2. Water Facility Improvements:

On September 7, 1999, the NWD executed the Agreement between the County and NWD for the Conveyance of the McClellan Water Distribution System for ownership, operation, and maintenance of the potable water system (see Exhibit 4). Included in the Agreement was a Capital Improvement Plan (CIP) consisting of ten items that were included in the proposal. In Section 2 of the Agreement, NWD was required to provide “upgrades” to the existing potable water system to bring it up to current standards. The “upgrades” are itemized in Exhibit C of the Agreement for a total estimated cost of \$5,062,000. On September 17, 2013, the District issued a letter to MBP documenting the progress made on the CIP (see Exhibit 5). As presented in that letter, CIP items 1, 2 and 4 have yet to be completed for the reasons stated.

MBP has recently questioned whether the District, or a developer, is responsible for upsizing the existing water mains at the park. In particular, MBP is challenging whether the District’s

Regulations Governing Water Service (Regulations) are applicable at MBP or whether their interpretation of the Agreement is obligating the District to pay for and make these improvements. Section 14 of the Agreement clearly states:

“Water service provided by NWD at McClellan and the Associate facilities shall be in accordance with NWD’s Rates, Rules, and Regulations, as amended from time to time, attached as Exhibit D.”

According to the Regulations, developers, at their own cost and expense, are responsible for the upsizing of water mains fronting their property. Regulation 9, Section N, requires minimum size water distribution mains necessary to adequately deliver domestic water and public fire protection to all new developments and construction of whatever kind or size shall be determined with reference to real property-use zones established by the County. Most if not all parcels located at MBP are zoned industrial and as such are required to be served by a 16-inch water main.

It is staff’s interpretation that the “upgrades” discussed in the Agreement are not related to the upsizing of water mains required by the District’s Regulations for new or changing uses. After review of the information and remaining improvement obligations, staff provides the following recommendations:

1. Continue to fulfill the existing Agreement, including completion of the remaining items listed on the proposed CIP for MBP.
2. Continue requiring full cost recovery for all future development at MBP for activities not covered by the Agreement.
3. Continue requiring facility improvements on development projects consistent with the District’s Regulations.
4. Enter negotiations to amend the Agreement to address the easement and infrastructure improvement requirements and place an end date to the Agreement.

Fiscal Impact:

There is minimal fiscal impact to the District. The cost incurred by the District will be at legal counsel’s hourly rate to consider the proposed revision for easements at MBP. The costs for other improvements and future development will be addressed with those activities and not considered a factor in this action.

Strategic Plan Alignment:

Facilities and Operations – 2.B. Monitor and improve the District’s efficiencies in operating and maintaining system infrastructure.

District customers benefit as the proposed easements allow the District the right to access new waterlines in order to maintain and operate the system. In addition, costs will be incurred by developers for infrastructure improvements, not rate payers.



Sacramento County Recorder
 Craig A. Kramer, Clerk/Recorder
 BOOK **20130226** PAGE **1058**
 Tuesday, FEB 26, 2013 12:32:35 PM
 Ttl Pd \$0.00 Rept # 0007875727

RECORDING REQUESTED BY:
 County of Sacramento
 Real Estate Division
 3711 Branch Center Road
 Sacramento, CA 95827

WHEN RECORDED MAIL TO:
 MP Holdings, LLC
 3140 Peacekeeper Way
 McClellan, CA 95652

MAIL TAXES TO:
 MP Holdings, LLC
 3140 Peacekeeper Way
 McClellan, CA 95652

No Document Transfer Tax
 Per R&T Code 11911 – No Consideration
 No Fee Document
 Per Government Code 27383

Project: **Deed #1 Portion of McClellan 528 Acre Transfer** – Lot 53, 82B, 83, 85A, 85B, 85C, 86, 87, 88, 89, 90A, 90B, 92A, 92B, 92C, 92D, 94, 100, 101, 102, 103, 104, 106, 107A, 107B, 108, 109, 110, 111, 112, 113A, 114A, 114C, 114D, 114E, 114F, 116A, 119, 120, 122A, 122B, 123A, 123B, 123C, 123D, 124, 125, 126, 127A, 127B, 128, 134A, 148A, 148B, and 148C

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, **THE COUNTY OF SACRAMENTO**, a political subdivision of the State of California, does hereby remise, release and forever quitclaim to **MP HOLDINGS, LLC**, a California limited liability company (“Grantee”), the following described real property containing approximately 202.05 acres situated in the County of Sacramento, and State of California, legally described and graphically depicted in **Exhibits A-1 through A-55** of this Deed.

*Exhibits A-1 through A-55,
 attached hereto and made a part hereof*

I. APPURTENANCES

TOGETHER WITH all the buildings and improvements erected thereon, and all and singular the tenements, hereditaments, appurtenances, and improvements hereunto belonging, or in any wise appertaining (which, together with the real property above described, is called the “Property” in this Quitclaim Deed).

II. USA QUITCLAIM DEED

THE GRANTEE AGREES THAT, PURSUANT TO THAT CERTAIN QUITCLAIM DEED DATED AS OF February 26, 2013 AND RECORDED IN THE OFFICIAL RECORDS OF THE COUNTY OF SACRAMENTO IN BOOK 20130226, ON PAGE 1057 (the “USA Quitclaim Deed”) IN WHICH THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE SECRETARY OF THE AIR FORCE (the “USA”), CONVEYED THE PROPERTY TO THE COUNTY OF SACRAMENTO, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA (the “County”),

ALL TERMS, CONDITIONS, NOTICES, WARRANTIES, DISCLOSURES AND MATTERS SET FORTH THEREIN RUN WITH THE LAND AND ARE BINDING ON THE SUCCESSORS AND ASSIGNS OF THE COUNTY, WHICH INCLUDES, BUT IS NOT LIMITED, TO GRANTEE, AND ITS SUCCESSORS AND ASSIGNS.

III. RESERVATIONS OF USA

- A. The Grantee agrees that, pursuant to the USA Quitclaim Deed, the USA reserved unto itself and its respective officials, agents, employees, contractors, and subcontractors, including the United States Environmental Protection Agency ("US EPA") and the State of California (the "State"), and its and their respective officials, agents, employees, contractors, and subcontractors, certain rights of access to the Property in accordance with and subject to the terms and conditions set forth in the USA Quitclaim Deed, and that such reservation runs with the land and is binding on the successors and assigns of the County, which includes, but is not limited, to Grantee, and its successors and assigns.
- B. The Grantee agrees that, pursuant to the USA Quitclaim Deed, the USA has reserved a certain royalty interest in minerals extracted from the Property, if ever, at some future time, by the County and/or its successor and assigns pursuant to a lease or any other agreement and that such reservation runs with the land and is binding on the successors and assigns of the County, which includes, but is not limited, to Grantee, and its successors and assigns.

IV. RESERVATIONS OF COUNTY OF SACRAMENTO

1. AN EASEMENT OVER SAID LAND FOR HIGHWAY AND INCIDENTAL PURPOSES, AS SET FORTH IN DEED RECORDED IN BOOK 412 OF DEEDS, PAGE 79, AND IN BOOK 488 OF DEEDS, PAGE 40, OFFICIAL RECORDS.
NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT. REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.
2. RIGHTS OF THE PUBLIC TO THE STREETS SHOWN ON MAP FILED DECEMBER 31, 2001, IN BOOK 61 OF SURVEYS, PAGE 25, OFFICIAL RECORDS AND IN BOOK 65 OF SURVEYS, AT PAGE 16, OFFICIAL RECORDS.
3. AN EASEMENT OVER SAID LAND FOR PUBLIC HIGHWAY OR ROAD AND ALL NECESSARY UTILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO COUNTY OF SACRAMENTO, IN DEED RECORDED AUGUST 27, 2002, IN BOOK 20020827, PAGE 157, OFFICIAL RECORDS.
4. AN EASEMENT OVER SAID LAND FOR THE PURPOSE OF DRAINAGE EASEMENTS AND INCIDENTAL PURPOSES AS SET FORTH ON SURVEY MAP FILED FEBRUARY 16, 2005, IN BOOK 67 OF SURVEYS, PAGE 29.
5. ANY PUBLIC ACCESS RIGHTS, EASEMENTS, OR ROADWAY INTERESTS WHICH MAY EXIST AS REFLECTED ON THE ALTA/ACSM SURVEY DATED MAY 10, 2007 JOB NO. SA1437 BY NOLTE BEYOND ENGINEERING.

6. ANY PUBLIC ACCESS RIGHTS, EASEMENTS, OR ROADWAY INTERESTS WHICH MAY EXIST AS REFLECTED ON THE PARCEL MAP FILED MAY 24, 2007, IN BOOK 201, PAGE 4 OF PARCEL MAPS, AND IN BOOK 203 OF PARCEL MAPS AT PAGE 2.
7. AN EASEMENT OVER SAID LAND FOR STORM WATER DRAINAGE PIPELINE AND INCIDENTAL PURPOSES, AS GRANTED TO COUNTY OF SACRAMENTO, IN DEED RECORDED MAY 23, 2008, IN BOOK 20080523, PAGE 1372, OFFICIAL RECORDS.
8. AN EASEMENT OVER SAID LAND FOR PUBLIC ROADWAY AND PUBLIC UTILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO COUNTY OF SACRAMENTO, IN DEED RECORDED JULY 22, 2010, IN BOOK 20100722, PAGE 909, OFFICIAL RECORDS.
AFFECTS LOT 110
9. AN EASEMENT OVER SAID LAND FOR PUBLIC ROADWAYS AND PUBLIC UTILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO COUNTY OF SACRAMENTO, IN DEED RECORDED JULY 22, 2010, IN BOOK 20100722, PAGE 910, OFFICIAL RECORDS.
AFFECTS LOT 112
10. AN "IRREVOCABLE OFFER TO DEDICATE" AFFECTING A PORTION OF SAID LAND FOR PUBLIC ROADWAY AND PUBLIC UTILITIES AND INCIDENTAL PURPOSES, IN FAVOR OF COUNTY OF SACRAMENTO, IN A DOCUMENT RECORDED JULY 22, 2010, IN BOOK 20100722, PAGE 911, OFFICIAL RECORDS.
AFFECTS LOT 114
11. AN EASEMENT OVER SAID LAND FOR PUBLIC ROADWAY AND PUBLIC UTILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO COUNTY OF SACRAMENTO, IN DEED RECORDED JULY 22, 2010, IN BOOK 20100722, PAGE 912, OFFICIAL RECORDS.
AFFECTS LOT 94 AND OTHER PROPERTY
12. AN EASEMENT OVER SAID LAND FOR PUBLIC ROADWAY AND PUBLIC UTILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO COUNTY OF SACRAMENTO, IN DEED RECORDED DECEMBER 16, 2010, IN BOOK 20101216, PAGE 612, OFFICIAL RECORDS.
AFFECTS PORTION OF LOT 127
13. AN EASEMENT OVER SAID LAND FOR PUBLIC UTILITIES AND PUBLIC FACILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO COUNTY OF SACRAMENTO, IN DEED RECORDED DECEMBER 16, 2010, IN BOOK 20101216, PAGE 613, OFFICIAL RECORDS.
AFFECTS PORTION OF LOT 127
14. AN EASEMENT OVER SAID LAND FOR PUBLIC ROADWAY AND PUBLIC UTILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO COUNTY OF SACRAMENTO, IN DEED RECORDED DECEMBER 16, 2010, IN BOOK 20101216, PAGE 616, OFFICIAL RECORDS.
AFFECTS LOT 148

15. AN EASEMENT OVER SAID LAND FOR PUBLIC UTILITIES AND PUBLIC FACILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO COUNTY OF SACRAMENTO, IN DEED RECORDED DECEMBER 16, 2010, IN BOOK 20101216, PAGE 617, OFFICIAL RECORDS. AFFECTS LOT 148
16. ANY FACTS, RIGHTS, INTEREST OR CLAIM WHICH MAY OR MAY NOT BE SHOWN BY THE PUBLIC RECORDS BUT WHICH COULD BE ASCERTAINED BY MAKING INQUIRY OF THE COUNTY OF SACRAMENTO.
17. ALSO RESERVING FOR THE BENEFIT OF THE COUNTY, THE FOLLOWING RIGHTS FOR PUBLIC UTILITIES AND PUBLIC FACILITIES, INCLUDING BUT NOT LIMITED TO WATER, SEWER, GAS AND DRAINAGE PIPES, POLES, OVERHEAD LINES, TELEPHONE, CABLE TV, UNDERGROUND POWER AND OTHER APPURTENANCES AS COUNTY MAY DEEM NECESSARY, AND RIGHTS FOR LANDSCAPING FOR THE PURPOSE OF PLANTING AND MAINTAINING LANDSCAPING AND OTHER INCIDENTAL PURPOSES AS DEEMED NECESSARY BY THE COUNTY, AND RIGHTS FOR THE INSTALLATION AND MAINTENANCE OF A SIDEWALK OR WALKWAY, TOGETHER WITH ANY APPURTENANCES PERTAINING THERETO, AND RIGHTS FOR STREET LIGHTING FACILITIES, INCLUDING FOUNDATIONS, STANDARDS, CONDUIT AND ANY AND ALL APPURTENANCES PERTAINING THERETO, TOGETHER WITH THE RIGHT TO CONSTRUCT, RECONSTRUCT, OPERATE AND MAINTAIN ALL OF THE AFOREMENTIONED, OVER, ACROSS, THROUGH AND UNDER THAT CERTAIN PROPERTY IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AS LEGALLY DESCRIBED AND GRAPHICALLY DEPICTED IN **EXHIBIT B**, PERTAINING TO PORTIONS OF MCLELLAN BUSINESS PARK LOT 120, LOT 123, AND 127.
18. ALSO RESERVING FOR THE BENEFIT OF THE COUNTY, THE FOLLOWING RIGHTS FOR PUBLIC ROADWAY AND PUBLIC UTILITIES, INCLUDING BUT NOT LIMITED TO CONSTRUCTING, RECONSTRUCTING, REPAIRING AND FOREVER MAINTAINING A PUBLIC ROADWAY AND PUBLIC UTILITIES, TOGETHER WITH ALL NECESSARY APPURTENANCES PERTAINING THERETO, OVER, ACROSS, AND UNDER THAT CERTAIN REAL PROPERTY IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AS LEGALLY DESCRIBED IN AND GRAPHICALLY DEPICTED IN **EXHIBIT C**, PERTAINING TO PORTIONS OF MCCLELLAN BUSINESS PARK LOT 120, LOT 123, AND 127.

V. CONDITIONS

- A. The Grantee agrees to accept conveyance of the Property subject to all covenants, conditions, restrictions, easements, rights-of-way, reservations, rights, agreements, and encumbrances, whether or not of record.
- B. The Grantee agrees that the Master Purchase and Sale Agreement, dated November 13, 2001, as amended (“Master Purchase Agreement”), by and between the County and McClellan Business Park LLC (“MBP”), discloses that certain water, electric power, sanitary sewer, natural gas, storm drainage, television cable and telephone utilities may exist and operate within the Property

and that the location of such utilities may be unknown. To the extent required by the Master Purchase Agreement and that any such utilities exist as of the date of this Quitclaim Deed, Grantee agrees to grant appropriate, reasonable and customary easements to the owners of the existing utilities at no cost and without inappropriate, unreasonable and non-customary conditions when requested by the utility owners to do so. The Grantee agrees to not interfere with the operation of any utilities existing within the described properties without prior agreement of the utility owners.

- C. The Grantee agrees that it has inspected, is aware of, and accepts the condition and state of repair of the Property, and that the Property is conveyed, "as is," "where is," without any representation, promise, agreement, or warranty on the part of the County regarding such condition and state of repair, or regarding the making of any alterations, improvements, repairs, or additions, except to the extent set forth in the Master Purchase Agreement. The Grantee further acknowledges that the Grantor shall not be liable for any latent or patent defects in the Property, except to the extent required by applicable law.
- D. Notwithstanding any other provision of this Quitclaim Deed to the contrary, nothing herein is intended to alter the provisions of the Environmental Services Cooperative Agreement, dated June 27, 2012, as amended, entered into between the USA and the County relating to the Property ("ESCA"), which includes, but is not limited to, the obligations of the USA concerning the presence of "Retained Conditions" (as defined in the ESCA).

VI. NOTICES AND COVENANTS MADE BY USA RELATED TO SECTION 120(h)(3) OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT (CERCLA) (42 U.S.C. § 9620(h)(3))

The Grantee agrees that, pursuant to the USA Quitclaim Deed, the USA has made certain notifications, disclosures, reservations and warranties in accordance with and as required by CERCLA and that such notifications, disclosures, reservations and warranties run with the land and are binding upon and apply to the successors and assigns of the County, which includes, but is not limited, to Grantee, and its successors and assigns. The Grantee further agrees that, pursuant to the USA Quitclaim Deed and as required by CERCLA, upon the completion of the required obligations set forth in the ESCA, as confirmed by the United States Environmental Protection Agency ("U.S. EPA") and the State of California ("State"), the USA is required to issue a supplemental CERCLA warranty(ies) memorialized by an amendment and/or supplement to the USA Quitclaim Deed which is recorded by the USA in the Official Records of the County of Sacramento as an encumbrance against the Property. Upon such recordation by the USA, the supplemental CERCLA warranty(ies) shall run with the land and apply to the successors and assigns of the County, which includes, but is not limited, to Grantee, and its successors and assigns.

NOTICE

**BREACH OF ANY ENVIRONMENTAL RESTRICTIVE COVENANTS MADE
IN USA QUITCLAIM DEED**

To ensure the protection of human health and the environment, the Grantee agrees that, pursuant the USA Quitclaim Deed, the USA imposed certain environmental restrictive covenants as encumbrances against the Property (with the right to enforce compliance with such environmental restrictive covenants) (collectively, "Environmental Restrictive Covenants") limiting the types of uses that may occur at the Property and that such environmental restrictive covenants run with the land and are binding upon and apply to the successors and assigns of the County, which includes, but is not limited, to Grantee, and its successors and assigns. The Environmental Restrictive Covenants may only be modified with the written approval of the USA memorialized by an amendment and/or supplement to the USA Quitclaim Deed which is recorded by the USA in the Official Records of the County of Sacramento as an encumbrance against the Property. Upon such recordation by the USA, the Environmental Restrictive Covenants shall be deemed modified and shall run with the land and apply to the successors and assigns of the County, which includes, but is not limited, to Grantee, and its successors and assigns.

VII. OTHER ENVIRONMENTAL COVENANTS OR NOTICES

The Grantee agrees that, pursuant to the USA Quitclaim Deed, the USA has made certain notifications regarding the potential presence of certain environmental conditions and corresponding compliance obligations mandated by applicable law relating to such environmental conditions and that such notifications and compliance obligations run with the land and are binding upon and apply to the successors and assigns of the County, which includes, but is not limited, to Grantee, and its successors and assigns.

VIII. MISCELLANEOUS

A. Non-Discrimination. The Grantee covenants not to discriminate upon the basis of race, color, religion, national origin, sex, age, or handicap in the use, occupancy, sale, or lease of the Property, or in its employment practices conducted thereon. This covenant shall not apply, however, to the lease or rental of a room or rooms within a family dwelling unit, nor shall it apply with respect to religion if the Property is on premises used primarily for religious purposes. The United States of America shall be deemed a beneficiary of this covenant without regard to whether it remains the owner of any land or interest therein in the locality of the Property.

B. Hazards to Air Navigation. Prior to commencing any construction on, or alteration of, the Property, the Grantee covenants to comply with 14 C.F.R. Part 77 entitled "Objects Affecting Navigable Airspace," under the authority of the Federal Aviation Act of 1958, as amended.

C. Effect of Covenants. Each covenant of this Quitclaim Deed is binding on successive owners for the benefit of Grantor and shall "run with the land."

IX. MISCELLANEOUS

A. Non-Discrimination. The Grantee covenants not to discriminate upon the basis of race, color, religion, national origin, sex, age, or handicap in the use, occupancy, sale, or lease of the Property, or in its employment practices conducted thereon. This covenant shall not apply, however, to the lease or rental of

a room or rooms within a family dwelling unit, nor shall it apply with respect to religion if the Property is on premises used primarily for religious purposes. The United States of America shall be deemed a beneficiary of this covenant without regard to whether it remains the owner of any land or interest therein in the locality of the Property.

B. Hazards to Air Navigation. Prior to commencing any construction on, or alteration of, the Property, the Grantee covenants to comply with 14 C.F.R. Part 77 entitled "Objects Affecting Navigable Airspace," under the authority of the Federal Aviation Act of 1958, as amended.

C. Effect of Covenants. Each covenant of this Quitclaim Deed is binding on successive owners for the benefit of Grantor and shall "run with the land."

X. LIST OF EXHIBITS

The following Exhibits are attached to and made a part of this Quitclaim Deed:

Exhibits A-1 through A-55 – legal descriptions and plat maps

Exhibit B – Gateway 5A Public Utilities and Public Facilities – legal descriptions and plat maps

Exhibit C – Gateway 5A Public Roadway and Public Utilities – legal descriptions and plat maps

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Dated: 2/21, 2013

COUNTY OF SACRAMENTO, a political subdivision
of the State of California

Navdeep Gill

Navdeep Gill, Assistant County Executive Officer

Under delegated authority by:

Resolution No.: 2012-0282

Dated: May 8, 2012

STATE OF CALIFORNIA

:

ss.

COUNTY OF SACRAMENTO

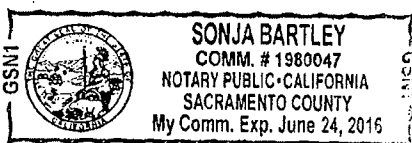
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On February 21, 2013, before me Sonja Bartley a Notary Public in and for said
County and State personally appeared Navdeep Singh Gill
who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within
instrument and acknowledged to me that he/~~she~~ executed the same in his/~~her~~ authorized capacity, and that by
his/~~her~~ signature on the instrument the person or the entity upon behalf of which the person acted, executed the
instrument.

WITNESS my hand and official seal.

Signature

Sonja Bartley



MAIL TAX STATEMENTS TO: MP Holdings, LLC, 3140 Peacekeeper Way, McClellan, CA 95652

Recording Requested By, And When Recorded, Please Mail Document To:

SACRAMENTO SUBURBAN WATER DISTRICT
Attn: General Manager
3701 MARCONI AVENUE, SUITE 100
SACRAMENTO, CA 95918

Official Document, Exempt from Recording
Fees Pursuant to Gov't Code §§ 6103 & 27383

No Document Transfer Tax
Per R&T Code § 11922

Assessor's Parcel No(s):

-- This Space for Recorder's Use Only --

GRANT OF EASEMENT AND RIGHT OF WAY

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, _____, Grantor, hereby grants to **Sacramento Suburban Water District**, a political subdivision of the State of California, Grantee, a permanent easement and right of way, including the perpetual right to enter upon the real property described below at any time that Grantee may deem necessary, to locate, construct, install, operate, maintain, repair, modify, replace and remove underground pipelines, water mains and all necessary below- and above-ground appurtenances for the purpose of conveying water over, across, through, and under the lands hereinafter described, together with the right to excavate and refill ditches or trenches for the location of said pipelines, water mains and appurtenances, and the further right to remove trees, bushes, undergrowth, ground covering, pavement, and any other obstructions interfering with the location, construction, installation, operation, maintenance, repair, modification, replacement and removal of said pipelines, water mains and appurtenances.

The land burdened by this Grant of Easement and Right of Way is located in the County of Sacramento, State of California, and is more particularly described as follows:

See Exhibits 'A' and 'B'
Attached hereto and made a part hereof this Grant of Easement and Right of Way

As a condition of this Grant of Easement and Right of Way, Grantor reserves the right to use such land for purposes that will not interfere with Grantee's full enjoyment of the rights hereby granted; provided that Grantor shall not erect or construct any building, wall, fence, or other permanent structure, or drill or operate any well, or construct any reservoir or any other obstruction on said land, or to diminish or substantially add to the ground cover lying over the easement and right-of-way granted herein.

The provisions of this Grant of Easement shall run with the land and inure to the benefit of and bind the heirs, successors, and assigns of the Grantor and Grantee.

Executed this _____ day of _____, 20__.

Grantor: _____

Name (signature): _____

Name (printed): _____

Title: _____

Recording Requested By, And When
Recorded, Please Mail Document To:

SACRAMENTO SUBURBAN WATER DISTRICT
Attn: General Manager
3701 MARCONI AVENUE, SUITE 100
SACRAMENTO, CA 95918

Official Document, Exempt from Recording
Fees Pursuant to Gov't Code §§ 6103 & 27383

No Document Transfer Tax
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Assessor's Parcel No(s):

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GRANT OF EASEMENT AND RIGHT OF WAY

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, _____, Grantor, hereby grants to **Sacramento Suburban Water District**, a political subdivision of the State of California, Grantee, a permanent easement and right of way, including the perpetual right to enter upon the real property described below at any time that Grantee may deem necessary, to locate, construct, install, operate, maintain, repair, modify, replace and remove underground pipelines, water mains and all necessary below- and above-ground appurtenances for the purpose of conveying water over, across, through, and under the lands hereinafter described, together with the right to excavate and refill ditches or trenches for the location of said pipelines, water mains and appurtenances, and the further right to remove trees, bushes, undergrowth, ground covering, pavement, and any other obstructions interfering with the location, construction, installation, operation, maintenance, repair, modification, replacement and removal of said pipelines, water mains and appurtenances.

Use Restrictions, Notices and Disclosures which "run with land". The Sacramento Suburban Water District acknowledges and agrees that the Easement Area is a part of a larger parcel that is encumbered by all of the terms, conditions, notices, warranties, disclosures and matters set forth in that certain (i) Quitclaim Deed, CERCLA 120(h) Covenants, and Environmental Restrictions, dated July 6, 2010, recorded on July 15, 2010, at Book 20100715, Page 0804, in the Official Records of Sacramento County, as amended, (ii) Quitclaim Deed, dated July 2, 2010, recorded on July 15, 2010, at Book 20100715, Page 0805, in the Official Records of Sacramento County, as amended, and (iii) Covenant to Restrict Use of Property Environmental Restriction, dated October 23, 2014, recorded on October 24, 2014, at Book 20141024, Page 0355, in the Official Records of Sacramento County, as amended (collectively, "Use Restrictions, Notices and Disclosures"), and that all such matters run with the land and that the permitted use of the Easement Area pursuant to this Easement Agreement by United States Cold Storage, Inc. and its tenants, successors, transferees and assigns as such relates to the Easement Area is subject to the Use Restrictions, Notices and Disclosures.

The land burdened by this Grant of Easement and Right of Way is located in the County of Sacramento, State of California, and is more particularly described as follows:

See Exhibits 'A' and 'B'

Attached hereto and made a part hereof this Grant of Easement and Right of Way

As a condition of this Grant of Easement and Right of Way, Grantor reserves the right to use such land for purposes that will not interfere with Grantee's full enjoyment of the rights hereby granted; provided that Grantor shall not erect or construct any building, wall, fence, or other permanent structure, or drill or operate any well, or construct any reservoir or any other obstruction on said land, or to diminish or substantially add to the ground cover lying over the easement and right-of-way granted herein.

The provisions of this Grant of Easement shall run with the land and inure to the benefit of and bind the heirs, successors, and assigns of the Grantor and Grantee.

Executed this _____ day of _____, 20 ____.

Grantor: _____

Name (signature): _____

Name (printed): _____

Title: _____

**AGREEMENT BETWEEN THE COUNTY OF SACRAMENTO AND THE
NORTHRIDGE WATER DISTRICT FOR THE CONVEYANCE OF
THE McCLELLAN WATER DISTRIBUTION SYSTEM**

This Agreement is made and entered into this 7th of September 1999, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California (hereinafter "County"), and the Northridge Water District, a political subdivision of the State of California, formed pursuant to Division 12 (commencing at Section 30000) of the California Water Code (hereinafter "NWD"), to be effective on the date hereinafter set forth.

WHEREAS, McClellan Air Force Base (herein "McClellan"), is located in Sacramento County, California, and will close as an active military installation on July 13, 2001; and

WHEREAS, the Air Force expects to convey the water distribution system (described in part in Section 2 of this Agreement and generally referred to herein as the System) located on McClellan to the County as part of an economic development conveyance (herein EDC Agreement) between the Air Force and the County in regard to the disposition of real and personal property in connection with the closure of McClellan; and

WHEREAS, Effective April 14, 1998, the County and NWD entered into a Memorandum of Agreement (herein "MOA") concerning the conveyance of the System by County to NWD; and

WHEREAS, the purpose of the MOA was to outline the general terms and conditions of the conveyance of the System by the County to NWD, and to allow time for the County and NWD to conclude negotiations for the final agreement between them for the conveyance of the System, to be effective at such time as the Air Force transfers the System to the County pursuant to the provisions of EDC Agreement; and

WHEREAS, it is currently anticipated that the Air Force will be ready to convey the System to the County in the relatively near future; therefore, County and NWD desire to conclude their negotiations with respect to the conveyance of the System so that an agreement will be in place and ready to become effective at the time that the Air Force transfers the System to the County, and

WHEREAS, this Agreement shall supersede the MOA in its entirety; and

WHEREAS, pursuant to a real property lease with the Air Force, NWD owns and operates improvements at two (2) water booster pump stations located on McClellan and on the former off-site jet fuel farm (hereafter "Booster Pump Station No. 1 and No. 2", respectively), and

WHEREAS, NWD desires to acquire title to the Booster Pump Station sites and the County is willing to convey title to the said sites to NWD in order to preserve reliability benefits associated with having water pumping facilities located at McClellan; and

WHEREAS, On August 13, 1998, the County executed the EDC Agreement, but has not yet received title to the water distribution system; therefore, the effect of this Agreement remains conditional upon the transfer of the System by the Air Force to the County; and

WHEREAS, at such time that the Air Force transfers the System to the County, then this Agreement shall also become effective without any further action required of the County or of NWD, except as may be otherwise required by law.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, County and NWD hereby agree as follows:

1. Affected Property. This Agreement shall govern the relationship of the County and NWD with respect to the subject matter expressed herein only in regard to the area of McClellan which is in the unincorporated territory of the County of Sacramento and depicted in Exhibit A1, as well as McClellan's facilities located at the former Camp Kohler area, and the

Capehart housing area (including the adjacent golf course), all of which are depicted on Exhibits A2, and A3, respectively (herein sometimes collectively referred to as Associated Facilities).

This Agreement shall not be construed as having any precedential value with regard to any other area within the County of Sacramento.

2. Transfer of System. Upon transfer of the System by the Air Force to the County, and consistent with the terms of the EDC Agreement and this Agreement, the County shall transfer the System, as it is received from the Air Force to NWD. It is the understanding of the parties that the System to be transferred is substantially described in Exhibit B, and will generally include well pump stations, fluoridation sites, potable storage facilities, the on-site water distribution system, certain vehicles, related equipment and materials, and various parcels of real property. The County shall not be required to transfer any portion of the System, as referred to in the preceding sentence, that is not included in the transfer of the System to the County by the Air Force. As consideration for the County's transfer and conveyance of the System to NWD, NWD shall upgrade, maintain, and operate the System in accordance with all applicable laws, rules, regulations, and orders of State and Federal governments, agencies, and other governmental authorities, including, but not limited to, the American Water Works Association, the California Department of Health Services, the California Department of Toxic Substances Control, and the Central Valley Regional Water Quality Control Board. NWD estimates that System upgrades will cost approximately \$5,100,000, as further described and set forth in Exhibit C. Implementation of system upgrades will be dictated by County's final re-use and capital improvement plan for McClellan.

The real property referenced in Exhibit B and in various sections of this Agreement shall be transferred and conveyed by the County to NWD at such time that the County receives title to such real property from the Air Force. Transfer of title shall occur in the same manner and by the same type of document by which title is transferred by the Air Force to

the County. NWD shall pay all costs of transfer, including any escrow fees and title insurance premiums. Prior to such transfer of title NWD shall be entitled to use such property without the payment of any rent.

Within 12 months of transfer of title to NWD, NWD shall initiate or participate in a process to secure legal descriptions, suitable for recordation, of all necessary easements to encumber the System, excepting that portion of the System which lies within proposed rights of way, and public utility easements adjacent thereto, as described in paragraph 11. Easements shall be a minimum width required by NWD to ensure maintenance, to provide for access, and shall be offered by NWD for dedication as public utility easements.

Should NWD terminate use of the particular real property to be transferred for activities related to the generation, distribution, or transmission of water, then title to such real property shall revert to the County or its successor in interest, pursuant to the provisions of California Civil Code, Sections 885.010 through 885.070, inclusive. The County's deed transferring such real property to NWD shall contain appropriate provisions regarding the contingency of the interest transferred and subject to such use limitation. In the event of a reversion in favor of the County, or its successor in interest, all costs of transfer, including any escrow fees and title insurance premiums associated with such reversion of title shall be paid by the County, or its successor in interest.

3. Water Distribution Facilities. Until July 13, 2001, NWD shall provide operations and maintenance of the water distribution facilities of the System at no cost to the County, but billed to the Air Force at one-twelfth (1/12th) of the proposed cost of overall water service based on the latest received invoice. Thereafter, operations and maintenance charges for water distribution facilities of the System shall be payable in accordance with NWD's Rules, Rates, and Regulations, as amended from time to time, attached to this agreement as Exhibit D.

The services provided shall be, but not limited to, operations and maintenance of

the water distribution system, potable water storage facilities, groundwater production systems, fluoridation systems, and all properties and facilities under possession of the Air Force until July 13, 2001.

4. Transfer of Booster Pump Stations Sites. The NWD Booster Pump Station Sites No. 1 and No. 2 described in Exhibit E shall be transferred and conveyed by the County to NWD at such time that the County receives title to such property from the Air Force. Transfer of title shall occur in the same manner and by the same type of document by which title is transferred to the County by the Air Force. NWD shall pay all costs of transfer, including any escrow fees and title insurance premiums. Prior to such transfer of title NWD shall be entitled to use such facilities without the payment of rent.

5. Conveyance Without Warranty. The conveyance of the System by County to NWD shall be without warranty of any kind or nature, and shall specifically exclude any implied warranty of condition, or fitness for a particular purpose, or of merchantability under common law, the California Uniform Commercial Code, or the American Water Works Association. It is specifically understood by the parties, and agreed to by NWD, that the conveyance and sale of the System, including all property (both real and personal) and equipment referred to herein and set forth in Exhibit B and Exhibit E, is to be conveyed and transferred and sold to NWD in an "as is" and "where is" condition.

6. Metering. As further consideration for the County's conveyance of the System to NWD, NWD shall perform metering of facilities located at McClellan, including the metering of residential, commercial and industrial buildings, and all common landscape areas, at the water service at no cost to the County, up to the number of meters specified in Exhibit C. Specific meter installations shall be by mutual agreement of NWD and the County or its successor in interest in accordance with Section 2.

7. Other Rates. All entities located at McClellan receiving surface water in lieu of groundwater shall be billed for wheeling and distribution charges attributable to surface water, in accordance with NWD's standard rate. Any entity locating to McClellan shall receive full requirements water service from NWD and may elect to receive service under any NWD rate, including economic development rates, for which the entity qualifies under NWD's Rates, Rules, and Regulations, as amended from time to time. NWD shall use its best efforts to identify the most advantageous NWD rate for each new commercial or industrial customer.

NWD shall not charge County for any "stand by" cost or other fee for unoccupied buildings, nor any charge for water service in regard to buildings until a particular building is connected to the System for service and a certificate of occupancy has been issued for such building.

8. Exclusive Right to Serve. Commencing upon conveyance of the System to NWD and continuing for a period of ten (10) years thereafter (herein the "Service Period"), NWD, as partial consideration hereunder, shall have the exclusive right to be the sole water provider for McClellan and the Associated Facilities, excepting the area of the River Dock. For the Service Period, County hereby agrees that it and any third party located within McClellan and the Associated Facilities shall remain a full requirements customer of NWD as may be authorized by law. Without limiting the generality of the preceding two sentences and for the purposes of this Agreement, the following definitions apply:

a. "Sole water provider", as used herein, shall mean that the County or any third party located within McClellan and the Associated Facilities is precluded from receiving water from another supplier of water, whether the supplier is a water utility, affiliate, or other legally authorized water purveyor.

b. "Full requirements" shall mean the County's or any third party's total

requirement for water for its facilities located within McClellan and the Associated Facilities; provided, however, nothing in this Agreement shall be construed as limiting the County's or any third party's ability to implement demand-side management or energy efficiency measures which have the effect of reducing the County's or the third party's requirement for water.

9. Rental, Lease or Conveyance Agreements. If the County leases, rents, sells, conveys or otherwise disposes of all or any portion of McClellan or the Associated Facilities, County shall include in such rental, lease or conveyance agreement a reference to the rights set forth in Section 8 of this Agreement.

10. Indemnification of County. As part of the County's grant of exclusive service rights to NWD within McClellan and the Associated Facilities, NWD agrees to defend, on its own behalf and on behalf of the County, any and all proceedings of any kind and nature, legal and administrative, in regard to the exclusivity right set forth in Section 8 of this Agreement, and further agrees to indemnify the County in regard to any damage of any kind or nature which may be levied or granted against the County in regard to said exclusivity rights, including all damages, attorneys fees, and costs of such proceedings, including but not limited to any anti-trust type of proceeding. It is the intent of the parties that the County shall not be subject to any type of administrative or legal proceeding, or the payment of any damages of any kind whatsoever, due to the exclusivity rights referred to in this Agreement.

11. First in Right Regarding Roadways. NWD acknowledges that the conveyance of the System is subject to all easements and rights-of-way for County roadways to be identified in the County adopted master roadway plan for McClellan and the Associated Facilities and easements up to 12 1/2 foot public utility easements (PUE's) on each side of such roadways. For purposes of this Agreement, the term "County roadways" shall mean those roadways within the property described in Section 1 hereof that are either: (i) included within the County roadway system; (ii) planned for ultimate inclusion in the County roadway system, or (iii)

generally available for use by the public or any entities located at McClellan and the Associated Facilities, including military organizations, in connection with the County's operation of McClellan and the Associated Facilities. Accordingly, County shall be deemed to be first in right concerning any public improvement by County with regard to any of the County roadways and easements up to 12 ½ foot public utility easements (PUE's) on each side of such roadways on any portion of McClellan and the Associated Facilities.

12. When NWD Deemed First in Right. As part of the conveyance of the System from the County to NWD and subject to the County's rights as set forth in Section 11, as between NWD and County only, NWD shall be deemed first in right as to the conveyance of rights-of-way and easements associated with the existing System at McClellan and the Associated Facilities which lie outside the County roadways, and any easements or rights-of-way existing or subsequently created for the benefit of the County as referred to in Section 11.

13. Allocation of Relocation Costs. The Parties further acknowledge that County initiated public projects may require the relocation of a portion of the System (NWD Facilities) which lie within the County roadways, easements or rights-of-way as referred to in Section 11. Costs of relocation of NWD Facilities related to such projects shall be allocated as follows: (a) For relocation of existing underground NWD Facilities necessitated by public projects which lie within the roadways, rights-of-way, and easements, as referred to in Section 11 the costs of relocation shall be paid by NWD; and (b) for subsequent relocations of such relocated underground facilities, the costs of relocation shall be equally divided between (1) NWD and (2) County or a third party. All NWD costs shall be in accordance with Section 2.

14. Water Service Water service provided by NWD at McClellan and the Associated Facilities shall be in accordance with NWD's Rates, Rules, and Regulations, as amended from time to time, attached as Exhibit D.

15. Entire Agreement. This Agreement and all exhibits attached hereto constitute the entire understanding between the County and NWD as to the subject matter hereof and may not be modified except by mutual written agreement of the Parties. The Parties acknowledge that the exhibits and attachments hereto were prepared with the best available information but may require modification as new information becomes available. The Parties agree to meet and confer regarding any proposed revision to an exhibit or any attachment hereto. No waiver of any default of either Party hereunder shall be implied from any omission by the other Party to take any action on account of such default or as a waiver of any future default.

16. Incorporation of Exhibits. All exhibits attached to or referred to in this Agreement are incorporated herein by such references as if fully and specifically set forth herein.

17. Effective Date. This Agreement shall be effective upon the date latest in time of the signatures of the parties.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed as of the day and year set forth below its respective signature.

COUNTY OF SACRAMENTO

NORTHRIDGE WATER DISTRICT

By: *Muriel L. Johnson*

By: _____

Title: Chairperson
Board of Supervisors

Title: _____



Approved as to Form for County:

Approved as to Form for NWD:

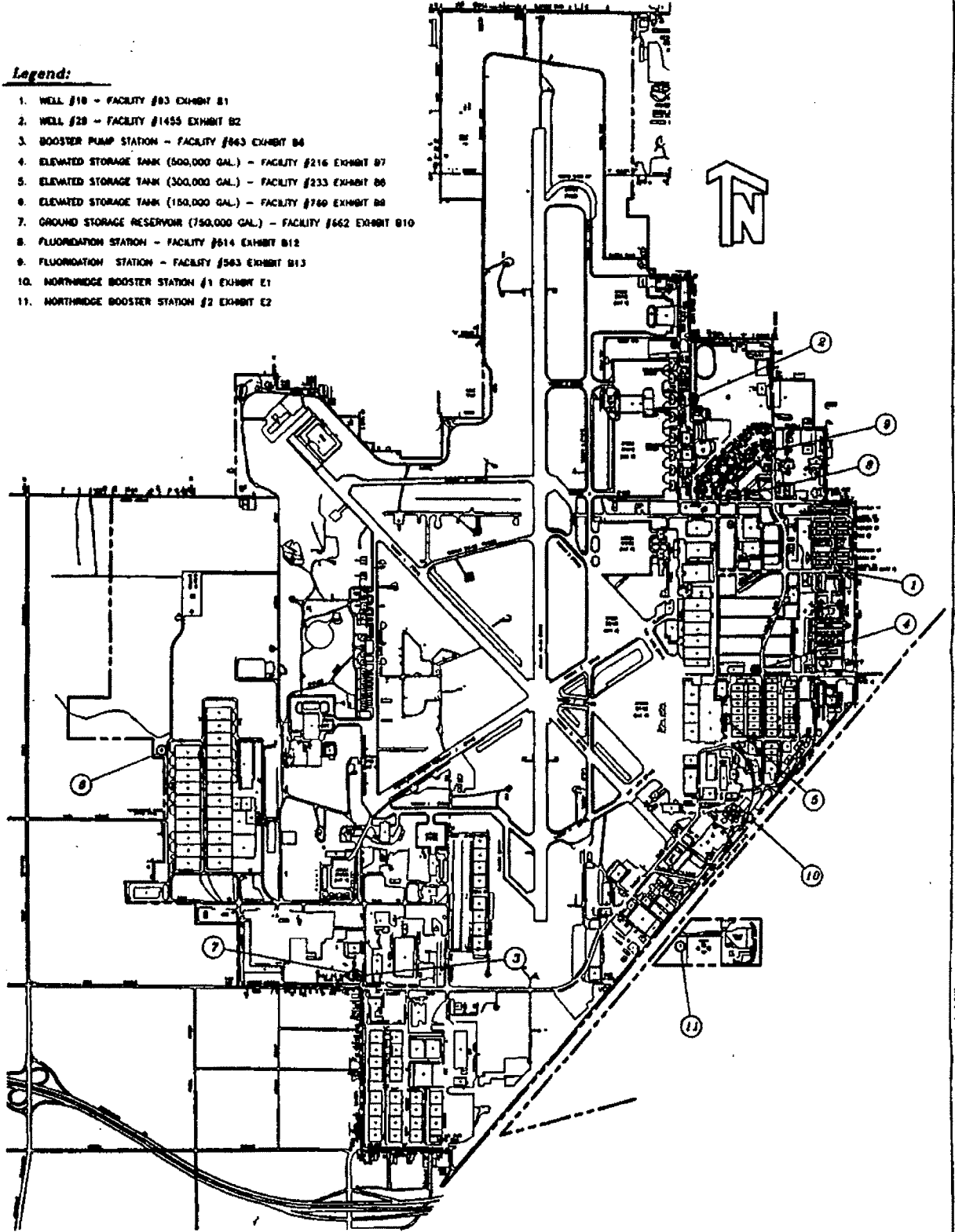
Counsel

Counsel

w:\dept\trans\bascon\1999\truce\ellan\agmt final re water.doc

Legend:

1. WELL #10 - FACILITY #83 EXHIBIT B1
2. WELL #20 - FACILITY #1455 EXHIBIT B2
3. BOOSTER PUMP STATION - FACILITY #843 EXHIBIT B4
4. ELEVATED STORAGE TANK (500,000 GAL.) - FACILITY #216 EXHIBIT B7
5. ELEVATED STORAGE TANK (300,000 GAL.) - FACILITY #233 EXHIBIT B6
6. ELEVATED STORAGE TANK (150,000 GAL.) - FACILITY #760 EXHIBIT B8
7. GROUND STORAGE RESERVOIR (750,000 GAL.) - FACILITY #662 EXHIBIT B10
8. FLUORINATION STATION - FACILITY #614 EXHIBIT B12
9. FLUORINATION STATION - FACILITY #563 EXHIBIT B13
10. NORTHRIDGE BOOSTER STATION #1 EXHIBIT E1
11. NORTHRIDGE BOOSTER STATION #2 EXHIBIT E2



McClellan Air Force Base

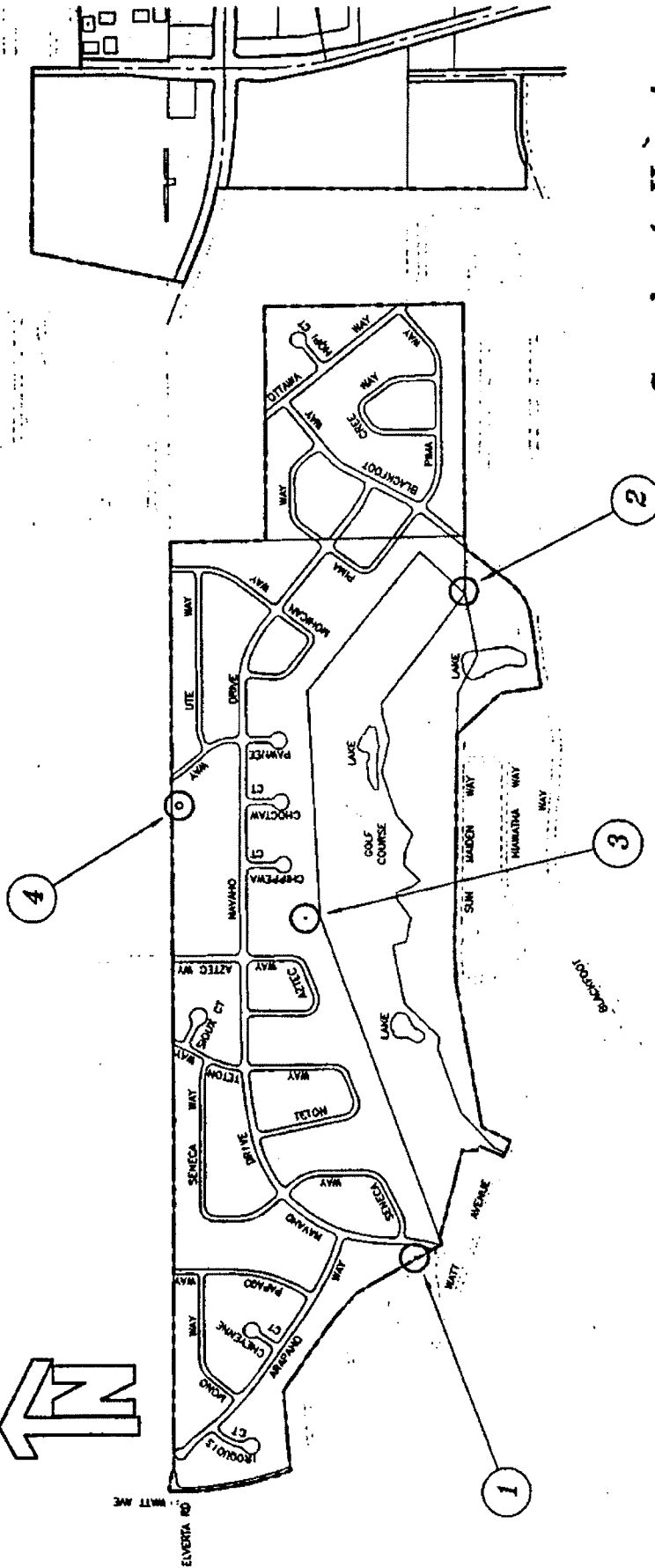
NOT TO SCALE

Northridge Water District
 5331 Walnut Ave, Sacramento, CA 95821
 PH: (916) 332-4111 FAX: (916) 332-6215

DRAWING NAME: **McClellan Air Force Base**
 SCALE: **NOT TO SCALE**
 DATE: **06/30/1999**

EXHIBIT A1

OF NAME: **MG451**



Legend:

- 1. WELL #1C - FACILITY #5008 EXHIBIT B3
- 2. WELL #2C-- FACILITY #5208 EXHIBIT B4
- 3. WELL #3C - FACILITY #5200 EXHIBIT B5
- 4. 150,000 GAL ELEVATED STORAGE TANK - FACILITY #5391 EXHIBIT B11

Capehart Housing
NOT TO SCALE

Northridge Water District		Exhibit A3	
DRAWING NAME: Capehart Housing Area			
SCALE: NOT TO SCALE			
5337 Walnut Ave, Sacramento, CA 95821		DATE: 06/30/1998	
PH: (916) 332-4111 FAX: (916) 332-6215		BY: JGASO	

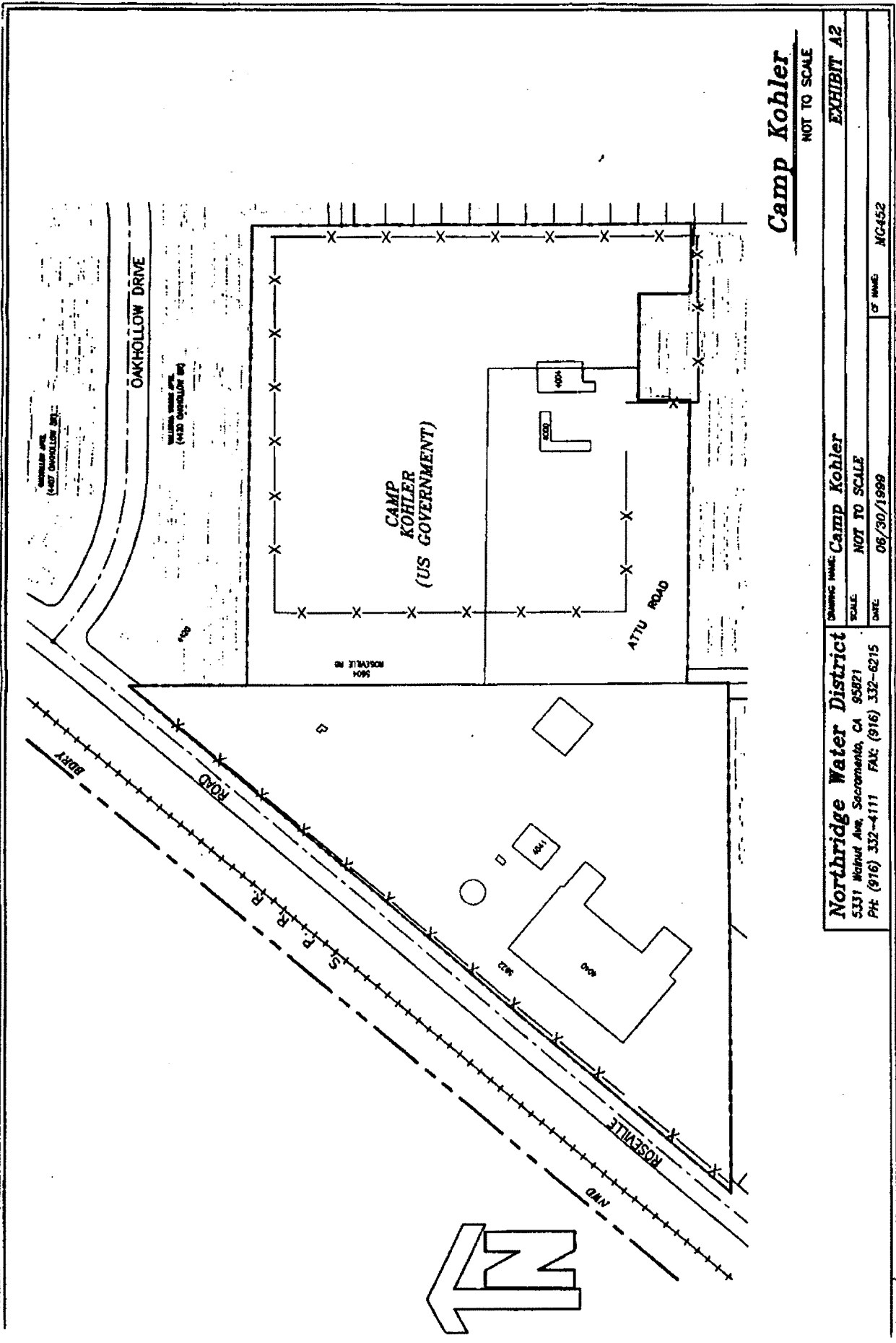


EXHIBIT B

POTABLE WATER DISTRIBUTION SYSTEM

The water distribution system shall consist of the following:

1) **Well Stations**

The Well Stations consist of 5 sites described as follows:

- a) Well #10 located at Building 93 near Palm Gate and Watt Avenue at McClellan AFB. Included on the site are building structures, piping, both above and below ground, gauges, wiring, vaults, concrete slabs, boxes, motor control panels, telemetry controls, sand separators, auxiliary power hookup, chlorination equipment as shown in Attachment B-1.
- b) Well #29 located at Building 1455 on Perrin Avenue at McClellan AFB. Included on the site are building structures, piping, both above and below ground, gauges, wiring, vaults, concrete slabs, boxes, motor control panels, telemetry controls, sand separators, auxiliary power hookup, chlorination equipment as shown in Attachment B-2.
- c) Well #1C located at Building 5008 on Navaho Drive at Watt Avenue entrance at Capehart Housing. Included on the site are building structures, piping, both above and below ground, gauges, wiring, vaults, concrete slabs, boxes, motor control panels, telemetry controls, sand separators, auxiliary power hookup and chlorination equipment. Fluoridation equipment includes gauges, sensors, mixing containers, tank, meter, mixing equipment, pump, building as shown in Attachment B-3.
- d) Well #2C located at Building 5208 on Blackfoot Way near the Capehart Golf Course at Blackfoot Way entrance into Capehart Housing. Included on the site are building structures, piping, both above and below ground, gauges, wiring, vaults, concrete slabs, boxes, motor control panels, telemetry controls, sand separators, auxiliary power hookup and chlorination equipment. Fluoridation equipment includes gauges, sensors, mixing containers, tank, meter, mixing equipment, pump, building as shown in Attachment B-4.
- e) Well #3C located at Building 5200 on Navaho Drive near the corporation yard at Capehart Housing. Included on the site are building structures, piping, both above and below ground, gauges, wiring, vaults, concrete slabs, boxes, motor control panels, telemetry controls, auxiliary power hookup and chlorination equipment. Fluoridation equipment includes gauges, sensors, mixing containers, tank, meter, mixing equipment, pump, building as shown in Attachment B-5.

The well sites shall also include all other miscellaneous appurtenances such as, but not

limited to, piping both above ground and below, gauges, wiring, vaults, concrete slabs and boxes. All well sites include associated real and personal property and improvements, including building structures and/or fencing as defined in Attachments B-1 through B-5.

2) McClellan AFB Booster Pump Station

The McClellan AFB Booster Pump Station consists of one site described as follows:

- a) Building 663 booster pump station located at the corner of Bell Avenue and Kilzer Avenue. Included on the site are piping, both above and below ground, altitude valves, telemetry controls, gauges, sensors, valves, metal buildings as shown in Attachment B-6.

This booster station shall include all other miscellaneous appurtenances such as, but not limited to, piping both above and below ground, pumps, motors, gauges, wiring, vaults, concrete slabs, boxes, building and electrical control panels. All well sites include associated real and personal property and improvements, including building as defined and shown in the above Attachment B-6.

3) McClellan AFB Storage Facilities

The Air Force Storage Facilities consist of five sites described as follows:

- a) 500,000 gallon elevated steel storage tank located at the northwest corner of Dudley Avenue and Peacekeeper Way, Facility #216. Included on the site are piping, both above and below ground, altitude valves, telemetry controls, gauges, sensors, valves, metal buildings.
- b) 300,000 gallon elevated steel storage tank located on 45th Street, Facility #233. Included on the site are piping, both above and below ground, altitude valve, telemetry controls, gauges, sensors, valves, concrete vaults.
- c) 150,000 gallon elevated steel storage tank located on Lang Avenue, Facility #769. Included on the site are piping, both above and below ground, altitude valve, telemetry controls, gauges, sensors, valves, concrete vaults.
- d) 750,000 gallon ground level concrete storage tank located at the northwest corner of Bell Avenue and Kilzer Avenue, Facility #662. Included on the site are piping, both above and below ground, altitude valve, booster pumps, motors, control panels, telemetry controls, gauges, sensors, valves.
- e) 150,000 gallon elevated steel storage tank located on the north side of Navaho Drive in the Capehart Housing area, Facility #5391. Included on the site are piping, both above and below ground, telemetry controls, gauges, sensors, valves, concrete vaults.

The storage facilities shall include all other miscellaneous appurtenances such as, but not

limited to, piping both above and below ground, pumps, motors, gauges, wiring, vaults, concrete slabs, boxes, buildings and electrical control panels. All storage sites include associated real and personal property and improvements, including buildings.

4) Fluoridation Stations

The Air Force Fluoridation Facilities consist of a total of five sites. Two sites are located at the Air Base with the other three located next to their respective well sites at Capehart Housing. These three fluoridation facilities are included in the well sites described in Paragraph 1 above. The following two at the Base are described as:

- a) Fluoridation Station #563 located on the west side of Dudley Blvd. south of Luce Avenue. Included in the facility are gauges, sensors, mixing containers, tank, meter, mixing equipment, pump building as shown in Attachments B-7.
- b) Fluoridation Station #514 located on the north side of James Way just east of Luce Avenue. Included in the facility are gauges, sensors, mixing container, tank, meter, mixing equipment, building, pump as shown in Attachments B-8.

The fluoridation facilities shall include all other miscellaneous appurtenances such as, but not limited to, piping both above and below ground, pumps, motors, gauges, wiring vaults, concrete slabs, boxes, buildings and electrical control panel. All fluoridation stations include associated real and personal property and improvements, including building as defined and shown in the Attachments B-7 and B-8.

5) Omnibus

It is the intention of the parties that the County of Sacramento will convey all the water distribution system, well pump station, potable storage facilities, fluoridation stations, booster stations and fire hydrants as is, where is and without representation or warranty, within the McClellan AFB, Camp Kohler and Capehart Housing, as identified herein. The attached attachments have been prepared in an effort to identify all the equipment and rights of way affected by the water distribution system and facilities in their approximate location. However, the attachments shall not be considered an accurate or complete representation of the water distribution system and facilities.

The District reserves the right that should any other additional water facilities be discovered within the boundaries of the former McClellan AFB, Camp Kohler and Capehart Housing, title to such facilities shall pass to the District as part of the potable water distribution system herein described. Additionally, rights of way for these discovered facilities will be covered by the easements and rights-of-way herein enumerated which are appropriate for the type of facility so discovered as though rights-of-way for these facilities had been shown on the attachments attached hereto.

**ATTACHMENT B-1
WELL #10 LOCATED AT BLDG. 93**

QTY	DESCRIPTION
1	Sand Separator & Associated Equipment
1	6" Black Rubber Hose
1	100 HP GE Motor
1	Aurora 10" Deep Turbine Pump
1	Sparling Flow Meter
	Various Pump Control Panels
1	Basco Oil Container
1	Chlorine Tox-Alarm
1	Chlorine Scale
	Various Safety Equipment
1	2 ½ HP Sta-Rite Chlorine Pump
1	Regal Chlorine Equipment

And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.

**ATTACHMENT B-2
WELL #29 LOCATED AT BLDG. 1455**

QTY	DESCRIPTION
1	100 HP GE Motor
1	R-50 Right Angle Drive
1	10" Peerless Pump
1	Water Level Gauge
	All Associated Electrical Pump Controls & Panels
1	Chlorine Bottle Adaptor Head
1	Chlorine Injector
1	10" Water Specialties Flow Meter
1	Basco Oil Containment
1	Metal Desk
1	2 ½ HP Sta-Rite Chlorine Pump

And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.

**ATTACHMENT B-3
WELL #1C AT BUILDING 5008**

QTY	DESCRIPTION
1	75 HP Electric Motor
1	6" Deep Well Turbine Pump
1	134 HP Diesel Motor
1	Right Angle Drive Unit
1	Fire Pump Controller Panel
	Various Existing Motor Control Panels
1	Fiberglass Chlorine Enclosure
1	2 ½ HP GE Electric Motor
1	Wallace-Tiernan-Scale
1	Chlorine Detection Alarm
1	Chlorine Bottle Adaptor Head
1	Chlorine Injector
	Various Repair Parts
1	Metal Fluoride Enclosure
1	1/4 HP Fluoride Injector Pump
1	50 Gallon Fluoride Drum
1	5 Gallon Fluoride Mixing Container
	Various Existing Control Panels
1	Lakos Sand Separator

And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.

**ATTACHMENT B-4
WELL #2C AT BUILDING 5208**

QTY	DESCRIPTION
1	75 HP Electric Motor
1	6" Deep Well Turbine Pump
1	134 HP Diesel Motor
1	Right Angle Drive Unit
1	Fire Pump Controller Panel
	Various Existing Motor Control Panels
1	Fiberglass Chlorine Enclosure
1	2 ½ HP GE Electric Motor
1	Wallace-Tierman-Scale
1	Chlorine Detection Alarm
1	Chlorine Bottle Adaptor Head
1	Chlorine Injector
	Various Repair Parts
1	Metal Fluoride Enclosure
1	1/4 HP Fluoride Injector Pump
1	50 Gallon Fluoride Drum
1	5 Gallon Fluoride Mixing Container
	Various Existing Control Panels
1	Lakos Sand Separator

And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.

**ATTACHMENT B-5
WELL #3C AT BUILDING 5200**

QTY	DESCRIPTION
2	75 HP Electric Motors
1	6" Deep Well Turbine Pump
	Various Related Motor Control Panels
1	Fiberglass Chlorine Enclosure
1	2 ½ HP GE Electric Motor
1	Wallace-Tiernan-Scale
1	Chlorine Detection Alarm
1	Chlorine Bottle Adaptor Head
1	Chlorine Injector
	Various Repair Parts
1	Metal Fluoride Enclosure
1	1/4 HP Fluoride Injector Pump
1	50 Gallon Fluoride Drum
1	5 Gallon Fluoride Mixing Container
	Various Existing Control Panels

And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.

**ATTACHMENT B-6
BUILDING 663 BOOSTER PUMP STATION**

QTY	DESCRIPTION
3	Office Chairs
1	Refrigerator
1	Wooden Book Shelf
1	Metal 5-Drawer File Cabinet
1	Metal Desk
1	Window Mount Air Conditioner
2	Metal 7-Shelf Storage
2	30 HP GE Motors
6	6" Booster Pumps
4	112 HP Cummins Diesel Motors
4	Fire Pump Controller Panels
59	Various Sizes Pipe Repair Clamps
23	Various Sizes Flex Couplings
3	4" Wheel Valves
4	Wooden Cabinets
3	8" Mechanical Joint Flanges
100 Ft.	3" Type L Copper Pipe
1	1/4 HP Metering Pump
2	6" Pressure Control Valves
1	Model 15-RA Fire Extinguisher
38	2 1/2" Plastic Fire Hydrant Caps
11	Spare Motor Fan Belts

And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.

**ATTACHMENT B-7
FLUORIDATION STATION #563**

QTY	DESCRIPTION
1	Contrec Batch Controller
1	1/4 HP Pulsatrom Chemical Pump
	All Associated Equipment & Electrical Panels
1	6" Hersey R-37 Flow Meter
	Various Safety Equipment
	Various Clean Up Equipment
	Various Spare Parts

And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.

**ATTACHMENT B-8
FLUORIDATION STATION #514**

QTY	DESCRIPTION
1	Contrec Batch Controller
1	1/4 HP Pulsatrom Chemical Pump
	All Associated Equipment & Electrical Panels
1	6" Hersey R-37 Flow Meter
	Various Safety Equipment
	Various Clean Up Equipment
	Various Spare Parts

And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.

EXHIBIT C

McCLELLAN AIR FORCE BASE CAPITAL IMPROVEMENT PLAN

	Description	Unit Charge	Qty.	Estimated Charge
1	Water meters and backflows (All Buildings)	N/A	517	\$ 1,374,000
2	Fire sprinkler protection system for all fire sprinkler services.	N/A	189	911,800
3	3/4 inch meters (Capehart Housing)	N/A	645	668,800
4	Fire Hydrants - testing - upgrade / replacement	300 ea. 2,500 ea.	360 180	108,000 450,000
5	Storage tank inspection, cleaning and/or recoating.	100,000 ea.	4	400,000
6	Backflow protection on fire and deluge system tanks.	10,000 ea.	4	40,000
7	Water well inspection and upgrade to current DOHS standards, including VFD drives, telemetry equipment and controls.	100,000 ea.	4	400,000
8	Altitude valves on storage facilities.	N/A	4	90,000
9	Water quality sampling plan and sampling station and installation.	20,000	LS	20,000
10	Pipeline Extensions - Roseville Road 24 inch - Roseville Road 16 inch	N/A N/A	LS LS	380,000 220,000
	<i>Estimated Total</i>			<i>\$ 5,062,600</i>

EXHIBIT E

NORTHRIDGE WATER BOOSTER PUMP STATIONS

The Booster Pump Stations consist of two sites described as follows:

- a) Dudley Blvd. Booster Pump Station. Included on the site are two 40 horsepower booster pumps, backflows, meters, control valves, control panel equipment as shown in Attachments E-1.**
- b) Roseville Road Booster Pump Station near the Sacramento County Transfer Station. Included on the site is a single 30 horsepower booster pump, backflow, meter, control valve, control panel equipment as shown in Attachments E-2.**

The booster pump stations shall also include all other miscellaneous appurtenances such as, but not limited to, piping both above ground and below, gauges, wiring, vaults, concrete slabs and boxes. All booster stations include associated real and personal property and improvements, including fencing as defined in the above Attachments E-2 and E-3.

**ATTACHMENT E-1
DUDLEY BLVD. BOOSTER PUMP STATION - 20" INTERTIE #1**

QTY	DESCRIPTION
2	30 HP Baldor Electric Motors
2	8" Booster Pumps
2	10" Sparling Mag Pac Water Meters
2	10" RP Backflow Devices
	Existing Chain Link Fence with Posts and Slats
	Existing Tesco Motor Control Panels & Telemetry Equipment

And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.

**ATTACHMENT E-2
ROSEVILLE ROAD BOOSTER PUMP STATION - 8" INTERTIE #2**

QTY	DESCRIPTION
1	20 HP Baldor Ind. Motor
1	6" Cornell Booster Pump
1	8" Rotork Electric Valve
1	8" Double Check Valve
	Existing Chain Link Fencing with Posts and Slats
	Existing Associated Electric Panels & Tesco Motor Control Panels

And all other repair parts, vehicles, equipment, and/or associated parts that may or may not be known at this time.

General Manager

Robert S. Roscoe, P. E.



President - Todd L. Robison
Vice President - Kevin M. Thomas
Thomas C. Fellenz
Frederick A. Gayle
Neil W. Schild

September 17, 2013

Mr. Alan Hersh
McClellan Business Park
3140 Peacekeeper Way
McClellan, CA 95652

Re: Capital Improvements at McClellan Business Park

Dear Mr. Hersh:

In 1998 the former Northridge Water District (currently Sacramento Suburban Water District) and the County of Sacramento executed a "memorandum of understanding" to perform ten (10) capital improvement projects for McClellan Park and the Arbors at Antelope (formerly Capehart Housing). This list of capital improvements was a condition of the agreement for Sacramento Suburban Water District to assume ownership and provide operation and maintenance of the water facilities at McClellan. Those 10 projects included the following:

1. Installing water meters and backflows on all existing water services at the former Air Force Base.
2. Installation of backflow protection on all existing private fire sprinkler services at the Air Force Base.
3. Installation of water meters at all existing living units at the former Capehart housing complex (currently the Arbors at Antelope).
4. Fire hydrant upgrade and replacement including flow testing each fire hydrant. The Air Force had a requirement that every hydrant must be tested on a four-year rotation basis.
5. Storage tank inspection, cleaning and/or recoating.
6. Install backflow protection on all fire suppression facilities feeding the existing deluge systems.
7. Water well inspection and upgrade to current Department of Public Health standards including, but not limited to, installation of variable frequency drives (VFD), telemetry equipment and motor control center.
8. Installation of altitude valve on the storage tank facilities.
9. Preparation of a water quality sampling plan and installation of sampling stations.
10. Installation of two transmission pipelines, which support the Air Force Base. The two projects were the 16-inch on Roseville Road from Madison Avenue to Palm Avenue and a 24-inch pipeline on Roseville Road from Palm Avenue to north of Oakhollow Way.

To date the Sacramento Suburban Water District (District) has completed 6 of 10 items on the list and by the end of 2013 will have completed a 7th. The remaining 3 items; installing water meters and backflows on all existing water services, fire hydrant upgrades and replacement

including flow testing each fire hydrant and installation of backflow protection on all private fire sprinkler services are well underway, but are not completed.

The District estimates that approximately 94% of the known water services have been metered, 65% of the fire hydrants have been replaced and approximately 28% of the fire services have been upgraded with backflow protection. The following is a summary of the remaining items:

- The remaining services left to be metered primarily serve hose faucets for wash down connection on small open hangers and lean-to sheds. The District has chosen not to meter these services until it is determine if the building is to be used and/or occupied.
- The status of the fire hydrants is that all are operational and being maintained. The balance of the hydrants will be replaced as they are found non-operable. The District has a preventative maintenance program that verifies the operation of each fire hydrant within the District's boundaries including operating the underground control valve. This program has been performed on all fire hydrants within McClellan Park. Based on the findings, the District believes the intent of this item is met.
- The existing fire services are technically single services of unknown size with a post indicator valve, which require upgrade, including but not limited to, a minimum of the installation of an isolation control valve and new backflow protection. These post indicator valves will be upgraded as required due to occupancy of the specific building. As these buildings are occupied, the District per the agreement will provide the backflow device and install a new isolation control valve for the service.

Moving forward, for new construction, the District will require the project to comply with current District Regulations Governing Water Service. The Regulations provide the policies, guidelines and requirements for water service for new development. New projects or existing buildings that require additional water related facilities will comply with the District's Regulations Governing Water Service and installed according to the District's Technical Specifications and Standard Details. The cost of these facilities is the responsibility of the developer/owner including all applicable fees as required.

Should you have any questions, please call me at 916.679.2896 or email at wjung@sswd.org. Thank you.

Very truly yours;
Sacramento Suburban Water District



Robert S. Roscoe, PE
General Manager

RSR

cc: Warren Jung - SSWD



Facilities and Operations Committee

Agenda Item: 4

Date: February 8, 2016

Subject: Long Term Warren Act Contract Update

Staff Contact: Dan York, Assistant General Manager

Recommended Committee Action:

Receive report and consider options suggested and direct staff as appropriate:

1. Proceed with attempts to receive a 25-year Long Term Warren Act Contract
2. Continue with 1-year or 5-year Warren Act Contracts

Background:

As previously mentioned in previous staff reports, the District has been attempting to obtain a Long-Term Warren Act Contract (LTWAC) from the Bureau of Reclamation (Reclamation) since 2004. The District was unsuccessful in obtaining a LTWAC, however, it has been able to enter into “wet-year only” Temporary 1-year contracts, and, most recently, a temporary 5-year Warren Act Contract. The District’s current Temporary 5-year Warren Act Contract expires in 2017.

Discussion:

To assist the District to make decisions regarding renewal of the current long-term agreement with the Placer County Water Agency (PCWA) for up to 29,000 acre-feet annually of Middle Fork Project (MFP) and potential execution of future “Warren Act” contracts with the U.S. Bureau of Reclamation (Reclamation) for use of excess capacity in Folsom Dam and Reservoir (Folsom Facilities) to store and/or convey the District’s MFP water, an Assessment Report (Assessment) has been generated, attached to this report as Exhibit The purpose of this Assessment is to help facilitate decisions by the District’s Board of Directors regarding continued reliability of the MFP surface water supply in average or wet years.

The PCWA Agreement is a vital component of the District’s groundwater stabilization program. In addition, the District’s 2010 Urban Water Management Plan, 2009 Water System Master Plan, Purveyor Specific Agreement with the Sacramento Water Forum, and other long range plans and commitments all assume continued availability of the MFP supply.

A very important factor is the District cannot take delivery of the MFP supply without corresponding Warren Act contracts with Reclamation for storage and conveyance through the Folsom Facilities. There is currently no alternative infrastructure available in the Region to convey the MFP supply from the upper American River watershed to the District's point of delivery at the terminus of the North Fork Pipeline (the Hinkle Wye) adjacent to San Juan Water District's Sydney Peterson Water Treatment Plant.

Staff and Ecorp Consulting (modeling consultant) met with Reclamation staff on February 3, 2016 to discuss the District's 2006 Draft Environmental Assessment (DEA) and modeling requirements. There were two key items resulting from the meeting. It was determined the DEA is outdated and should not be relied upon and the District will have to complete an American River model for temperature.

The Assessment is a summary-level report intended to assist the District's Board and management in making informed decisions. The Assessment outlines two key factors regarding the LTWAC, which are listed below:

Cost: The estimated cost of a 25-year LTWAC is approximately \$200,000. The estimated cost of either twenty-five consecutive 1-year WAC's or five consecutive 5- year WAC's would be close to or equal to a 25-year LTWAC.

Risk: Failure to award the LTWAC places the District in the position of pursuing successive temporary WAC's indefinitely in order to take delivery of its MFP supply. The risks of frequent negotiations in either 1-year or 5-year intervals to continued, reliable delivery of the MFP supply could potentially be significant, especially considering expected long term volatility in the regulatory environment.

Fiscal Impact:

Funds are not included in the approved CY2016 budget for the LTWAC. If a decision is made to proceed with the attempts to receive a 25-year LTWAC, staff will need to request appropriate funds.

Strategic Plan Alignment:

Water Supply - B. Provide for the long-term future needs of the District through prudent planning that will ensure sufficient capacity to serve all customers.

Water Supply - D. Manage the District's water supplies to ensure their quality and quantity.

Receiving a 25-year LTWAC will ensure a secure, safe and reliable water supply will benefit District customers long-term. In addition, receiving surface water during wet years will allow the District to assist with its groundwater stabilization program.

EXHIBIT 1

DRAFT

Assessment Report

**Continued Reliability
Sacramento Suburban Water District (SSWD)
Middle Fork American River Project (MFP) Surface Water Supply**

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Enclosure 3: Historical Deliveries City of Sacramento Supply	27

Introduction

Purpose. The purpose of this Assessment Report (Assessment) is to facilitate decisions by Sacramento Suburban Water District (SSWD) management on two pending contractual actions affecting continued reliability of the SSWD Middle Fork American River Project (MFP) surface water supply:

1. Renewal of the current long-term agreement with the Placer County Water Agency (PCWA) for up to 29,000 acre-feet annually (AFA) of MFP supply (PCWA Agreement or Agreement); and
2. Execution of future “Warren Act” contracts with the U.S. Bureau of Reclamation (Reclamation) for use of excess capacity in Folsom Dam and Reservoir (Folsom Facilities) to store and/or convey SSWD’s MFP water.

The Assessment is a summary-level report intended to assist SSWD management in making informed decisions. The Assessment is neither a technical report nor a formal cost/benefit analysis. Such reports and analyses are incorporated by reference as appropriate.

Need for Assessment

The SSWD Strategic Plan makes commitments and establishes goals and principles for meeting SSWD’s mission of “[delivering] a high quality, reliable supply of water and superior customer service at a reasonable price”. SSWD’s ability to achieve or surpass its strategic objectives depends to a great extent upon the certainty of renewing the PCWA Agreement upon expiration; and negotiating corresponding Warren Act contracts with Reclamation.

The PCWA Agreement is a vital component of SSWD’s groundwater stabilization program. The Agreement represents roughly 55% of SSWD’s total surface water supply¹. SSWD’s Urban Water Management Plan (UWMP), Water System Master Plan, Purveyor Specific Agreement (PSA) with the Sacramento Water Forum, and other long range plans and commitments all assume continued availability of the MFP supply.

Critically, SSWD cannot take delivery of the MFP supply without corresponding Warren Act contracts with Reclamation for storage and conveyance through the Folsom Facilities. There is currently no alternative infrastructure available in the Region to convey the MFP supply from the upper American River watershed to SSWD’s point of delivery at the terminus of the North Fork Pipeline (the Hinkle Wye) adjacent San Juan Water District’s Sydney Peterson Water Treatment Plant (WTP) in Granite Bay.

¹ The remainder of SSWD’s surface water supply consists of 22,404 AFA under an indefinite purchase agreement with the City of Sacramento; and periodic “Section 215” contracts with Reclamation for flood releases from the Folsom Facilities.

The existing PCWA Agreement expires in 2025; SSWD’s most recent Warren Act contract with Reclamation expires in 2018. An assessment is necessary in advance of those expiration dates to identify future risks and uncertainties to SSWD’s MFP water supply, and to formulate and implementing relevant mitigation strategies accordingly. .

Assessment Framework

Scope. The Assessment consists of three main parts: (1) the PCWA Agreement; (2) temporary Warren Act contracts for terms of up to 5 years each; and (3) a long-term Warren Act contract (LTWAC) for a term of 25 years.

Assessment Factors. The Agreement and both types of Warren Act contract are each assessed according to five individual factors. The assessment for each factor is followed by a summary of main risks and uncertainties, together with potential risk mitigation strategies. All assessment factors are primarily aligned with either SSWD Strategic Plan Goal 1 (Water Supply) or Goal 4 (Finance) or both.

Assessment Factor	Definition
1. Contractual Certainty	“Contractual Certainty” means the extent to which the contracting agency has the legal authority to execute the contracts or Agreements and the obligation or discretion to exercise that authority.
2. Regulatory Environment	“Regulatory Environment” means the relative stability of laws, regulations, court decisions and policies with respect to the Agreement and contracts.
3. System Reliability	“Reliability” refers to continued reliability of project infrastructure and operations necessary to deliver SSWD’s MFP water pursuant to the Agreement and contracts.
4. Cost	<p>“Cost” includes order-of-magnitude cost estimates for water acquisition, conveyance and treatment, contract negotiation and related environmental analysis.</p> <p>NOTE: Cost estimates are for comparative purposes only. The Assessment does not represent a formal cost estimate or formal benefit cost analysis.</p>
5. Impact of Not Executing the Contract(s)	This factor summarizes the potential impacts to SSWD’s conjunctive use strategy and program should the contract(s) be delayed or fail to be renewed or awarded altogether.

Disposition. SSWD management will brief the SSWD Facilities & Operations Committee on the draft and final Assessment Reports, and a proposed course of action, then coordinate with the SSWD Board of Directors (SSWD Board) accordingly.

Part I: PCWA Agreement

Overview

PCWA is authorized by Section 81-5.1 of the Placer County Water Agency Act (Cal. Stat. of 1957, ch. 1234, as amended)² to enter into contracts with any district, among other purposes, for “The sale, lease, or other disposition of water, a water supply, water rights, or water storage facilities or any interests in any thereof for any purpose by the agency to any district or by any district to the agency.” The PCWA Board of Supervisors (PCWA Board) exercises approval authority for such contracts.

On August 21, 1995, PCWA executed a 25-year Agreement with SSWD’s predecessor agency, Northridge Water District (Northridge)³ as a main component of Northridge’s groundwater stabilization project. Under the contract, PCWA agreed to supply Northridge with up to 29,000 AFA of MFP water to replace groundwater use by Northridge.

The 1995 contract was superseded on June 1, 2000, by the “Agreement between Placer County Water Agency and Northridge Water District for Water Supply for Ground Water Stabilization”, also for up to 29,000 AFA. The 2000 Agreement also memorializes commitment by the San Juan Water District (SJWD) to treat, then convey SSWD’s MFP supply through the Cooperative Treatment Pipeline (CTP) to SSWD’s designated place of delivery (C-Bar-C Park).

The 2000 Agreement was amended on October 2, 2008, to clarify the quantities of MFP water made available to SSWD and modify certain payment conditions related to those quantities. The current Agreement, as amended, expires on December 31, 2025.

Assessment Factor 1: Contractual Certainty.

a. Authority. There is no indication whatsoever that the Placer County Water Agency Act would be amended or rescinded prior to expiration of the existing Agreement, or any time thereafter. In the absence of such an amendment, it is highly improbable that legal discretion by the PCWA Board to renew the Agreement would be curtailed or revoked.

b. Obligation to renew. PCWA is under no legal or contractual obligation to renew the Agreement with SSWD. Article 3, Renewals of Term, stipulates (underscore added): “Renewals of this Agreement may be made for successive periods not to exceed twenty-five year each. The terms and conditions of each renewal shall be agreed upon by the parties not later than one year before the expiration of then current term of the Agreement.” Renewal is therefore subject to mutual agreement by the parties.

² https://www.pcwa.net/files/docs/public/PCWA_Act.pdf

³ Northridge Water District consolidated with Arcade Water District in February 2002 to form Sacramento Suburban Water District.

PCWA has consistently demonstrated its intent to renew the Agreement. PCWA accounted for the entire 29,000 AFA MFP supply through 2035 in their UWMP⁴ (Chapter 3, Section 3.7.6, Wholesale Water Supply Projections). SSWD's MFP supply is also included as a modeling assumption in the PCWA MFP Water Rights Extension which, if approved as expected by the State Water Resources Control Board (State Water Board) would extend through 2043.

By e-mail to the SSWD General Manager dated November 17, 2015, PCWA management confirmed their interest in renewing the Agreement. Coordination with SJWD management indicates that SJWD fully expects to continue treatment and conveyance of SSWD's MFP supply as part of any future renewal Agreement.

c. Summary. There is a very high degree of certainty that PCWA intends to renew the Agreement, assuming the parties can come to terms. To memorialize that intent, and to promote early discussion of contract terms, SSWD may consider proposing a Memorandum of Understanding (MOU) with PCWA this year with provision for annual or bi-annual meetings every year leading up to renewal.

In addition, SSWD should continue to coordinate with PCWA to ensure the Agreement is accounted for in future UWMPs and other agency planning and permitting processes.

Assessment Factor 2: Regulatory Environment.

a. MFP Water Rights. PCWA maintains Water Right Permits 13856 and 13858 which allow for the diversion, storage, and redirection of water associated with the MFP for irrigation, domestic, recreational, municipal, and industrial uses within PCWA's Place of Use. PCWA also maintains companion permits 13855 and 13857 covering water diversion and storage for power generation purposes. PCWA is currently in the process of petitioning the State Water Resources Control Board (State Water Board) for an extension through 2043 to put the MFP consumptive water right permits (13856 and 13858) to full beneficial use. That process is expected to be completed in late 2017 or early 2018, but continues to progress on schedule with no major complications identified to date. PCWA has requested license on permits 13855 and 13857 (Power Generation).

b. Environmental. Water resource agencies are required by law to evaluate the impact of discretionary actions on State or Federally listed threatened or endangered species. Mitigation related to such impacts often affects water supply availability. Federal and State listed species influencing operations in the lower American River include, but are not limited to: Pacific Lamprey, River Lamprey, Fall Run Chinook Salmon, and Central Valley Steelhead. None of these species currently exist above Folsom Dam. However, reintroduction of steelhead into the upper watershed is prescribed by the National Marine Fisheries Service (NMFS) as a Reasonable and Prudent Alternative (RPA) in their 2009 Biological Opinion (BiOp) for long term operation of the CVP.

⁴<http://www.water.ca.gov/urbanwatermanagement/2010uwmps/Placer%20County%20Water%20Agency/Placer%20Co%20WA%20Final%202010%20UWMP%20-%20Main%20document.pdf>

c. Summary. Laws, regulations and policies governing renewal of the Agreement should remain relatively stable for the foreseeable future. There is a high probability the State Water Board will approve MFP water rights extension; potential reintroduction of threatened or endangered species into the upper American River watershed is a very long-term undertaking. Nevertheless, SSWD should continue to monitor and, as practicable, participate in any significant regulatory process that could affect timely renewal of the PCWA Agreement.

Assessment Factor 3: System Reliability.

a. Infrastructure. The MFP is located on the west slope of the Sierra Nevada range primarily in Placer County, California. The Project’s major storage reservoirs, French Meadows and Hell Hole, have a combined capacity of 342,583 acre-feet (a/f). The Project has a generation capacity of approximately 224 megawatts (MW) and has produced an average of about 1 million megawatt-hours (MWh) per year. The Project includes recreation facilities near its storage reservoirs. In addition, its operations accommodate popular whitewater rafting opportunities in the Middle Fork American River below Oxbow Powerhouse. There appears to be no current or anticipated future infrastructure-related constraint on continued delivery of SSWD’s MFP supply to Folsom Reservoir.

b. Operations. Article 4 of the PCWA Agreement, Water to be Furnished to Northridge, establishes a graduated scale for the quantity of MFP water supply available each year between 2000 and 2014. Beginning in 2014 and thereafter, SSWD is contractually entitled to up to 29,000 AFA. This entitlement is constrained by Northridge’s (now SSWD’s) PSA with the Sacramento Water Forum. Under terms of the PSA, SSWD may only take delivery of the MFP supply in years when the projected March through November unimpaired inflow into Folsom Reservoir is greater than 1,600,000 AF⁵. This condition effectively makes the PCWA Agreement a “wet-year only” contract.

The MFP has proven to be a very productive project hydrologically. SSWD has consistently received all MFP as scheduled, year in and year out. Although there are no guarantees, modeling by PCWA indicates SSWD’s MFP supply will remain reliable in the future even under projected climate change conditions.

c. Summary. There is a high degree of certainty that the MFP will continue to produce and deliver all scheduled water up through expiration of the existing PCWA Agreement and thereafter.

Assessment Factor 4: Cost.

⁵ Under terms of the PSA, Northridge was authorized for an interim ten-year period (through 2010) to divert their MFP water in years when the projected March through November unimpaired inflow to Folsom Reservoir was greater than 950,000 acre feet. After the ten-year period, unless the State Water Board issues a subsequent order, Northridge would divert up to 29,000 AFA of their MFP supply from Folsom Reservoir subject to the 1.6 MAF inflow criteria.

a. Cost per a/f. The PCWA Agreement establishes criteria for determining the cost of MFP water in any particular year.⁶ According to that criteria, the cost of the MFP water to SSWD has consistently remained at \$35 a/f since 2000. In addition to the purchase cost of water, SSWD also pays storage and conveyance charges to Reclamation in accordance with successive Warren Act contracts; and water treatment and conveyance charges to SJWD under an agreement with that agency.

b. Total Cost. The total cost of the MFP water supply to SSWD – to include water acquisition, storage, conveyance and treatment - is summarized by year in enclosure 2. The total cost fluctuates annually for several reasons, but primarily because of differences in the quantity of water delivered under the Agreement. For example, the total cost to SSWD in 2007 was \$.397 million based upon 3,841.9 a/f total deliveries at \$103.31 per a/f. In comparison, total cost to SSWD in 2015 was \$1.657 million with deliveries of 15,516.8 a/f at \$106.78 per a/f.

c. “Take or Pay”. Article 4, Water to Be Furnished to Northridge states: “Each year Northridge shall be required to pay for its entitlement” Amendment 1 to the Agreement, dated October 1, 2008, capped the quantity subject to “take or pay” at 12,000 a/f. Altogether, this means that SSWD must pay for the first 12,000 a/f under the PCWA Agreement regardless of whether SSWD actually takes delivery of that water. The Agreement further states that if SSWD does not pay for the scheduled water deliveries, then SSWD’s future entitlements under the contract are reduced⁷.

d. Renewal costs. The renewal process itself will involve other types of costs including, but not limited to: staff and consultant costs associated with contract negotiations, general administration, and – in particular – modeling and analysis necessary to comply with the California Environmental Quality Act (CEQA), California Endangered Species Act (CESA), project water rights permits and other statutes and regulations.

e. Summary. Water acquisition, conveyance and treatment costs required by a renewal Agreement are difficult to quantify since these are all subject to future negotiations. However, based upon current and outyear projections, SSWD should anticipate there will be an upward trend in such costs between now and 2025. SSWD should further assume that the cost of renewing the contract may be significant, especially the cost modeling and environmental analysis. SSWD could manage the scale of future cost increases through regular communication and meetings with PCWA between now and 2025 as memorialized by an MOU.

⁶ Article 12, Rate and Method of Payment for the Water, Subparagraph 12(a) Rate for Payment of Water, states: “Each year Northridge shall pay [PCWA] for each acre-foot of Northridge Annual Entitlement made available in Northridge’s Service Area the highest of the following three rates: (1) Thirty-five dollars; (2) One hundred seventy-five percent (175%) of the acre-foot price [PCWA] charges the City of Roseville and San Juan [Water District] that year for water made available to them in Folsom Reservoir for use within Placer County; or (3) One hundred fifty percent (150%) of the total amount, per acre-foot, including any restoration and other fees and charges, [PCWA] is required to pay that year to Reclamation for water to be used within [PCWA] pursuant to [PCWA’s] September 18, 1970 contract as amended and supplemented or pursuant to any renewals of that contract.”

⁷ Article 4 states: “. . . if Northridge does not take or pay for the Northridge Annual Entitlement for any year, the Northridge Annual Entitlement for each year thereafter shall be reduced by the amount equal to 50% of the amount which Northridge did not take or pay for during that year.”

Factor 5: Impact of Not Renewing the Contract.

The SSWD UWMP, Section 4.6, District Conjunctive Use Strategy, states: “As part of the District’s 2009 Water System Master Plan, the District developed a conjunctive use strategy that consists of integrating the buildout water needs, groundwater pumping target, available surface water supplies, groundwater supply capacity, and frequency of occurrence of WFA climate year types to arrive at the optimum mix of water supplies. An objective of the conjunctive use strategy is for the District to not exceed the groundwater pumping target on average and utilize surface water as part of the supply in wet years when supplies are plentiful and less costly.”

The UWMP goes on to provide additional detail on SSWD’s conjunctive use strategy. In summary, the Sacramento Groundwater Authority (SGA), formerly the Sacramento North Area Groundwater Management Authority, was formed in 1999 to manage the groundwater basin north of the American River. One objective of SGA is to maintain the long-term sustainable yield of the groundwater basin north of the American River through conjunctive use practices. SGA adopted its groundwater management plan (GMP) in December 2003 and adopted a revised GMP in December 2008. SSWD is a participating agency in SGA.

The “sustainable yield” of the portion of the North American groundwater sub-basin within Sacramento County was defined as part of the Water Forum process and in the formation of the SGA. The estimated “average annual sustainable yield” defined by the Water Forum is 131,000 AFA (EDAW/SWRI, 1999). SSWD’s portion of this yield has been defined by the SGA as a sustainable pumping estimate of 35,035 AFA.

As illustrated in UWMP Table 4-5, SSWD’s two sources of surface water supply (MFP supply and City of Sacramento supply) are essential to meeting the long-term groundwater pumping target of 35,035 AFA.

Table 4-5. Conjunctive Use Strategy, Meet District Needs – Total System, AFA					
	Wet	Average	Drier	Driest	Ave Use
2035 Demand	41,133	41,133	41,133	41,133	41,133
Surface Water Available					
PCWA	29,000	0	0	0	0
City of Sacramento	9,399	3,500	1,400	0	0
Total surface water available	38,399	3,500	1,400	0	0
Groundwater Use	31,241	41,133	41,133	41,133	35,000
Surface Water Use	9,892	0	0	0	6,133

Note: Water year types in this table refer to water year types as defined in the Water Forum Agreement.

Should the PCWA Agreement not be renewed, then SSWD would have to make up the shortfall through other sources. There are multiple variation of how this might be accomplished but in general, SSWD would most likely max out their available City of Sacramento supply first, then increase groundwater extraction to cover the remaining balance. This would present significant risk to SSWD’s conjunctive use strategy. For example, the total quantity of water available under the City of Sacramento contract is 26,064 AFA. However, in most years deliveries are constrained well below this amount by the “Hodge” provisions of the City of Sacramento’s water rights permit. Over time, this dynamic would make it very difficult for SSWD to remain within their sustainable yield allocation. Other considerations include:

Cost. As reflected in the following table, the City of Sacramento supply is historically much more expensive on an a/f basis than the MFP supply.

Year	MFP Supply	City Supply	Difference
2006	\$95.25	\$150	\$54.75
2007	\$103.31	\$178	\$74.69
2008	\$104.40	\$195	\$90.60
2009	\$104.74	\$195	\$90.26
2010	\$106.78	\$224	\$117.22
2011	\$111.26	\$257	\$145.74
2012	\$112.36	\$283	\$170.64
2013	\$114.36	\$311	\$196.64
2014	\$116.10	\$342	\$225.90
2015	\$119.00	\$428	\$309.00

- The California Sustainable Groundwater Management Act (SGMA) of 2014. SGMA requires the formation of local groundwater sustainability agencies (GSAs) that must assess conditions in their local water basins and adopt locally-based management plans. The act provides substantial time – 20 years – for GSAs to implement plans and achieve long-term groundwater sustainability. It protects existing surface water and groundwater rights and does not impact current drought response measures. The outcome of this process could modify longstanding assumptions by the RGA and SSWD regarding a sustainable yield targets and groundwater management in general.

- Regional projects. Failure to renew the PCWA Agreement would almost certainly affect pending commitments by SSWD to participate in the evolving Regional Water Reliability Project. The long-term certainty of SSWD’s MFP supply is critical to planning and design for the Sacramento River Reliability Project (RiverArc), American River Watershed Basin Study, Regional Drought Planning and other Regional projects and initiatives.

d. Summary. Reference Assessment Factors 1 through 4 above: there appears to be a very high probability that the existing Agreement will be renewed upon expiration. Nevertheless, assessing the implications of not renewing, or renewing with less favorable terms and conditions, highlights the importance of the Agreement to SSWD's entire program. For that reason, it would appear to be to SSWD's best interests to engage with PCWA on a regular basis leading up to renewal negotiations. In addition:

- The SSWD General Manager should continue proactive involvement as a member of the Association of California Water Agencies (ACWA) Groundwater Committee in managing implementation of SGMA.

- SSWD should also continue to explore and support options for taking delivery of its City of Sacramento supply through diversions from the Sacramento River, rather than the Lower American River.

- SSWD should continue its commitment to participate with other local agencies on projects and initiatives to improve regional water supply reliability.

Part II: Temporary Warren Act Contracts

Overview

Reclamation is authorized to enter into contracts for use by other entities of excess capacity of Reclamation facilities to store or convey non-project water. The authorizing statutes are:

- The Act of February 21, 1911, Chapter 141 (36 Stat. 925, 926)⁸ and related federal rules (43 U.S.C. secs. 523, 524) authorize the Secretary of Interior, with certain provisos, to contract with irrigation systems, individuals, corporations, and irrigation districts for use of excess capacity in Reclamation projects in impoundment, storage or carriage of non-project water for irrigation purposes. The 1911 Act is commonly referred to as the Warren Act and pertains exclusively to non-project water for irrigation purposes.

- Section 305 of Public Law 102-250 Reclamation States Emergency Drought Relief Act of 12 1991⁹ as amended (106 Stat. 59; 43 U.S.C Ch 40)¹⁰ expanded the original Warren Act authority beyond irrigation to include contracts with municipalities, public water districts and agencies, other Federal agencies, State agencies, and private 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 Central Valley Project and other specified Reclamation projects.

- Section 3408(c) of Title 34, Public Law 102-575, Central Valley Project Improvement Act (106 Stat. 4604). Section 3408(c), Contracts for Additional Storage and Delivery of Water, states: “The Secretary is authorized to enter into contracts pursuant to Reclamation law and this title with any Federal agency, California water user or water agency, State agency, or private non-profit organization for the exchange, impoundment, storage, carriage, and delivery of Central Valley Project and non-project water for domestic, municipal, industrial, fish and wildlife, and any other beneficial purpose, except that nothing in this subsection shall be deemed to supersede the provisions of section 103 of Pub. L. 99-546 (100 Stat. 3051).”

Between 2000 and 2011, SSWD negotiated and executed temporary 1-year Warren Act contracts with Reclamation for use of excess capacity in the Folsom Facilities to store and convey the MFP water supply. In 2012, SSWD was successful in executing a temporary 5-year Warren Act contract through February 28, 2018 (Contract No. 12-WC-20-0020), subject to certain terms and conditions imposed by NMFS.

Assessment Factor 1: Contractual Certainty.

a. Authority. It is very unlikely that statutes governing temporary contracts for use of excess capacity in Reclamation facilities will be modified or rescinded in the future.

⁸ <https://www.law.cornell.edu/uscode/text/43/523>

⁹ <http://www.usbr.gov/drought/legislation/102-250.html>

¹⁰ <https://www.law.cornell.edu/uscode/text/43/chapter-40>

Reclamation Area Managers exercise delegated authority to approve temporary Warren Act contracts for up to 5-years in duration. No approved Basis of Negotiation (BON) is required prior to awarding these contracts since the form of contract is heavily standardized.

Discretion to exercise this delegated authority has never been constrained by any statute or court-order. All previous legal restrictions on CVP contracts have specifically pertained to award or renewal of CVP long-term water service and repayment contracts. Nevertheless, NMFS has typically been very cautious over the past several years with requests by Reclamation for consultation on temporary Warren Act contracts with terms exceeding 1-year. Requests by NMFS for additional analysis and delays in responding to such requests can have the effect of a de facto restriction.

b. Obligation. There is no provision for renewal in SSWD’s existing temporary Warren Act contract. Accordingly, Reclamation is under no obligation to renew that contract. Any successor contracts would be new contracts subject to new terms and conditions.

c. Summary. There is no indication that any of the three authorizing statutes will be amended or rescinded any time in the future. However, discretion by Reclamation to exercise that authority – especially with respect to term of contract - could potentially be restricted either formally or informally based upon changing circumstances. Use of successive short-term contracts to meet a long term need generally increases the risk of this occurring.

Risk mitigation strategies could include pursuing a LTWAC as discussed in Part III of this Assessment; or, including at least an acknowledgement of the parties’ intent to renew as a provision of future temporary Warren Act contracts, regardless of term.

Assessment Factor 2: Regulatory Environment.

a. Water Rights. On August 27, 2015, the Department of Water Resources (DWR) and Reclamation filed a petition with the State Water Board to change their respective water rights to add three additional Points of Diversion (PODs) in support of the California WaterFix Project (WaterFix Project), formerly part of the Bay Delta Conservation Plan or BDCP. Multiple parties have filed formal protests to the Reclamation/DWR change petition. Protest resolution could potentially result in amendments to Reclamation’s permits concerning operation of the Folsom Facilities or CVP Delta operations.

Concurrent with their review of the WaterFix change petition, the State Water Board continues to develop and implement updates to the Bay-Delta Water Quality Control Plan (WQCP). Phase 4 of the WQCP process involves developing and implementing flow objectives for priority tributaries to the Delta to protect beneficial uses in the Bay-Delta watershed. Priority tributaries include the American River.

Conditions imposed by the State Water Board on Reclamation’s water rights permits through either or both of these two processes could potentially modify Reclamation’s operations at the Folsom Facilities and Lower American River. Such operational changes could conceivably affect the timing and availability of excess capacity at the Folsom Facilities. In addition,

litigation of State Water Board decisions on WaterFix or the Delta WQCP could once again result in court-ordered restrictions in awarding or renewing CVP water contracts.

b. Environmental.

(1) CVP Operations. Recent completion by Reclamation of the Record of Decision (ROD) for Long-Term Operation for the Central Valley Project in Coordination with the State Water Project (LTO). The LTO ROD culminates nearly 10 years of continuous litigation related to CVP operations¹¹. For most of that period, Reclamation was restricted either by court-order or uncertainty in future CVP operations from executing most long-term CVP contracts including most long-term Warren Act contracts. There is currently no legal constraint on award or renewal of CVP contracts.

This could potentially be only brief a respite. Any significant change in CVP operations resulting from the WaterFix or Phase IV processes, or any new listings, may well necessitate additional Endangered Species Act (ESA) Section 7 consultation by Reclamation with NMFS and the U.S. Fish and Wildlife Service (USFWS). Over the past 10 years such CVP-wide consultation has almost inevitably resulted in new operational requirements – either directly through new Biological Opinions (BiOps) or as a result of litigation. Significantly new or modified operations could affect the content and award of future Warren Act contracts.

(2) Annual CVP Temperature Plan. Because of their operations cycle, SSWD needs temporary Warren Act contracts fully approved and awarded by February or March each year. In the absence of fully executed contracts by that time, SSWD must necessarily rely upon groundwater resources to meet demands. Firing up the infrastructure necessary to extract, treat and distribute groundwater supplies is an expensive undertaking and difficult to reverse even if a Warren Act contract is later awarded.

Reclamation has historically experienced some difficulty in securing NMFS concurrence within the February – March timeframe. NMFS relies heavily upon Reclamation’s annual CVP temperature plan to make decisions for the upcoming summer season for protection and recovery of endangered species. Reclamation does not finalize the annual CVP temperature plan until May of each year. This time gap between SSWD’s need for an approved Warren Act contract in February - March, and publication of the final CVP temperature plan in May, introduces significant uncertainty in NFMS’ ability to evaluate impacts on listed species.

c. Reclamation policies. Reclamation-wide policies are subject to continuous update and revision. New or revised policies typically cannot supersede or amend existing water contracts. Consequently, as a standard practice Reclamation requires that new policy directives be incorporated prospectively into any new or successor contracts. For example, most of the original long-term CVP water service contracts charged a very low flat rate for CVP deliveries, in some cases only \$6 per a/f. In the late 1980’s and early 1990’s, Reclamation developed new water ratesetting policies based upon actual Cost of Service (COS) then incorporated these new policies as a condition of all renewal contracts.

¹¹ A summary of CVP litigation is enclosed (enclosure 1).

Consecutive short-term (1-year, 5-year) contracts such as SSWD's temporary Warren Act contracts are particularly vulnerable to this dynamic. The most recent example is a proposed new policy by Reclamation that would significantly increase rates associated with new Warren Act contracts. If finalized and implemented, Reclamation would require the new rates to be incorporated as a provision of all new Warren Act contracts.

d. Summary. The regulatory environment for the CVP is expected to remain highly uncertain, even volatile, for the foreseeable future. The process of negotiating and awarding consecutive temporary Warren Act contracts over an extended period increases SSWD's exposure to periodic court-ordered contracting restrictions, new Reclamation policies, and complicated and often inconclusive ESA consultation with NMFS and the USFWS. Potential mitigation strategies are the same as Assessment Factor 1 above.

Assessment Factor 3: System Reliability.

a. Infrastructure. SSWD's MFP supply is diverted by Reclamation at Folsom Dam through the Municipal and Industrial (M&I) water intake, and conveyed by way of the Folsom pump plant and North Fork Pipeline to the Hinkle Wye. SJWD then treats and conveys the MFP water to SSWD's point of delivery at C-Bar-C Park.

The only real risk in terms of infrastructure reliability would be in situations where the reservoir level dropped below the operational capability of the M&I intake – approximately elevation 360'. The chances of that affecting SSWD's MFP supply are generally very minimal. The M&I intake operations have never been interrupted since Folsom Dam went into service in 1956. In any case, the SSWD Warren Act contract is a "wet-year" contract that applies only when the projected March through November unimpaired inflow into Folsom Reservoir is greater than 1,600,000 a/f. The risk of the reservoir dropping below elevation 360' in those wet years is highly improbable.

SJWD continues to reserve sufficient capacity in their Water Treatment Plant and pipeline to accommodate the MFP supply beyond expiration of the current PCWA Agreement.

b. Operations. The primary operational constraint associated with the Warren Act contract is SSWD's PSA with the Water Forum. In addition, the NMFS Letter of Concurrence for SSWD's existing temporary Warren Act requires Reclamation to reconsult based upon any of the following conditions:

- (1) If the preliminary and annual temperature data indicates mean daily water temperature at Watt Avenue cannot be maintained below or at actual mean daily temperatures exceeding 65 F;
- (2) If releases of the transfer water result in LAR flow fluctuation above or below the threshold flow of 4,000 cubic feet per second;
- (3) Operation outlooks indicate below average Folsom Reservoir storage condition by the end of May;

- (4) Historical storage in Folsom Reservoir is at or below average for the month of March-May;
- (5) Snowpack water content in the American River Basin is below the historical average for the month of March; or
- (6) Water conditions deviate from 2005 conditions, which is the benchmark used to determine if water temperature conditions are likely to be met.

NMFS and Reclamation are likely to require continuation of these conditions in future Warren Act contracts.

c. Summary. The project infrastructure and related operational rules necessary to store and convey SSWD's MFP supply through the Folsom Facilities to the SJWD Treatment Plant is expected to remain consistently reliable in the future. Although infrastructure-related risks are relatively low, the Folsom Facilities remain the only option for taking delivery of the MFP supply. Accordingly, SSWD may consider partnering with other local agencies to explore options for redundant conveyance capability at the Folsom Facilities in the event the M&I intake ever becomes inoperable.

Assessment Factor 4: Cost.

a. Contract costs. The following tables illustrate the range of costs involved with executing consecutive temporary 1-year and 5-year Warren Act contracts over a 25 year period. Reclamation policy requires applicants to cover the cost of Reclamation staff in negotiating, reviewing and otherwise completing award of each Warren Act contract; and in reviewing and approving environmental documents. The tables therefore reflect both Reclamation staff costs and SSWD consultant costs. SSWD staff costs are assumed be absorbed by the organization and are not included. Costs reflected in the tables are for comparison only and do not represent a disciplined cost estimate. General assumptions are as follows:

- (1) Level of effort (work hours) are based very roughly upon experience with previous SSWD Warren Act contracts;
- (2) The Reclamation labor rate is based upon a fully burdened hourly rate for GS-12 Step 4 (\$40.13 x 1.30 indirect cost factor).
- (3) Cost escalation for Reclamation staff costs is based upon 1% per year; cost escalation for consultant costs is calculated at 1.5% annually.
- (4) The frequency of consecutive 1-year contracts over a 25 year period is estimated at 60% probability (15 individual contracts) based upon previous historical record.

Costs estimates in the tables generally assume rate stability in all required tasks from one year to the next; and do not consider any of the many variables that could occur in any specific contract cycle. Variables that could significantly increase costs in any given year include, but are not limited to: requirement by Reclamation to prepare a separate stand-alone Biological Assessment

(BA) rather than a combined EA/BA; updated modeling required by NMFS to reflect new or modified BiOps; and the like.

(5) Definitions. For references purposes:

- ‘Contract Actions’ generally includes technical evaluation of proposed contract provisions by both SSWD consultants and Reclamation staff, related policy and regulatory research, actual negotiations meetings, legal and technical review of completed contracts, and final processing and approval.

- ‘Environmental Analysis’ generally includes (a) consultant time in conducting modeling, analyzing impacts, identifying mitigation actions, preparing EAs, BAs and other actions in compliance with the National Environmental Policy Act (NEPA) and Endangered Species Act (ESA), and additional specialized modeling and analysis in response to NMFS or FWS questions; and (b) Reclamation staff time performing technical review and commenting on draft documents, performing comparative modeling and related analysis, and conducting ESA consultation activities by Reclamation staff.

- ‘Administration’ generally includes scoping and coordination meetings, project management scheduling, project-related accounting, records search, copying, distribution and other general support tasks in support of contract actions and environmental analysis.

25 Consecutive 1-Year WACs					
Task	Hours	Rate PH	Total	25 Year Total (Straight Line)	25 Year Total (Cost Esc)
Contract Actions					
Recl Staff	12	\$ 52.17	\$ 626.04	\$ 9,390.60	\$ 14,074.38
Consultant	8	\$ 150.00	\$ 1,200.00	\$ 18,000.00	\$ 28,644.07
Environmental Analysis					
Recl Staff	40	\$ 52.17	\$ 2,086.80	\$ 31,302.00	\$ 46,914.59
Consultant	8	\$ 300.00	\$ 2,400.00	\$ 36,000.00	\$ 57,288.15
Administration					
Recl Staff	24	\$ 52.17	\$ 1,252.08	\$ 18,781.20	\$ 28,148.75
Consultant	8	\$ 150.00	\$ 1,200.00	\$ 18,000.00	\$ 28,644.07
TOTAL	100		\$ 8,764.92	\$ 131,473.80	\$ 203,714.01

* 15 individual contracts over a 25 year period based upon historical experience.

5 Consecutive 5-Year WACs					
Task	Hours	Rate PH	Total	25 Year Total (Straight Line)	25 Year Total (Cost Esc)
Contract Actions					
Recl Staff	24	\$ 52.17	\$ 1,252.08	\$ 6,260.40	\$ 6,932.51
Consultant	16	\$ 150.00	\$ 2,400.00	\$ 12,000.00	\$ 14,003.79
Environmental Analysis					
Recl Staff	48	\$ 52.17	\$ 2,504.16	\$ 12,520.80	\$ 13,865.01
Consultant	80	\$ 300.00	\$ 24,000.00	\$ 120,000.00	\$ 140,037.89
Administration					
Recl Staff	24	\$ 52.17	\$ 1,252.08	\$ 6,260.40	\$ 6,932.51
Consultant	24	\$ 150.00	\$ 3,600.00	\$ 18,000.00	\$ 21,005.68
TOTAL	216		\$ 35,008.32	\$ 175,041.60	\$ 202,777.38

Actual hours will vary within a general range from the estimated level of effort reflected in the tables. From a trend perspective, costs associated with Environmental Analysis-related tasks can be expected to increase proportionately with the term of contract. The main reason is the progressive uncertainty in the impact of the contract on federally listed species. Because of this uncertainty, NMFS and USFWS tend to require a greater degree of modeling and analysis in conjunction with the ESA consultation process. By extension, additional environmental analysis can also be expected to increase contract-related costs since Reclamation will typically propose contract language to reflect required ESA mitigation measures.

b. Rates. Consistent with Department of the Interior policy, Warren Act rates are determined in accordance with the “then-existing CVP Ratesetting Policies”. Reference enclosure 2, rates for SSWD Warren Act contracts have historically averaged somewhere in the \$18.00 - \$20.00 per a/f range. Reclamation is currently proposing new policies that could significantly increase historical rates. However, disposition of those policies is still pending the outcome of intensive review by Reclamation water contractors West-wide.

c. Summary. The most significant risk concerning Warren Act costs is variability from one award period to the next. The most likely variable is the level of NEPA analysis and ESA consultation required to complete the contract. Reducing the number of award cycles for Warren Act contracts tends to reduce variability, and therefore costs. For example: the level of environmental analysis associated with a 5-year contract, particularly modeling effort, is typically greater per event than a 1-year contract. However, these and other costs tend to be

offset over the long term since the parties don't have to negotiate, evaluate and process contracts as often.

Assessment Factor 5: Impact of Not Executing the Contract(s).

a. Failure to execute each consecutive temporary Warren Act contract means SSWD cannot take delivery of its MFP supply. The impact is basically a microcosm of not renewing the MFP Agreement, as discussed in Part I. In summary, SSWD would have to rely on either the City of Sacramento supply or SSWD groundwater resources, or both, to make up the difference. The City of Sacramento supply is significantly more expensive than the MFP supply and has a limitation on availability; relying on groundwater to make up the shortfall for any extended time risks exceeding SSWD's sustainable yield commitment.

b. Failure by Reclamation to timely execute a temporary Warren Act contract does not relieve SSWD of the take or pay provisions of the PCWA Agreement, as modified. According to those provisions, SSWD would still have to pay for the first 12,000 a/f of scheduled MFP supply even though they were unable to take delivery.

c. Failure to execute any particular temporary Warren Act contract could introduce uncertainty into SSWD's capability to meet conjunctive use commitments for other potential projects under joint consideration to improve Regional water supply reliability. Such projects and initiatives include, but are not limited to: the Sacramento River Diversion (RiverArc) Project, infrastructure improvement projects, a potential American River Basin Study, and Regional Drought Planning.

d. Summary. Not executing consecutive Warren Act contracts presents a significant risk to SSWD's MFP supply. Absent a Warren Act contract in any year, there will be quantifiable impacts to cost and water supply reliability.

Part III: Long Term Warren Act Contract

Overview

In 2005, SSWD requested Reclamation negotiate a long-term, 25-year Warren Act Contract (LTWAC) for use of excess capacity at the Folsom Facilities to store and convey SSWD's MFP supply. The primary strategy in requesting a LTWAC was to ensure SSWD's use of excess capacity was considered as a continuing assumption in Reclamation's current and outyear planning for CVP operations. SSWD also assumed the proposed LTWAC would more appropriately align with the term of the PCWA Agreement, reduce regulatory, logistical and financial uncertainties of executing temporary 1-Year Warren Act contracts each year.

The Reclamation Mid-Pacific Region concurred with the request and submitted a BON for approval by the Office of the Commissioner. Reclamation policy requires a BON as a first step in negotiating all types of long-term water contracts. An final approved BON represents a delegation of authority to the Regional Director (Contracting Officer) for negotiating and warding the proposed contract subject to specified parameters.

The BON was approved by the Commissioner on June 1, 2005. SSWD and Reclamation successfully concluded negotiations for the LTWAC in 2006 (Contract No. 05-WC-20-3279) and made very significant progress in completing the corresponding environmental analyses. However, further work on the environmental analysis was suspended in 2007 due to then-ongoing litigation on CVP-wide operations. Since 2007, Reclamation has been restricted by a succession of court-orders and internal agency determinations from executing any long-term water service contracts pending completion by Reclamation, the U.S. Fish and Wildlife Service (USFWS) and the National Marine Fisheries Service (NMFS) of additional CVP-wide environmental documentation.

The legal restrictions on long-term water service contracts did not specifically include LTWACs. However, because the additional environmental documentation encompassed CVP-wide operations in coordination with the State Water Project (SWP), Reclamation generally extended the prohibition as a matter of policy to all types of long-term water contracts and agreements.

Reclamation's LTO ROD was the last court-ordered environmental document. There is currently no legal restriction on renewing CVP water service contracts, or in resuming the environmental analysis and completing negotiations for SSWD's LTWAC. SSWD has requested an independent assessment prior to a final decision on re-initiating the LTWAC process.

In conjunction with the Assessment process, SSWD has initiated several meetings with Reclamation to exchange information, clarify tasks necessary to complete the LTWAC and develop a preliminary completion schedule.

Assessment Factor 1: Contractual Certainty.

a. Authority. Reclamation is authorized to execute LTWACs according to the same statutes as temporary WACs. Specifically: The Act of February 21, 1911, Chapter 141 (36 Stat. 925, 926) and related federal rules (43 U.S.C. secs. 523, 524); Section 305 of Public Law 102-250 Reclamation States Emergency Drought Relief Act of 12 1991 as amended (106 Stat. 59; 43 U.S.C Ch 40); and Section 3408(c) of Title 34, Public Law 102-575, Central Valley Project Improvement Act (106 Stat. 4604).

Now that the LTO ROD has been signed, Reclamation ostensibly has discretion to exercise that authority constrained only by terms and conditions defined in the 2005 BON. However, Reclamation staff has informed SSWD that they expect the Office of the Commissioner to issue additional policy guidelines in the near future concerning long-term CVP contracts. Among other subjects, staff infers such guidance may provide direction to Reclamation offices on length of term for different types of water contracts.

According to Reclamation staff, there is a limited window of opportunity for executing the LTWAC. Staff advises that major decisions by Reclamation on CVP-wide operations are usually followed by litigation. Such litigation has historically resulted in court orders constraining award of long term CVP contracts. In that regard, staff emphasizes the importance of expediting main tasks necessary to complete the LTWAC.

b. Obligation. Neither the existing nor the proposed contract includes any obligation to renew.

c. Summary. There is no indication that any of the authorizing acts will be amended or rescinded; and there is currently no constraint on Reclamation's ability execute long term CVP contracts, including the SSWD LTWAC other than the 2005 BON. There is some uncertainty regarding the nature of additional guidelines forthcoming from the Office of the Commissioner. Otherwise, the primary risk at this point is that any litigation challenging the LTO ROD could once again lead to restrictions in awarding long-term CVP contracts, including the SSWD LTWAC.

The main mitigation strategy should be timely decision by SSWD on whether to proceed with completing the LTWAC; or instead rely on consecutive, short-term Warren Act contracts indefinitely.

SSWD should also consider proposing a renewal clause of some type in all future Warren Act contracts. The following example was excerpted from Reclamation's LTWAC with El Dorado Irrigation District (EID) for EID's 'Ditch Right' entitlement:

"WHEREAS, the United States will consider, in good faith, the Contractor's requests for future renewal of this Contract, to the extent that Excess Capacity in Project Facilities exists at the time of renewal, and to the extent that renewal of this Contract would not contravene then-applicable law, including but not limited to the Federal Reclamation laws and 43 U.S.C. Sections 523-525"

Assessment Factor 2: Regulatory Environment.

The regulatory environment for the CVP will continue to be highly uncertain, even volatile indefinitely, for the same reasons discussed in Part II, Temporary Warren Act Contracts. The most effective strategy for mitigating that uncertainty may be to secure a LTWAC.

Assessment Factor 3: System Reliability.

As summarized in Part II, Temporary Warren Act Contracts, the project infrastructure necessary to store and convey SSWD’s MFP supply through the Folsom Facilities to the SJWD Treatment Plant is expected to remain consistently reliable in the future. Although the infrastructure-related risks are relatively low, the Folsom Facilities remain the only option for taking delivery of the MFP supply. Accordingly, SSWD may consider partnering with other local agencies to explore options for redundant capability in the future.

Also as discussed in Part II, Reclamation is likely to require that operational conditions imposed by NMFS in the existing, temporary Warren Act contract be carried forward and included in any future LTWAC.

Assessment Factor 4: Cost.

The following table provides a preliminary estimate of costs for completing the LTWAC. A more detailed, final estimate will be developed depending on whether or not SSWD elects to proceed with the LTWAC.

Task	Estimate
Contract Actions - Negotiate updated LTWAC - Release updated LTWAC for public review - Evaluate comments, update and finalize LTWAC	\$20,000
Environmental Analysis - Update 2006 Draft EA - Complete additional modeling to conform with Reclamation’s LTO* model assumptions - Prepare stand-alone BA - ESA Consultation - Complete additional analysis and prepare a Final EA	\$175,000
Administration	\$5,000
Total	\$200,000

* “LTO” is an acronym for “Long-Term Operation”. Long-Term Operation in this context refers to the modeling performed by Reclamation in completing the court-ordered Environmental Impact Statement and Record of Decision for the “Coordinated Long-Term Operation of the Central Valley Project and State Water Project”.

Summary. There is some risk that new constraints on executing long term contracts could be imposed on Reclamation for one reason or another prior to completion of the LTWAC. Basically, negotiation for a LTWAC could be shut down before SSWD and Reclamation are able to complete negotiations and award the contract. In that event, SSWD would have to decide whether to complete the additional work in anticipation of some future opportunity to award the LTWAC, or to revert to consecutive temporary Warren Act contracts.

Factor 5: Impact of Not Executing the Contract(s)

Failure to award the LTWAC places SSWD in the position of pursuing successive temporary Warren Act contracts indefinitely, in order to take delivery of its MFP supply. The risks of frequent negotiations in either 1-year or 5-year intervals to continued, reliable delivery of the MFP supply could potentially be significant, especially considering expected long term volatility in the regulatory environment.

Failure to award a LTWAC also potentially influences Reclamation assumptions in modeling and analysis for future CVP operations. For example, SSWD’s continuing need for Warren Act contracts to store and convey MFP water through the Folsom Facilities was not recognized as an assumption in Reclamation’s LTO modeling. The reasons given was that “no long term Warren Act contract was in place or being negotiated”.

Finally, failure to award a LTWAC potentially introduces uncertainty in SSWD’s ability to commit to other Regional conjunctive use projects and initiatives.

OCAP Litigation Summary

On June 30, 2004, Reclamation completed a new long-term CVP OCAP and OCAP BA. The main purpose for preparing the 2004 OCAP and OCAP BA was to consult with NMFS and FWS on a long-term BiOp covering CVP contract renewals, additional species listed under ESA since the previous (1992) OCAP, integration of the proposed Freeport Water Facility and SWP/CVP intertie into CVP/SWP operations; and to consolidate consultation on all the listed species to a common point. The 2004 CVP OCAP and OCAP BA further incorporated new operational requirements mandated by CVPIA and State Water Board Decision D-1641.

On July 30, 2004, the FWS issued a BiOp for the 2004 CVP OCAP. On February 16, 2005, the FWS issued an amended BiOp which superseded the 2004 OCAP BiOp. The 2005 FWS OCAP BiOp concluded that the coordinated operation of the SWP and CVP, including the proposed future actions, would not jeopardize the Delta Smelt's continued existence. Although the BiOp recognized that existing protective measures may be inadequate, the FWS concluded that certain proposed protective measures, including the Environmental Water Account (EWA) and a proposed "adaptive management" protocol would provide adequate protection.

On October 22, 2004, the NMFS Southwest Regional Office issued a BiOp on the effects of the proposed long-term CVP OCAP on federally listed, endangered and threatened salmon and steelhead and their designated habitat in accordance with Section 7 of the ESA. The BiOp concluded that the project, as proposed, was not likely to jeopardize the continued existence of endangered and threatened salmon and steelhead or result in the destruction or adverse modification of designated habitat for the endangered and threatened salmon and steelhead.

Both the 2004 NMFS Salmon/Steelhead BiOp and the 2005 FWS Smelt BiOp were litigated.

On May 25, 2007, the District Court issued an order remanding the 2005 FWS BiOp. The court held that the 2005 FWS BiOp's conclusion that Delta Smelt were not in jeopardy was arbitrary and capricious and remanded to the agency. The court found that the take limits authorized by the BiOp were based on inadequate historical data that did not reasonably estimate the Delta Smelt's population. The court also found that FWS did not consider available data on climate change and the possible impacts on the smelt's critical habitat. Finally, the court was not convinced mitigation efforts were reasonably certain to occur.

May 20, 2008, the District Court issued an order remanding the 2004 NMFS BiOp. The court held that the 2004 NMFS BiOp conclusion that salmon and steelhead were not in jeopardy was arbitrary and capricious and remanded to the agency. According to the decision, the BiOp failed to analyze the impact of global climate change and the damage to salmon and steelhead critical habitats.

In compliance with court ordered dates, Reclamation prepared and submitted a revised BA to NFMS and FWS in August 2008.

On December 15, 2008, the FWS issued a BiOp pertaining to the effect of CVP/SWP on Delta Smelt. FWS found the operations could jeopardize the continued existence of the species; and required certain Reasonable and Prudent Alternatives (RPAs) to avoid a jeopardy opinion.

On June 4, 2009, NMFS issued a BiOp pertaining to the effect of CVP and SWP on Chinook salmon, steelhead trout, green sturgeon, and southern resident killer whales. NMFS found the CVP/SWP operations could jeopardize the continued existence of the species. NMFS required numerous major RPAs in order to avoid a jeopardy opinion.

Reclamation provisionally accepted both BiOps and initiated implementation of the required RPAs. Both BiOps were subsequently litigated.

On March 13, 2014, the Ninth Circuit Court of Appeals issued an opinion that reversed in part and affirmed in part the district court's judgment invalidating the 2008 FWS BiOp that concluded that the CVP and SWP jeopardized the continued existence of the delta smelt and its habitat. The Ninth Circuit affirmed the district court's order remanding to Reclamation so that it can complete an EIS evaluating the effects of its adoption and implementation of the BiOp.

On December 22, 2014, the Ninth Circuit upheld the NMFS BiOp in its entirety and affirmed Reclamation must conduct NEPA analysis of BiOp RPAs.

January 12, 2016. Current court-ordered date for Reclamation to issue the Record of Decision for their NEPA analysis.



**Historical Deliveries
PCWA Middle Fork Project Supply**

Year	A/F	Acq Cost (A/F)	WAC Charge (A/F)	Treat/Conv Charge (A/F)	Other Charge (A/F)	Total Charge Per A/F	TOTAL COST (Mil)
2001	0	*	*	*	N/A		\$.000
2002	16,930.9	*	*	*	N/A		
2003	15,071.8	\$35	\$21.29	\$44.45	N/A	\$100.79	\$1.519
2004	15,337.3	\$35	\$23.47	\$44.45	N/A	\$102.97	\$1.579
2005	14,362.5	\$35	\$15.71	\$44.45	N/A	\$95.21	\$1.368
2006	13,073.0	\$35	\$20.44	\$44.45	N/A	\$95.25	\$1.245
2007	0	\$35	\$19.47	\$47.87	N/A	\$103.31	\$.000
2008	0	\$35	\$17.71	\$49.93	N/A	\$104.40	\$.000
2009	8,210.7	\$35	\$16.29	\$52.03	N/A	\$104.74	\$.860
2010	15,516.8	\$35	\$17.65	\$55.49	N/A	\$106.78	\$1.657
2011	12,625.5	\$35	\$17.65	\$58.61	N/A	\$111.26	\$1.405
2012	0	\$35	\$21.29	\$59.71	N/A	\$112.36	\$.000
2013	0	\$35	\$18.36	\$61.00	N/A	\$114.36	\$.000
2014	0	\$35	\$19.00	\$62.10	N/A	\$116.10	\$.000
2015	0	\$35	\$19.00	\$65.00	N/A	\$119.00	\$.000
TOTAL	111,128.5						\$9.633
AVE	7,408.57	\$35	\$19.03	\$53.04		\$106.66	

*Looking for additional data

**Historical Deliveries
City of Sacramento Supply**

Year	A/F	Acq Cost (A/F)*	WAC Charge (A/F)**	Treat/Conv Charge (A/F)*	Other Charge (A/F)*	Total Charge Per A/F*	TOTAL COST (Mil)
2001	N/A	N/A	N/A	N/A	N/A	\$150	
2002	N/A	N/A	N/A	N/A	N/A	\$150	
2003	N/A	N/A	N/A	N/A	N/A	\$150	
2004	0.0	N/A	N/A	N/A	N/A	\$150	\$ 0.000
2005	0.0	N/A	N/A	N/A	N/A	\$150	\$ 0.000
2006	0.0	N/A	N/A	N/A	N/A	\$150	\$ 0.000
2007	3,701.2	N/A	N/A	N/A	N/A	\$178	\$.659
2008	2,742.5	N/A	N/A	N/A	N/A	\$195	\$.535
2009	3,872.1	N/A	N/A	N/A	N/A	\$195	\$.755
2010	2,289.3	N/A	N/A	N/A	N/A	\$224	\$.513
2011	4,083.6	N/A	N/A	N/A	N/A	\$257	\$ 1.050
2012	6,463.0	N/A	N/A	N/A	N/A	\$283	\$ 1.829
2013	0.0	N/A	N/A	N/A	N/A	\$311	\$ 0.000
2014	0.0	N/A	N/A	N/A	N/A	\$342	\$ 0.000
2015	0.0	N/A	N/A	N/A	N/A	\$428	\$ 0.000
TOTAL	23,151.7		N/A				
AVE	1,929.3		N/A				

* City of Sacramento historically charges SSWD and other wholesale customers a flat rate covering labor, operations, administration/overhead, and CIP.

** No Warren Act contract is required since the City supply is not stored or conveyed through any Reclamation facilities.



Facilities and Operations Committee

Agenda Item: 5

Date: February 9, 2016

Subject: Groundwater Monitoring Wells Project

Staff Contact: John E. Valdes, Engineering Manager

Recommended Committee Action:

Recommend approval to the full Board of staff's recommendation to award a contract to Roadrunner Drilling & Pump Company for the construction of two groundwater monitoring wells consistent with the project definition and the District's Local Groundwater Assistance (LSA) grant.

Background:

As previously reported, the District received formal notification of a grant award via a Commitment Letter dated July 15, 2013, from the Department of Water Resources (DWR) Proposition 84 funds. As indicated in that letter, the District's grant award amount is \$157,135 which was approximately 63 percent of the amount originally requested (\$247,500).

Due to the partial grant award, the project as originally proposed was scaled back. The scaled back project includes the design and construction of two groundwater monitoring wells and related tasks (CEQA/Permitting, Sampling, etc.). At the time the grant was awarded (2013), the estimated total cost for the scaled back project was approximately \$207,000. Therefore, the District's local cost share was estimated at approximately \$50,000 and was provided in the budget process.

The purpose of these wells is to assist in monitoring and modeling groundwater contamination which would have severe impacts to the District's water production capability. Specifically, these monitoring wells are intended to be "sentry" wells to detect the moving edge of the Aerojet groundwater contamination plume. This plume has two constituents, perchlorate and NDMA, that are of particular concern.

Discussion:

Since project commencement, the planned monitoring well locations have had to be changed from the original locations due to new information on the location of Aerojet's groundwater contamination plume. See the attached Exhibit 1 for the current location of the proposed groundwater monitoring wells. Also, the District had to obtain approval from the San Juan

Unified School District (SJUSD) to drill one of the wells on school property. In addition, the depth of the wells was increased from what was proposed in the grant application.

The project was placed out to bid in November 2015 and opened in December with one bid at \$298,000 far exceeding the original (2013) engineer's estimate of \$121,435. Therefore, the bid was rejected with a commitment to rebid. Additionally, it was thought that allowing the drilling contractors to submit a proposed alternative start date would assist in mitigating the expensive bidding climate created by the drought.

Bids were opened on February 3, 2016, and two bids were received. The apparent low bidder is Roadrunner Drilling at \$193,128. The second bid was from National EMP in the amount of \$338,216. A copy of Roadrunner's bid is attached as Exhibit 2. As noted, Roadrunner provided an alternate construction start date of April 4, 2016, with a scheduled completion date of June 3, 2016. Roadrunner Drilling has a good reputation and their bid appears to be responsive and competitive.

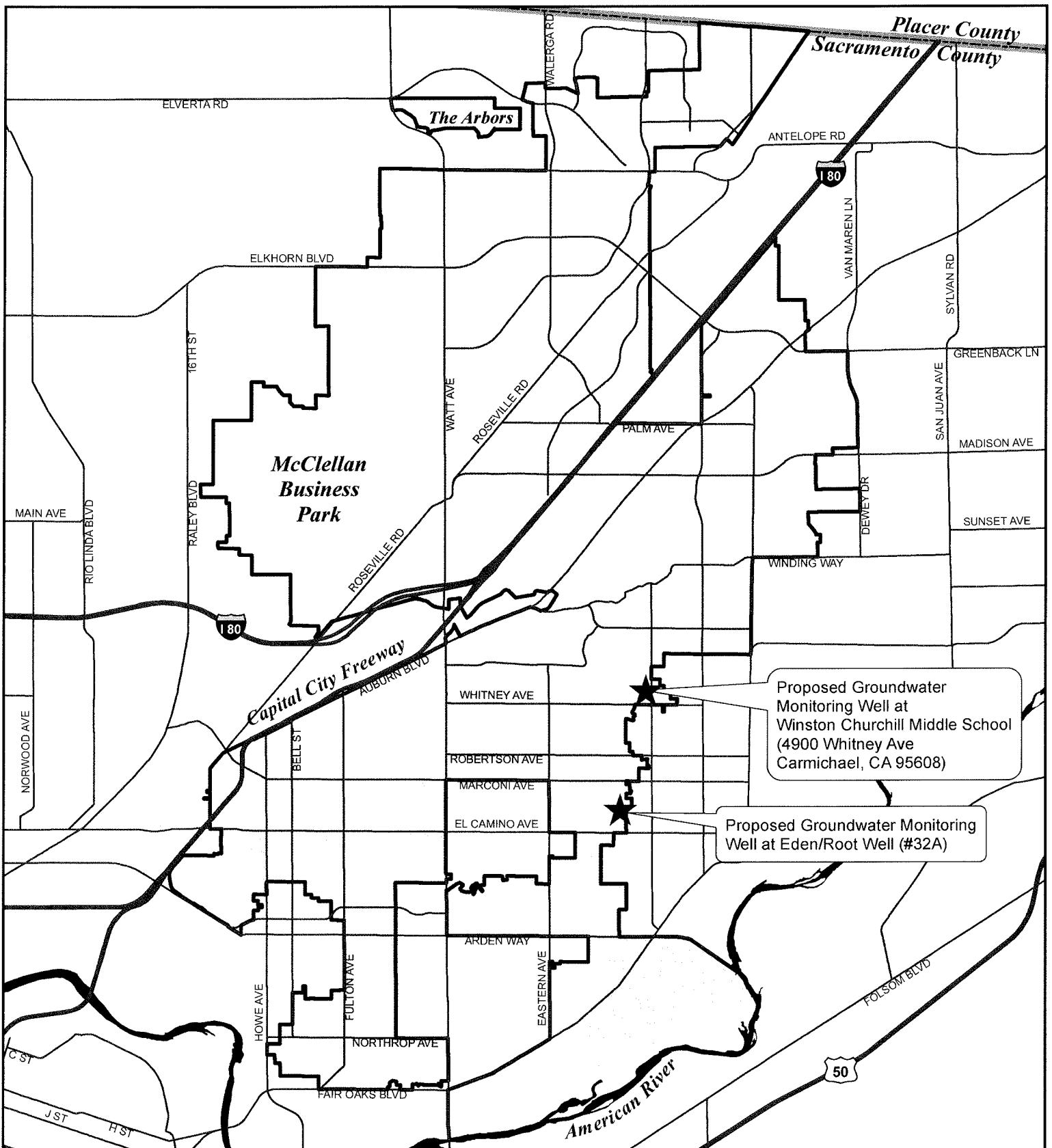
Note that there are a few reasons why the cost of the monitoring wells has increased from the engineer's estimate originally prepared in 2013. Well drilling contractors are extremely busy as a result of the ongoing drought and their bid prices reflect that. In addition, the monitoring wells were originally supposed to be completed to a depth of approximately 300 feet below ground surface (bgs). As currently designed, both wells will be drilled to a depth of 552 feet bgs. The extra depth results in increased drilling costs.

Fiscal Impact:

To date, a total of \$32,039 has been spent on design and other engineering services for this project. B&C's total contract amount is \$87,640. The remaining funds will be spent on bidding services, construction management, water quality sampling/testing, and grant reporting.

The award of this project exceeds the initial estimate and the grant authorization. Also, when the 2016 CIP budget was prepared in August/September 2015, it was still anticipated that the monitoring wells would be drilled in 2015. Rebidding after budget approval pushed the project to 2016. Therefore, only \$50,000 was included in the 2016 CIP budget to cover engineering services and water sampling/testing. However, the wells were not drilled in 2015 and additional funds are needed in the 2016 budget. The grant reimbursement will not take place until after the wells are completed, so therefore, the entire project amount must be budgeted.

A budget of \$250,000 is recommended for CY2016. This will cover the construction cost to drill the new monitoring wells and engineering and construction management costs including the cost for water quality sampling/testing. However, staff is not asking for additional budget. Funds can be obtained from a re-prioritization of approved 2016 CIP budget funds. In combination with the amount already spent on this project (approx. \$32,000) the total project budget will increase to approximately \$282,000. Based on the grant amount of \$157,135, the District's cost share will increase to a total of approximately \$125,000. Staff will continue to pursue additional grant funding that may be available (Proposition 1) to partially offset additional District expenses.



Proposed Groundwater Monitoring Well at Winston Churchill Middle School (4900 Whitney Ave Carmichael, CA 95608)

Proposed Groundwater Monitoring Well at Eden/Root Well (#32A)



Sacramento Suburban Water District

Exhibit 1

DWR Local Groundwater Assistance (LGA) Grant Monitoring Well Locations Map



Base Data: Sacramento County Gis Base Map
 Projection: CA State Plane 2, NAD83
 Scale: No Scale
 Prepared by: JWS, SSWD
 Sacramento, CA - June 9, 2015
 Monitor Well Location Map-Grant.mxd

1.2 BID

TO: Sacramento Suburban Water District, 3701 Marconi Avenue #100, Sacramento, CA 95821

The undersigned states and declares as follows:

That the Bidder has carefully examined the location of the proposed work; that the Bidder has examined the Contract Documents entitled: Construction of Two Monitoring Well Clusters; that the Bidder has read the accompanying Instructions to Bidders; that the Bidder hereby proposes to begin work and complete the project in accordance with the schedule and deadlines in the Contract Documents; that the Bidder hereby proposes to furnish all labor, materials, tools, and equipment, and to perform all work required, complete in place, in compliance with all terms and condition and requirements of the Contract Documents; and that the Bidder will take in full payment for the work the prices set forth in the accompanying bid schedule.

The Bidder acknowledges that the following quantities are approximate only, being given as a basis for the comparison of proposals, that the District does not expressly or by implication agree that the actual amount of the work will correspond therewith, and that the District reserves the right to increase or decrease the amount of any class or portion of the work, as may be deemed necessary or advisable by the Engineer.

The following surety or sureties have agreed to furnish payment and faithful performance bonds to the Bidder if it is awarded the contract:

Faithful Performance Bond: Travelers Casualty and Surety Company of America

Payment Bond: Travelers Casualty and Surety Company of America

The undersigned hereby acknowledges the receipt and review of addenda nos.

N/A

Contractor's License No.: 803909

Expiration Date: 06/30/2017

Type of license: C 57

Name under which license is held: Roadrunner Drilling and Pump Company, Inc.

Status of license: Current and Active

Executed on February 2, 2016, at 80 Bee Jay Way, Woodland, CA 95776

The Bidder's authorized officer identified below hereby declares that the representations in this Bid are true and correct and of my own personal knowledge, and that these representations are made under penalty of perjury under the laws of the State of California.

BIDDER

Company Name: Roadrunner Drilling & Pump Company, Inc.

Type of Corporate Entity and State of Incorporation (e.g., corporation, partnership):

Corporation / California

Authorized Signature: 

Printed Name: Jim L. Brookshire

Title: President

Address: 80 Bee Jay Way

Woodland, California 95776

Phone: 530-406-8559

Fax: 530-666-7854

Email: rdrunnerdrilling@aol.com

1.3 BID SCHEDULE

Bid items 1 through 13 include all work set forth under the contract. Bid prices shall include everything necessary for the completion of the work including, but not limited to, providing the materials, equipment, tools, plant and other facilities, and the management, superintendence, labor and services. Bid prices shall include allowance for federal, state and local taxes.

Abbreviations used in the Bid Schedule are defined as follows:

LF -- linear feet
 LS -- lump sum
 EA -- each

tem No.	Estimated Quantity	Description	Unit price	Total Price
1	1	Mobilization of all Project Equipment/Demobilization	Lump Sum	\$ 73,000.00
2	1	Mobilization between Monitoring Well Cluster Sites	Lump Sum	\$ 1,500.00
3	2,212 L.F.	7-inch Bore Hole	\$ 20.00 /LF	\$ 44,240.00
4	2	Geophysical Logging	\$ 2400.00/EACH	\$ 4,800.00
5	2,080 L.F.	F&I Blank PVC Casing	\$ 6.00 /LF	\$ 12,480.00
6	120 L.F.	F&I Slotted PVC Casing	\$ 24.00 /LF	\$ 2,880.00
7	192 L.F.	F&I Gravel Pack Filter Materials	\$ 19.00 /LF	\$ 3,648.00
8	30 L.F.	F&I Bentonite Seals	\$ 16.00 /LF	\$ 480.00
9	1,990 L.F.	F&I Grout Surface Seal	\$ 10.00 /LF	\$ 19,900.00
10	6	Well Development	\$ 3000.00/EACH	\$ 18,000.00
11	6	Wellhead Completion	\$ 600.00 /EACH	\$ 3,600.00
12	2	Clean Up	\$ 2500.00/EACH	\$ 5,000.00
13	12 Hours	Authorized Drill Rig Standby Time	\$ 300.00 /Hour	\$ 3,600.00
Total Price				\$ 193,128.00
(Written Total Price: One Hundred Ninety Three Thousand, One Hundred Twenty Eight Dollars, and No Cents.)				

- A) The monitoring wells' construction dimensions have been estimated for proposal purposes. Final monitoring well construction dimensions will be determined from test hole data.
- B) Where lump sum prices are in the bidding schedule, they shall include all labor, materials and equipment necessary to produce a complete and finished job.
- C) When no specific item is listed in the bidding schedule for work required, the cost of such work shall be included in the price bid for the item which most appropriately covers the work.
- D) Proposed Alternative Start Date: April 4, 2016
- Proposed Alternative Completion Date: June 3, 2016

Acknowledge Addenda

Addendum #: _____ Signed: _____

Addendum #: _____ Signed: _____

Addendum #: _____ Signed: _____

Addendum #: _____ Signed: _____

1.4 DESIGNATION OF SUBCONTRACTORS

In compliance with Public Contract Code section 4100 et seq. each bidder shall set forth below the: (a) name, location of the mill, shop, or office, and California contractor’s license number of each subcontractor who will perform work or labor or render service to the Contractor in or about the construction of the work or improvement to be performed under these specifications in excess of one-half of 1% of the Contractor's total bid, (b) description of the type of work to be performed by each such subcontractor, and (c) portion of the work (expressed in dollar amount) that will be performed by each such subcontractor.

If the Contractor fails to specify a subcontractor for any portion of the work to be performed under the Contract, it shall be deemed to have agreed to perform such portion itself, and it shall not be permitted to subcontract that portion of the work except under the conditions hereinafter set forth.

Subletting or subcontracting of any portion of the work in excess of one-half of 1% of the Contractor's total bid as to which no subcontractor was designated in the original bid shall only be permitted in cases of public emergency or necessity, and then only after a making a written finding as a public record of the District setting forth the facts constituting the emergency or necessity.

Subcontractor (name, location and Subcontractor’s CSLB Contractor’s License Number)	Description of Subcontractor Work	Portion of Work (\$)
West Coast Well Logging Rancho Cordova, CA Contractor's License Not Required	Geophysical Logging	\$4,800.00

Additional pages attached: _____

1.5 BID BOND

Bid Bond Number: RDR-38

KNOW ALL MEN BY THESE PRESENTS, THAT WE, THE UNDERSIGNED Roadrunner Drilling & Pump Company, Inc., Contractor as Principal; and Travelers Casualty and Surety Company of America, as Surety, are hereby held and bound unto Sacramento Suburban Water District, hereinafter called the District, in the sum of \$ Not to exceed 10% of the bid amount*****, which sum is equal to at least ten percent of the total amount of the Bid, payment of which sum, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, executors, administrators, successors, and assigns.

The condition of the above obligation is such that whereas the Principal has submitted to the District a certain Bid, attached hereto and hereby made a part hereof, to enter into a Contract in writing, for the construction of the following public works project:

Construction of Two Monitoring Well Clusters - Construct and develop two monitoring well clusters consisting of three monitoring wells per cluster.

NOW, THEREFORE,

(a) If the Bid is rejected, or in the alternate,

(b) If the Bid is accepted and the Principal shall sign and deliver a Contract, in the form of the Contract attached hereto and shall execute and deliver Performance and Payment Bonds in the forms attached hereto and shall deliver proof of insurance (all completed in accordance with the Contract Documents), and shall in all other respects perform the agreement created by the acceptance of the Bid;

Then, this obligation shall be void, otherwise the same shall remain in force and effect; it being expressly understood and agreed that the liability of the Surety for any and all default of the Principal hereunder shall be the amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligations of said Surety and its bond shall be in no way impaired or affected by any extension of the time within which the District may accept such Bid, and said Surety does hereby waive notice of any such extension.

IN WITNESS THEREOF, the above bounded parties have executed this instrument under their several seals this 2nd day of February, 2016, the name and corporate seal of each corporate party being hereto affixed and those presents duly signed by its undersigned representative, pursuant to authority of its governing body.

For Contractor as Principal:

Roadrunner Drilling & Pump Company, Inc.

Name: Jim L. Brookshire
Title: Jim L. Brookshire

For Surety:

Travelers Casualty and Surety Company of America
Name: Erin Johnson
Title: Erin Johnson
Attorney-in-Fact

(Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

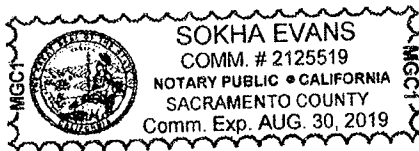
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of California }

On 2/2/16 before me, Sokha Evans, Notary Public,
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Erin Johnson
Name(s) of Signer(s)



Place Notary Seal Above

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Sokha Evans
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of the form to another document.

Description of Attached Document

Title or Type of Document: _____

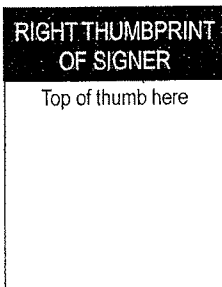
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Erin Johnson

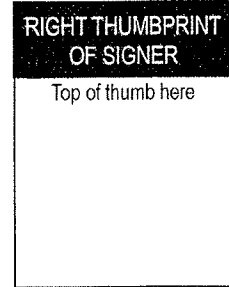
- Individual
- Corporate Officer — Title(s): _____
- Partner Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer is Representing:
Travelers Casualty and
Surety Company of
America

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer is Representing:



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 228896

Certificate No. 006374342

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Sharon J. Rusconi, Sandra R. Black, Erin Johnson, and Sokha Evans

of the City of Concord, State of California, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 29th day of May, 2015.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
Robert L. Raney, Senior Vice President

On this the 29th day of May, 2015, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal. My Commission expires the 30th day of June, 2016.



[Signature]
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 2nd day of February, 2016

Kevin E. Hughes
Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

1.6 EXPERIENCE QUALIFICATIONS

The Bidder has been engaged in the contracting business, under the present business name for 11 years. Experience in work of a nature similar to that covered in the Bid extends over a period of 38 years.

The Bidder, as a contractor, has never failed to satisfactorily complete a contract awarded to it, except as follows:

N/A

The following contracts have been satisfactorily completed in the last three years for the persons, firm or entity indicated:

Year	Owner	Type of Work	Contract Amount
2014	Redwood Valley Company Water District	Triple Completion MW	\$52,914.50
2014	Millview Water District	Single Completion MW	\$75,507.00
2015	City of Pittsburg	Triple Completion MW	\$48,401.50
2015	Santa Nella Investors	Single Completion MW	\$64,766.40
2014	Sacto Cty Water Agency	Single Completion MW	\$36,045.00
2014	City of Roseville	Single Completion MW	\$38,820.00

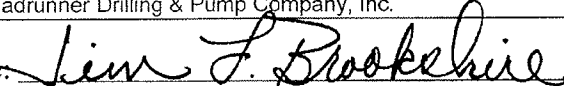
The following is a list of plant and equipment owned by the Bidder, which is definitely available for use on the proposed work as required.

Quantity	Name, Type, and Capacity	Condition	Location
1	Failing 1500 Mud Rotary Drill Rig	Good	Woodland, CA
1	Tulsa Iron Rig Shaker	Good	Woodland, CA
2	CAT 4300D Backhoe	Good	Woodland, CA
1	Isuzu 45KW Generator	Good	Woodland, CA
1	International Flatbed Truck	Good	Woodland, CA
2	Sterling Water Trk 4000 gal	Good	Woodland, CA
2	CAT Forklift RC80	Good	Woodland, CA
600'	4.5" x 20' Drill Pipe	Good	Woodland, CA

Executed on February 2, 2016, at 80 Bee Jay Way, Woodland, CA

BIDDER

Company Name: Roadrunner Drilling & Pump Company, Inc.

Authorized Signature: 

Printed Name: Jim L. Brookshire

Title: President

**1.7 NONCOLLUSION DECLARATION TO BE EXECUTED BY
BIDDER AND SUBMITTED WITH BID (PUBLIC CONTRACT CODE SECTION 7106)**

The undersigned declares:

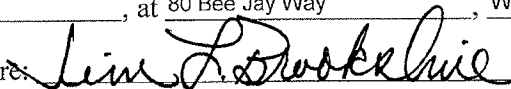
I am the President (Title)
of Roadrunner Drilling & Pump Company, Inc. (Bidder), the
party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____
February 2, 2016, at 80 Bee Jay Way, Woodland, CA.

Authorized Signatures: _____



Printed Name: Jim L. Brookshire

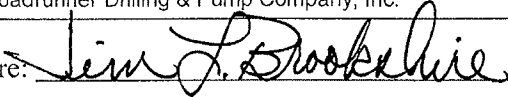
1.8 ACKNOWLEDGMENT OF INSURANCE REQUIREMENTS

By signing below Bidder acknowledges the insurance requirements as listed in the General Conditions, section 5.54 "Insurance". By this acknowledgment, the Bidder and its insurance provider(s) and surety(ies) certify that they have read and understand the insurance and bonding requirements in their entirety, including limits of coverage, additional insureds and endorsements, and bonding requirements, and that the Bidder can provide the insurance coverage and bonds as required in the Contract documents without exception.

Bidder understands that if the insurance coverage provided in section 5.54 of the General Conditions and the Contract Bonds cannot be provided, its bid is subject to rejection by the District as non-responsive.

BIDDER

Company Name: Roadrunner Drilling & Pump Company, Inc.

Authorized Signature: 

Printed Name: Jim L. Brookshire

Title: President

Date: February 2, 2016

INSURANCE PROVIDER/SURETY REPRESENTATIVE

Insurer/Surety Name: _____

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____

Bidder Must Provide a Signed Acknowledgment for Each Insurer or Surety Providing Insurance Coverage or a Bond under this Contract

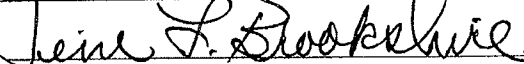
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Bidder understands that if the insurance coverage provided in section 5.54 of the General Conditions and the Contract Bonds cannot be provided, its bid is subject to rejection by the District as non-responsive.

BIDDER

Company Name: Roadrunner Drilling & Pump Company, Inc.

Authorized Signature: 

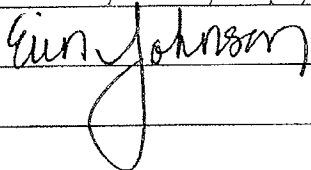
Printed Name: Jim L. Brookshire

Title: President

Date: February 2, 2016

INSURANCE PROVIDER/SURETY REPRESENTATIVE

Insurer/Surety Name: Travelers Casualty and Surety Company of America

Authorized Signature: 

Printed Name: Erin Johnson

Title: Attorney-in-Fact

Date: February 2, 2016

Bidder Must Provide a Signed Acknowledgment for Each Insurer or Surety Providing Insurance Coverage or a Bond under this Contract

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of California }

On 2/2/10 before me, Sokha Evans, Notary Public,
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Erin Johnson

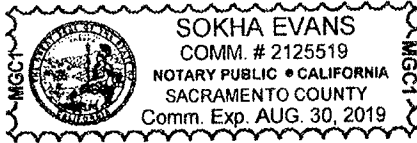
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Sokha Evans
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of the form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Erin Johnson

- Individual
- Corporate Officer — Title(s): _____
- Partner Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer is Representing:
Travelers Casualty and
Surety Company of
America

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer is Representing:

1.8 ACKNOWLEDGMENT OF INSURANCE REQUIREMENTS

By signing below Bidder acknowledges the insurance requirements as listed in the General Conditions, section 5.54 "Insurance". By this acknowledgment, the Bidder and its insurance provider(s) and surety(ies) certify that they have read and understand the insurance and bonding requirements in their entirety, including limits of coverage, additional insureds and endorsements, and bonding requirements, and that the Bidder can provide the insurance coverage and bonds as required in the Contract documents without exception.

Bidder understands that if the insurance coverage provided in section 5.54 of the General Conditions and the Contract Bonds cannot be provided, its bid is subject to rejection by the District as non-responsive.

BIDDER

Company Name: Roadrunner Drilling & Pump Company, Inc.
Authorized Signature: *Jim L. Brookshire*
Printed Name: Jim L. Brookshire
Title: President
Date: February 2, 2016

INSURANCE PROVIDER/SURETY REPRESENTATIVE

Insurer/Surety Name: United Fire Group / Travelers Indemnity
Authorized Signature: *[Signature]*
Printed Name: Guy Menna
Title: Agent # 0159262
Date: 2/2/16

Bidder Must Provide a Signed Acknowledgment for Each Insurer or Surety Providing Insurance Coverage or a Bond under this Contract



Agenda Item: 6

Date: February 8, 2016

Subject: Succession Plan Recommendation to Fill Current Vacancy in Engineering Department

Staff Contact: Robert S. Roscoe, P.E., General Manager
Dan York, Assistant General Manager
Lynne Yost, Human Resources Coordinator

Recommended Committee Action:

Recommend approval to the full Board of Directors of staff's recommendation to hire an Engineering Director as part of succession planning efforts for the current vacancy in the Engineering Department. An alternative recommendation would be to authorize the General Manager to approve hiring management level positions within a specified period of time prior to a projected retirement.

Discussion:

As indicated in prior succession plan reports provided to the full Board, the General Manager and Assistant General Manager have focused on filling the current vacancy in the Engineering department given the likely retirement of management staff within the next one to two years. After reviewing the District's needs, staff believes the current Assistant/Associate Engineer vacancy should be filled with an Engineering Director as key to the District's long-term success. Recruiting at this level will not only attract senior executive management candidates who can be considered in future succession plan efforts for the General Manager and Assistant General Manager positions, but it will also provide an opportunity for the transfer of institutional knowledge pending the actual retirement of the current department manager. Pending his retirement, the current department manager would transition to high level project management. When he chooses to retire, a further review of the District's needs would be conducted; at this time, staff believes hiring a Senior Engineer with supervisory responsibilities might best serve the District's needs at that time.

Copies of the proposed Class Specification (Exhibit 1) and recruitment brochure (Exhibit 2) for an Engineering Director position are attached. A full compensation study is expected to be conducted later this year. In the interim, the consultant who undertakes this study for the District recommended setting the Engineering Director on the same salary band as the Finance Director for internal equity; this amount is reflected in the recruitment brochure. A copy of the proposed Class Specification for the transition to Engineering Special Projects Manager (Exhibit 3) is also attached; the salary level for this position will remain the same given the management-level duties the current incumbent will continue to perform pending his retirement.

Three organizational charts are also attached to illustrate succession planning efforts to date: the first (Exhibit 4) shows current staffing levels and positions, the second (Exhibit 5) shows recommended succession planning changes in the Engineering department as discussed in this report, and the third (Exhibit 6) shows additional potential retirements within the next 3 years (as of today; subject to change at any time). These potential retirements may result in internal and/or external recruitments depending on the position and the level of education and experience presented by internal candidates. To prepare for future executive-level vacancies, cross-training of current management staff will be a priority.

Fiscal Impact:

The Finance Director has confirmed the 2016 labor budget includes sufficient funds to pay the additional costs associated with the higher salary for the Engineering Director given the length of time the Assistant/Associate Engineer position has been vacant (three months in 2015; estimated four months in 2016 pending the recruitment and hire of a new Director).

Strategic Plan Alignment:

Customer Service – 3.A. Operate in an open and public manner.

Customer Service – 3.B. Attract and retain a well-qualified staff with competitive compensation, effective training, and professional development to ensure safe, efficient and effective job performance.

Succession planning is instrumental in meeting the needs of the District and its customers in filling high-level management vacancies and providing an overlap to facilitate the exchange of institutional knowledge. Hiring at the Director level is not only key to the success of the District, but will also allow the District to recruit senior executive management candidates that could be considered in future succession planning efforts following the retirement of top executive staff.

EXHIBIT 1

Sacramento Suburban Water District Classification Specification

Job Class: Engineering Director
FLSA Status: Exempt
Supervisor: Assistant General Manager
Effective Date: February 2016

Definition/ Distinguishing Characteristics

Under general/administrative direction, this management level position plans, organizes, manages, directs and supervises the implementation of the District's Capital Improvement Program (CIP), including projects involving supply, transmission, storage and distribution components of the water system; and all other engineering activities associated with water system planning, design, permitting, construction and inspection.

Examples of Duties

The following duties are typical for this position. Depending upon the assignment, the employee may not perform all of the listed duties and/or may be required to perform additional or different duties from those set forth below to address business needs and changing business practices. Management retains the right to add, remove, or change duties at any time.

- Oversees the implementation of a comprehensive engineering program, including District's CIP and other engineering activities.
- Directs, supervises, plans, organizes, coordinates, monitors and evaluates the work of professional and technical engineering staff, other departments and consultants.
- Reviews and assesses resources and workflow and effectively assigns work activities, programs and projects.
- Provides general guidance on the development of bids, contracts and other matters related to the District's CIP and water system design; oversees bidding processes and makes recommendations to the General Manager on the award of contracts and approval of plans and specifications developed by consultants.
- Prepares and administers the department budget for major construction projects and facility development; reviews budget expenditure requests and recommends expenditure levels.
- Recommends new staff hires and oversees training; conducts performance evaluations; maintains discipline and implements discipline procedures as needed; maintains high performance and discipline standards necessary for the efficient and professional operation of the department.
- Represents the department and District in coordination with other utilities, regulatory agencies, governmental bodies, planning agencies, trade and professional associations, and technical groups.
- Develops, plans and implements department goals, objectives, policies, regulations, procedures and work standards.

- Establishes schedules and methods for the design and construction of District projects and initiates and oversees engineering studies.
- Participates in the development of CIP and master plans.
- Researches and prepares technical and administrative reports and prepares written correspondence.
- Responds to emergency situations, difficult customer inquiries and complaints.
- Prepares and/or reviews designs, reports, plans, specifications and technical standards.
- Coordinates activities during construction, including conducting inspections, reviewing inspection reports and change orders, participating in final walk-through, reviewing punch lists prepared by inspectors, overseeing final acceptance and turnover of facility to the District, and insuring as-built drawing preparation.
- Coordinates land and right-of-way/easement acquisition.

Mental and Physical Requirements

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

- Travels occasionally by airplane and frequently by automobile in conducting District business.
- Communicates frequently with District management staff, co-workers and the public in one-to-one and group settings.
- Regularly uses a telephone for communication.
- Regularly uses office equipment such as computers, copiers and fax machines.
- Occasionally walks in uneven terrain, in an outdoor environment, making inspections of District facilities and construction projects.
- Sits for extended time periods.
- Hearing and vision within normal ranges with or without correction.

Qualifications

Knowledge of:

- Principles and practices of engineering planning, design, construction and project management.
- Rules, regulations and codes applicable to District planning, design and construction functions.
- Principles and practices of leadership, motivation, team building and conflict resolution.
- District policies, rules, regulations and procedures.
- Work safety standards and requirements.
- Principles of budget development and expenditure control.
- Principles of supervision, training and management.
- Principles and practices of engineering program management.
- Urban water agency statutes, codes and regulations affecting the District.
- Materials, tools, equipment, methods, and techniques used in the planning, design and construction of water development, distribution and hydraulic projects and facilities.
- Engineering fundamentals including computers and software programs involving engineering design, calculations, technical drawings, hydraulics and hydrology.

- Common office computer software and database programs, including the Microsoft Suite of Programs (Word, Excel, Outlook, Access and PowerPoint) and Crystal Reports.
- Current practices and sources of information relative to water industry engineering, research projects, operations and maintenance.
- Principles and practices of modern methods of management, organization and personnel administration.
- Contract development, administration and construction management of public works projects.
- Permitting and environmental aspects of public works projects.

Ability To:

- Plan, organize and direct the work of staff and consultants to achieve efficient operations and meet District and CIP goals.
- Effectively manage and oversee a comprehensive engineering program.
- Develop and implement department policies and procedures.
- Read, understand and interpret documents, including engineering studies and reports, construction plans and specifications, operating and maintenance procedure manuals, and engineering drawings associated with civil construction projects.
- Effectively review plans and specifications, blueprints and diagrams to verify completeness, accuracy and constructability.
- Effectively represent District CIP projects in meetings, presentations and discussions with the public, contractors and other organizations.
- Make sound decisions regarding design, construction, cost analyses, management and coordination of significant sized water projects.
- Handle negotiations with consultants and contractors.
- Detect flaws in design, construction methods and materials to insure compliance with contract plans and specifications, permits, codes, regulations and laws.
- Develop recommendations and implications of different alternatives to resolving problems; interpret laws, legislative ordinances, administrative policies and procedures.
- Prepare concise and comprehensive reports, internal memoranda, letters, agreements and responses to contractor claims, and maintain detailed records related to capital projects.
- Use computer systems and software packages related to hydraulic analysis, design, computer-aided drafting (CAD), construction analysis and specifications.
- Effectively supervise and train staff in areas related to capital projects.
- Establish and maintain cooperative working relationships with coworkers, outside agencies, vendors, consultants/contractors, local community groups, public officials and the general public.
- Operate a computer for word processing, database, spreadsheet and presentation applications, and department specific software.
- Communicate effectively both orally and in writing.
- Initiate and maintain effective safety practices that relate to the nature of the work.
- Pass pre-employment physical, drug and alcohol examination, and background check.

Education, Experience, Licenses and Certifications:

Required:

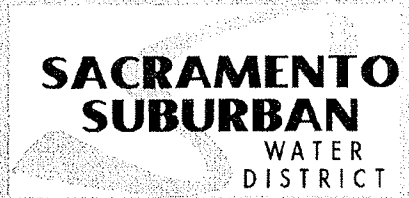
- A Bachelor's Degree from an accredited college or university with major course work in Civil Engineering.
- A valid and current Certificate of Registration as a Civil Engineer issued by the State of California.
- Valid California Driver's License issued by the California Department of Motor Vehicles.
- Proof of good driving record as evidenced by freedom from multiple or serious traffic violations or accidents for at least two (2) years duration. The driving record will not contribute to an increase in the District's automobile rates. Individuals who do not meet this requirement due to a physical disability will be considered for accommodation on a case-by-case basis.
- Ten (10) years of progressively responsible professional engineering project management experience in the design, construction, operation and maintenance of a modern urban water system, including five (5) years in a management or supervisory capacity.

Desirable:

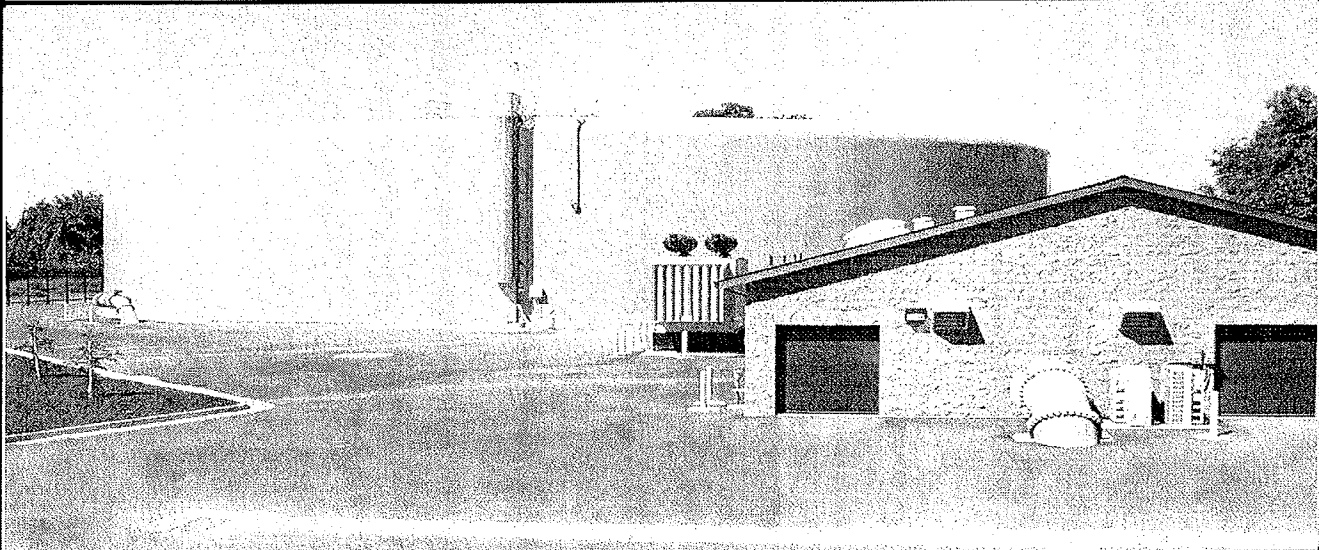
Any combination of education and experience which would likely provide the necessary knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

- Broad and extensive work experience in an engineering or related management position which included responsibility for the formulation and implementation of programs, budgets and administrative operations is highly desirable.
- Additional technical and administrative experience in the design, construction, operation and maintenance of a modern urban water system is highly desirable.
- Additional experience in a management and/or supervisory position is highly desirable.

EXHIBIT 2



**Sacramento Suburban Water District
Invites Applications for
*Engineering Director***



Annual Salary

\$98,009—\$132,579 DOQ

Final Filing Date is Monday, February 22, 2016

The District

Sacramento Suburban Water District is a publicly owned and operated water utility regulated by the State of California Water Resources Control Board, Division of Drinking Water, and State Water Code laws. The District is governed by a five member Board of Directors.

The District provides water to its customers from 85 active groundwater wells. In addition, the District has contractual rights to 26,064 acre-feet from the City of Sacramento water entitlement and a contract to purchase up to 29,000 acre-feet of surface water per year from Placer County Water Agency. The District has a robust conjunctive use program and is a leader in regional groundwater banking and storage.

The District's service area consists of 36 square miles with 695 miles of distribution/transmission system and over 46,000 connections. The District's current Capital Improvement Program budget is approximately \$20 million with an \$18 million Operations and Maintenance budget.

District Mission

The District's mission is to deliver a high quality, reliable supply of water and superior customer service at a reasonable price.

District Values

- ◆ Respect customers and conduct District business through open and transparent governance and communications.
- ◆ Practice the highest ethical standards and maintain integrity at all levels of the organization.
- ◆ Ensure public health and safety by conducting operations in strict accordance with all statutory and regulatory requirements.
- ◆ Achieve high levels of staff professionalism through career development, including training opportunities, and retention of skilled staff with competitive compensation.
- ◆ Support sustainable resource and District asset management through cost effective business practices.
- ◆ Emphasize internal and external collaboration in pursuing objectives and resolving issues.
- ◆ Provide leadership and vision in water management issues.

The Position

The Engineering Director reports to the Assistant General Manager and is responsible for managing, directing and supervising a dynamic Engineering Department. Responsibilities include the implementation of the District's Capital Improvement Program including projects involving supply, transmission, storage, and distribution components of the water system, as well as all other District engineering activities including planning, design, permitting, construction and inspection.

Essential Duties

- ◆ Oversees the implementation of a comprehensive engineering program.
- ◆ Supervises, plans, organizes, coordinates, directs, monitors and evaluates the work of professional and technical engineering staff, department staff, and consultants.
- ◆ Reviews and assesses resources and workflow and effectively assigns work activities, programs and projects.
- ◆ Prepares and administers department budget.
- ◆ Represents the District in coordination with other utilities, regulatory agencies, governmental bodies, planning agencies, trade and professional associations, and technical groups.
- ◆ Develops and implements department goals, objectives, policies, regulations, procedures and work standards.
- ◆ Establishes schedules and methods for the design and construction of District projects and initiates and oversees engineering studies.
- ◆ Participates in the development of CIP and master plans.
- ◆ Researches and prepares technical and administrative reports and prepares written correspondence.
- ◆ Responds to emergency situations, difficult customer inquiries and complaints.
- ◆ Prepares and/or reviews designs, reports, plans, specifications and technical standards.
- ◆ Coordinates activities during construction, including conducting inspections, reviewing inspection reports and change orders, participating in final walk-throughs, reviewing punch lists prepared by inspectors, overseeing final acceptance and turnover of facility to the District, and insuring as-built drawing preparation.
- ◆ Coordinates land and right-of-way/easement acquisition.

The Ideal Candidate

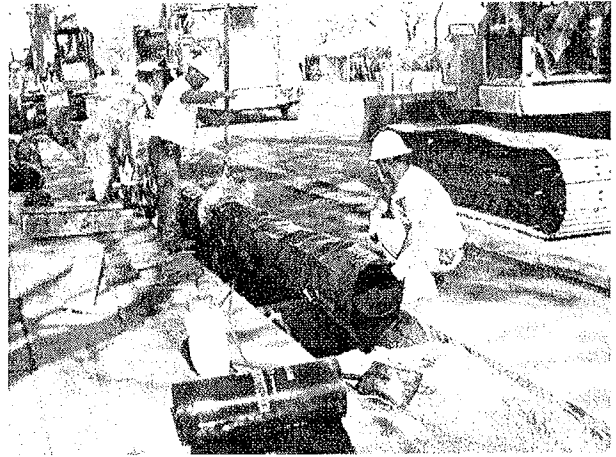
To be considered, candidates must have:

- ◆ Knowledge of principles and practices of engineering planning, design, construction and project management.
- ◆ Experience with engineering program management.
- ◆ Knowledge of urban water agency statutes, codes, and regulations affecting the District.
- ◆ Knowledge of engineering fundamentals including engineering designs and calculations, technical drawings, hydraulics and hydrology.
- ◆ Knowledge of contract development, administration and construction management of public works projects.
- ◆ Knowledge of permitting and environmental aspects of public works projects.
- ◆ Knowledge of principles and practices of management, organization and personnel administration.
- ◆ Ability to plan, organize and direct the work of staff and consultants to achieve efficient operations and meet District and CIP goals.
- ◆ Ability to make sound decisions regarding design, construction, cost analyses, management and coordination of significant sized water projects.

Education: A Bachelor's Degree from an accredited college or university with major course work in Civil Engineering.

Experience: Ten years of progressively responsible professional engineering project management experience in the design, construction, operation and maintenance of a modern urban water system, including five years in a management or supervisory capacity.

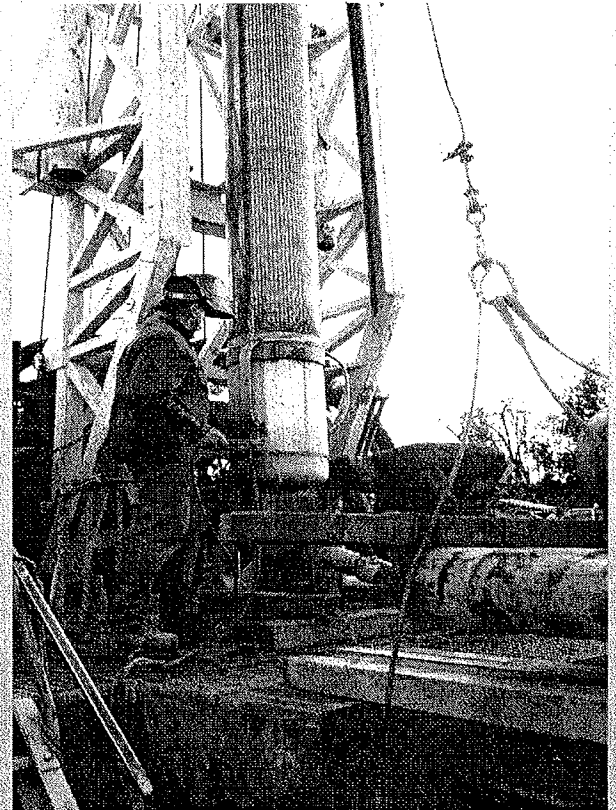
A valid and current Certificate of Registration as a Civil Engineer issued by the State of California is required.

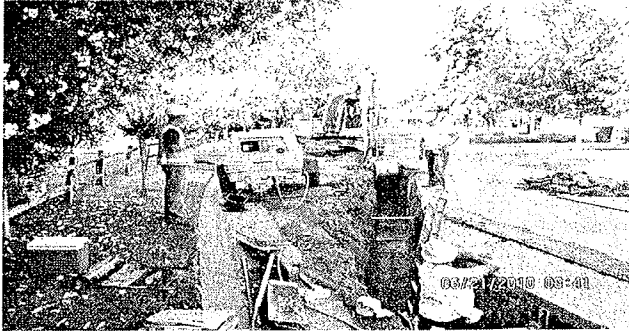


Immediate Priorities

The new Engineering Manager will:

- ◆ Assess and optimize engineering program and CIP activities with the use of in-house and outside resources in a manner that best meets the needs of the District.
- ◆ Develop and maintain asset management plans and funding to support an aging infrastructure.
- ◆ Represent the District on regional water planning efforts, including implementation of the Sustainable Groundwater Management Act (SGMA).
- ◆ Optimize conjunctive use strategies.
- ◆ Develop and implement a long-term well rehabilitation/replacement plan.





Compensation and Benefits

The Sacramento Suburban Water District offers a comprehensive and competitive benefit package that includes:

Retirement – 2% at age 55 for CalPERS Classic members; 2% @ 62 for PEPRAs covered employees.

Health – District paid benefit (depending on plan selected) covering employee and dependents.

Dental – District contributes 100% of employee and dependent cost.

Vision Plans – District contributes 100% of employee and dependent cost.

Post Employment Health – District pays 50% of the premium with 10 years of CalPERS service, increasing 5% with each year up to 100% with 20 years of CalPERS service.

Life Insurance /Short-Term Disability/Long-Term Disability – Fully-paid life and accidental death insurance benefits equal to 2 times annual salary. Spouse and unmarried dependents from 6 months to age 26 are insured for \$10,000. Short-Term Disability is 66.67% of basic weekly income up to a maximum benefit of \$2,000. Long-Term Disability is 66.67% of basic monthly income up to a maximum benefit of \$10,000.

Vacation – 12 to 25 days per calendar year depending on total years of District service.

Administrative Leave – 5 days per calendar year.

Sick Leave – 12 days per calendar year.

Paid Holidays – 13 days per calendar year.

Deferred Compensation – Voluntary participation in CalPERS and/or Valic plans.

Application and Selection Process

To be considered for this position, please submit a District application, detailed resume, compelling cover letter, answers to the supplemental questions shown below, and three professional references by **Monday February 22, 2016** to:

Sacramento Suburban Water District
Attn. Lynne Yost, Human Resources Coordinator
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821
(916) 679-3972

Following the filing date, application packets will be screened in relation to the criteria outlined in this brochure and the class specification. Candidates deemed to have the most relevant qualifications will continue in the selection process which may include a written examination, oral presentation, oral interviews, or a combination.

Supplemental Questions

1. Describe the methodology you have found to be the most successful in resolving issues of excess workload, tight deadlines, and insufficient staff.
2. Describe your engineering program management experience including tracking and overseeing projects and budgets and managing the work of both in-house staff and outside consultants.

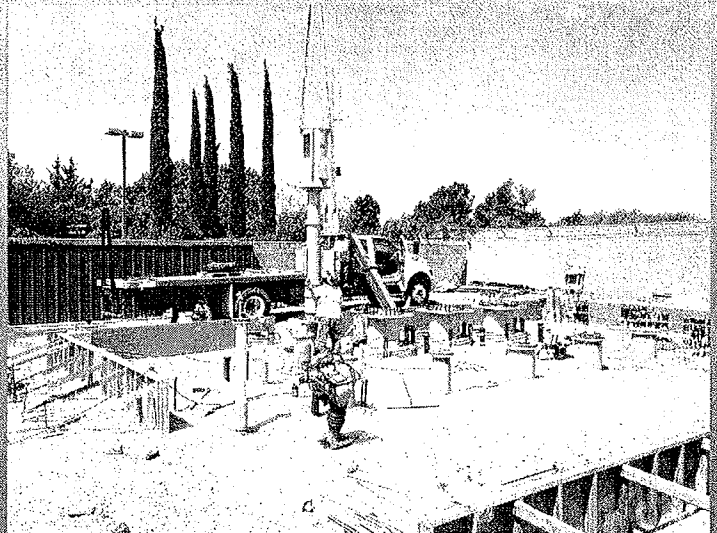


EXHIBIT 3

Sacramento Suburban Water District Classification Specification

Job Class: Engineering Special Projects Manager
FLSA Status: Exempt
Supervisor: Assistant General Manager
Effective Date: February 2016

Definition/ Distinguishing Characteristics

Under general/administrative direction, this management level position plans, organizes, manages, directs and supervises the implementation of the District's Capital Improvement Program (CIP), including projects involving supply, transmission, storage and distribution components of the water system; and other engineering activities associated with water system planning, design, permitting, construction and inspection.

Examples of Duties

The following duties are typical for this position. Depending upon the assignment, the employee may not perform all of the listed duties and/or may be required to perform additional or different duties from those set forth below to address business needs and changing business practices. Management retains the right to add, remove, or change duties at any time.

- Manages and coordinates implementation of the District's CIP and other engineering activities.
- Coordinates the work of professional and technical engineering staff, other department staff and consultants.
- Provides general guidance on the development of bids, contracts and other matters related to the District's CIP and water system design; oversees bidding processes and makes recommendations to the Engineering Director, Assistant General Manager and General Manager on the award of contracts and approval of plans and specifications developed by consultants.
- Assists in preparing the department budget for major construction projects and facility development.
- Represents the District regarding CIP projects in meetings, presentations and discussions with the Board of Directors, public, contractors and other organizations.
- Participates in the development of CIP and master plans.
- Responds to emergency situations, difficult customer inquiries and complaints.
- Prepares and/or reviews designs, reports, plans, specifications and technical standards.
- Coordinates activities during construction, including conducting inspections, reviewing inspection reports and change orders, participating in final walk-through, reviewing punch lists prepared by inspectors, overseeing final acceptance and turnover of facility to the District, and insuring as-built drawing preparation.
- Coordinates land and right-of-way/easement acquisition.

Mental and Physical Requirements

The conditions herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

- Travels occasionally by airplane and frequently by automobile in conducting District business.
- Communicates frequently with District management staff, co-workers and the public in one-to-one and group settings.
- Regularly uses a telephone for communication.
- Regularly uses office equipment such as computers, copiers and fax machines.
- Occasionally walks in uneven terrain, in an outdoor environment, making inspections of District facilities and construction projects.
- Sits for extended time periods.
- Hearing and vision within normal ranges with or without correction.

Qualifications

Knowledge of:

- Rules, regulations and codes applicable to District planning, design and construction functions.
- District policies, rules, regulations and procedures.
- Work safety standards and requirements.
- Principles of budget development and expenditure control.
- A thorough knowledge of urban water agency statutes, codes, and regulations with an emphasis on water quality issues.
- Materials, tools, equipment, methods, and techniques used in the planning, design and construction of water development, distribution and hydraulic projects and facilities.
- Computers and software programs involving designs, calculations, technical drawings and hydraulics.
- Common office computer software and database programs, including the Microsoft Suite of Programs (Word, Excel, Outlook, Access and PowerPoint) and Crystal Reports.
- Current practices and sources of information relative to water industry engineering, research projects, operations and maintenance.
- Fundamentals of water system hydraulics, electrical theory and electronics.
- Contract development, administration and construction management of public works projects.
- Permitting and environmental aspects of public works projects.

Ability To:

- Read, understand and interpret documents, including engineering studies and reports, construction plans and specifications, operating and maintenance procedure manuals, and engineering drawings associated with civil construction projects.
- Effectively review plans and specifications, blueprints and diagrams to verify completeness, accuracy and constructability.
- Effectively represent District CIP projects in meetings, presentations and discussions with the Board of Directors, public, contractors and other organizations.

- Make sound decisions regarding design, construction, cost analyses, management and coordination of significant sized water projects; handle negotiations with consultants and contractors.
- Detect flaws in design, construction methods and materials to insure compliance with contract plans and specifications, permits, codes, regulations and laws.
- Develop recommendations and implications of different alternatives to resolving problems; interpret laws, legislative ordinances, administrative policies and procedures.
- Prepare concise and comprehensive reports, internal memoranda, letters, agreements and responses to contractor claims, and maintain detailed records related to capital projects.
- Use computer systems and software packages related to hydraulic analysis, design, computer-aided drafting (CAD), construction analysis and specifications.
- Establish and maintain cooperative working relationships with coworkers, outside agencies, vendors, consultants/contractors, local community groups, public officials and the general public.
- Operate a computer for word processing, database, spreadsheet and presentation applications, and department specific software.
- Communicate effectively both orally and in writing.
- Initiate and maintain effective safety practices that relate to the nature of the work.
- Pass pre-employment physical, drug and alcohol examination, and background check.

Education, Experience, Licenses and Certifications:

Required:

- A Bachelor's Degree in Civil Engineering from an accredited college or university.
- A valid and current Certificate of Registration as a Civil Engineer issued by the State of California.
- Valid California Driver's License issued by the California Department of Motor Vehicles.
- Proof of good driving record as evidenced by freedom from multiple or serious traffic violations or accidents for at least two (2) years duration. The driving record will not contribute to an increase in the District's automobile rates. Individuals who do not meet this requirement due to a physical disability will be considered for accommodation on a case-by-case basis.
- Five (5) years of progressively responsible technical and administrative experience in the design, construction, operation and maintenance of a modern urban water system, including two (2) years in a management, supervisory or lead capacity.

Desirable:

Any combination of education and experience which would likely provide the necessary knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

- Broad and extensive work experience in an engineering or related management position which included responsibility for the formulation and implementation of programs, budgets and administrative operations is highly desirable.

- Additional technical and administrative experience in the design, construction, operation and maintenance of a modern urban water system is highly desirable.
- Additional experience in a management and/or supervisory position is highly desirable.



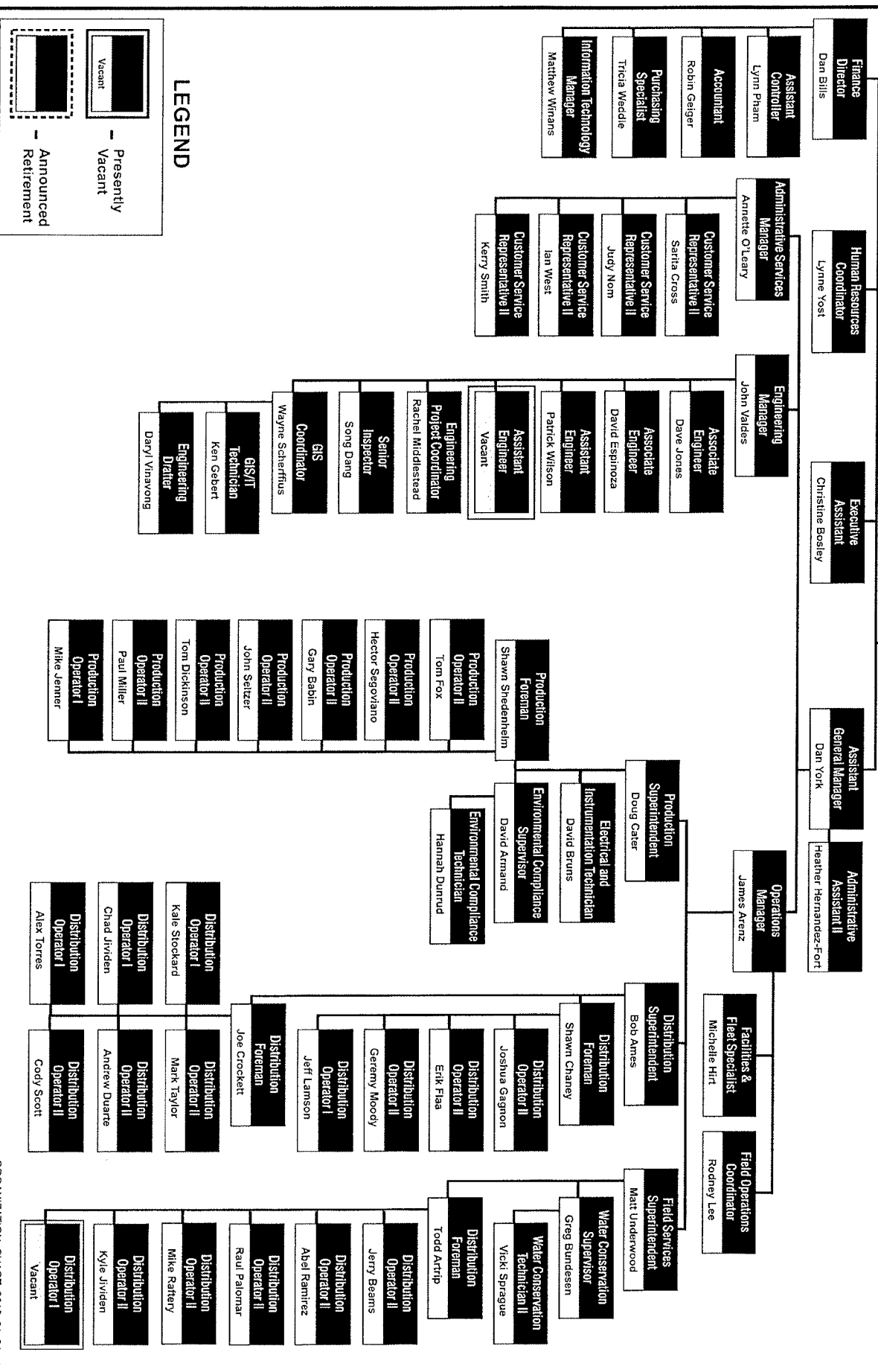
Organization Chart

BOARD OF DIRECTORS

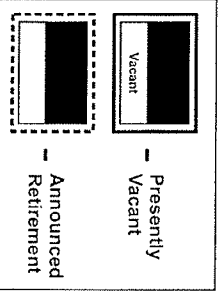


EXHIBIT 4

Date: 01/01/2016



LEGEND





Organization Chart

BOARD OF DIRECTORS



EXHIBIT 5

Date: 02/08/2016

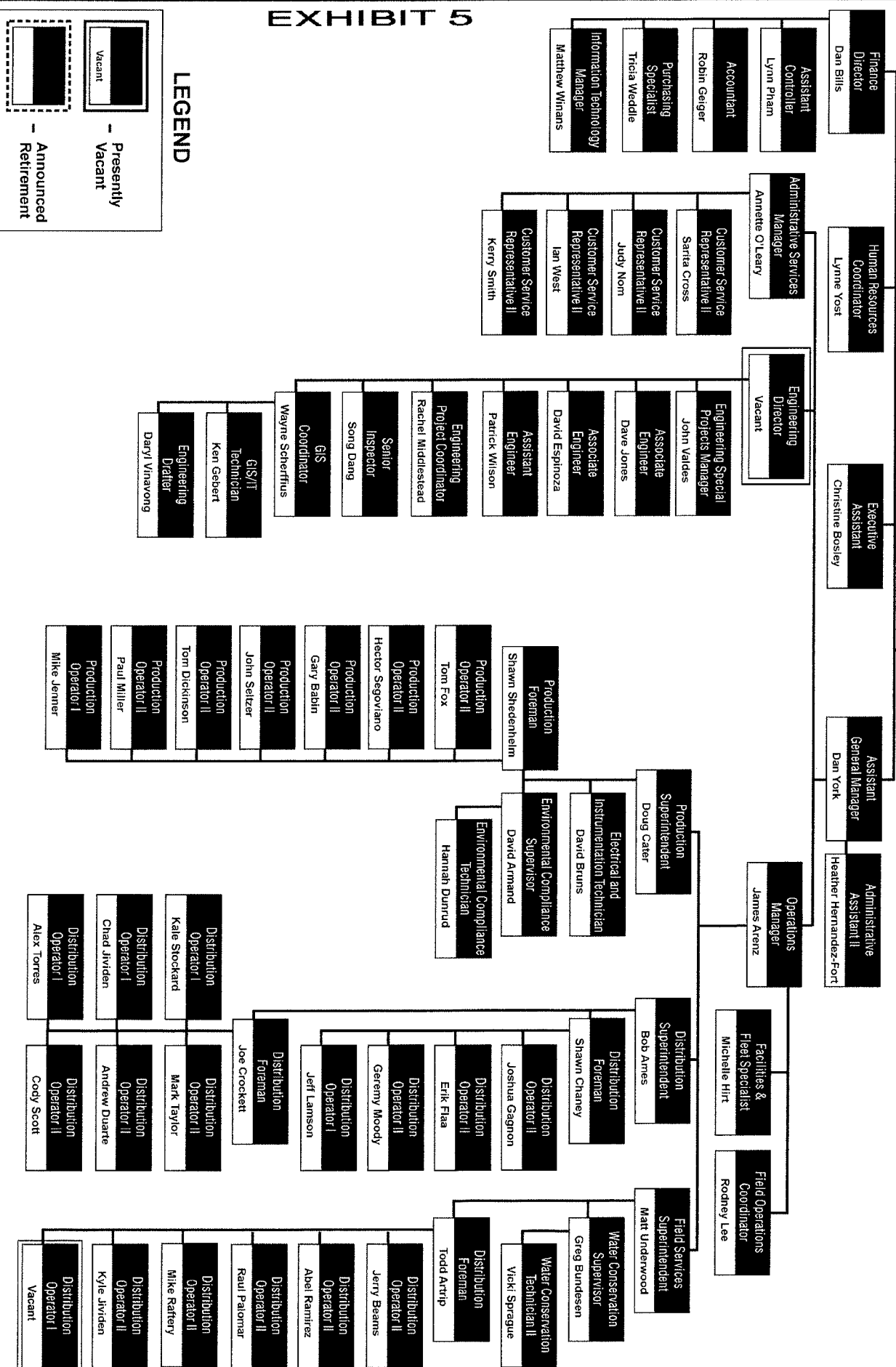
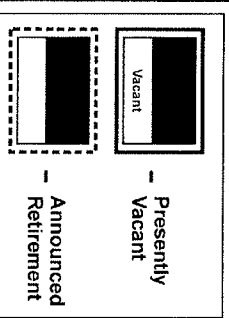


EXHIBIT 5

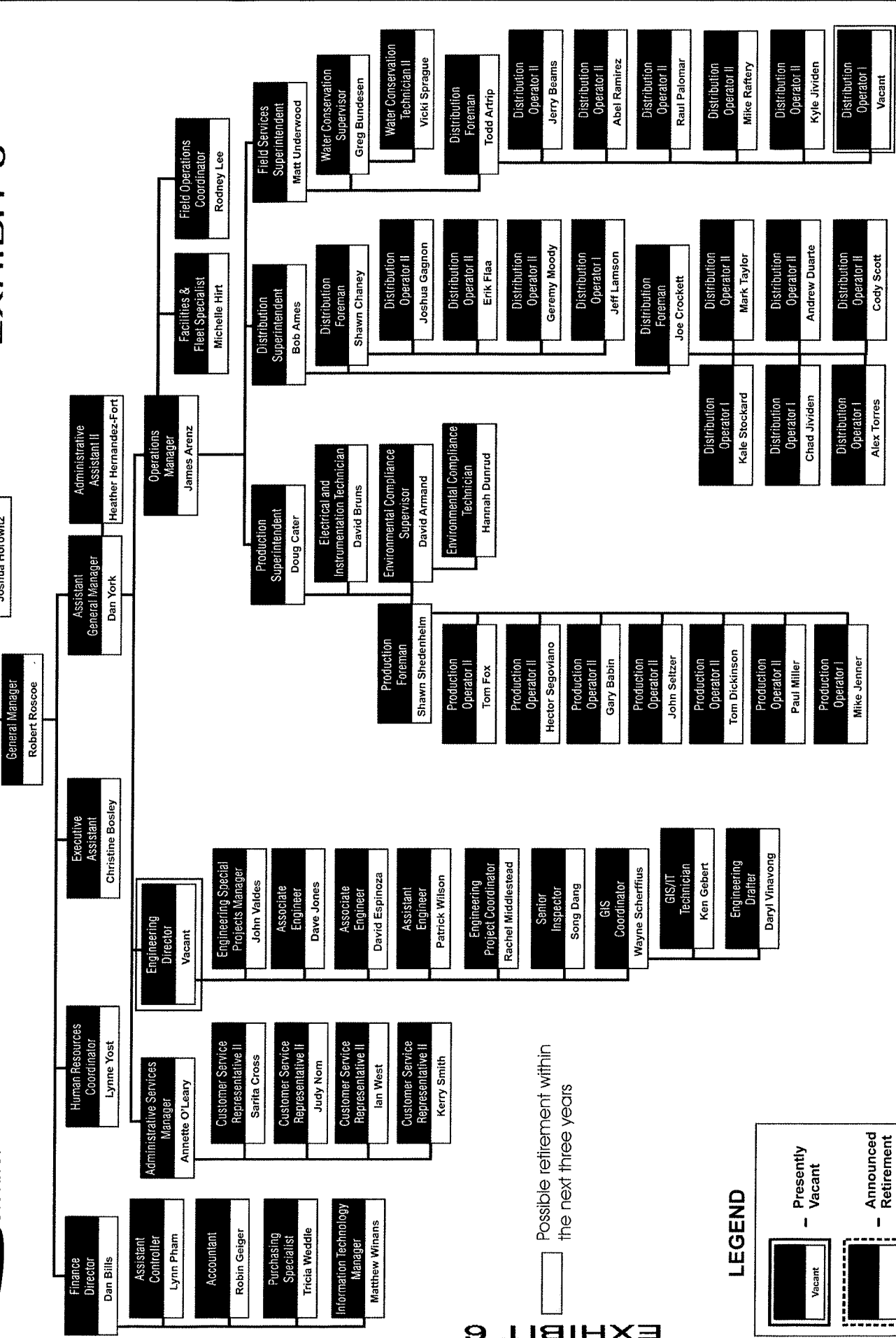


Organization Chart

BOARD OF DIRECTORS

EXHIBIT 6

Date: 02/08/2016



Possible retirement within the next three years

LEGEND

